



MIDDLE PENINSULA PLANNING DISTRICT COMMISSION

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Hon. Donald Richwine

Secretary/Director

Mr. Lewis L. Lawrence

TO: MPPDC Board of Commissioners

FROM: Lewis Lawrence, Executive Director

DATE: October 17, 2012

RE: October Commission Meeting

The MPPDC will host its October dinner meeting on Wednesday, October 24, 2012, at Watermen's Hall, VIMS, Gloucester Point, Virginia to view the film, *Ocean Frontiers*, and enjoy a Taste of Virginia – featuring Virginia seafood and beverages. We will begin the evening with a regional networking period from 6:00-7:00 p.m. with cold appetizers. The film viewing and discussion will follow from 7:00-8:00 p.m. Heavy hot appetizers and a brief business meeting will follow the presentation.

Ocean Frontiers is sponsored jointly by the Chesapeake Bay National Estuarine Research Reserve in Virginia, the Center for Coastal Resource Management, and the Middle Peninsula Planning District Commission's Technical Assistance Program.

Enclosed are the agenda and supporting materials for your review prior to the meeting. Please note that the FY12 Draft Audit is included for your review, but will not be considered until the November meeting.

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

I look forward to seeing you on October 24th!

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**MIDDLE PENINSULA PLANNING DISTRICT COMMISSION
MEETING**

Wednesday, October 24, 2012

7:00 P.M.

**Watermen's Hall, VIMS
Gloucester Point, VA**

AGENDA

- I. Welcome and Introductions
- II. Viewing of film, *Ocean Frontiers* and Open Discussion
- III. Invocation
- IV. Approval of September Minutes
- V. Approval of September Financial Reports
- VI. Executive Director's Report on Staff Activities for the Month of October
- VII. Other Business
- VIII. Adjournment

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MIDDLE PENINSULA PLANNING DISTRICT COMMISSION

September 26, 2012

Saluda, Virginia

The monthly meeting of the Middle Peninsula Planning District Commission was held in the Regional Board Room at the Middle Peninsula Planning District Commission office 125 Bowden Street in Saluda, Virginia on Wednesday, September 26, 2012, at 7:00 p.m. MPPDC Chair Sherrin Alsop (**King and Queen County**) called the meeting to order and welcomed everyone in attendance.

Commissioners in attendance were:

(**Gloucester County**) Dr. Maurice Lynch and Louise Theberge; (**King and Queen County**) Thomas Swartzwelder; (**King William County**) Travis Moskalski, Eugene Rivara, and Otto Williams; (**Mathews County**) Tim Hill, Charles Ingram, Melinda Moran; (**Middlesex County**) Elizabeth Hurd, Wayne Jessie, Sr., William Whitley, and Kenneth Williams; (**Town of Urbanna**) Donald Richwine; and (**Town of West Point**) John Edwards, Jr. and Charles Gordon.

Citizens from the region were also in attendance. Middle Peninsula Planning District Commission staff in attendance included Executive Director Lewis Lawrence, Administrative Assistant Beth Johnson, Secretary Rose Lewis, Regional Projects Planner Clara Meier, and Regional Economic Planner Harrison Bresee III.

Chair Alsop announced that Robert “Dick” Brake, former MPPDC Board member for over thirty years, passed away earlier in the week.

Approval of July Minutes

Chair Alsop asked whether there were any corrections or changes to the July Minutes. There were no corrections or changes to the July Minutes. Chair Alsop requested a motion to approve the July Minutes as distributed. Donald Richwine moved that the July Minutes be approved. Eugene Rivara seconded the motion; motion carried.

Approval of July and August Financial Reports

Chair Alsop asked whether there were any questions regarding the July and August financial reports before being approved subject to audit. There were no questions. Chair Alsop requested a motion to approve the July and August Financial Reports subject to audit. Louise Theberge moved to approve the July and August Financial Reports subject to audit. Donald Richwine seconded the motion; motion carried.

Executive Director’s Report on Staff Activities for the Months of August and September

Chair Alsop requested Lewis Lawrence, Middle Peninsula Planning District Commission Executive Director, to review the Executive Director's Report on Staff Activities for the months of August and September. The Executive Director’s

Report on Staff Activities is developed at a monthly staff meeting, organized by PDC Service Centers, and the activities are used to report grant funding activities.

Mr. Lawrence reviewed the Executive Director's Report for August as follows:

- Continued working on the Commercial Seafood Harbor Master Plan. The final plan on this Gloucester County project is due in September.
- Participated in a conference call with Lewis Lawrence, Middle Peninsula Planning District Commission's (MPPDC) Executive Director, and Ms. Sandie Terry, Program Manager for the Virginia Broadband Center for Innovative Technology, to discuss potential funding opportunities for activities to help bring broadband infrastructure to the Middle Peninsula Region. There are no new funding opportunities at this time, but inventorying infrastructure and sharing that data with the state may help identify providers willing to work with local governments to bring wireless services to smaller areas of a county and build on those for full county/regional coverage.
- Met with Mr. Dave Whitlow, Essex County Administrator, Chris DeWitt, Vanasse Hangen Brustlin, Inc. Principal, and Lewis Lawrence, Middle Peninsula Planning District Commission (MPPDC) Executive Director, at Ware's Wharf (Ware's Landing) in Essex County to discuss applying for funding from the Virginia Department of Game and Inland Fisheries (DGIF) Grants to Localities Program for Public Boating Access Facilities to make boating access improvements to the site. The DGIF Grants to Localities Program for Public Boating Access Facilities is authorized pursuant to Code of Virginia §29.1-103, 29.1-109, 29.1-701 and 2.2-4301. The purpose of the grants is to assist localities in providing public opportunities for boating through new facilities development and/or renovations and improvements to existing public boating access facilities. More details are available at www.dgif.virginia.gov/boating/access/grants.
- Received a request from Mr. Ron Hachey, Virginia Department of Mines, Minerals and Energy, for the amount of loans and grants distributed during the Middle Peninsula Energy, Efficiency and Conservation Weatherization Expansion Program funded by a grant from the Energy Efficiency, and Conservation Block Grant Program created by the American Recovery and Reinvestment Act of 2009. The Middle Peninsula project distributed \$46,194.00 in loans and \$103,698.91 in grants to assist 20 homeowners in the region with energy efficiency retrofits on their homes.

Mr. Lawrence reviewed the Executive Director's Report for September as follows:

- Consulted with Mathews County Board of Supervisors Chair, Janine Burns concerning a legal question related to the right of way to the Hall Tract

owned by the Middle Peninsula Chesapeake Bay Public Access Authority in Mathews. Reported that preliminary research from the title insurance company indicates a Right Of Way was established in 1901 to the Hall parcel.

- Received recorded final settlement agreement related to a Right of Way dispute across the Haworth parcel owned by the Middle Peninsula Chesapeake Bay Public Access Authority in King and Queen County.
- Submitted an application requesting financial assistance to the Department of Housing and Community Development under the Building Collaborative Communities Grant program focusing on establishing a relationship with the Virginia Sea Grant University System to advance research and economic development of the natural resource based economy within the Middle Peninsula.
- Consulted with Ms. Carol Steele, Director of Gloucester County Department of Parks & Recreation and Mr. Sean Trapini, Saluda Resident Engineer, concerning ownership of Johns Point Landing in Gloucester. Based on the research, no clear ownership can be determined. It is clear that either Gloucester County or the Virginia Department of Transportation owns the site, but singular ownership determination is not possible based on the records provided by VDOT. No records could be found indicating a request to have the landing brought into the secondary system by the County.
- Consulted with Mr. Tom Swartzwelder, King and Queen County Administrator, concerning an exceptionally large scale proposal for establishing one of the largest aquaculture business operations on the Western shore of the Chesapeake Bay in Morris Bay and Poropotank Bay. The project proposes several thousand floats to grow oysters.
- Coordinated for Mr. Ken Snow, Land Manager for a New Orleans company called “Shore Exploration”, to provide an update to the Middle Peninsula Local Government Administrators on matters related to gas and oil exploration in the northern portion of the Middle Peninsula including Essex, King and Queen, and King William.
- Coordinated and participated in a webinar on the process that PDCs used to prioritize the recommendations from the Regional Long Range Transportation Plans (RLRTP) and how that ties into the prioritizing of projects for the Six-Year Improvement Program (SYIP). VDOT will be giving a presentation, followed by presentations from transportation planners that went through the process.
- Set 4 Public Meetings up to discuss CEDS process and gather input from the public on project suggestions. The meetings will be on October 1 in Gloucester Point-VIMS, October 2 in Essex County School Board Office,

October 3 in Middlesex County-MPPDC Office, and October 4 in King and Queen County-Women's Club House. Notices were sent to the public through press releases, the CEDS Employment Committee appointees from the Counties of Essex, King and Queen, King William, Middlesex, Mathews, and Gloucester and the Towns of Tappahannock, West Point, and Urbanna.

- Discussed with Ms. Susan Block, DCR Grants Manager the unfair and inequitable policy of disallowing overhead by PDC's under DCR grant programs. Ms. Block suggested VAPDC submit a letter to John Moore, DCR Comptroller for a review of the policy.

Public Comments

Chair Also opened the meeting for public comments. There were no public comments.

Adoption of MPPDC Indirect Cost Allocation Plan FY13

Mrs. Beth Johnson, Middle Peninsula Planning District Commission Administrative Assistant, presented the Middle Peninsula Planning District Commission's Indirect Cost Allocation Plan for FY 2012-2013. This document is prepared each year and serves two purposes: to provide funders with the methodology used to charge indirect costs – administrative and overhead – to individual projects and to serve as a planning tool for staff applying for future funding proposals. The calculated Indirect Rate for FY2012-2013 is 50% and the calculated FY2012-2013 Employee Benefit Rate in 35.4%.

The indirect cost estimates included in the Plan are based on the budget figures adopted by the Commission in May 2012. Many State and all Federal agencies require an approved Indirect Cost Allocation Plan to allow for recapture of overhead expenses.

Indirect costs associated with the operating of the Middle Peninsula Planning District Commission are shared by all projects in the Commission's work program. The direct charges associated with the various programs are charged as incurred. Mrs. Johnson said that the FY2012 actual indirect rate was 71% and the planned rate was 73.9%. DHCD base funding for FY2013 is anticipated to be \$75,971 and office space rental income to be \$3,000. The MPPDC fiscal staff will utilize these revenue sources as required to maintain an indirect rate at or below 50%. As the rate increases the agency's grants provide fewer billable staff hours making it more difficult to fund the priorities of the Commission and making MPPDC less competitive in the grant market.

Mrs. Johnson reviewed the Statement of Indirect Costs, Statement of Employee Benefits, and Salary Distribution.

Chair Alsoop requested a motion to adopt the MPPDC Indirect Cost Allocation Plan FY2012-2013. Eugene Rivara moved to adopt the MPPDC Indirect Cost Allocation Plan FY2012-2013. Maurice Lynch seconded the motion; motion carried.

Overview of MPPDC Onsite Program

Mrs. Beth Johnson, MPPDC Administrative Assistant, said the MPPDC Regional On-Site Funding Program was established in 1997 with a \$250,000 loan from Virginia Clean Water Revolving Loan Fund (VCWRLF) at 0% interest and has been used as matching funds for grants. The most recent funding was a 2011 WQIF grant of \$95,596 from Department of Conservation and Recreation (DCR) and an additional loan of \$250,000 from the Virginia Waste Facilities Fund which provided for a \$125,000 principal forgiveness loan and a \$125,000 0% interest loan to be repaid over 10 years. Total funding to date has been \$674,846.

Mrs. Johnson said to date 83 septic systems have been installed or repaired with five additional repairs pending. There is \$10,000 grant funds available until June 2013 and \$149,140 loan funds available until July 2013.

Mrs. Johnson said that increased communication with Middle Peninsula Virginia Department of Health staff has increased awareness of the assistance that the MPPDC has available to citizens of the Middle Peninsula and increased the number of failing septic systems repaired in recent months. Mrs. Johnson reviewed the Virginia Department of Health enforcement Sections 32.1-164F and 32.1-27:A. A lack of future funding could hamper this momentum.

Mr. Lawrence said that the National Law Center of the University of Mississippi is completing a white paper on heir property issues. The final report - *Failing Septic Systems and Heirs' Property: Financial Lending Challenges and Possible Solutions* will be available at the November Commission meeting.

Update on Center for Rural Virginia Summit

Glen C. Sink, Executive Director for Council for Rural Virginia, spoke at the annual Virginia Rural Summit Economic Development Conference that was held in Roanoke, Virginia. Mr. Lawrence, MPPDC Executive Director, and Mr. Harrison Bresee, MPPDC Regional Economic Planner, attended the conference.

