Financial Statements
Years Ended
June 30, 2010 and 2009

HAMPTON ROADS
PLANNING DISTRICT COMMISSION

Hampton Roads Planning District Commission

Contents

Goodman & COMPANY
Certified Public Accountants
Specialized Services
Business Solutions

Report of Independent Auditors

Board of Directors
Hampton Roads Planning District Commission

We have audited the accompanying statements of net assets of ***Hampton Roads Planning District Commission*** as of June 30, 2010 and 2009, and the related statements of revenues, expenses and changes in net assets and cash flows for the years then ended. These financial statements are the responsibility of ***Hampton Roads Planning District Commission's*** management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits 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 *Specifications for Audits of Authorities, Boards, and Commissions* issued by the Auditor of Public Accounts of the Commonwealth of Virginia. Those standards and specifications require that we plan and perform the audits to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinions.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of ***Hampton Roads Planning District Commission*** as of June 30, 2010 and 2009, and the results of its operations and its cash flows for the years then ended, in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated September 21, 2010 on our consideration of ***Hampton Roads Planning District Commission's*** internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and important for assessing the results of our audits.

Accounting principles generally accepted in the United State of America require that the management's discussion and analysis on pages 3 – 5 be presented to supplement the basic financial statements. Such 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. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in

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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.

Our audit was conducted for the purpose of forming an opinion on the basic financial statements of ***Hampton Roads Planning District Commission*** taken as a whole. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and is not a required part of the 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 financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of American. In our opinion, the information is fairly stated, in all material respects, in relation to the financial statements as a whole.

Goodman & Company, LLP

Norfolk, Virginia
September 21, 2010

The following Management's Discussion and Analysis (MD&A) of the Hampton Roads Planning District Commission's (Commission) activities and financial performance provides the reader with an introduction and overview to the financial statements of the Commission for the year ended June 30, 2010. The information contained in this MD&A should be considered in conjunction with the financial statements and various historic summaries of activities and financial performance included in the basic financial statements following.

In the fall of 2008, the Commission was reorganized to better reflect the efforts of the transportation staff in performing the planning, technical, and administrative duties of the regional Metropolitan Planning Organization in accordance with regulations as determined by the Federal Highway Administration and the Virginia Department of Transportation. These duties were organized into a new and separate function entitled Hampton Roads Transportation Planning Organization (HRTPO). This new function has two memorandums of understanding between the HRTPO and the Commission. The first addresses the concept that the Commission "shall provide the planning and administrative staff to the HRTPO" and all duties thereof. The second addresses the concept that the HRTPO "desires that the Commission serve as fiscal agent for the HRTPO" and all duties thereof. In this capacity, the Financial Statements of the Hampton Roads Planning District Commission cover all the activities involved in administering the financial aspects of the Hampton Roads Transportation Planning Organization.

The following tables present the financial condition and operations of the Commission for the three years ending June 30, 2010, 2009 and 2008. The *Statements of Net Assets* include the current cash and long-term capital assets of the Commission. The *Statements of Revenues, Expenses and Changes in Net Assets* contain all of the years' revenues and expenses. The *Statements of Changes in Net Assets* further delineate the areas of fiduciary responsibility within the net assets category.

Statements of Net Assets

	2010	2009	2008
Assets			
Current assets	$ 4,701,255	$ 4,029,652	$ 3,534,092
Capital assets – net of accumulated depreciation	1,543,565	1,554,798	1,615,288
Other assets - investments	400,761	198,927	100,000
	$ 6,645,581	$ 5,783,377	$ 5,249,380
Liabilities and Net Assets			
Current liabilities	$ 1,202,482	$ 918,971	$ 787,186
Other liabilities:			
Accrued post retirement benefit liability	279,948	139,948	-
Net assets	5,163,151	4,724,458	4,462,194
	$ 6,645,581	$ 5,783,377	$ 5,249,380

Statements of Revenues, Expenses and Changes in Net Assets

		2010		2009		2008
Operating revenues						
Local	$	3,725,803	$	4,137,442	$	3,706,350
State (including federal pass-through)		8,341,341		4,013,794		4,869,853
Total operating revenues		12,067,144		8,151,236		8,576,203
Operating expenses						
Personnel	$	3,984,131	$	3,858,882		3,612,221
Pass-through and special contract expenses		7,086,075		3,586,047		4,074,078
Transportation pass-through expenses		370,822		343,497		334,796
Office services		465,567		383,252		403,555
Total operating expenses		11,906,595		8,171,678		8,424,650
Operating income (loss) before depreciation		160,549		(20,442)		151,553
Depreciation		158,337		137,370		115,154
Operating income (loss)		2,212		(157,812)		36,399
Contributions, assessments and miscellaneous Nonoperating revenues		436,481		420,076		276,764
Change in net assets	$	438,693	$	262,264	$	313,163

Statements of Changes in Net Assets

		2010		2009		2008
Net assets						
Invested in capital assets - net of related debt	$	1,543,565	$	1,554,798	$	1,615,288
Unrestricted:						
Commission designated		1,325,208		459,692		401,693
Unrestricted for Commission activities		2,294,378		2,709,968		2,445,213
Total unrestricted		3,619,586		3,169,660		2,846,906
Net Assets	$	5,163,151	$	4,724,458	$	4,462,194

Financial Highlights

The financial statements of the Hampton Roads Planning District Commission (Commission) for the year ended June 30, 2010 indicate a $449,926 increase in assets in the total unrestricted net assets of the Commission (see the Statement of Changes in Net Assets).

