

**THE REGIONAL PLANNING COMMISSION  
OF GREATER BIRMINGHAM  
FINANCIAL STATEMENTS  
FOR THE YEARS ENDED  
SEPTEMBER 30, 2023 and 2022**

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## **MANAGEMENT’S DISCUSSION AND ANALYSIS**

The first major requirement of GASB Statement 34 (Governmental Accounting Standards Board) is the Management Discussion and Analysis (MD&A). The purpose of an MD&A is a discussion, in laymen’s terms, of current year results in comparison to the prior year.

The discussion and analysis of the Regional Planning Commission of Greater Birmingham’s (the Commission) financial performance is for the Commission’s financial activities for the fiscal years ending September 30, 2023 and 2022.

The Commission’s financial condition has continued to improve between FY 2022 and FY 2023; the subsequent narrative explains the causes for the financial condition of the Commission.

### **FINANCIAL HIGHLIGHTS**

The Commission’s total net position increased by \$609,052 from FY 2022 to FY 2023, from a balance of \$3,027,909 in FY 2022 to \$3,636,961 in FY 2023. Total program and general revenues increased from \$14,576,063 in FY 2022 to \$16,312,166 in FY 2023, an increase of \$1,736,103 or 11.91%, while total program and general expenses increased \$1,836,218 from \$13,866,896 in FY 2022 to \$15,703,114 in FY 2023, or 13.24%.

### **USING THE ANNUAL FINANCIAL STATEMENT**

The Annual Financial Statement consists of a series of financial statements. The Statements of Net Position and the Statements of Activities (pages 8-10) provide information about the activities of the Commission as a whole and present a longer-term view of the Commission’s finances.

The Fund financial statements (pages 11-14) explain how these services were financed in the short term as well as what remains for future spending. Fund financial statements also report the Commission’s operations in more detail than the government-wide statements by providing information about the Commission’s most significant funds.

Fiduciary fund financial statements (pages 15-18) include assets the Commission holds in a trustee capacity and cannot be used to finance the entity’s operations.

### **Reporting the Commission as a Whole**

The analysis of the Commission as a whole begins on page 2. One of the most important questions asked about the Commission’s finances is, “Is the Commission as a whole better off or worse off as a result of the year’s activities?” The Statements of Net Position and the Statement of Activities report information about the Commission as a whole and about its activities in a way that helps answer this question. These statements include all assets and liabilities using the accrual basis of accounting, which is similar to the accounting used by most private-sector companies. All of the current year’s revenues and expenses are taken into account regardless of when cash is received or paid.

These two statements report the Commission’s net assets and changes. The Commission’s net assets, the difference between assets and liabilities, can be thought of as one way to measure financial health, or financial position. Over time, increases or decreases in the Commission’s net assets are one indicator of whether its financial health is improving or deteriorating.

## **USING THE ANNUAL FINANCIAL STATEMENT – Continued**

### **Reporting the Commission as a Whole (Continued)**

Other non-financial factors need to be considered, such as changes in the Commission's amount of intergovernmental transfers, to assess the overall health of the Commission.

In the Statements of Net Position and the Statement of Activities, the Commission's Governmental activities are reported, including general administration, transportation planning, traffic safety programs, environmental management and planning, and other community planning programs.

### **Reporting the Commission's Most Significant Funds**

The fund financial statements begin on page 11 and provide detailed information about the most significant funds – not the Commission as a whole. Some funds are required to be established by state law and by other federal regulation(s). The Commission's Board has also established other funds to help control and manage money for particular purposes or to show that it is meeting legal responsibilities for use of certain grant funds.

The Commission's basic services are reported in governmental funds, which focus on how money flows into and out of those funds and the balances left at year-end that are available for spending. These funds are reported using an accounting method called modified accrual accounting, which measures cash and all other financial assets that can readily be converted to cash. The governmental fund statements provide a detailed short-term view of the Commission's general government operations and the basic services it provides. Governmental fund information helps to determine whether there are more or fewer financial resources that can be spent in the near future to finance the Commission's programs. Management describes the relationship (or differences) between governmental activities (reported in the Statement of Net Assets and the Statement of Activities) and governmental funds in a reconciliation immediately following the fund financial statements and through footnote disclosure.

## **THE COMMISSION AS A WHOLE**

The analysis in this section focuses on the net assets and changes in net assets, as reflected in the following condensed statements of the Commission's activities, which are all presented as governmental.

The Commission's combined net assets increased by \$609,052 during FY 2023. However, the components of net assets showed differing amounts of increases and decreases. Net assets invested in capital assets, net of related debt, increased \$12,780. This increase resulted from approximately \$16,166 of new capital expenditures less \$3,386 of current depreciation.

