

**THOMAS JEFFERSON PLANNING  
DISTRICT COMMISSION  
CHARLOTTESVILLE, VIRGINIA**

**BASIC FINANCIAL STATEMENTS  
JUNE 30, 2009**

Preliminary  
DRAFT  
Subject to Change

# THOMAS JEFFERSON PLANNING DISTRICT COMMISSION

## OFFICERS

Carl Schmitt, Chairperson  
Charles W. Allbaugh, Vice Chairperson  
Jason Pearson, Treasurer

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### CITY OF CHARLOTTESVILLE

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### LOUISA COUNTY

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## CONTENTS

	PAGE
Management's discussion and analysis .....	1
Report of independent auditors on financial statements and supplementary schedules (including schedule of expenditures of federal awards) .....	6
Financial statements:	
Statement of net assets .....	8
Statement of activities .....	9
Statement of net assets - proprietary funds .....	10
Statement of revenue, expenses, and changes in net assets - proprietary funds .....	11
Statement of cash flows - proprietary funds .....	12
Balance sheet - governmental funds .....	13
Statement of revenue, expenditures, and changes in fund balances - governmental funds .....	14
Reconciliation of the statement of revenue, expenditures, and changes in fund balances of governmental funds to the statement of activities .....	15

# THOMAS JEFFERSON PLANNING DISTRICT COMMISSION

## CONTENTS--(Cont'd)

### Financial Statements:--(Cont'd)

Reconciliation of the governmental funds balance sheet to the government-wide statement of net assets.....	16
Notes to financial statements .....	17
Required supplementary information:	
Budgetary comparison schedule - governmental funds .....	31
Schedule of expenditures - general fund.....	32
Other supplementary information:	
Schedule of indirect costs.....	33
Compliance matters:	
Report of independent auditors on compliance and internal control over financial reporting based on an audit of financial statements performed in accordance with <i>Government Auditing Standards</i> .....	34
Report of independent auditors on compliance with requirements applicable to each major program and on internal control over compliance in accordance with OMB Circular A-133...	36
Schedule of findings and questioned costs.....	38
Schedule of expenditures of federal awards.....	39
Notes to schedule of expenditures of federal awards.....	40

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# THOMAS JEFFERSON PLANNING DISTRICT COMMISSION

## MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE YEAR ENDED JUNE 30, 2009

\*DATE\*

STEVE WILLIAMS, EXECUTIVE DIRECTOR

Management's discussion and analysis (MD&A) is a required element of the reporting model adopted by the Governmental Accounting Standards Board (GASB) in their Statement No. 34, *Basic Financial Statements - and Management's Discussion and Analysis - for State and Local Governments*. Its purpose is to provide an overview of the financial activities of the Thomas Jefferson Planning District Commission based on currently known facts, decisions, and/or conditions.

### USING THIS REPORT AND FINANCIAL STATEMENTS

The annual report consists of the management's discussion and analysis, financial statements on government-wide and fund basis, supplemental schedules, compliance reports, and the schedule of expenditures of federal awards. The government-wide financial statements present financial information for all activities of the Thomas Jefferson Planning District Commission. The fund basis financial statements concentrate on separate sets of self-balancing accounts.

### FINANCIAL HIGHLIGHTS

#### *The General Fund*

The General Fund is the general operating fund of the Commission. It is used to account for all financial resources with the exception of those required to be accounted for in another fund. These consist primarily of local funds and the state allocation to PDCs.

The following is a summary of the General Fund's revenue and expenditures for the years ended June 30, 2009 and 2008:

**TABLE 1 - GENERAL FUND REVENUE AND EXPENDITURES**

	FY 2009	FY 2008	CHANGE FROM FY 2008
Revenue .....	\$289,432	\$328,655	(\$ 39,223)
Expenditures .....	<u>300,888</u>	<u>262,167</u>	<u>38,721</u>
Excess revenue over expenses .....	( 11,456)	66,488	( 77,944)
Other financing sources - transfer out .....	( <u>8,558</u> )	( <u>10,286</u> )	<u>1,728</u>
Net change in fund balance.....	( 20,014)	56,202	(\$ <u>76,216</u> )
Fund balance, beginning.....	<u>*648,235</u>	<u>591,798</u>	
Fund balance, ending.....	<u>\$628,221</u>	<u>*\$648,000</u>	

\* The ending fund balance for FY08 erroneously omitted the \$235 of restricted assets. This was corrected in the beginning fund balance for FY2009, which includes the Unrestricted General Fund and the Restricted Special Revenue Fund from FY08.

# THOMAS JEFFERSON PLANNING DISTRICT COMMISSION

## MANAGEMENT'S DISCUSSION AND ANALYSIS--(Cont'd) FOR THE YEAR ENDED JUNE 30, 2009

### FINANCIAL HIGHLIGHTS--(Cont'd)

#### *The General Fund--(Cont'd)*

During the year ended June 30, 2009, revenues decreased by 12% from the prior fiscal year. During the year ended June 30, 2009, the General Fund recorded a net fund balance decrease of \$20,014. This figure includes a transfer of \$8,558 to the Mapping Center, a \$4,900 reduction in interest revenue received from the FY08 figure, \$5,256 less from locally funded projects than the previous year, and \$1,300 reduction in state revenue for PDCs from the Department of Housing and Community Development (DHCD).

#### *Special Revenue Funds*

The Special Revenue Funds are used to account for the proceeds of specific revenue sources that are legally restricted to expenses for specified purposes. Special Revenue Funds income accounts for the vast majority of funds coming to the TJPDC, with major programs in transportation and housing. During the fiscal year ended June 30, 2009, Special Revenue Funds income amounted to approximately \$2.3 million, which is approximately \$0.8 million less than year ended June 30, 2008. Revenues for transportation remained about the same, workforce was transferred to another agency, and housing decreased during the year ended June 30, 2009. The decrease in housing was from a decrease in pass-through revenue and loss of HMIS grant in November 2008.

#### *Internal Service Funds*

The Internal Service Fund (Mapping Center) is used to account for the financing of goods and services provided to external customers and by one department to other departments within the Commission. During the year ended June 30, 2009, the Fund recorded total revenues of \$50 and total expenses of \$8,608, resulting in a total net loss of \$8,558. For FY 2009, the local contribution of \$10,454 was discontinued from prior years. All mapping equipment has been fully depreciated. The General Fund absorbed the total net loss (see page 11).

### YEAR-END ANALYSIS OF THE COMMISSION

A summary of the Commission's Statement of Net Assets (see page 8 for June 30, 2009 detail) is presented on the following page:

# THOMAS JEFFERSON PLANNING DISTRICT COMMISSION

## MANAGEMENT'S DISCUSSION AND ANALYSIS--(Cont'd) FOR THE YEAR ENDED JUNE 30, 2009

### YEAR-END ANALYSIS OF THE COMMISSION--(Cont'd)

TABLE 2 - STATEMENT OF NET ASSETS

	FY 2009	FY 2008	CHANGE FROM FY 2008
Current and other assets.....	\$1,080,906	\$1,016,313	\$ 64,593
Capital assets, net.....	<u>20,589</u>	<u>32,065</u>	( <u>11,476</u> )
Total assets.....	<u>\$1,101,495</u>	<u>\$1,048,378</u>	<u>\$ 53,117</u>
Long-term debt.....	\$ 9,998	\$ .....	\$ 9,998
Other liabilities.....	<u>442,687</u>	<u>368,078</u>	<u>74,609</u>
Total liabilities.....	<u>452,685</u>	<u>368,078</u>	<u>84,607</u>
Net investment in fixed assets.....	20,589	32,065	( 11,476)
Restricted net assets.....			
Unrestricted undesignated net assets.....	<u>628,221</u>	<u>648,235</u>	( <u>20,014</u> )
Total net assets.....	<u>648,810</u>	<u>680,300</u>	( <u>31,490</u> )
Total liabilities and net assets.....	<u>\$1,101,495</u>	<u>\$1,048,378</u>	<u>\$ 53,117</u>

Table 2 shows that total liabilities and net assets increased by \$53,117 during the fiscal year ended June 30, 2009. The change was due mainly to an overall increase in payables, repaid shortly after fiscal year-end, positive results of operations, and a decrease in net property and equipment due to depreciation.