This overall increase can be attributed to reimbursement for expenses incurred in prior fiscal years.

The liability for compensated balances increased this year by $9,561, mainly due to no new retirement nor longtime employee terminations.

While the total unrestricted net assets increased by $449,926, the portion of the unrestricted reserve to be used for that is not commission designated, decreased by $415,590, to $2,294,378, thus giving the Commission less funding for unanticipated projects in future periods. This decrease was mainly due to the establishment of Unrestricted Commission Designated reserves, to be used to offset future needs, as well as the funding for OPEB as required under GASB 45.

Please note that the Commission is now required to report post retirement liabilities under GASB Statement No. 45: *Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions* (OPEB). This Statement requires that the Commission recognize the cost of the retiree health subsidy during the period of employees' active employment, while the benefits are being earned, and disclose the unfunded actuarial accrued liability to accurately account for the total future cost of post-employment benefits and the financial impact on the Commission. An actuarial study was conducted in the summer of 2009, and as a result, this liability has been established and funding has been instituted for the past two years, at amounts designated by the study ($139,948 and $140,000 for years 2009 and 2010, respectively). *Please see **footnote 11** for more details.*

Statements of Revenues, Expenses and Changes in Net Assets

This statement details the $438,693 net increase in total assets.

Statements of Changes in Net Assets

This last statement details the various categories available within the Commission's net assets. Most of this increase is a result of revenues received for expenditures that were expensed in prior fiscal years.

Requests for Information:

This financial report is designed to provide our citizens with a general overview of the Commission's finances and to demonstrate the Commission's accountability for the money it receives. Questions concerning this report or requests for additional information should be directed to: Hampton Roads Planning District Commission, Chief Financial Officer, 723 Woodlake Drive, Chesapeake, Virginia 23320.

Hampton Roads Planning District Commission

Statements of Net Assets

June 30,	2010	2009
Assets		
Current assets		
Cash and cash equivalents	$ 1,778,979	$ 1,968,616
Accounts receivable	1,348,879	813,060
Other current assets:		
Prepaid expenses	9,577	13,297
Investments	1,563,820	1,234,679
Total current assets	4,701,255	4,029,652
Capital assets - net of accumulated depreciation	1,543,565	1,554,798
Other assets		
Investments	400,761	198,927
	$ 6,645,581	$ 5,783,377
Liabilities and Net Assets		
Current liabilities		
Accounts payable and accrued expenses	$ 579,342	$ 320,216
Compensated absences	547,810	538,249
Contracts payable	67,440	50,817
Other current liabilities	7,890	9,689
Total current liabilities	1,202,482	918,971
Other liabilities		
Accrued post-retirement benefit liability	279,948	139,948
Net assets		
Invested in capital assets - net of related debt	1,543,565	1,554,798
Unrestricted:		
Unrestricted	2,294,378	2,709,968
Unrestricted - commission designated	1,325,208	459,692
Total unrestricted net assets	3,619,586	3,169,660
Total net assets	5,163,151	4,724,458
	$ 6,645,581	$ 5,783,377

The accompanying notes are an integral part of these finanical statements.

Hampton Roads Planning District Commission

Statements of Revenues, Expenses and Changes in Net Assets

Years Ended June 30,	2010	2009
Operating revenues		
Local:		
Contributions by participating jurisdictions	$ 1,346,170	$ 1,341,946
Contract revenue	2,051,299	2,468,191
MMRS Local Assessment	328,334	327,305
	3,725,803	4,137,442
State (including federal pass-through):		
Virginia Department of Transportation	2,061,276	1,615,459
Virginia Department of Housing and Community Development Loan Funds	300,499	227,200
Virginia Department of Housing and Community Development State Allocation to the PDC	228,492	275,103
Virginia Department of Environmental Quality	114,668	123,862
Williamsburg Area Transit	10,000	10,000
Virginia Department of Emergency Management - UASI	1,672,088	990,324
Virginia Department of Emergency Management - MMRS	937,019	754,772
Virginia Department of Emergency Management - other	3,019,436	-
Virginia Department of Rehabilitative Services	(2,137)	17,074
	8,341,341	4,013,794
Total operating revenues	12,067,144	8,151,236
Operating expenses		
Personnel	3,984,131	3,858,882
Passthrough and special contract expenses	7,086,075	3,586,047
Transportation passthrough expenses	370,822	343,497
Office services	465,567	383,252
Total operating expenses	11,906,595	8,171,678
Operating income (loss) before depreciation	160,549	(20,442)
Depreciation	158,337	137,370
Operating income (loss)	2,212	(157,812)
Nonoperating revenues		
Interest income	21,407	45,826
Unrealized gain on investments	5,792	11,642
Contributions, assessments and miscellaneous non-operating revenues	409,282	362,608
Total nonoperating revenues	436,481	420,076
Change in net assets	438,693	262,264
Net assets - beginning of year	4,724,458	4,462,194
Net assets - end of year	$ 5,163,151	$ 4,724,458

The accompanying notes are an integral part of these financial statements.

