



Agenda

March 26, 2026

6:00 p.m.— Pulaski County Innovation Center, Fairlawn, VA

- I. **CALL TO ORDER**

- II. **CONSENT AGENDA**
 - A. Approval of Minutes for February
 - B. [Approval of Treasurer’s Report for February](#)

- III. **COMMONWEALTH INTERGOVERNMENTAL REVIEW PROCESS**
 - A. Projects Signed-off by the staff
None
 - B. Regular Project Review
None

- IV. **PUBLIC ADDRESS**

- V. **CHAIR’S REPORT**

- VI. [EXECUTIVE DIRECTOR’S REPORT](#)

- VII. **REVIEW OF MUTUAL CONCERNS AND COMMISSIONERS' REPORTS**

- VIII. **OLD BUSINESS**

- IX. **NEW BUSINESS**
 - A. [New River Valley Agency on Aging Overview](#)
Ray Parks, Executive Director
Commission Discussion

 - B. [NRVRC Economic Development Program Update](#)
Leo Priddy, Economic Development Planning Specialist II
Commission Discussion

 - C. [FY25 Audit Report](#)
Kevin Byrd, Executive Director
Commission Action

 - D. Next Meeting: April 23rd 6:00pm

All meeting materials posted on the Commission website www.nrvrc.org

The New River Valley Regional Commission provides area wide planning for the physical, social, and economic elements of the district; encourages and assists local governments in planning for their future; provides a means of coordinating federal, state, and local efforts to resolve area problems; provides a forum for review of mutual concerns; and implements services upon request of member local governments.



6580 Valley Center Drive | Suite 124 | Radford, VA 24141 | 540-639-9313

N R V R C . O R G

MEMORANDUM

To: NRVRC Board Members
From: Jessica Barrett, Finance Director
Date: March 18, 2026
Re: February 2026 Financial Statements

The February 2026 Agencywide Revenue and Expenditure Report and Balance Sheet are enclosed for your review. Financial reports are reviewed by the Executive Committee prior to inclusion in the meeting packet.

The Agencywide Revenue and Expense report compares actual year to date receipts and expenses to the FY25-26 budget adopted by the Commission at the June 26, 2025 meeting. The financial operations of the agency are somewhat fluid and projects, added and modified throughout the year, along with the high volume of Workforce program activities, impact the adopted budget. To provide clarity, Commission and Workforce Development Board activities are separated on the agencywide report.

As of month-end February 2026 (67% of the fiscal year), Commission year to date revenues are 108% and expenses are 109% of adopted budget. The revenues and expenses are exceeding the budget due to transactions associated Contractual Services for the broadband projects. The two largest budget expense lines, Salary and Fringe, are in line with budget at 67% and 76%, respectively.

Looking at the balance sheet, Accounts Receivable is \$803,963. Of this total, Workforce receivables are \$346,521 (43%) and current. The Executive Committee reviews all aged receivables over 60 days and no receivables are deemed uncollectible. Net Projects (\$460,336) represent in process projects that have not been invoiced and posted to receivables.

Counties
Floyd | Giles
Montgomery | Pulaski

City
Radford

Towns
Blacksburg | Christiansburg | Dublin
Floyd | Narrows | Pearisburg
Pembroke | Pulaski | Rich Creek

Higher Education
Virginia Tech | Radford University
New River Community College

New River Valley Regional Commission
Balance Sheet
2/28/2026

| <u>Assets:</u> | <u>Prior Month</u> | <u>Current Month</u> |
|--|--------------------|----------------------|
| Operating Account | 1,692,620 | 71,483 |
| First Bank & Trust -Montgomery/Bland Broadband | 2,934,853 | 1,999,410 |
| First Bank & Trust - Pulaski County Broadband | 1,696,432 | 1,699,881 |
| First Bank & Trust - Office Building Financing | 1,128,206 | 1,038,472 |
| First Bank & Trust - Regional Housing Fund | 559,118 | 556,613 |
| First Bank & Trust - Money Market | 319,848 | 320,616 |
| US Bank - Bond Proceeds | 13,948 | 13,948 |
| Accounts Receivable | 974,763 | 803,963 |
| Utility Deposits | 2,945 | 2,945 |
| Loans Receivable - Revolving Loan Fund | 11,026 | 10,602 |
| Restricted Cash - Revolving Loan Fund | 98,465 | 98,925 |
| Commission Vehicles | 32,365 | 32,365 |
| Office Building | 2,013,762 | 2,013,762 |
| Total Assets: | <u>11,478,349</u> | <u>8,662,985</u> |
| | | |
| <u>Liabilities:</u> | | |
| Accounts Payable | 185,408 | 264,531 |
| Accrued Annual Leave | 127,961 | 127,961 |
| Accrued Unemployment | 38,863 | 39,754 |
| Expense Reimbursement | 1,570 | 1,916 |
| Funds Held for Others | 8,000 | 8,000 |
| Funds on Hand - Montgomery County Broadband | 2,112,599 | 1,473,955 |
| Funds on Hand - Pulaski County Broadband | 1,647,986 | 1,647,986 |
| Funds on Hand - VMRI Craig-Botetourt | 462,723 | 462,723 |
| Funds on Hand - Regional Housing Fund | 559,118 | 556,613 |
| Loan Payable | 1,885,000 | 1,885,000 |
| Bond Premium | 158,815 | 158,815 |
| Total Liabilities: | <u>7,188,042</u> | <u>6,627,253</u> |
| | | |
| <u>Projects:</u> | | |
| (Equity Accounts) Net Projects | 1,698,291 | (460,336) |
| Current Year Unrestricted | 221,517 | 212,709 |
| Office Building Project | 1,361,631 | 1,270,222 |
| Unrestricted Net Assets | 905,336 | 905,336 |
| Restricted Net Assets - Revolving Loan Fund | 108,839 | 108,839 |
| Total Projects (Equity) | <u>4,295,614</u> | <u>2,036,770</u> |
| Total Liabilities and Projects | <u>11,483,656</u> | <u>8,664,023</u> |
| | | |
| Net Difference to be Reconciled | <u>(5,308)</u> | <u>(1,038)</u> |
| | | |
| Total Adjustments to Post* | 5,308 | 1,038 |
| | | |
| Unreconciled Balance (after adjustment) | <u>0</u> | <u>0</u> |

*YTD adjustment to Accrued Leave. Final adjustment posted to general ledger at fiscal year end closeout.

**New River Valley Regional Commission
Revenue and Expenditures - February 2026**

| FY25-26 Budget | | (67% of FY) | | | |
|---|-------------------|--------------------|-------------------|--------------------|----------------|
| | | February 2026 | YTD | Under/Over | % Budget |
| NRVRC Anticipated Revenues | | | | | |
| | Budget | | | | |
| ARC Annual Admin Grant | 92,660 | 0 | 51,248 | 41,412 | 55.31% |
| ARC POWER Water Trail Implementation | 35,000 | 0 | 0 | 35,000 | 0.00% |
| ARC Passenger Rail Station Development | 40,500 | 0 | 30,056 | 10,444 | 0.00% |
| ARC Broadband Bland | 455,389 | 0 | 0 | 455,389 | 0.00% |
| ARC Helene Recovery | 42,500 | 0 | 48,305 | (5,805) | 0.00% |
| ARC Inspire Ecosystem Recovery | 50,000 | 0 | 0 | 50,000 | 0.00% |
| Local Assessment | 244,023 | 0 | 244,023 | 0 | 100.00% |
| Office Project Member Contributions | 153,159 | 0 | 133,706 | 19,454 | 0.00% |
| DHCD - Administrative Grant | 114,971 | 0 | 86,228 | 28,743 | 75.00% |
| DHCD VATI 2022 | 11,354,803 | 3,760,573 | 13,787,770 | (2,432,967) | 121.43% |
| DHCD VATI 2022 VMRI | 0 | 0 | 357,518 | (357,518) | 0.00% |
| DHCD Regional Digital Opportunity | 52,500 | 0 | 83,382 | (30,882) | 0.00% |
| DHCD Giles Co Disaster Recovery | 60,000 | 0 | 0 | 60,000 | 0.00% |
| DRPT RIDE Solutions NRV | 80,340 | 0 | 34,952 | 45,388 | 43.50% |
| EDA | 70,000 | 0 | 35,000 | 35,000 | 50.00% |
| EDA Tech Hub | 159,195 | 8,543 | 196,763 | (37,568) | 123.60% |
| EDA Helene NRV Recovery Team | 5,000 | 0 | 0 | 5,000 | 0.00% |
| Go Virginia Scale Up | 85,497 | 6,859 | 6,859 | 78,638 | 8.02% |
| Workforce Fiscal Agent | 75,000 | 0 | 37,500 | 37,500 | 50.00% |
| Workforce WORC Fiscal agent | 11,250 | 0 | 11,250 | 0 | 100.00% |
| Workforce Trades Gap Fiscal Agent | 10,000 | 0 | 10,000 | 0 | 100.00% |
| Workforce YouthBuild Build Your Career Fiscal Agent | 45,000 | 0 | 22,500 | 22,500 | 50.00% |
| VDOT | 27,600 | 0 | 17,303 | 10,297 | 62.69% |
| Floyd County | 51,541 | 0 | 26,508 | 25,033 | 51.43% |
| Floyd Town | 80,000 | 0 | 1,615 | 78,385 | 2.02% |
| Giles County | 19,250 | 0 | 1,711 | 17,539 | 8.89% |
| Giles County Broadband | 35,000 | 0 | 10,345 | 24,655 | 29.56% |
| Narrows Town | 15,000 | 0 | 5,178 | 9,822 | 34.52% |
| Pearisburg Town | 12,550 | 0 | 0 | 12,550 | 0.00% |
| Rich Creek Town | 4,500 | 0 | 2,012 | 2,488 | 44.71% |
| Montgomery County VATI 2022 | 663,225 | 638,644 | 2,369,997 | (1,706,772) | 357.34% |
| Montgomery County Opioid Abatement | 720,000 | 40,876 | 397,158 | 322,842 | 55.16% |
| Blacksburg Town | 18,000 | 1,500 | 12,000 | 6,000 | 66.67% |
| Christiansburg Town | 18,597 | 0 | 4,725 | 13,872 | 25.41% |
| Pulaski County VATI | 481,973 | 0 | 0 | 481,973 | 0.00% |
| Pulaski Town | 32,500 | 14,500 | 14,500 | 18,000 | 44.62% |
| Dublin Town | 40,000 | 0 | 15,343 | 24,657 | 38.36% |
| Wytheville Town | 10,000 | 0 | 4,629 | 5,371 | 46.29% |
| Radford City | 0 | 0 | 1,675 | (1,675) | 0.00% |
| MM Interest | 5,000 | 768 | 7,361 | (2,361) | 147.22% |
| Interest Income | 65,000 | 13,174 | 106,367 | (41,367) | 163.64% |
| Misc. Income Meeting Registration | 0 | 0 | 6,152 | (6,152) | 0.00% |
| Virginia's First | 16,080 | 1,300 | 10,400 | 5,680 | 64.68% |
| NRV MPO | 154,819 | 0 | 51,450 | 103,370 | 33.23% |
| Dept of Environmental Quality | 78,006 | 0 | 16,031 | 61,975 | 20.55% |
| VHDA | 999,306 | 0 | 14,532 | 984,775 | 1.45% |
| Citizens ARC Fiber Deployment | 22,500 | 0 | 4,511 | 17,989 | 0.00% |
| Southwest Virginia SWMA | 7,000 | 0 | 3,600 | 3,400 | 51.43% |
| Virginia Recycling Association | 15,000 | 3,900 | 11,700 | 3,300 | 78.00% |
| GigaBeam Networks, LLC | 60,000 | 5,000 | 40,000 | 20,000 | 66.67% |
| APB Partners Pulaski, LLC | 30,000 | 2,500 | 20,000 | 10,000 | 0.00% |
| VAPDC | 5,000 | 0 | 5,000 | 0 | 0.00% |
| Pentel | 45,000 | 0 | 0 | 45,000 | 0.00% |
| Regional Housing Trust Fund | 38,000 | 0 | 25,443 | 12,557 | 0.00% |
| NRV Passenger Rail Authority | 76,500 | 0 | 19,125 | 57,375 | 25.00% |
| New River Conservancy | 30,000 | 0 | 3,257 | 26,743 | 10.86% |
| Revolving Loan - Interest | 1,400 | 37 | 709 | 691 | 50.61% |
| Direct Charge Reimbursement | 0 | 0 | 289.92 | (289.92) | 0.00% |
| | 17,115,135 | 4,498,173 | 18,407,685 | (1,292,550) | 107.55% |
| Expenses | | | | | |
| Salaries | 1,601,612 | 132,985 | 1,067,495 | 534,117 | 66.65% |
| Fringe Benefits | 468,239 | 46,043 | 353,744 | 114,495 | 75.55% |
| Travel | 63,505 | 761 | 8,674 | 54,831 | 13.66% |
| Office Space | 109,000 | 5,875 | 46,409 | 62,591 | 42.58% |
| Utilities | 0 | 1,837 | 13,075 | (13,075) | 0.00% |
| Communications | 21,350 | 1,574 | 15,881 | 5,469 | 74.38% |
| Office Supplies | 66,931 | 2,752 | 46,002 | 20,929 | 68.73% |
| Postage | 1,300 | 104 | 954 | 346 | 73.41% |
| Printing | 8,000 | 0 | 7,750 | 250 | 96.88% |
| Copier Usage/Maintenance | 1,400 | 70 | 903 | 497 | 64.49% |
| Outreach/Media Adv | 26,571 | 2,606 | 9,282 | 17,289 | 34.93% |
| Equipment Rent/Copier | 3,000 | 223 | 1,787 | 1,213 | 59.57% |
| Fleet Vehicles | 1,600 | 34 | 1,064 | 536 | 66.53% |
| Dues/Publications | 19,995 | 1,359 | 19,769 | 226 | 98.87% |
| Training/Staff Development | 77,250 | 7,954 | 56,956 | 20,294 | 73.73% |
| Insurance | 6,500 | 0 | 4,808 | 1,693 | 73.96% |
| Meeting Costs | 24,120 | 1,195 | 19,072 | 5,048 | 79.07% |
| Capital Outlay | 65,000 | 0 | 0 | 65,000 | 0.00% |
| Contractual Services | 14,271,394 | 6,547,436 | 16,857,764 | (2,586,370) | 118.12% |
| Professional Services Audit/Legal | 16,225 | 3,629 | 25,354 | (9,129) | 156.27% |
| Miscellaneous/Fees | 108,999 | 250 | 3,387 | 105,612 | 3.11% |
| Reimbursed Expense | 0 | 329 | 512 | (512) | 0.00% |
| Bond Interest Expense | 153,144 | 0 | 47,341 | 105,803 | 30.91% |
| | 17,115,135 | 6,757,017 | 18,607,984 | (1,492,848) | 108.72% |
| | 0 | (2,258,844) | (200,298) | | |