Mr. Lawrence said at the Economic Development Conference a study handout titled, "Tax Restructuring in Virginia-A Revenue Neutral Path for Improving Our Economy" written by Michael Thompson, President of The Thomas Jefferson Institute for Public Policy, was distributed. The Thomas Jefferson Institute has spent two years working with economists to determine if the current tax system in

Virginia can be “re-arranged” where revenue would be neutral and create a stronger business climate that will grow the economy over the next few years.

Many businesses in Virginia consider the Business Professional Occupation Licensing (BPOL) tax, the Machine and Tool (M&T) tax, and the Merchants Capital (MC) tax are unfair, destroy jobs, and restrict job growth. The sales tax restructuring that is outlined in the study can achieve three important policy goals: eliminate the three job destroying taxes, produce better economic growth, and produce a sales tax that is “revenue neutral” by shifting the tax to service industries currently tax exempt.

Mr. Lawrence said that he received an article from the Virginia News Letter published by the Weldon Cooper Center for Public Service entitled, “Beyond the Great Recession: Preparing Virginia for Expected Cuts in Federal Spending.” The article was written by Dr. William Shobe, Director, Center for Economic and Policy Studies, Weldon Cooper Center for Public Service. In the article, Dr. Shobe examined some things that point toward continued economic expansion and a few of the risks.

Mr. Lawrence told the Board that he will mail each Board member a copy of the Tax Restructuring in Virginia and Beyond the Great Recession articles.

New Grants

Mr. Lawrence said that there are two grants awaiting approval. Department of Conservation and Recreation Stormwater Capacity grant and the Department of Housing and Community Development Building Sustainable Communities Grant.

FY14 Funding and Local Needs Work Program Discussion

Mr. Lawrence requested Board members discuss the types of services which MPPDC can or should be providing in the FY 14 work program and to let the MPPDC staff or the MPPDC Executive Committee know for consideration in the FY14 work program development process. Mr. Lawrence also said that no date has been set for a MPPDC Executive Committee’s meeting but one most likely will be held sometime in October.

FY13 Legislative Program Discussion

Mr. Lawrence said that the MPPDC has not had a legislative meeting over the last two years. He recommended that the Board invite Delegate Keith Hodges to the November Board meeting to discuss local and regional questions and concerns within the Middle Peninsula localities. He suggested the Board members submit topics to him or their County Administrator before the meeting the November meeting.

Chair Alsop said the adopted 2012 MPPDC Meeting Schedule shows the November meeting to be held on the third Wednesday, November 21st, but that is the day before Thanksgiving. Chair Alsop suggested the November meeting to be held on the 14th or 28th. After discussion, the Board agreed that November 28th be the meeting date for the legislative meeting. It was also suggested that if Delegate Hodges is not available on the 28th to consider the 14th. Mr. Lawrence is to contact Delegate Hodges to see if he is available in November.

Other Business

1. Mr. Lawrence two distributed copies to the Board: (1) Letter from Mr. Quintin Elliott, VDOT Fredericksburg District Administrator, regarding nine public meetings that will be held across the state in October. The public will have the opportunity to review and provide comments on projects and programs for the Fiscal Year 2014-2019 Six-Year Improvement Program. (2) An article titled, "Sticking His Neck Out", written by Mr. David Larter, Reporter for *Richmond Biz Sense*, addressing the passion in which Mr. Michael Hild, Chief Executive of Live Well Financial, has for healing the Chesapeake Bay with oyster harvesting.

Adjourn

Chair Alsop requested a motion to adjourn. Otto Williams moved to adjourn. Travis Moskalski seconded the motion; motion carried.

COPY TESTE:

(Secretary)

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Project Financial Report

Middle Peninsula Planning District Commission

Run Date: 10/04/2012
 Run Time: 2:42:14 pm
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Period Ending: 09/30/12

		----- Expenditures -----						
Code	Description	Budget	Curr Month	Project Total	Un/Over	% Budget	Revenues	Balance
30008	FY13 Local Programs	148,597.00	25,855.30	35,830.93	112,766.07	24.11%	112,216.40	76,385.47
30010	Local PAA Stewardship/	17,000.00	425.00	11,742.98	5,257.02	69.08%	17,000.00	5,257.02
30013	EE&CBG Project	3,889.00	64.06	701.56	3,187.44	18.04%	806.08	104.52
30170	MPBDP FY12 Staff Sup	13,825.00	212.78	4,258.29	9,566.71	30.80%	4,878.53	620.24
30208	Transportation Demand M	74,000.00	5,401.44	16,884.29	57,115.71	22.82%	3,700.00	-13,184.29
30310	FY13 Rural Transportati	72,500.00	5,584.12	18,187.94	54,312.06	25.09%	3,625.00	-14,562.94
30420	Onsite Loan Management	105,940.14	318.65	97,850.15	8,089.99	92.36%	106,998.73	9,148.58
30423	VCWRFR Onsite Fund	82,500.00	0.00	21,662.50	60,837.50	26.26%	41,671.50	20,009.00
30426	WQIF 2010	102,883.00	5,961.58	61,759.81	41,123.19	60.03%	41,026.72	-20,733.09
30427	Failing Septic Heir Proper	7,091.00	5,730.54	7,132.31	-41.31	100.58%	934.17	-6,198.14
30502	Water Supply Planning	107,526.97	0.00	107,526.97	0.00	100.00%	153,950.00	46,423.03
31002	GA Lobby FY09	0.00	0.00	18,247.75	-18,247.75	0.00%	24,000.00	5,752.25
31404	Dragon Run Day	5,791.62	0.00	5,791.62	0.00	100.00%	6,830.34	1,038.72
31410	FY11 Dragon SAMP	25,000.00	0.00	21,694.26	3,305.74	86.78%	21,694.27	0.01
32007	PAA Administration	96,820.25	315.44	87,892.52	8,927.73	90.78%	105,043.49	17,150.97
32118	FY12 Coastal TA	60,000.00	8,893.65	60,422.26	-422.26	100.70%	51,373.93	-9,048.33
32119	Land & Water Quality Pr	50,000.00	15,210.56	50,393.40	-393.40	100.79%	19,571.22	-30,822.18
32120	FY13 Coastal TA Task 44	60,000.00	0.00	0.00	60,000.00	0.00%	0.00	0.00
32121	Land & Water Quality Pr	50,000.00	0.00	0.00	50,000.00	0.00%	0.00	0.00
32201	PAA Perrin River WW P	15,000.00	2,213.22	15,084.13	-84.13	100.56%	9,172.92	-5,911.21
32202	Working Waterfronts Co	43,118.00	855.63	9,252.61	33,865.39	21.46%	7,912.38	-1,340.23
32203	Working Waterfronts De	6,000.00	0.00	6,005.29	-5.29	100.09%	5,997.76	-7.53
33000	MP Comprehensive Econ	120,000.00	3,545.32	67,870.97	52,129.03	56.56%	59,226.07	-8,644.90
Totals:		<u>1,267,481.98</u>	<u>80,587.29</u>	<u>726,192.54</u>	<u>541,289.44</u>	<u>57.29%</u>	<u>797,629.51</u>	<u>71,436.97</u>

Agencywide R&E by Category

Middle Peninsula Planning District Commission

Run Date: 10/04/2012
Run Time: 2:43:36 pm
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Period Ending: 09/30/12
Format: 1 Agencywide R&E
With Indirect Cost Detail

Code & Description	Budget	Current	YTD	Un/Ovr	% Bud
Revenues					
Local Match	123,097.00	25,683.40	25,683.40	97,413.60	20.86%
Local Annual Dues	109,899.00	0.00	109,899.00	0.00	100.00%
Local Other Revenues	7,070.00	0.00	74,812.02	-67,742.02	1,058.16%
State Revenues	208,537.00	10,170.92	22,832.25	185,704.75	10.95%
Federal Revenues	220,359.00	11,280.62	25,634.00	194,725.00	11.63%
Miscellaneous Income	15,400.00	787.71	10,034.13	5,365.87	65.16%
Onsite Loan Program Income	10,150.00	783.82	11,634.15	-1,484.15	114.62%
PAA Program Income	1,000.00	175.00	275.00	725.00	27.50%
Revenues	695,512.00	48,881.47	280,803.95	414,708.05	40.37%
Expenses					
Personnel	376,566.00	33,013.37	96,316.03	280,249.97	25.58%
Facilities	30,164.00	2,242.18	7,509.68	22,654.32	24.90%
Communications	4,500.00	193.06	986.72	3,513.28	21.93%
Equipment & Supplies	7,263.00	786.43	1,748.46	5,514.54	24.07%
Travel	5,750.00	516.81	1,136.50	4,613.50	19.77%
Professional Development	12,610.00	1,131.01	7,607.75	5,002.25	60.33%
Contractual	107,200.00	18,182.94	51,098.54	56,101.46	47.67%
Miscellaneous	54,857.00	5,368.77	14,828.90	40,028.10	27.03%
Regional Share	123,097.00	25,683.40	25,683.40	97,413.60	20.86%
Expenses	722,007.00	87,117.97	206,915.98	515,091.02	28.66%
Agency Balance	-26,495.00	-38,236.50	73,887.97		

Balance Sheet by Category

Middle Peninsula Planning District Commission

Run Date: 10/4/12
Run Time: 2:43:03 pm
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Period Ending: 09/30/12
Format: 1 Board

Assets:

Cash in Bank	550,420.91
Receivables	345,183.42
Property & Equipment	11,217.69

Total Assets:

\$906,822.02

Liabilities:

Accounts Payable	558.75
VRA Loan Payables	129,171.50
Payroll Withholdings	50.02
Accrued Leave	21,754.88
Cost Allocation Control	2,613.92

Total Liabilities:

\$154,149.07

Equity:

Local Initiatives/Information Resources	87,394.74
Economic Development	-5,691.73
Transportation Programs	-27,747.23
Onsite Repair & Pumpout	2,236.99
Housing	105.07
Coastal Community & Environmental	-28,838.20
Mandates	46,428.34
Temporarily Restricted	188,479.87
General Fund Balance	490,305.10

Total Equity:

\$752,672.95

Balance:

\$0.00

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Middle Peninsula Planning District Commission



MPPDC General Fact Sheet

WHAT IS MPPDC?

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

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

BACKGROUND

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

WHAT DOES MPPDC DO?

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

HOW ARE DECISIONS MADE AT MPPDC?

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

QUICK FACTS

Region at Glance

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

➤ 888,064 Acres of Land

➤ 90,826 People

By the Numbers

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



For More Information:

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

Regional Profile:

2000-2010 Demographic Information

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

Population Trends				Median Household Income and Unemployment Rate ¹			
Locality	Total Population		Population Growth from 2000-2010	Median Income		Unemployment Rate	
	2000	2010		2000	2005-2009	2000	2009
Essex	9,989	11,151	12%	\$46,589	\$46,678	2.7%	8.2%
Gloucester	34,780	36,858	6%	\$56,589	\$56,830	1.9%	5.9%
King & Queen	6,630	6,945	5%	\$44,778	\$43,766	2.5%	7.8%
King William	13,146	15,935	21%	\$62,139	\$64,682	1.9%	6.9%
Mathews	9,207	8,978	-2%	\$53,849	\$49,318	2.2%	5.4%
Middlesex	9,932	10,959	10%	\$45,941	\$50,181	2.1%	6.8%
Town of Tappahannock	2,138	2,375	11.1%	\$33,688	\$37,754	14.5%	12.1%
Town of Urbanna	543	476	-12.3%	\$42,054	\$42,788	4.7%	11.2%
Town of West Point	2,866	3,306	15.4%	\$49,655	\$64,948	2.8%	4.5%
Region Total	83,684	90,826	9%	\$49,837	\$50,001	8.5%	9.6%

Ethnicity in the Middle Peninsula						
Locality	Hispanic			Non-Hispanic		
	2000	2010	Percent Change	2000	2010	Percent Change
Essex	72	349	385%	9,917	10,802	9%
Gloucester	560	935	67%	34,220	35,923	5%
King and Queen	58	184	217%	6,572	6,761	3%
King William	120	324	170%	13,026	15,611	20%
Mathews	73	104	42%	9,134	8,874	-3%
Middlesex	55	166	202%	9,877	10,793	9%
Regional Total	938	2,062	120%	82,746	88,764	7%

