



**MIDDLE PENINSULA
PLANNING DISTRICT COMMISSION**

COMMISSIONERS

Essex County

*Mr. John Clickener
Hon. Margaret H. Davis
Hon. John C. MaGruder*

Town of Tappahannock

*Hon. Roy M. Gladding
Mr. James W. Sydnor*

Gloucester County

*Hon. Ashley C. Chriscoe
Dr. William G. Reay
Hon. Michael R. Winebarger*

King and Queen County

*Hon. Sherrin C. Alsop
Hon. R. F. Bailey
Mr. Thomas J. Swartzwelder
(Chairman)*

King William County

*Hon. David E. Hansen
Hon. Travis J. Moskalski
(Treasurer)
Mr. Eugene J. Rivara
Mr. Mark K. Reeter*

Town of West Point

Hon. Paul T. Kelley

Mathews County

*Hon. O. J. Cole, Jr.
(Vice Chairman)
Mr. Thornton Hill
Hon. Jack White
Ms. Melinda Conner*

Middlesex County

*Mr. Gordon E. White
Hon. Wayne H. Jessie, Sr.
Hon. John D. Miller, Jr.*

Town of Urbanna


Hon. Steve Hollberg

Secretary/Director

Mr. Lewis L. Lawrence

MEMORANDUM

TO: MPPDC Board of Commissioners

FROM: Lewis Lawrence, Executive Director 

DATE: November 8, 2017

RE: November Commission Meeting

The Middle Peninsula Planning District Commission will host its monthly meeting on Wednesday, November 15, 2017 at 7:00 p.m. in the Regional Board Room at the Middle Peninsula Planning District Commission office in Saluda.

Enclosed are the November meeting agenda and supporting materials for your review prior to the meeting.

If you have any questions concerning material in your agenda packet, please give me a call at 804-758-2311 or email me at LLawrence@mppdc.com.

I look forward to seeing you on **November 15th**!

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Middle Peninsula Planning District Commission

Meeting

7:00 P.M.

Wednesday, November 15, 2017

125 Bowden Street

Saluda VA 23149

- I. Welcome and Introductions
- II. Approval of October Minutes
- III. Approval of October Financial Report
- IV. Executive Director's Report on Staff Activities for the Month of November
- V. Public Comment

AGENDA ITEMS FOR DISCUSSION

- VI. General Legislative Discussion
- VII. MPPDC Budget Discussion
- VIII. FY17 Audit Presentation
- IX. Other Business
- X. Adjournment

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MIDDLE PENINSULA PLANNING DISTRICT COMMISSION

October 25, 2017

Saluda, Virginia

I. Welcome and Introductions

The monthly meeting of the Middle Peninsula Planning District Commission was held in the Regional Board Room at the Middle Peninsula Planning District Commission office in Saluda, Virginia on Wednesday, October 25, 2017, at 7:00 p.m. MPPDC Chairman Thomas Swartzwelder welcomed everyone in attendance.

Commissioners Present

Essex County: John Clickener, Margaret “Prue” Davis, John Magruder

King and Queen County: Tom Swartzwelder

King William County: Travis Moskalski, Eugene Rivara, David Hansen, Mark Reeter

Gloucester County: Ashley Chriscoe, Michael Winebarger

Mathews County: O.J. Cole, Jr., Tim Hill, Melinda Conner

Middlesex County: Gordon White, Wayne Jessie

Town of Urbanna: Steve Hollberg

Town of West Point: Paul Kelley

Commissioners Absent

King and Queen County: R.F. Bailey, Sherrin Alsop

Gloucester County: Dr. Willy Reay

Middlesex County: Jack Miller

Mathews: Jack White

Town of Tappahannock: Monte “Roy” Gladding, James Sydnor

Also in Attendance

Lewis Lawrence, MPPDC Executive Director

Beth Johnson, MPPDC Finance Director

Harrison Bresee III, MPPDC Regional Emergency Planner

Dawn Kirby, MPPDC Secretary

Dr. Richard Williams, Director Three Rivers Health District

Delegate Keith Hodges

Citizens

II. Approval of September Minutes

Chairman Swartzwelder asked whether there were any corrections or changes to the September Minutes. There being no corrections to the Minutes, Chairman Swartzwelder requested a motion to approve the September Minutes. Mr. Rivara moved that the September Minutes be approved. Mr. Clickener seconded the motion; motion carried.

III. Approval of September Financial Report

Chairman Swartzwelder asked whether there were any questions regarding the September financial report before being approved subject to audit. There being no questions, Chairman Swartzwelder requested a motion to approve the September financial report subject to audit. Mr. Moskalski moved to approve the September financial report subject to audit. Mr. Rivara seconded the motion; motion carried.

IV. Executive Director's Report on Staff Activities for the Month of October

Chairman Swartzwelder requested MPPDC Executive Director, Lewie Lawrence review the Executive Director's Report on Staff Activities for the month of October. The Executive Director's Report on staff activities is developed at a monthly staff meeting, organized by PDC Service Centers, and the activities are used to report grant funding activities.

Mr. Lawrence directed Commissioners' attention to several items:

- Sent the Water Supply Planning Committee a welcome email and shared the date and content of the first meeting of the Water Supply Planning Committee. The meeting took place on October 25, 2017 at 9:30 am at the Middle Peninsula Planning District Commission Boardroom. Tammy Stephenson from the DEQ Water Supply Office attended and discussed the Virginia Hydro Database which will house data needs that meet the state water supply mandate. Mr. Lawrence will keep the MPPDC Commission updated on this issue.
- Approved and closed on loans for septic repairs in Gloucester (2) and Mathews (1). Completed 3 repairs in Gloucester and 1 each in King and Queen and Mathews. Requests for septic repair applications remain steady.
- Assisted with a Floodplain Workshop for the Virginia Department of Conservation on October 18 in the PDC Boardroom. This workshop provided information on the VA DCR Floodplain Management Program. National Flood Insurance Program, floodplain ordinances, permitting requirements, use of flood hazard data and maps, the community rating system, and the Virginia Flood Risk Information System to local staff. Mr. Lawrence will keep the localities' staff informed.

V. Public Comment

None.

VI. Introduction of new Director of Three Rivers Health District, Dr. Richard Williams

Dr. Richard S. Williams, Director of Three Rivers Health District introduced himself to the Commission. Dr. Williams served in the United States Air Force for 27 years, retiring in 2002 at the rank of Colonel. During his 27-year Air Force career, Dr. Williams served in a wide variety of settings as a clinical practitioner and medical leader, including command of medical units in contingency operations.

He then served for 15 years as NASA's Chief Health and Medical Officer and retired from NASA in July 2017. Although retired, he continues to serve as a NASA health and medical consultant. Dr. Williams has extensive experience in the clinical practice of general surgery, aerospace medicine and occupational medicine

as well as in administrative medical management. Dr. Williams stated his three priorities as Director of Three Rivers Health District are: Building relationships for the success of the agency; Understanding and familiarizing himself with the employees within the Health District; and Strategic Planning. Dr. Williams invited the Commission to contact him at any time with questions or concerns.

VII. Stormwater Update

Lewie Lawrence, Executive Director informed the Commission that a consensus has been reached concerning stormwater management in Chesapeake Bay rural localities. Mr. Lawrence provided a PowerPoint presentation providing the Stormwater Solutions Concept and what it looks like for each jurisdiction. DRAFT Recommendations include, but not limited to: allowing for third-party Engineers to design and submit plans directly to DEQ; basing water regulation on the Blue and Green assets of the region with localities with less than 3% impervious cover to return to MS 19 standards; allowing developers to consider off-site BMPs in VDOT ditches; No requirement for opt-out localities to be the VSMP. Mr. Lawrence also provided concept maps of MP localities and explained impervious cover calculations per HUC code that will be required to determine a locality's ability to return to MS19 standards. A full report is to be approved by the HB 1774 Work Group by November 29th and then it will go on to the General Assembly.

VIII. Dredging Discussion

Lewie Lawrence, Executive Director addressed the removal of channel markers in local waterways by the U.S. Coast Guard as a lack of periodic dredging by Army Corp of Engineers (ACE) has led to shoaling in of channels in the region. Mr. Lawrence informed the Commission that he had enlisted the assistance of Gloucester County Assessor, Derek Green to determine the economic impact to real estate values of decreasing water depths with the result being that, for every foot of water depth loss, Gloucester County loses an estimated 14% of the value on waterfront properties. This should hold for most of the region's local tax base. Congressman Rob Wittman will hold a meeting at the Piankatank Ruritan Club in Mathews on Friday, October 27 to discuss citizen concerns regarding the lack of dredging and the removal of aids to navigation. Delegate Keith Hodges, representatives of the ACE and the Coast Guard are expected to be in attendance.

IX. GoVirginia Region 6 Update – Regional Collaborative Proposals

Travis Moskalski, Chairman of the Middle Peninsula Alliance (MPA) announced the MPA's endorsement of two regional project proposals for the first round of GoVirginia funding. Mr. Moskalski discussed the ideas, goals, approaches, and projected outcomes of the proposed projects - PamunkeyNet and the VASeagrant Resiliency Program. Mr. Moskalski asked the Commission to identify the projects as being of economic importance to the region. Chairman Swartzwelder requested a motion to be made for the Commission to identify both projects as having economic importance. Mr. Holberg so moved; Mr. Hill seconded the motion; motion carried. Commissioners were asked to inform their Boards that the MPA is seeking local

endorsement of the projects and requesting interest in collaboration to include local financial support. The amount of financial support will depend on the number of localities interested in partnering with the projects. Endorsement at this time does not bind any locality to provide matching funds. The Commission commended the MPA for their work and Mr. Moskalski thanked the Commission for their support.

X. Other Business

- **Virginia Flood Risk Information System**

<http://cmap2.vims.edu/VaFloodRisk/vfris2.html>

Lewie Lawrence, Executive Director directed the Commission's attention to the Virginia Flood Risk Information System website and encouraged the Commissioners to review this tool. The Virginia Flood Risk Information System (VFRIS) mapping tool includes information from the National Flood Hazard Layer, National Flood Insurance Program, and Digital Flood Rate Maps provided by the Federal Emergency Management Agency to localities in the Commonwealth of Virginia, as well as data from the National Fish and Wildlife Service, U.S. Geological Survey, and ESRI to allow homeowners, local officials and other interested parties to view flood risk data to specific properties. A link to the tool is also available on the PDC website – www.mppdc.com.

- **98th District Update**

Delegate Keith Hodges thanked Lewie Lawrence and Tom Swartzwelder for their work and support in finding a solution to the stormwater management issues for rural coastal Virginia.

- **Financial Disclosure Forms**

Lewie Lawrence, Executive Director provided a memo from the Virginia Conflict of Interest and Ethics Advisory Council on the subject of who is required to file disclosure forms and when required, which forms must be filed under the Regional Cooperation Act. Mr. Lawrence discussed the memo and informed the Commission that the original opinion requested by PDC as it related to MPPDC held and the Commissioners and staff still do not have to file financial disclosure forms unless so directed by their individual governing boards.

XI. Adjournment

Chairman Swartzwelder requested a motion to adjourn the meeting. Mr. Moskalski so moved; Mr. Chriscoe seconded. The motion carried.

**Note: All handouts distributed at a meeting are filed in the official MPPDC record book of the minutes. Copies of all PowerPoint presentations, if any, are filed with the official minutes.*

COPY TESTE:

(Secretary)

Project Financial Report

Middle Peninsula Planning District Commission

Run Date: 11/06/2017
 Run Time: 9:48:38 am
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Period Ending: 10/31/17

		Expenditures						
Code	Description	Budget	Curr Month	Project Total	Un/Over	% Budget	Revenues	Balance
30013	EE&CBG Project	3,975.00	-1.79	4,051.86	-76.86	101.93%	4,354.50	302.64
30109	MPEDRO Staff Support	20,800.38	907.06	20,035.30	765.08	96.32%	19,128.24	-907.06
30111	Blue/Green Infrastructure	36,140.77	1,682.33	26,481.29	9,659.48	73.27%	24,798.96	-1,682.33
30115	VHDA Community Imp	30,000.00	863.11	863.11	29,136.89	2.88%	0.00	-863.11
30170	MPBDP Staff Support	22,213.09	65.54	20,484.97	1,728.12	92.22%	22,320.75	1,835.78
30213	FY18 TDM	84,807.00	4,822.11	20,499.81	64,307.19	24.17%	24,681.14	4,181.33
30315	FY18 Rural Transportati	72,500.00	2,061.60	18,351.43	54,148.57	25.31%	19,547.80	1,196.37
30420	Onsite Loan Management	168,942.76	502.38	146,420.26	22,522.50	86.67%	179,075.79	32,655.53
30428	WQIF 2016, \$183500 R	216,500.00	7,242.07	62,554.82	153,945.18	28.89%	27,046.74	-35,508.08
30429	Septic Pumpout 2017/EPA	11,082.00	454.12	5,655.69	5,426.31	51.03%	6,700.94	1,045.25
30502	Water Supply Planning	162,950.00	1,059.55	125,988.65	36,961.35	77.32%	160,632.45	34,643.80
31002	GA Lobby FY09	18,247.75	0.00	18,247.75	0.00	100.00%	24,000.00	5,752.25
31204	Regional Emergency Plan	95,000.00	7,840.27	50,990.02	44,009.98	53.67%	21,660.93	-29,329.09
31205	MSAT Phones/2016SHS	47,340.88	0.00	58,426.10	-11,085.22	123.42%	47,509.59	-10,916.51
31206	Regional EOP Gap Analy	82,851.00	-109.86	83,019.43	-168.43	100.20%	59,031.34	-23,988.09
31500	Living Shoreline Incentiv	25,830.00	391.26	5,679.15	20,150.85	21.99%	6,508.17	829.02
32015	FY17 PAA Staff Support	8,027.46	349.16	5,062.98	2,964.48	63.07%	8,027.46	2,964.48
32016	VIMS Living Shoreline/	92,636.80	32,781.74	34,283.53	58,353.27	37.01%	1,230.16	-33,053.37
32017	NAWCA PAA project	75,000.00	616.51	616.51	74,383.49	0.82%	75,000.00	74,383.49
32138	FY17_Coastal_TA/NOA	60,000.00	0.00	60,551.61	-551.61	100.92%	57,000.00	-3,551.61
32139	Eco_Business - PAA Mat	47,000.00	-325.98	47,142.19	-142.19	100.30%	39,047.40	-8,094.79
32140	FY18 Coastal TA	60,000.00	4,679.66	4,729.66	55,270.34	7.88%	0.00	-4,729.66
32141	WWF_ANPDC	10,000.00	2,965.40	2,965.40	7,034.60	29.65%	0.00	-2,965.40
32142	ANPDC Ecotourism	47,495.00	1,708.66	1,708.66	45,786.34	3.60%	0.00	-1,708.66
32210	WWF Initative/NOAAC	50,000.00	4,683.14	50,032.93	-32.93	100.07%	31,512.90	-18,520.03
38018	FY18 Local Projects	170,904.00	33,717.26	41,341.33	129,562.67	24.19%	112,443.05	71,101.72
Totals:		<u>1,720,243.89</u>	<u>108,955.30</u>	<u>916,184.44</u>	<u>804,059.45</u>	<u>53.26%</u>	<u>971,258.31</u>	<u>55,073.87</u>

Balance Sheet by Category

Middle Peninsula Planning District Commission

Run Date: 11/6/17
Run Time: 9:52:07 am
Page 1 of 1

Period Ending: 10/31/17
Format: 1 Board

Assets:

Cash in Bank	542,499.87
Cash in Bank, Restricted	232,445.26
Receivables	285,046.28
Property & Equipment	9,430.43
Prepaid Pension (Deferred Outflows)	30,454.00

Total Assets: \$1,099,875.84

Liabilities:

Accounts Payable	33,885.39
VRA Loan Payables	222,974.61
Payroll Withholdings	1,005.81
Accrued Leave	45,589.34
Deferred Inflows (VRS)	220,036.00
Net Pension Liabilities	56,917.00
Cost Allocation Control	(256.89)

Total Liabilities: \$580,151.26

Equity:

Local Initiatives/Information Resources	76,853.97
Economic Development	-1,640.23
Transportation Programs	5,377.70
Emergency Management Projects	-64,233.69
Onsite Repair & Pumpout	-1,804.94
Housing	-722.88
Coastal Community & Environmental	-38,741.13
Public Access Auth Programs	44,294.60
Mandates	34,649.11
Temporarily Restricted	182,126.96
General Fund Balance	283,565.11

Total Equity: \$519,724.58

Total Liabilities and Equity \$1,099,875.84

Balance: \$0.00

Agencywide R&E by Category

Middle Peninsula Planning District Commission

Run Date: 11/06/2017

Run Time: 9:53:05 am

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Period Ending: 10/31/17

Format: 1 Agencywide R&E

With Indirect Cost Detail

Code & Description	Budget	Current	YTD	Un/Ovr	% Bud
Revenues					
Local Match	0.00	23,005.67	23,005.67	-23,005.67	0.00%
Local Annual Dues	109,899.00	0.00	109,899.00	0.00	100.00%
Local Other Revenues	28,524.00	0.00	45,907.85	-17,383.85	160.94%
Local Other Organizations	15,000.00	1,928.26	1,928.26	13,071.74	12.86%
State Revenues	143,817.00	21,485.00	22,235.00	121,582.00	15.46%
Federal Revenues	474,620.00	28,203.63	106,554.10	368,065.90	22.45%
Miscellaneous Income	7,700.00	395.72	7,505.63	194.37	97.48%
RevolvingLoan Program Income	9,000.00	1,230.24	38,855.74	-29,855.74	431.73%
Revenues	788,560.00	76,248.52	355,891.25	432,668.75	45.13%
Expenses					
Personnel	341,895.00	34,995.55	132,296.22	209,598.78	38.69%
Facilities	30,878.00	2,483.39	10,154.12	20,723.88	32.88%
Communications	4,400.00	343.01	1,826.39	2,573.61	41.51%
Equipment & Supplies	4,900.00	460.38	1,402.41	3,497.59	28.62%
Travel	10,350.00	97.03	2,581.03	7,768.97	24.94%
Professional Development	9,950.00	36.00	6,016.35	3,933.65	60.47%
Contractual	323,574.00	44,356.81	110,557.79	213,016.21	34.17%
Miscellaneous	58,685.00	3,177.50	14,018.76	44,666.24	23.89%
Regional Share	0.00	23,005.67	23,005.67	-23,005.67	0.00%
Expenses	784,632.00	108,955.34	301,858.74	482,773.26	38.47%
Agency Balance	3,928.00	-32,706.82	54,032.51		

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Middle Peninsula Planning District Commission



MPPDC General Fact Sheet

WHAT IS MPPDC?

The Middle Peninsula Planning District Commission (MPPDC) was established pursuant to the Virginia Area Development Act (Title 15.1, Chapter 34, Sections 15.1-1400, et seq., Code of Virginia (1950) as amended) and by joint resolutions of the governing bodies of its constituent member jurisdictions.

The "MPPDC" describes the geographic section of Virginia which encompasses the Counties of Essex, Gloucester, King and Queen, King William, Mathews and Middlesex and the Towns of Tappahannock, Urbanna and West Point.

BACKGROUND

The Agreement to organize a Planning District Commission was made on January 31, 1972, by and between the government subdivisions as authorized by the Virginia Area Development Act.

WHAT DOES MPPDC DO?

The purpose of the Commission is to promote the orderly and efficient development of the physical, social, and economic elements of the Planning District by planning and encouraging and assisting governmental subdivisions to plan for the future.

HOW ARE DECISIONS MADE AT MPPDC?

Decision-making occurs through the Middle Peninsula Planning District Commission, a governing body comprised of elected officials, citizens, and chief administrative officers representing the six counties and three towns in the region.

QUICK FACTS

Region at Glance

- > Six Counties: Essex, Gloucester, King & Queen, King William, Mathews and Middlesex
- > Three Towns: West Point, Urbanna, and Tappahannock
- > 1,387 Square Miles
- > 1,055 Miles of Shoreline
- > 888,064 Acres of Land

- > 90,826 People
- > \$681 Average Weekly Wage (State=\$1063)
- > 73% Out Commute Rate

By the Numbers

- > 1.1% Total State Population
- > \$50,001 Median Household Income

For More Information:

MPPDC
P.O. Box 286
Saluda Professional Center
125 Bowden Street
Saluda, Virginia 23149
Phone: 804-758-2311
Please visit the MPPDC website at:
www.mppdc.com



Regional Profile:

All data is from Census 2000 and Census 2010 unless otherwise stated

Population Trends				Median Household Income and Unemployment Rate ¹			
Locality	Total Population		Population Growth from 2000-2010	Median Income Estimates		Unemployment Rate Estimates	
	2000	2010		2006-2010	2007-2011	2006-2010	2007-2011
Essex	9,989	11,151	12%	\$46,235	\$44,581	9.0%	8.2%
Gloucester	34,780	36,858	6%	\$58,389	\$60,269	6.5%	5.9%
King & Queen	6,630	6,945	5%	\$44,442	\$48,170	8.6%	7.4%
King William	13,146	15,935	21%	\$64,964	\$64,982	7.3%	6.7%
Mathews	9,207	8,978	-2%	\$47,435	\$54,118	5.9%	6.0%
Middlesex	9,932	10,959	10%	\$50,207	\$53,615	7.4%	6.4%
Town of Tappahannock	2,138	2,375	11.1%	\$39,149	\$35,313	6.6%	7.6%
Town of Urbanna	543	476	-12.3%	\$44,813	\$45,682	1.5%	4.5%
Town of West Point	2,866	3,306	15.4%	\$51,979	\$52,768	7.4%	9.5%
Region Total	83,684	90,826	9%	\$49,735	\$51,055	7.6%	6.5%

Race in the Middle Peninsula												
Locality	White			Black			Asian			Other		
	2000	2010	Percent Change	2000	2010	Percent Change	2000	2010	Percent Change	2000	2010	Percent Change
Essex	5,790	6,370	10%	3,900	4,247	9%	81	86	6%	218	448	106%
Gloucester	30,148	32,149	7%	3,585	3,197	-11%	240	286	19%	807	1,226	52%
King and Queen	4,059	4,663	15%	2,365	1,975	-16%	18	17	-6%	188	290	54%
King William	9,703	12,297	27%	2,999	2,819	-6%	48	118	146%	396	701	77%
Mathews	8,038	7,898	-2%	1,036	823	-21%	17	31	82%	116	226	95%
Middlesex	7,797	8,680	11%	1,999	1,978	-1%	12	37	208%	124	264	113%
Regional Total	65,535	72,057	10%	15,884	15,039	-5%	416	575	38%	1,849	3,155	71%

FY18 Locality Budget Data							
Locality	Raise %	Compensation Notes	Real Property Increase	Real Property Rate	Personal Property Increase	Personal Property Rate	Other
Essex	None	Holiday bonus included	\$0.02	\$0.86	\$0.25	\$3.75	\$40 Vehicle Licenses Tax
Gloucester		1% Contingent bonus funded from FY year end operating results	None	\$0.695	None	\$2.95	
King and Queen	2%		-\$0.02	\$0.53	None	\$3.94	
King William	2%		-\$0.02	\$0.90	None	\$3.65	
Mathews	2%		\$0.035	\$0.575	None	\$3.70	
Middlesex		1.5% increase to those "County only" Salaried(not comp board) employees with a favorable evaluation	\$0.03	\$0.56	\$0.42	\$1.65	

¹ Data from the Bureau of Labor Statistics Local Area Unemployment data & the American Community Survey 5-year Estimates

MIDDLE PENINSULA PLANNING DISTRICT COMMISSION

Staff Activities Service Summary of Regional Progress

Locality	Core Services Administered by the MPPDC							
	Information Resources/ Assistance	Coastal Community Development/ Environmental	Transportation	Onsite Repair and Pumpout	Economic Development	Local Initiatives	Housing	Emergency Management
Region-wide	✓	✓	✓	✓	✓	✓	✓	✓
Essex								
Gloucester		✓		✓				
King & Queen		✓						
King William								
Mathews		✓		✓				
Middlesex			✓					
Town of Tappahannock								
Town of West Point								
Town of Urbanna		✓						
Other		✓	✓	✓				✓

Report on Mandated Initiatives

Locality	Water Supply Plan Update Support Staff: Lewie Lawrence Start Date: 7/2016 Completion Date: TBD		All-Hazards Mitigation Plan Update Support Staff: Jackie Rickards Start Date: 1/2014 Completion Date: 8/2016	
	Participating	Current Status	Participating	Current Status
Essex	✓	<i>Submitted VA Hydro Access Release Form</i>	✓	Adopted
Gloucester	NA	NA	✓	Adopted
King & Queen	✓	<i>Submitted VA Hydro Access Release Form</i>	✓	Adopted
King William	✓	<i>Submitted VA Hydro Access Release Form</i>	✓	Adopted
Mathews	✓	<i>Has NOT submitted VA Hydro Access Release Form</i>	✓	Adopted
Middlesex	✓	<i>Has NOT submitted VA Hydro Access Release Form</i>	✓	Adopted
Town of Tappahannock	✓	<i>Submitted VA Hydro Access Release Form</i>	✓	Adopted
Town of West Point	✓	<i>Submitted VA Hydro Access Release Form</i>	✓	Adopted
Town of Urbanna	✓	<i>Submitted VA Hydro Access Release Form</i>	✓	Adopted

Opportunities Identified to Implement Commission Priorities

Service Center	Project Title and Description	Funding Requested	Status
Environmental	NFWF TA Service Provider	n/a	Approved
Environmental	DEQ – NPS Septic Repair WQIF grants to homeowners	\$200,000	Funded
Environmental	CZM – ECO PAA Dragon Run	\$40,000	Funded
Environmental	CZM – Coastal Technical Assistance – FY17	\$30,000	Funded
Environmental	NFWF – PAA Living Shoreline Oyster Bag Sills & Monitoring (VIMS)	\$96,637	Funded
Environmental	DEQ – Capitalization – MP Living Shoreline Revolving Loan Program	\$250,000	Funded
Emergency Mgmt	VDEM – Homeland Security Regional Emergency Planner	\$95,000	Not funded
Emergency Mgmt	VDEM – Middle Peninsula/Northern Neck Mass Casualty Functional Exercise	\$64,473	Funded
Emergency Mgmt	VDEM – Homeland Security Middle Peninsula/Northern Neck Regional Debris Mgmt Plan	\$43,000	Funded
Environmental	DEQ – Septic Pumpout	\$17,000	Funded
Environmental	NAWCA Acquisitions	\$75,000	Funded
Economic Dev	CZM Legal Research	\$7,000	Submitted
Environmental	CZM FY18 Coastal TA	\$30,000	Funded
Environmental	NFWF – Living Shoreline Cost Share and Demo Project	\$137,000	Not Funded
Environmental	CZM ANPDC WWF	\$10,000	Funded
Housing	VHDA – Community Impact Grant	\$30,000	Funded
Environmental	CZM ANPDC Ecotourism	\$36,930	Approved

MPPDC ACRONYMS

ACH	Automated Clearing House	MPRSC	Middle Peninsula Regional Security Center
AFG	Assistance to Firefighters Grants	NHD	Natural Heritage Data
AFID	Agricultural and Forestry Industries Development	NIMS	National Incident Management System
AHMP	All Hazards Mitigation Plan	NFWF	National Fish and Wildlife Foundation
BCC	Building Collaborative Communities Project	NOAA	National Oceanic and Atmospheric Administration
BOS	Board of Supervisors	NPS	National Park Services
CBPA	Chesapeake Bay Preservation Area	OCVA	Oyster Company of Virginia
CBSF	Chesapeake Bay Stewardship Fund	OLGA	On-line Grant Administration
CDBG	Community Development Block Grant	PAA	Public Access Authority
CEDS	Comprehensive Economic Development Strategy	RBEG	Rural Business Enterprise Grant
CIP	Capital Improvement Plan	RBOG	Rural Business Opportunity Grant
COI	Conflict of Interest	RFP	Request for Proposal
CRS	Credit Rating System	RFQ	Request for Qualifications
CVE	Countering Violent Extremism	RLF	Revolving Loan Fund
CZMP	Coastal Zone Management Program	RTP	Rural Transportation Planning
DEQ	Department of Environmental Quality	SERCAP	Southeast Rural Community Assistance Project
DGIF	Department of Game and Inland Fisheries	SHSG	State Homeland Security Grant
DHR	Department of Historic Resources	SWCD	Soil and Water Conservation District
DHCD	Department of Housing and Community Development	SWM	Storm Water Management
DMME	Department of Mines Minerals and Energy	SWRP	State Water Resource Plan
DOC	Department of Corrections	THIRA	Threat & Hazard Identification & Risk Assessment
DOE	Department of Energy	TIF	Tax Increment Financing
DRPT	Department of Rail and Public Transportation	TMDL	Total Maximum Daily Loads
EDA	Economic Development Administration	USDA	U.S. Department of Agriculture
EDO	Economic Development Organization	USFWS	U.S. Fish and Wildlife Service
EECBG	Energy Efficiency and Conservation Block Grant	VAPA	Virginia Planning Association
EOC	Emergency Operation Center	VAPDC	Virginia Association of Planning District Commissions
EPA	Environmental Protection Agency	VASG	Virginia Sea Grant
FEMA	Federal Emergency Management Agency	VAZO	Virginia Association of Zoning Officials
Fracking	Hydraulic Fracturing	VCP	Virginia Coastal Program
GIS	Geographic Information System	VCZMP	Virginia Coastal Zone Management Program
HAM	Amateur Radio	VCWRLF	Virginia Clean Water Revolving Loan Fund
HRPDC	Hampton Roads Planning District Commission	VDEM	Virginia Department of Emergency Management
LGA	Local Government Administrators	VDH	Virginia Department of Health
LPT	Local Planning Team	VDOT	Virginia Department of Transportation
LSIP	Living Shoreline Incentive Program	VDMME	Virginia Department of Mines, Minerals, and Energy
MOU	Memorandum of Understanding	VEE	Virginia Environmental Endowment
MPA	Middle Peninsula Alliance	Vertical Assets	"Towers or other structures that hold cell, broadband and other equipment"
MPBA	Middle Peninsula Broadband Authority	VHB	Vanasse Hangen Brustlin
MPCBPAA	Middle Peninsula Chesapeake Bay Public Access Authority	VIMS	Virginia Institute of Marine Science
MPEDRO	Middle Peninsula Economic Development and Resource Organization	VMRC	Virginia Marine Resource Commission

VOAD	Volunteer Organization Active in Disasters
VOP	Virginia Outdoors Plan
VRA	Virginia Resources Authority
VSMP	Virginia Stormwater Management Program
VTA	Virginia Transit Association
VWP	Virginia Water Protection
VWWR	Virginia Water Withdrawal Reporting
WIP	Watershed Implementation Plan
WQIF	Water Quality Improvement Fund

Middle Peninsula Planning District Commission
Executive Director's Report of Regional Progress
November 7, 2017

MPPDC: Membership, Appointments, Committee Assignments, and Networks

Coastal Policy Team (CPT): The CPT, whose members and alternates represent the Virginia Coastal Zone Management Program's key partners and eight planning district commissions, provides a forum for discussion and resolution of cross-cutting coastal resource management issues. Members serve on the team at the discretion of their agency or planning district commission director. The CPT recommends funding levels to the DEQ Director for coastal zone management projects. (MPPDC Staff 15 years +)

Congressman Robert Wittman's Fisheries Advisory Committee and Environmental Advisory Committee: (MPPDC Staff 8 years +)

Virginia Sea Grant Program External Advisory Committee (EAC): The EAC provides stakeholder input on the strategic planning process, the research proposal review process, and on Commonwealth-wide trends and needs. The EAC is a diverse group of end-users including representatives from state agencies, the education community, coastal planning and management, the private sector, and NGOs. (MPPDC Staff 9 years+)

The Association for Commuter Transportation (ACT) (Telework Council Secretary): ACT is the premier association for professionals and organizations whose focus is the delivery of commuting options and solutions for an efficient transportation system. The Telework Council is concerned with promoting telework and providing telework information and technical assistance to employers (MPPDC Staff 10 years+)

Middle Peninsula Northern Neck Coordinated Human Services Mobility Committee: Provides direction for a unified comprehensive strategy for transportation service delivery in the Middle Peninsula and Northern Neck Planning Districts focused on unmet transportation needs of seniors, people with disabilities, and people with low incomes. (MPPDC Staff 12 years)

The Coastal Society: The Coastal Society is an organization of private sector, academic, and government professionals and students. The Society is dedicated to actively addressing emerging coastal issues by fostering dialogue, forging partnerships, and promoting communications and education. (MPPDC staff serves as a Director)

Hurricane Evacuation Coordination Workgroup: The Hurricane Evacuation Coordination Workgroup is comprised of state and local emergency representatives tasked with finding solutions to fill in the gaps in the Commonwealth's and Locality's plans to respond to a Major Hurricane Evacuation.