Hampton Roads Planning District Commission

Statements of Cash Flows

Years Ended June 30,	2010	2009
Cash flows from operating activities		
Cash receipts from localities and grants	$ 11,531,325	$ 8,282,211
Cash payments to suppliers	(7,644,794)	(4,269,420)
Cash payments to employees	(3,834,570)	(3,641,150)
Net cash from operating activities	51,961	371,641
Cash flows from capital and related financing activities		
Contributions, assessments and miscellaneous non-operating revenues	409,282	362,608
Acquisition of capital assets	(147,104)	(76,880)
	262,178	285,728
Cash flows from investing activities		
Interest received	21,407	45,826
Net sale (purchases) of investments	(525,183)	350,000
Net cash from investing activities	(503,776)	395,826
Net change in cash and cash equivalents	(189,637)	1,053,195
Cash and cash equivalents - beginning of year	1,968,616	915,421
Cash and cash equivalents - end of year	$ 1,778,979	$ 1,968,616
Reconciliation of change in net assets to cash from operations		
Operating income (loss)	$ 2,212	$ (157,812)
Adjustments to reconcile to net cash from operating activities:		
Depreciation	158,337	137,370
Change in:		
Accounts receivable	(535,819)	130,983
Prepaid expenses	3,720	(10,633)
Accounts payable and accrued expenses	259,126	80,714
Compensated absences	9,561	77,784
Contracts payable	16,623	(24,169)
Unearned revenue	-	(3,594)
Other current liabilities	(1,799)	1,050
Accrued post-retirement benefit liability	140,000	139,948
	$ 51,961	$ 371,641

The accompanying notes are an integral part of these financial statements.

1. Organization and Nature of Business

Hampton Roads Planning District Commission (Commission) is a regional planning agency authorized by the Virginia Area Development Act of 1968 and created by the merger of the Southeastern Virginia Planning District Commission and the Peninsula Planning District Commission on July 1, 1990. The Commission performs various planning services for the cities of Chesapeake, Franklin, Hampton, Newport News, Norfolk, Portsmouth, Poquoson, Suffolk, Williamsburg and Virginia Beach, and the Counties of Gloucester, Isle of Wight, James City, Southampton, Surry and York. Revenues of the Commission are received primarily from local government (member) contributions and various state and federal grant programs.

In the fall of 2008, the Commission was reorganized to better reflect efforts of the transportation staff in performing the planning, technical, and administrative duties of the regional Metropolitan Planning Organization (MPO) in accordance with regulations as determined by the Federal Highway Administration and the Virginia Department of Transportation. These duties were organized into a new function entitled Hampton Roads Transportation Planning Organization (HRTPO). HRTPO has two Memorandums of Understanding with the Commission. The first addresses the concept that the Commission "shall provide the planning and administrative staff to HRTPO" and all duties thereof. The second addresses the concept that HRTPO "desires that the Commission serve as fiscal agent for HRTPO" and all duties thereof. In this capacity, the audited financial statements of the Commission cover all the activities involved in administering the financial aspects of HRTPO.

2. Summary of Significant Accounting Policies

Reporting Entity

The Commission's governing body is composed of various members appointed by each of the sixteen participating jurisdictions. These governmental entities have an ongoing financial responsibility to the Commission because its continued existence depends on the continued funding by the participants. The Commission is perpetual and no participating government has access to its resources or surpluses, nor is any participant liable for the Commission's debt or deficits.

The Commission is not a component unit of any of the participating governments. There are no component units to be included in the Commission's financial statements.

Basis of Accounting

The Commission utilizes the economic resources management focus and the accrual basis of accounting in preparing its financial statements. Under the accrual method, revenues are recognized when earned and expenses are recognized when incurred. The Commission has adopted Governmental Accounting Standards Board (GASB) Statement No. 20, *Accounting and Financial Reporting for Proprietary Funds and Other Governmental Entities that Use Proprietary Fund Accounting*. The Commission has elected not to apply Financial Accounting Standards Board pronouncements issued after November 30, 1989, as allowed by GASB Statement No. 20.

The Statement of Net Assets presents the Commission's assets and liabilities, with the difference reported as net assets. Net assets are categorized into three components:

Invested in capital assets - net of related debt - represents the Commission's total investment in capital assets, net of accumulated depreciation reduced by outstanding balances for bonds, notes and other debt that are attributed to the acquisition, construction or improvement of those assets.

Restricted net assets - result when constraints placed on net asset use are either externally imposed by law through constitutional provisions or enabling legislation.

Unrestricted net assets - consist of net assets which do not meet the definition of the two preceding categories.

Cash and Cash Equivalents

The Commission includes all cash accounts not subject to withdrawal restrictions or penalties and all highly liquid debt investments purchased with an original maturity of three months or less as cash and cash equivalents in the accompanying statement of net assets.

Accounts Receivable

The Commission considers all accounts receivable to be fully collectible; accordingly, no allowance is required at June 30, 2010 and 2009. Concentration of credit risk with respect to accounts receivables are limited due to the number of grantors, many of which are federal government grants.

Capital Assets

Capital assets are recorded at cost. Depreciation is computed on the straight-line method over the following estimated useful lives:

Building and improvements	40 years
Office furniture and equipment	5 years
Automobiles	5 years

Maintenance and ordinary repairs are charged to expense as incurred. Expenditures which materially increase values, change capacities, or extend useful lives are capitalized.

Investments

The Commission accounts for investments at fair value.

Advertising

The Commission expenses advertising costs as they are incurred. Advertising expense for 2010 and 2009 was $7,775 and $8,748, respectively.

Estimates

The preparation of financial statements requires management to make estimates and assumptions that affect the reported amounts of assets, liabilities, revenues, and expenses and disclosures of contingent assets and liabilities for the reported periods. Actual results could differ from those estimates and assumptions.

Budgets and Budgetary Accounting

The Commission's annual budget is a management tool that assists users in analyzing financial activity for its June 30 fiscal year. The Commission's primary funding sources are federal and state grants and local subsidies, which have periods that may or may not coincide with the Commission's fiscal year. These grants and subsidies are normally for a twelve-month period; however, they may be awarded for periods shorter or longer than twelve months.