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

¹ Data from the Bureau of Labor Statistics Local Area Unemployment data

MIDDLE PENINSULA PLANNING DISTRICT COMMISSION

Staff Activities Service Summary of Regional Progress

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

Report on Mandated Initiatives		
Localities	Water Supply Planning	
	<i>Support staff: Clara</i> <i>Start Date: 7/2008</i> <i>Completion Date: 11/2011</i>	
	Participating Localities	Current Status
	Essex	✓
Gloucester	NA	NA
King and Queen	✓	Awaiting Review by DEQ
King William	✓	Awaiting Review by DEQ
Mathews	✓	Awaiting Review by DEQ
Middlesex	✓	Awaiting Review by DEQ
Town of West Point	✓	Awaiting Review by DEQ
Town of Urbanna	✓	Awaiting Review by DEQ
Town of Tappahannock	✓	Awaiting Review by DEQ

**Middle Peninsula Planning District Commission
Executive Director's Report of Regional Progress
October 15, 2012**

MPPDC: Membership, Appointments, Committee Assignments, and Networks

Coastal Policy Team (CPT) - The CPT, whose members and alternates represent the Virginia Coastal Zone Management Program's key partners and eight planning district commissions, provides a forum for discussion and resolution of cross-cutting coastal resource management issues. Members serve on the team at the discretion of their agency or planning district commission director. The CPT recommends funding levels to the DEQ Director for coastal zone management projects. (MPPDC Staff 10 years +)

Chesapeake Bay Licenses Plate Committee- The Chesapeake Bay Restoration Fund was created by Chapters 227 and 323 of the 1992 Acts of Assembly for use by the Commonwealth of Virginia for environmental education and restoration projects to the Chesapeake Bay and its tributaries (MPPDC Staff 7 years +)

Congressman Robert Wittman's Fisheries Advisory Committee and Environmental Advisory Committee (MPPDC Staff 3 years +)

Virginia Sea Grant Program External Advisory Committee (EAC): The EAC provides stakeholder input on the strategic planning process, the research proposal review process, and on Commonwealth-wide trends and needs. The EAC is a diverse group of end-users including representatives from state agencies, the education community, coastal planning and management, the private sector, and NGOs. (MPPDC Staff 4 years+)

General Assembly Directed Study Panel: Aquaculture production activities; authority of local governments (MPPDC Staff- current)

Citizens Planning Education Association of Virginia- (Regional 9 Director) Established to further public understanding and awareness throughout the Commonwealth of the need for excellent community planning as a means of making our localities better places in which to live, work, and do business (MPPDC Staff 5 year +)

The Association for Commuter Transportation (ACT) (Telework Council Secretary): ACT is the premier association for professionals and organizations whose focus is the delivery of commuting options and solutions for an efficient transportation system. The Telework Council is composed of employer representatives, regional transportation, air quality and planning officials, as well as state and local government officials concerned with promoting telework and providing telework information and technical assistance to employers (MPPDC Staff 4 years+)

The Chesapeake Chapter of ACT: (Chapter Treasurer) – The Chapter is comprised of ACT members and TDM professionals from the states of Virginia, Maryland, West Virginia and the District of Columbia (MPPDC Staff 3 years+)

Middle Peninsula Northern Neck Coordinated Human Services Mobility Committee: provides direction for a unified comprehensive strategy for transportation service delivery in the Middle Peninsula and Northern Neck Planning Districts focused on unmet transportation needs of seniors, people with disabilities, and people with low incomes. (MPPDC Staff 6 years)

MPPDC Staff and Contact Information

Executive Director: Lewis Lawrence

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

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

Administrative Assistant: Beth Johnson

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

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

Planner 2: Clara Meier

Contact Info: cmeier@mppdc.com (804) 758-2311x28 (540) 908-5057 cell

Programs: *Rural Transportation Planning, Water Supply Plan*

Planner 2: Harrison Bresee

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

Programs: *Comprehensive Economic Development Strategy, Public Access Authority, Working Waterfronts*

Secretary: Rose Lewis

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

Programs: *Septic Pumpout Assistance, Facilities Scheduling*

MANDATES

Funding – VDEM, VDEQ, localities, MPPDC General Fund

Project 30502 Water Supply Planning

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

INFORMATION RESOURCES/ASSISTANCE

Services to provide critical assessment and thinking.....

- Received requests for Geographic Information System (GIS) data from King and Queen County staff to use when updating maps for the current comprehensive plan update. MPPDC staff provided King and Queen County staff, Ms. Donna Sprouse, with data from the Virginia Department of Transportation (VDOT), illustrating the average annual daily traffic counts (AADT) on state roadways and the Sea Level Rise data utilized for the Middle Peninsula's Sea Level Rise Assessment.
- The building official monthly reports for the month of September 2012 were filed for the counties of Essex, Mathews, and Middlesex. Some Middle Peninsula localities submit reports of building activity to the Middle Peninsula Planning District Commission (MPPDC) each month with information such as the number of building permits and occupancy permits issued for dwelling units.
- Updated www.mppdc.com website – Added 2007 Reports, Closed Projects List.

COASTAL COMMUNITY DEVELOPMENT/ ENVIRONMENTAL

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

Projects 31410 Dragon Run SAMP

The project is a partnership between Middle Peninsula Planning District Commission's Dragon Run Steering Committee and the Virginia Coastal Program. The project's mission is to support and promote community-based efforts to preserve the cultural, historic, and natural character of the Dragon Run, while preserving property rights and traditional uses within the watershed.

- Prepared and submitted semiannual financial report and reimbursement request to DEQ.
- Issued a request to the Virginia Coastal Zone Management Program to amend the remainder of the project scope of work to allow staff to circulate the findings of the Heir Property Ownership report.

Projects 32007 Middle Peninsula Chesapeake Bay Public Access Authority

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

- Met with Andy Lacatell of the Nature Conservancy at the Clay and Thurston-Haworth tracts for the annual easement site visits. The properties are located in King and Queen County.
- Updated the Public Access Authority (PAA) Board on the progress of the forestry project (thinning) on the Thurston-Haworth tract in King and Queen County. The thinning is out for bid and there should be an offer for a contract by the next meeting.
- Received a call from a Jim Morris, Gwynns Island resident in Mathews County, concerning public access issues on the Island and other general public access questions. Directed Mr. Morris to www.Virginiacoastalaccess.net for specific answers.

1301 Mathews Heritage Park

Mathews Heritage Park was donated to the Middle Peninsula Chesapeake Bay Public Access Authority (PAA) in 2010 and is a 9.119 acre waterfront parcel located on Field Point Road in Moon, Mathews County, Virginia. As designated in the Deed of Gift with Declaration of Restrictions, the property can only be used as a nature park and waterfront center for the purpose of teaching about the history of the people of Mathews County, Virginia and the ecology of the land and the surrounding waters, including, but not limited to, teaching skills associated with the traditional trades and crafts of the people of Mathews County, Virginia including farming, fishing, boat building, seamanship, navigation, sailing and rowing. In 2011 a grant with the National Park Service Rivers, Trails and Conservation Assistance Program (RTCA) was awarded to the PAA to provide guidance in water access and park planning; facilitation of a planning process that merges the various ideas of community stakeholders, resolves past conflicts, and gains consensus on a vision, goals, and management approach for the site. The outcome of the grant is expected to be a management plan for the park.

- Discussed the Mathews County Hall property right of way (ROW) issues with Erin McNeil and Jack Catlett of Sands Anderson. Reviewed a draft letter from legal concerning the ROW findings and work of the Title Insurance Company researching the ROW.

Projects 32120 Virginia Coastal Zone Management Program

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

- Convened the October meeting of the Middle Peninsula Local Government Administrators group. Discussed Middle Peninsula Legislative Issues; Eastern Virginia Ground Water Management Area Regulations (9VAC25-600) and Ground Water Withdrawal Regulations (9VAC25-610); Stormwater Planning: DCR Proposal and NFWF Proposal; issues related to oil and gas exploration within the Middle Peninsula and, lastly, the King and Queen wireless network.

- Distributed public comment notice related to the proposed expansion of the Eastern Virginia Ground Water Management Area Regulations (9VAC25-600) and Ground Water Withdrawal Regulations (9VAC25-610) to all Middle Peninsula local government administrators.
- Participated in the National Working Waterfront Conference call to discuss working waterfront case studies and how land use and zoning tools are critical to protecting and managing waterfront use.
- Consulted with John Shaw, Mathews County Planning Director, concerning Stormwater regulations and local program development. Advised that MPPDC staff was working with the Department of Conservation and Recreation and National Fish and Wildlife foundation staff to receive draft project scopes of work and contracts.
- Discussed shallow water dredging and financing strategies with Shannon Bonnie from Alabama Coastal program. Ms. Bonnie was interested in knowing how the Middle Peninsula will or could finance future dredging projects.
- Provided an Essex County resident with GIS data and mapping assistance for use in a college class as a special studio project.
- Consulted with John Kuriawa, NOAA Coastal Program Liaison, concerning land use and fisheries issues unique to the lower Chesapeake Bay.
- Discussed alternative uses of the Hall donation in Mathews County with Jim Smith, President of the Mathews Land Conservancy.
- Provided Matt Sabo, *Daily Press* Reporter, with information concerning oil and gas exploration within the Taylorville Basin located in upper Essex, King and Queen and King William counties. Discussed “Fracking” and potential economic, transportation, and environmental impacts.
- Researched Capital Improvement Plan (CIP) requirements for regional jails. Determined that Virginia does not require Region Jails to follow any specific guidelines for designing a CIP.
- Discussed local zoning and land use authority related to Fracking with Trent Funkhouser, King William County Administrator.
- Attended a symposium held at the Virginia Institute of Marine Science at Gloucester Point campus sponsored by the Chesapeake Bay National Estuarine Research Reserve and the Virginia Coastal Program at the Virginia Department of Environmental Quality to discuss and present the findings on the Middle Peninsula Economic Impacts of Conservation easements study. The study focused on how easements are valued and taxed in Gloucester, Mathews, Essex, Middlesex, King and Queen and King William counties.
- Attended the University of Virginia Institute for Environmental Negotiation’s Sea Level and Repetitive Flooding workshop held at VIMS. The focus of the meeting was to engage Gloucester County citizens in a discussion about the role and responsibility of local government to address sea level rise.
- Attended the Virginia Outdoors Plan (VOP) Technical Advisory Committee (TAC) meeting on September 18, 2012 in Charlottesville. The VOP is the state’s official document regarding land conservation, outdoor recreation and open space planning. It helps all levels of the public and private sectors meet needs pertaining to those issues. The plan provides guidance for the protection of lands through actions of the Virginia Land Conservation Foundation (VLCF), and the plan is required in order

for Virginia to take part in the federal Land and Water Conservation Fund (LWCF) program. The 2007 edition of the VOP is the ninth written in accordance with §10.1-200 of the Code of Virginia. For the 2013 update of the VOP, from December 2011 through March 2012, planners with the Virginia Department of Conservation and Recreation (DCR) conducted 43 meetings across the state to gather public input. Approximately 480 citizens attended the meetings. Public input is being evaluated and integrated into the draft plan.

- Sent out email reminders to local planners to send any feedback on the Virginia Outdoors Plan (VOP) to Middle Peninsula Planning District Commission (MPPDC) staff by October 15, 2012. The VOP includes recreation projects for each region across the Commonwealth and when the VOP is updated localities have the chance to provide input on projects that may be complete, new projects that are needed and projects that need to be removed. Providing input on the VOP may be important to localities pursuing grant funding for recreational projects.
- Prepared and submitted Final semiannual financial report and reimbursement request to Department of Environmental Quality (DEQ).
- Prepared and submitted project semiannual progress reports to the Virginia Coastal Zone Management program.

Project 32121 Land Water Quality Protection

In light of changing Federal and State regulations associated with Bay clean up-nutrient loading, nutrient goals, clean water, OSDS management, storm water management, TMDLs, etc, staff from the Middle Peninsula Planning District Commission (MPPDC) will develop a rural pilot project which aims to identify pressing coastal issue(s) of local concern related to Bay clean up and new federal and state legislation which ultimately will necessitate local action and local policy development. Staff has identified many cumulative and secondary impacts that have not been researched or discussed within a local public policy venue. Year 1-3 will include the identification of key concerns related to coastal land use management/water quality and Onsite Sewage Disposal System (OSDS) and community system deployment. Staff will focus on solution based approaches, such as the establishment of a regional sanitary sewer district to manage the temporal deployment of nutrient replacement technology for installed OSDS systems, assessment of land use classifications and taxation implications associated with new state regulations which make all coastal lands developable regardless of environmental conditions; use of aquaculture and other innovative approaches such as nutrient loading offset strategies and economic development drivers.

- Consulted with Allen Knapp, Director for Onsite Wastewater Division at the Virginia Department of Health, concerning VDH enforcement process and final report goals of the project.
- Prepared and submitted project semiannual progress reports to the Virginia Coastal Zone Management program.
- Prepared and submitted Final semiannual financial report and reimbursement request to Department of Environmental Quality (DEQ).