**New River/Mount Rogers Workforce Development Board
Revenue and Expenditures - February 2026**

(67% of FY)

| NR/MR WDB Anticipated Revenues | | January 2026 | YTD | Under/Over | % Budget |
|--|------------------|----------------|------------------|------------------|---------------|
| Workforce Development Area | 4,294,437 | 190,591 | 1,264,043 | 3,030,394 | 29.43% |
| | | 190,591 | 1,264,043 | 3,030,394 | |
| Expenses | | | | | |
| Salaries | 766,620 | 64,053 | 500,540 | 266,080 | 65.29% |
| Fringe Benefits | 275,983 | 20,350 | 159,654 | 116,329 | 57.85% |
| Travel | 45,000 | 2,730 | 19,947 | 25,053 | 44.33% |
| Office Space | 26,000 | 0 | 0 | 26,000 | 0.00% |
| Communications | 16,000 | 0 | 0 | 16,000 | 0.00% |
| Office Supplies | 34,000 | 2,239.34 | 19,800.39 | 14,200 | 58.24% |
| Postage | 250 | 0 | 0 | 250 | 0.00% |
| Printing | 2,000 | 0 | 0 | 2,000 | 0.00% |
| Copier Usage/Maintenance | 5,500 | 0 | 0 | 5,500 | 0.00% |
| Outreach/Media Adv | 88,000 | 0 | 0 | 88,000 | 0.00% |
| Equipment Rent/Copier | 1,700 | 0 | 0 | 1,700 | 0.00% |
| Dues/Publications | 8,000 | 0 | 0 | 8,000 | 0.00% |
| Training/Staff Development | 12,000 | 0 | 0 | 12,000 | 0.00% |
| Insurance | 5,000 | 0 | 4,511 | 489 | 90.22% |
| Meeting Costs | 61,000 | 0 | 0 | 61,000 | 0.00% |
| Contractual Services | 2,898,794 | 0 | 18,000 | 2,880,794 | 0.62% |
| Contractual: Training & SS | 0 | 9,357 | 287,266 | (287,266) | 0.00% |
| Contractual: Literacy NRV | 0 | 3,940 | 20,619 | (20,619) | 0.00% |
| Contractual: MRR AEP | 0 | 685 | 4,882 | (4,882) | 0.00% |
| Contractual: NRCA | 0 | 0 | 3,718 | (3,718) | 0.00% |
| Contractual: RACE1 | 0 | 1,849 | 16,301 | (16,301) | 0.00% |
| Contractual: Habitat for Humanity | 0 | 75,000 | 75,000 | (75,000) | 0.00% |
| Professional Services Audit/Legal | 12,200 | 0 | 0 | 12,200 | 0.00% |
| Business Services | 0 | 0 | 19,942 | (19,942) | 0.00% |
| Sector Partnership Activities | 0 | 0 | 4,988 | (4,988) | 0.00% |
| Professional Development | 0 | 0 | 2,287 | (2,287) | 0.00% |
| Outreach | 0 | 4,607 | 18,206 | (18,206) | 0.00% |
| Outreach Activities | 0 | 0 | 9,356 | (9,356) | 0.00% |
| Miscellaneous/Fees | 36,390 | 0 | 0 | 36,390 | 0.00% |
| Administrative Functions | 0 | 93 | 5,218 | (5,218) | 0.00% |
| Occupancy | 0 | 2,850 | 29,143 | (29,143) | 0.00% |
| Communications | 0 | 806 | 17,133 | (17,133) | 0.00% |
| Copier Usage | 0 | 195 | 1,807 | (1,807) | 0.00% |
| Meeting Expenses | 0 | 809 | 4,375 | (4,375) | 0.00% |
| Dues/Publications: VA Assoc of Workforce Directors | 0 | 0 | 1,306 | (1,306) | 0.00% |
| Dues/Publications: Other | 0 | 1,027 | 1,152 | (1,152) | 0.00% |
| Platforms | 0 | 0 | 18,891 | (18,891) | 0.00% |
| | 4,294,437 | 190,591 | 1,264,043 | 3,030,394 | 29.43% |
| | 0 | 0 | 0 | | |

| | February 2026 | YTD | |
|--|---------------|--------------------|------------------|
| | 21,409,572 | 4,688,763 | 19,671,729 |
| | 21,409,572 | 6,947,607 | 19,872,027 |
| | | (2,258,844) | (200,298) |



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N R V R C . O R G

March 23, 2026

Executive Director's Report

Economic Development:

- The AM2 Tech Hub statewide competitive GO Virginia grant is on the state board agenda for March 24th. The agenda packet indicates the project is recommended for approval. application to the US Economic Development Administration was submitted on March 3rd.
- The Town of Floyd held interviews this week for architectural and engineering services for a CDBG planning grant to redevelop the Donkenny property in town. This is a key property which represents the largest parcel for redevelopment in the community. Public engagement and site designs will take place over the next six to nine months once a consulting firm is selected.
- Thank you to Onward NRV for hosting two highly informative events this week on data centers. On Wednesday evening Onward NRV hosted an elected officials training session on the topic with speakers from VA Economic Development Partnership, Mecklenburg County, Culpepper County, and Hurt & Proffitt engineering firm. The following day, Onward NRV hosted a half-day event on the topic. Thank you also to Hurt & Proffitt for bringing the content to the region to help inform a broad audience.

Broadband:

- The environmental reviews for eight BEAD funded broadband projects are progressing on track.
- Giles County hosted Department of Housing and Community Development staff on Tuesday this week for a site visit for a VATI funded project.

Transportation:

- The NRV Passenger Rail Station Authority submitted a request for Congressionally Directed Spending to support construction costs for the project. Staff also met with Virginia Appalachian Regional Commission representatives to discuss a grant application for construction assistance that is due April 30th.

Housing:

- The Regional Commission will be following up on match requests for \$5,000 to local partners for grant funds from Virginia Housing. These were distributed to the four counties, the city, and three largest towns. Higher education partnership is also anticipated.
- The Claremont School redevelopment project in Pulaski is accepting rental applications and The Legacy on Main in Blacksburg is anticipating completion by the end of the calendar year. Together these two projects will be adding over 100 units of affordable housing.

Natural Resources:

- The New River Water Trail Expansion project is moving along with site engineering for new launches in Giles and Pulaski counties, an expanded parking area at Whitethorn in Montgomery County, and a paddle craft launch in Radford. Planning for the multi-state expansion led by the New River Conservancy is continuing.

Regional:

- The NRV Livability Information Exchange is scheduled for March 25th in the morning at the German Club in Blacksburg. Registration has reached 200! We are please to have Dr. Tamarah Holmes, the new director for the VA Dept of Housing and Community Development, in attendance and providing closing remarks.
- The NRV Recovery Ecosystem is working diligently with local governments and service providers on the FY27 renewal application which is due April 1st. Through this process, local partners have provided a few new directions for Regional Commission staff support in the coming year as the program has evolved over four years. The Commission will be briefed on the FY27 program at a future meeting.
- The Regional Commission continues to support communities impacted by Hurricane Helene. The Virginia Diaster Assistance Fund (VDAF) program is open for applications. Information about the program is on our website [here](#).

Commission:

- The new office construction project kicked-off on 3/12. Interior demolition is well underway as well as exterior excavation of utilities. The construction timeline is anticipated to last nine months with moving hopefully to take place at the end of 2026.
- The Virginia Association of Planning District Commissions held a legislative briefing while in Washington, DC for the annual Washington Policy Conference for the National Association of Development Organizations. 12 regions participated in the two-hour meeting with Congressional staff.
- The FY27 budget for the Regional Commission is in development and will be presented at the June meeting. Staff is compiling anticipated revenue and receving inputs on expenses such as health insurance and retirement from our providers.
- I am in the early planning stages of a retreat for the Rich Creek Town Council this spring.



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NRVRC.ORG

MEMORANDUM

To: NRVRC Board Members
From: Kevin Byrd, Executive Director
Date: March 23, 2026
Re: New River Valley Agency on Aging Overview

At the March Regional Commission meeting Ray Parks, executive director of the New River Valley Agency on Aging, will provide a presentation on the work of the agency in the region. It is well documented that older adults occupy an increasing share of the overall population, and the need for supportive services is increasing accordingly. The New River Valley Agency on Aging leverages Older Americans Act state and federal resources with local contributions to activate the region's Area Plan for Aging Services within PDC 4. This plan, once approved by the Virginia Department for Aging and Rehabilitative Services, results in a contract for the agency to carry out the work promoting maximum independence and community connections for older adults who are aging in place in our region. The agency has a 50-year history serving as a primary source of information, supportive community and home-based services, and advocacy for individuals age 60 and older, as well as their caregivers.

In addition to the core services of nutrition, transportation, a no-wrong-door approach to information and referral, and health promotion, the agency also offers the following:

- The Virginia Insurance Counseling and Assistance Program
- The Farm Market Fresh – Senior Farmers Market Nutrition Program, offering \$50 in coupons that can be redeemed at participating local farmer's markets.
- Our annual caregiver conference, reaching a wide audience at no cost for family caregivers and minimal cost for professionals.
- Strong partnership with the New River Valley Aging in Community Coalition, the Elder Justice Task Force, the Coalition of Aging Programs and Services, and several other community leaders and providers with whom we share a common mission.

For more information about the NRV Agency on Aging please visit nrvaoo.org or contact Ray Parks at rparks@nrvaoo.org

Strengthening the Region through Collaboration

Counties

Floyd | Giles
Montgomery | Pulaski
City
Radford

Towns

Blacksburg | Christiansburg | Dublin
Floyd | Narrows | Pearisburg
Pembroke | Pulaski
Rich Creek

Higher Education

Virginia Tech
Radford University
New River Community College



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NRVRC.ORG

MEMORANDUM

To: Regional Commission Board Members
From: Leo Priddy, Economic Development Planning Specialist/Planner II
Date: March 26, 2026
Re: Economic Development Administration (EDA) & Regional Support

Each year, the U.S. Economic Development Administration (EDA) provides support to the New River Valley Regional Commission (NRVRC) to advance economic development initiatives across the region. This funding allows NRVRC to support long-term planning, respond to local needs, and advance projects that strengthen the regional economy.

This update is intended to provide an overview of current economic conditions in the region, along with updates on our economic development program, the Regional Economic Strategy (RES), and the Revolving Loan Fund (RLF).

It is also meant to reflect what we are hearing and seeing across the region in real time. Through ongoing coordination with local governments, developers, employers, and regional partners, we are able to stay closely connected to how conditions are evolving in the New River Valley.

Regional Economic Strategy (RES) Update

The Regional Commission is responsible for preparing and maintaining the Regional Economic Strategy (RES), also known as the Comprehensive Economic Development Strategy (CEDS). This planning document informs economic development activities in the region by analyzing economic trends, setting goals and objectives, and identifying priority projects submitted by local governments.

Counties

Floyd | Giles
Montgomery | Pulaski

City

Radford

Towns

Blacksburg | Christiansburg | Dublin
Floyd | Narrows | Pearisburg
Pembroke | Pulaski | Rich Creek

Higher Education

Virginia Tech | Radford University
New River Community College

Each year, the RES is updated with significant input from a committee of public and private sector representatives appointed by the NRVRC. The Regional Commission reviews and approves the document annually, keeping it responsive to local and regional economic priorities. The RES qualifies the region for funding assistance from the U.S. Department of Commerce-Economic Development Administration (EDA), making it an important tool in securing federal resources for economic development projects. The 2025 Regional Economic Strategy is available, including an interactive online version with dynamic data and project details.

- [Online Interactive RES](#)
- [2025 Regional Economic Strategy \(Full Version\)](#)
- [2025 Regional Economic Strategy \(Consumer Version\)](#)

Revolving Loan Fund (RLF) Update

The Revolving Loan Fund (RLF) continues to be an important financing tool for local small businesses seeking capital for startup costs, expansions, and capital purchases. The program provides low-interest loans, typically ranging from \$10,000 to \$25,000, to businesses that may not have access to traditional financing. NRVRC actively seeks new applicants so that funds are utilized to support business retention and growth. Connections with RES committee members, localities, and business support organizations have helped promote the RLF program, generating interest among potential borrowers.