A summary of the Commission's Statement of Activities is presented below (see pages 9 and 14 for June 30, 2009 detail):

# THOMAS JEFFERSON PLANNING DISTRICT COMMISSION

## MANAGEMENT'S DISCUSSION AND ANALYSIS--(Cont'd) FOR THE YEAR ENDED JUNE 30, 2009

### YEAR-END ANALYSIS OF THE COMMISSION--(Cont'd)

TABLE 3 - STATEMENT OF ACTIVITIES

	FY 2009	FY 2008	CHANGE FROM FY 2008
Federal grant revenues.....	\$1,584,202	\$2,379,422	(\$ 795,220)
Non-federal grant revenues.....	<u>999,884</u>	<u>1,121,862</u>	( <u>121,978</u> )
Total revenues.....	<u>2,584,086</u>	<u>3,501,284</u>	( <u>917,198</u> )
Current operating expenses.....	1,513,040	1,710,981	( 197,941)
Pass-through funds.....	<u>1,082,502</u>	<u>1,723,815</u>	( <u>641,313</u> )
Total expenses.....	<u>2,595,542</u>	<u>3,434,796</u>	( <u>839,254</u> )
Excess of revenue over expenditures ...	( 11,456)	66,488	( 77,944)
Capital outlays and depreciation, net ...	( 11,476)	( 12,031)	555
Transfers to Mapping Center .....	( <u>8,558</u> )	( <u>10,286</u> )	<u>1,728</u>
Change in net assets of government activities.....	<u>(\$ 31,490)</u>	<u>\$ 44,171</u>	<u>(\$ 75,661)</u>

During the year ended June 30, 2009, the Commission's net assets decreased by \$31,490, which consists of the total of (\$11,456) shown in Table 3, less \$8,558 transferred to cover a loss in the Mapping Center and \$11,476 in capital outlays and depreciation, net.

### ORIGINAL BUDGET VS FINAL BUDGET

The Commission approved the per capita rate of \$0.60 and the population basis at their November 1, 2007 meeting. This established the basis for the locality budget requests submitted in November and December 2007. The Commission adopted the operating budget at the May 1, 2008 Commission meeting and a revised budget on November 6, 2008. The final budget reflected the actual funded amounts approved by the localities. The total funded amount was less than the requested amount for FY 2009. The revised budget adopted in November was the budget entered into Great Plains and used for the budget versus actual analysis for all financial reports to the Commission for FY09.

# THOMAS JEFFERSON PLANNING DISTRICT COMMISSION

## MANAGEMENT'S DISCUSSION AND ANALYSIS--(Cont'd) FOR THE YEAR ENDED JUNE 30, 2009

### FINAL BUDGET VS ACTUAL RESULTS

A summary of the Commission's Final Budget (see page 31 for detail) is presented below:

**TABLE 5 - BUDGET TO ACTUAL**

	BUDGET	ACTUAL	% OF BUDGET
<b>REVENUES (INFLOWS)</b>			
Federal grants .....	\$1,622,501	\$1,584,202	97.64%
State grants .....	384,453	446,310	116.09%
Local per capita .....	125,323	125,324	100.00%
Other local funds .....	585,009	420,684	71.91%
Miscellaneous sources .....	<u>10,000</u>	<u>7,616</u>	76.16%
	<u>\$2,727,286</u>	<u>\$2,584,136</u>	94.75%
<b>EXPENSES (OUTFLOWS)</b>			
Operating expenses.....	\$1,822,891	\$1,521,648	83.47%
Pass through expenses .....	892,579	1,082,502	122.47%
Capital outlay and debt service.....	<u>.....</u>	<u>.....</u>	0.00%
	<u>\$2,715,470</u>	<u>\$2,604,150</u>	95.90%

FY09 total revenues for the Thomas Jefferson Planning District Commission were less than the projected revenues for the fiscal year. A local program was delayed. Pass-through funds for the HOME program exceeded the budget due to drawing down remaining funds from prior years. The overall pass-through amount exceeded the budget, but was offset by matching revenues.

**REPORT OF INDEPENDENT AUDITORS ON FINANCIAL STATEMENTS  
AND SUPPLEMENTARY SCHEDULES  
(INCLUDING SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS)**

To the Commissioners  
Thomas Jefferson Planning District Commission  
Charlottesville, Virginia

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the THOMAS JEFFERSON PLANNING DISTRICT COMMISSION as of and for the year ended June 30, 2009, which collectively comprise the Commission's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the Commission's management. Our responsibility is to express opinions on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinions.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, business-type activities, each major fund, and the aggregate remaining fund information of the THOMAS JEFFERSON PLANNING DISTRICT COMMISSION as of June 30, 2009 and the respective changes in financial position and cash flows, where applicable, thereof for the year ended June 30, 2009 in conformity with accounting principles generally accepted in the United States of America.

To the Commissioners  
Thomas Jefferson Planning District Commission

**REPORT OF INDEPENDENT AUDITORS ON FINANCIAL STATEMENTS  
AND SUPPLEMENTARY SCHEDULES  
(INCLUDING SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS)--(Cont'd)**

In accordance with *Government Auditing Standards*, we have also issued our report dated \*Report Issue Date\* on our consideration of the Commission's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in conjunction with this report in considering the results of our audit.

The management's discussion and analysis and budgetary comparison information on pages 1 through 5 and 31 are not a required part of the basic financial statements but are supplementary information required by accounting principles generally accepted in the United States of America. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the THOMAS JEFFERSON PLANNING DISTRICT COMMISSION's basic financial statements. The accompanying schedules of expenditures of federal awards and indirect costs are presented for purposes of additional analysis as required by the U. S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and are also not a required part of the basic financial statements of the THOMAS JEFFERSON PLANNING DISTRICT COMMISSION. The schedule of expenditures of federal awards has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated in all material respects when considered in relation to the basic financial statements taken as a whole. The schedule of indirect costs has not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we express no opinion on it.

/S/ Hantzmon Wiebel LLP

Charlottesville, Virginia  
\*Report Date\*

**FINANCIAL STATEMENTS**

Preliminary  
DRAFT  
Subject to Change

# THOMAS JEFFERSON PLANNING DISTRICT COMMISSION

## STATEMENT OF NET ASSETS JUNE 30, 2009

### ASSETS

	<b>GOVERNMENTAL ACTIVITIES</b>
Cash in bank .....	\$ 372,920
Accounts receivable - federal .....	212,368
Accounts receivable - non-federal .....	176,193
Due from other funds .....	296,631
Other assets - net of amortization .....	22,627
Property and equipment - net of depreciation .....	<u>20,756</u>
 Total assets .....	 <u><u>\$1,101,495</u></u>

### LIABILITIES AND NET ASSETS

#### LIABILITIES

Accounts payable .....	\$ 81,484
Accrued annual leave .....	37,297
Due to other funds .....	296,631
Deferred revenue .....	22,888
Capital lease obligation .....	<u>14,386</u>
 Total liabilities .....	 <u>452,686</u>

#### NET ASSETS

Invested in capital assets, net of related debt .....	20,589
Restricted for:	
Special revenue funds .....	....
Unrestricted:	
General .....	<u>628,220</u>
 Total net assets .....	 <u>648,809</u>
 Total liabilities and net assets .....	 <u><u>\$1,101,495</u></u>

(The accompanying notes are an integral part of these financial statements)

THOMAS JEFFERSON PLANNING DISTRICT COMMISSION

STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED JUNE 30, 2009

FUNCTIONS/PROGRAMS	EXPENSES	INDIRECT EXPENSE ALLOCATION	PROGRAM REVENUES			NET (EXPENSE) REVENUE AND CHANGES IN NET ASSETS PRIMARY GOVERNMENT GOVERNMENTAL ACTIVITIES
			CHARGES FOR SERVICES	OPERATING GRANTS AND CONTRIBUTIONS	CAPITAL GRANTS AND CONTRIBUTIONS	
<b>PRIMARY GOVERNMENT</b>						
Governmental activities:						
Passed-through to other agencies .....	\$ 1,062,220	\$ 20,282	\$ .....	\$ 1,082,502	\$ .....	\$ .....
Mapping .....	6,376	2,232	.....	50	.....	( 8,558)
	<u>1,068,596</u>	<u>22,514</u>	.....	<u>1,082,552</u>	.....	<u>( 8,558)</u>
Programs administration:						
Office .....	575,553	( 263,238)	.....	.....	.....	( 312,315)
Department of Transportation .....	529,065	119,835	.....	648,900	.....	.....
Department of Housing and Urban Development .....	101,807	7,058	.....	108,865	.....	.....
Department of Labor .....	1,500	.....	.....	1,500	.....	.....
Department of Agriculture .....	7,115	3,719	.....	10,834	.....	.....
Department of Conservation and Recreation .....	8,496	4,446	.....	12,942	.....	.....
Virginia Department of Rehabilitative Services .....	136,923	29,508	.....	166,431	.....	.....
Virginia Department of Rail and Public Transportation .....	119,410	46,537	.....	165,947	.....	.....
Virginia Department of Social Services .....	7,325	2,731	.....	10,056	.....	.....
Legislative Liaison .....	59,834	26,890	.....	86,724	.....	.....
	<u>1,547,028</u>	<u>( 22,514)</u>	.....	<u>1,212,199</u>	.....	<u>( 312,315)</u>
Total Governmental activities .....	<u>\$ 2,615,624</u>	<u>\$ .....</u>	<u>\$ .....</u>	<u>\$ 2,294,751</u>	<u>\$ .....</u>	<u>( 320,873)</u>
General revenues:						
Grants and contributions .....						281,766
Interest and investment earnings .....						7,616
Total general revenues .....						289,382
Changes in net assets .....						( 31,491)
Net assets, beginning .....						680,300
Net assets, ending .....						<u>\$ 648,809</u>