Shelter Location Identification Subcommittee of the Hurricane Evacuation Coordination Workgroup: Local and state experts tasked with identifying state and local shelter locations that can meet the needs of individuals with access and functional needs. A recent federal court ruling indicates that prior knowledge of shelter locations allows for more complete personal preparedness planning.

Shelter Staffing Subcommittee of the Hurricane Evacuation Coordination Workgroup: Local and state experts tasked with recommending solutions to alleviate staffing limitations in emergency shelters.

Eastern Virginia Groundwater Management Advisory Committee (EVGMAC) Workgroup #2B: EVGMAC is charged with assisting the State Water Commission and DEQ in developing, revising and implementing a management strategy for groundwater in Eastern Virginia Groundwater Management Area. Group #2B will identify trading options and programs used in other states; evaluate how trading programs might help with future growth and development, and individual and regional solutions; and evaluate feasibility, data needs, cost and possible participants.

Stakeholder Advisory Group for fees related to the consolidated Virginia Erosion and Stormwater Management Program: Item 8 of Chapters 68 and 758 of the 2016 Acts of Assembly directed Virginia Stormwater Management Program Authorities and Virginia Erosion and Sediment Control Program Authorities to submit information to DEQ by August 1, 2016 and directed DEQ to conduct its evaluation based on revenues and resource needs from July 1, 2014, to June 30, 2016.

MPPDC Staff and Contact Information

Executive Director: Lewis Lawrence

Contact Info: llawrence@mppdc.com (804) 758-2311x24 (804) 832-6747 (cell)

Programs: *Coastal Zone Technical Assistance, Local Initiatives, Public Access Authority*

Finance Director: Beth Johnson

Contact Info: bjohnson@mppdc.com (804) 758-2311x22

Programs: *Commuter/ Employer Transportation Services, Septic Repair & Pumpout Assistance, Revolving Loan Programs Administration, PDC Finance & Grants Administration, PAA staff support, MPEDRO Staff support*

Planner 2: Harrison Bresee

Contact Info: hbresee@mppdc.com (804) 758-2311x26 (757) 871-2245 (cell)

Programs: *Regional Emergency Planning*

Planner 2: Jackie Rickards

Contact Info: jrickards@mppdc.com (215) 264-6451 (cell)

Programs: *Environmental Programs, Graphic Arts*

Secretary: Dawn Kirby

Contact Info: dkirby@mppdc.com (804) 758-2311x21

Programs: *Septic Pumpout Assistance, Facilities Scheduling*

Project 30502 Water Supply Planning

9 VAC 25-780 establishes a planning process and criteria that all local governments will use in the development of local or regional water plans. The plan will be reviewed by the Department of Environmental Quality and a determination will be made by the State Water Control Board on whether the plan complies with this regulation. Within five years of a compliance determination by the board, the plan will be reviewed to assess adequacy and any significant changes will require the submission of an amended plan and review by the board. All local programs will be reviewed, revised, and resubmitted to the Department of Environmental Quality every 10 years after the last approval. The jurisdictions of Essex, King and Queen, King William, Mathews, Middlesex, Tappahannock, Urbanna and West Point opted to prepare a regional plan with assistance from Middle Peninsula Planning District Commission staff and EEE Consulting, an environmental consulting firm. The Regional Plan was completed and submitted to the Virginia Department of Environmental Quality for compliance review by the November 2, 2011 deadline for Regional Plan submission.

- Hosted the first meeting of the Water Supply Planning Committee on October 25, 2017 at 9:30 am at the Middle Peninsula Planning District Commission Boardroom. Tammy Stephenson from the DEQ Water Supply Office attended to discuss the Virginia Hydro Database which will house data needs that meet the state waters supply mandate. To access Virginia Hydro Tammy explained that each locality would need to submit a VA Hydro Request Access Form that will designate individuals that will be able to access their VA Hydro account. The table below shows those localities that have attended the meeting and those localities that have submitted the VA Hydro Access Request Form to Virginia Department of Environmental Quality (DEQ).

Locality	Attended Meeting 1 (Oct 25 th)	Submitted VA Hydro Request Access Form to DEQ
Essex County	No	Yes
King & Queen County	Yes	Yes
King William County	Yes	Yes
Mathews County	Yes	No
Middlesex County	Yes	No
Town of Urbanna	No	Yes
Town of Tappahannock	Yes	Yes
Town of West Point	Yes	Yes

- Drafted October meeting minutes and emailed them to the Water Supply Planning Committee.
- Corresponded with John Gill, Town of Urbanna, about Water Supply Planning Committee meeting outcomes.
- Corresponded with Diane Willingham, Essex County, about the VA Hydro Request Access Form and assisted her in filling out the form. Essex County submitted the form to DEQ on Friday, November 3.
- Corresponded with Frank Sanders, Town of Tappahannock, about the VA Hydro Request Access Form and assisted him in filling out the form. Town of Tappahannock submitted the form to DEQ on Tuesday, November 7.
- Reached out to Virginia Department of Mines, Minerals and Energy (DMME) to gather GIS data on burrowing pits within the Middle Peninsula that may be an alternative source of water that will be explored in the updated Water Supply Plan. This GIS data was sent to EEE consultants to add to their alternatives assessment.

INFORMATION RESOURCES/ASSISTANCE

- Updated www.mppdc.com website – meeting notices, reports, news releases, GoVa meetings, VTRANS 2040 Survey.

COASTAL COMMUNITY DEVELOPMENT/ ENVIRONMENTAL

Funding – VDEQ, VIMS, VDCR, local match from MPPDC General Fund & partners

Project 32015 - Staff Support to Middle Peninsula Chesapeake Bay Public Access Authority (MPCBPAA)

Middle Peninsula Chesapeake Bay Public Access Authority Special Project – Support of Executive Order 23, Goal 8 Coastal Management Coordination Public Access: Continue implementation of adopted annual work program, including identifying land, either owned by the Commonwealth or private holdings that can be secured for use by the general public as a public access site; researching and determining ownership of all identified sites; determining appropriate public use levels of identified access sites; developing appropriate mechanism for transferring title of Commonwealth or private holdings to the Authority; developing appropriate acquisition and site management plan. This Program allows the Authority to function by supporting the individual projects and operations of the Authority, as well as, by responding to daily requests for assistance from local government staff.

- Prepared vouchers, processed A/P, reconciled bank statements. Prepared monthly financial statements.

Project 32016 - VIMS Living Shoreline

MPPDC submitted a proposal to the National Fish and Wildlife Foundation for VIMS. The objective of this project is to leverage previous funding from NFWF to install oyster bag sills at two publicly-owned (MPCBPAA) properties on and monitor them for a year. In addition, existing oyster bag sill installations at four private locations will be monitored to determine overall project effectiveness. This work will provide recommendations for installations along fetch-limited shorelines of Chesapeake Bay.

- Consulted with Donna Milligan, VIMS Shoreline Studies regarding progress report. Oyster bag sills have been installed at both sites and monitoring is in progress.
- Consulted with Pam Ivey, VIMS regarding financial report and invoice.
- Entered data into FIELDDocs tool for Oyster Bag sill BMPs constructed on sites in Gloucester and Mathews.
- Prepared and submitted annual progress and financial reports to NFWF.

Project 31500 - Living Shoreline Incentive Program RLF

This program provides low interest loans to homeowners to install living shorelines as defined by § 28.2-104.1 of the Code of Virginia: “Living shoreline” means a shoreline management practice that provides erosion control and water quality benefits; protects, restores or enhances natural shoreline habitat; and maintains coastal processes through the strategic placement of plants, stone, sand fill, and other structural and organic materials. Revolving loan program capitalization provided through an interest free loan from the Virginia Clean Water Revolving Loan Fund through the Virginia Resources Authority.

- Consulted with Gloucester homeowner regarding LSIP program. Provided resources including application via email.
- Received request for information on LSIP program from Tim Hill for Mathews homeowner. Emailed resources and link to application. Consulted with homeowner regarding resources, MPPDC LSIP program.

- Executed ACH loan payments for MPBDP loans. All MPPDC loan funding programs require that loan recipients authorize loan payments to be made automatically from loan recipients' bank accounts. Loan clients authorize the payments at loan closing (ACH Authorizations). MPPDC staff process these payments on the 15th of each month. This places the onus to not make a payment on the loan client contacting MPPDC staff prior to the loan processing date of the 12th of the month to request a payment be held. This has significantly reduced defaults and delinquent repayments of MPPDC loans.
- **Remaining uncommitted funds - \$120,027**

Project 32017 - NAWCA PAA Acquisitions

The Wetlands Conservation on the Middle Peninsula of Virginia Phase I proposal is the first in a series of projects planned by the Middle Peninsula District Commission (MPPDC) in coordination with local, state and federal agencies, non-government organizations and landowners to protect key wetlands along the Chesapeake Bay. This project will employ a novel, creative and cost effective land conservation model in order to perpetually protect 77.05 acres of coastal habitat.

Project 32140 - Virginia Coastal TA FY18

This project provides ongoing support to member localities of the Planning District Commission and other stakeholders committed to improving community development and coastal management within the coastal zone.

- Consulted with Carol Steele, Director of Parks and Recreation and Tourism for Gloucester County concerning several boat landings in the VDOT road endings and the public's right for ingress and egress.
- Consulted with a marina owner in the Middle Peninsula about possible donation of the marina to the Middle Peninsula Chesapeake Bay Public Access Authority to establish a publicly owned marina for the benefit of working watermen and provision of recreational access.
- Consulted with Steve Holberg, Mayor, Town of Urbanna concerning Comprehensive Plan updates and general economic development questions, including surveying and funding opportunities.
- Continued consultation with representatives from the United States Coast Guard, Army Corps of Engineers, Congressman Robert Wittman's office, Virginia Department of Game and Inland Fisheries, Delegate Keith Hodges office and various other stakeholders concerning the removal of aids to navigation in Mathews County and the development of an appropriate local response to keep the channels open for recreational and commercial use.
- As President for the Coastal Society, initiated the process for the development of a slate of officers for the 2017-2018 Board of Directors for the Coastal Society election.
- Consulted with Neal Barber, President of the Middle Peninsula Land Trust concerning the merger with the Williamsburg Land Conservancy.
- Consulted with Del. Keith Hodges concerning an upcoming presentation to the Flood Commission on possible recommendations for legislation to assist rural coastal localities with addressing repetitive flooding issues. Also discussed the relationship of flooding to stormwater recommendations and the nexus to challenges within Rural Coastal Virginia.
- Consulted with Tom Swartzwelder, King and Queen County Administrator concerning Bay Act program review and the requirements for enforcing septic pumpout using civil penalties.
- Received numerous calls from Middle Peninsula residents interested in black powder and bow hunting on the lands managed by the Middle Peninsula Chesapeake Bay Public Access Authority.

- Responded to a request by Janice Moore, President of Friends of the Dragon Run interested in trying to connect the Dragon Run main stem with the Hayworth Tract using a walking trail from the Middle Peninsula Chesapeake Bay Access Authority's Hayworth tract.
- Consulted with Bob Hicks and Rich Williams, Virginia Department of Health concerning the use of civil penalties to enforce septic repair and pumpout requirements.
- Consulted with a Gloucester County land owner considering donating land to the Middle Peninsula Chesapeake Bay Public Access Authority in Naxera, Gloucester County.

Project 32141 – Working Waterfront Zoning and Coastal Living Policy Development

MPPDC staff in partnership with Accomack-Northampton PDC and the Northern Neck PDC will work to develop a legislative brief for the 2018 General Assembly Session. Also staff will work with localities to develop working waterfront zoning and coastal living policy language. This work will then be shared with interested Board of Supervisors, Town Councils and the general public.

- Corresponded with Shannon Alexander, ANPDC Planner, about research findings associated with the marine fuel tax and how it was redirected for Chesapeake Bay clean up in 1994.
- Reviewed the Code of Federal Regulations Title 33 Navigation and Navigable Waters Part 66-Private Aids to Navigation.
- Consulted with Donald McCann, President of the Virginia Marine Trades Association concerning upcoming presentation on possible General Assembly legislative package to address dredging and other working waterfront issues at the Annual Conference for the Virginia Marine Trades Association.
- Consulted with Beth Polak, Virginia Coastal Zone Management Program Planner concerning valuation questions of donated lands in the Guinea Marshes to the Middle Peninsula Chesapeake Bay Public Access Authority. Provided documentation that the Virginia Constitution requires that all land be assessed at 100% fair market value and that the Gloucester County real estate Assessor has determined acreage to be valued at \$500 per acre.
- In response to a request from NOAA, contacted a local real estate appraiser to determine the valuation of possible donated lands in Guinea to the Middle Peninsula Chesapeake Bay Access Authority as these lands will be used for match against a possible NOAA Grant.
- Consulted with Stephanie Heinatz, President of Consociate Media concerning the development of a tourism and marketing program and the submittal of a grant request to the Virginia Tourism Corporation.

TRANSPORTATION

Funding – VDRPT, VDOT, local match from MPPDC General Fund

Project 30212 - Transportation Demand Management (TDM) Services

This program assists local commuters and employers with transportation issues. The main emphasis is on lowering the number of single occupancy vehicle commutes within and from the Middle Peninsula region through marketing and promotion of the program through local media and provision of ride matching services to commuters.

- Updated website – www.midpenrideshare.org
- Received phone call from Middlesex resident looking for one-time ride to work in Alexandria. Provided contact information for possible matching commuter.
- Updated Telework Council membership list.

- Hosted DRPT Middle Peninsula Northern Neck Coordinated Human Services Mobility Management grant workshop. Bay Transit intends to apply for funding to provide transportation services for elderly and disabled clients.
- Current commuter database – 150

Project 30314 - Rural Transportation Planning

This program provides rural transportation planning services through the Rural Transportation Planning Work Program which outlines specific tasks and goals to guide the rural planning of transportation services.

- Consulted with Linda LaSut, VDOT Assistant Planning Manager regarding VDOT overpayment. Will refund overpayment to VDOT.
- Researched various funding methods and grant programs implemented in other coastal states to support commercial and recreational traffic within privately maintained navigational channels.
- Contacted the National SeaGrant Law Center at the University of Mississippi requesting information on state funded programs to assist with the financing of local dredging projects to facilitate commercial transportation commerce within rural coastal communities.
- Consulted with legal counsel at Sands Anderson regarding Title VI documentation provided by VDOT which MPPDC has been requested to sign and execute.

ONSITE REPAIR & PUMPOUT

Funding –VRA Loan Funds, local match from MPPDC General Fund, cost sharing

Project 30420/30428 - On-Site Technical Guidance Assistance and Revolving Loan Program

The On-Site Technical Guidance Program aids the Middle Peninsula localities and residents in the technical understanding and implementation of approaches to address On-Site Disposal Systems and improve water quality by assisting local homeowners with repairing failing septic systems through low-interest loans and/or grants. In addition MPDC received funding under the Water Quality Improvement Fund (WQIF) to provide grants to low to moderate income Middle Peninsula and New Kent County homeowners to repair failing septic systems impacting water quality and health in the region. Grants can be paired with loans from the MPPDC Onsite Wastewater Revolving Loan Fund to provide matching funds as required. It is anticipated this funding will be used to provide assistance to 20-27 homeowners.