Because of the Commission's dependency on federal, state and local budgetary decisions, revenue estimates are based upon the best available information as to potential sources of funding. The Commission's annual budget differs from that of a local government due to the uncertain nature of grant awards from other entities.

The resultant annual budget is subject to constant change within the fiscal year due to:

- Increases/decreases in actual grant awards from those estimated;
- Unanticipated grant awards not included in the budget; and
- Expected grant awards that fail to materialize.

The Commissioners formally approve the annual budget in April, before the fiscal year begins. Due to grant expirations and new awards, amendments are made in November and May of each year.

Subsequent Events

In preparing these financial statements, the Commission has evaluated events and transactions for potential recognition or disclosure through September 21, 2010, the date the financial statements were available to be issued.

3. Cash, Cash Equivalents and Investments

Deposits

At June 30, 2010 and 2009, the carrying amount of the Commission's deposits with banks was $206,191 and $526,953, respectively, and the bank balances were $595,767 and $670,586, respectively. Of the bank balances, $250,000 was covered by federal depository insurance or collateralized in accordance with the Virginia Security for Public Deposits Act (the Act) at June 30, 2010 and 2009. Under the Act, banks holding public deposits in excess of the amounts insured by Federal Deposit Insurance Corporation (FDIC) must pledge collateral in the amount of 50% of excess deposits to a collateral pool in the name of the State Treasury Board. Savings and loan institutions are required to collateralize 100% of deposits in excess of FDIC limits. The State Treasury Board is responsible for monitoring compliance with the collateralization and reporting requirements of the Act and for notifying local governments of compliance by banks and savings and loans. If any member financial institution fails, the entire collateral becomes available to satisfy the claims of the Commission. If the value of the pool's collateral is inadequate to cover a loss, additional amounts would be assessed on a pro-rata basis to the members (banks and savings and loans) of the pool. Therefore, these deposits are considered collateralized and, as a result, are considered insured.

$1,572,663 and $1,441,538 at June 30, 2010 and 2009, respectively, were invested in a U.S. government money market mutual fund. These investments are covered by the investment firm's (Scott & Stringfellow's) insured deposit program which consists of monies held in non-interest bearing deposit accounts at multiple banking institutions. These assets are eligible for FDIC coverage up to $250,000 per depositor per institution per category. The U.S. government money market fund is a money market mutual fund that owns U.S.

government securities and repurchase agreements that are collateralized by U.S. government securities. The fund meets all investment guidelines under the Code of Virginia and is an eligible investment under the Code of Virginia Investment Guidelines. Cash and cash equivalents, as represented on the statements of net assets, includes petty cash of $125 and $125 at June 30, 2010 and 2009, respectively.

Investments

Investment Policy

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 and certain corporate notes, banker's acceptances, repurchase agreements and the State Treasurer's Local Government Investment Pool (LGIP). At June 30, 2010 and 2009, the Commission had an investment of $735,623 and $733,417, respectively, in the LGIP.

Concentration of Credit Risk

The Policy establishes limitations on portfolio composition by issuer in order to control concentration of credit risk. No more than 5% of the Commission's portfolio will be invested in the securities of any one issuer with the exception of: (1) the U.S. government or Agencies thereof, (2) fully insured/collateralized certificates of deposit or repurchase agreements that are collateralized by the U.S. government or Agencies thereof, and (3) mutual funds whereby the portfolio is limited to U.S. government or Agency securities.

Interest Rate Risk

As of June 30, 2010 and 2009, the Commission had the following investments:

	Investment Maturities (in Years) as of June 30, 2010				
		Less Than			More
Investment Type	**Fair Value**	**1**	**1 - 5**	**6 - 10**	**Than 10**
Money market – Virginia LGIP	$ 735,623	$ 735,623	$ -	$ -	$ -
Municipal bonds - various	1,128,896	828,197	300,699	-	-
U.S. government bonds	100,062	-	100,062	-	-
	$ 1,964,581	$ 1,563,820	$ 400,761	$ -	$ -

	Investment Maturities (in Years) as of June 30, 2009				
		Less Than			More
Investment Type	**Fair Value**	**1**	**1 - 5**	**6 - 10**	**Than 10**
Money market – Virginia LGIP	$ 733,417	$ 733,417	$ -	$ -	$ -
Municipal bonds - various	700,189	501,262	198,927	-	-
	$ 1,433,606	$ 1,234,679	$ 198,927	$ -	$ -

The Commission is exposed to little interest rate risk since all investments had fixed interest rates at June 30, 2010 and 2009.

4. Fair Value Measurements

Accounting standards establish a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (level 1 measurements) and the lowest priority to unobservable inputs (level 3 measurements). The three levels of the fair value hierarchy are described below:

Level 1 - Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets that the Commission has the ability to access.

Level 2 - Inputs to the valuation methodology include:

- quoted prices for similar assets or liabilities in active markets;
- quoted prices for identical assets or liabilities in inactive markets;
- inputs other than quoted prices that are observable for the asset or liability;
- inputs that are derived principally from or corroborated by observable market data by correlation or other means.

If the asset or liability has a specified (contractual) term, the level 2 input must be observable for substantially the full term of the asset or liability.

Level 3 - Inputs to the valuation methodology are unobservable and significant to the fair value measurement.

The asset or liability's fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques used need to maximize the use of observable inputs and minimize the use of unobservable inputs.

Following is a description of the valuation methodologies used for assets and liabilities measured at fair value. There have been no changes in the methodologies used at June 30, 2010.