(The accompanying notes are an integral part of these financial statements)

**THOMAS JEFFERSON PLANNING DISTRICT COMMISSION**

**STATEMENT OF NET ASSETS -  
 PROPRIETARY FUNDS  
 JUNE 30, 2009**

**GOVERNMENTAL  
 ACTIVITIES  
 INTERNAL  
 SERVICE FUND  
 MAPPING CENTER**

**ASSETS**

Capital assets:

Property and equipment - net of depreciation .....	\$ ....
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Total assets .....	\$ ....
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**NET ASSETS**

Unrestricted:

Invested in capital assets, net of related debt .....	\$ ....
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General .....	....
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Total net assets .....	\$ ....
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Preliminary  
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 Subject to Change

(The accompanying notes are an integral part of these financial statements)

**THOMAS JEFFERSON PLANNING DISTRICT COMMISSION**

**STATEMENT OF REVENUE, EXPENSES, AND CHANGES  
IN NET ASSETS - PROPRIETARY FUNDS  
FOR THE YEAR ENDED JUNE 30, 2009**

	<b>GOVERNMENTAL ACTIVITIES INTERNAL SERVICE FUND MAPPING CENTER</b>
<b>OPERATING REVENUE</b>	
Charges for services .....	\$ 50
Total operating revenue .....	<u>50</u>
<b>OPERATING EXPENSES</b>	
Salaries .....	3,218
Employee benefits .....	993
Equipment use .....	1,980
Copy machine use .....	112
Training .....	73
Telephone .....	....
Overhead allocation .....	<u>2,232</u>
Total operating expenses .....	<u>8,608</u>
<b>OPERATING LOSS BEFORE TRANSFERS</b> .....	( 8,558)
<b>OTHER FINANCING SOURCES</b>	
Transfer from operating .....	<u>8,558</u>
<b>NET LOSS</b> .....	....
<b>NET ASSETS AT BEGINNING OF YEAR</b> .....	<u>....</u>
<b>NET ASSETS AT END OF YEAR</b> .....	<u><u>\$ ....</u></u>

(The accompanying notes are an integral part of these financial statements)

**THOMAS JEFFERSON PLANNING DISTRICT COMMISSION**

**STATEMENT OF CASH FLOWS - PROPRIETARY FUNDS  
FOR THE YEAR ENDED JUNE 30, 2009**

	<b>GOVERNMENTAL ACTIVITIES INTERNAL SERVICE FUND MAPPING CENTER</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>	
Cash received from interfund services provided .....	\$ 50
Cash payments for salaries and office expenses .....	<u>( 8,608)</u>
Net cash used in operating activities .....	<u>( 8,558)</u>
<b>CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES</b> .....	<u>8,558</u>
<b>NET INCREASE IN CASH AND CASH EQUIVALENTS</b> .....	....
<b>CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR</b> .....	<u>....</u>
<b>CASH AND CASH EQUIVALENTS, END OF YEAR</b> .....	<u><u>\$ ....</u></u>
<b>RECONCILIATION OF OPERATING LOSS TO NET CASH USED IN OPERATING ACTIVITIES</b>	
Operating loss .....	(\$ 8,558)
Adjustments to reconcile operating loss to net cash used in operating activities:	
Depreciation .....	<u>....</u>
Net cash used in operating activities .....	<u><u>(\$ 8,558)</u></u>

(The accompanying notes are an integral part of these financial statements)

# THOMAS JEFFERSON PLANNING DISTRICT COMMISSION

## BALANCE SHEET - GOVERNMENTAL FUNDS JUNE 30, 2009

### ASSETS

	DEPARTMENT OF GENERAL FUND	DEPARTMENT OF TRANSPORTATION DEVELOPMENT	DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT	OTHER GOVERNMENTAL FUNDS	TOTAL GOVERNMENTAL FUNDS
Cash in bank .....	\$ 372,920	\$ ....	\$ ....	\$ ....	\$ 372,920
Accounts receivable - federal .....	....	104,451	38,793	69,124	212,368
Accounts receivable - non-federal .....	18,692	141,102	....	16,399	176,193
Due from other funds .....	296,631	....	....	....	296,631
Other assets .....	22,794	....	....	....	22,794
<b>Total assets .....</b>	<b>\$ 711,037</b>	<b>\$ 245,553</b>	<b>\$ 38,793</b>	<b>\$ 85,523</b>	<b>\$ 1,080,906</b>

### LIABILITIES AND FUND BALANCES

Accounts payable and accrued expenses .....	\$ 68,397	\$ 17,288	\$ 21,331	\$ 26,151	\$ 133,167
Due to other funds .....	....	224,463	17,462	54,706	296,631
Deferred revenue .....	14,420	3,802	....	4,666	22,888
<b>Total liabilities .....</b>	<b>82,817</b>	<b>245,553</b>	<b>38,793</b>	<b>85,523</b>	<b>452,686</b>
<b>FUND BALANCES</b>					
Reserved for:					
Special revenue funds .....	....	....	....	....	....
Unreserved:					
General .....	628,220	....	....	....	628,220
<b>Total fund balances .....</b>	<b>628,220</b>	<b>....</b>	<b>....</b>	<b>....</b>	<b>628,220</b>
<b>Total liabilities and fund balances .....</b>	<b>\$ 711,037</b>	<b>\$ 245,553</b>	<b>\$ 38,793</b>	<b>\$ 85,523</b>	<b>\$ 1,080,906</b>

(The accompanying notes are an integral part of these financial statements)

**THOMAS JEFFERSON PLANNING DISTRICT COMMISSION**

**STATEMENT OF REVENUE, EXPENDITURES, AND CHANGES IN FUND BALANCES -  
GOVERNMENTAL FUNDS  
FOR THE YEAR ENDED JUNE 30, 2009**

	GENERAL FUND	DEPARTMENT OF TRANSPORTATION	DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT	OTHER GOVERNMENTAL FUNDS	TOTAL GOVERNMENTAL FUNDS
<b>REVENUE</b>					
Federal grants:					
Commission .....	\$ .....	\$ 260,578	\$ 95,535	\$ 153,189	\$ 509,302
Pass-through .....	.....	20,918	1,053,982	.....	1,074,900
Non-federal revenue:					
State grants:					
Commission .....	84,217	216,691	.....	145,402	446,310
Other:					
Localities .....	197,599	171,630	13,332	163,447	546,008
Revenue from use of money .....	7,616	.....	.....	.....	7,616
Total revenue .....	<u>289,432</u>	<u>669,817</u>	<u>1,162,849</u>	<u>462,038</u>	<u>2,584,136</u>
<b>EXPENDITURES</b>					
Current operating:					
Administrative .....	299,840	.....	.....	.....	299,840
Department of Transportation .....	.....	669,817	.....	.....	669,817
Department of Housing and Urban Development .....	.....	.....	1,162,849	.....	1,162,849
Department of Labor .....	.....	.....	.....	9,102	9,102
Department of Agriculture .....	.....	.....	.....	10,834	10,834
Department of Conservation and Recreation .....	.....	.....	.....	12,944	12,944
Virginia Department of Rehabilitative Services .....	.....	.....	.....	166,431	166,431
Virginia Department of Rail and Public Transportation .....	.....	.....	.....	165,947	165,947
Virginia Department of Social Services .....	.....	.....	.....	10,056	10,056
Legislative Liaison .....	.....	.....	.....	86,724	86,724
Debt service:					
Principal .....	669	.....	.....	.....	669
Interest .....	379	.....	.....	.....	379
Total expenditures .....	<u>300,888</u>	<u>669,817</u>	<u>1,162,849</u>	<u>462,038</u>	<u>2,595,592</u>
<b>EXCESS OF REVENUE OVER EXPENDITURES</b> .....	<u>( 11,456)</u>	.....	.....	.....	<u>( 11,456)</u>
<b>OTHER FINANCING USES</b>					
Transfer out .....	<u>( 8,558)</u>	.....	.....	.....	<u>( 8,558)</u>
<b>NET CHANGE IN FUND BALANCE</b> .....	<u>( 20,014)</u>	.....	.....	.....	<u>( 20,014)</u>
<b>FUND BALANCE, JULY 1, 2008</b> .....	648,234	.....	.....	.....	648,234
<b>FUND BALANCE, JUNE 30, 2009</b> .....	<u>\$ 628,220</u>	<u>\$ .....</u>	<u>\$ .....</u>	<u>\$ .....</u>	<u>\$ 628,220</u>