Project 32201 Perrin River

Within the Middle Peninsula, and most coastal communities nationwide, the commercial seafood industry has had to adapt and shift as coastal land use and waterfront property ownership have altered. Historically, as epicenters of economic development, coastal communities were the location of strong fisheries and shipbuilding industries, as well as public access areas for recreational and commercial uses. However, as more and more people move toward the coast, the coastal dynamics combined with changing demographics ultimately threaten traditional and culturally significant working waterfront industries (i.e. commercial seafood). The Perrin River

in particular needs a comprehensive plan to assess the needs of the commercial seafood industry, harbor management and current and future infrastructure. This project will develop a Commercial Seafood Harbor Master Plan and its implementation could ensure that current and future commercial watermen have access to infrastructure and business support services.

- Revised and finalized maps for inclusion into the Perrin River Seafood Harbor Master Plan that illustrate the Perrin River area in Gloucester County and the zoning designations along the River.
- Discussed the Perrin River Seafood Harbor Master Plan Final Report and Maps with Lewis Lawrence, MPPDC Executive Director.
- Revised and completed the Perrin River Seafood Harbor Master Plan Final Report and submitted it to Lewis Lawrence, MPPDC Executive Director, for delivery to the Virginia Institute of Marine Science (VIMS).
- Prepared and submitted final financial report and reimbursement request to VIMS.

Project 32202 Working Waterfronts Coalition

For many Virginia rural coastal communities, there is a strong need to maximize the potential of the waterfront as a driver for economic vitality. However, market forces, changing demographics, and increasing tax burdens on waterfront properties are increasingly driving a transition of waterfront properties toward residential or recreational uses. In addition, regulatory changes affecting marine fisheries management are impacting water dependent industries and working waterfronts. If access to the waterfront is limited or severed, commercial and recreational fishermen, researchers, and other water-dependent businesses will have fewer options to successfully make a living from the tidal waters of the Commonwealth, including the Seaside on the Eastern shore. As a result, many rural Chesapeake Bay and Seaside communities are challenged to maintain their identity and are shifting away from water-dependent employment, causing economic and cultural changes that can limit economic diversification opportunities and fundamentally alter the nature of the communities themselves. These challenges are particularly acute in both rural Chesapeake Bay and Seaside coastal communities. In response, Accomack-Northampton PDC, Northern Neck PDC Middle Peninsula PDC, Middle Peninsula Chesapeake Bay Public Access Authority, Northern Neck Chesapeake Bay Public Access Authority and Marine Advisory Services at VIMS collectively propose to form a Rural Chesapeake Bay-Seaside Working Waterfront Coalition.

- Participated in a conference call with staff from the Virginia Coastal Program. Discussed proposed project modifications. Drafted and discussed changes to the project scope of work that includes an addition of each coalition partner identifying up to 3 closed working waterfront business and the reason for the business closing.
- Prepared and submitted semiannual financial report and reimbursement request to DEQ.
- Prepared and submitted semiannual progress reports to the Virginia Coastal Zone Management program.

TRANSPORTATION

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

Project 30208 Transportation Demand Management (TDM) Services

This program assists local commuters and employers with transportation issues. The main emphasis is on lowering the number of single occupancy vehicle commutes within and from the Middle Peninsula region

through marketing and promotion of the program through local media and provision of ride matching services to commuters.

- Participated in Association for Commuter Transportation Chesapeake Chapter Board Conference Calls to discuss upcoming TDM & Planning Workshop and Spring Symposium.
- Received phone call from Gloucester County resident looking for transportation to Williamsburg Amtrak station. Referred to Gloucester taxi service.
- Received online registration from Mathews County resident commuting to Fort Eustis. Provided match contact information for 2 individuals. Follow-up determined that both contacts have retired. Referred commuter to TRAFFIX and NuRide for additional assistance and updated Rideshare database to remove retired commuters.
- Received online registration from Gloucester County resident commuting to Newport News. No match available. Commuter's schedule (noon to 8:30PM) makes match unlikely.
- Received Guaranteed Ride Home registration from Middlesex County commuter in carpool to Richmond. Registered carpool and updated commuter information in rideshare database.
- Received phone call from Jeff Sykes, TRAFFIX, regarding Toano business. Mr. Sykes had contacted employer regarding TDM services and was informed by business owner that Toano was covered by Middle Peninsula Rideshare. Discussed MPPDC boundaries.
- Consulted with Tom Davis, WNNT Radio, regarding Wings and Wheels, Urbanna Oyster Festival, and NASCAR promotion opportunities. Consulted with Alex Eguiguren, NNPDC, regarding possibility of partnering with NASCAR promotion. NNPDC is in midst of replacing rideshare program manager and revising budget. Will check back with NNPDC next month regarding this opportunity.
- Began design of new MidPen Rideshare website to be managed in house to insure information is kept current.
- Participated in a webinar about the Statewide Transit/Transportation Demand Management Plan update held by the Virginia Department of Rail and Public Transportation on October 11, 2012. The Virginia Department of Rail and Public Transportation (DRPT) is updating the Commonwealth's Statewide Transit and Transportation Demand Management (TDM) Plan that will evaluate existing levels of public transportation service, provide projections of future growth and associated demand upon the statewide transit system, and provide direction for transit service enhancement and TDM program development through the year 2040 based on those projections. The plan will also provide recommendations to the Virginia Surface Transportation Plan (VSTP) and support the update of the statewide multimodal transportation plan, VTrans2035 that is currently underway.
- Planned to attend the Coordinated Human Service Mobility Plan update meeting for the Middle Peninsula and Northern Neck Regions on October 17, 2012 at Bay Transit's Warsaw facility. The Coordinated Human Service Mobility (CHSM) Plan is prepared in response to the coordinated planning requirements of SAFETEA-LU (Safe, Accountable, Flexible, Efficient Transportation Equity Act – A Legacy for Users, P.L. 190-059), set forth in three sections of the Act: Section 5316-Job Access and Reverse Commute, Section 5317- New Freedom Program and Section 5310-Elderly Individuals and Individuals with Disabilities Program. The coordinated plan establishes the construct for a unified comprehensive strategy for transportation service delivery in the non-urbanized areas of the Middle

Peninsula Planning District Commission (PDC #18) that is focused on unmet transportation needs of seniors, persons with disabilities, and individuals of low income.

Project 30310 Rural Transportation Planning

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

- Corresponded with Chris DeWitt, Vanasse Hangen Brustlin, Inc. Principal, about the conceptual drawing and cost estimates for engineering and construction he is providing for the Ware's Wharf DGIF Grants to Localities Program for Public Boating Access Facilities application due on October 1, 2012. Funding will be sought for recreational boating access facilities installation and improvements for the site where none currently exist.
- Corresponded with Linda Lumpkin, Essex County Deputy Administrator, about the resolution of support required from the Essex County Board of Supervisors for the Ware's Wharf DGIF Grants to Localities Program for Public Boating Access Facilities application. A resolution of support is required from the governing body that wishes to apply to the DGIF Grants to Localities Program.
- Submitted an application for funding to the Department of Game and Inland Fisheries (DGIF) fiscal year (FY) 2013 Grants to Localities Program for Public Boating Access Facilities for the Ware's Wharf, Route 611, public access site in Essex County on the Rappahannock River. The program is authorized pursuant to Code of Virginia §29.1-103, 29.1-109, 29.1-701 and 2.2-4301 with the purpose of assisting localities in providing public opportunities for boating access facilities. The funds are derived from the sale of hunting and fishing licenses, and from boat sales tax and registration fees and federal funds from the U.S. Fish and Wildlife Service. The purpose of the grants is to assist localities in providing public opportunities for boating through new facilities development and/or renovations and improvements to existing public boating access facilities. For more details, go online to www.dgif.virginia.gov/boating/access/grants.
- Preparing an application for funding from the Economic Development Administration's (EDA) Disaster Relief Opportunity that will help communities and regions devise and implement long-term economic redevelopment strategies through a variety of construction and non-construction projects, as appropriate, to address economic development challenges in regions impacted by a major Federally declared disaster that was designated between October 1, 2010 and September 30, 2011. The application is for funding for a Regional Disaster Relief Coordinator to develop a long term plan for minimizing the impact of natural disasters on local businesses and the time it takes them to recover and resume normal business operations after an event.
- Sent correspondence to Sean Trapani, Saluda Residency Administrator for the Virginia Department of Transportation (VDOT), information on pending road ending transfers for review and comment. MPPDC staff have been working with VDOT staff to determine the appropriate way to transfer ownership of several road endings in the Middle Peninsula Region. Road ending transfers being considered include Prince Street in the Town of Tappahannock and Perrin Creek Road and Wharf in Gloucester County.
- Corresponded with Steve Kesler, Department of Game and Inland Fisheries Grants Coordinator, to inform him that Essex County is no longer interested in pursuing grant funding for the FY 2013 DGIF Grants to Localities Program for Public Boating Access Facilities for the Ware's Wharf, Route 611, public access site on the Rappahannock River.

- Attended the Middle Peninsula Broadband Authority meeting on October 12, 2012 in the MPPDC regional board room. Agenda items included election of officers for the 2012-2013 year, assistance being provided by the Center for Innovative Technology (CIT) to format a recommendation for broadband development for the region, a handout outlining telecommunications policies localities may consider to be more attractive to broadband service providers, information needed by CIT to complete the recommendation and adoption of a resolution to pursue a potential broadband loop through the region that connects infrastructure from Wallops Island and Dahlgren through funding by the EDA.
- Visited the Virginia Department of Historic Resources (DHR) Archives in the City of Richmond on September 20, 2012 to collect information on any historic resources that may be located near the Ware's Wharf Public Access Site in Essex County. Essex County is pursuing funding from the Virginia Department of Game and Inland Fisheries (DGIF) for their fiscal year (FY) 2013 Grants to Localities Program for Public Boating Access Facilities for the Ware's Wharf, Route 611, public access site in Essex County on the Rappahannock River. The program is authorized pursuant to Code of Virginia §29.1-103, 29.1-109, 29.1-701 and 2.2-4301 with the purpose of assisting localities in providing public opportunities for boating access facilities. The funds are derived from the sale of hunting and fishing licenses, and from boat sales tax and registration fees and federal funds from the U.S. Fish and Wildlife Service. The purpose of the grants is to assist localities in providing public opportunities for boating through new facilities development and/or renovations and improvements to existing public boating access facilities. For more details, go online to www.dgif.virginia.gov/boating/access/grants.
- Attended the Virginia Association of Planning District Commission's (VAPDC) Training Conference. The first VAPDC Training Conference, an information exchange between staff of Virginia's Planning District Commissions, was held on October 4, 2012 in Charlottesville for the purpose of information exchange between the staff of Virginia's Planning District Commissions. MPPDC Staff, Clara Meier, is Chair of VAPDC's Rural Transportation Committee and assisted with the planning of the Training Conference Event, including scheduling presentations for the Transportation Session at the Conference from staff of the Virginia Department of Transportation (VDOT) and the Virginia Division of the Federal Highway Administration (FHWA).
- Attended the Plan Virginia, the Citizens Planning Education Association of Virginia (CPEAV), annual conference in Lynchburg. The conference featured a session named "Making Streets Great: The Role of Planning" about how land use planning, when mixed with good design and proper traffic management, can produce great streets.
- Convened and chaired the annual Plan Virginia Board of Directors meeting in Lynchburg on October 9, 2012. Middle Peninsula Planning District Commission (MPPDC) staff has been serving on the PlanVirginia Board of Directors since 2007 as a task under the Rural Transportation Planning Program. PlanVirginia is a volunteer, nonprofit (501 (c)(3)) dedicated to furthering throughout the Commonwealth public understanding and awareness of the need for excellent community planning as a means of making our localities better places in which to live, work, and do business. PlanVirginia offers training for Virginia's citizen planners with the Certified Planning Commissioner Program, designed to provide a basic foundation of planning law, history, and to provide the technical expertise needed by planning commissioners to maximize their competency and ability to render legally defensible decisions and recommendations. This course is particularly important for planning commissioners whether they are newly appointed or are veteran commissioners who have never received formal training. For more information please visit www.planvirignia.com.
- Prepared the draft Minutes from the Middle Peninsula Broadband Authority meeting held on October 12, 2012 and submitted them to Lewis Lawrence, MPPDC Executive Director, for review and comment.

The Minutes will be considered for approval at the next Middle Peninsula Broadband Authority Meeting when scheduled.