The Commission's total revenues increased from approximately \$14,576,063 in FY 2022 to \$16,312,166 in FY 2023 an increase of \$1,736,103 or 11.91%, while total program expenses increased \$1,836,218 from \$13,866,896 in FY 2021 to \$15,703,114 in FY 2023, or 13.24%. However, individual revenue and expense components both increased and decreased by various amounts. The primary reason for the increase in total revenues was due to growth in the number of clients in Aging programs combined with increases in the monthly funding amounts received per client. Additionally, several new programs were added in the planning and economic development areas that increased total revenue.

## **RETIREMENT PLAN**

The Employment Retirement System of Alabama (the Plan), under GASB requirements, is a component unit of the State of Alabama. The pension liability of \$3,556,416 and \$1,993,884 for the years ended September 30, 2023 and 2022 represents the Commission's share of the Plan's net pension liability.

### **RETIREMENT PLAN - Continued**

The Commission records deferred inflows and deferred outflows of resources each year based on actuarial projections and the Commission's actual contributions and earnings in the retirement plan. Deferred outflows increased by \$827,084 from \$1,388,318 in FY 2022 to \$2,215,402 in FY 2023. Deferred inflows of resources decreased from \$560,856 in FY 2022 to \$0 in FY 2023, a decrease of \$560,856.

## **THE COMMISSION'S FUNDS**

Total governmental funds have a positive fund balance of \$5,266,886 for the year ended September 30, 2023 compared to \$4,497,804 for the year ended September 30, 2022, or a net increase of \$769,082.

## **BUDGETS AND DEFICIT CAUSES**

The budget for FY 2023 was adopted on September 15, 2022 and was amended several times throughout the year to reflect actual project start dates and related revenue streams.

## **CAPITAL ASSET AND DEBT ADMINISTRATION**

### **Capital Assets**

At the end of FY 2023, the Commission had \$20,661 invested in capital assets. These typically include office furniture and equipment. Total assets increased by \$936,468 from \$8,567,068 in FY 2022 to \$9,503,536 in FY 2023, largely due to the increase in cash and receivables from federal grantors and subgrantee agencies.

### **Debt**

The Commission has a \$750,000 line of credit in place for working capital needs but no draws occurred during FY 2023 or FY 2022. Total liabilities increased by \$1,715,356 from \$6,366,621 in FY 2022 to \$8,081,977 in FY 2023, largely due to increases in the net pension liability. The current and long-term portions of the total liabilities for FY 2023 amount to \$2,529,661 and \$5,552,316, respectively.

## **CURRENTLY KNOWN FACTS AND CONDITIONS**

The Commission has continued to improve since the previous audit period. Management maintains strong budget discipline across its various departments, funding sources and projects. Financial reports comparing actual performance to the budget plan are reviewed monthly with a focus on continuous improvement of the Commission's operations and cash flow. The Board of Directors meets quarterly and reviews all financial activity of the Commission. Various Commission committees, such as Program/Budget and Finance, use these reports to set policy and direction for the agency.

The general organizational structure of the agency continues to be re-examined to ensure that the programs and staffing of the Commission fit with the agency's intended purpose and mission and that costs can be adequately covered by Commission revenues.

## **CURRENTLY KNOWN FACTS AND CONDITIONS – Continued**

The Commission assumed responsibility for two Medicaid Waiver Programs in Jefferson County effective October 1, 2011. To support these programs in FY 2023, the agency had 44 employees and expenses of \$7,021,767 against a \$7,227,000 budget.

## **CONTACTING THE COMMISSION'S FINANCIAL MANAGEMENT**

This financial report is designed to provide the citizens, taxpayers, customers, investors, and creditors of our region with a general overview of the Commission's finances and to show the Commission's accountability for the money it receives. If you have questions about this report or need additional financial information, please contact:

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## INDEPENDENT AUDITOR'S REPORT

To the Executive Committee of the  
Regional Planning Commission of Greater Birmingham  
Birmingham, Alabama

### Opinions

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Regional Planning Commission of Greater Birmingham, as of and for the year ended September 30, 2023, and the related notes to the financial statements, which collectively comprise the Regional Planning Commission of Greater Birmingham's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the Regional Planning Commission of Greater Birmingham, as of September 30, 2023, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

### Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Regional Planning Commission of Greater Birmingham, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

### Responsibilities of Management for the Financial Statements

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

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

### Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards will always detect a material misstatement when it exists.



The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Regional Planning Commission of Greater Birmingham's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Regional Planning Commission of Greater Birmingham's ability to continue as a going concern for a reasonable period of time.

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

### **Required Supplementary Information**

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and budgetary comparison information on pages 1 through 4 and the schedules of employer contributions and changes in the net pension liability (pages 43 and 44) be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

### **Other Information**

Management is responsible for the other information included in the annual report. The other information comprises the introductory and statistical sections but does not include the basic financial statements and our auditor's report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated.

If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.


Our audit was conducted for the purpose of forming an opinion on the basic financial statements that collectively comprise the Commission's basic financial statements. The schedules of expenditures of federal awards are presented for purposes of additional analysis as required by U.S. Office of Management and Budget (OMB)'s *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, and are not a required part of the basic financial statements of the Commission.