(The accompanying notes are an integral part of these financial statements)

**THOMAS JEFFERSON PLANNING DISTRICT COMMISSION**

**RECONCILIATION OF THE STATEMENT OF REVENUE, EXPENDITURES,  
AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS  
TO THE STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED JUNE 30, 2009**

**NET CHANGE IN FUND BALANCES - TOTAL GOVERNMENTAL FUNDS BEFORE TRANSFERS..** (\$ 11,456)

Amounts reported for governmental activities in the Statement of Activities are different because:

Governmental funds report capital outlays as expenditures (\$14,919). However, in the Statement of Activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which depreciation (\$12,010) exceeds debt (\$14,386)..... ( 11,477)

Internal service funds are used by management to charge the costs of certain activities to individual funds. The net expense of the internal service fund is reported with the governmental activities..... ( 8,558)

**CHANGE IN NET ASSETS OF GOVERNMENTAL ACTIVITIES.....** (\$ 31,491)

PRELIMINARY DRAFT  
Subject to Change

(The accompanying notes are an integral part of these financial statements)

**THOMAS JEFFERSON PLANNING DISTRICT COMMISSION**  
**RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET**  
**TO THE GOVERNMENT-WIDE STATEMENT OF NET ASSETS**  
**FOR THE YEAR ENDED JUNE 30, 2009**

TOTAL FUND BALANCES - TOTAL GOVERNMENTAL FUNDS.....	\$628,220
Amounts reported for governmental activities in the Statement of Net Assets are different because:	
Capital assets used in governmental activities are not current financial resources and, therefore, are not reported in the Governmental Funds Balance Sheet.....	<u>20,589</u>
TOTAL NET ASSETS OF GOVERNMENTAL ACTIVITIES.....	<u><u>\$648,809</u></u>

Preliminary  
 DRAFT  
 Subject to Change

(The accompanying notes are an integral part of these financial statements)

# THOMAS JEFFERSON PLANNING DISTRICT COMMISSION

## NOTES TO FINANCIAL STATEMENTS

### SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of Thomas Jefferson Planning District Commission conform to generally accepted accounting principles (GAAP) applicable to government units promulgated by the Governmental Accounting Standards Board (GASB). The following is a summary of the more significant policies:

#### *The Financial Reporting Entity*

As required by generally accepted accounting principles, these financial statements present the Commission and its component units. There are no such component units that are required to be included in the Commission's financial statements.

The Commission has been organized by the governing authorities of the Counties of Albemarle, Fluvanna, Greene, Louisa, and Nelson, and the City of Charlottesville pursuant to the Regional Cooperation Act for the purpose of promoting the orderly and efficient development of the physical, social, and economic elements of Planning District Number Ten by planning, encouraging, and assisting governmental subdivisions to plan for the future.

#### *Basic Financial Statements - Government-Wide Statements*

The Commission's basic financial statements include both government-wide (reporting the Commission as a whole) and fund financial statements (reporting the Commission's major funds). Both the government-wide and fund financial statements categorize primary activities as either governmental or business type. The Commission's general administrative services are classified as governmental activities. The Commission has no business-type activities at this time.

In the government-wide statement of net assets, both the governmental and business-type activities columns (if any) are presented on a consolidated basis by column and are reported on a full accrual, economic resource basis, which recognizes all long-term assets and receivables as well as long-term debt and obligations. The Commission's net assets are reported in three parts - invested in capital assets, net of related debt; restricted net assets; and unrestricted net assets.

The government-wide statement of activities reports both the gross and net cost of each of the Commission's functions. The functions are also supported by general government revenues. The statement of activities reduces gross expenses (including depreciation) by related program revenues and operating and capital grants. Program revenues must be directly associated with the function. Operating grants include operating-specific and discretionary (either operating or capital) grants while the capital grants column reflects capital-specific grants.

The net costs (by function) are normally covered by general revenue (intergovernmental revenues, interest income, etc.).

# THOMAS JEFFERSON PLANNING DISTRICT COMMISSION

## NOTES TO FINANCIAL STATEMENTS--(Cont'd)

### SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES--(Cont'd)

#### *Basic Financial Statements - Government-Wide Statements--(Cont'd)*

The Commission allocates indirect costs using a specific percentage of use method.

This government-wide focus is on the sustainability of the Commission as an entity and the change in the Commission's net assets resulting from the current year's activities.

#### *Basic Financial Statements - Fund Financial Statements*

The financial transactions of the Commission are reported in individual funds in the fund statements. Each fund is accounted for by providing a separate set of self-balancing accounts that comprises its assets, liabilities, reserves, fund equity, revenues, and expenses. The various funds are reported by generic classification within the financial statements.

The following fund types are used by the Commission:

##### **Governmental Funds:**

The focus of the governmental funds' measurement (in the fund statements) is upon determination of financial position and changes in financial position (sources, uses, and balances of financial resources) rather than upon net income. The following is a description of the governmental funds of the Commission:

1. **General fund** is the general operating fund of the Commission. It is used to account for all financial resources except those required to be accounted for in another fund.
2. **Special revenue funds** are used to account for the proceeds of specific revenue sources that are legally restricted to expenses for specified purposes.
3. **Proprietary/Internal Service Funds** are used to account for the financing of goods and services provided by one department to other departments of the Commission on a cost-reimbursement basis and to account for products sold to outside individuals, businesses, and other governmental organizations.

##### **Major and Nonmajor Funds:**

All funds are classified as either major or nonmajor. The following criteria are used when determining the fund types:

1. The General Fund is always classified as major.

# THOMAS JEFFERSON PLANNING DISTRICT COMMISSION

## NOTES TO FINANCIAL STATEMENTS--(Cont'd)

### SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES--(Cont'd)

#### *Basic Financial Statements - Fund Financial Statements--(Cont'd)*

#### **Major and Nonmajor Funds:--(Cont'd)**

2. All other major funds have assets, liabilities, revenues, or expenditures that are at least 10% of the corresponding element total (i.e., assets, liabilities, etc.) for all funds of that category or type (i.e., total governmental or enterprise funds). In addition, the same element that met the 10% criterion is at least 5% of the corresponding element total for all governmental and enterprise funds combined.

The Commission's funds are classified as follows:

FUND	BRIEF DESCRIPTION
<i>Major:</i>	
General	See above for description.
<i>Special Revenue Funds:</i>	
U.S. Department of Transportation	Accounts for revenues and expenses restricted for the purposes of various projects funded by the Department of Transportation.
U. S. Department of Housing and Urban Development	Accounts for revenues and expenses restricted for the purpose of the HOME program.
<i>Nonmajor - Other Governmental Funds:</i>	
<i>Special Revenue Funds:</i>	
Department of Agriculture Special Revenue Funds:	Accounts for revenues and expenses restricted for the purpose of various projects funded by the Department of Agriculture.
Virginia Department of Rehabilitative Services	Accounts for revenues and expenses restricted for the purpose of various projects funded by the Virginia Department of Rehabilitative Services.