- Consulted with Craig VanDussen, VDOT regarding FY12 4th quarter reimbursement. Made requested adjustments to reimbursement request. Payment received 10/1/2012.
- Prepared and submitted quarterly financial report and reimbursement request to Craig VanDussen, VDOT.

ONSITE REPAIR & PUMPOUT

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

Project 30420, 30423, 30426 On-Site technical Guidance Assistance and Revolving Loan Program

The On-Site Technical Guidance Program aids the Middle Peninsula localities and residents in the technical understanding and implementation of approaches to address On-Site Disposal Systems and improve water quality by assisting local homeowners with repairing failing septic systems through low-interest loans and/or grants.

- Received phone call from Middlesex County homeowner with questions about septic repair application.
- Consulted with Walter Gills, DEQ, regarding reimbursement request for drawdown of Virginia Resources Authority (VRA) loan funds.
- Consulted with Farmers Septic Service, Inc. regarding downpayment checks to be picked up for 2 Mathews County septic repairs.
- Received phone call from Fredericksburg homeowner regarding assistance for septic repair. Referred to GWRC for assistance.
- Received phone call from Mathews County homeowner regarding failing Ecoflow system. Fiberglass tank has developed cracks and needs to be replaced with concrete tank. He reported that he had been informed by his AOSE that these tanks were faulty and cracking all over the area. He also reported that the installer would replace with concrete for a cost of \$12,000. He had been given another estimate of \$7800 for a different system. The homeowner also asked if MPPDC was aware of any class action lawsuit for affected owners of ecoflow systems. Contacted the Mathews County Health Department to inquire as to whether they had been receiving reports of fiberglass ecoflow filter media tanks cracking. Tammy Faulkner reported that yes, they had heard this was a problem. Also inquired as to whether a cracking tank constituted a failing septic system by the VDH and hence would be eligible for MPPDC funding. She said that yes, it would be considered a failing system. Went online and found contact information for more information about class action lawsuit in Virginia for cracking ecoflow tanks and reported to homeowner.
- Received application from Middlesex County homeowner for loan assistance for septic repair. Convened loan committee. Loan of up to \$15,000.00 approved at 5.25% interest for 180 months. Homeowner balked at closing costs. Contacted Middlesex Title, MPPDC settlement agent who agreed to lower closing costs. Sent client information to Middlesex Title to set closing date. Received email from Middlesex Title that there are some irregularities in title that need to be cleared before closing.

- Received phone call from Mathews County resident in heir situation. She has been working with local attorney to clear title but needed to wait until after 9/30/12 to proceed as an old lien for a judgment against the property was set to expire unless renewed. Contacted attorney to discuss next steps.
- Received phone call from Mathews County homeowner regarding status of repair.
- Consulted with Middlesex County homeowner regarding October loan payment.
- Prepared and submitted quarterly report and reimbursement request to Kevin Landry, Virginia Department of Conservation and Recreation (VDCR).
- Consulted with Nicole Sandberg, VDCR, regarding future Water Quality Improvement Fund (WQIF) funding for septic repairs.
- Consulted with May Sligh, DCR, regarding future 329 funding for septic repairs.
- Executed ACH loan payments.
- Septic Pumpout as of October 15, 2012

Applications Mailed	96
Approved Vouchers	80
Completions	72

Pumpouts by County

Essex	13
Gloucester	24
King and Queen	06
King William	10
Mathews	10
Middlesex	17

30427 Onsite Heir Property

This project will expand and complement Section 309 Land and Water Quality Protection strategy by focusing legal tools needed to address failing septic systems associated with “heir property ownership”. Water quality degradation associated with heir property ownership from failing septic systems exists for decades with no public policy strategy to correct the source of impairment. MPPDC will partner with National Sea Grant Law Center to address legal research and education needs to address this ongoing problem.

- Reviewed draft whitepaper from National Sea Grant Law Center and provided comments. Recommendations for allowing MPPDC to assist “heir property homeowners” included traditional clear title actions such as quit claim deeds, quiet title actions, and partition sales as well as some new strategies such as Affidavit of Heirship filings and Property Tax Assessed Financing options.
- Prepared and submitted Final semiannual financial report and reimbursement request to DEQ.

ECONOMIC DEVELOPMENT

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

Project 301702 Small Business Revolving Loan Fund

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

- Executed ACH loan payments for MPBDP loans.
- Consulted with Gloucester County loan client regarding interest only payment in October.

Project 33000 Middle Peninsula Comprehensive Economic Development Strategy

The purpose of this project is to develop a Comprehensive Economic Development Strategy (CEDS) for the Middle Peninsula. The CEDS process will be extremely valuable for the region as a means to tie together the many activities and plans of 9 jurisdictions (6 counties and 3 towns) and also to identify and prioritize cross-region initiatives. The last Regional Economic Development Strategic Plan was completed in March 2002. The past ten years have witnessed significant changes in the region's demographics. The increase in population has also created demand for services and infrastructure development. There is also an interest in sustaining traditional trades such as fishing and agriculture.

- Sent out a Press Release for the CEDS public meetings to *Gazette-Journal* (Gloucester & Mathews), *Rappahannock Times* in Tappahannock, *Southside Sentinel* in Urbanna, and the *Tidewater Review* in West Point. The release was reported to have been picked up by an unidentified local radio station in Essex County and the *Gazette-Journal* and the *Rappahannock Times* both ran the Press Release.
- Held 4 public CEDS meetings. One each was held in Gloucester, Essex, Middlesex, and King and Queen Counties. 48 interested members of the public attended to hear a presentation on the CEDS process and to hear about the list of projects submitted by the CEDS employment committees (which had citizen representation from the counties of King William, King and Queen, Essex, Middlesex, Mathews, and Gloucester, and the towns of West Point, Tappahannock, and Urbanna). The attendees were then given the opportunity to ask questions and provide their own project ideas for discussion in the CEDS process. One example of a suggested project was to jointly develop a power generation facility and a regional sewer treatment facility near a landfill. The fuel for the power generation facility would be methane generated from the sewer facility and the landfill.
- Spoke with Bill Nachman from the *Gloucester Mathews Gazette Journal* and Mary Passagaluppi of the *Rappahannock Times* about the CEDS program. Both newspapers ran articles and press releases on the CEDS program.
- Met with Middlesex County residents Keith Ruse and Carolyn Norton Schmalenberger on September 25th to speak about the Deltaville Business Initiative in Middlesex County. This project is intended to grow local businesses by promoting Deltaville as the "Boating Capital of the Chesapeake Bay".
- Provided Essex County Board of Supervisors Chairman Stanley Langford with an update on the contributions of Essex County appointees working on the CEDS plan.

- Contacted Ashley H. Sommardahl, Assistant Director of Student Affairs and Industry Outreach at VCU Brandcenter, concerning the possible use of graduate students from the Communication-Media program to take a paper CEDS report and reproduce using a digital publishing platform for Middle Peninsula marketing purposes.
- Met with Harrison Bresee, MPPDC Economic Development Planner, to discuss maps needed for the CEDS project report including a map of the Middle Peninsula Region, a map of existing infrastructure, a map of business clusters and others as appropriate. There will be at least one map for each chapter of the report. MPPDC staff has begun determining what data is available in-house for developing the maps.
- Received payment for 1/1/12 – 6/30/12 expenditures. Reimbursement request had been submitted in early July.

LOCAL INITIATIVES

Funding - local dues, PDC base-funding from VDHCD and/or MPPDC General Fund.

Funding for specific projects may come from locality requesting assistance.

Project 30008 Local & Regional Technical Assistance

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

(See Coastal Community Development/Environmental- in a cost saving strategy, activities such as the monthly meeting of the local government administrators have been shifted away from using local funds)

- Convened a joint meeting with the Northern Neck PDC, Accomack-Northampton PDC, and Middle Peninsula local government administrators to discuss the possible submittal of an application requesting federal funds to extend high speed broadband access from Wallops Island to Dahlgren to Langley field and loop back to Wallops Island.
- Consulted with Lewie Lawrence, MPPDC Executive Director, regarding assistance to Middle Peninsula Regional Jail Authority for Capital Improvement Plan education.
- Consulted with Sandie Terry, Center Innovative Technology, who is assisting the Middle Peninsula PDC with developing a last mile broad band action plan. Issued a request for local information which Ms. Terry will need to build a base line of Middle Peninsula infrastructure.
- Discussed the November 14th MPPDC Commission meeting focusing on Legislative issues with Keith Hodges, Middle Peninsula Delegate to the General Assembly.

HOUSING

Funding –VDMME

Project 300132 Energy Efficiency and Conservation Block Grant (EECBG)

Summary: Governor Timothy Kaine announced on October 6, 2009 that \$9.7 million in Energy Efficiency and Conservation Block Grants (EECBG) would be distributed on a competitive basis to small local governments. Virginia's 21 Planning District Commissions administered the program and assisted localities in the development of proposals which were ranked and awarded by the Department of Mines, Minerals and Energy (DMME). The program emphasizes a community-based approach to help meet energy and climate protection

goals. MPPDC was awarded a contract to provide weatherization renovations to 12 homeowners ineligible for LMI weatherization programs in each of the 6 counties. MPPDC subcontracted the promotion and construction portions of this project to Bay Aging but is tasked with administering the overall project.

- Executed ACH loan payments for EECBG loans.

AGENCY ADMINISTRATION

Funding - Indirect cost reimbursements from all PDC projects

MPPDC Administration

Administrative services provided to MPPDC programs. Planned FY13 Indirect Cost rate =50%

- Reviewed Draft FY12 audit and provided corrections and Management Discussion and Analysis to Michael Aukamp, Dunham, Aukamp & Rhodes, LLC. Draft audit to be included in October meeting packet and presented at November MPPDC meeting.
- The October MPPDC Dinner Meeting at Watermens Hall, VIMS, Gloucester Point will initiate discussion of pending Stormwater Management with an advance showing of the documentary film *Ocean Frontiers*. This 20-minute film presents a balanced approach to water quality problems and solutions available to manage agricultural lands and estuaries and their impacts on bays and oceans. A general viewing of the full 1-hour version of the film will be available later in the month for those interested in viewing the full version including the general public.
- Consulted with Lewie Lawrence, MPPDC Executive Director, regarding new contracts, pending grant applications, and staffing and budget issues. Prepared draft staff allocation analysis.
- Consulted with Angela Harding, Sweet Madelines, regarding October dinner meeting catering. Caterer will provide a “Taste of Virginia” to include hot and cold heavy appetizers featuring local Virginia seafood and local beverages.
- Met with Jennifer Latour, Chief Administrative Officer for the Virginia Institute of Marine Science, to discuss ways of addressing salary displacement issues for grant agencies challenged by the changing Federal funding paradigm.
- Prepared vouchers, processed A/P, processed payroll, processed deposits and balanced bank accounts. Prepared financial statements.

**MIDDLE PENINSULA PLANNING
DISTRICT COMMISSION**

**AUDITED FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2012**

DRAFT

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

MIDDLE PENINSULA PLANNING DISTRICT COMMISSION

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MIDDLE PENINSULA PLANNING DISTRICT COMMISSION
BOARD OF COMMISSIONERS

Margaret H. Davis - Essex County

Edwin E. Smith - Essex County

R. Gary Allen - Essex County

Roy M. Gladding - Town of Tappahannock

Maurice P. Lynch - Gloucester County

John Northstein - Gloucester County

Louise D. Theberge - Gloucester County

Sherrin C. Alsop - King and Queen County

Thomas J. Swartzwelder - King and Queen County

James Milby - King and Queen County

Trenton Funkhouser - King and Queen County

Eugene Rivara - King William County

Travis J. Moskalski - King William County

Otto O. Williams - King William County

Charles D. Gordon - Town of West Point

John B. Edwards - Town of West Point

Charles E. Ingram - Mathews County

O. J. Cole, Jr. - Mathews County

Thornton Hill - Mathews County

Melinda Moran - Mathews County

Wayne H. Jessie, Sr. - Middlesex County

Elizabeth Hurd - Middlesex County

Kenneth W. Williams - Middlesex County

William H. Whitley - Middlesex County

Mayor Donald Richwine - Town of Urbanna

INDEPENDENT AUDITORS' REPORT

To the Commissioners
Middle Peninsula Planning District Commission
Saluda, Virginia

We have audited the accompanying financial statements of the Middle Peninsula Planning District Commission, as of and for the year ended June 30, 2012 as listed in the table of contents. These financial statements are the responsibility of the Commission's management. Our responsibility is to express opinions on these financial statements based on our audit.