As of February 28, 2026, the RLF has the following balances:

- Loans Receivable - \$10,602.41
- Restricted Cash - \$98,925.34

The RLF committee continues to market the loan program, field inquiries from businesses, and oversee loan approvals to maximize the impact of these funds in the region. For more information on the RLF program, we encourage you to check out the [Revolving Loan Fund Information one-pager](#) and [Revolving Loan Fund Application](#).

EDA-Supported Economic Development Work

Beyond the RES and RLF, EDA funding enables the NRVRC to pursue strategic projects and respond to special requests that improve the economic development landscape in the New River Valley. This includes collaboration with regional partners, industry stakeholders, and local governments to advance economic priorities.

In addition, the NRVRC continues to engage with the broader community by presenting and participating in conversations around economic development, including:

- Local chamber and regional events, including the Annual Livability in Action Regional Exchange.
- Ongoing outreach with partners to share updates on economic conditions and priorities.

Looking Ahead

In the coming months, the NRVRC will continue to finalize the RES, actively promote the RLF program, and pursue additional funding opportunities to support regional projects. If you have any questions or would like to discuss economic development efforts, please contact me at lpriiddy@nrvc.org.



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NRVRC.ORG

MEMORANDUM

To: NRVRC Board Members
From: Kevin R. Byrd, Executive Director
Date: March 23, 2026
Re: FY25 Audit Report

Enclosed is the FY25 audit prepared by Corbin Stone, a Certified Public Accountant, with Robinson, Farmer, Cox Associates based in Blacksburg. Mr. Stone and his staff were on-site in August to conduct the FY25 audit and provided the attached cover letter and financial report for the Commission board to review. The audit report finds all Commission programs were in compliance and did not identify any deficiencies in internal control over compliance that the auditor would consider to be material weaknesses.

A significant thank you to the finance team for their contributions to ensure another clean audit. Jessica Barrett, CPA, leads the finance team which consists of Emily Warren and Kelly Patton. The overall agency success through the audit process is attributed to the entire staff and board of directors. Details such as grant reports and the board reviewing the monthly financials all contribute to the financial wellbeing of the agency.

The Commission must take action whether to accept the audit report as presented.

Strengthening the Region through Collaboration

Counties

Floyd | Giles
Montgomery | Pulaski
City
Radford

Towns

Blacksburg | Christiansburg
Floyd | Narrows | Pearisburg
Pembroke | Pulaski
Rich Creek

Higher Education

Virginia Tech
Radford University
New River Community College



Communication with Those Charged with Governance

To the Members of the Board of Directors
New River Valley Regional Commission

We have audited the financial statements of the governmental activities and each major fund of the New River Valley Regional Commission for the year ended June 30, 2025. Professional standards require that we provide you with information about our responsibilities under generally accepted auditing standards, *Government Auditing Standards*, and the Uniform Guidance, as well as certain information related to the planned scope and timing of our audit. We have communicated such information in our letter to you dated May 22, 2025. Professional standards also require that we communicate to you the following information related to our audit.

Significant Audit Matters

Qualitative Aspects of Accounting Practices

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by the New River Valley Regional Commission are described in Note 1 to the financial statements. As described in Note 13 to the financial statements, the New River Valley Regional Commission changed accounting policies by adopting Statement of Governmental Accounting Standards (GASB Statement) No. 101, *Compensated Absences*. We noted no transactions entered into by the entity during the year for which there is a lack of authoritative guidance or consensus. All significant transactions have been recognized in the financial statements in the proper period.

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected. The most sensitive estimates affecting the New River Valley Regional Commission's financial statements were:

Management's estimate of deferred inflows, outflows and liability related to pension in which the Commission participates is based on calculations provided by the Virginia Retirement System (VRS). We evaluated the methods, assumptions, and data used to develop the newt pension liability and related deferrals in determining that they are reasonable in relation to the financial statements taken as a whole.

Management's estimate of the depreciable asset lives is based on management's experience. We evaluated the methods, assumptions, and data used to develop the estimate in determining that it is reasonable in relation to the financial statements taken as a whole.

Management's estimate of compensated absences is based on historical trend information. We evaluated the methods, assumptions, and data used to develop estimates in determining that they are reasonable in relation to the financial statements taken as a whole.

The financial statement disclosures are neutral, consistent, and clear.

Difficulties Encountered in Performing the Audit

We encountered no significant difficulties in dealing with management in performing and completing our audit.

Corrected and Uncorrected Misstatements

Professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that are clearly trivial, and communicate them to the appropriate level of management. Management has corrected all such misstatements. In addition, none of the misstatements detected as a result of audit procedures and corrected by management were material, either individually or in the aggregate, to each opinion unit's financial statements taken as a whole. A listing of our recommended audit adjustments is attached hereto.

Disagreements with Management

For purposes of this letter, a disagreement with management is a disagreement on a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction, that could be significant to the financial statements or the auditors' report. We are pleased to report that no such disagreements arose during the course of our audit.

Management Representations

We have requested certain representations from management that are included in the management representation letter dated December 5, 2025.

Management Consultations with Other Independent Accountants

In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a "second opinion" on certain situations. If a consultation involves application of an accounting principle to the entity's financial statements or a determination of the type of auditors' opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants.

Other Audit Findings or Issues

We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to retention as the entity's auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention.

Other Matters

We applied certain limited procedures to the schedules related to pension funding, which are required supplementary information (RSI) that supplements the basic financial statements. Our procedures consisted of inquiries of management regarding the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We did not audit the RSI and do not express an opinion or provide any assurance on the RSI. Our responsibility with respect to the budgetary comparison information, which also supplements the basic financial statements, is to evaluate the presentation of the schedules in relation to the financial statements as a whole and to report on whether it is fairly stated, in all material respects, in relation to the financial statements as a whole.

We were engaged to report on the schedule of expenditures of federal awards, which accompanies the financial statements but is not RSI. With respect to this supplementary information, we made certain inquiries of management and evaluated the form, content, and methods of preparing the information to determine that the information complies with accounting principles generally accepted in the United States of America, the method of preparing it has not changed from the prior period, and the information is appropriate and complete in relation to our audit of the financial statements. We compared and reconciled the supplementary information to the underlying accounting records used to prepare the financial statements or to the financial statements themselves.

Restriction on Use

This information is intended solely for the use of Board of Directors and management of the New River Valley Regional Commission and is not intended to be, and should not be, used by anyone other than these specified parties.

Robinson, Farmer, Cox Associates

Blacksburg, Virginia
December 5, 2025

NEW RIVER VALLEY REGIONAL COMMISSION

FINANCIAL REPORT

FOR THE YEAR ENDED JUNE 30, 2025

**NEW RIVER VALLEY REGIONAL COMMISSION
FINANCIAL REPORT
FOR THE YEAR ENDED JUNE 30, 2025**

TABLE OF CONTENTS

FINANCIAL SECTION

| | <u>Exhibit</u> | <u>Page</u> |
|---|----------------|-------------|
| Independent Auditors' Report | | 1-3 |
| Basic Financial Statements: | | |
| Government-Wide Financial Statements: | | |
| Statement of Net Position | 1 | 4 |
| Statement of Activities | 2 | 5 |
| Fund Financial Statements: | | |
| Balance Sheet - Governmental Funds | 3 | 6 |
| Reconciliation of the Balance Sheet of Governmental Funds to the Statement of Net Position | 4 | 7 |
| Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds..... | 5 | 8 |
| Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds to the Statement of Activities | 6 | 9 |
| Notes to the Financial Statements | | 10-30 |
| Required Supplementary Information: | | |
| Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual: | | |
| General Fund | 7 | 31-32 |
| Schedule of Changes in Net Pension Liability (Asset) and Related Ratios | 8 | 33 |
| Schedule of Employer Contributions - Pension Plan..... | 9 | 34 |
| Notes to Required Supplementary Information | 10 | 35 |

COMPLIANCE SECTION

| | | |
|---|--|-------|
| Independent Auditors' Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with <i>Government Auditing Standards</i> | | 36-37 |
| Independent Auditors' Report on Compliance for Each Major Program and on Internal Control over Compliance Required by the Uniform Guidance | | 38-40 |
| Schedule of Expenditures of Federal Awards | | 41-42 |
| Schedule of Findings and Questioned Costs..... | | 43 |

FINANCIAL SECTION



Independent Auditors' Report

**To the Members of the Board
New River Valley Regional Commission
Radford, Virginia**

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the governmental activities and each major fund of the New River Valley Regional Commission, as of and for the year ended June 30, 2025, and the related notes to the financial statements, which collectively comprise the New River Valley Regional Commission's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the governmental activities and each major fund of the New River Valley Regional Commission, as of June 30, 2025, and the respective changes in financial position as of and for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the *Specifications for Audits of Authorities, Boards, and Commissions*, issued by the Auditor of Public Accounts of the Commonwealth of Virginia. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the New River Valley Regional Commission, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Change in Accounting Principle

As described in Note 13 to the financial statements, in 2025, the New River Valley Regional Commission adopted new accounting guidance, GASB Statement No. 101, *Compensated Absences*. Our opinions are not modified with respect to this matter.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for 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.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the New River Valley Regional Commission's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards, *Government Auditing Standards*, and the *Specifications for Audits of Authorities, Boards, and Commissions* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards, *Government Auditing Standards*, and the *Specifications for Audits of Authorities, Boards, and Commissions*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit 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 New River Valley Regional Commission's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the New River Valley Regional Commission's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the budgetary comparison information and schedules related to pension funding as listed in the table of contents be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's

responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance. The budgetary comparison information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

Management has omitted management's discussion and analysis that accounting principles generally accepted in the United States of America require to be presented to supplement the basic financial statements. Such missing information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. Our opinions on the basic financial statements are not affected by this missing information.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the New River Valley Regional Commission's basic financial statements. The accompanying schedule of expenditures of federal awards, as required by Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, is presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditures of federal awards is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated December 5, 2025, on our consideration of the New River Valley Regional Commission's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the New River Valley Regional Commission's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the New River Valley Regional Commission's internal control over financial reporting and compliance.

Robinson, Farmer, Cox Associates

Blacksburg, Virginia
December 5, 2025

Basic Financial Statements

New River Valley Regional Commission
Statement of Net Position
June 30, 2025

| | | Governmental Activities |
|---|----|----------------------------|
| ASSETS | | |
| Cash and cash equivalents | \$ | 2,057,599 |
| Cash and cash equivalents - restricted | | 4,685,302 |
| Accounts receivable | | 68,032 |
| Loans receivable | | 30,587 |
| Due from other governmental units | | 4,359,732 |
| Utility deposits | | 3,307 |
| Capital assets, not being depreciated | | 2,125,289 |
| Capital assets, net of accumulated depreciation | | 51,182 |
| Total assets | \$ | 13,381,030 |
| DEFERRED OUTFLOWS OF RESOURCES | | |
| Pension related items | \$ | 220,743 |
| Total deferred outflows of resources | \$ | 220,743 |
| LIABILITIES | | |
| Accounts payable | \$ | 4,196,425 |
| Construction payable | | 54,630 |
| Accrued unemployment liability | | 46,455 |
| Unearned revenue | | 4,411,099 |
| Amounts held for others | | 11,224 |
| Accrued interest payable | | 23,407 |
| Noncurrent liabilities: | | |
| Due within one year | | 187,560 |
| Due in more than one year | | 2,196,917 |
| Total liabilities | \$ | 11,127,717 |
| DEFERRED INFLOWS OF RESOURCES | | |
| Pension related items | \$ | 99,841 |
| Total deferred inflows of resources | \$ | 99,841 |
| NET POSITION | | |
| Net investment in capital assets | \$ | 31,974 |
| Restricted | | |
| Workforce Investment Act | | 74,153 |
| Revolving loan program | | 108,820 |
| Unrestricted | | 2,159,268 |
| Total net position | \$ | 2,374,215 |

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

New River Valley Regional Commission
Statement of Activities
For the Year Ended June 30, 2025

| | Program Revenues | | | Net (Expense) Revenue and Changes in Net Position |
|-------------------------------|------------------|--------------------------------|---|--|
| <u>Functions/Programs</u> | <u>Expenses</u> | Charges for <u>Services</u> | Operating Grants and <u>Contributions</u> | <u>Governmental Activities</u> |
| Primary Government: | | | | |
| Health and welfare | \$ 4,250,319 | \$ - | \$ 4,198,757 | \$ (51,562) |
| Community development | 26,297,133 | 1,459,494 | 26,182,274 | 1,344,635 |
| Interest on long-term debt | 177,440 | - | - | (177,440) |
| Total governmental activities | \$ 30,724,892 | \$ 1,459,494 | \$ 30,381,031 | \$ 1,115,633 |
| General revenues: | | | | |
| Interest Income | | | | \$ 171,439 |
| Miscellaneous | | | | 114,074 |
| Total general revenues | | | | \$ 285,513 |
| Change in net position | | | | 1,401,146 |
| Net position - beginning | | | | 973,069 |
| Net position - ending | | | | \$ 2,374,215 |