The schedule of expenditures of federal awards is the responsibility of management and was derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with the auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditures of federal awards is fairly stated in all material respects in relation to the basic financial statements as a whole.

### **Other Reporting Required by Government Auditing Standards**

In accordance with *Government Auditing Standards*, we have also issued our reports dated March 20, 2024 on our consideration of the Commission's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Commission's internal control over financial reporting and compliance.

DiPiazza LaRocca Heeter & Co., LLC



Birmingham, Alabama

March 20, 2024

**THE REGIONAL PLANNING COMMISSION OF GREATER BIRMINGHAM**  
**Statements of Net Position**  
**September 30, 2023 and 2022**

	<b>2023</b>	<b>2022</b>
<b>ASSETS</b>		
Cash and cash equivalents	\$ 4,798,379	\$ 3,936,860
Receivables from federal grantors and subgrantee agencies, net	2,585,242	2,308,553
Prepaid assets	77,179	105,019
Right-of-use assets (net of accumulated amortization of \$84,588)	2,022,075	2,208,755
Capital assets, net	20,661	7,881
<b>Total assets</b>	<b>9,503,536</b>	<b>8,567,068</b>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>		
Employer retirement contributions for current fiscal year	2,215,402	1,388,318
<b>Total deferred outflows</b>	<b>2,215,402</b>	<b>1,388,318</b>
<b>Total assets and deferred outflows of resources</b>	<b>\$ 11,718,938</b>	<b>\$ 9,955,386</b>
<b>LIABILITIES</b>		
Accounts payable	\$ 1,246,022	\$ 1,061,927
Accrued compensated absences	293,406	311,354
Deferred revenue	841,375	790,243
Current portion of lease liabilities	148,858	132,442
Long term portion of lease liabilities	1,995,900	2,076,771
Net pension liability	3,556,416	1,993,884
<b>Total liabilities</b>	<b>8,081,977</b>	<b>6,366,621</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>		
Net difference between projected and actual earnings on pension plan investments	-	560,856
<b>Total deferred inflows of resources</b>	<b>-</b>	<b>560,856</b>
<b>Total liabilities and deferred inflows of resources</b>	<b>8,081,977</b>	<b>6,927,477</b>
<b>NET POSITION</b>		
Invested in capital assets	20,661	7,881
Unrestricted	3,616,300	3,020,028
<b>Total net position</b>	<b>3,636,961</b>	<b>3,027,909</b>
<b>Total liabilities, deferred inflows of resources and net position</b>	<b>\$ 11,718,938</b>	<b>\$ 9,955,386</b>

*The notes to the financial statements are an integral part of these statements.*

**THE REGIONAL PLANNING COMMISSION OF GREATER BIRMINGHAM**  
**Statement of Activities**  
**For the year ended September 30, 2023**

<b>Functions/Programs</b>	<b>Expenses</b>	<b>Program Revenues Operating Grants and Contributions</b>	<b>Net (Expense) Revenue and Changes in Net Assets Governmental Activities</b>
<b>Primary government:</b>			
Governmental activities:			
General government	\$ 669,940	\$ 885,949	\$ 216,009
Senior services	7,030,212	7,577,143	546,931
Transportation planning	6,702,023	6,686,970	(15,053)
Other regional planning	1,300,939	1,162,104	(138,835)
Total government activities	15,703,114	16,312,166	609,052
 Total primary government	 \$ 15,703,114	 \$ 16,312,166	 \$ 609,052
		Change in net position	\$ 609,052
		Net position beginning	3,027,909
		Net position ending	\$ 3,636,961

*The notes to the financial statements are an integral part of these statements.*

**THE REGIONAL PLANNING COMMISSION OF GREATER BIRMINGHAM**  
**Statement of Activities**  
**For the year ended September 30, 2022**

<b>Functions/Programs</b>	<b>Expenses</b>	<b>Program Revenues Operating Grants and Contributions</b>	<b>Net (Expense) Revenue and Changes in Net Assets Governmental Activities</b>
<b>Primary government:</b>			
Governmental activities:			
General government	\$ 385,112	\$ 944,316	\$ 559,204
Senior services	6,368,540	6,560,214	191,674
Transportation planning	6,126,666	6,216,231	89,565
Other regional planning	986,578	855,302	(131,276)
Total government activities	13,866,896	14,576,063	709,167
Total primary government	\$ 13,866,896	\$ 14,576,063	\$ 709,167
			Change in net position
			\$ 709,167
			Net position beginning
			2,318,742
			Net position ending
			\$ 3,027,909

*The notes to the financial statements are an integral part of these statements.*

**THE REGIONAL PLANNING COMMISSION OF GREATER BIRMINGHAM**  
**Balance Sheet**  
**Governmental Funds**  
**September 30, 2023**