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

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Commission as of June 30, 2012, and the respective changes in financial position and cash flows for the year 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 October 17, 2012 on our consideration of the Commission's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and budgetary comparison information on pages 4 through 7 and 22 be present to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Government 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, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's response 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 opinions on the financial statements that collectively comprise the Middle Peninsula Planning District Commission's financial statements as a whole. The accompanying schedule of revenues and expenses by program is presented for purposes of additional analysis and is not a required part of the basic financial statements. 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. The schedule of revenues and expenses by program and the schedule of federal awards are the responsibility of management and were derived from and relate 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 America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

Certified Public Accountants
Chantilly, Virginia

October 17, 2012

Middle Peninsula Planning District Commission Management's Discussion and Analysis

In this section of the annual financial report of the Middle Peninsula Planning District Commission (the "Commission"), management provides a narrative discussion and an analysis of its financial activities for the fiscal year that ended June 30, 2012. Responsibility for the accuracy of the data as well as the completeness and fairness of this presentation (including all disclosures) rests with management. To the best of our knowledge and belief, the data contained herein is accurate in all material respects. This data is reported in a manner designed to fairly represent the Commission's financial position and the result of operations of its various funds. All disclosures necessary to enable the reader gain an accurate understanding of the Commission's financial activities have been included. The Commission's financial performance is discussed and analyzed within the context of the accompanying financial statements and disclosures following this section.

Overview of the Financial Statements

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

Required Financial Statements

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

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

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

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

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

Financial Analysis

Summary Statements of Net Assets June 30,

	<u>2012</u>	<u>2011</u>
Current Assets	\$893,207	\$783,982
Capital Assets (net)	<u>12,614</u>	<u>22,031</u>
Total Assets	<u>905,821</u>	<u>806,013</u>
Current Liabilities	130,252	207,880
Long-Term Liabilities	<u>96,784</u>	<u>98,659</u>
Total Liabilities	<u>227,036</u>	<u>306,539</u>
Invested in Capital Assets	12,614	22,031
Unrestricted	<u>666,171</u>	<u>477,443</u>
Total Net Assets	<u>\$678,785</u>	<u>\$499,474</u>

DRAFT

Current assets increased during the year by approximately \$109,000. Several factors contributed to this increase such as an increase in local funding, the assumption of two new loan portfolios and continued staff reductions.

Current liabilities decreased during the year by approximately \$78,000 primarily as a result of decreases in accounts payable and deferred revenue as several multiyear projects were concluded.

Long-term liabilities decreased by approximately \$1875 during the current year, as the Commission made scheduled principal payments on the 1997 VRA loan in the amount of \$12,500, and received proceeds of \$10,625 from the 2010 loan with VRA.

Total net assets increased by approximately \$179,000 this year due in large part to the transfer of the small business loan portfolio from the Middle Peninsula Business Development Partnership, Inc. (MPBDP) and the assumption of a smaller housing loan portfolio associated with the completed EECBG project. The MPBDP small business loan portfolio was funded by USDA RBEG to provide loans to rural microenterprises. Upon dissolution, MPBDP Inc transferred the loan portfolio to MPPDC to service the loans. MPPDC will utilize the repaid principal to continue to assist Middle Peninsula rural enterprises in accordance with USDA guidelines. Due to concerns with the EECBG project subcontractor, the Department of Mines, Minerals and Energy directed MPPDC to service the housing loans funded by the EECBG program and provided to Middle Peninsula homeowners for weatherization projects. The repaid principal will be utilized for future housing projects as needs become apparent.

Summary Statements of Activities

For the Years Ended June 30,

	<u>2012</u>	<u>2011</u>
Revenues		
Operating revenues	\$ 956,184	\$720,425
Assumption of Small Business and Housing Loan Portfolios	188,480	-
Interest	<u>3,392</u>	<u>4,792</u>
Total Revenues	<u>1,148,056</u>	<u>725,217</u>
Expenses		
General and administration	39,207	111,374
Project costs	<u>929,538</u>	<u>722,720</u>
Total expenses	<u>968,745</u>	<u>834,094</u>
Change in net assets	176,311	(108,877)
Net assets at beginning of year	<u>499,474</u>	<u>608,351</u>
Net assets at end of year	<u>\$ 678,785</u>	<u>\$499,474</u>

Operating revenues increased by approximately \$236,000 and project expenses increased by approximately \$207,000 from the prior year. It is not uncommon for these figures to change substantially from year to year due to the timing of the start and/or finish of grant projects and the potential for significant differences in the Commission’s work program based on changes in the Commission’s priorities and availability of funding.

In FY 2012 actual revenues came in under budgeted revenues by approximately \$329,000 mainly because of the rescoping of a major federal program due to issues with the subcontractor who was responsible for project promotion and construction activity and because of the dissolution of MPBDP Inc due to a lack of funding. These were offset somewhat by the addition of a large joint project with other PDCs funded by the state to assist local governments with TMDLs.

Actual expenses fell short of budgeted expenses for consultant and contractual costs by approximately \$235,000 as a result of MPPDC’s subcontractor’s inability to complete the scope of the above referenced federal program in a timely manner. Actual expenses for construction came in approximately \$60,000 less than budgeted as MPPDC continued to engage and partner with the Virginia Department of Health and local health departments as regards enforcement issues related to failing septic systems. Lack of enforcement reduced the number of septic repairs that had been anticipated to be completed by June 30, 2012. Actual personnel costs were approximately \$35,000 less than budgeted due to staff reductions.

General Administration expenses decreased by \$72,000 and project costs increased by \$207,000 as staff reductions led the agency to utilize administrative personnel in direct program services and to continue to explore options to lower overall agency administrative costs. It also became necessary to contract out services for some projects due to a lack of available personnel.

Capital Assets

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

Long-Term Debt

Long-term debt consists of two loans from the Virginia Water Facilities Revolving Fund. The first loan was originally made in 1997 in the amount of \$250,000, but through regular annual payments has been reduced to \$87,500. In 2011 the Commission received another \$250,000 loan from the Virginia Water Facilities Revolving Fund to increase the revolving loan fund for wastewater loans. As of June 30, 2012 \$21,784 had been drawn on the new loan.

Economic Factors and Future Outlook

Presently, management of the Commission is well aware of the changing federal, state, regional and local economic climate and is working to comprehensively understand, address and plan for the future security of the Commission consistent with the evolving new economic model. Executive Commission staff are working with the MPPDC Executive Committee to explore strategies to fund the Commission, provide for a motivated and adequately compensated staff, and increase performance while maintaining compliance with the requirements of OMB Circular A-21 and the needs and resources of the member localities.

Contacting the Commission's Financial Management Staff

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

**Middle Peninsula Planning District Commission
Statement of Net Assets
June 30, 2012**

ASSETS

Current Assets

Cash and cash equivalents	\$ 497,934
Restricted cash	12,500
Accounts receivable	92,560
Loans receivable	290,213
Total Current Assets	893,207

Capital Assets

Property and equipment	100,773
Accumulated depreciation	(88,159)
Total Capital Assets	12,614

Total Assets	905,821
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LIABILITIES

Current Liabilities

Deferred revenue	95,997
Accrued leave payable	21,755
Current portion of notes payable	12,500
Total Current Liabilities	130,252

Long-Term Liabilities

Notes payable, net of current portion	96,784
Total Liabilities	227,036

NET ASSETS

Net Assets

Invested in capital assets, net of related debt	12,614
Unrestricted	666,171
Total Net Assets	678,785
Total Liabilities and Net Assets	\$ 905,821

See accompanying notes

Middle Peninsula Planning District Commission
Statement of Revenue, Expenses, and Changes in Net Assets
For the Year Ended June 30, 2012

Operating Revenues

Grants and appropriations	
Federal grants	\$ 622,464
State grants and appropriations	176,698
Local grants and appropriations	84,651
Miscellaneous	72,371
Total Operating Revenues	956,184

Operating Expenses

Consultant and contractual	411,635
Salaries	271,402
Fringe benefits	102,258
Construction	41,169
Promotion and advertising	24,788
Rent and utilities	24,020
Legal and accounting	18,684
Workshops and conferences	13,166
Depreciation	10,443
Printing and duplicating	9,703
Office supplies	7,501
Miscellaneous	7,459
Insurance	5,228
Telephone	4,358
Meeting supplies and expenses	3,908
Vehicle costs	3,126
Dues and memberships	3,060
Postage	2,309
Lodging and staff expense	1,852
Deferred/forgiven loan expense	1,477
Travel	984
Subscriptions and publications	215
Total Operating Expenses	968,745

Operating Income (Loss) (12,561)

Non-Operating Revenues

Assumption of small business and housing loan portfolios	188,480
Interest income	3,392
Change in Net Assets	179,311

Net Assets - Beginning of Year 499,474

Net Assets - End of Year \$ 678,785

See accompanying notes

Middle Peninsula Planning District Commission
Statement of Cash Flows
For the Year Ended June 30, 2012

Cash Flows from Operating Activities

Received from customers	\$ 927,354
Paid to suppliers for goods and services	(714,847)
Paid to employees for services	(270,240)
Net Cash Flows from Operating Activities	<u>(57,733)</u>

Cash Flows from Capital and Related Financing Activities

Proceeds from note payable	10,625
Principal paid on notes payable	(12,500)
Net Cash Flows from Capital and Related Financing Activities	<u>(1,875)</u>

Cash Flows from Investing Activities

Disbursement for new loans made	(11,995)
Purchases of property and equipment	(1,026)
Loan payments received	43,449
Interest income	3,392
Net Cash Flows from Investing Activities	<u>33,820</u>

Net Change in Cash and Cash Equivalents	(25,788)
Cash and Cash Equivalents - Beginning of Year	<u>536,222</u>

Cash and Cash Equivalents - End of Year	<u><u>\$ 510,434</u></u>
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Reconciliation of Operating Income to Net Cash Flows from Operating Activities

Operating income (loss)	\$ (12,561)
Depreciation	10,443
Changes in Assets and Liabilities	
Accounts receivable	21,940
Employee advances	73
Accounts payable	(27,947)
Deferred revenue	(50,843)
Accrued annual leave	1,162
Net Cash Flows from Operating Activities	<u><u>\$ (57,733)</u></u>

See accompanying notes

MIDDLE PENINSULA PLANNING DISTRICT COMMISSION

NOTES TO FINANCIAL STATEMENTS

NOTE 1 - Organization and Summary of Accounting Policies

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

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

- (a) Financial Statement Presentation – In June 1999 GASB issued Statement #34 “Basic Financial Statements and Management Discussion and Analysis for State and Local Governments.” This Statement established new financial reporting requirements for state and local governments. The objective of this statement is to enhance the understanding and usefulness of the external financial reports of state and local governments to the citizenry, legislative and oversight bodies, and investors and creditors.
- (b) Basis of Accounting – The accounting and reporting policies of the Commission relating to the accompanying basic financial conform to accounting principles generally accepted in the United States of America applicable to state and local governments. Generally accepted accounting principles for local governments include those principles prescribed by the Governmental Accounting Standards Board (GASB) the American Institute of Certified Public Accountants in the Publication entitled Audits of State and Local Government Units and by the Financial Accounting Standards Board (when applicable).

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

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

MIDDLE PENINSULA PLANNING DISTRICT COMMISSION

NOTES TO FINANCIAL STATEMENTS (Continued)

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

- (c) Project Expenditures - The costs of goods and services that are identifiable for indirect costs are allocated to projects as described in Note 8. Personnel costs for Commission employees, including overtime and compensatory time, are direct charges to the appropriate projects. Expenses of annual, sick, and other types of paid leave and fringe benefits are allocated to projects as described in Notes 6 and 8.
- (d) Concentrations of Credit and Market Risk - Financial instruments that potentially expose the Organization to concentrations of credit and market risk consist primarily of cash equivalents and investments. Cash equivalents are maintained at high-quality financial institutions which, at times, may exceed federally insured limits. Credit exposure is limited to any one institution. The Commission has not experienced any losses on its cash equivalents.
- (e) Deposits and Investments - State statute authorizes the Commission to invest in obligations of the U.S. Treasury, agencies, and instrumentalities, repurchase agreements, certificates of deposit or time deposits insured by the FDIC, and the local government investment pool. Deposits are carried at cost, which approximates fair value.
- (f) Accounts Receivable - Accounts receivable are reported at their gross value when earned as the underlying exchange transaction occurs. Receivables related to non-exchange transactions are recognized when their eligibility requirements have been met. Receivables are reduced by the estimated portion that is expected to be uncollectible. This estimate is made based on collection history and current information regarding the credit worthiness of the debtors. When continued collection activity results in receipts of amounts previously written off, revenue is recognized for the amount collected. Management considers all of the receivables collectible at June 30, 2012, and no allowance for doubtful accounts has been provided.
- (g) Employee Leave Benefits - Commission policy allows employees to accumulate unused vacation leave up to certain maximum hours. Commission employees earn from twelve to eighteen vacation days a year, depending on the length of their employment. Annual leave may be carried over from one fiscal year to the next, subject to certain limitations. The liability for accrued vacation is \$13,635 as of June 30, 2012.
- All employees receive fifteen sick days a year. Sick leave may be carried over from one fiscal year to the next. Upon termination or retirement, employees with five or more years of continuous salaried service may receive up to 25% of their unused sick leave balances up to a maximum of \$5,000. The liability for accrued sick leave is \$8,120 as of June 30, 2012.
- (h) Management Estimates - The presentation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amount of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amount of revenues and expenses during the reporting period. Actual results could differ from those estimates.