# THOMAS JEFFERSON PLANNING DISTRICT COMMISSION

## NOTES TO FINANCIAL STATEMENTS--(Cont'd)

### SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES--(Cont'd)

#### *Basic Financial Statements - Fund Financial Statements--(Cont'd)*

#### Major and Nonmajor Funds--(Cont'd)

FUND	BRIEF DESCRIPTION
<i>Nonmajor - Other Governmental Funds--(Cont'd)</i> Special Revenue Funds:-- (Cont'd)	
Department of Labor	Accounts for revenues and expenses restricted for the purpose of various projects funded by the Department of Labor.
Virginia Department of Rail and Public Transportation	Accounts for revenues and expenses restricted for the purpose of various projects funded by the Virginia Department of Rail and Public Transportation.
Virginia Department of Social Services	Accounts for revenues and expenses restricted for the purpose of various projects funded by the Virginia Department of Social Services.
Department of Conservation and Recreation	Accounts for revenues and expenses restricted for the purpose of various projects funded by the Department of Conservation and Recreation.
Legislative Liaison	See <b>LOCAL LEGISLATIVE LIAISON</b> note.

#### *Basis of Accounting*

Basis of accounting refers to the point at which revenues or expenses are recognized in the accounts and reported in the financial statements. It relates to the timing of the measurements made regardless of the measurement focus applied.

1. **Accrual** - Governmental activities in the government-wide financial statements are presented on the accrual basis of accounting. Revenues are recognized when earned and expenses are recognized when incurred.

# THOMAS JEFFERSON PLANNING DISTRICT COMMISSION

## NOTES TO FINANCIAL STATEMENTS--(Cont'd)

### SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES--(Cont'd)

#### *Basis of Accounting--(Cont'd)*

2. **Modified Accrual** - The governmental funds financial statements are presented on the modified accrual basis of accounting. Under the modified accrual basis of accounting, revenues are recorded when susceptible to accrual; i.e., both measurable and available. "Available" means collectible within the current period or within 60 days after the year-end. Expenses are generally recognized under the modified accrual basis of accounting when the related liability is incurred. The exception to this general rule is that principal and interest on general obligation long-term debt, if any, is recognized when due.

#### *Budget and Budgetary Accounting*

The following procedures are used by the Commission in establishing the budgetary data reflected in the required supplementary information:

1. Prior to December 31, the Executive Director submits to the Commission a proposed budget for the fiscal year commencing the following July 1. The budget includes proposed expenditures and the means of financing them.
2. After the budget is approved by the Commission, it is presented to the local governing bodies within its jurisdiction for approval of appropriations to the Commission.
3. The budget amounts depend on the staff securing grants and contracts throughout the year; therefore, appropriate budget revisions are proposed and approved by the Commission during the year.
4. The approved budget is utilized as a management control device.
5. All budgets are adopted on a basis consistent with generally accepted accounting principles (GAAP).
6. All budget data presented in the accompanying financial statements represents both the original and revised budgets as of June 30.

#### *Use of Estimates*

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

# THOMAS JEFFERSON PLANNING DISTRICT COMMISSION

## NOTES TO FINANCIAL STATEMENTS--(Cont'd)

### SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES--(Cont'd)

#### *Cash and Investments*

##### **Deposits**

Custodial credit risk - Custodial credit risk is the risk that, in the event of a bank failure, the Commission's deposits may not be returned to it. The Commission does not have a deposit policy for custodial credit risk. As of June 30, 2009, the carrying value of the Commission's deposits with banks was \$372,921 and the bank balance was \$379,596. Of the bank balance, \$100,520 was covered by federal depository insurance or collateralized in accordance with the Virginia Security for Public Deposits Act. Under the Virginia Security for Public Deposits Act Section 2.1-359 et seq., banks holding public deposits in excess of the amounts insured by the Federal Deposit Insurance Corporation (FDIC) must pledge collateral in the amount of 50% of excess deposits to a collateral pool in the name of the State Treasury Board. Savings and Loan Institutions are required to collateralize 100% of deposits in excess of FDIC limits. The State Treasury Board is responsible for monitoring compliance with the collateralization and reporting requirements of the Act and for notifying local governments of compliance by banks and savings and loans.

Deposits, categorized by level of risk, are:

	<b>BANK BALANCE</b>	<b>CARRYING AMOUNT</b>
Insured deposits .....	\$100,520	\$100,520
Uninsured deposits:		
Collateralized .....	....	....
Uncollateralized .....	<u>279,076</u>	<u>272,401</u>
Total deposits and investments .....	<u>\$379,596</u>	<u>\$372,921</u>

##### **Investments**

The Commission had no investments as of June 30, 2009. All savings, money market accounts, and certificates of deposit are considered deposits and, therefore, included in the above-referenced deposits.

For purposes of the statement of cash flows, the Commission considers all highly liquid debt instruments purchased with a maturity of three months or less to be cash equivalents.

# THOMAS JEFFERSON PLANNING DISTRICT COMMISSION

## NOTES TO FINANCIAL STATEMENTS--(Cont'd)

### SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES--(Cont'd)

#### *Receivables and Payables*

Outstanding balances between funds at the end of the fiscal year are reported as due to/from other funds. No allowance for uncollectibles is included in receivables, due to the limited exposure related to the contractual nature of governmental receivables.

#### *Property and Equipment*

Property and equipment are recorded at the original cost and depreciation is computed by the straight-line method over the estimated useful lives of the assets as follows:

Furniture and equipment .....	3 - 10 years
Vehicle .....	3 years
Leasehold improvements .....	Remaining life of lease

#### *Deferred Revenue*

The Commission reports deferred revenue on its statement of net assets. Deferred revenues arise when a potential revenue does not meet both the "measurable" and "available" criteria for recognition in the current period. Deferred revenues also arise when resources are received by the Commission before it has a legal claim to them, as when grant monies are received prior to the incurrence of qualifying expenditures. In subsequent periods, when both revenue recognition criteria are met, or when the Commission has a legal claim to the resources, the liability for deferred revenue is removed from the combined balance sheets and revenue is recognized.

#### ACCOUNTS RECEIVABLE

Federal Government:	
Virginia Department of Rehabilitation Services .....	\$ 60,963
Department of Transportation .....	104,451
Department of Housing and Urban Development.....	38,793
Other agencies .....	<u>8,161</u>
	<u>\$212,368</u>

These Federal funds are passed through state or local agencies.

Non-Federal Sources:	
Department of Housing and Urban Development.....	\$ 325
Virginia Department of Transportation.....	141,102
Virginia Department of Rehabilitation Services .....	1,232
Other agencies .....	<u>33,534</u>
	<u>\$176,193</u>

# THOMAS JEFFERSON PLANNING DISTRICT COMMISSION

## NOTES TO FINANCIAL STATEMENTS--(Cont'd)

### INTERFUND OBLIGATIONS (See Special Revenue Funds)

	INTERFUND RECEIVABLE	INTERFUND PAYABLE
General fund .....	\$296,631	\$ ....
Special revenue funds:		
Department of Transportation.....	....	224,463
Department of Housing and Urban Development .....	....	17,462
Other governmental funds.....	.....	<u>54,706</u>
	<u>\$296,631</u>	<u>\$296,631</u>

### CAPITAL ASSETS

Depreciation is computed using the straight-line method with lives ranging from three to ten years.

The Commission has leased a copier, which qualifies as a capital lease (see *Capital Lease* note). The lease is recorded at fair market value, as prescribed by Statement of Financial Accounting Standards (SFAS) No. 13, and is depreciated over approximately five years.

Capital asset activity for the year ended June 30, 2009 was as follows:

	JULY 1, 2008	ADDITIONS	DISPOSITIONS	JUNE 30, 2009
Cost:				
Office furniture and equipment.....	\$ 68,685	\$ ....	(\$ 135)	\$ 68,550
Vehicle.....	36,884	....	....	36,884
Leasehold improvements .....	<u>11,993</u>	.....	....	<u>11,993</u>
	117,562	....	( 135)	117,427
Accumulated depreciation.....	( 85,497)	( 11,174)	.....	( 96,671)
Net .....	<u>32,065</u>	( 11,174)	( 135)	<u>20,756</u>
Capital lease .....	....	15,055	....	15,055
Accumulated depreciation.....	.....	( 836)	.....	( 836)
Net .....	.....	<u>14,219</u>	.....	<u>14,219</u>
Total property and equipment (net).....	<u>\$ 32,065</u>	<u>\$ 3,045</u>	(\$ 135)	<u>\$ 34,975</u>

# THOMAS JEFFERSON PLANNING DISTRICT COMMISSION

## NOTES TO FINANCIAL STATEMENTS--(Cont'd)

### PROPERTY AND EQUIPMENT - INTERNAL SERVICE FUND

The changes in property and equipment are as follows:

	BALANCE JULY 1, 2008	ADDITION	RETIREMENT	BALANCE JUNE 30, 2009
Equipment .....	\$ 30,026	\$ ....	\$ ....	\$ 30,026
Accumulated depreciation .....	( 30,026)	.....	.....	( 30,026)
Net property and equipment .....	<u>\$ .....</u>	<u>\$ .....</u>	<u>\$ .....</u>	<u>\$ .....</u>

### CLAIMS, JUDGMENTS, AND COMPENSATED ABSENCES

In accordance with National Council on Governmental Accounting (NCGA) Statement 4, *Accounting and Financial Reporting Principles for Claims and Judgments and Compensated Absences*, the Commission has accrued the liability arising from outstanding compensated absences.