	<b>General</b>	<b>Transportation</b>	<b>Senior Services</b>	<b>Total Governmental Services</b>
<b>ASSETS</b>				
Cash and cash equivalents	\$ 4,798,379	\$ -	\$ -	\$ 4,798,379
Receivables from Federal grantors and subgrantee agencies	1,216,654	574,846	793,742	2,585,242
ROU asset	2,022,075	-	-	2,022,075
Other assets	-	-	-	-
<b>Total assets</b>	<b>\$ 8,037,108</b>	<b>\$ 574,846</b>	<b>\$ 793,742</b>	<b>\$ 9,405,696</b>
<b>LIABILITIES</b>				
Accounts payable	\$ 5,784	\$ 565,753	\$ 674,485	1,246,022
Lease liability	2,144,758	-	-	2,144,758
Other liabilities	635,846	9,093	119,257	764,196
<b>Total liabilities</b>	<b>2,786,388</b>	<b>574,846</b>	<b>793,742</b>	<b>4,154,976</b>
<b>NET ASSETS</b>				
Unassigned fund balance	5,250,720	-	-	5,250,720
<b>Total liabilities and net assets</b>	<b>\$ 8,037,108</b>	<b>\$ 574,846</b>	<b>\$ 793,742</b>	<b>\$ 9,405,696</b>

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

Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.	\$ 20,661
Net pension liability is not a financial resource and therefore is not reported in the funds.	(3,556,416)
Deferred inflows and outflows of resources, net.	2,215,402
Compensated absences of governmental activities are not financial resources and therefore are not reported in the funds.	(293,406)
Subtotal	<u>(1,613,759)</u>
Net position	<u>\$ 3,636,961</u>

*The notes to the financial statements are an integral part of these statements.*

**THE REGIONAL PLANNING COMMISSION OF GREATER BIRMINGHAM**  
**Balance Sheet**  
**Governmental Funds**  
**September 30, 2022**

	<b>General</b>	<b>Transportation</b>	<b>Senior Services</b>	<b>Total Governmental Services</b>
<b>ASSETS</b>				
Cash and cash equivalents	\$ 3,936,860	\$ -	\$ -	\$ 3,936,860
Receivables from Federal grantors and subgrantee agencies	995,718	765,564	547,271	2,308,553
ROU asset	2,208,755	-	-	2,208,755
Other assets	-	-	-	-
<b>Total assets</b>	<b>\$ 7,141,333</b>	<b>\$ 765,564</b>	<b>\$ 547,271</b>	<b>\$ 8,454,168</b>
<b>LIABILITIES</b>				
Accounts payable	\$ 2,740	\$ 563,647	\$ 495,540	\$ 1,061,927
Lease liability	\$ 2,209,213	-	-	2,209,213
Other liabilities	431,576	201,917	51,731	685,224
<b>Total liabilities</b>	<b>2,643,529</b>	<b>765,564</b>	<b>547,271</b>	<b>3,956,364</b>
<b>NET ASSETS</b>				
Unassigned fund balance	4,497,804	-	-	4,497,804
<b>Total liabilities and net assets</b>	<b>\$ 7,141,333</b>	<b>\$ 765,564</b>	<b>\$ 547,271</b>	<b>\$ 8,454,168</b>

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

Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.	\$ 7,881
Net pension liability is not a financial resource and therefore is not reported in the funds.	(1,993,884)
Deferred inflows and outflows of resources, net.	827,462
Compensated absences of governmental activities are not financial resources and therefore are not reported in the funds.	(311,354)
Subtotal	(1,469,895)
Net position	\$ 3,027,909

*The notes to the financial statements are an integral part of these statements.*

**THE REGIONAL PLANNING COMMISSION OF GREATER BIRMINGHAM**  
**Statement of Revenues, Expenditures and Changes in Fund Balances**  
**Governmental Funds**  
**For the year ended September 30, 2023**

<b>REVENUES</b>	<b>General</b>	<b>Transportation Programs</b>	<b>Senior Services</b>	<b>Other Regional Planning</b>	<b>Total Governmental Services</b>
Regional appropriations	\$ 810,949	\$ -	\$ -	\$ -	\$ 810,949
Grants	75,000	6,686,970	7,577,143	1,092,104	15,431,217
Subgrantee match	-	-	-	70,000	70,000
Other	-	-	-	-	-
Total revenues	<u>885,949</u>	<u>6,686,970</u>	<u>7,577,143</u>	<u>1,162,104</u>	<u>16,312,166</u>
<b>EXPENDITURES</b>					
Current					
General government	526,076	-	-	-	526,076
Transportation planning	-	6,702,023	-	-	6,702,023
Senior services	-	-	7,030,212	-	7,030,212
Other regional planning	-	-	-	1,300,939	1,300,939
Total expenditures	<u>526,076</u>	<u>6,702,023</u>	<u>7,030,212</u>	<u>1,300,939</u>	<u>15,559,250</u>
Excess (deficit) of revenues over expenditures	359,873	(15,053)	546,931	(138,835)	752,916
<b>OTHER FINANCING SOURCES (USES)</b>					
Transfers in	(153,888)	15,053	-	138,835	-
Transfers out	546,931	-	(546,931)	-	-
Total other financing sources and uses	<u>393,043</u>	<u>15,053</u>	<u>(546,931)</u>	<u>138,835</u>	<u>-</u>
<b>Net change in fund balances</b>	752,916	-	-	-	752,916
<b>Fund balances - beginning</b>	<u>4,497,804</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>4,497,804</u>
<b>Fund balances - ending</b>	<u>\$ 5,250,720</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 5,250,720</u>