MIDDLE PENINSULA PLANNING DISTRICT COMMISSION

NOTES TO FINANCIAL STATEMENTS (Continued)

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

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

The estimated lives are as follows:

Equipment	3-5 years
Furniture	7 years

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

- (j) Budgets and Budgetary Accounting - Annual budgets are adopted on a basis consistent with generally accepted accounting principles for all funds.

All budgets are presented on the modified accrual basis of accounting. Accordingly, the Budgetary Comparison Schedule presents actual expenditures in accordance with the accounting principles generally accepted in the United States of America on a basis consistent with the adopted budgets as amended.

- (k) Advertising Costs – Advertising costs are expensed as incurred.

NOTE 2 - Cash and Investments

Deposits are carried at cost, which approximates fair market value. At June 30, 2012 the carrying amount of the Commission's deposits with banks was \$458,541 and the bank balances were \$500,129. All of the bank balances were covered by federal depository insurance or collateralized in accordance with the Virginia Security for Public Deposits Act.

Investments in 2a7-like pools are valued based on the value of pool shares. The Commission invests a 2a7-like pool, the Local Government Investment Pool, managed by the Virginia Department of Treasury. Permitted investments in the pool include U.S. government obligations, repurchase agreements, certificates of deposit, banker's acceptances, commercial paper, short-term corporate notes, and short-term taxable municipal obligations. The investment pool has not been assigned a risk category since the Commission is not issued securities, but rather owns an undivided interest in the assets of the pool. The Commission's balance in the investment pool was \$51,893 at June 30, 2012.

NOTE 3 - Restricted Cash

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

MIDDLE PENINSULA PLANNING DISTRICT COMMISSION

**NOTES TO FINANCIAL STATEMENTS
(Continued)**

NOTE 4 - Pension Plan

The Commission contributes to the Virginia Retirement System (VRS), an agent and cost-sharing multiple-employer defined benefit pension plan that acts as a common investment and administrative agent for political subdivisions in the Commonwealth of Virginia. 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 five years of service or at age 50 with 30 years of service if elected by the employer payable monthly for life in an amount equal to 1.70% of their average final compensation (AFC) for each year of credited service. 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 5.0% per year. AFC is defined as the highest consecutive 36 months of reported compensation. The VRS plan 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.

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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 their website at <http://www.varetire.org/Pdf/Publications/2011-annual-report.pdf> or obtained by writing to the System's Chief Financial Officer at P.O. Box 2500, Richmond, VA 23218-2500.

Funding Policy - Plan members are required by Title 51.1 of the Code of Virginia (1950), as amended, to contribute 5.0% of their annual reported compensation to the VRS. This 5.0% member contribution has been 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, 2012 was 11.25% of the annual covered payroll.

Annual Pension Cost - For the year ended June 30, 2012, the Commission's annual pension cost of \$42,920 for VRS was equal to the Commission's required and actual contributions.

Three-Year Trend Information

<u>Fiscal Year Ended</u>	<u>Annual Pension Cost (APC)</u>	<u>Percentage of APC Contributed</u>	<u>Net Pension Obligation</u>
6/30/10	\$75,626	100%	\$75,626
6/30/11	\$58,815	100%	\$58,815
6/30/12	\$42,920	100%	\$42,920

MIDDLE PENINSULA PLANNING DISTRICT COMMISSION

**NOTES TO FINANCIAL STATEMENTS
(Continued)**

NOTE 4 - Pension Plans (Continued)

The FY12 required contribution was determined as part of the June 30, 2009 actuarial valuation using the entry age actuarial cost method. The actuarial assumptions at June 30, 2009 included (a) an investment rate of return (net of administrative expenses) of 7.5%, (b) projected salary increases ranging from 3.75% to 5.60%, 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 the 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 for the June 30, 2009 actuarial valuation was 20 years.

Funded Status and Funding Progress - The schedule of funding progress 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.

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) - Entry Age (b)	Unfunded AAL (UAAL) (b-a)	Funded Ratio (a/b)	Covered Payroll (c)	UUAL as a Percentage of Covered Payroll ((b-a)/c)
6/30/09	\$128,115	\$352,764	\$224,648	36.32%	\$480,030	46.80%
6/30/10	\$253,212	\$537,855	\$284,643	47.08%	\$436,300	65.24%
6/30/11	\$319,550	\$638,644	\$319,094	50.04%	\$293,126	108.86%

NOTE 5 - Property and Equipment

A summary of property and equipment as of June 30, 2012 is as follows:

	Balance July 1, 2011	Additions	Disposals	Balance June 30, 2012
Equipment	\$99,747	\$ 1,026	\$ -	\$100,773
Accumulated Depreciation	(77,716)	(10,443)	-	(88,159)
Net	\$22,031	\$ (9,417)	\$ -	\$ 12,614

MIDDLE PENINSULA PLANNING DISTRICT COMMISSION

**NOTES TO FINANCIAL STATEMENTS
(Continued)**

NOTE 6 - Lease Commitments

The Commission was obligated under a non-cancelable operating lease for office facilities. The ten-year facility lease expired in March 2006. The lease has been continued on a month-to-month basis in the amount of \$1,800. Rent expense for the year ended June 30, 2012 was \$19,602.

NOTE 7 - Notes Payable

On October 1, 1997 the Commission entered into a financing agreement with the Virginia Water Facilities Revolving Fund to receive a \$250,000 loan to finance project costs of small water facility projects. The loan is non-interest bearing, and calls for semi-annual repayments of \$6,250 commencing on November 1, 1999. The balance of this loan was \$87,500 at June 30, 2012.

On February 10, 2011 the Commission entered into a financing agreement with the Virginia Water Facilities Revolving Fund to receive a \$125,000 loan to finance project costs of small water facility projects. The loan is non-interest bearing, and calls for semi-annual repayments of \$6,250 commencing on August 1, 2013. As of June 30, 2012 \$21,784 had been drawn down against this note.

The following is a summary of changes in long-term debt for the year ended June 30, 2012:

	<u>Beginning</u>	<u>Additions</u>	<u>Deductions</u>	<u>Ending</u>
VRA 1997 Note	\$100,000	\$ -	\$12,500	\$ 87,500
VRA 2011 Note	<u>11,159</u>	<u>10,625</u>	<u>-</u>	<u>21,784</u>
Total	<u>\$111,159</u>	<u>\$10,625</u>	<u>\$12,500</u>	<u>\$109,284</u>

Mandatory debt service requirements consist of the following:

<u>Year ending June 30,</u>	<u>Total</u>
2013	\$ 12,500
2014	18,750
2015	18,750
2016	18,750
2017	18,750
Thereafter	<u>21,784</u>
Total	<u>\$109,284</u>

MIDDLE PENINSULA PLANNING DISTRICT COMMISSION

**NOTES TO FINANCIAL STATEMENTS
(Continued)**

NOTE 8 - Indirect Costs

Indirect costs, which support all projects, are allocated based on the ratio of the individual project's direct salaries, leave, and fringe benefits to total direct salaries, leave, and fringe benefits (excluding temporary help). The indirect cost rate for the fiscal year ended June 30, 2012, was 70.90%, and is calculated as follows:

Indirect costs	<u>\$186,120</u>
Total direct salaries, leave, and fringe benefits	\$262,521 = 70.90%

The following are included in indirect costs allocated to projects:

Salaries	\$ 80,723
Fringe benefits	30,415
Rental	19,602
Consulting/contractual services	10,490
Printing and Duplicating	9,703
Depreciation	8,743
Accounting	5,752
Utilities	4,419
Facility insurance	3,212
Telephone	3,210
Vehicle operating costs	2,184
Office Supplies	2,109
Postage	1,997
Website/internet	1,480
Vehicle insurance	942
Equipment/supplies expense	899
Dues/memberships	160
Lodging and staff expenses	57
Miscellaneous	<u>23</u>
 Total	 <u>\$186,120</u>

MIDDLE PENINSULA PLANNING DISTRICT COMMISSION

**NOTES TO FINANCIAL STATEMENTS
(Concluded)**

NOTE 9 - Leave Allocation

The leave allocation includes annual leave expense which is based on the amount of leave earned during the year. Other types of leave (i.e., holiday leave, administrative leave, etc.) are based on the amount of leave actually taken. Components for the leave allocation for the year ended June 30, 2012, are shown below:

Leave	
Annual	\$18,129
Holiday	13,870
Sick	<u>6,773</u>
Total	<u>\$38,772</u>

The leave allocation rate for the fiscal year ended June 30, 2012, is calculated as follows:

Leave allocation	<u>\$ 38,772</u>
Total salaries excluding leave	\$232,630 = 16.67%

NOTE 10 - Fringe Benefit Allocation

Fringe benefit expense is allocated using the percentage of benefits to total salaries. The fringe benefit rate for the fiscal year ended June 30, 2012 was 37.68%, and is calculated as follows:

Fringe benefit expense	<u>\$102,258</u>
Total salaries	\$271,402 = 37.68%

Components of fringe benefit expense for the year ended June 30, 2012, are shown below:

Fringe benefits	
Retirement and special pension	\$ 42,920
Group health insurance	35,062
Social Security taxes	22,737
Group life insurance	738
Workers compensation insurance	408
Unemployment	<u>393</u>
Total Fringe Benefits	<u>\$102,258</u>

MIDDLE PENINSULA PLANNING DISTRICT COMMISSION

NOTES TO FINANCIAL STATEMENTS (Concluded)

NOTE 11 - Commitments

The Commission participates in a number of programs that are fully or partially funded by grants received from other governmental units. Expenditures financed by grants are subject to audit by the appropriate grantor government. If expenditures are disallowed due to noncompliance with grant program regulations, the Commission may be required to reimburse. As of June 30, 2012, the Commission believes that disallowed expenditures, if any, based on subsequent audits will not have a material effect on the overall financial position of the Commission.

NOTE 12 - Evaluation of Subsequent Events

The Commission has evaluated subsequent events through October XX, 2012, the date which the financial statements were available to be issued.

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MIDDLE PENINSULA PLANNING DISTRICT COMMISSION

SCHEDULE OF REVENUES AND EXPENSES BY PROGRAM

For the Year Ended June 30, 2012

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MIDDLE PENINSULA PLANNING DISTRICT COMMISSION

SCHEDULE OF REVENUES AND EXPENSES BY PROGRAM

For the Year Ended June 30, 2012

	Local Programs	Rural Trans- portation Planning	Comprehensive Economic Development	Water Supply Planning	VCWRFR Onsite Repair	Onsite Loan Management
Revenues						
Federal	\$ -	\$ 58,000	\$ 25,604	\$ -	\$ -	\$ -
State	76,044	-	-	-	9,975	-
Local	65,000	-	-	19,651	-	-
Interest	3,330	-	-	-	-	49
Other	16,043	-	-	-	-	4,102
Total Revenues	<u>160,417</u>	<u>58,000</u>	<u>25,604</u>	<u>19,651</u>	<u>9,975</u>	<u>4,151</u>
Expenses						
Salaries	8,072	29,995	20,987	1,797	-	989
Fringe benefits	3,042	11,302	7,907	677	-	372
Telephone	-	-	-	-	-	-
Office supplies	184	505	600	-	-	-
Meeting supplies	719	111	259	-	-	-
Private mileage	28	319	-	33	-	-
Lodging and staff expense	971	112	269	50	-	20
Travel	29	35	7	-	-	-
Dues and memberships	2,300	25	-	-	-	-
Subscriptions and publications	200	-	-	-	-	-
Workshops	205	425	-	-	-	-
Conferences	2,226	585	582	-	-	-
Accounting and audit	21	-	-	-	-	311
Legal services	2,378	-	-	174	2,500	-
Consultant and contractual	1,200	-	80	15,163	-	-
Construction	-	-	-	-	7,475	-
Postage	206	-	-	-	-	-
Promotion and advertising	334	-	-	-	-	-
Insurance	752	-	-	-	-	-
Miscellaneous	6,209	-	-	-	-	15
Deferred/forgiven loan expense	-	-	-	-	-	1,477
Quarterly meeting	2,542	-	-	-	-	-
Depreciation	-	-	-	-	-	-
Indirect expense	7,589	29,325	20,518	1,757	-	967
Total Expenses	<u>39,207</u>	<u>72,739</u>	<u>51,209</u>	<u>19,651</u>	<u>9,975</u>	<u>4,151</u>
Revenues Over (Under) Expenses	121,210	(14,739)	(25,605)	-	-	-
General Fund Support	<u>(130,379)</u>	<u>14,739</u>	<u>25,605</u>	<u>-</u>	<u>-</u>	<u>-</u>
Revenues and General Fund Support Over (Under) Expenses	<u>\$ (9,169)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