- Attended DEQ BMP Warehouse webinar. All future BMPs (septic pumpouts and repairs) funded by DEQ will have to be input into the DEQ BMP Warehouse as a requirement of DEQ grants. This is a new requirement. To be determined if this will increase or decrease grant administration efforts.
- Consulted with Mathews homeowner regarding next steps for septic repair loan.
- Consulted with Tammy Faulkner, Gloucester Health Department regarding status of Gloucester homeowner application. Resent application.
- *Executed ACH loan payments for septic repair loans. All MPPDC loan funding programs require that loan recipients authorize loan payments to be made automatically from loan recipients' bank accounts. Loan clients authorize the payments at loan closing (ACH Authorizations). These payments occur on the 15th of each month. This places the onus to not make a payment on the loan client contacting MPPDC staff prior to the loan processing date of the 12th of the month to request a payment to be held. This has significantly reduced defaults and delinquent repayments of MPPDC loans as well as collection efforts.*
- **Remaining uncommitted septic repair funding – \$121,980 in loan funds, \$122,200 in grant funds.**

- Septic Pumpouts as of November 7, 2017

Applications Mailed	33
Approved Vouchers	19
Completions	14

Pumpout Vouchers by County

Essex	03
Gloucester	01
King and Queen	03
King William	00
Mathews	06
Middlesex	06

ECONOMIC DEVELOPMENT

Funding – EDA, local match from MPPDC General Fund, BDP Loan Program Income

Project 30111 - Blue/Green Infrastructure

Commission's effort to promote compatible economic development across the Middle Peninsula looking to leverage blue and green assets.

- Consulted with Andrew Cohill, President of Design Nine concerning a concept proposal for submission to GOVirginia to move forward with Pamunkey.net concept to provide broadband services across the Middle Peninsula.
- Provided a letter of information to all Middle Peninsula localities on two possible proposals to be submitted under GOVirginia: Pamunkey.net and VIMS Design Resiliency. Requested support action from interested localities.
- Met with USDA staff, Chief Robert Gray and Tom Swartzwelder concerning the development of a possible grant application to fund Pamunkey.net.
- Initiated GIS account set-up for a possible USDA grant application to fund Pamunkey.net. Began mapping areas of the Middle Peninsula with no broadband services as defined by USDA.
- Worked with USDA to gain Level 2 access to the USDA Broadband Program Mapping Tool to begin a new application to the Community Connect Grant. However, after gaining Level 2 access to the USDA portal, questions persisted and MPPDC staff were still unable to create a new application and begin mapping the project area. MPPDC staff continues to work with USDA staff to resolve this issue.

Project 301702 - Small Business Revolving Loan Fund

MPPDC agreed to service Middle Peninsula Business Development Partnership's (MPBDP) Small Business Loan Portfolio after MPBDP's dissolution November 30, 2011. MPPDC established a revolving loan fund and staff initiate ACH loan payments from clients bank accounts and manages the accounts. Principal repaid will be held until the Commission determines the best use for these funds as allowed by the USDA (RBEG) original lending restrictions. Interest earned will be used to offset administration costs.

- *Executed ACH loan payments for MPBDP loans. All MPPDC loan funding programs require that loan recipients authorize loan payments to be made automatically from loan recipients' bank accounts. Loan clients authorize the payments at loan closing (ACH Authorizations). These payments occur on the 15th of each month. This places the onus to not make a payment on the loan client contacting MPPDC staff prior to loan processing date of the 12th of the month to request a payment be held. This has significantly reduced defaults and delinquent repayments of MPPDC loans as well as collections efforts.*
- **Funds available – \$132,523**

Project 30109 – Staff Support to Middle Peninsula Alliance (MPA)

MPPDC staff are providing clerical and fiscal assistance to the Middle Peninsula Alliance.

- Prepared vouchers, processed A/P, processed deposits and balanced bank account. Prepared monthly financial statements.
- Consulted with Heather Huddle, US Navy for Muses Beach Shoreline Stabilization project regarding reimbursement and advance requests.
- Consulted with Scott Blossom regarding status of construction at Muses Beach.
- Attended bi-weekly meetings with Liz Povar, MPA Principal Officer to discuss upcoming MPA activities and workload.

LOCAL INITIATIVES

Funding - local dues, PDC base-funding from VDHC and/or MPPDC General Fund. Funding for specific projects may come from locality requesting assistance.

Project 380181 - Local & Regional Technical Assistance

This program responds to daily requests for technical assistance which other commission programs are unable to provide.

- Executed base funding contract through DHCD CAMS system.
- Updated and submitted an application to be considered for the Governor's Environmental Excellence Award Land Conservation Program.

HOUSING

Funding –Housing Loan Program Income

Project 300132 - Energy Efficiency and Conservation Block Grant (EECBG) Revolving Loan Fund

The program emphasizes a community-based approach to help meet energy and climate protection goals. MPPDC was awarded a contract to provide weatherization renovations to 12 homeowners ineligible for LMI weatherization programs in each of the 6 counties. MPPDC subcontracted the promotion and construction portions of this project to Bay Aging but was tasked with administering the overall project. MPPDC is administering the revolving loan program per DMME.

- *Executed ACH loan payments for MPBDP loans. All MPPDC loan funding programs require that loan recipients authorize loan payments to be made automatically from loan recipients' bank accounts. Loan clients authorize the payments at loan closing (ACH Authorizations). These payments occur on the 15th of each month. This places the onus to not make a payment on the loan client contacting MPPDC staff prior to loan processing date of the 12th of the month to request a payment be held. This has significantly reduced defaults and delinquent repayments of MPPDC loans as well as collections efforts.*
- **Funds available = \$39,848**

Project 30115 – VHDA Community Impact Grant

This project will consider new approaches to address vacant homes and clouds on deeds within the Middle Peninsula. Using recommendations derived from VCPC's extensive policy analysis, MPPDC will identify feasible strategies to address housing issues in the region. This work will also include a limited field inventory which will help MPPDC better evaluate how many vacant homes are in the Middle Peninsula. The short-term objective of Phase I is to identify tools available to address housing vacancies and determine how many vacant homes are in the Middle Peninsula. MPPDC will contract with VCPC and the Berkley Group to provide needed analysis and footwork.

- Convened project kick-off meeting with Keith Sherrill, VHDA and VCPC staff at William & Mary Law School.

EMERGENCY SERVICES

Funding - Pending

Project 31204 – Regional Emergency Management Planner

Regional Emergency Planner position housed at the Middle Peninsula Planning District Commission (MPPDC) in Saluda. The Middle Peninsula crosses VDEM Region 1&5 boundaries. Position will support local Emergency Coordinators by assisting/coordinating homeland security & disaster response preparedness; Rt. 17 evacuation planning; & resource data collection.

- Completed week one of the L0101 80 hour, two week *Foundations of Emergency Management* course sponsored by VDEM. The course is the entry point for individuals pursuing a career in emergency management. The L0101 course provides a shared classroom of adult learners and skillful instructors resulting in a sound basis upon which to build further studies and make good career choices. Week one consisted of Introduction to EM; Legal Issues in EM; Intergovernmental/Interagency Context; Influencing; Organizing EM; Serving the Whole Community; Stress Management; Collaboration in EM; Team Building Assignments; Preparedness; Prevention and Protection; Mitigation.
- Participated as a representative for the Middle Peninsula in two meeting of the VDEM “Re-entry taskforce”. Discussed the perspective of a business owner attempting to return to an impacted area where their business resides. Offered comments on the process a business owner would like to see emergency management implement (i.e. credentialing/identification, levels of re-entry, etc.) Comments will be included in the Draft Regional Framework, which will be used as a template for writing locality specific plans, which will truly engage the local business owners.
- Attended the Fall Hurricane Evacuation Coordination Workgroup Meeting in James City County. At the meeting, an update of the Hurricane Evacuation Zones (“Know your Zone”) was presented. The program will be tested in the Spring of 2018 during the National FEMA exercise “Atlantic Fury”.
- Took part in the Middle Peninsula and Northern Neck Emergency Management Quarterly Meeting in Tappahannock, VA. The agenda included a presentation by Verizon Wireless on their First Responder Public Safety Solutions program. Also, VDEM spoke on the importance of identifying Disaster Recovery Centers (DRC) before a federally declared event. Planning for a DRC will greatly reduce confusion and improve recovery time for a locality and/or a region.

AGENCY ADMINISTRATION

Funding - Indirect cost reimbursements from all PDC projects

MPPDC Administration

Administrative services provided to MPPDC programs. Planned FY18 Indirect Cost rate =58.9%.

- Participated in VAPDC committee conference call to discuss super circular issues with Bob Lloyd, consultant hired to liaise with state pass-through agencies of federal funds. Discussed issues with federal cognizant agencies not interested in negotiating indirect rates and process allowed.
- Reviewed FY17 audit report. Sent corrections to Michael Aukamp, and provided Management Discussion and Analysis. MPPDC ended FY17 with a \$51,808 increase to the General Fund balance and an increase of \$23,600 in current assets. FY17 Audit report will be presented to Commission at its November 15 meeting.
- Attended DHCD roadshow in Gloucester which showcased grant opportunities for community and economic development projects available to localities, regional entities and nonprofits.

CLOSED FY18 PROJECTS

Project 32138 – Coastal TA FY17

Submitted the final report and final project summary for the Virginia Coastal Zone Management Program.

Project 32139 - Eco-Business Framework

Project 32210 - Working Waterfronts (Task 93.03)

Contacted HRPDC staff to create maps of working waterfronts in coastal PDCs (i.e. Richmond Regional, George Washington, Crater, and Northern Virginia) to supplement the final report.

Project 31205 - MSAT Phones

Project 31206 – EOP Gap Analysis Project

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**MIDDLE PENINSULA PLANNING
DISTRICT COMMISSION**

**AUDITED FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2017**

DRAFT

DUNHAM, AUKAMP & RHODES, PLC
Certified Public Accountants
Chantilly, Virginia

MIDDLE PENINSULA PLANNING DISTRICT COMMISSION

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MIDDLE PENINSULA PLANNING DISTRICT COMMISSION
BOARD OF COMMISSIONERS

John R. Clickener - Essex County

Margaret H. Davis - Essex County

John Magruder – Essex County

Ashley C. Chriscoe - Gloucester County

William G. Reay - Gloucester County

Michael Winebarger - Gloucester County

Sherrin C. Alsop - King and Queen County

R. F. Bailey - King and Queen County

Thomas J. Swartzwelder - King and Queen County

David Hansen - King William County

Travis J. Moskalski - King William County

Eugene Rivara - King William County

Mark Reeter - King William County

O. J. Cole, Jr. - Mathews County

Thornton Hill - Mathews County

Jack White - Mathews County

Melinda Conner – Matthews County

Trudy V. Feigum – Middlesex County

Wayne Jessie – Middlesex County

John D. Miller – Middlesex County

Roy M. Gladding - Town of Tappahannock

James Sydnor - Town of Tappahannock

Steve Hollberg - Town of Urbanna

Paul T. Kelley - Town of West Point

INDEPENDENT AUDITOR'S REPORT

To the Commissioners
Middle Peninsula Planning District Commission
Saluda, Virginia

Report on the Financial Statements

We have audited the accompanying financial statements of the business-type activities and the aggregate remaining fund information of the Middle Peninsula Planning District Commission, as of and for the year ended June 30, 2017, and the related notes to the financial statements, which collectively comprise the Middle Peninsula Planning District Commission's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Managements is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

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 from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made be management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the business-type activities and the aggregate remaining fund information of the Middle Peninsula Planning District Commission as of June 30, 2017, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Middle Peninsula Planning District Commission Management's Discussion and Analysis

In this section of the annual financial report of the Middle Peninsula Planning District Commission (the "Commission"), management provides a narrative discussion and an analysis of its financial activities for the fiscal year that ended June 30, 2017. Responsibility for the accuracy of the data as well as the completeness and fairness of this presentation (including all disclosures) rests with management. To the best of our knowledge and belief, the data contained herein is accurate in all material respects. This data is reported in a manner designed to fairly represent the Commission's financial position and the result of operations of its various funds. All disclosures necessary to enable the reader to gain an accurate understanding of the Commission's financial activities have been included. The Commission's financial performance is discussed and analyzed within the context of the accompanying financial statements and disclosures following this section.

Overview of the Financial Statements

The financial statements presented herein included all of the activities of the Commission using the integrated approach as prescribed by GASB Statement No. 34. Management's Discussion and Analysis (MD&A) is intended to introduce the Commission's financial statements. In addition to this Management's Discussion and Analysis (MD&A), the report consists of the enterprise fund financial statements, and the notes to the financial statements. These financial statements are designed to be more corporate-like in that all activities of the Commission are considered to be business-type activities.

Required Financial Statements

The Statement of Net Position focuses on resources available for future operations. In simple terms, this statement presents a snap shot view of the assets the Commission has, the liabilities it owes and the net difference. The net difference is further separated into amounts restricted for specific purposes and unrestricted amounts. Business-type activities are reported on the accrual basis of accounting. Over time, increases and decreases in net position may serve as a useful indicator of whether the financial position of the Commission is improving or deteriorating.

The Statement of Revenues, Expenses and Changes in Net Position details the Commission's revenues and expenses by functional type, and the net operating result of the current year. This statement summarizes and simplifies the user's analysis to determine the extent to which programs are self-supporting and/or subsidized by general revenues.

The Statement of Cash Flows shows the cash flows from the Commission's operating, capital and related financing, and investing activities.

The notes to the financial statements provide additional disclosure required by governmental accounting standards and provide information to assist the reader in understanding the Commission's financial condition.

The MD&A is intended to explain the significant changes in financial position and the differences in operation between the current year and prior years. Significant changes from the prior year are explained in the following paragraphs.

Financial Analysis

Summary Statements of Net Position June 30,

	<u>2017</u>	<u>2016</u>
Current Assets	\$ 817,019	\$ 793,374
Loans Receivable	173,067	179,675
Capital Assets (net)	<u>7,654</u>	<u>7,931</u>
Total Assets	<u>997,740</u>	<u>980,980</u>
Deferred Outflows of Resources	<u>29,862</u>	<u>30,454</u>
Current Liabilities	152,538	169,067
Long-Term Liabilities	<u>170,536</u>	<u>156,917</u>
Total Liabilities	<u>323,074</u>	<u>325,984</u>
Deferred Inflows of Resources	<u>187,306</u>	<u>220,036</u>
Invested in Capital Assets	7,654	7,931
Unrestricted	<u>509,568</u>	<u>457,483</u>
Total Net Position	<u>\$ 517,222</u>	<u>\$ 465,414</u>

Current assets increased during the year by approximately \$23,600.

Loans receivable decreased approximately \$6,600 during the year as a result of repayments on the various loans by individual clients, net of new loans made. Several loan programs are no longer active as the programs that supported them are no longer funded and thus no new loans were processed for these programs during the year while one new loan program was initiated to incentivize installation of living shoreline projects on private properties.

Current liabilities decreased approximately \$16,500 during the year primarily as a result of a decrease in accrued leave payable due to the retirement of a long-term employee and also a decrease in accounts payable at the end of the year.

Deferred inflows of resources associated with the differences in projected and actual experience of the pension plan was reduced by \$32,700 during the year.

Long-term liabilities increased by approximately \$13,600 during the current year, as the Commission continued its septic repair loan program and implemented a new revolving loan program funded by a loan through the Virginia Resources Authority. VRA loans have a delayed payback period of 2-3 years resulting in an increase of \$20,400 in loans payable. There was also a \$6,800 reduction in the net pension liability.

Total net position increased by approximately \$51,800 this year primarily due decreases in accrued leave and pension liabilities and an increase in current assets.