*The notes to the financial statements are an integral part of these statements.*



**THE REGIONAL PLANNING COMMISSION OF GREATER BIRMINGHAM**  
**Statement of Revenues, Expenditures and Changes in Fund Balances**  
**Governmental Funds**  
**For the year ended September 30, 2022**

<b>REVENUES</b>	<b>General</b>	<b>Transportation Programs</b>	<b>Senior Services</b>	<b>Other Regional Planning</b>	<b>Total Governmental Services</b>
Regional appropriations	\$ 869,273	\$ -	\$ -	\$ -	\$ 869,273
Grants	75,000	6,216,231	6,560,214	785,302	13,636,747
Subgrantee match	-	-	-	70,000	70,000
Other	43	-	-	-	43
Total revenues	<u>944,316</u>	<u>6,216,231</u>	<u>6,560,214</u>	<u>855,302</u>	<u>14,576,063</u>
<b>EXPENDITURES</b>					
Current					
General government	426,102	-	-	-	426,102
Transportation planning	-	6,126,666	-	-	6,126,666
Senior services	-	-	6,368,540	-	6,368,540
Other regional planning	-	-	-	986,578	986,578
Total expenditures	<u>426,102</u>	<u>6,126,666</u>	<u>6,368,540</u>	<u>986,578</u>	<u>13,907,886</u>
Excess (deficit) of revenues over expenditures	518,214	89,565	191,674	(131,276)	668,177
<b>OTHER FINANCING SOURCES (USES)</b>					
Transfers in	(41,711)	(89,565)	-	131,276	-
Transfers out	191,674	-	(191,674)	-	-
Total other financing sources and uses	<u>149,963</u>	<u>(89,565)</u>	<u>(191,674)</u>	<u>131,276</u>	<u>-</u>
Net change in fund balances	668,177	-	-	-	668,177
Fund balances - beginning	<u>3,829,627</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>3,829,627</u>
Fund balances - ending	<u>\$ 4,497,804</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 4,497,804</u>

*The notes to the financial statements are an integral part of these statements.*

**THE REGIONAL PLANNING COMMISSION OF GREATER BIRMINGHAM**  
**Statement of Fiduciary Net Position - Fiduciary Funds**  
**September 30, 2023**

	<b>Deferred Compensation Plan</b>	<b>Total Fiduciary Net Assets</b>
	<u>                    </u>	<u>                    </u>
<b>ASSETS</b>		
Investments	\$ <u>822,245</u>	\$ <u>822,245</u>
<b>Total assets</b>	<u>\$ 822,245</u>	<u>\$ 822,245</u>
<b>NET POSITION</b>		
Held in trust for pension benefits	\$ <u>822,245</u>	\$ <u>822,245</u>
<b>Total net position</b>	<u>822,245</u>	<u>822,245</u>
<b>Total liabilities and net position</b>	<u>\$ 822,245</u>	<u>\$ 822,245</u>

*The notes to the financial statements are an integral part of these statements.*

**THE REGIONAL PLANNING COMMISSION OF GREATER BIRMINGHAM**  
**Statement of Fiduciary Net Position - Fiduciary Funds**  
**September 30, 2022**

	<b>Deferred Compensation Plan</b>	<b>Total Fiduciary Net Assets</b>
	<u>                    </u>	<u>                    </u>
<b>ASSETS</b>		
Investments	\$ <u>924,816</u>	\$ <u>924,816</u>
<b>Total assets</b>	<u>\$ 924,816</u>	<u>\$ 924,816</u>
<b>NET POSITION</b>		
Held in trust for pension benefits	\$ <u>924,816</u>	\$ <u>924,816</u>
<b>Total net position</b>	<u>924,816</u>	<u>924,816</u>
<b>Total liabilities and net position</b>	<u>\$ 924,816</u>	<u>\$ 924,816</u>

*The notes to the financial statements are an integral part of these statements.*

**THE REGIONAL PLANNING COMMISSION OF GREATER BIRMINGHAM**  
**Statement of Changes in Fiduciary Net Position - Fiduciary Funds**  
**For the year ended September 30, 2023**