Municipal bonds: Stated at fair value.

Local Government Investment Pool: Stated at fair value

The preceding methods described may produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair values. Furthermore, although the Commission believes its valuation methods are appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different fair value measurement at the reporting date.

The following tables set forth by level, within the fair value hierarchy, the Commission's assets and liabilities at fair value as of June 30, 2010 and 2009:

	Fair Value as of June 30, 2010			
	Level 1	Level 2	Level 3	Total
Fixed income bonds	$ 1,128,896	$ -	$ -	$ 1,128,896
Government and agency bonds	100,062	-	-	100,062
Money market funds – Virginia LGIP	735,623	-	-	735,623
Totals assets at fair value	$ 1,964,581	$ -	$ -	$ 1,964,581

	Fair Value as of June 30, 2009			
	Level 1	Level 2	Level 3	Total
Fixed income bonds	$ 700,189	$ -	$ -	$ 700,189
Money market funds – Virginia LGIP	733,417	-	-	733,417
Totals assets at fair value	$ 1,433,606	$ -	$ -	$ 1,433,606

5. Capital Assets

Summary of capital assets is as follows:

	Balance June 30, 2009	Increases	Decreases	Balance June 30, 2010
Capital assets not being depreciated:				
Land	$ 80,621	$ -	$ -	$ 80,621
Construction in progress	27,120	-	(27,120)	-
Total capital assets not being depreciated at historical cost	107,741	-	(27,120)	80,621
Other capital assets:				
Building and improvements	2,107,329	68,323	-	2,175,652
Office furniture and equipment	774,280	105,901	(44,888)	835,293
Automobiles	76,886	-	-	76,886
Total other capital assets at historical cost	2,958,495	174,224	(44,888)	3,087,831
Less accumulated depreciation for:				
Building and improvements	(860,690)	(69,609)	-	(930,299)
Office furniture and equipment	(588,895)	(84,628)	44,888	(628,635)
Automobiles	(61,853)	(4,100)	-	(65,953)
Total accumulated depreciation	(1,511,438)	(158,337)	44,888	(1,624,887)
Total capital assets being depreciated, net	1,447,057	15,887	-	1,462,944
Capital assets - net	$ 1,554,798	$ 15,887	$ (27,120)	$ 1,543,565

6. Retirement Plan

Virginia Retirement System

Plan Description

All full-time, salaried permanent employees of participating employers must participate in the VRS. Benefits vest after five years of service. Employees are eligible for an unreduced retirement benefit at age 65 with 5 years of service (age 60 with 5 years of service for participating local law enforcement officers, firefighters and sheriffs) or at age 50 with 30 years of service if elected by the employer (age 50 with 25 years of service for participating local law enforcement officers and firefighters) payable monthly for life in an amount equal to 1.70 percent of their average final compensation (AFC) for each year of credited service (1.85% for sheriffs and if the employer elects, other employees in hazardous duty positions receiving enhanced benefits). Benefits are actuarially reduced for retirees who retire prior to becoming eligible for full retirement benefits. In addition, retirees qualify for an annual cost-of-living adjustment (COLA) beginning in their second year of retirement. The COLA is limited to 5.00% per year. AFC is defined as the highest consecutive 36 months of reported compensation. Sheriffs and participating eligible law enforcement officers and firefighters may also receive a monthly benefit supplement if they retire prior to age 65. The VRS also provides death and disability benefits. Title 51.1 of the Code of Virginia (1950), as amended, assigns the authority to establish and amend benefit provisions to the General Assembly of Virginia.

The System issues a publicly available comprehensive annual financial report that includes financial statements and required supplementary information for VRS. A copy of that report is available on our website at http://www.varetire.org/Pdf/Publications/2009-Annual-Report.pdf or obtained by writing to the System's Chief Financial Officer at P.O. Box 2500, Richmond, Virginia 23218-2500.

Funding Policy

Plan members are required by Title 51.1 of the Code of Virginia (1950), as amended, to contribute 5% of their annual reported compensation to the VRS. This 5% member contribution may be assumed by the employer. In addition, the Commission is required to contribute the remaining amounts necessary to fund its participation in the VRS using the actuarial basis specified by the statute and approved by the VRS Board of Trustees. The Commission's contribution rate for the fiscal year ended June 30, 2009, was 4.9% of the annual covered payroll.

Annual Pension Cost

For the fiscal years ended June 30, 2010 and 2009, the Commission's annual pension costs of $219,699 and $275,746, respectively, were equal to the Commission's required and actual contributions.

Three-Year Trend Information for Hampton Roads Planning District Commission

Fiscal year ended	Annual Required Contribution (ARC)	Percentage of ARC Cost Contributed	Net Pension Obligation
6/30/07	$ 259,231	100%	$ -
6/30/08	$ 275,746	100%	$ -
6/30/09	$ 219,699	100%	$ -

The FY 2010 required contribution was determined as part of the June 30, 2007, actuarial valuation using the entry age actuarial cost method. The actuarial assumptions at June 30, 2007 included (a) an investment rate of return (net of administrative expenses) of 7.50%, (b) projected salary increases ranging from 3.75% to 5.60% per year for general government employees and 3.50% to 4.75% per year for employees eligible for enhanced benefits available to law enforcement officers, firefighters, and sheriffs, and (c) a cost-of-living adjustment of 2.50% per year. Both the investment rate of return and the projected salary increases also include an inflation component of 2.50%. The actuarial value of the Commission's assets is equal to the modified market value of all assets. This method uses techniques that smooth the effects of short-term volatility in the market value of assets over a five-year period. The Commission's unfunded actuarial accrued liability is being amortized as level percentage of projected payroll on an open basis. The remaining amortization period at June 30, 2007 was 20 years.