**Summary Statements of Activities
For the Years Ended June 30,**

	<u>2017</u>	<u>2016</u>
Revenues		
Operating revenues	\$910,513	\$959,336
Interest	<u>3,371</u>	<u>2,489</u>
Total Revenues	<u>913,884</u>	<u>961,825</u>
Expenses		
General and administration	60,351	58,895
Project costs	<u>840,627</u>	<u>914,252</u>
Total Expenses	<u>900,978</u>	<u>973,147</u>
GASB 68 pension benefit	<u>38,902</u>	<u>37,069</u>
Change in net position	51,808	25,747
Net position at beginning of year	<u>465,414</u>	<u>439,667</u>
Net position at end of year	<u>\$517,222</u>	<u>\$465,414</u>

Operating revenues decreased by approximately \$49,000 and project expenses decreased by approximately \$74,000 from the prior year. It is not uncommon for these figures to change substantially from year to year due to differences in the Commission's work program based on changes in the Commission's priorities and the availability of funding to implement the work program.

In FY 2017 actual operating revenues were over budget by approximately \$122,000 as the Commission secured funding for several projects unanticipated during the budget process. Project costs for contractual costs were over budget by \$51,600 due to a new unbudgeted project that provided satellite phones to localities for emergency operations.

Actual expenses exceeded budgeted expenses for personnel costs by approximately \$55,000 as a result of the Commission's performance compensation program whereby management is authorized to obtain additional funding to enable and enhance the Commission's work program and increase staff salaries proportionately as additional funding is obtained. The ability to allow for a fluctuation in personnel costs based on availability of funding allows for greater flexibility in applying for additional funding to advance the Commission's priorities without increased staffing.

There was little change in general Administration expenses as management continued to control administrative costs and utilize administrative staff directly on projects wherever feasible.

Capital Assets

The capital assets in the governmental funds consist of computer equipment and vehicles used in the business-type activities of the Commission.

Long-Term Debt

Long-term debt consists of three loans from the Virginia Water Facilities Revolving Fund. The first loan was originally made in 1997 in the amount of \$250,000, but through regular annual payments has been reduced to \$25,000. In 2011 the Commission received another \$250,000 loan from the Virginia Water Facilities Revolving Fund to increase the revolving loan fund for wastewater loans. This loan consisted of a \$125,000 no interest loan and a \$125,000 "principal forgiveness" loan. As of June 30, 2017, \$125,000 had been drawn on this loan and an additional \$125,000 on the "principal forgiveness loan". This loan has been reduced by regular annual payments to \$75,000. During FY2016 the Commission received another loan in the amount of \$250,000. As of June 30, 2017 only \$41,433 had been drawn on this loan. A fourth loan in the amount of \$250,000 was settled in FY2017, with only \$3,950 drawn down as of June 30, 2017.

Economic Factors and Future Outlook

Presently, management of the Commission is aware of the changing federal, state, regional and local economic climate and is working to comprehensively understand, address and plan for the future security of the Commission consistent with the evolving new economic model. Management realizes the risk to the organization of the high dependency on grants to fund operations especially during periods of economic stress and continues to explore other options to fund its essential programs including increased local funding. Management continues to work with the MPPDC Executive Committee to explore strategies to fund the Commission, provide for a motivated and adequately compensated staff, and increase performance while maintaining compliance with the requirements of OMB Uniform Guidance and the needs and resources of the member localities.

Contacting the Commission's Financial Management Staff

This financial report is designed to provide a general overview of the Commission's finances and show the Commission's accountability for the funds it receives. If you have questions about this report or need additional information, contact the Commission's Executive Director at 125 Bowden Street in Saluda, Virginia.

MIDDLE PENINSULA PLANNING DISTRICT COMMISSION
STATEMENT OF NET POSITION
JUNE 30, 2017

ASSETS

Current Assets

Cash and cash equivalents	\$ 514,000
Restricted cash	29,167
Accounts receivable	273,852
Total Current Assets	817,019

Noncurrent Assets

Capital assets, net	7,654
Loans receivable	173,067
Total Noncurrent Assets	180,721
Total Assets	997,740

DEFERRED OUTFLOWS OF RESOURCES

Pension contributions after the measurement date	13,393
Net difference between projected and actual earnings on plan investments	16,469
Total deferred outflows	29,862

LIABILITIES

Current Liabilities

Accounts payable	9,533
Deferred revenue	76,046
Accrued leave payable	41,959
Current portion of notes payable	25,000
Total Current Liabilities	152,538

Noncurrent Liabilities

Notes payable, net of current portion	120,383
Net pension liability	50,153
Total Liabilities	323,074

DEFERRED INFLOWS OF RESOURCES

Net difference between projected and actual experience	187,306
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NET POSITION

Invested in capital assets, net of related debt	7,654
Unrestricted	509,568
Total Net Position	\$ 517,222

See accompanying notes

MIDDLE PENINSULA PLANNING DISTRICT COMMISSION
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
FOR THE YEAR ENDED JUNE 30, 2017

Operating Revenues

Grants and appropriations	
Federal grants	\$ 495,934
State grants and appropriations	239,862
Local grants and appropriations	150,641
Miscellaneous	24,076
Total Operating Revenues	910,513

Operating Expenses

Salaries	371,414
Consultant and contractual	166,619
Fringe benefits	108,462
Promotion and advertising	60,191
Office supplies	48,005
Construction	38,218
Rent and utilities	30,184
Legal and accounting	22,820
Workshops and conferences	11,407
Printing and duplicating	11,229
Lodging and staff expense	5,117
Miscellaneous	4,149
Depreciation	3,775
Dues and memberships	3,560
Telephone	3,043
Meeting supplies and expenses	2,714
Vehicle costs	2,219
Professional development	2,210
Insurance	2,103
Postage	1,933
Website and internet	1,231
Subscriptions and publications	375
Total Operating Expenses	900,978
Operating Income	9,535

Non-Operating Revenues

Interest income	3,371
GASB 68 pension benefit	38,902
Change in Net Position	51,808
Net Position - Beginning of Year	465,414
Net Position - End of Year	\$ 517,222

See accompanying notes

**MIDDLE PENINSULA PLANNING DISTRICT COMMISSION
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED JUNE 30, 2017**

Cash Flows from Operating Activities

Received from customers	\$ 1,112,266
Paid to suppliers for goods and services	(864,331)
Paid to employees for services	(378,142)
Net Cash Flows Used in Operating Activities	(130,207)

Cash Flows from Capital and Related Financing Activities

Proceeds from note payable	41,568
Principal paid on notes payable	(25,000)
Net Cash Flows Provided by Capital and Related Financing Activities	16,568

Cash Flows from Investing Activities

Disbursement for new loans made	(36,228)
Purchases of property and equipment	(3,519)
Loan payments received	42,857
Interest income	3,371
Net Cash Flows Provided by Investing Activities	6,481

Net Change in Cash and Cash Equivalents	(107,158)
Cash and Cash Equivalents - Beginning of Year	650,325
Cash and Cash Equivalents - End of Year	\$ 543,167

Reconciliation of Operating Income to Net Cash

Provided by Operating Activities

Operating income	\$ 9,535
Depreciation	3,775
Changes in Assets and Liabilities	
Accounts receivable	(135,235)
Prepaid expenses	4,432
Accounts payable	7,301
Deferred revenue	(13,287)
Accrued annual leave	(6,728)
Net Cash Flows from Operating Activities	\$ (130,207)

See accompanying notes

MIDDLE PENINSULA PLANNING DISTRICT COMMISSION

NOTES TO FINANCIAL STATEMENTS

NOTE 1 – Organization and Summary of Accounting Policies

The Middle Peninsula Planning District Commission (the "Commission") was established April, 1972, pursuant to the provisions of Section 15.1-1403 of the Virginia code (the 1968 Virginia Area Development Act) as an authorized regional planning district commission. The Commission's primary duty is to promote orderly and efficient development of the physical, social and economic elements of the district by planning, encouraging and assisting governmental subdivisions to plan for the future. The Commission is a subsidiary organization of the counties of Essex, Gloucester, King and Queen, King William, Mathews, Middlesex and the towns of Tappahannock, Urbanna and West Point. Commission funding is obtained from member jurisdictions' contributions, funds provided by the Commonwealth of Virginia, and Federal, state and local grants and contracts for specified projects designed to further the Commission's goals and objectives.

The financial statements have been prepared in conformity with generally accepted accounting principles (GAAP) (prior to the adoption of GASB 34) as applied to government units. The Government Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The following is a summary of significant accounting policies followed in the preparation of these financial statements:

- (a) Reporting Entity – The Commission's governing body is composed of members appointed by the nine member jurisdictions. The Commission is not a component unit of any of the member governments, and there are no component units to be included in the Commission's financial statements.
- (b) Basis of Accounting – The accounting and reporting policies of the Commission relating to the accompanying basic financial conform to accounting principles generally accepted in the United States of America applicable to state and local governments. Generally accepted accounting principles for local governments include those principles prescribed by the Governmental Accounting Standards Board (GASB) and by the Financial Accounting Standards Board (when applicable).

Management believes that the periodic determination of revenues earned, expenses incurred and net income is desirable for purposes of facilitating management control and accountability. Therefore, the activities of the Commission are accounted for as a proprietary fund which uses the accrual basis of accounting. Under the accrual basis of accounting, revenues are recognized when earned and expenses are recognized when incurred. The Commission considers grant revenue as earned when the grant expenditure is incurred.

Private-sector standards of accounting and financial reporting issued prior to December 31, 1989, generally are followed in the government-wide financial statements to the extent that those standards do not conflict with or contradict guidance of the Governmental Accounting Standards Board.

The Commission generally first uses restricted assets for expenses incurred for which both restricted and unrestricted assets are available. The Commission may defer the use of restricted assets based on a review of the specific transaction.

MIDDLE PENINSULA PLANNING DISTRICT COMMISSION

NOTES TO FINANCIAL STATEMENTS

(Continued)

NOTE 1 – Organization and Summary of Accounting Policies (Continued)

- (c) Project Expenditures – The costs of goods and services that are identifiable for indirect costs are allocated to projects as described in Note 9. Personnel costs for Commission employees, including overtime and compensatory time, are direct charges to the appropriate projects. Expenses for paid leave and fringe benefits are allocated to projects as described in Notes 10 and 11.
- (d) Concentrations of Credit and Market Risk – Financial instruments that potentially expose the Organization to concentrations of credit and market risk consist primarily of cash equivalents and investments. Cash equivalents are maintained at high-quality financial institutions which, at times, may exceed federally insured limits. Credit exposure is limited to any one institution. The Commission has not experienced any losses on its cash equivalents.
- (e) Cash and Cash Equivalents – Cash and cash equivalents include investments in highly liquid debt instruments with a maturity of three months or less, excluding amounts whose use is limited by the Commission’s Board designation or other arrangements under trust agreements with third-party payers.
- (f) Accounts Receivable – Accounts receivable are reported at their gross value when earned as the underlying exchange transaction occurs. Receivables related to non-exchange transactions are recognized when their eligibility requirements have been met. Receivables are reduced by the estimated portion that is expected to be uncollectible. This estimate is made based on collection history and current information regarding the credit worthiness of the debtors. When continued collection activity results in receipts of amounts previously written off, revenue is recognized for the amount collected. Management considers all of the receivables collectible at June 30, 2017, and no allowance for doubtful accounts has been provided. Concentration of credit risk with respect to accounts receivable is limited due to the number of grantors, many of which are federal government grants.
- (g) Employee Leave Benefits – Commission policy allows employees to accumulate unused vacation leave up to certain maximum hours. Commission employees earn from twelve to eighteen vacation days a year, depending on the length of their employment. Annual leave may be carried over from one fiscal year to the next, subject to certain limitations. The liability for accrued vacation is \$28,864 as of June 30, 2017.
- All employees receive fifteen sick days a year. Sick leave may be carried over from one fiscal year to the next. Upon termination or retirement, employees with five or more years of continuous salaried service may receive up to 25% of their unused sick leave balances up to a maximum of \$5,000. The liability for accrued sick leave is \$13,095 as of June 30, 2017.
- (h) Management Estimates – The presentation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amount of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amount of revenues and expenses during the reporting period. Actual results could differ from those estimates.

MIDDLE PENINSULA PLANNING DISTRICT COMMISSION

NOTES TO FINANCIAL STATEMENTS (Continued)

NOTE 1 – Organization and Summary of Accounting Policies (Continued)

- (i) Capital Assets – Capital assets are recorded at historical or estimated historical cost if actual historical cost is not available for items exceeding \$1,000. Depreciation is taken on the straight-line method over the estimated useful life of the respective asset.

The estimated lives are as follows:

Equipment	3-5 years
Furniture	7 years

Assets that have been purchased with grantor funds may revert to the grantor in the event the program is discontinued.

- (j) Budgets and Budgetary Accounting – Annual budgets are adopted on a basis consistent with generally accepted accounting principles for all funds. All budgets are presented on the modified accrual basis of accounting. Accordingly, the Budgetary Comparison Schedule presents actual expenditures in accordance with the accounting principles generally accepted in the United States of America on a basis consistent with the adopted budgets as amended.
- (k) Advertising Costs – Advertising costs are expensed as incurred.
- (l) Deferred Outflows/Inflows of Resources – The Commission reports deferred outflows of resources on its statement of net position. Deferred outflows of resources represent a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until the applicable period. The employer pension contributions made after the actuarial measurement date of June 30, 2017 was \$13,393. The net difference between projected and actual earnings on plan investments was \$16,469.

The Commission reports deferred inflows of resources on its statement of net position. Deferred inflows of resources represent an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until a future period. The Commission only has one item that qualifies for reporting in this category. The difference between the expected and actual experience per the actuarial report dated of June 30, 2016, of \$187,306 is reported as a deferred inflow of resources at June 30, 2017.

- (m) Pension – For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the Commission's Virginia Retirement System (VRS) plans (Plans) and additions to/deductions from the Plans' fiduciary net position have been determined on the same basis as they are reported by VRS. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

MIDDLE PENINSULA PLANNING DISTRICT COMMISSION

**NOTES TO FINANCIAL STATEMENTS
(Continued)**

NOTE 2 – Cash and Investments

State statute authorizes the Commission to invest in obligations of the U.S. Treasury, agencies, and instrumentalities, repurchase agreements, certificates of deposit or time deposits insured by the FDIC, and the local government investment pool. Deposits are carried at cost, which approximates fair value.

At June 30, 2017 the carrying amount of the Commission’s deposits with banks was \$396,647 and the bank balances were \$490,514. All of the bank balances were covered by federal depository insurance or collateralized in accordance with the Virginia Security for Public Deposits Act.

Investments in 2a7-like pools are valued based on the value of pool shares. The Commission invests a 2a7-like pool, the Local Government Investment Pool, managed by the Virginia Department of Treasury. Permitted investments in the pool include U.S. government obligations, repurchase agreements, certificates of deposit, banker’s acceptances, commercial paper, short-term corporate notes, and short-term taxable municipal obligations. The investment pool has not been assigned a risk category since the Commission is not issued securities, but rather owns an undivided interest in the assets of the pool. The Commission’s balance in the investment pool was \$146,520 at June 30, 2017.

DRAFT

NOTE 3 – Restricted Cash

The Virginia Resources Authority has required the Commission to provide a loan loss reserve of one year’s worth of debt service on the 2010 Septic Repair Revolving Loan Fund note payable and for the 2015 Living Shoreline Revolving Loan Fund. A restricted cash account in the amount of \$12,500 and \$16,667, respectively, has been established.

NOTE 4 – Property and Equipment

A summary of property and equipment as of June 30, 2017 is as follows:

	Balance July 1, 2016	Additions	Disposals	Balance June 30, 2017
Equipment	\$ 84,390	\$ 3,520	\$(22,180)	\$ 65,730
Accumulated Depreciation	<u>(76,459)</u>	<u>(3,775)</u>	<u>22,158</u>	<u>(58,076)</u>
Net	<u>\$ 7,931</u>	<u>\$ (255)</u>	<u>\$ (22)</u>	<u>\$ 7,654</u>

MIDDLE PENINSULA PLANNING DISTRICT COMMISSION

NOTES TO FINANCIAL STATEMENTS (Continued)

NOTE 5 – Pension Plan

The Virginia Retirement System (VRS) Political Subdivision Retirement Plan is a multi-employer, agent plan. For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the Political Subdivision’s Retirement Plan and the additions to/deductions from the Political Subdivision’s Retirement Plan’s net fiduciary position have been determined on the same basis as they were reported by the Virginia Retirement System (VRS). For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

Plan Description

All full-time, salaried permanent employees of the Political Subdivision are automatically covered by VRS Retirement Plan upon employment. This plan is administered by the Virginia Retirement System (the System) along with plans for other employer groups in the Commonwealth of Virginia. Members earn one month of service credit for each month they are employed and for which they and their employer pay contributions to VRS. Members are eligible to purchase prior service, based on specific criteria a defined in the *Code of Virginia*, as amended. Eligible prior service that may be purchased includes prior public service, active military service, certain periods of leave, and previously refunded service.