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WQIF	Local PAA Stewardship Public Safety	Energy Efficient CDBG	Septic Pumpout	Heir Property	TDM	Land and Water Quality	Costal TA	Climate Change
\$ -	\$ -	\$ 227,425	\$ 12,298	\$ 934	\$ -	\$ 19,571	\$ 29,970	\$ 13,002
31,479	-	-	-	-	59,200	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	4,412	352	-	-	-	-	-	-
<u>31,479</u>	<u>4,412</u>	<u>227,777</u>	<u>12,298</u>	<u>934</u>	<u>59,200</u>	<u>19,571</u>	<u>29,970</u>	<u>13,002</u>
2,214	-	15,346	1,318	397	18,508	8,292	23,123	7,341
834	-	5,781	496	149	6,973	3,124	8,712	2,765
-	-	-	-	-	899	-	-	-
-	2,712	-	-	-	-	-	119	74
-	-	-	-	-	-	7	184	-
-	-	-	-	-	16	-	185	15
-	-	-	-	-	22	42	287	11
-	-	-	-	-	14	-	11	200
-	-	-	-	-	575	-	-	-
-	-	-	-	-	-	-	15	-
-	-	-	-	-	28	-	9	-
-	-	-	-	-	3,382	-	4,208	1,242
-	-	93	-	-	-	-	-	-
6,478	-	192,159	-	-	1,184	-	1,960	7,700
21,954	-	-	11,740	-	-	-	-	-
-	-	-	70	-	-	-	-	-
-	-	-	-	-	24,454	-	-	-
-	-	-	-	-	-	-	-	-
-	-	10	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	1,700	-	-	-	-	-	-	-
2,164	-	15,004	1,288	388	18,095	8,106	22,606	7,177
<u>33,644</u>	<u>4,412</u>	<u>228,393</u>	<u>14,912</u>	<u>934</u>	<u>74,150</u>	<u>19,571</u>	<u>61,419</u>	<u>26,525</u>
(2,165)	-	(616)	(2,614)	-	(14,950)	-	(31,449)	(13,523)
<u>2,165</u>	<u>-</u>	<u>616</u>	<u>2,614</u>	<u>-</u>	<u>14,950</u>	<u>-</u>	<u>31,449</u>	<u>13,523</u>
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

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

Aquaculture and Working Waterfronts	PAA Perrin River WW Plan	Shallow Water Dredging Master Plan	VAPDC TMDL TA	Dragon Run Day	Dragon Run Samp	Middle Peninsula Business Development Partnership	PAA Administration	Conservation Corridors Plan	Total
\$ 9,373	\$ 9,173	\$ -	\$ 198,700	\$ -	\$ 5,151	\$ -	\$ -	\$ 13,263	\$ 622,464
-	-	-	-	-	-	-	-	-	176,698
-	-	-	-	-	-	-	-	-	84,651
-	-	-	-	-	-	12	1	-	3,392
-	-	286	-	262	-	38,086	8,828	-	72,371
<u>9,373</u>	<u>9,173</u>	<u>286</u>	<u>198,700</u>	<u>262</u>	<u>5,151</u>	<u>38,098</u>	<u>8,829</u>	<u>13,263</u>	<u>959,576</u>
5,337	3,896	-	22,848	-	-	15,894	-	4,325	190,679
2,011	1,468	-	8,608	-	-	5,988	-	1,630	71,839
-	-	-	-	-	-	249	-	-	1,148
-	-	-	-	42	-	50	207	-	4,493
-	-	-	135	220	91	-	117	(477)	1,366
-	-	-	-	-	-	72	22	-	690
-	-	-	-	-	-	11	-	-	1,795
-	-	-	-	-	-	-	-	-	296
-	-	-	-	-	-	-	-	-	2,900
-	-	-	-	-	-	-	-	-	215
-	-	-	-	-	-	-	-	-	667
-	-	-	-	-	-	-	-	276	12,501
-	-	-	-	-	-	269	-	-	694
-	-	-	-	-	-	-	7,183	-	12,235
80	-	-	166,500	-	5,060	-	-	3,280	400,844
-	-	-	-	-	-	-	-	-	41,169
-	-	-	-	-	-	-	36	-	312
-	-	-	-	-	-	-	-	-	24,788
-	-	-	-	-	-	-	1,264	-	2,016
-	-	-	-	-	-	25	-	-	6,259
-	-	-	-	-	-	-	-	-	1,477
-	-	-	-	-	-	-	-	-	2,542
-	-	-	-	-	-	-	-	-	1,700
<u>5,219</u>	<u>3,809</u>	<u>-</u>	<u>22,339</u>	<u>-</u>	<u>-</u>	<u>15,540</u>	<u>-</u>	<u>4,229</u>	<u>186,120</u>
<u>12,647</u>	<u>9,173</u>	<u>-</u>	<u>220,430</u>	<u>262</u>	<u>5,151</u>	<u>38,098</u>	<u>8,829</u>	<u>13,263</u>	<u>968,745</u>
(3,274)	-	286	(21,730)	-	-	-	-	-	(9,169)
<u>3,274</u>	<u>-</u>	<u>(286)</u>	<u>21,730</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>9,169</u>
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

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

**Middle Peninsula Planning District Commission
Budgetary Comparison Schedule
For the Year Ended June 30, 2012**

	Actual	Budget	Favorable (Unfavorable)
Operating Revenues			
Grants and appropriations			
Federal grants	\$ 622,464	\$ 823,870	\$ (201,406)
State grants and appropriations	176,698	266,947	(90,249)
Local grants and appropriations	84,651	182,036	(97,385)
Miscellaneous	72,371	12,745	59,626
Total Operating Revenues	<u>956,184</u>	<u>1,285,598</u>	<u>(329,414)</u>
Operating Expenses			
Consultant and contractual	411,635	646,392	234,757
Salaries	271,402	275,126	3,724
Fringe benefits	102,258	133,397	31,139
Construction	41,169	101,525	60,356
Promotion and advertising	24,788	24,000	(788)
Rent and utilities	24,020	27,702	3,682
Legal and accounting	18,684	11,000	(7,684)
Workshops and conferences	13,166	7,350	(5,816)
Depreciation	10,443	5,933	(4,510)
Printing and duplicating	9,703	10,300	597
Office supplies	7,501	4,620	(2,881)
Miscellaneous	5,979	1,000	(4,979)
Insurance	5,228	5,219	(9)
Telephone	4,358	5,700	1,342
Meeting supplies and expense	3,908	5,750	1,842
Vehicle costs	3,126	2,950	(176)
Dues and memberships	3,060	2,735	(325)
Postage	2,309	3,000	691
Lodging and staff expense	1,852	1,800	(52)
Information technology	1,480	13,499	12,019
Deferred/forgiven loan expense	1,477	-	(1,477)
Travel	984	1,000	16
Subscriptions and publications	215	100	(115)
Total Operating Expenses	<u>968,745</u>	<u>1,290,098</u>	<u>321,353</u>
Operating Income (Loss)	(12,561)	(4,500)	(8,061)
Non-Operating Revenues			
Assumption of small business and housing loan portfolios	188,480	-	188,480
Interest income	3,392	4,500	(1,108)
Change in Net Assets	<u>179,311</u>	<u>-</u>	<u>179,311</u>
Net Assets - Beginning of Year	<u>499,474</u>	<u>608,351</u>	<u>(108,877)</u>
Net Assets - End of Year	<u>\$ 678,785</u>	<u>\$ 608,351</u>	<u>\$ 70,434</u>

See accompanying notes

**Report on Internal Control Over Financial Reporting and on
Compliance and Other Matters Based on an Audit of Financial Statements
Performed in Accordance with *Government Auditing Standards***

To the Commissioners
Middle Peninsula Planning District Commission:

We have audited the financial statements of the Middle Peninsula Planning District Commission as of and for the year ended June 30, 2012, and have issued our report thereon dated October 17, 2012. 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

Management of the Middle Peninsula Planning District Commission is responsible for establishing and maintaining effective internal control over financial reporting. In planning and performing our audit, we considered Middle Peninsula Planning District Commission's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Commission's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the 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 the 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 the Middle Peninsula 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*.

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

Certified Public Accountants
Chantilly, Virginia

October 17, 2012

**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**

To the Commissioners
Middle Peninsula Planning District Commission:

Compliance

We have audited Middle Peninsula Planning District Commission's compliance with the types of compliance requirements described in the *OMB Circular A-133 Compliance Supplement* that could have a direct and material effect on each of Middle Peninsula Planning District Commission's major federal programs for the year ended June 30, 2012. The 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 program is the responsibility of the Commission's management. Our responsibility is to express an opinion on the Commission's compliance based on our audit.

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

In our opinion, the 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, 2012.

Internal Control Over Compliance

Management of the Commission is responsible for establishing and maintaining effective internal control over compliance with the requirements of laws regulations, contracts, and grants applicable to federal programs. In planning and performing our audit, we considered the Commission's internal control over compliance with the 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 the Commission's 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 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 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, the Executive Committee, and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

Certified Public Accountants
Chantilly, Virginia

October 17, 2012

**Middle Peninsula Planning District Commission
Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2012**

<u>Federal Program</u>	<u>Federal CFDA Number</u>	<u>Expenditures</u>
Major Programs		
Department of Homeland Security		
Pass-through payments - Virginia Department of Mines, Minerals and Energy EECBG - ARRA	81.128	\$ 227,425
Environmental Protection Agency		
Pass-through payments - Virginia Department of Conservation and Recreation	66.466	198,700
Watershed Implementation Plan		12,298
Septic Pumpout	66.466	<u>12,298</u>
		<u>438,423</u>
Other Federal Awards		
Department of Transportation		
Pass-through payments - Virginia Department of Transportation		
Rural Transportation Planning	20.205	58,000
Economic Development Authority		
Comprehensive Economic Development Strategy	11.302	25,604
Department of Commerce		
Pass-through payments - Virginia Department of Environmental Quality		
Land and Water Quality Protection	11.419	19,571
Coastal Technical Assistance	11.419	29,970
Climate Change	11.419	13,002
Dragon Run SAMP	11.419	5,151
Conservation Corridors Plan	11.419	13,263
Heir Property	11.419	934
Pass-through payments - Virginia Institute of Marine Science		
Aquaculture and Working Waterfronts	11.419	9,373
Perrin River Crab Industry Working Waterfront Planning	11.419	<u>9,173</u>
Total Federal Awards		<u>\$ 622,464</u>

DRAFT

Note 1 - Basis of Presentation

The accompanying schedule of expenditures of federal awards includes the federal grant activity of the Middle Peninsula Planning District Commission. 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 Organizations*. Therefore, some amounts presented in this schedule may differ from amounts in, or used in the preparation of the basic financial statements.

**Roanoke Valley-Alleghany Regional Commission
Schedule of Findings and Questioned Costs
Year Ended June 30, 2012**

Section I – Summary of Auditors’ Results

Financial Statements

Type of auditors’ report issued: Unqualified

Internal control over financial reporting

- Material weakness(es) identified ___ Yes X No
- Reportable condition(s) identified that are not considered to be material weaknesses? ___ Yes X No
- Noncompliance material to financial statements noted? ___ Yes X No

Federal Awards

Internal control over major programs:

- Material weakness(es) identified ___ Yes X No
- Reportable condition(s) identified that are not considered to be material weaknesses? ___ Yes X No

DRAFT

Type of auditor’s report issued on compliance for major programs: unqualified

Any audit findings disclosed that are required to be reported in accordance with section 510(a) of Circular A-133? ___ Yes X No

Identification of major programs

<u>CFDA Number</u>	<u>Name of Federal Program or Cluster</u>
66.466	Watershed Implementation Plan
81.128	Energy Efficiency and Conservation Block Grant

Dollar threshold used to distinguish between type A and type B programs: \$300,000

Auditee qualified as low-risk auditee? ___ Yes X No

Section II – Financial Statement Findings

None

Section III – Federal Award Findings

None