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

New River Valley Regional Commission
Balance Sheet
Governmental Funds
June 30, 2025

| | General Fund | WIA Fund | Total |
|--|----------------------|-------------------|----------------------|
| ASSETS | | | |
| Cash and cash equivalents | \$ 1,815,188 | \$ 242,411 | \$ 2,057,599 |
| Cash and cash equivalents - restricted | 4,685,302 | - | 4,685,302 |
| Accounts receivable | 15,750 | 52,282 | 68,032 |
| Loans receivable | 30,587 | - | 30,587 |
| Due from other funds | 366,614 | - | 366,614 |
| Due from other governmental units | 3,787,316 | 572,416 | 4,359,732 |
| Utility deposits | 3,307 | - | 3,307 |
| Total assets | <u>\$ 10,704,064</u> | <u>\$ 867,109</u> | <u>\$ 11,571,173</u> |
| LIABILITIES | | | |
| Accounts payable | \$ 3,971,290 | \$ 225,135 | \$ 4,196,425 |
| Construction payable | 54,630 | - | 54,630 |
| Accrued unemployment liability | 46,455 | - | 46,455 |
| Unearned revenue | 4,209,892 | 201,207 | 4,411,099 |
| Amounts held for others | 11,224 | - | 11,224 |
| Due to other funds | - | 366,614 | 366,614 |
| Total liabilities | <u>\$ 8,293,491</u> | <u>\$ 792,956</u> | <u>\$ 9,086,447</u> |
| FUND BALANCE | | | |
| Nonspendable | | | |
| Loans receivable | \$ 30,587 | \$ - | \$ 30,587 |
| Utility deposits | 3,307 | - | 3,307 |
| Unreserved: | | | |
| Restricted: | | | |
| Workforce Investment Act | - | 74,153 | 74,153 |
| Revolving loan program | 108,820 | - | 108,820 |
| Unassigned | 2,267,859 | - | 2,267,859 |
| Total fund balance | <u>\$ 2,410,573</u> | <u>\$ 74,153</u> | <u>\$ 2,484,726</u> |
| Total liabilities and fund balance | <u>\$ 10,704,064</u> | <u>\$ 867,109</u> | <u>\$ 11,571,173</u> |

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

New River Valley Regional Commission
 Reconciliation of the Balance Sheet of Governmental Funds
 To the Statement of Net Position
 June 30, 2025

Amounts reported for governmental activities in the statement of net position are different because:

| | | |
|---|----|-----------|
| Total fund balances per Exhibit 3 - Balance Sheet | \$ | 2,484,726 |
|---|----|-----------|

Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.

| | | | |
|---------------------------------------|----|-----------------|-----------|
| Capital assets, not being depreciated | \$ | 2,125,289 | |
| Capital assets, being depreciated | | 100,615 | |
| Accumulated depreciation | | <u>(49,433)</u> | 2,176,471 |

Deferred outflows of resources are not available to pay for current period expenditures and, therefore, are not reported in the funds.

| | | | |
|-----------------------|--|--|---------|
| Pension related items | | | 220,743 |
|-----------------------|--|--|---------|

Long-term liabilities are not due and payable in the current period and therefore are not reported in the funds.

| | | | |
|--|----|------------------|-------------|
| Bond payable | \$ | (1,945,000) | |
| Bond premium (to be amortized over life of debt) | | (158,815) | |
| Accrued interest payable | | (23,407) | |
| Compensated absences | | (143,084) | |
| Net pension liability | | <u>(137,578)</u> | (2,407,884) |

Deferred inflows of resources are not due and payable in the current period and, therefore, are not reported in the funds.

| | | | |
|-----------------------|--|--|-----------------|
| Pension related items | | | <u>(99,841)</u> |
|-----------------------|--|--|-----------------|

| | | |
|---|----|------------------|
| Net position of governmental activities | \$ | <u>2,374,215</u> |
|---|----|------------------|

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

New River Valley Regional Commission
Statement of Revenues, Expenditures and Changes in Fund Balances
Governmental Funds
For the Year Ended June 30, 2025

| Revenues: | General Fund | WIA Fund | Total |
|---|----------------------------|-------------------------|----------------------------|
| Interest Income | \$ 171,439 | \$ - | \$ 171,439 |
| Charges for services | 1,459,494 | - | 1,459,494 |
| Contributions from localities | 1,548,956 | - | 1,548,956 |
| Contributions from others | 353,772 | - | 353,772 |
| Miscellaneous revenue | 4,707 | 109,367 | 114,074 |
| Intergovernmental | 24,279,546 | 4,198,757 | 28,478,303 |
| Total revenues | <u>\$ 27,817,914</u> | <u>\$ 4,308,124</u> | <u>\$ 32,126,038</u> |
| | | | |
| Expenditures: | | | |
| Community development | \$ 28,480,237 | \$ - | \$ 28,480,237 |
| Health and welfare | - | 4,250,319 | 4,250,319 |
| Debt service: | | | |
| Bond issuance cost | 121,831 | - | 121,831 |
| Interest expense | 42,607 | - | 42,607 |
| Total expenditures | <u>\$ 28,644,675</u> | <u>\$ 4,250,319</u> | <u>\$ 32,894,994</u> |
| Excess (deficiency) of revenues over (under) expenditures | <u>\$ (826,761)</u> | <u>\$ 57,805</u> | <u>\$ (768,956)</u> |
| | | | |
| Other financing sources (uses): | | | |
| Issuance of bonds | \$ 1,945,000 | \$ - | \$ 1,945,000 |
| Premium on bonds issued | 169,220 | - | 169,220 |
| Total other financing sources | <u>\$ 2,114,220</u> | <u>\$ -</u> | <u>\$ 2,114,220</u> |
| Net change in fund balances | \$ 1,287,459 | \$ 57,805 | \$ 1,345,264 |
| Fund balance, beginning of year | <u>1,123,114</u> | <u>16,348</u> | <u>1,139,462</u> |
| Fund balance, end of year | <u><u>\$ 2,410,573</u></u> | <u><u>\$ 74,153</u></u> | <u><u>\$ 2,484,726</u></u> |

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

New River Valley Regional Commission
 Reconciliation of the Statement of Revenues,
 Expenditures, and Changes in Fund Balances of Governmental Funds
 To the Statement of Activities
 For the Year Ended June 30, 2025

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

| | | |
|--|----|-----------|
| Net change in fund balances - total governmental funds | \$ | 1,345,264 |
|--|----|-----------|

Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the detail of items supporting this adjustment. in the current period.

| | | |
|----------------------|-----------------|-----------|
| Capital outlay | \$ 2,167,289 | |
| Depreciation expense | <u>(21,494)</u> | 2,145,795 |

The issuance of long-term debt (e.g. bonds, leases) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net assets. Also, governmental funds report the effect of issuance costs, premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. This amount is the net effect of these differences in the treatment of long-term debt and related items.

| | | |
|--------------------------|------------------|-------------|
| Debt issued or incurred: | | |
| Issuance of bond payable | \$ (1,945,000) | |
| Premium on bond issuance | <u>(169,220)</u> | (2,114,220) |

Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore are not reported as expenditures in governmental funds.

| | | |
|---------------------------------|---------------|---------------|
| Change in compensated absences | \$ (13,733) | |
| Change in interest payable | (23,407) | |
| Amortization of bond premium | 10,405 | |
| Change in pension related items | <u>51,042</u> | <u>24,307</u> |

| | | |
|---|----|-------------------------|
| Change in net position of governmental activities | \$ | <u><u>1,401,146</u></u> |
|---|----|-------------------------|

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

NEW RIVER VALLEY REGIONAL COMMISSION

NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2025

Note 1-Summary of Significant Accounting Policies:

The financial statements of the New River Valley Regional Commission have been prepared in conformity with the specifications promulgated by the Auditor of Public Accounts (APA) of the Commonwealth of Virginia, and accounting principles generally accepted in the United States as specified by the Governmental Accounting Standards Board. The more significant of the government's accounting policies are described below.

A. Financial Reporting Entity

The New River Valley Regional Commission ("Commission") was formed pursuant Title 15.2, Chapter 42 of the *Code of Virginia, (1950) as amended*, to encourage and facilitate local government cooperation and state-local cooperation in addressing on a regional basis problems of greater than local significance. Functional areas in which the Commission may assist participating jurisdictions include, but are not limited to: (i) economic and physical infrastructure development; (ii) solid waste, water supply and other environmental management; (iii) transportation; (iv) criminal justice; (v) emergency management; (vi) human services; and (vii) recreation. The Commission was formed to serve the towns of Blacksburg, Christiansburg, Floyd, Narrows, Pearisburg, Pembroke, Pulaski, and Rich Creek; the counties of Floyd, Giles, Montgomery and Pulaski; and the City of Radford.

The New River Valley Regional Commission's financial statements include the accounts of all the Commission's operations. The Commission has no component units.

B. Government-wide and fund financial statements

The accompanying financial statements are prepared in accordance with pronouncements issued by the Governmental Accounting Standards Board. The principles prescribed by GASB represent generally accepted accounting principles applicable to governmental units.

The accounting and financial reporting treatment is determined by the applicable measurement focus and basis of accounting. Measurement focus indicates the type of resources being measured such as current financial resources or economic resources. The basis of accounting indicates the timing of recognition in the financial statements of various kinds of transactions or events.

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the nonfiduciary activities of the Commission (primary government). For the most part, the effect of interfund activity has been removed from these statements. Exceptions to this general rule are other charges between the Commission's functions. Elimination of these charges would distort the direct costs and program revenues reported for the various functions concerned.

Note 1-Summary of Significant Accounting Policies: (continued)

B. Government-wide and fund financial statements (continued)

The Statement of Net Position is designed to display financial position of the primary government (governmental and business-type activities). Governments will report all capital assets in the government-wide Statement of Net Position and will report depreciation expense, the cost of “using up” capital assets, in the Statement of Activities. The net position of a government will be broken down into three categories - 1) net investment in capital assets; 2) restricted; and 3) unrestricted.

The government-wide Statement of Activities reports expenses and revenues in a format that focuses on the cost of each of the government’s functions. The expense of individual functions is compared to the revenues generated directly by the functions (for instance, through user charges or intergovernmental grants).

The Statement of Activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. *Direct expenses* are those that are clearly identifiable with a specific function or segment. *Program revenues* include 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Other items not properly included among program revenues are reported instead as *general revenues*.

Major individual governmental funds are reported as separate columns in the fund financial statements.

C. Measurement focus, basis of accounting, and financial statement presentation

The accompanying financial statements are prepared in accordance with pronouncements issued by the Governmental Accounting Standards Board. The principles prescribed by GASB represent generally accepted accounting principles applicable to governmental units.

The accounting and financial reporting treatment is determined by the applicable measurement focus and basis of accounting. Measurement focus indicates the type of resources being measured such as current financial resources or economic resources. The basis of accounting indicates the timing of recognition in the financial statements of various kinds of transactions or events.

The government-wide financial statements are reported using the *economic resources measurement focus* and the *accrual basis of accounting*. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Note 1-Summary of Significant Accounting Policies: (continued)

C. Measurement focus, basis of accounting, and financial statement presentation (continued)

Governmental fund financial statements are reported using the *current financial resources measurement focus* and the *modified accrual basis of accounting*. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be *available* when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the Commission considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, including lease liabilities, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due. General capital asset acquisitions, including entering into contracts giving the government the right to use lease assets, are reported as expenditures in the governmental funds. Issuance of long-term debt and financing through leases are reported as other financing sources.

Intergovernmental revenues, consisting primarily of federal, state and other grants for the purpose of funding specific expenditures, are recognized when earned or at the time of the specific expenditure. Revenues from general-purpose grants are recognized in the period to which the grant applies. All other revenue items are considered to be measurable and available only when the government receives cash.

The Commission reports the following major governmental funds:

The General Fund is the Commission's primary operating fund. It accounts for and reports all financial resources of the Commission, except those required to be accounted for in other funds.

The Workforce Investment Act Fund (WIA) accounts for and reports the deposit and expenditure of grant proceeds under the Workforce Investment Act programs.

D. Assets, liabilities, deferred outflows/inflows of resources, and net position/fund balance

1. *Cash and Cash Equivalents*

The Commission's cash and cash equivalents are considered to be cash on hand, demand deposits, and short-term investments with original maturities of three months or less from the date of acquisition. Accordingly, investments totaling \$13,948 are reported as cash and cash equivalents in the accompanying financial statements.

2. *Investments*

Investments with a maturity of less than one year when purchased, non-negotiable certificates of deposit, other nonparticipating investments, and external investment pools are stated at cost or amortized cost. Investments with a maturity greater than one year when purchased are stated at fair value. Fair value is the price that would be received to sell an investment in an orderly transaction at year end.

Note 1-Summary of Significant Accounting Policies: (continued)

D. Assets, liabilities, deferred outflows/inflows of resources, and net position/fund balance
(continued)

3. *Receivables and payables*

Activity between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as “due to/from other funds” (i.e., the current portion of interfund loans). All other outstanding balances between funds are reported as “advances to/from other funds” (i.e., the noncurrent portion of interfund loans).

Advances between funds, as reported in the fund financial statements, are offset by a nonspendable fund balance account in applicable governmental funds to indicate that they are not available for appropriation and are not expendable available financial resources.

4. *Allowance for Uncollectible Accounts*

Accounts receivable are stated at book value utilizing the direct write-off method for uncollectible accounts. Uncollected balances have not been significant and no allowance for uncollectible accounts has been recorded.

5. *Use of Estimates*

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

6. *Capital assets*

Capital assets are tangible and intangible assets, which include property, plant, and equipment, and are reported in the governmental activities column in the government-wide financial statements. Capital assets are defined by the Commission as assets with an initial, individual cost of more than \$5,000 (amount not rounded) and an estimated useful life in excess of one year. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Acquisition value is the price that would be paid to acquire an asset with equivalent service potential on the date of the donation. Donated capital assets are recorded at estimated acquisition value at the date of donation.