The System administers three different benefit structures for covered employees – Plan 1, Plan 2, and Hybrid. Each of these benefit structures has a different eligibility criteria. The specific information for each plan and the eligibility for covered groups within each plan are set out in the table below:

PLAN 1	PLAN 2	HYBRID RETIREMENT PLAN
<p>About Plan 1 Plan 1 is a defined benefit plan. The retirement benefit is based on a member’s age, creditable service and average final compensation at retirement using a formula. Employees are eligible for Plan 1 if their membership date is before July 1, 2010, and they were vested as of January 1, 2013.</p>	<p>About Plan 2 Plan 2 is a defined benefit plan. The retirement benefit is based on a member’s age, creditable service and average final compensation at retirement using a formula. Employees are eligible for Plan 2 if their membership date is on or after July 1, 2010, or their membership date is before July 1, 2010, and they were not vested as of January 1, 2013.</p>	<p>About the Hybrid Retirement Plan The Hybrid Retirement Plan combines the features of a defined benefit plan and a defined contribution plan. Most members hired on or after January 1, 2014 are in this plan, as well as Plan 1 and Plan 2 members who were eligible and opted into the plan during a special election window. (See “Eligible Members”)</p> <ul style="list-style-type: none"> • The defined benefit is based on a member’s age, creditable service and average final compensation at retirement using a formula. • The benefit from the defined contribution component of the plan depends on the member and employer contributions made to the plan and investment performance of those contributions. • In addition to the monthly benefit payment payable from the defined benefit plan at retirement, a member may start receiving distributions from the balance in the defined contribution account, reflecting the contributions, investment gains or losses, and any required fees.

MIDDLE PENINSULA PLANNING DISTRICT COMMISSION

**NOTES TO FINANCIAL STATEMENTS
(Continued)**

NOTE 5 – Pension Plan (Continued)

<p>Eligible Members Employees are in Plan 1 if their membership date is before July 1, 2010, and they were vested as of January 1, 2013</p> <p>Hybrid Opt-In Election VRS non-hazardous duty covered Plan 1 members were allowed to make an irrevocable decision to opt into the Hybrid Retirement Plan during a special election window held January 1 through April 30, 2014.</p> <p>The Hybrid Retirement Plan’s effective date for eligible Plan 1 members who opted in was July 1, 2014.</p> <p>If eligible deferred members returned to work during the election window, they were also eligible to opt into the Hybrid Retirement Plan.</p> <p>Members who were eligible for an optional retirement plan (ORP) and had prior service under Plan 1 were not eligible to elect the Hybrid Retirement Plan and remain as Plan 1 or ORP.</p>	<p>Eligible Members Employees are in Plan 2 if their membership date is on or after July 1, 2010, or their membership date is before July 1, 2010, and they were not vested as of January 1, 2013.</p> <p>Hybrid Opt-In Election Eligible Plan 2 members were allowed to make an irrevocable decision to opt into the Hybrid Retirement Plan during a special election window held January 1 through April 30, 2014.</p> <p>The Hybrid Retirement Plan’s effective date for eligible Plan 2 members who opted in was July 1, 2014.</p> <p>If eligible deferred members returned to work during the election window, they were also eligible to opt into the Hybrid Retirement plan.</p> <p>Members who were eligible for an optional retirement plan (ORP) and have prior service under Plan 2 were not eligible to elect the Hybrid Retirement Plan and remain as Plan 2 or ORP.</p>	<p>Eligible Members Employees are in the Hybrid Retirement Plan if their membership date is on or after January 1, 2014. This includes:</p> <ul style="list-style-type: none"> • Political subdivision employees* • Members in Plan 1 or Plan 2 who elected to opt into the plan during the election window held January 1-April 30, 2014; the plan’s effective date for opt-in members was July 1, 2014. <p>* Non-Eligible Members Some employees are not eligible to participate in the Hybrid Retirement Plan. They include:</p> <ul style="list-style-type: none"> • Political subdivision employees who are covered by enhanced benefits for hazardous duty employees. <p>Those employees eligible for an optional retirement plan (ORP) must elect the ORP plan or the Hybrid Retirement Plan. If these members have prior service under Plan 1 or Plan 2, they are not eligible to elect the Hybrid Retirement Plan and must select Plan 1 or Plan 2 (as applicable) or ORP.</p>
<p>Retirement Contributions Members contribute up to 5% of their compensation each month to their member contribution account through a pre-tax salary reduction. Some political subdivisions elected to phase in the required 5% member contribution but all employees will be paying the full 5% by July 1, 2016. Member contributions are tax-deferred until they are withdrawn as part of retirement benefit or as a refund. The employer makes a separate actuarially determined contribution to VRS for all covered employees. VRS invests both member and employer contributions to provide funding for the future benefit payment.</p>	<p>Retirement Contributions Members contribute up to 5% of their compensation each month to their member contribution account through a pre-tax salary reduction. Some political subdivisions elected to phase in the required 5% member contribution; but all employees will be paying the full 5% by July 1, 2016.</p>	<p>Retirement Contributions A member’s retirement benefit is funded through mandatory and voluntary contributions made by the member and the employer to both the defined benefit and the defined contribution components of the plan. Mandatory contributions are based on a percentage of the employee’s creditable compensation and are required from both the member and the employer. Additionally, members may choose to make voluntary contributions to the defined contribution component of the plan, and the employer is required to match those voluntary contributions according to specified percentages.</p>

MIDDLE PENINSULA PLANNING DISTRICT COMMISSION

**NOTES TO FINANCIAL STATEMENTS
(Continued)**

NOTE 5 – Pension Plan (Continued)

<p>Creditable Service Creditable service includes active service. Members earn creditable service for each month they are employed in a covered position. It also may include credit for prior service the member has purchased or additional creditable service the member was granted. A member’s total creditable service is one of the factors used to determine their eligibility for retirement and to calculate their retirement benefit. It also may count toward eligibility for the health insurance credit in retirement, if the employer offers the health insurance credit.</p>	<p>Creditable Service Same as Plan 1.</p>	<p>Creditable Service <u>Defined Benefit Component:</u> Under the defined benefit component of the plan, creditable service includes active service. Members earn creditable service for each month they are employed in a covered position. It also may include credit for prior service the member has purchased or additional creditable service the member was granted. A member’s total creditable service is one of the factors used to determine their eligibility for retirement and to calculate their retirement benefit. It also may count toward eligibility for the health insurance credit in retirement, if the employer offers the health insurance credit.</p> <p><u>Defined Contributions Component:</u> Under the defined contribution component, creditable service is used to determine vesting for the employer contribution portion of the plan.</p>
<p>Vesting Vesting is the minimum length of service a member needs to qualify for a future retirement benefit. Members become vested when they have at least five years (60 months) of creditable service. Vesting means members are eligible to qualify for retirement if they meet the age and service requirements for their plan. Members also must be vested to receive a full refund of their member contribution account balance if they leave employment and request a refund.</p> <p>Members are always 100% vested in the contributions that they make.</p>	<p>Vesting Same as Plan 1.</p>	<p>Vesting <u>Defined Benefit Component:</u> Defined benefit vesting is the minimum length of service a member needs to qualify for a future retirement benefit. Members are vested under the defined benefit component of the Hybrid Retirement Plan when they reach five years (60 months) of creditable service. Plan 1 or Plan 2 members with at least five years (60 months) of creditable service who opted into the Hybrid Plan remain vested in the defined benefit component.</p> <p><u>Defined Contributions Component:</u> Defined contribution vesting refers to the minimum length of service a member needs to be eligible to withdraw the employer contributions from the defined contribution component of the plan.</p> <p>Members are always 100% vested in the contributions that they make.</p> <p>Upon retirement or leaving covered employment, a member is eligible to withdraw a percentage of employer contributions to the defined contribution component of the plan, based on service.</p>

MIDDLE PENINSULA PLANNING DISTRICT COMMISSION

**NOTES TO FINANCIAL STATEMENTS
(Continued)**

NOTE 5 – Pension Plan (Continued)

		<ul style="list-style-type: none"> • After two years, a member is 50% vested and may withdraw 50% of employer contributions. • After three years, a member is 75% vested and may withdraw 75% of employer contributions. • After four years or more, a member is 100% vested and may withdraw 100% of employer contributions. <p>Distribution is not required by law until age 70½.</p>
<p>Calculating the Benefit The Basic Benefit is calculated based on a formula using the member’s average final compensation, a retirement multiplier and total service credit at retirement. It is one of the benefit payout options available to a member at retirement.</p> <p>An early retirement reduction factor is applied to the Basic Benefit if the member retires with a reduced retirement benefit or selects a benefit payout option other than the Basic Benefit.</p>	<p>Calculating the Benefit See definition under Plan 1.</p>	<p>Calculating the Benefit <u>Defined Benefit Component:</u> See definition under Plan 1.</p> <p><u>Defined Contribution Component:</u> The benefit is based on contributions made by the member and any matching contributions made by the employer, plus net investment earnings on those contributions.</p>
<p>Average Final Compensation A member’s average final compensation is the average of the 36 consecutive months of highest compensation as a covered employee.</p>	<p>Average Final Compensation A member’s average final compensation is the average of their 60 consecutive months of highest compensation as a covered employee.</p>	<p>Average Final Compensation Same as Plan 2. It is used in the retirement formula for the defined benefit component of the plan.</p>
<p>Service Retirement Multiplier The retirement multiplier is a factor used in the formula to determine a final retirement benefit. The retirement multiplier for non-hazardous duty members is 1.7%.</p>	<p>Service Retirement Multiplier Same as Plan 1 for service earned, purchased or granted prior to January 1, 2013. For non-hazardous duty members the retirement multiplier is 1.65% for creditable service earned, purchased or granted on or after January 1, 2013.</p>	<p>Service Retirement Multiplier The retirement multiplier for the defined benefit component is 1.0%.</p> <p>For members who opted into the Hybrid Retirement Plan from Plan 1 or Plan 2, the applicable multipliers for those plans will be used to calculate the retirement benefit for service credited in those plans.</p>
<p>Normal Retirement Age Age 65.</p>	<p>Normal Retirement Age Normal Social Security retirement age.</p>	<p>Normal Retirement Age <u>Defined Benefit Component:</u> Same as Plan 2.</p> <p><u>Defined Contribution Component:</u> Members are eligible to receive distributions upon leaving employment, subject to restrictions.</p>

MIDDLE PENINSULA PLANNING DISTRICT COMMISSION

**NOTES TO FINANCIAL STATEMENTS
(Continued)**

NOTE 5 – Pension Plan (Continued)

<p>Earliest Unreduced Retirement Eligibility Age 65 with at least five years (60 months) of creditable service or at age 50 with at least 30 years of creditable service.</p>	<p>Earliest Unreduced Retirement Eligibility Normal Social Security retirement age with at least five years (60 months) of creditable service or when their age and service equal 90.</p>	<p>Earliest Unreduced Retirement Eligibility Defined Benefit Component: Normal Social Security retirement age and have at least five years (60 months) of creditable service or when their age and service equals 90.</p> <p>Members are eligible to receive distributions upon leaving employment, subject to restrictions.</p>
<p>Earliest Reduced Retirement Eligibility Age 55 with at least five years (60 months) of creditable service or at age 50 with at least 10 years of creditable service.</p>	<p>Earliest Reduced Retirement Eligibility Age 60 with at least five years (60 months) of creditable service.</p>	<p>Earliest Reduced Retirement Eligibility Defined Benefit Component: Age members may retire with a reduced benefit as early as age 60 with at least five years (60 months) of creditable service.</p> <p>Members are eligible to receive distributions upon leaving employment, subject to restrictions.</p>
<p>Cost-of-Living Adjustment (COLA) in Retirement The Cost-of-Living Adjustment (COLA) matches the first 3% increase in the Consumer Price Index for all Urban Consumers (CPI-U) and half of any additional increase (up to 4%) up to a maximum COLA of 5%.</p> <p>Eligibility: For members who retire with an unreduced benefit or with a reduced benefit with at least 20 years of creditable service, the COLA will go into effect on July 1 after one full calendar year from the retirement date.</p> <p>For members who retire with a reduced benefit and who have less than 20 years of creditable service, the COLA will go into effect on July after one calendar year following the unreduced Retirement eligibility date.</p> <p>Exceptions to COLA Effective Dates: The COLA is effective July 1 following one full calendar year (January 1 to December 31) under any of the following circumstances:</p> <ul style="list-style-type: none"> • The member is within five years of qualifying for an unreduced retirement benefit as of January 1, 2013. • The member retires on disability. 	<p>Cost-of-Living Adjustment (COLA) in Retirement The Cost-of-Living Adjustment (COLA) matches the first 2% increase in the CPI-U and half of any additional increase (up to 2%), for a maximum COLA of 3%.</p> <p>Eligibility: Same as Plan 1.</p> <p>Exceptions to COLA Effective Dates: Same as Plan 1.</p>	<p>Cost-of-Living Adjustment (COLA) in Retirement Defined Benefit Component: Same as Plan 2.</p> <p>Defined Contribution Component: Not applicable.</p> <p>Eligibility: Same as Plan 1 and Plan 2.</p> <p>Exceptions to COLA Effective Dates: Same as Plan 1 and Plan 2.</p>

MIDDLE PENINSULA PLANNING DISTRICT COMMISSION

**NOTES TO FINANCIAL STATEMENTS
(Continued)**

NOTE 5 – Pension Plan (Continued)

<ul style="list-style-type: none"> • The member retires directly from short-term to long-term disability under the Virginia Sickness and Disability Program (VSDP) • The member is involuntarily separated from employment for causes other than job performance or misconduct and is eligible to retire under the Workforce Transition Act or the Transitional Benefits Program. • The member dies in service and the member’s survivor or beneficiary is eligible for a monthly death-in-service benefit. The COLA will go into effect on July 1 following one full calendar year (January 1 to December 31) from the date the monthly benefit begins. 		
<p>Disability Coverage Members who are eligible to be considered for disability retirement and retire on disability, the retirement multiplier is 1.7% on all service, regardless of when it was earned, purchased or granted.</p> <p>VSDP members are subject to a one-year waiting period before becoming eligible for non-work related disability benefits.</p>	<p>Disability Coverage Members who are eligible to be considered for disability retirement and retire on disability, the retirement multiplier is 1.65% on all service, regardless of when it was earned, purchased or granted.</p> <p>VSDP members are subject to a one-year waiting period before becoming eligible for non-work related disability benefits.</p>	<p>Disability Coverage Eligible political subdivision and school division (including Plan 1 and Plan 2 opt-ins) participate in the Virginia Local Disability Program (VLDP) unless their local governing body provides and employer-paid comparable program for its members.</p> <p>Hybrid members (including Plan 1 and Plan 2 opt-ins) covered under VLDP are subject to a one-year waiting period before becoming eligible for non-work related disability benefits.</p>
<p>Purchase of Prior Service Members may be eligible to purchase service from previous public employment, active duty military, an eligible period of leave or VRS refunded service as creditable service in their plan. Prior creditable service counts toward vesting, eligibility for retirement and the health insurance credit. Only active members are eligible to purchase prior service. When buying service, members must purchase their most recent period of service first. Members also may be eligible to purchase periods of leave without pay.</p>	<p>Purchase of Prior Service Same as Plan 1.</p>	<p>Purchase of Prior Service Defined Benefit Component: Same as Plan 1, with the following exceptions:</p> <ul style="list-style-type: none"> • Hybrid Retirement Plan members are ineligible for ported service. • The cost of purchasing refunded service is the higher of 4% of creditable compensation or average final compensation. • Plan members have one year from their date of hire or return from leave to purchase all but refunded prior service at approximate normal cost. After that one-time period, the rate for most categories of service will change to actuarial cost. <p>Defined Contribution Component: Not applicable.</p>

MIDDLE PENINSULA PLANNING DISTRICT COMMISSION

**NOTES TO FINANCIAL STATEMENTS
(Continued)**

NOTE 5 – Pension Plan (Continued)

Employees Covered by Benefit Terms

As of the June 30, 2015 actuarial valuation, the following employees were covered by the benefit terms of the pension plan:

	Number
Inactive Members or Their Beneficiaries Currently Receiving Benefits	1
Inactive Members	
Vested inactive members	2
Non-vested inactive members	1
Inactive members active elsewhere in VRS	<u>0</u>
Total Inactive Members	3
Active Members	<u>5</u>
Total covered employees	<u>9</u>

Contributions

The contribution requirement for active employees is governed by §51.1-145 of the *Code of Virginia*, as amended, but may be impacted as a result of funding options provided to political subdivisions by the Virginia General Assembly. Employees are required to contribute 5.00% of their compensation toward their retirement. Prior to July 1, 2012, all or part of the 5.00% member contribution may have been assumed by the employer. Beginning July 1, 2012 new employees were required to pay the 5% member contribution. In addition, for existing employees, employers were required to begin making the employee pay the 5.00% member contribution. This could be phased in over a period of up to 5 years and the employer is required to provide a salary increase equal to the amount of the increase in the employee-paid member contribution.