	<u>Deferred Compensation Plan</u>	<u>Total Fiduciary Activity</u>
<b>ADDITIONS</b>		
Contributions	\$ 853,550	\$ 853,550
Investment income:		
Net appreciation in fair value of investments	81,327	81,327
<b>Total additions</b>	<u>934,877</u>	<u>934,877</u>
<b>DEDUCTIONS</b>		
Administrative expenses	4,321	4,321
Withdrawals	1,033,127	1,033,127
<b>Total deductions</b>	<u>1,037,448</u>	<u>1,037,448</u>
<b>Net change in net position</b>	(102,571)	(102,571)
<b>Net position- beginning</b>	924,816	924,816
<b>Net position- ending</b>	<u>\$ 822,245</u>	<u>\$ 822,245</u>

*The notes to the financial statements are an integral part of these statements.*

**THE REGIONAL PLANNING COMMISSION OF GREATER BIRMINGHAM**  
**Statement of Changes in Fiduciary Net Position - Fiduciary Funds**  
**For the year ended September 30, 2022**

	<u>Deferred Compensation Plan</u>	<u>Total Fiduciary Activity</u>
<b>ADDITIONS</b>		
Contributions	\$ 216,369	\$ 216,369
Investment income:		
Net appreciation in fair value of investments	(113,005)	(113,005)
<b>Total additions</b>	<u>103,364</u>	<u>103,364</u>
<b>DEDUCTIONS</b>		
Withdrawals	<u>35,199</u>	<u>35,199</u>
<b>Total deductions</b>	<u>35,199</u>	<u>35,199</u>
<b>Net change in net position</b>	68,165	68,165
<b>Net position- beginning</b>	856,651	856,651
<b>Net position- ending</b>	<u>\$ 924,816</u>	<u>\$ 924,816</u>

*The notes to the financial statements are an integral part of these statements.*

**THE REGIONAL PLANNING COMMISSION OF GREATER BIRMINGHAM**  
**Notes to Financial Statements**  
**September 30, 2023 and 2022**

**NOTE 1 – DESCRIPTION OF REPORTING ENTITY**

The Regional Planning Commission of Greater Birmingham ("RPC" or "the Commission") was established in 1969 by the Alabama Legislature to serve as an advisory planning agency for local municipalities and governments within Blount, Chilton, Jefferson, Shelby, St. Clair and Walker Counties. The Commission also provides technical assistance and recommendations for economic development, community development, and governmental services.

The accompanying financial statements present the Commission's operations. The Commission has no blended or discrete component units.

**NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**Government-wide and fund financial statements**

The government-wide financial statements (i.e., the statements of net assets and the statement of changes in net assets) report information on all of the non-fiduciary activities of the primary government. The effect of inter-fund activity has been removed from these statements. *Governmental activities* are normally supported by regional appropriations, intergovernmental revenues and grants.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment is offset by program revenues. *Direct expenses* are those that are clearly identifiable with a specific function or segment. Direct expenses also include charges for an indirect overhead rate that is based upon general administrative expenses. RPC *program revenues* include 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a function or segment and 2) grants and contributions that are restricted to meeting the operational requirement of a particular function or segment. Regional appropriations and other items not included among program revenues are reported instead as *general revenues*.

Separate financial statements are provided for governmental funds and fiduciary funds, even though the latter are excluded from the government-wide financial statements. Major individual governmental funds are reported as separate columns in the fund financial statements.

**Measurement focus, basis of accounting, and financial statement preparation**

The government-wide financial statements are reported using the *economic resources measurement focus* and the *accrual basis of accounting*, as are the fiduciary fund financial statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows.

Regional appropriations are recognized as revenues in the year for which they are due. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

**THE REGIONAL PLANNING COMMISSION OF GREATER BIRMINGHAM**  
**Notes to Financial Statements**  
**September 30, 2023 and 2022**

**NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued**

**Measurement focus, basis of accounting, and financial statement preparation (Continued)**

Governmental fund financial statements are reported using the current *financial resources measurement focus* and the *modified accrual basis of accounting*. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be *available* when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, expenditures related to compensated absences and claims and judgments are recorded only when payment is due.

Dues from member municipalities and counties, interest and grant revenue associated with the current fiscal period are all considered susceptible to accrual and so have been recognized as revenues of the current fiscal period.

The RPC reports the following major governmental funds:

The *general fund* is the RPC's primary operating fund. It accounts for all financial resources of the Commission, except those required to be accounted for in another fund.

The *transportation program fund* is used to account for Alabama Department of Transportation Funded Unified (Transportation) Planning Work Program and Special Transportation Projects - within the following elements of the Commission's work program:

Base Data for Planning  
Comprehensive Planning  
Transportation Planning

The Federal Transit Administration, the Federal Highway Administration, and the Alabama Department of Transportation provide financing.

The *senior services fund* is used to account for the Commission's operation of the Medicaid Waiver Program sections Elderly and Disabled (E & D) and 530, HIV/AIDS.

The *other regional planning fund* is used to account for the operations that are not considered major programs. This includes funds received from the Appalachian Regional Commission (ARC), the Federal Economic Development Association (EDA), and local governments.