Funding Status and Funding Progress

As of June 30, 2009, the most recent actuarial valuation date, the plan was 93.83% funded. The actuarial accrued liability for benefits was $12,098,963 and the actuarial value of assets was $11,352,827, resulting in an unfunded actuarial accrued liability (UAAL) of $746,136. The covered payroll (annual payroll of active employees covered by the plan) was $2,843,723, and the ratio of the UAAL to the covered payroll was 26.24%.

The schedule of funding progress, presented as required supplemental information (RSI) following the notes to the financial statements, presents multiyear trend information about whether the actuarial value of the plan assets is increasing or decreasing over time relative to the actuarial accrued liability (AAL) for benefits.

Schedule of Funding Progress for Hampton Roads Planning District Commission

Valuation Date	Actuarial Value of Assets	Actuarial Accrued Liability	Unfunded (Overfunded) Actuarial Accrued Liability	Funded Ratio	Annual Covered Payroll	Unfunded Actuarial Accrued Liability - as % of Payroll
6/30/07	$ 10,492,242	$ 10,154,847	$ (337,395)	103.32%	$ 2,538,317	(13.29)%
6/30/08	$ 11,498,247	$ 11,285,687	$ (212,560)	101.88%	$ 2,665,122	(7.98)%
6/30/09	$ 11,352,827	$ 12,098,963	$ 746,136	93.83%	$ 2,843,723	26.24%

The information presented in the Schedules of Employee Contributions and Funding Progress was determined as part of the actuarial valuations at the date indicated. Additional information as of the latest actuarial valuation follows:

1. Valuation date	June 30, 2009
2. Actuarial cost method	Entry Age Normal
3. Amortization method	Level Percent of Pay, Open
4. Payroll growth rate	3.00%
5. Remaining amortization period	20 years
6. Asset valuation method	Five-Year Smoothed Market Value
7. Actuarial assumptions:	
a. Investment rate of return *	7.50%
b. Projected salary increases *	
1) Non – LEO Members	3.75% to 5.60%
2) LEO Members	3.50% to 4.75%
c. Cost-of-living adjustment	2.50%

* Includes inflation of 2.50%

Deferred Compensation Plan

The Commission has a deferred compensation plan under which the participants may defer a portion of their annual compensation subject to limitations of Internal Revenue Code Section 457. Any contributions made to the deferred compensation plan are not available to employees until termination, retirement, death, or unforeseeable emergency. Contributions to the plan are administrated by a third party administrator, ICMA Retirement Corporation.

7. Leases

The Commission entered into a three-year lease for office space in Hampton commencing March 2005. The lease agreement required monthly payments of $944 through February 28, 2007, with an annual increase of 3% on March 1 of each year through February 28, 2008. This lease was renewed for a period of five years commencing March 2008. The new lease agreement requires monthly payments of $1,002 through February 28, 2009, with an annual increase of 3% on March 1 of each year through February 28, 2013. Total rent expense for 2010 and 2009 was $13,810 and $12,485 respectively.

Future minimum lease payments are as follows:

2011	$	12,888
2012	$	13,275
2013	$	9,024

8. Compensated Absences

The Commission accrues for vested vacation and sick pay when it is earned by employees. Vacation and sick pay are earned based on years of employment. The amount of vested vacation and sick pay accrued was $547,810 and $538,249 for 2010 and 2009, respectively.

9. Net Assets

Unrestricted-commission designated net assets are available for the following purposes:

	2010	2009
HR WET Info (330)	$ 62,140	$ 33,481
Department of Historic Resources (33107)	-	4,944
Northern Virginia Regional Commission (33290)	42	-
DEQ Contracts (334)	(62,338)	(69,823)
Local Government Contracts (336)	335,182	66,220
Regional Water (H2O) (337)	462,322	389,283
Stormwater (338)	339,681	460,165
Regional Wastewater Program (348)	135,616	89,014
Corps of Engineers Contracts (349)	4,902	(390)
Metro Medical Response (350)	(293,725)	(129,659)
HRLFP Admin	(19,331)	(17,147)
SHRDSB Staff (356)	-	7,996
Agency funded	301,218	10,025
Municipal Construction Std (391)	11,525	23,419
UASI (39120)	(171,537)	(382,684)
UASI II (39125)	(108,713)	(22,748)
VDEM (39128)	(4,070)	-
VDEM (39130)	(18,785)	-
Council on Virginia's Future (39133)	-	(2,404)
VDEM (39135)	(5,481)	-
Special Contracts Local (39200)	70,560	-
Vehicle replacement reserve (39501)	5,000	-
Telephone system replacement reserve (39502)	7,000	-
Network servers/software reserve (39503)	10,000	-
Capital building replacement reserve (39504)	50,000	-
Building operations and maintenance reserve (39505)	5,000	-
Interior upgrades reserve (39506)	3,000	-
Communication devices soft synch reserve (39507)	1,000	-
Hampton recovery center reserve (39508)	5,000	-
VRS/VRSLI reserve (39509)	200,000	-
	$ 1,325,208	$ 459,692

Negative balances represent restricted expenditures already made by the Commission for which grant reimbursement has not yet been received. Such grants reimburse only quarterly or semi-annually.