The Commission’s contractually required contribution rate for the year ended June 30, 2017 was 5.48% of covered employee compensation. This rate was based on an actuarially determined rate from an actuarial valuation as of June 30, 2015.

This rate, when combined with employee contributions, was expected to finance the costs of benefits earned by employee during the year, with an additional amount to finance any unfunded accrued liability. Contributions to the pension plan from the Commission were \$13,393 and \$30,454 for the years ended June 30, 2017 and June 30, 2016, respectively.

MIDDLE PENINSULA PLANNING DISTRICT COMMISSION

NOTES TO FINANCIAL STATEMENTS (Continued)

NOTE 5 – Pension Plans (Continued)

Net Pension Liability

The Commission's net pension liability was measured as of June 30, 2016. The total pension liability used to calculate the net pension liability was determined by an actuarial valuation performed as of June 30, 2015, using updated actuarial assumptions, applied to all periods included in the measurement and rolled forward to the measurement date of June 30, 2016.

Actuarial Assumptions – General Employees

The total pension liability for General Employees in the Commission's Retirement Plan was based on an actuarial valuation as of June 30, 2015, using the Entry Age Normal actuarial cost method and the following assumptions, applied to all periods included in the measurement and rolled forward to the measurement date of June 30, 2016.

Inflation	2.5%
Salary increases, including Inflation	3.5% – 5.35%
Investment rate of return	7.0%, net of pension plan investment expense, including inflation*

* Administrative expenses as a percent of the market value of assets for the last experience study were found to be approximately 0.06% of the market assets for all of the VRS plans. This would provide an assumed investment return rate for GASB purposes of slightly more than the assumed 7.0%. However, since the difference was minimal, and a more conservative 7.0% investment return assumption provided a projected plan net position that exceeded the projected benefit payments, the long-term expected rate of return on investments was assumed to be 7.0% to simplify preparation of pension liabilities.

Mortality rates: 14 % of deaths are assumed to be service related Largest 10 – Non-LEOS:

Pre-Retirement:

RP-2000 Employee Mortality Table Projected with Scale AA to 2020 with males set forward 4 years and females were set back 2 years.

Post-Retirement:

RP-2000 Combined Mortality Table Projected with Scale AA to 2020 with males set forward 1 year.

Post-Disablement:

RP-2000 Disability Life Mortality Table Projected to 2020 with males set back 3 years and no provision for future mortality improvement

MIDDLE PENINSULA PLANNING DISTRICT COMMISSION

NOTES TO FINANCIAL STATEMENTS (Continued)

NOTE 5 – Pension Plans (Continued)

All Others (Non 10 Largest) – Non-LEOS: Pre-Retirement:

RP-2000 Employee Mortality Table Projected with Scale AA to 2020 with males set forward 4 years and females were set back 2 years.

Post-Retirement:

RP-2000 Combined Mortality Table Projected with Scale AA to 2020 with males set forward 1 year.

Post-Disablement:

RP-2000 Disability Life Mortality Table Projected to 2020 with males set back 3 years and no provision for future mortality improvement.

The actuarial assumptions used in the June 30, 2015 valuation were based on the results of an actuarial experience study for the period from July 1, 2008 through June 30, 2012. Changes to the actuarial assumptions as a result of the experience study are as follows:

Largest 10 – Non-LEOS:

- Update mortality table
- Decrease in rates of service retirement
- Decrease in rates of disability retirement
- Reduce rates of salary increase by 0.25% per year

All Others (Non 10 Largest) – Non-LEOS:

- Update mortality table
- Decrease in rates of service retirement
- Decrease in rates of disability retirement
- Reduce rates of salary increase by 0.25% per year

Discount Rate

The discount rate used to measure the total pension liability was 7.00%. The projection of cash flows used to determine the discount rate assumed that System member contributions will be made per the VRS Statutes and the employer contributions will be made in accordance with the VRS funding policy at rates equal to the difference between actuarially determined contribution rates adopted by the VRS Board of Trustees and the member rate. Through the fiscal year ending June 30, 2018, the rate contributed by the employer for the Political Subdivision Retirement Plan will be subject to the portion of the VRS Board-certified rates that are funded by the Virginia General Assembly. From July 1, 2018 on, participating employers are assumed to contribute 100% of the actuarially determined contribution rates. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore the Long-term expected rate of return was applied to all periods of projected benefit payments to determine the total pension liability.

MIDDLE PENINSULA PLANNING DISTRICT COMMISSION

NOTES TO FINANCIAL STATEMENTS (Continued)

NOTE 5 – Pension Plans (Continued)

Long-Term Expected Rate of Return

The long-term expected rate of return on pension System investments was determined using a log-normal distribution analysis in which best-estimate ranges of expected future real rates of return (expected returns, net of pension System investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The target asset allocation and best estimate of arithmetic real rates of return for each major asset class are summarized in the following table:

Asset Class (Strategy)	Target Allocation	Arithmetic Long-Term Expected Rate of Return	Long- Weighted Average Term Expected Rate of Return
U.S. Equity	19.50%	6.46%	1.26%
Developed Non U.S Equity	16.50%	6.28%	1.04%
Emerging Market Equity	6.00%	10.00%	0.60%
Fixed Income	15.00%	0.09%	0.01%
Emerging Debt	3.00%	3.51%	0.11%
Rate Sensitive Credit	4.50%	3.51%	0.16%
Non Rate Sensitive Credit	4.50%	5.00%	0.23%
Convertibles	3.00%	4.81%	0.14%
Public Real Estate	2.25%	6.12%	0.14%
Private Real Estate	12.75%	7.10%	0.91%
Private Equity	12.00%	10.41%	1.25%
Cash	<u>1.00%</u>	-1.50%	-0.02%
Total	100.00%		<u>5.83%</u>
	Inflation		<u>2.50%</u>
	* Expected arithmetic nominal return		<u>8.33%</u>

* Using stochastic projection results provides an expected range of real rates of return over various time horizons. Looking at one year results produces an expected real return of 8.33% but also has a high standard deviation, which means there is high volatility. Over larger time horizons the volatility declines significantly and provides a median return of 7.44%, including expected inflation of 2.50%.

MIDDLE PENINSULA PLANNING DISTRICT COMMISSION

**NOTES TO FINANCIAL STATEMENTS
(Continued)**

NOTE 5 – Pension Plans (Continued)

Change in the Net Pension Liability:

	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (a)-(b)
Balances at June 30, 2015	\$643,193	\$586,276	\$56,917
Changes for the year:			
Service cost	32,598	-	32,598
Interest	44,855	-	44,855
Changes of assumptions	-	-	-
Differences between expected and actual experience	(27,899)	-	(27,899)
Contributions – employer	-	30,454	(30,454)
Contributions – employee	-	14,502	(14,502)
Net investment income	-	11,707	(11,707)
Benefit payments, including refunds of employee contributions	(4,821)	(4,821)	-
Administrative expense	-	(340)	340
Other changes	-	(5)	5
Net changes	44,733	51,497	(6,764)
Balances at June 30, 2016	<u>\$687,926</u>	<u>\$637,773</u>	<u>\$ 50,153</u>

Sensitivity of the Net Pension Liability to Changes in the Discount Rate

The following presents the net pension liability of the Commission using the discount rate of 7%, as well as what the Commission’s net pension liability would be if it were calculated using a discount rate that is one percentage point lower (6%) or one percentage point higher (8%) than the current rate:

	1% Decrease (6.0%)	Current Discount Rate (7.0%)	1% Increase (8.0%)
Commission’s Net Pension Liability	\$156,603	\$50,153	\$(38,261)

Pension Expense, and Deferred Outflows of Resources and Inflows of Resources Related to Pensions

For the year ended June 30, 2017, the Commission recognized pension benefit of \$38,902. At June 30, 2017, the Commission reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

MIDDLE PENINSULA PLANNING DISTRICT COMMISSION

**NOTES TO FINANCIAL STATEMENTS
(Continued)**

NOTE 5 – Pension Plans (Continued)

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ -	\$187,306
Change in assumptions	-	-
Net difference between projected and actual earnings on plan investments	16,469	-
Employer contributions subsequent to the Measurement Date	13,393	-
Total	<u>\$29,862</u>	<u>\$187,306</u>

\$13,393 reported as deferred inflows of resources related to pensions resulting from Commission’s contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended June 30, 2017. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year ending June 30,	
2018	\$(46,373)
2019	(46,375)
2020	(38,561)
2021	(38,705)
2022	(823)
Thereafter	-

NOTE 6 – Lease Commitments

The Commission was obligated under a non-cancelable operating lease for office facilities. The ten-year facility lease expired in March 2006. The lease has been continued on a month-to-month basis in the amount of \$1,800. Rent expense for this lease was \$22,202 for the year ended June 30, 2017.

NOTE 7 – Loans Receivable

The Commission operates several loan programs to provide low or no interest loans for wastewater, small business and housing projects. The loans are carried at the net realizable value, and all amounts are believed collectible as of June 30, 2017. Loan loss reserves exist for several of the programs.

MIDDLE PENINSULA PLANNING DISTRICT COMMISSION

NOTES TO FINANCIAL STATEMENTS

(Continued)

NOTE 8 – Notes Payable

On October 1, 1997 the Commission entered into a financing agreement with the Virginia Water Facilities Revolving Fund to receive a \$250,000 loan to finance project costs of small water facility projects. The loan is non-interest bearing, and calls for semi-annual repayments of \$6,250 commencing on November 1, 1999. The balance of this loan was \$25,000 at June 30, 2017.

On February 10, 2011 the Commission entered into a financing agreement with the Virginia Water Facilities Revolving Fund to receive a \$125,000 loan to finance project costs of small water facility projects. The loan is non-interest bearing, and calls for semi-annual repayments of \$6,250 commencing on August 1, 2013. As of June 30, 2017 \$112,500 had been drawn down against this note. The balance of this loan was \$75,000 at June 30, 2017.

On December 16, 2014 the Commission entered into a financing agreement with the Virginia Water Facilities Revolving Fund to receive a \$200,000 loan to finance project costs of small water facility projects. The loan is non-interest bearing, and calls for semi-annual repayments of \$10,000 commencing in FY19. As of June 30, 2017 \$41,433 had been drawn down against this note.

On June 14, 2017 the Commission entered into a financing agreement with the Virginia Water Facilities Revolving Fund to receive a \$250,000 loan to finance project costs of small water facility projects. The loan is non-interest bearing, and calls for semi-annual repayments of \$8,333 commencing in FY18. As of June 30, 2017 \$3,950 had been drawn down against this note.

The following is a summary of changes in long-term debt for the year ended June 30, 2017:

	<u>Beginning</u>	<u>Additions</u>	<u>Deductions</u>	<u>Ending</u>
VRA 1997 Note	\$ 37,500	\$ -	\$12,500	\$ 25,000
VRA 2011 Note	87,500	-	12,500	75,000
VRA 2015 Note	3,815	37,618	-	41,433
VRA 2017 Note	<u>-</u>	<u>3,950</u>	<u>-</u>	<u>3,950</u>
Total	<u>\$128,815</u>	<u>\$41,568</u>	<u>\$25,000</u>	<u>\$145,383</u>

Mandatory debt service requirements consist of the following:

<u>Year ending</u> <u>June 30,</u>	<u>Total</u>
2018	\$ 25,000
2019	35,000
2020	26,450
2021	22,500
2022	22,500
Thereafter	<u>13,933</u>
Total	<u>\$145,383</u>

MIDDLE PENINSULA PLANNING DISTRICT COMMISSION

**NOTES TO FINANCIAL STATEMENTS
(Continued)**

NOTE 9 – Indirect Costs

Indirect costs, which support all projects, are allocated based on the ratio of the individual project's direct salaries, leave, and fringe benefits to total direct salaries, leave, and fringe benefits (excluding temporary help). The indirect cost rate for the fiscal year ended June 30, 2017, was 49.59%, and is calculated as follows:

Indirect costs	\$184,823
Total direct salaries, leave, and fringe benefits	\$372,736 = 49.59%

The following are included in indirect costs allocated to projects:

Salaries	\$ 81,932
Fringe benefits	24,298
Rent	22,202
Consulting/contractual services	11,207
Printing and duplicating	10,835
Accounting	7,023
Utilities	4,232
Facility maintenance	3,750
Miscellaneous	3,515
Telephone	3,043
Office supplies	2,697
Depreciation	2,261
Public officials insurance	1,927
Postage	1,753
Website/internet	1,231
Vehicle operating costs	1,125
Vehicle insurance	1,094
Legal services	522
Facility insurance	<u>176</u>
Total	<u>\$184,823</u>

MIDDLE PENINSULA PLANNING DISTRICT COMMISSION

**NOTES TO FINANCIAL STATEMENTS
(Continued)**

NOTE 10 – Leave Allocation

The leave allocation includes annual leave expense which is based on the amount of leave earned during the year. Other types of leave (i.e., holiday leave, administrative leave, etc.) are based on the amount of leave actually taken. Components for the leave allocation for the year ended June 30, 2017, are shown below:

Leave	
Annual	\$24,494
Holiday	19,048
Sick	<u>8,819</u>
Total	<u>\$52,361</u>

The leave allocation rate for the fiscal year ended June 30, 2017, is calculated as follows:

Leave allocation	\$ <u>52,361</u>
Total salaries excluding leave	\$319,053 = 16.41%

NOTE 11 – Fringe Benefit Allocation

Fringe benefit expense is allocated using the percentage of benefits to total salaries. The fringe benefit rate for the fiscal year ended June 30, 2017 was 29.20%, and is calculated as follows:

Fringe benefit expense	\$ <u>108,462</u>
Total salaries	\$371,414 = 29.20%

Components of fringe benefit expense for the year ended June 30, 2017, are shown below:

Fringe benefits	
Group health insurance	\$ 50,898
Social Security taxes	27,842
Retirement and special pension	24,722
Group life insurance	3,439
Unemployment	1,045
Workers compensation insurance	<u>516</u>
Total Fringe Benefits	<u>\$108,462</u>

MIDDLE PENINSULA PLANNING DISTRICT COMMISSION

NOTES TO FINANCIAL STATEMENTS (Concluded)

NOTE 12 – Commitments

The Commission participates in a number of programs that are fully or partially funded by grants received from other governmental units. Expenditures financed by grants are subject to audit by the appropriate grantor government. If expenditures are disallowed due to noncompliance with grant program regulations, the Commission may be required to reimburse. As of June 30, 2017, the Commission believes that disallowed expenditures, if any, based on subsequent audits will not have a material effect on the overall financial position of the Commission.