As the Commission constructs or acquires capital assets each period they are capitalized and reported at historical cost. The reported value excludes normal maintenance and repairs, which are amounts spent in relation to capital assets that do not increase the asset’s capacity or efficiency or increases its estimated useful life. Intangible assets follow the same capitalization policies as tangible capital assets and are reported with tangible assets in the appropriate capital asset class.

Note 1-Summary of Significant Accounting Policies: (continued)

D. Assets, liabilities, deferred outflows/inflows of resources, and net position/fund balance
 (continued)

6. *Capital assets (continued)*

Tangible and intangible property, plant, and equipment of the Commission are depreciated using the straight-line method over the following estimated useful lives:

| <u>Assets</u> | <u>Years</u> |
|----------------------------|--------------|
| Vehicles | 5 |
| Software | 3 |
| Intangible asset (website) | 3 |

7. *Deferred Outflows/Inflows of Resources*

In addition to assets, the statement of financial position includes a separate section for deferred outflows of resources. Deferred outflows of resources represent a consumption of net assets that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. The Commission only has one item that qualifies for reporting in this category. It is comprised of certain items related to pension. For more detailed information on this item, reference the related note.

In addition to liabilities, the statement of financial position includes a separate section for deferred inflows of resources. Deferred inflows of resources represent an acquisition of net assets that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The Commission only has one item that qualifies for reporting in this category. It is comprised of certain items related to pension. For more detailed information on this item, reference the related note.

8. *Compensated Absences*

The Commission recognizes a liability for compensated absences for leave time that (1) has been earned for services previously rendered by employees, (2) accumulates and is allowed to be carried over to subsequent years, and (3) is more likely than not to be used as time off or settled (for example paid in cash to the employee or payment to an employee flex spending account) during or upon separation from employment. Based on the criteria listed, one type of leave qualifies for liability recognition for compensated absences - vacation leave. The liability is based on vacation leave accumulated at June 30th. Limited vacation leave may be accumulated until retirement or termination. Accumulated vacation is paid at the employee's current wage upon retirement or termination. The liability for compensated absences includes salary-related benefits, where applicable.

Note 1-Summary of Significant Accounting Policies: (continued)

D. Assets, liabilities, deferred outflows/inflows of resources, and net position/fund balance
(continued)

9. *Pensions*

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 Retirement Plan and the additions to/deductions from the Commission's Retirement Plan's fiduciary net 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.

10. *Long-term obligations*

In the government-wide financial statements, long-term obligations are reported as liabilities in the applicable governmental activities. Bonds payable are reported net of the applicable bond premium or discount.

In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of debt issued and premiums on issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

11. *Fund balance*

The following classifications of fund balance describe the relative strength of the spending constraints placed on the purposes for which resources can be used:

- Nonspendable fund balance - amounts that are either not in spendable form (such as inventory and prepaids) or are legally or contractually required to be maintained intact (corpus of a permanent fund);
- Restricted fund balance - amounts constrained to specific purposes by their providers (such as grantors, bondholders, and higher levels of government), through constitutional provisions, or by enabling legislation;
- Committed fund balance - amounts constrained to specific purposes by a government itself, using its highest level of decision-making authority; to be reported as committed, amounts cannot be used for any other purpose unless the government takes the same highest level action to remove or change the constraint;
- Assigned fund balance - amounts a government intends to use for a specific purpose but do not meet the criteria to be classified as committed; intent can be expressed by the governing body or by an official or body to which the governing body delegates the authority. Unlike commitments, assignments generally only exist temporarily. In other words, an additional action does not normally have to be taken for the removal of an assignment. Conversely, as discussed above, an additional action is essential to either remove or revise a commitment;

Note 1-Summary of Significant Accounting Policies: (continued)

D. Assets, liabilities, deferred outflows/inflows of resources, and net position/fund balance
(continued)

11. *Fund balance (continued)*

- Unassigned fund balance - amounts that are available for any purpose; positive amounts are only reported in the general fund. Additionally, any deficit fund balance within the other governmental fund types is reported as unassigned.

When fund balance resources are available for a specific purpose in more than one classification, it is the Commission's policy to use the most restrictive funds first in the following order: restricted, committed, assigned, and unassigned as they are needed.

The Commission establishes (and modifies or rescinds) fund balance commitments by passage of a resolution. This is typically done through adoption and amendment of the budget. A fund balance commitment, which does not lapse at year end, is further indicated in the budget document as a designation or commitment of the fund (such as for special incentives). Assigned fund balance is established by the Board of Directors through adoption or amendment of the budget as intended for specific purpose (such as the purchase of capital assets, construction, debt service, or for other purposes).

12. *Net Position*

Net position is the difference between assets and deferred outflows of resources and liabilities and deferred inflows of resources. Net position is divided into three components:

- Net investment in capital assets—consist of the historical cost of capital assets less accumulated depreciation and less any debt that remains outstanding that was used to finance those assets plus deferred outflows of resources less deferred inflows of resources related to those assets.
- Restricted—consist of assets that are restricted by the Commission's creditors (for example, through debt covenants), by the state enabling legislation (through restrictions on shared revenues), by grantors (both federal and state), and by other contributors.
- Unrestricted—all other net position is reported in this category.

Sometimes the Commission will fund outlays for a particular purpose from both restricted (e.g. restricted bond and grant proceeds) and unrestricted resources. In order to calculate the amounts to report as restricted net position and unrestricted net position in the financial statements, a flow assumption must be made about the order in which the resources are considered to be applied. It is the Commission's policy to consider restricted net position to have been depleted before unrestricted net position is applied.

Note 2-Deposits and Investments:

Deposits: Deposits with banks are covered by the Federal Deposit Insurance Corporation (FDIC) and collateralized in accordance with the Virginia Security for Public Deposits Act (the “Act”), Section 2.2-4400 et. seq. of the Code of Virginia. Under the Act, banks and savings institutions holding public deposits in excess of the amount insured by the FDIC must pledge collateral to the Commonwealth of Virginia Treasury Board. Financial Institutions may choose between two collateralization methodologies and depending upon that choice, will pledge collateral that ranges in the amounts from 50% to 130% of excess deposits. Accordingly, all deposits are considered fully collateralized.

Investments: Statutes authorize local governments and other public bodies to invest in obligations of the United States or agencies thereof, obligations of the Commonwealth of Virginia or political subdivisions thereof, obligations of the International Bank for Reconstruction and Development (World Bank), the Asian Development Bank, the African Development Bank, “prime quality” commercial paper that has received at least two of the following ratings: P-1 by Moody’s Investor Service, Inc; A-1 by Standard & Poor’s; or F1 by Fitch Ratings, Inc. (Section 2.2-4502), banker’s acceptances, repurchase agreements, and the State Treasurer’s Local Government Investment Pool (LGIP).

Custodial Credit Risk: Custodial credit risk is the risk that in the event of the failure of the counterparty, the Commission will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. The Commission does not have an investment policy for custodial credit risk. At June 30, 2025, the Commission did not hold any investments that were subject to custodial credit risk.

Credit Risk of Debt Securities: The Commission has not adopted an investment policy for credit risk. The Commission’s rated debt investments as of June 30, 2025, were rated by Standard & Poor’s and/or an equivalent national rating organization and the ratings are presented below using the Standard & Poor’s rating scale.

| Commission's Rated Debt Investments' Values | |
|---|----------------------|
| Rated Debt Investments | Fair Quality Ratings |
| | AAAm |
| SNAP (State Non-arbitrage Pool) | \$ 13,948 |
| Total | \$ 13,948 |

Interest Rate Risk: The Commission has not adopted an investment policy for interest rate risk. Investments subject to interest rate risk are presented below along with their corresponding maturities.

| Investment Maturities (in years) | | |
|----------------------------------|------------|----------------|
| Investment Type | Fair Value | 1 Year or less |
| State Non-arbitrage Pool (SNAP) | \$ 13,948 | \$ 13,948 |
| Total | \$ 13,948 | \$ 13,948 |

NEW RIVER VALLEY REGIONAL COMMISSION
 NOTES TO THE FINANCIAL STATEMENTS
 JUNE 30, 2025 (CONTINUED)

Note 2-Deposits and Investments: (continued)

Concentration of Credit Risk: At June 30, 2025, the Commission did not have any investments requiring concentration of credit risk disclosures that exceeded 5% of total investments.

External Investment Pools: The value of the positions in the external investment pools (State Non-Arbitrage Pool) is the same as the value of the pool shares. As SNAP is not SEC registered, regulatory oversight of the pool rests with the Virginia State Treasury. SNAP is an amortized cost basis portfolio. There are no withdrawal limitations or restrictions imposed on participants.

Note 3-Due from Other Governmental Units:

The following amount represents payments due from other governmental units at year end:

| | <u>Amount Due</u> |
|------------------------------------|---------------------|
| Local: | |
| Counties and Town | \$ 150,613 |
| Authorities, Boards or Commissions | 12,599 |
| New River Valley MPO | 45,699 |
| Commonwealth of Virginia: | |
| Categorical aid | 1,236,683 |
| Federal government: | |
| Categorical aid | 2,914,138 |
| Total | <u>\$ 4,359,732</u> |

Note 4-Long-Term Obligations:

The following is a summary of long-term obligation transactions of the Commission for the year ended June 30, 2025.

| | <u>Balance</u> | | | <u>Balance</u> | <u>Amount Due</u> |
|-----------------------|---------------------|--------------------|---------------------|----------------------|------------------------|
| | <u>July 1, 2024</u> | <u>Increases</u> | <u>Decreases</u> | <u>June 30, 2025</u> | <u>Within One Year</u> |
| Bonds Payable | \$ - | \$1,945,000 | \$ - | \$ 1,945,000 | \$ 60,000 |
| Bond Premium | - | 169,220 | (10,405) | 158,815 | 20,247 |
| Compensated Absences* | 129,351 | 13,733 | - | 143,084 | 107,313 |
| Net Pension Liability | 142,346 | 522,083 | (526,851) | 137,578 | - |
| Total | <u>\$ 271,697</u> | <u>\$2,650,036</u> | <u>\$ (537,256)</u> | <u>\$ 2,384,477</u> | <u>\$ 187,560</u> |

*The change in the compensated absences liability is presented as a net change.

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NEW RIVER VALLEY REGIONAL COMMISSION
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2025 (CONTINUED)

Note 4-Long-Term Obligations: (continued)

Details of the Commission's outstanding long-term liabilities at June 30, 2025 are as follows:

| Type | Interest Rates | Installment Amounts | Final Maturity Date | Amount of Original Issue | Balance Due | Amount Due Within One Year |
|--|----------------|-----------------------|---------------------|--------------------------|----------------------------|----------------------------|
| <i>Direct Borrowings</i> | | | | | | |
| <i>Moral Obligation and Revenue Bond</i> | | | | | | |
| VRA 2024C Fall Pool Bond | 4.0-5.0% | \$60,000-\$150,000(a) | 11/4/2044 | \$ 1,945,000 | \$ 1,945,000 | \$ 60,000 |
| <i>Add: Unamortized premium on</i> | | | | | | |
| VRA 2024C Fall Pool Bond | n/a | n/a | 11/4/2044 | 169,220 | 158,815 | 20,247 |
| <i>Total Bonds and Unamortized Premium</i> | | | | | <u>\$ 2,103,815</u> | <u>\$ 80,247</u> |
| <i>Other Long-Term Obligations:</i> | | | | | | |
| Compensated absences | n/a | n/a | n/a | n/a | \$ 143,084 | \$ 107,313 |
| Net pension liability | n/a | n/a | n/a | n/a | 137,578 | - |
| <i>Total Other Long-Term Obligations</i> | | | | | <u>\$ 280,662</u> | <u>\$ 107,313</u> |
| Total Long-Term Liabilities | | | | | <u><u>\$ 2,384,477</u></u> | <u><u>\$ 187,560</u></u> |

(a)-annual principal installments shown, does not include semi-annual interest installments

Portions of the VRA bonds are secured by a moral obligation from the Commonwealth of Virginia. The bonds are further secured by assets and revenues of the Commission.

If an event of default occurs with VRA bonds, the principal of the bond(s) may be declared immediately due and payable to the register owner of the bond(s) by written notice to the Commission.

Annual requirements to amortize long-term obligations and the related interest are as follows:

| Year Ending June 30, | Direct Borrowings | |
|-------------------------|---------------------|---------------------|
| | Principal | Interest |
| 2026 | \$ 60,000 | \$ 93,144 |
| 2027 | 60,000 | 90,069 |
| 2028 | 65,000 | 86,866 |
| 2029 | 65,000 | 83,534 |
| 2030 | 70,000 | 80,075 |
| 2031-2035 | 415,000 | 340,028 |
| 2036-2040 | 530,000 | 220,231 |
| 2041-2045 | 680,000 | 74,450 |
| Totals | <u>\$ 1,945,000</u> | <u>\$ 1,068,397</u> |

**NEW RIVER VALLEY REGIONAL COMMISSION
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2025 (CONTINUED)**

Note 5-Capital Assets:

Capital asset activity for the year ended June 30, 2025 was as follows:

| | Beginning Balance | Increases | Decreases | Ending Balance |
|--|----------------------|---------------------|-------------|---------------------|
| Capital assets not being depreciated: | | | | |
| Land | \$ - | \$ 914,159 | \$ - | \$ 914,159 |
| Construction in Progress | - | 1,211,130 | - | 1,211,130 |
| Total capital assets not being depreciated | <u>\$ -</u> | <u>\$ 2,125,289</u> | <u>\$ -</u> | <u>\$ 2,125,289</u> |
| Capital assets, being depreciated: | | | | |
| Vehicles | \$ 32,365 | \$ - | \$ - | \$ 32,365 |
| Software | - | 42,000 | - | 42,000 |
| Intangible asset (website) | 26,250 | - | - | 26,250 |
| Total capital assets being depreciated | <u>\$ 58,615</u> | <u>\$ 42,000</u> | <u>\$ -</u> | <u>\$ 100,615</u> |
| Accumulated depreciation: | | | | |
| Vehicles | \$ (9,710) | \$ (6,473) | \$ - | \$ (16,183) |
| Software | - | (7,000) | - | (7,000) |
| Intangible asset (website) | (18,229) | (8,021) | - | (26,250) |
| Total accumulated depreciation | <u>\$ (27,939)</u> | <u>\$ (21,494)</u> | <u>\$ -</u> | <u>\$ (49,433)</u> |
| Total capital assets being depreciated, net | <u>\$ 30,676</u> | <u>\$ 20,506</u> | <u>\$ -</u> | <u>\$ 51,182</u> |
| Total capital assets, net | <u>\$ 30,676</u> | <u>\$ 2,145,795</u> | <u>\$ -</u> | <u>\$ 2,176,471</u> |

Depreciation expense was charged to the community development function.