**THE REGIONAL PLANNING COMMISSION OF GREATER BIRMINGHAM**  
**Notes to Financial Statements**  
**September 30, 2023 and 2022**

**NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued**

**Measurement focus, basis of accounting, and financial statement preparation (Continued)**

The RPC has no material proprietary funds for reporting purposes.

As a general rule, the effect of inter-fund activity has been eliminated from the government-wide financial statements.

Likewise, general revenues include all regional appropriation dues from member municipalities and counties, interest and other miscellaneous receipts.

When both restricted and unrestricted resources are available for use, it is the Commission's policy to use restricted resources first, then unrestricted resources as they are needed.

**Fund Balance Disclosure**

In accordance with Government Accounting Standards Board 54, Fund Balance Reporting and Governmental Fund Type Definitions, the Commission classifies governmental fund balances as follows:

Non-spendable – includes fund balance amounts that cannot be spent either because it is not in spendable form or because of legal or contractual constraints.

Restricted – includes fund balance amounts that are constrained for specific purposes which are externally imposed by providers, such as creditors or amounts constrained due to constitutional provisions or enabling legislation.

Committed – includes fund balance amounts that are constrained for specific purposes that are internally imposed by the Commission through formal action of the highest level of decision-making authority and does not lapse at year-end.

Assigned – includes fund balance amounts that are intended to be used for specific purposes that are neither considered restricted or committed. Fund Balance may be assigned by management as deemed appropriate.

Unassigned – includes positive fund balance within the General Fund which has not been classified within the above-mentioned categories and negative fund balances in other governmental funds.

The Commission uses *restricted/committed* amounts to be spent first when both restricted and unrestricted fund balance is available unless there are legal contracts that prohibit doing this, such as a grant agreement requiring dollar for dollar spending. Additionally, the Commission would first use *committed, then assigned, and lastly unassigned amounts* of unrestricted fund balance when expenditures are made.

The government does not have a formal minimum fund balance policy.



**THE REGIONAL PLANNING COMMISSION OF GREATER BIRMINGHAM**  
**Notes to Financial Statements**  
**September 30, 2023 and 2022**

**NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued**

**Fund Balance Disclosure (Continued)**

Disclosures of fund balance as reported on the governmental fund balance sheet were as follows for the year ended September 30, 2023:

<b>Fund Balances</b>	<b>General</b>	<b>Transportation</b>	<b>Senior Services</b>	<b>Other</b>	<b>Total Governmental Funds</b>
<b>Non-spendable</b>	\$ -	\$ -	\$ -	\$ -	\$ -
<b>Restricted for</b>	-	-	-	-	-
<b>Committed to</b>	-	-	-	-	-
<b>Assigned to</b>	-	-	-	-	-
<b>Unassigned</b>	<u>5,250,720</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>5,250,720</u>
<b>Cash</b>	<u>\$ 5,250,720</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 5,250,720</u>

Disclosures of fund balance as reported on the governmental fund balance sheet were as follows for the year ended September 30, 2022:

<b>Fund Balances</b>	<b>General</b>	<b>Transportation</b>	<b>Senior Services</b>	<b>Other</b>	<b>Total Governmental Funds</b>
<b>Non-spendable</b>	\$ -	\$ -	\$ -	\$ -	\$ -
<b>Restricted for</b>	-	-	-	-	-
<b>Committed to</b>	-	-	-	-	-
<b>Assigned to</b>	-	-	-	-	-
<b>Unassigned</b>	<u>4,497,804</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>4,497,804</u>
	<u>\$ 4,497,804</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 4,497,804</u>

**THE REGIONAL PLANNING COMMISSION OF GREATER BIRMINGHAM**  
**Notes to Financial Statements**  
**September 30, 2023 and 2022**

**NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued**

**Fund Balance Disclosure (Continued)**

The Commission pools cash resources of its various funds to facilitate the management of cash. Cash applicable to a particular fund is readily identifiable. The balance in the pooled cash accounts is available to meet current operating requirements.

**Reclassifications**

Certain reclassifications have been made in the previously reported financial statements to make prior year amounts comparable to those of the current year. Such reclassifications had no effect on previously reported fiduciary net position or changes in fiduciary net position.

**Receivables**

All receivables are reported at their gross value and, where appropriate, are reduced by the estimated portion that is expected to be uncollectible.

**Due to and due from other funds**

Inter-fund receivables and payables arise from inter-fund transactions and are recorded by all funds affected in the period in which transactions are executed.

**Capital assets**

Capital assets, which include furniture and equipment, are reported in the government-wide financial statements. Capital assets are defined by the Commission as assets with an initial, individual cost of more than \$1,000 (amount not rounded) and an estimated useful life in excess of two years. Such assets are recorded at historical cost. The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend the life of the asset are not capitalized.

Capital assets, which consist of furniture and equipment, are depreciated using the straight-line method over a five-year useful life.