The Commission employees earn sick leave at the rate of ten hours per month and may accumulate a maximum of 480 hours (60 days). No benefits or pay are received for unused sick leave upon termination. The amount of annual leave earned by an employee each month, with the exception of the Executive Director, depends upon the number of years the permanent full-time and part-time staff was employed by the Commission, as noted below. The Executive Director's leave will be set by the Commission as part of the hiring package.

YEARS OF SERVICE	DAYS PER MONTH	DAYS OF ANNUAL LEAVE PER YEAR
0 - 5	1	12
6 - 10	1¼	15
Over 10	1½	18

An employee may accumulate a maximum of 30 days of annual leave. At the time of separation of employment, the employee will be compensated for the accumulated leave balance. Accrued annual leave was \$37,297 as of June 30, 2009.

### LEASE COMMITMENTS

#### *Capital Lease*

On February 11, 2009, the Commission leased a server. The lease term was 36 months, required monthly payments of \$523.92, and qualified as a capital lease under SFAS No. 13, *Accounting for Leases*. The Commission's incremental borrowing rate was determined to be 15.28% at the time of lease commencement. The lease was recorded at fair market value at the inception date. Interest paid on the lease for the year ended June 30, 2009 was \$379.

# THOMAS JEFFERSON PLANNING DISTRICT COMMISSION

## NOTES TO FINANCIAL STATEMENTS--(Cont'd)

### LEASE COMMITMENTS--(Cont'd)

#### *Capital Lease--(Cont'd)*

Amortization of assets under capital leases is included in depreciation expense. The present value of future minimum capital lease payments is:

YEAR ENDED JUNE 30,	SERVER
2010.....	\$ 6,287
2011.....	6,287
2012.....	<u>5,239</u>
	17,813
Less: Amounts representing interest .....	( <u>3,427</u> )
	<u>\$ 14,386</u>

#### *Operating Lease*

Effective August 30, 2005, the Commission entered into a new lease agreement for the rental of a 6,000 square-foot office suite. The agreement term is three years and specifies two one-year extension options. The annual base rent of the lease is \$54,000 with an annual 3% increase.

Rent expense was \$58,721 for the office suite and \$1,500 for the legislative liaison office for the year ended June 30, 2009.

In June 2007, the commission entered into an operating lease for a new copier requiring monthly rental payments of \$259 commencing July 2007 and ending June 30, 2010. The total minimum lease commitment under this lease is as follows:

FISCAL YEAR ENDING	
June 30, 2010.....	<u>\$ 3,105</u>
Total.....	<u>\$ 3,105</u>

### CHANGES IN LONG-TERM DEBT

The following is a summary of changes in long-term debt of the Commission for the year ended June 30, 2009:

	JUNE 30, 2008	ADDITIONS	REDUCTIONS	JUNE 30, 2009	DUE WITHIN ONE YEAR
Capital lease .....	<u>\$ .....</u>	<u>\$ 15,055</u>	<u>( \$ 669 )</u>	<u>\$ 14,386</u>	<u>\$ 4,388</u>

# THOMAS JEFFERSON PLANNING DISTRICT COMMISSION

## NOTES TO FINANCIAL STATEMENTS--(Cont'd)

### COMMITMENTS/CONTINGENT LIABILITIES

Federal programs in which the Commission participates were audited in accordance with the provisions of the U. S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Pursuant to the provisions of this circular, all major programs and certain other programs were tested for compliance with applicable grant requirements.

Additionally, the federal government may subject grant programs to additional compliance tests, which could result in disallowed expenditures. In the opinion of management, any future disallowances of grant program expenditures would be immaterial.

### DEFINED BENEFIT PENSION PLAN

#### *Plan Description*

The Commission contributes to the Virginia Retirement System (VRS), a multiple-employer public employee retirement system that acts as a common investment and administrative agent for political subdivisions in the Commonwealth of Virginia. The Commission's payroll for employees covered by the VRS for the year ended June 30, 2009 was \$601,800, while the total payroll was \$747,786.

All full-time, salaried, permanent employees of participating employers must participate in the VRS. Benefits vest after five years of service. Participating employees are eligible for an unreduced retirement benefit at age 65 with five years of service and at age 50 with 30 years of service payable monthly for life, in an amount equal to 1.7% of their average final compensation (AFC) for each year of credited service. AFC is defined as the highest consecutive 36 months of salary. Benefits are actuarially reduced for retirees who retire prior to becoming eligible for full retirement benefits. In addition, retirees qualify for annual cost-of-living increases beginning in their second year of retirement. The VRS also provides death and disability benefits. Title 51.1 of the Code of Virginia (1950), as amended, assigns the authority to establish and amend benefit provisions to the General Assembly of Virginia.

The Virginia Retirement System issues a publicly available comprehensive annual financial report that includes financial statements and required supplementary information for VRS. A copy of that report may be downloaded at <http://www.varetire.org> or obtained by writing to the Virginia Retirement System at P. O. Box 2500, Richmond, VA 23218-2500.

Plan members are required by Title 51.1 of the Code of Virginia (1950), as amended, to contribute 5% of their annual salary to the VRS. This 5% member contribution has been assumed by the employer. If an employee leaves covered employment, the accumulated contributions plus interest earned may be refunded to the employee. The employer is required to contribute the remaining amounts necessary to fund its participation in the VRS, using the actuarial basis specified by statute and approved by the VRS Board of Trustees. State statute may be amended only by the Commonwealth of Virginia Legislature.

# THOMAS JEFFERSON PLANNING DISTRICT COMMISSION

## NOTES TO FINANCIAL STATEMENTS--(Cont'd)

### DEFINED BENEFIT PENSION PLAN--(Cont'd)

#### *Related Party Investments*

There are no related party investments.

#### *Funding Status and Progress*

The amount shown below as the actuarial accrued liability is a standardized disclosure measure of the present value of pension benefits, adjusted for the effects of projected salary increases estimated to be payable in the future as a result of employee service to date. The measure is the actuarial present value of credited projected benefits and is intended to help users assess the VRS funding status on a going-concern basis, assess progress made in accumulating sufficient assets to pay benefits when due, and make comparisons among employers. The measure is independent of the funding method used to determine contributions to the VRS.

The actuarial accrued liability was determined as part of an actuarial valuation performed as of June 30, 2008. Significant actuarial assumptions used to compute the actuarial accrued liability at June 30, 2008 include: (a) a rate of return on the investment of present and future assets of 7.50% per year compounded annually; (b) projected salary increases of 3.75% to 5.60% per year compounded annually, attributable to inflation; and (c) cost-of-living adjustments of approximately 2.5% per year.

At June 30, 2008, the total overfunded actuarial accrued liability applicable to the Commission was as follows:

Retirees, beneficiaries, and terminated employees .....	<u>\$424,106</u>
Current employees:	
Present value of future benefits for active members .....	988,943
Less: Present value of future normal costs .....	<u>( 104,833)</u>
Actuarial accrued liability .....	884,110
Actuarial value of assets .....	<u>999,763</u>
Underfunded actuarial accrued liability .....	<u>(\$115,653)</u>

There were no changes in actuarial assumptions or employee pension benefit provisions during the year ended June 30, 2009 that would significantly affect the actuarial accrued valuation.

#### *Contributions Required and Made*

The funding policy of VRS provides for periodic employer contributions at actuarially determined rates which will remain relatively level over time as a percentage of payroll and will accumulate sufficient assets to meet the cost of all basic benefits when due. Contribution rates are developed using the entry age normal cost method. Gains and losses are reflected in the unfunded accrued liability that is being amortized as a level percentage of payroll within a period of 30 years or less. Rates necessary to support post-retirement supplements that may be payable in addition to the basic benefits are determined separately on a current disbursement basis.