Note 6-Pension Plan:

Plan Description

All full-time, salaried employees of the Commission are automatically covered by a VRS Retirement Plan upon employment. This is an agent multiple-employer plan 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 pays contributions to VRS. Members are eligible to purchase prior service, based on specific criteria as 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.

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Note 6-Pension Plan: (continued)

Benefit Structures

The System administers three different benefit structures for covered employees - Plan 1, Plan 2 and Hybrid. Each of these benefit structures has different eligibility criteria, as detailed below.

- a. Employees with a membership date July 1, 2010, vested as of January 1, 2013, and have not taken a refund, are covered under Plan 1, a defined benefit plan. Non-hazardous duty employees are eligible for an unreduced retirement benefit beginning at age 65 with at least 5 years of service credit or age 50 with at least 30 years of service credit. Non-hazardous duty employees may retire with a reduced benefit as early as age 55 with at least 5 years of service credit or age 50 with at least 10 years of service credit.
- b. Employees with a membership date from July 1, 2010 to December 31, 2013, that have not taken a refund or employees with a membership date prior to July 1, 2010 and not vested before January 1, 2013, are covered under Plan 2, a defined benefit plan. Non-hazardous duty employees are eligible for an unreduced benefit beginning at their normal social security retirement age with at least 5 years of service credit or when the sum of their age plus service credit equals 90. Non-hazardous duty employees may retire with a reduced benefit as early as age 60 with at least 5 years of service credit.
- c. Non-hazardous duty employees with a membership date on or after January 1, 2014 are covered by the Hybrid Plan combining the features of a defined benefit plan and a defined contribution plan. Plan 1 and Plan 2 members also had the option of opting into this plan during the election window held January 1 - April 30, 2014 with an effective date of July 1, 2014. Employees covered by this plan are eligible for an unreduced benefit beginning at their normal social security retirement age with at least 5 years of service credit, or when the sum of their age plus service credit equals 90. Employees may retire with a reduced benefit as early as age 60 with at least 5 years of service credit. For the defined contribution component, members are eligible to receive distributions upon leaving employment, subject to restrictions.

Average Final Compensation and Service Retirement Multiplier

The VRS defined benefit is a lifetime monthly benefit based on a retirement multiplier as a percentage of the employee's average final compensation multiplied by the employee's total service credit. Under Plan 1, average final compensation is the average of the employee's 36 consecutive months of highest compensation and the multiplier is 1.70% for non-hazardous duty employees and 1.85% for sheriffs and regional jail superintendents. Under Plan 2, average final compensation is the average of the employee's 60 consecutive months of highest compensation and the retirement multiplier is 1.65% for non-hazardous duty employees and 1.85% for sheriffs and regional jail superintendents. Under the Hybrid Plan, average final compensation is the average of the employee's 60 consecutive months of highest compensation and the multiplier is 1.00%. 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.

Note 6-Pension Plan: (continued)

Cost-of-Living Adjustment (COLA) in Retirement and Death and Disability Benefits

Retirees with an unreduced benefit or with a reduced benefit with at least 20 years of service credit are eligible for an annual COLA beginning July 1 after one full calendar year from the retirement date. Retirees with a reduced benefit and who have less than 20 years of service credit are eligible for an annual COLA beginning on July 1 after one calendar year following the unreduced retirement eligibility date. Under Plan 1, the COLA cannot exceed 5.00%. Under Plan 2 and the Hybrid Plan, the COLA cannot exceed 3.00%. The VRS also provides death and disability benefits. Title 51.1 of the Code of Virginia, as amended, assigns the authority to establish and amend benefit provisions to the General Assembly of Virginia.

Employees Covered by Benefit Terms

As of the June 30, 2023 actuarial valuation, the following employees were covered by the benefit terms of the pension plan:

| | <u>Number</u> |
|--|------------------|
| Inactive members or their beneficiaries currently receiving benefits | 16 |
| Inactive members: | |
| Vested inactive members | 11 |
| Non-vested inactive members | 11 |
| Inactive members active elsewhere in VRS | <u>12</u> |
| Total inactive members | 34 |
| Active members | <u>26</u> |
| Total covered employees | <u><u>76</u></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.

The Commission’s contractually required contribution rate for the year ended June 30, 2025 was 5.41% of covered employee compensation. This rate was based on an actuarially determined rate from an actuarial valuation as of June 30, 2023.

This rate, when combined with employee contributions, was expected to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. Contributions to the pension plan from the Commission were \$128,722 and \$81,039 for the years ended June 30, 2025 and June 30, 2024, respectively.

Note 6-Pension Plan: (continued)

Contributions (continued)

The defined contributions component of the Hybrid plan includes member and employer mandatory and voluntary contributions. The Hybrid plan member must contribute a mandatory rate of 1% of their covered payroll. The employer must also contribute a mandatory rate of 1% of this covered payroll, which totaled \$3,203 for the year ended June 30, 2025. Hybrid plan members may also elect to contribute an additional voluntary rate of up to 4% of their covered payroll; which would require the employer a mandatory additional contribution rate of up to 2.5%. This additional employer mandatory contribution totaled \$5,591 for the year ended June 30, 2025. The total Hybrid plan participant covered payroll totaled \$320,297 for the year ended June 30, 2025.

Net Pension Liability

The net pension liability (NPL) is calculated separately for each employer and represents that particular employer's total pension liability determined in accordance with GASB Statement No. 68, less that employer's fiduciary net position. For the New River Valley Regional Commission, the net pension liability was measured as of June 30, 2024. The total pension liability used to calculate the net pension liability was determined by an actuarial valuation performed as of June 30, 2023, rolled forward to the measurement date of June 30, 2024.

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, 2023, 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, 2024.

| | |
|---------------------------------------|---|
| Inflation | 2.50% |
| Salary increases, including inflation | 3.50% - 5.35% |
| Investment rate of return | 6.75%, net of pension plan investment expenses, including inflation |

Mortality rates:

All Others (Non 10 Largest) - Non-Hazardous Duty: 15% of deaths are assumed to be service related

Pre-Retirement:

Pub-2010 Amount Weighted Safety Employee Rates projected generationally; 95% of rates for males; 105% of rates for females set forward 2 years

Post-Retirement:

Pub-2010 Amount Weighted Safety Healthy Retiree Rates projected generationally; 110% of rates for males; 105% of rates for females set forward 3 years

Post-Disablement:

Pub-2010 Amount Weighted General Disabled Rates projected generationally; 95% of rates for males set back 3 years; 90% of rates for females set back 3 years

Note 6-Pension Plan: (continued)

Actuarial Assumptions - General Employees (continued)

Mortality rates: (continued)

Beneficiaries and Survivors:

Pub-2010 Amount Weighted Safety Contingent Annuitant Rates projected generationally; 110% of rates for males and females set forward 2 years

Mortality Improvement:

Rates projected generationally with Modified MP-2020 Improvement Scale that is 75% of the MP-2020 rates

The actuarial assumptions used in the June 30, 2023 valuation were based on the results of an actuarial experience study for the period from July 1, 2016 through June 30, 2020. Changes to the actuarial assumptions as a result of the experience study and VRS Board action are as follows:

All Others (Non 10 Largest) - Non-Hazardous Duty:

| | |
|---|--|
| Mortality Rates (pre-retirement, post-retirement healthy, and disabled) | Update to Pub-2010 public sector mortality tables. For future mortality improvements, replace load with a modified Mortality Improvement Scale MP-2020 |
| Retirement Rates | Adjusted rates to better fit experience for Plan 1; set separate rates based on experience for Plan 2/Hybrid; changed final retirement age |
| Withdrawal Rates | Adjusted rates to better fit experience at each age and service decrement through 9 years of service |
| Disability Rates | No change |
| Salary Scale | No change |
| Line of Duty Disability | No change |
| Discount Rate | No change |

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Note 6-Pension Plan: (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 | Weighted Average Long-term Expected Rate of Return* |
|---------------------------------------|--------------------------------------|--|---|
| Public Equity | 32.00% | 6.70% | 2.14% |
| Fixed Income | 16.00% | 5.40% | 0.86% |
| Credit Strategies | 16.00% | 8.10% | 1.30% |
| Real Assets | 15.00% | 7.20% | 1.08% |
| Private Equity | 15.00% | 8.70% | 1.31% |
| PIP - Private Investment Partnerships | 1.00% | 8.00% | 0.08% |
| Diversifying Strategies | 6.00% | 5.80% | 0.35% |
| Cash | 2.00% | 3.00% | 0.06% |
| Leverage | -3.00% | 3.50% | -0.11% |
| Total | 100.00% | | 7.07% |
| | Expected arithmetic nominal return** | | 7.07% |

*The above allocation provides a one-year expected return of 7.07 (includes 2.50% inflation assumption). However, one-year returns do not take into account the volatility present in each of the asset classes. In setting the long-term expected return for the System, stochastic projections are employed to model future returns under various economic conditions. These results provide a range of returns over various time periods that ultimately provide a median return of 7.10%, including expected inflation of 2.50%.

**On June 15, 2023, the VRS Board elected a long-term rate of return of 6.75% which was roughly at the 45th percentile of expected long-term results of the VRS fund asset allocation at the time, providing a median return of 7.14%, including expected inflation of 2.50%.

Note 6-Pension Plan: (continued)

Discount Rate

The discount rate used to measure the total pension liability was 6.75%. 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. For the year ended June 30, 2024, the employer contribution rate was 100% of the actuarially determined employer contribution rate from the June 30, 2023 actuarial valuations. From July 1, 2024 on, participating employers are assumed to continue 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.

Changes in Net Pension Liability (Asset)

| | Increase (Decrease) | | |
|--|--------------------------------------|--|--|
| | Total Pension Liability (a) | Plan Fiduciary Net Position (b) | Net Pension Liability (Asset) (a) - (b) |
| Balances at June 30, 2023 | \$ 3,779,642 | \$ 3,637,296 | \$ 142,346 |
| Changes for the year: | | | |
| Service cost | \$ 140,465 | \$ - | \$ 140,465 |
| Interest | 259,722 | - | 259,722 |
| Differences between expected and actual experience | 119,710 | - | 119,710 |
| Contributions - employer | - | 81,039 | (81,039) |
| Contributions - employee | - | 90,291 | (90,291) |
| Net investment income | - | 355,441 | (355,441) |
| Benefit payments, including refunds of employee contributions | (144,761) | (144,761) | - |
| Administrative expenses | - | (2,186) | 2,186 |
| Other changes | - | 80 | (80) |
| Net changes | <u>\$ 375,136</u> | <u>\$ 379,904</u> | <u>\$ (4,768)</u> |
| Balances at June 30, 2024 | <u>\$ 4,154,778</u> | <u>\$ 4,017,200</u> | <u>\$ 137,578</u> |

Note 6-Pension Plan: (continued)

Sensitivity of the Net Pension Liability (Asset) to Changes in the Discount Rate

The following presents the net pension liability (asset) of the Commission using the discount rate of 6.75%, as well as what the Commission’s net pension liability (asset) would be if it were calculated using a discount rate that is one percentage point lower (5.75%) or one percentage point higher (7.75%) than the current rate:

| | Rate | | |
|---|------------------------|-----------------------------|------------------------|
| | 1% Decrease (5.75%) | Current Discount (6.75%) | 1% Increase (7.75%) |
| New River Valley Regional Commission's Net Pension Liability (Asset) | \$ 774,041 | \$ 137,578 | \$ (364,558) |

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

For the year ended June 30, 2025, the Commission recognized pension expense of \$77,596. At June 30, 2025, the Commission reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

| | Deferred Outflows of Resources | Deferred Inflows of Resources |
|--|-----------------------------------|----------------------------------|
| Differences between expected and actual experience | \$ 92,021 | \$ - |
| Net difference between projected and actual earnings on pension plan investments | - | 99,841 |
| Employer contributions subsequent to the measurement date | 128,722 | - |
| Total | \$ 220,743 | \$ 99,841 |

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Note 6-Pension Plan: (continued)

Pension Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (continued)

\$128,722 reported as deferred outflows of resources related to pensions resulting from the Commission’s contributions subsequent to the measurement date will be recognized as an addition of the Net Pension Liability in the fiscal year ending June 30, 2026. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense in future reporting periods as follows:

| <u>Year ended June 30</u> | |
|---------------------------|-------------|
| 2026 | \$ (15,381) |
| 2027 | 49,630 |
| 2028 | (20,251) |
| 2029 | (21,818) |

Pension Plan Data

Information about the VRS Political Subdivision Retirement Plan is also available in the separately issued VRS 2024 Annual Comprehensive Financial Report (Annual Report). A copy of the 2024 VRS Annual Report may be downloaded from the VRS website at <http://www.varetire.org/media/shared/publications/2024-annual-report.pdf>, or by writing to the System’s Chief Financial Officer at P.O. Box 2500, Richmond, VA 23218-2500.