10. Commitment and Contingency

The Commission is party to a contract which required a license price of $670,600. The contract was signed by the Commission on January 14, 2008 with the understanding that a command of the United States had agreed to collaborate and partner to accomplish certain tasks. The United States command determined it will not be participating in this project, and as such, the Commission has asked to terminate the contract. The Commission came to an agreement with Breakaway, Ltd via a second contract dated March 10, 2009 which stated that the contract would be satisfied with the second payment on the initial installment. The final payment of $103,200 was made prior to June 30, 2009 in order to satisfy the initial installment. As of June 30, 2010, there are no amounts outstanding with regards to this contract.

11. Postretirement Benefits Other Than Pensions

The Commission adopted Government Auditing Standards Board (GASB) Statement No. 45, *Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions.* The Statement establishes standards for reporting the liability for nonpension postemployment benefits, the health care premiums for retirees.

(a) Plan Provisions

In addition to providing the pension benefits described in Footnote 5, the Commission provides other postemployment benefits (OPEB) for retired employees and their spouses. The benefits benefit levels, and employer contributions are governed by the Commission and can be amended by the Commission through its Personnel and Budget Committee.

(b) Funding Policy

The Commission established a trust to prefund this liability during fiscal year 2010. The anticipated growth in the net OPEB Obligation will be based on the Commission's annual contribution to a trust fund established to cover current and future costs for this benefit.

The cost method for valuation of liabilities used for this valuation is the Projected Unit Credit (PUC) Actuarial Cost Method. A PUC accrued benefit is determined for each active member in the Plan on the basis of the member's benefit projected to the assumed date of retirement and the member's creditable service at the valuation date. The actuarial liability for retirement benefits is the sum of the actuarial present value of the PUC accrued benefit of each active member. The normal cost for retirement benefits is the sum of the actuarial present value for the expected increase in the PUC accrued benefit during the plan year for each active member under the assumed retirement age.

The actuarial liability and the normal cost of termination benefits, disability benefits, and pre-retirement spouse's death benefits are determined in a similar manner by projected the member's average final compensation to each assumed date of termination, disablement, or death. The actuarial liability and normal cost for the supplemental benefits are based upon the present value of the supplement expected to be paid to those covered employees attaining eligibility. The actuarial liability for inactive members is determined as the actuarial present value of the pension and supplemental benefits expected to be paid.

The difference between the actuarial liability and the actuarial value of assets is the unfunded actuarial liability. The annual required contribution is the sum of the normal cost and the amount necessary to amortize the unfunded actuarial liability over the amortization period. The amortization amount is determined as a level percentage of payroll.

The plan is currently funded on a pay-as-you-go basis, so the plan currently has no assets.

(c) Plan Description

Currently, covered full-time active employees who retire directly from the Commission and are at least 50 years old with 20 years of service are eligible to receive postretirement health care benefits. Each year, retirees participating in the Commission's sponsored plans will be given the opportunity to change plans or drop coverage during an open enrollment period. The pre-Medicare retirees and their spouses have a choice of two plans: KeyAdvantage Expanded and KeyAdvantage 500. The majority of the participants are in KeyAdvantage Expanded. Dental plans are included in both offerings. In addition, post-Medicare retirees and their spouses are covered through Advantage 65. There were 18 participants at the time of the actuarial study. Since the Commission contributes 100% of the premiums for both the retiree and spouse, the Commission has an implicit liability.

(d) Annual OPEB Costs and Net OPEB Obligation

The net unfunded OPEB obligation as of June 30, 2010 was calculated as follows:

Annual required contribution	$ 201,100
Interest on net OPEB obligation	-
Adjustments to annual required contribution	-
Annual OPEB cost	201,100
Contributions made	61,100
Increase in net OPEB obligation	140,000
Net OPEB obligation, beginning of year	139,948
Net OPEB obligation, end of year	$ 279,948

(e) Actuarial Methods and Assumptions

Valuation Methods

The projected unit credit actuarial cost method was used to calculate all of the expense amounts and the funded status of the plan. The calculations were performed in accordance with the methodology set forth in GASB Statement No. 45. Under this method, benefits are projected for life and their present value is determined. The present value is divided into equal parts, which are earned over the period from date of hire to the full eligibility date.

Employees Included in the Calculations

All active employees who will meet the plan's eligibility requirements on or before the ultimate assumed retirement age are included in the calculations. Retirees, spouses and spouse survivors who are entitled to a benefit under the provisions of the plan are also included.

Actuarial Assumptions

In the June 30, 2009 actuarial valuation, the projected unit credit actuarial cost method was used. The actuarial assumptions included calculations based on discount rates of 4.0% and 7.5% for an unfunded and funded liability, respectively, and amortized the initial unfunded actuarial liability over 30 years based on a level percent of payroll method. The actuarial liability was $2,203,400. The plan's unfunded actuarial accrued liability is being amortized using the fresh start method. The remaining amortization period at June 30, 2010 is 29 years. A new actuarial valuation will be performed as of June 30, 2012, as prescribed by GASB 45 (employees with plan participants less than 200) unless major changes are made to plan benefits, assumptions or participation.

(f) Schedule of Funding Progress: Unfunded

Actuarial Valuation Date June 30	Actuarial Value of Assets	Actuarial Accrued Liability (AAL) Entry-Age Normal	Funded ratio	Unfunded Actuarial Accrued Liability (UAAL)	Covered Payroll	UAAL as a Percentage of Covered Payroll
2009	$ -	$ 2,203,400	-%	$ 2,203,400	$ 3,117,200	70.69%
2010	$ -	$ 2,203,400	-%	$ 2,203,400	$ 3,117,200	70.69%

(g) Schedule of Employer Contributions

Year Ended June 30	Annual Required Contribution (ARC)	Percentage Contributed	Net OPEB Obligation
2009	$ 201,100	-%	$ 139,948
2010	$ 201,100	-%	$ 279,948

12. Reclassification

Certain amounts from the June 30, 2009 financial statements have been reclassified to conform to the presentation of the June 30, 2010 financial statements. The reclassifications have no effect on previously reported net income.