# THOMAS JEFFERSON PLANNING DISTRICT COMMISSION

## NOTES TO FINANCIAL STATEMENTS--(Cont'd)

### DEFINED BENEFIT PENSION PLAN--(Cont'd)

#### *Contributions Required and Made--(Cont'd)*

Total employer and employee contributions to the VRS for fiscal year 2008 of \$61,488 were made in accordance with actuarially determined requirements computed through an actuarial valuation performed as of June 30, 2008. Contributions consisted of the following:

Normal cost.....	\$ 83,262
Amortization of unfunded actuarial accrued liability.....	( 21,774)
Total contributions.....	<u>\$ 61,488</u>
Employer contributions .....	\$ 61,488
Employee contributions.....	.....
Total contributions.....	<u>\$ 61,488</u>

Contributions made by the Commission represent approximately 5% of covered payroll for the fiscal year, while employee contributions represent 5% of current covered payroll, paid by employer.

#### *Trend Information*

VALUATION DATE	ACTUARIAL VALUE OF ASSETS	ACTUARIAL ACCRUED LIABILITY	UNDERFUNDED		ANNUAL COVERED PAYROLL	UNDERFUNDED ACTUARIAL ACCRUED LIABILITY AS A PERCENTAGE OF COVERED PAYROLL
			ACTUARIAL ACCRUED LIABILITY	FUNDED RATIO		
June 30, 2008....	\$999,763	\$884,110	(\$115,654)	113.08%	\$601,800	(19.22%)
June 30, 2007....	\$887,913	\$806,495	(\$ 81,418)	110.10%	\$684,100	(11.90%)
June 30, 2006....	\$747,609	\$681,867	(\$ 65,742)	109.64%	\$577,840	(11.38%)
June 30, 2005....	\$673,473	\$569,048	(\$104,425)	118.35%	\$540,100	(19.33%)
June 30, 2004....	\$637,013	\$574,294	(\$ 62,719)	110.92%	\$548,990	(11.42%)

### DEFERRED COMPENSATION PLAN

During the year ended June 30, 1998, the employees of the Commission adopted a Section 457 Deferred Compensation Plan. The Commission delegates administrative and investment responsibilities for its 457 Plan assets to a third-party administrator. Based on an analysis of GASB Statement No. 32, it appears the Commission does not have to report these assets on their financial statements.

Employee contributions to this plan for the year ended June 30, 2009 were \$23,360. There were no matching contributions.

# THOMAS JEFFERSON PLANNING DISTRICT COMMISSION

## NOTES TO FINANCIAL STATEMENTS--(Cont'd)

### DEFERRED REVENUE

The details of deferred revenue are as follows:

General fund .....	\$ 14,420
Special revenue funds .....	<u>8,468</u>
	<u>\$ 22,888</u>

### LITIGATION

As represented by management, there were no lawsuits pending or threatened as of the date of these financial statements.

### COST ALLOCATION BASIS - INDIRECT COSTS AND FRINGE BENEFITS

Indirect costs are those costs which are not readily identifiable within a particular program but, nevertheless, are necessary to the general operation and the conduct of the activities it performs. Allocations from the General Fund to the Special Revenue Funds and Internal Service Fund are made based on a ratio of indirect costs to the individual program's direct costs associated with salaries and fringe benefits (personnel costs). The rate is determined by a relation of total administrative costs to program salary costs. Program salary costs are calculated as follows:

Total personnel costs (salaries and fringes)
Less: Administrative personnel costs
Less: Contractual personnel costs

This ratio is calculated on an annual basis. The rate used during the fiscal year ended June 30, 2009 was 71%.

The actual indirect cost rate for the fiscal year ended June 30, 2009 was 74% and was calculated as follows:

Indirect costs .....	\$408,351	=	74%
Individual programs' personnel costs .....	\$551,056		

### LOCAL LEGISLATIVE LIAISON

The Liaison reports regularly to the local governments during the General Assembly session and when studies are undertaken by the General Assembly and are pertinent to local government interests. The Liaison prepares a Legislative Program in consultation with the localities who subsequently adopt the Program. This Program is fully funded by the six participating members (Charlottesville, Albemarle, Fluvanna, Greene, Louisa, and Nelson), with additional appropriations from local government funds. The Program is located at the Planning District at the localities' request. The Liaison is generally supervised by the Executive Director, but receives direction from the local governments.

**REQUIRED SUPPLEMENTARY INFORMATION**

*Preliminary  
DRAFT  
Subject to change*

**THOMAS JEFFERSON PLANNING DISTRICT COMMISSION**

**BUDGETARY COMPARISON SCHEDULE -  
GOVERNMENTAL FUNDS  
YEAR ENDED JUNE 30, 2009**

	<u>BUDGETED AMOUNTS</u>		ACTUAL AMOUNTS	VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
	<u>ORIGINAL</u>	<u>FINAL</u>		
<b>BEGINNING BUDGETARY FUND BALANCE</b> .....	\$ 648,234	\$ 648,234	\$ 648,234	\$ ....
<b>REVENUE</b>				
Federal grants:				
Commission .....	804,173	662,679	509,302	( 153,377)
Pass-through .....	1,360,257	860,579	1,074,900	214,321
Non-federal revenue:				
State grants:				
Commission .....	563,735	602,453	446,310	( 156,143)
Other:				
Localities .....	430,720	591,545	545,958	( 45,587)
Revenue from use of money .....	10,000	10,000	7,616	( 2,384)
Total revenue .....	<u>3,168,885</u>	<u>2,727,256</u>	<u>2,584,086</u>	<u>( 143,170)</u>
<b>EXPENDITURES</b>				
Current operating:				
Administrative .....	1,760,662	1,812,282	299,840	1,512,442
Department of Transportation .....	32,000	32,000	669,817	( 637,817)
Department of Housing and Urban Development .....	860,579	860,579	1,162,849	( 302,270)
Department of Labor .....	499,678	....	9,102	( 9,102)
Department of Agriculture .....	....	....	10,834	( 10,834)
Department of Conservation and Recreation .....	....	....	12,944	( 12,944)
Virginia Department of Rehabilitative Services .....	....	....	166,431	( 166,431)
Virginia Department of Rail and Public Transportation .....	....	....	165,947	( 165,947)
Virginia Department of Social Services .....	....	....	10,056	( 10,056)
Legislative Liaison .....	10,609	10,609	86,724	( 76,115)
Debt service:				
Principal .....	....	....	669	( 669)
Interest .....	....	....	379	( 379)
Total expenditures .....	<u>3,163,528</u>	<u>2,715,470</u>	<u>2,595,592</u>	<u>119,878</u>
<b>OTHER FINANCING USES</b>				
Transfer out .....	....	....	( 8,558)	( 8,558)
<b>ENDING BUDGETARY FUND BALANCE</b> .....	<u>\$ 653,591</u>	<u>\$ 660,020</u>	<u>\$ 628,170</u>	<u>(\$ 31,850)</u>

**THOMAS JEFFERSON PLANNING DISTRICT COMMISSION**

**SCHEDULE OF EXPENDITURES -  
GENERAL FUND  
FOR THE YEAR ENDED JUNE 30, 2009**

**ADMINISTRATIVE**

Current operating:

Salaries .....	\$300,463
Employee benefits .....	80,117
Contractual .....	19,347
Insurance .....	3,665
Subscriptions and publications .....	4,077
Advertising .....	34,280
Supplies .....	5,854
Printing and Copier .....	( 6,235)
Meetings .....	7,470
Rent .....	58,721
Janitorial service .....	7,280
Postage .....	3,193
Travel .....	2,331
Telephone .....	13,385
Audit and legal .....	16,115
Mapping expenses .....	( 8,608)
Indirect costs allocation .....	( 261,007)
Miscellaneous .....	4,789
Equipment use and maintenance .....	14,603

Total current operating expenditures .....	299,840
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Debt service:

Principal .....	669
Interest .....	379

Total expenditures .....	\$300,888
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**OTHER SUPPLEMENTARY INFORMATION**