Note 7-Unearned Revenue:

Unearned revenue represents amounts for which asset recognition criteria have been met, but for which revenue recognition criteria have not been met. Under the modified accrual basis of accounting, such amounts are measurable, but not available. Unearned revenue totaling \$4,427,421 is comprised of grants received in advance of \$4,426,428 and dues received in advance of \$993.

Note 8-Interfund Obligations:

At June 30, 2025, the general fund was due \$366,614 from the WIA fund. The amount due is a result of timing of reimbursement from the WIA fund for expenses paid by the general fund.

Note 9-Risk Management:

The Commission is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The Commission participates with other government entities in a public entity risk pool for their coverage of public officials and liability insurance with the VRSA. Each member of this risk pool jointly and severally agrees to assume, pay and discharge any liability. The Commission pays the VRSA contributions and assessments based upon classifications and rates into a designated cash reserve fund out of which expenses of the pool, claims and awards are to be paid. In the event of a loss, deficit, or depletion of all available excess insurance, the pool may assess all members in the proportion in which the premium of each bears to the total premiums of all members in the year in which such deficit occurs. The Commission carries insurance coverage for all other risk of loss. Settled claims have not exceeded coverage in the current or prior two fiscal years.

Note 10-Loans Receivable:

Loans receivable include amounts due to the Commission under their re-lending programs. The total amount due to the Commission at June 30, 2025 was \$30,587. The Commission has recorded no allowance for doubtful accounts.

Note 11-Litigation:

At June 30, 2025, there were no matters of litigation involving the Commission which would materially affect the Commission's financial position should any court decision on pending matters not be favorable to the Commission.

Note 12-Allocation of Indirect Costs:

The Commission has entered into various agreements to assist the management of various projects and grants. The Commission charges for direct costs incurred plus a portion of indirect costs. Indirect costs are allocated on the ratio of the individual project's personnel services, including fringe benefits, to total personnel, including fringe benefits. For the period ending June 30, 2025, the Commission's overall indirect cost rate of 43.26% was calculated as follows:

| | |
|---|------------------|
| Indirect costs | \$ 683,744 |
| Total direct personnel, including fringe benefits | <u>1,580,506</u> |
| Rate | 43.26% |

Note 13-Adoption of Accounting Principle:

During the current year, the Commission implemented GASB Statement No. 101, *Compensated Absences*. In addition to the value of unused vacation and sick leave owed to employees upon separation of employment, the Commission now recognizes an estimated amount of sick leave earned as of year-end that will be used by employees as time off in futures years as part of the liability for compensated absences, as applicable. Since the impact of the change in accounting principle was not significant, there was no restatement of beginning balances.

Note 14-Upcoming Pronouncements:

The following reporting pronouncements have been issued and will be effective in future periods:

Statement No. 103, *Financial Reporting Model Improvements*, improves key components of the financial reporting model to enhance its effectiveness in providing information that is essential for decision making and assessing a government's accountability. The requirements of this Statement are effective for fiscal years beginning after June 15, 2025.

Statement No. 104, *Disclosure of Certain Capital Assets*, requires certain types of assets (lease assets, subscription assets, intangible right-to-use assets, and other intangible assets) to be disclosed separately in the capital asset note disclosures by major class of underlying asset. It also requires additional disclosures for capital assets held for sale. The requirements of this Statement are effective for fiscal years beginning after June 15, 2025.

Note 14-Upcoming Pronouncements: (continued)

Implementation Guide No. 2025-1, *Implementation Guidance Update—2025*, effective for fiscal years beginning after June 15, 2025.

Management is currently evaluating the impact these standards will have on the financial statements when adopted.

Required Supplementary Information

New River Valley Regional Commission
Schedule of Revenues, Expenditures and Changes in Fund Balances -- General Fund
Budget and Actual
For the Year Ended June 30, 2025

| | Original Budget | Final Budget | Actual | Variance Favorable (Unfavorable) |
|--|----------------------|----------------------|----------------------|--|
| Revenues: | | | | |
| Revenue from local sources: | | | | |
| Interest Income | \$ 155,900 | \$ 155,900 | \$ 171,439 | \$ 15,539 |
| Charges for services | 1,556,818 | 1,556,818 | 1,459,494 | (97,324) |
| Contributions from localities | 241,429 | 241,429 | 1,548,956 | 1,307,527 |
| Contributions from localities - grant matches | 968,429 | 968,429 | 353,772 | (614,657) |
| Miscellaneous revenue | - | - | 4,707 | 4,707 |
| Total revenue from local sources | \$ 2,922,576 | \$ 2,922,576 | \$ 3,538,368 | \$ 615,792 |
| Intergovernmental: | | | | |
| Revenue from the Commonwealth: | | | | |
| Categorical aid: | | | | |
| DHCD grants (administrative) | \$ 189,971 | \$ 189,971 | \$ 959,657 | \$ 769,686 |
| Virginia Department of Health | 125,000 | 125,000 | 99,524 | (25,476) |
| VHDA | 54,375 | 54,375 | 1,848,709 | 1,794,334 |
| Virginia DOT | 11,600 | 11,600 | 11,600 | - |
| Total revenue from the Commonwealth | \$ 380,946 | \$ 380,946 | \$ 2,919,490 | \$ 2,538,544 |
| Revenue from the federal government: | | | | |
| Categorical aid: | | | | |
| ARC grant | \$ 629,243 | \$ 629,243 | \$ 250,965 | \$ (378,278) |
| DHCD grants | 31,462,712 | 31,462,712 | 18,500,664 | (12,962,048) |
| Federal Department of Transportation | 46,400 | 46,400 | 46,400 | - |
| Department of Commerce Grant | - | - | 14,018 | 14,018 |
| DEQ Grant | 65,750 | 65,750 | 12,888 | (52,862) |
| Economic Development Grants | 331,884 | 331,884 | 374,465 | 42,581 |
| Montgomery County ARPA Funding | 2,660,859 | 2,660,859 | 2,160,656 | (500,203) |
| Total revenue from the federal government | \$ 35,196,848 | \$ 35,196,848 | \$ 21,360,056 | \$ (13,836,792) |
| Total intergovernmental revenue | \$ 35,577,794 | \$ 35,577,794 | \$ 24,279,546 | \$ (11,298,248) |
| Total revenues | \$ 38,500,370 | \$ 38,500,370 | \$ 27,817,914 | \$ (10,682,456) |

New River Valley Regional Commission
Schedule of Revenues, Expenditures and Changes in Fund Balances -- General Fund
Budget and Actual
For the Year Ended June 30, 2025

| | Original Budget | Final Budget | Actual | Variance Favorable (Unfavorable) |
|--|--------------------|-------------------|-------------------|--|
| Expenditures: | | | | |
| Community Development: | | | | |
| Personnel | \$ 1,757,236 | \$ 1,757,236 | \$ 1,597,501 | \$ 159,735 |
| Fringe benefits | 495,526 | 495,526 | 504,893 | (9,367) |
| Office rent | 69,000 | 69,000 | 68,729 | 271 |
| Utilities | - | - | 8,978 | (8,978) |
| Telephone | 21,000 | 21,000 | 21,988 | (988) |
| Office supplies | 126,278 | 126,278 | 59,544 | 66,734 |
| Postage | 1,300 | 1,300 | 1,320 | (20) |
| Printing | 8,000 | 8,000 | 7,449 | 551 |
| Advertising | 18,001 | 18,001 | 25,417 | (7,416) |
| Travel | 46,239 | 46,239 | 32,237 | 14,002 |
| Equipment maintenance and rent | 6,000 | 6,000 | 5,821 | 179 |
| Dues and publications | 19,955 | 19,955 | 17,137 | 2,818 |
| Training | 49,500 | 49,500 | 40,916 | 8,584 |
| Meeting expense | 24,150 | 24,150 | 22,457 | 1,693 |
| Insurance | 5,000 | 5,000 | 5,095 | (95) |
| Capital outlay | 50,000 | 50,000 | 2,167,289 | (2,117,289) |
| Contractual services | 35,740,330 | 35,740,330 | 23,843,105 | 11,897,225 |
| Audit fee | 56,150 | 56,150 | 46,160 | 9,990 |
| Miscellaneous | 6,705 | 6,705 | 4,201 | 2,504 |
| Debt Service: | | | | |
| Bond issuance cost | - | - | 121,831 | (121,831) |
| Interest expense | - | - | 42,607 | (42,607) |
| Total expenditures | \$ 38,500,370 | \$ 38,500,370 | \$ 28,644,675 | \$ 9,855,695 |
| Excess (deficiency) of revenues over (under) expenditures | \$ - | \$ - | \$ (826,761) | \$ (826,761) |
| Other financing sources (uses): | | | | |
| Issuance of bonds | \$ - | \$ - | \$ 1,945,000 | \$ 1,945,000 |
| Premium on bonds issued | - | - | 169,220 | 169,220 |
| Total other financing sources | \$ - | \$ - | \$ 2,114,220 | \$ 2,114,220 |
| Net change in fund balance | \$ - | \$ - | \$ 1,287,459 | \$ 1,287,459 |
| Fund balance, beginning of year | - | - | 1,123,114 | 1,123,114 |
| Fund balance, end of year | \$ - | \$ - | \$ 2,410,573 | \$ 2,410,573 |

New River Valley Regional Commission
 Schedule of Changes in Net Pension Liability (Asset) and Related Ratios
 For the Measurement Dates of June 30, 2015 through June 30, 2024

| | 2024 | 2023 | 2022 | 2021 | 2020 | 2019 | 2018 | 2017 | 2016 | 2015 |
|--|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|
| Total pension liability | | | | | | | | | | |
| Service cost | \$ 140,465 | \$ 158,049 | \$ 122,124 | \$ 95,471 | \$ 102,015 | \$ 88,611 | \$ 74,436 | \$ 63,594 | \$ 60,289 | \$ 58,178 |
| Interest | 259,772 | 238,729 | 223,050 | 195,110 | 177,512 | 163,344 | 156,893 | 148,310 | 135,569 | 144,082 |
| Assumption changes | - | - | - | 66,951 | - | 88,369 | - | (17,049) | - | - |
| Differences between expected and actual experience | 119,710 | 72,075 | (11,909) | 67,606 | 116,750 | 79,347 | (40,686) | 19,759 | 78,828 | (238,023) |
| Benefit payments | (144,761) | (135,775) | (138,042) | (128,630) | (142,489) | (104,227) | (92,744) | (91,265) | (94,061) | (77,634) |
| Net change in total pension liability | \$ 375,136 | \$ 333,078 | \$ 195,223 | \$ 296,508 | \$ 253,788 | \$ 315,444 | \$ 97,899 | \$ 123,349 | \$ 180,625 | \$ (113,397) |
| Total pension liability - beginning | \$ 3,779,642 | \$ 3,446,564 | \$ 3,251,341 | \$ 2,954,833 | \$ 2,701,045 | \$ 2,385,601 | \$ 2,287,702 | \$ 2,164,353 | \$ 1,983,728 | \$ 2,097,125 |
| Total pension liability - ending (a) | \$ 4,154,778 | \$ 3,779,642 | \$ 3,446,564 | \$ 3,251,341 | \$ 2,954,833 | \$ 2,701,045 | \$ 2,385,601 | \$ 2,287,702 | \$ 2,164,353 | \$ 1,983,728 |
| Plan fiduciary net position | | | | | | | | | | |
| Contributions - employer | \$ 81,039 | \$ 71,929 | \$ 62,221 | \$ 51,568 | \$ 25,972 | \$ 27,748 | \$ 25,518 | \$ 22,496 | \$ 47,681 | \$ 45,215 |
| Contributions - employee | 90,291 | 77,662 | 73,497 | 60,144 | 52,247 | 52,583 | 47,502 | 40,211 | 41,419 | 33,981 |
| Net investment income | 355,441 | 222,273 | (5,298) | 738,539 | 50,883 | 171,551 | 178,103 | 264,347 | 37,797 | 94,586 |
| Benefit payments | (144,761) | (135,775) | (138,042) | (128,630) | (142,489) | (104,227) | (92,744) | (91,265) | (94,061) | (77,634) |
| Administrative charges | (2,186) | (2,155) | (2,098) | (1,804) | (1,779) | (1,681) | (1,525) | (1,525) | (1,321) | (1,274) |
| Other | 80 | 90 | 80 | 70 | (61) | (108) | (159) | (235) | (16) | (22) |
| Net change in plan fiduciary net position | \$ 379,904 | \$ 234,024 | \$ (9,640) | \$ 719,887 | \$ (15,227) | \$ 145,866 | \$ 156,695 | \$ 234,029 | \$ 31,499 | \$ 94,852 |
| Plan fiduciary net position - beginning | \$ 3,637,296 | \$ 3,403,272 | \$ 3,412,912 | \$ 2,693,025 | \$ 2,708,252 | \$ 2,562,386 | \$ 2,405,691 | \$ 2,171,662 | \$ 2,140,163 | \$ 2,045,311 |
| Plan fiduciary net position - ending (b) | \$ 4,017,200 | \$ 3,637,296 | \$ 3,403,272 | \$ 3,412,912 | \$ 2,693,025 | \$ 2,708,252 | \$ 2,562,386 | \$ 2,405,691 | \$ 2,171,662 | \$ 2,140,163 |
| Commission's net pension liability (asset) - ending (a) - (b) | \$ 137,578 | \$ 142,346 | \$ 43,292 | \$ (161,571) | \$ 261,808 | \$ (7,207) | \$ (176,785) | \$ (117,989) | \$ (7,309) | \$ (156,435) |
| Plan fiduciary net position as a percentage of the total pension liability | 96.69% | 96.23% | 98.74% | 104.97% | 91.14% | 100.27% | 107.41% | 105.16% | 100.34% | 107.89% |
| Covered payroll | \$ 2,018,807 | \$ 1,721,986 | \$ 1,624,885 | \$ 1,309,283 | \$ 1,119,239 | \$ 1,122,452 | \$ 1,007,089 | \$ 849,852 | \$ 749,202 | \$ 702,092 |
| Commission's net pension liability (asset) as a percentage of covered payroll | 6.81% | 8.27% | 2.66% | -12.34% | 23.39% | -0.64% | -17.55% | -13.88% | -0.98% | -22.28% |