NOTE 13 – Evaluation of Subsequent Events

The Commission has evaluated subsequent events through November 15, 2017, the date which the financial statements were available to be issued.

MIDDLE PENINSULA PLANNING DISTRICT COMMISSION

SCHEDULE OF REVENUES AND EXPENSES BY PROGRAM

For the Year Ended June 30, 2017

MIDDLE PENINSULA PLANNING DISTRICT COMMISSION

SCHEDULE OF REVENUES AND EXPENSES BY PROGRAM

For the Year Ended June 30, 2017

	Local Programs	Rural Trans- portation Planning	TDM	MPBDP Support	WQIF	Water Supply Plan	AHMP
Revenues							
Federal	\$ -	\$ 58,000	\$ -	\$ -	\$ -	\$ -	\$ 4,677
State	75,971	-	67,846	-	18,045	-	-
Local	109,899	-	-	-	-	8,743	4,961
Interest	2,565	-	-	605	-	-	-
Other	46,220	-	-	1,227	-	-	-
Total Revenues	234,655	58,000	67,846	1,832	18,045	8,743	9,638
Expenses							
Salaries	28,175	33,676	21,636	909	7,777	4,687	5,133
Fringe benefits	8,626	10,201	6,638	279	2,386	1,158	1,310
Office supplies	26	4	-	-	-	-	-
Meeting supplies	-	-	-	-	-	-	-
Private mileage	318	332	98	-	-	-	-
Lodging and staff expense	975	27	9	-	-	-	-
Travel	138	-	21	-	-	-	-
Dues and memberships	-	-	1,175	-	-	-	-
Workshops	-	-	-	-	-	-	-
Conferences	1,765	-	2,971	-	-	-	-
Accounting and audit	-	-	-	75	-	-	-
Legal services	203	6,866	-	-	-	-	-
Consultant and contractual	-	-	-	-	-	-	-
Construction	600	-	-	-	8,676	-	-
Postage	9	-	-	-	-	-	-
Promotion and advertising	-	-	38,561	-	-	-	-
Miscellaneous	1,299	-	-	-	-	-	-
Deferred/forgiven loan expense	-	-	-	-	-	-	-
Quarterly meeting	1,555	-	-	-	-	-	-
Depreciation	1,514	-	-	-	-	-	-
Bad debt expense	(3,100)	-	-	(21)	-	-	-
Indirect expense	18,248	21,757	14,020	590	5,040	2,898	3,195
Total Expenses	60,351	72,863	85,129	1,832	23,879	8,743	9,638
Revenues Over (Under) Expenses	174,304	(14,863)	(17,283)	-	(5,834)	-	-
General Fund Support	(122,496)	14,863	17,283	-	5,834	-	-
Revenues and General Fund Support Over (Under) Expenses	\$ 51,808	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

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<u>Loan Management</u>	<u>Building Collaborative Communities</u>	<u>Blue/Green Infrastructure</u>	<u>MSAT/Reg. EOP</u>	<u>Energy Efficient CBG</u>	<u>Septic Pump out</u>	<u>Working Waterfronts</u>
-	\$ -	\$ -	\$ 106,541	\$ -	\$ 13,202	\$ 25,815
-	78,000	-	-	-	-	-
-	689	-	-	-	-	-
183	-	-	-	18	-	-
15,370	-	-	-	161	-	-
<u>15,553</u>	<u>78,689</u>	<u>-</u>	<u>106,541</u>	<u>179</u>	<u>13,202</u>	<u>25,815</u>
4,023	21,171	10,840	1,550	144	3,369	3,505
1,234	5,875	3,060	476	44	1,026	550
-	152	156	44,480	-	15	12
-	1,638	18	-	-	-	-
-	54	136	-	-	-	76
-	2,240	30	-	-	-	-
-	84	8	-	-	-	4
-	-	-	-	-	-	-
-	-	-	-	-	-	60
-	-	-	-	-	-	-
395	-	-	-	78	-	-
794	-	-	-	165	-	-
-	21,600	-	59,031	-	6,507	19,524
-	-	-	-	-	-	-
7	-	-	-	-	106	15
-	20,600	-	-	-	-	250
20	-	-	-	-	-	-
63	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
6,411	-	-	-	(346)	-	-
2,606	13,411	6,893	1,004	94	2,179	2,011
<u>15,553</u>	<u>86,825</u>	<u>21,141</u>	<u>106,541</u>	<u>179</u>	<u>13,202</u>	<u>26,007</u>
-	(8,136)	(21,141)	-	-	-	(192)
-	8,136	21,141	-	-	-	192
<u>-</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

The accompanying notes to financial statements
are an integral part of this statement

Tappahannock Economic Development	Broadband	Costal TA	Living Shorelines	MPEDRO Administration	Regional Emergency Planning	Working Waterfronts Plan
\$ -	-	\$ 25,818	\$ 32,317	\$ -	\$ 114,801	\$ 31,513
-	-	-	-	-	-	-
1,492	10,759	-	3,085	4,400	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
<u>1,492</u>	<u>10,759</u>	<u>25,818</u>	<u>35,402</u>	<u>4,400</u>	<u>114,801</u>	<u>31,513</u>
1,127	-	25,385	892	1,127	56,649	16,701
172	-	7,676	274	336	17,382	4,274
-	-	-	-	-	63	-
-	-	95	-	315	198	-
-	-	144	-	-	1,104	27
-	-	558	-	-	305	8
-	-	48	-	-	411	84
-	-	-	-	-	(75)	-
-	610	-	-	-	-	-
-	-	2,159	-	-	2,051	-
-	-	-	68	-	-	-
-	-	-	4,733	1,897	-	-
-	10,000	(600)	-	-	-	-
-	-	-	28,942	-	-	-
-	13	-	-	-	-	-
-	136	-	-	-	-	-
-	-	-	-	-	-	19
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
193	-	16,394	578	725	36,707	10,400
<u>1,492</u>	<u>10,759</u>	<u>51,859</u>	<u>35,487</u>	<u>4,400</u>	<u>114,795</u>	<u>31,513</u>
-	-	(26,041)	(85)	-	6	-
-	-	26,041	85	-	(6)	-
<u>\$ -</u>	<u>-</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

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	Ditching	Mattews SLR Adaption/ Ditch Map Data	Mattews Comp Plan Update	PAA Administration	PAA Master Plan	PAA ECO Business	Total
\$	34,248	\$ 5,706	\$ -	\$ -	\$ 12,483	\$ 30,813	\$ 495,934
	-	-	-	-	-	-	239,862
	-	-	2,786	3,827	-	-	150,641
	-	-	-	-	-	-	3,371
	-	-	-	-	-	-	62,978
	<u>34,248</u>	<u>5,706</u>	<u>2,786</u>	<u>3,827</u>	<u>12,483</u>	<u>30,813</u>	<u>952,786</u>
	5,267	5,268	530	1,709	10,220	18,012	289,482
	1,616	1,616	163	524	2,668	4,600	84,164
	-	-	-	-	420	-	45,328
	-	-	-	39	-	-	2,303
	30	-	-	-	-	-	2,319
	-	-	-	-	-	-	4,152
	-	-	-	-	-	-	798
	-	-	-	-	-	-	1,100
	-	-	-	-	-	-	670
	-	-	-	-	-	36	8,982
	-	-	-	-	-	-	616
	-	-	-	-	-	-	14,658
	24,100	11,000	1,750	-	2,500	-	155,412
	-	-	-	-	-	-	38,218
	-	-	-	30	-	-	180
	-	-	-	417	-	-	59,964
	-	-	-	-	395	-	1,733
	-	-	-	-	-	-	63
	-	-	-	-	-	-	1,555
	-	-	-	-	-	-	1,514
	-	-	-	-	-	-	2,944
	<u>3,413</u>	<u>3,413</u>	<u>343</u>	<u>1,108</u>	<u>6,391</u>	<u>11,212</u>	<u>184,823</u>
	<u>34,426</u>	<u>21,297</u>	<u>2,786</u>	<u>3,827</u>	<u>22,594</u>	<u>33,860</u>	<u>900,978</u>
	(178)	(15,591)	-	-	(10,111)	(3,047)	51,808
	<u>178</u>	<u>15,591</u>	<u>-</u>	<u>-</u>	<u>10,111</u>	<u>3,047</u>	<u>-</u>
\$	<u>-</u>	\$ <u>-</u>	\$ <u>-</u>	\$ <u>-</u>	\$ <u>-</u>	\$ <u>-</u>	\$ <u>51,808</u>

The accompanying notes to financial statements
are an integral part of this statement

MIDDLE PENINSULA PLANNING DISTRICT COMMISSION
BUDGETARY COMPARISON SCHEDULE
FOR THE YEAR ENDED JUNE 30, 2017

	Actual	Budget	Favorable (Unfavorable)
Operating Revenues			
Grants and appropriations			
Federal grants	\$ 495,934	\$ 467,618	\$ 28,316
State grants and appropriations	239,862	143,817	96,045
Local grants and appropriations	150,641	160,182	(9,541)
Miscellaneous	24,076	17,000	7,076
Total Operating Revenues	<u>910,513</u>	<u>788,617</u>	<u>121,896</u>
Operating Expenses			
Salaries	371,414	316,106	(55,308)
Consultant and contractual	166,619	39,000	(127,619)
Fringe benefits	108,462	101,148	(7,314)
Promotion and advertising	60,191	40,435	(19,756)
Office supplies	48,005	2,500	(45,505)
Construction	38,218	114,250	76,032
Rent and utilities	30,184	30,702	518
Legal and accounting	22,820	11,650	(11,170)
Workshops and conferences	11,407	13,500	2,093
Printing and duplicating	11,229	11,100	(129)
Lodging and staff expense	5,117	2,800	(2,317)
Miscellaneous	4,149	4,900	751
Depreciation	3,775	-	(3,775)
Dues and memberships	3,560	3,800	240
Telephone	3,043	3,200	157
Meeting supplies and expenses	2,714	3,750	1,036
Vehicle costs	2,219	5,402	3,183
Professional development	2,210	2,000	(210)
Insurance	2,103	2,178	75
Postage	1,933	2,000	67
Website and internet	1,231	16,500	15,269
Subscriptions and publications	375	280	(95)
Total Operating Expenses	<u>900,978</u>	<u>727,201</u>	<u>(173,777)</u>
Operating Income	9,535	61,416	(51,881)
Non-Operating Revenues			
Interest income	3,371	1,800	1,571
GASB 68 pension benefit	38,902	-	38,902
Change in Net Position	<u>51,808</u>	<u>63,216</u>	<u>(11,408)</u>
Net Position - Beginning of Year	465,414	465,414	-
Net Position - End of Year	<u>\$ 517,222</u>	<u>\$ 528,630</u>	<u>\$ (11,408)</u>

See accompanying notes

**INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER
FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS
BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED
IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS***

To the Commissioners
Middle Peninsula Planning District Commission:

We have audited, in accordance with the 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, the financial statements of the business-type activities and the aggregate remaining fund information of Middle Peninsula Planning District Commission, as of and for the year ended June 30, 2017, and the related notes to the financial statements, which collectively comprise Middle Peninsula Planning District Commission's basic financial statements, and have issued our report thereon dated November 15, 2017.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered Middle Peninsula Planning District Commission's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Middle Peninsula Planning District Commission's internal control. Accordingly, we do not express an opinion on the effectiveness of Middle Peninsula Planning District Commission's internal control.

A deficiency in internal control 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 and correct, misstatements on a timely basis. *A material weakness* is a deficiency, or combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. *A significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or, significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Middle Peninsula Planning District Commission's financial statements are free from 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 or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Certified Public Accountants
Chantilly, Virginia

November 15, 2017

**MIDDLE PENINSULA PLANNING DISTRICT COMMISSION
SCHEDULE OF COMMISSION'S NET PENSION
LIABILITY AND RELATED RATIOS**

	<u>2017</u>	<u>2016</u>	<u>2015</u>
Total Pension Liability			
Service Cost	\$ 32,598	\$ 35,411	\$ 33,666
Interest on total pension liability	44,855	56,054	51,210
Differences between expected and actual experience	(27,899)	(247,777)	-
employee contributions	(4,821)	(2,534)	(28,811)
Net change in total pension liability	44,733	(158,846)	56,065
Total pension liability - beginning	643,193	802,039	745,974
Total pension liability - ending (a)	<u>\$ 687,926</u>	<u>\$ 643,193</u>	<u>\$ 802,039</u>
Plan fiduciary net position			
Contributions - employer	\$ 30,454	\$ 29,567	\$ 41,066
Contributions - employee	14,502	14,079	15,942
Net investment income	11,707	25,306	69,634
Benefits payments	(4,821)	(2,534)	(28,811)
Administrative expense	(340)	(299)	(348)
Other	(5)	(5)	4
Net change in plan fiduciary net position	51,497	66,114	97,487
Plan fiduciary net position - beginning	586,276	520,162	422,675
Plan fiduciary net position - ending (b)	<u>\$ 637,773</u>	<u>\$ 586,276</u>	<u>\$ 520,162</u>
Commission's Net pension liability - ending (a) - (b)	<u>\$ 50,153</u>	<u>\$ 56,917</u>	<u>\$ 281,877</u>
Plan fiduciary net position as a percentage of the total Pension liability	92.71%	91.15%	64.85%
Covered - employee payroll	\$ 244,398	\$ 290,037	\$ 281,589
Commission's net pension liability as percentage of covered-employee payroll	20.52%	19.62%	100.10%

See accompanying notes

**MIDDLE PENINSULA PLANNING DISTRICT COMMISSION
SCHEDULE OF EMPLOYER CONTRIBUTIONS
FOR THE YEARS ENDED JUNE 30, 2009 THROUGH 2017**

	Contractually Required Contributions	Contributions in Relation to Contractually Required Contributions	Contribution Deficiency (Excess)	Employer's Covered Payroll	Contributions as a % of Covered Payroll
2017	\$ 13,393	\$ 13,393	\$ -	\$244,398	5.48%
2016	\$ 30,454	\$ 30,454	\$ -	\$290,036	10.50%
2015	\$ 29,567	\$ 27,344	\$ 2,223	\$281,589	9.71%
2014	\$ 41,968	\$ 41,070	\$ 898	\$325,839	12.60%
2013	\$ 42,064	\$ 39,438	\$ 2,626	\$326,582	12.08%
2012	\$ 29,612	\$ 42,818	\$ (13,206)	\$263,220	16.27%
2011	\$ 32,977	\$ 58,815	\$ (25,838)	\$293,126	20.06%
2010	\$ 49,084	\$ 80,995	\$ (31,911)	\$436,300	18.56%
2009	\$ 54,003	\$ 80,792	\$ (26,789)	\$480,030	16.83%

See accompanying notes

MIDDLE PENINSULA PLANNING DISTRICT COMMISSION

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION For the Year Ended June 30, 2017

NOTE 1 – Change of Benefit Terms

There have been no actuarially material changes to the System benefit provisions since the prior actuarial valuation. The 2014 valuation includes Hybrid Retirement Plan members for the first time. The hybrid plan applies to most new employees hired on or after January 1, 2014 and not covered by enhanced hazardous duty benefits. Because this was a new benefit and the number of participants was relatively small, the impact on the liabilities as of the measurement date of June 30, 2016 are not material.

NOTE 2 – Changes of Assumptions

The following changes in actuarial assumptions were made effective June 30, 2013 based on the most recent experience study of the System for the four-year period ending June 30, 2012:

Largest 10 – Non-LEOS:

- Update mortality table
- Decrease in rates of service retirement
- Decrease in rates of disability retirement
- Reduce rates of salary increase by 0.25% per year

Largest 10 –LEOS:

- Update mortality table
- Decrease in male rates of disability

All Others (Non 10 Largest) – Non-LEOS:

- Update mortality table
- Decrease in rates of service retirement
- Decrease in rates of disability retirement
- Reduce rates of salary increase by 0.25% per year

All Others (Non 10 Largest) – LEOS:

- Update mortality table
- Adjustments to rates of service retirement for females
- Increase in rates of withdrawal
- Decrease in male and female rates of disability