Preliminary  
DRAFT  
Subject to Change

THOMAS JEFFERSON PLANNING DISTRICT COMMISSION

SCHEDULE OF INDIRECT COSTS  
FOR THE YEAR ENDED JUNE 30, 2009

Salaries and fringe benefits .....	\$231,995
Postage .....	3,140
Subscriptions/publications/dues .....	4,077
Supplies .....	5,797
Travel .....	2,141
Audit/legal/advertising services .....	49,006
Professional meetings and development .....	4,596
Contractual services .....	18,347
Insurance/bonding .....	3,665
Printing and copier .....	( 6,118)
Rent .....	58,721
Janitorial .....	7,280
Equipment repair/maintenance/use .....	12,408
Telephone .....	13,296
Total indirect costs .....	<u>\$408,351</u>

Preliminary  
DRAFT  
Subject to Change

**COMPLIANCE MATTERS**

Preliminary  
DRAFT  
Subject to change

**REPORT OF INDEPENDENT AUDITORS ON  
COMPLIANCE AND INTERNAL CONTROL OVER FINANCIAL REPORTING  
BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED  
IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS***

**DRAFT**  
**Subject to Change**

**REPORT OF INDEPENDENT AUDITORS ON  
COMPLIANCE AND INTERNAL CONTROL OVER FINANCIAL REPORTING  
BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED  
IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS***

To the Commissioners  
Thomas Jefferson Planning District Commission  
Charlottesville, Virginia

We have audited the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the THOMAS JEFFERSON PLANNING DISTRICT COMMISSION as of and for the year ended June 30, 2009, which collectively comprise the Commission's basic financial statements, and have issued our report thereon dated \*REPORT DATE\*. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

**INTERNAL CONTROL OVER FINANCIAL REPORTING**

In planning and performing our audit, we considered the Commission's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Commission's internal control over financial reporting. Accordingly, we do not express an opinion of the effectiveness of the Commission's internal control over financial reporting.

A control deficiency exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect misstatements on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affect the Commission's ability to initiate, authorize, record, process, or report financial data reliably in accordance with generally accepted accounting principles such that there is more than a remote likelihood that a misstatement of the Commission's financial statements that is more than inconsequential will not be prevented or detected by the Commission's internal control.

To the Commissioners  
Thomas Jefferson Planning District Commission

**REPORT OF INDEPENDENT AUDITORS ON COMPLIANCE AND INTERNAL CONTROL  
OVER FINANCIAL REPORTING BASED ON AN AUDIT OF FINANCIAL STATEMENTS  
PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*--(Cont'd)**

**INTERNAL CONTROL OVER FINANCIAL REPORTING--(Cont'd)**

A material weakness is a significant deficiency or combination of significant deficiencies that results in more than a remote likelihood that a material misstatement of the financial statements will not be prevented or detected by the Commission's internal control.

Our consideration of the internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control that might be significant deficiencies, and accordingly, would not necessarily disclose all significant deficiencies that are also considered material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses as defined above.

**COMPLIANCE**

As part of obtaining reasonable assurance about whether the Commission's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance that are required to be reported under *Government Auditing Standards*.

This report is intended solely for the information and use of the Audit Committee, management, Commissioners, and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

/S/ Hantzmon Wiebel LLP

Charlottesville, Virginia  
\*REPORT DATE\*

**REPORT OF INDEPENDENT AUDITORS ON COMPLIANCE WITH  
REQUIREMENTS APPLICABLE TO EACH MAJOR PROGRAM AND ON  
INTERNAL CONTROL OVER COMPLIANCE IN  
ACCORDANCE WITH OMB CIRCULAR A-133**

*PROVISIONAL  
DRAFT  
Subject to change*

**REPORT OF INDEPENDENT AUDITORS ON COMPLIANCE WITH  
REQUIREMENTS APPLICABLE TO EACH MAJOR PROGRAM AND ON INTERNAL CONTROL  
OVER COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133**

To the Commissioners  
Thomas Jefferson Planning District Commission  
Charlottesville, Virginia

**COMPLIANCE**

We have audited the compliance of THOMAS JEFFERSON PLANNING DISTRICT COMMISSION with the types of compliance requirements described in the U. S. Office of Management and Budget (OMB) *Circular A-133 Compliance Supplement* that are applicable to each of its major federal programs for the year ended June 30, 2009. The Commission's major federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts, and grants applicable to each of its major federal programs is the responsibility of the Commission's management. Our responsibility is to express an opinion on the Commission's compliance based on our audit.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the Commission's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination of the Commission's compliance with those requirements.

In our opinion, THOMAS JEFFERSON PLANNING DISTRICT COMMISSION complied, in all material respects, with the requirements referred to above that are applicable to each of its major federal programs for the year ended June 30, 2009.

To the Commissioners  
Thomas Jefferson Planning District Commission

**REPORT OF INDEPENDENT AUDITORS ON COMPLIANCE WITH REQUIREMENTS  
APPLICABLE TO EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER  
COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133--(Cont'd)**

**INTERNAL CONTROL OVER COMPLIANCE**

The management of THOMAS JEFFERSON PLANNING DISTRICT COMMISSION is responsible for establishing and maintaining effective internal control over compliance with the requirements of laws, regulations, contracts, and grants applicable to federal programs. In planning and performing our audit, we considered THOMAS JEFFERSON PLANNING DISTRICT COMMISSION's internal control over compliance with the requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of THOMAS JEFFERSON PLANNING DISTRICT COMMISSION's internal control over compliance.

A *control deficiency* in an entity's internal control over compliance exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect noncompliance with a type of compliance requirement of a federal program on a timely basis. A *significant deficiency* is a control deficiency, or combination of control deficiencies, that adversely affects the entity's ability to administer a federal program such that there is more than a remote likelihood that noncompliance with a type of compliance requirement of a federal program that is more than inconsequential will not be prevented or detected by the entity's internal control.

A *material weakness* is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that material noncompliance with a type of compliance requirement of a federal program will not be prevented or detected by the entity's internal control.

Our consideration of the internal control over compliance was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control that might be significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above.

This report is intended solely for the information and use of management, the Audit Committee, others within the Commission, and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

/S/ Hantzmon Wiebel LLP

Charlottesville, Virginia

\*REPORT DATE\*

THOMAS JEFFERSON PLANNING DISTRICT COMMISSION

SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
YEAR ENDED JUNE 30, 2009

SECTION I - SUMMARY OF AUDITORS' RESULTS

*Financial Statements*

Type of auditors' report issued..... Unqualified

Internal control over financial reporting:  
Material weakness identified? ..... No  
Significant deficiencies identified not considered to be material weaknesses? ..... No

Noncompliance material to financial statements noted?..... No

*Federal Awards*

Internal control over major programs:  
Material weakness identified? ..... No  
Significant deficiencies identified not considered to be material weaknesses? ..... No

Type of auditors' report issued on compliance for major programs ..... Unqualified

Any audit findings disclosed that are required to be reported in accordance with  
Circular A-133, Section .510(a)?..... No

Identification of major programs:

CFDA #	NAME OF FEDERAL PROGRAM OR CLUSTER
14.239	HOME Program

Dollar threshold used to distinguish between Type A and Type B programs..... \$300,000

Auditee qualified as low-risk auditee? ..... No

THOMAS JEFFERSON PLANNING DISTRICT COMMISSION

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
FOR THE YEAR ENDED JUNE 30, 2009

U. S. DEPARTMENT	FEDERAL CATALOG NUMBER	PASS-THROUGH AGENCY	EXPENDITURES
Department of Transportation - Federal Highway Administration .....	20.205	Virginia Department of Transportation	<u>\$ 281,496</u>
Department of Health and Human Services .....	93.630	Virginia Department of Rehabilitative	<u>138,827</u>
Department of Housing and Urban Development * .....	14.239	Not Applicable	1,090,881
Department of Housing and Urban Development .....	14.235	Not Applicable	<u>58,636</u>
Subtotal .....			<u>1,149,517</u>
		Virginia Department of Conservation and Recreation	<u>7,247</u>
Department of Agriculture, Forestry Service .....	10.666	Not Applicable	<u>7,115</u>
			<u>\$1,584,202</u>

\* Major Program

(See accompanying Notes to Schedule of Expenditures of Federal Awards)

**THOMAS JEFFERSON PLANNING DISTRICT COMMISSION**

**NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
FOR THE YEAR ENDED JUNE 30, 2009**

**BASIS OF PRESENTATION**

The accompanying schedule of expenditures of federal awards includes the federal grant activity of the Thomas Jefferson Planning District Commission and is presented on the accrual basis of accounting. The information in this schedule is presented in accordance with the requirements of U. S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in, the preparation of the basic financial statements.

Preliminary  
DRAFT  
Subject to change