New River Valley Regional Commission
 Schedule of Employer Contributions - Pension Plan
 For the Years Ended June 30, 2016 through June 30, 2025

| Date | Contractually Required Contribution (1)* | Contributions in Relation to Contractually Required Contribution (2)* | Contribution Deficiency (Excess) (3) | Employer's Covered Payroll (4) | Contributions as a % of Covered Payroll (5) |
|------|---|--|---|---|---|
| 2025 | \$ 128,722 | \$ 128,722 | \$ - | \$ 2,384,161 | 5.40% |
| 2024 | 81,039 | 81,039 | - | 2,018,807 | 4.01% |
| 2023 | 71,929 | 71,929 | - | 1,721,986 | 4.18% |
| 2022 | 62,220 | 62,220 | - | 1,624,885 | 3.83% |
| 2021 | 51,568 | 51,568 | - | 1,309,283 | 3.94% |
| 2020 | 25,972 | 25,972 | - | 1,119,239 | 2.32% |
| 2019 | 27,748 | 27,748 | - | 1,122,452 | 2.47% |
| 2018 | 25,518 | 25,518 | - | 1,007,089 | 2.53% |
| 2017 | 22,496 | 22,496 | - | 849,852 | 2.65% |
| 2016 | 47,681 | 47,681 | - | 749,202 | 6.60% |

* Excludes contributions (mandatory and match on voluntary) to the defined contribution portion of the Hybrid plan.

**New River Valley Regional Commission
Notes to Required Supplementary Information
For the Year Ended June 30, 2025**

WIA Fund Budget:

The WIA Fund is not legally required to adopt a budget, thus eliminating the requirement to present budgetary comparison information.

Pension Plan:

Changes of benefit terms - There have been no actuarially material changes to the System benefit provisions since the prior actuarial valuation.

Changes of assumptions - The actuarial assumptions used in the June 30, 2023 valuation were based on the results of an actuarial experience study for the period from July 1, 2016 through June 30, 2020. Changes to the actuarial assumptions as a result of the experience study and VRS Board action are as follows:

All Others (Non 10 Largest) - Non-Hazardous Duty:

| | |
|---|--|
| Mortality Rates (pre-retirement, post-retirement healthy, and disabled) | Update to Pub-2010 public sector mortality tables. For future mortality improvements, replace load with a modified Mortality Improvement Scale MP-2020 |
| Retirement Rates | Adjusted rates to better fit experience for Plan 1; set separate rates based on experience for Plan 2/Hybrid; changed final retirement age |
| Withdrawal Rates | Adjusted rates to better fit experience at each age and service decrement through 9 years of service |
| Disability Rates | No change |
| Salary Scale | No change |
| Line of Duty Disability | No change |
| Discount Rate | No change |

COMPLIANCE SECTION



**Independent Auditors' 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 Members of the Board
New River Valley Regional Commission
Radford, Virginia**

We have audited, in accordance with the auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the *Specifications for Audits of Authorities, Boards, and Commissions*, issued by the Auditor of Public Accounts of the Commonwealth of Virginia, the financial statements of the governmental activities and each major fund of the New River Valley Regional Commission as of and for the year ended June 30, 2025, and the related notes to the financial statements, which collectively comprise the New River Valley Regional Commission's basic financial statements and have issued our report thereon dated December 5, 2025.

Report on Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered New River Valley Regional Commission's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the 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 New River Valley Regional Commission's internal control. Accordingly, we do not express an opinion on the effectiveness of the New River Valley Regional 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 a 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.

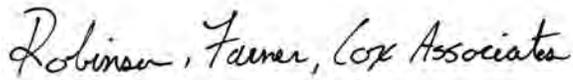
Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not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

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the New River Valley Regional 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 financial statements. 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.



Blacksburg, Virginia
December 5, 2025



**Independent Auditors' Report on Compliance for Each Major Program and on
Internal Control over Compliance Required by the Uniform Guidance**

To the Members of the Board
New River Valley Regional Commission
Radford, Virginia

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited the New River Valley Regional Commission's compliance with the types of compliance requirements identified as subject to audit in the *OMB Compliance Supplement* that could have a direct and material effect on each of the New River Valley Regional Commission's major federal programs for the year ended June 30, 2025. The New River Valley Regional Commission's major federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

In our opinion, the New River Valley Regional Commission complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2025.

Basis for Opinion on Each Major Federal Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditors' Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of the New River Valley Regional Commission and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major federal program. Our audit does not provide a legal determination of the New River Valley Regional Commission's compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules, and provisions of contracts or grant agreements applicable to the New River Valley Regional Commission's federal programs.

Auditors' Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the New River Valley Regional Commission's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the New River Valley Regional Commission's compliance with the requirements of each major federal program as a whole.

In performing an audit in accordance with generally accepted auditing standards, *Government Auditing Standards*, and the Uniform Guidance, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the New River Valley Regional Commission's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of the New River Valley Regional Commission's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of the New River Valley Regional Commission's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

Report on Internal Control over Compliance

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. *A significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the Auditors' Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

Robinson, Farmer, Cox Associates

Blacksburg, Virginia
December 5, 2025

New River Valley Regional Commission
Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2025

| Federal Grantor/ Pass-through Grantor/ Program or Cluster Title | Federal Assistance Listing Number | Pass-through Entity Identifying Number | Federal Expenditures | Expenditures to Subrecipients |
|---|--|--|-------------------------|----------------------------------|
| Department of Labor: | | | | |
| Direct Payments: | | | | |
| YouthBuild | 17.274 | Not applicable | \$ 471,997 | |
| H-1B Job Training Grants | 17.268 | Not applicable | 477,080 | |
| Community Project Funding/Congressionally Directed Spending | 17.289 | Not applicable | 446,837 | |
| Pass-through payments from: | | | | |
| Total Action for Progress: | | | | |
| Reentry Employment Opportunities | 17.270 | Not available | 249,235 | |
| Commonwealth of Virginia - Virginia Community College System: | | | | |
| County of Pulaski, Virginia: | | | | |
| Workforce Innovation and Opportunity Act (WIOA) Cluster: | | | | |
| WIOA Adult Program | 17.258 | 126081,126078,126075 | \$ 621,814 | \$ 380,068 |
| WIOA Dislocated Worker Formula Grants | 17.278 | 126079,126082 | 381,407 | 242,906 |
| WIOA Youth Activities | 17.259 | 126074,126077 | <u>1,033,963</u> | 504,916 |
| Total Workforce Innovation and Opportunity Act (WIOA) Cluster | | | <u>\$ 2,037,184</u> | |
| Total Department of Labor | | | <u>\$ 3,682,333</u> | |
| Environmental Protection Agency: | | | | |
| Pass-through payments from: | | | | |
| Commonwealth of Virginia - Department of Environmental Quality | | | | |
| Water Quality Management Planning | 66.454 | 515002 | <u>\$ 12,888</u> | |
| Social Security Administration: | | | | |
| Direct Payments: | | | | |
| Social Security State Grants for Work Incentives Assistance to Disabled Beneficiaries | 96.009 | Not applicable | <u>\$ 47,197</u> | |
| Appalachian Regional Commission: | | | | |
| Direct Payments: | | | | |
| Appalachian Local Development District Assistance | 23.009 | Not applicable | \$ 119,018 | |
| Appalachian Area Development | 23.002 | Not applicable | \$ 327,347 | |
| Pass-through payments from: | | | | |
| Commonwealth of Virginia - Department of Housing and Community Development | | | | |
| Appalachian Area Development | 23.002 | 0000110920 | <u>4,376</u> | <u>331,723</u> |
| Total Appalachian Regional Commission | | | <u>\$ 450,741</u> | |
| Department of Transportation: | | | | |
| Pass-through payments from: | | | | |
| Commonwealth of Virginia - Department of Transportation: | | | | |
| Highway Planning and Construction | 20.205 | 5241002; 0702033 | <u>\$ 46,400</u> | |
| Department of Commerce: | | | | |
| Direct Payments: | | | | |
| Regional Technology and Innovation Hubs | 11.039 | Not applicable | \$ 226,759 | |
| Economic Development - Support for Planning Operations | 11.302 | Not applicable | \$ 70,000 | |
| Pass-through payments from: | | | | |
| Commonwealth of Virginia - Department of Rail and Public Transit | | | | |
| Economic Development - Support for Planning Operations | 11.302 | Not available | <u>77,706</u> | 147,706 |
| Commonwealth of Virginia - Department of Housing and Community Development | | | | |
| Broadband Equity, Access, and Deployment | 11.035 | 122699 | | <u>14,018</u> |
| Total Department of Commerce | | | <u>\$ 388,483</u> | |
| Department of Health and Human Services: | | | | |
| Pass-through payments from: | | | | |
| Commonwealth of Virginia - Rural Health Association: | | | | |
| Rural Health Care Services Outreach, Rural Health Network Development, and Small Health | | | | |
| Care Provider Quality Improvement | 93.912 | 1TR1RH45933-01-00 | <u>\$ 269,451</u> | |
| Department of the Treasury: | | | | |
| Pass-through payments from: | | | | |
| Commonwealth of Virginia - Department of Housing and Community Development | | | | |
| COVID-19 Coronavirus Capital Projects Fund | 21.029 | 2022-011/2022-037 | \$ 18,500,664 | |
| County of Montgomery, Virginia: | | | | |
| COVID-19 Coronavirus State and Local Fiscal Recovery Funds | 21.027 | Not available | <u>2,160,656</u> | |
| Total Department of the Treasury | | | <u>\$ 20,661,320</u> | |
| Total Expenditures of Federal Awards | | | <u>\$ 25,558,813</u> | <u>\$ 1,127,890</u> |

New River Valley Regional Commission
Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2025

Notes to Schedule of Expenditures of Federal Awards

Note A-Basis of Presentation

The accompanying schedule of expenditures of federal awards (the Schedule) includes the federal award activity of the New River Valley Regional Commission under programs of the federal government for the year ended June 30, 2025. The information in the Schedule is presented in accordance with the requirements of the Office of Management and Budget's Uniform Guidance. Because the Schedule presents only a selected portion of the operations of the New River Valley Regional Commission, it is not intended to and does not present the financial position, changes in net position, or cash flows of the New River Valley Regional Commission.

Note B-Summary of Significant Accounting Policies

(1) Expenditures reported on the Schedule are reported on the accrual basis of accounting. Such expenditures are recognized following the cost principles contained in OMB's Uniform Guidance, wherein certain types of expenditures are not allowed or are limited as to reimbursement.

(2) Pass-through entity identifying numbers are presented where available.

Note C-De Minimis Cost Rate:

The Commission did not elect to use the 15-percent de minimis indirect cost rate allowed under Uniform Guidance.

Note D-Relationship to the Financial Statements:

Intergovernmental revenues per the basic financial statements

\$ 28,478,303

Less: Aid from the Commonwealth of Virginia

(2,919,490)

Federal revenue as reported above

\$ 25,558,813

**New River Valley Regional Commission
Schedule of Findings and Questioned Costs
For the Year Ended June 30, 2025**

Section I - Summary of Auditors' Results

Financial Statements

| | |
|---|---------------|
| Type of auditors' report issued: | Unmodified |
| Internal control over financial reporting: | |
| Material weakness(es) identified? | No |
| Significant deficiency(ies) identified? | None reported |
| Noncompliance material to financial statements noted? | No |

Federal Awards

| | |
|---|---------------|
| Internal control over major programs: | |
| Material weakness(es) identified? | No |
| Significant deficiency(ies) identified? | None reported |
| Type of auditors' report issued on compliance for major programs: | Unmodified |
| Any audit findings disclosed that are required to be reported in accordance with 2 CFR section 200.516 (a)? | No |

Identification of major programs:

| Assistance Listing # | Name of Federal Program or Cluster |
|----------------------|--|
| 21.029 | COVID-19 Coronavirus Capital Projects Fund |
| 21.027 | COVID-19 Coronavirus State and Local Fiscal Recovery Funds |

| | |
|--|-----------|
| Dollar threshold used to distinguish between Type A and Type B programs: | \$766,764 |
| Auditee qualified as low-risk auditee? | Yes |

Section II - Financial Statement Findings

There are no financial statement findings to report.

Section III - Federal Award Findings and Questioned Costs

There are no federal award findings and questioned costs to report.

Section IV - Status of Prior Audit Findings

There were no prior year audit findings reported.