* * * * *

Hampton Roads Planning District Commission

Compliance Reports

June 30, 2010

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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

Board of Directors
Hampton Roads Planning District Commission

We have audited the financial statements of ***Hampton Roads Planning District Commission*** as of and for the year ending June 30, 2010, and have issued our report thereon dated September 21, 2010. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States.

Internal Control over Financial Reporting

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

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.

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

Compliance and Other Matters

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

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We noted certain matters that we report to management of ***Hampton Roads Planning District Commission*** in a separate letter dated September 21, 2010.

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

Goodman & Company, LLP

Norfolk, Virginia
September 21, 2010

Goodman & COMPANY
Certified Public Accountants
Specialized Services
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Report on Compliance with Requirements That Could Have a Direct And Material Effect on Each Major Program and on Internal Control Over Compliance in Accordance with OMB Circular A-133

Board of Directors
Hampton Roads Planning District Commission

Compliance

We have audited the compliance of ***Hampton Roads Planning District Commission*** with the types of compliance requirements described in the *U.S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement* that could have a direct and material effect on each of ***Hampton Roads Planning District Commission's*** major federal programs for the year ended June 30, 2010. ***Hampton Roads Planning District Commission's*** major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts and grants applicable to each of its major federal programs is the responsibility of ***Hampton Roads Planning District Commission's*** management. Our responsibility is to express an opinion on ***Hampton Roads Planning District Commission's*** compliance based on our audit.

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

In our opinion, ***Hampton Roads Planning District Commission*** complied, in all material respects, with the 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, 2010.

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Internal Control over Compliance

The management of ***Hampton Roads Planning District Commission*** is responsible for establishing and maintaining effective internal control over compliance with requirements of laws, regulations, contracts and grants applicable to federal programs. In planning and performing our audit, we considered ***Hampton Roads Planning District Commission's*** internal control over compliance with requirements that could have a direct and material effect on a major federal program to determine the auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of ***Hampton Roads Planning District Commission***'s internal control over compliance.

A deficiency in internal control over compliance exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect 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 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.

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

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

Goodman & Company, LLP

Norfolk, Virginia
September 21, 2010

Year Ended June 30, 2010

Federal Granting Agency/Recipient State Agency/Grant Program/ Grant Number	Federal	Expenditures	
Major Programs			
Department of Transportation			
Federal Transit Administration			
Pass-through payments - Virginia Department of Rail and Public Transit			
Technical Study Grant (includes $296,657 in pass-through expenditures)	20.505	$ 547,721	*
Department of Homeland Security			
Pass-through payments - Virginia Department of Emergency Management			
Urban Areas Security Initiative II	97.008	544,678	
Urban Areas Security Initiative	97.067	1,002,274	
Metropolitan Medical Response System	97.071	1,104,056	
First Responders Authentication Credentials	97.073	2,842,017	
Critical Infrastructure Protection and Resiliency Strategic Plan	97.073	205,756	
		5,698,781	*
Other Federal Awards			
Department of Transportation			
Federal Transit Administration			
Pass-through payments - Virginia Department of Transportation			
PL Federal Aid Urban Systems (FAUS) Program	20.205	1,832,246	
SP&R Federal Aid Urban Systems (FAUS)	20.205	46,727	
		1,878,973	*
Department of Commerce			
National Oceanic and Atmospheric Administration			
Pass Through Payments - Virginia Department of Environmental Quality			
Coastal Resources Management (NA-09NOS4190163)	11.419	40,905	
Coastal Resources Management (NA-05NOS4191180)	11.419	26,931	
		67,836	
Environmental Protection Agency			
TMDL Studies contract #14255	66.454	33,914	
Virginia Chesapeake Bay Implementation Program (BAY-2009-06-PT)	66.466	1,893	
Virginia Chesapeake Bay Implementation Program (BAY-2008-11-PT)	66.466	3,966	
		39,773	
Total Federal Awards		$ 8,233,084	

* Type A programs. All other programs are Type B.

Note 1 - Basis of Presentation

The accompanying schedule of expenditures of federal awards includes the federal grant activity of the Commission and is presented on the accrual basis of accounting. The information in this schedule is presented in accordance with the requirements of OMB Circular A-133, Audits of States, Local Governments, and Non-Profit Organization. Therefore, some amounts presented in this schedule may differ from amounts in, or used in the preparation of the basic financial statements.

Year Ended June 30, 2010

1. Summary of Auditors' Results

Financial Statements

- An unqualified opinion was issued on the financial statements.

Internal control over financial reporting:

- There were no material weaknesses identified.
- There were no significant deficiencies identified.
- The audit did not disclose any material noncompliance.

Federal Awards

- There were no material weaknesses identified.
- There were no significant deficiencies identified.
- An unqualified opinion was issued on compliance for major programs.
- The audit did not disclose any audit findings required to be reported.
- The dollar threshold used to distinguish between Type A and Type B programs is $300,000.
- The auditee qualified as a low-risk auditee.

2. Findings Relating to the Financial Statements which are Required to be Reported in Accordance with GAGAS

None

3. Findings and Questioned Costs for Federal Awards

None

4. Disposition of Prior Year Findings

None