**Post-Employment Healthcare Benefits**

The Commission does not provide post-employment healthcare except those mandated by the Consolidated Omnibus Budget Reconciliation Act (COBRA). The requirements established by COBRA are fully funded by employees who elect coverage under the Act, and no direct costs are incurred by the Commission.

**Subsequent Events**

Subsequent events have been evaluated through the date of the Independent Auditor's Report, which is the date the financial statements were available to be issued.

**THE REGIONAL PLANNING COMMISSION OF GREATER BIRMINGHAM**  
**Notes to Financial Statements**  
**September 30, 2023 and 2022**

**NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued**

**Compensated Absences**

The Commission has a standard policy for its full-time employees as to sick and vacation leave. Each employee, after the completion of one year of service, is allowed a vacation with pay at the rate of two weeks (ten working days) in any one calendar year. Upon completion of five years full-time service with the Commission, employees are allowed a vacation at the rate of three weeks (fifteen working days) per year. Upon completion of ten years full-time service with the Commission, employees are allowed a vacation at the rate of four weeks (twenty working days) per year. Upon completion of fifteen years full-time service with the Commission, employees are allowed a vacation at the rate of five weeks (twenty-five working days) per year. Earned vacation time may be allowed to accumulate. Maximum allowable accrued vacation cannot exceed six weeks (thirty working days). Employees who resign in good standing or who are separated from the service of the Commission without fault or delinquency on their part will be paid for the actual number of vacation days earned to the date of separation. The General Governmental Fund is responsible for liquidation.

Each employee of the Commission is entitled to sick leave with pay at the rate of one day of sick leave per month of full-time service with the Commission. Unused sick leave allowances may be carried over to the succeeding months and accumulated up to seven hundred thirty working days.

For the year ended September 30, 2023 and 2022, the Commission recognized accrued compensated absences of \$293,406 and \$311,354 respectively. The long-term portions of compensated absences at September 30, 2023 and 2022 totaled \$14,752 and \$17,803, respectively. Accrued compensated absences activity for the year ended September 30, 2023 was as follows:

Beginning Balance	\$	311,354
Additions		39,106
Reductions		(57,054)
Ending Balance	\$	293,406

**Pensions**

The Employees' Retirement System of Alabama (the Plan) financial statements are prepared using the economic resources measurement focus and accrual basis of accounting. Contributions are recognized as revenues when earned, pursuant to the plan requirements. Benefits and refunds are recognized when due and payable in accordance with the terms of the plan. Expenses are recognized when the corresponding liability is incurred, regardless of when the payment is made. Investments are reported at fair value. Financial statements are prepared in accordance with requirements of the Governmental Accounting Standards Board (GASB). Under these requirements, the Plan is considered a component unit of the State of Alabama and is included in the State's Comprehensive Annual Financial Report.

**THE REGIONAL PLANNING COMMISSION OF GREATER BIRMINGHAM**  
**Notes to Financial Statements**  
**September 30, 2023 and 2022**

**NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued**

**Leases**

During fiscal year 2022, the Commission implemented GASB Statement No. 87, Leases. The objective of this Statement is to better meet the information needs of financial statement users by improving accounting and financial reporting for leases by governments. This Statement increases the usefulness of governments' financial statements by requiring recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and recognized as inflows of resources or outflows of resources based on the payment provisions of the contract. It establishes a single model for lease accounting based on the foundational principle that leases are financings of the right to use an underlying asset. Under this Statement, a lessee is required to recognize a lease liability and an intangible right-to-use lease asset, and a lessor is required to recognize a lease receivable and a deferred inflow of resources, thereby enhancing the relevance and consistency of information about governments' leasing activities.

A lease is defined as a contract that conveys control of the right to use another entity's nonfinancial asset (the underlying asset) as specified in the contract for a period of time in an exchange or exchange-like transaction. The lease term is defined as the period during which a lessee has a noncancelable right to use an underlying asset, plus additional periods, if applicable.

Under GASB 87, a short-term lease is defined as a lease that, at the commencement of the lease term, has a maximum possible term under the lease contract of 12 months (or less), including any options to extend, regardless of their probability of being exercised.

A lessee recognizes a lease liability and a lease asset at the commencement of the lease term, unless the lease is a short-term lease or it transfers ownership of the underlying asset. The lease liability is measured at the present value of payments expected to be made during the lease term (less any lease incentives). The lease asset is measured at the amount of the initial measurement of the lease liability, plus any payments made to the lessor at or before the commencement of the lease term and certain direct costs.

Lessees reduce the lease liability as payments are made and recognize an outflow of resources (expense) for interest on the liability. Lessees amortize the lease asset in a systematic and rational manner over the shorter of the lease term or the useful life of the underlying asset. Note 7 includes a description of leasing arrangements, the amount of lease assets recognized, and a schedule of future lease payments to be made.

**NOTE 3 – RECONCILIATION OF GOVERNMENT-WIDE STATEMENT AND FUND FINANCIAL STATEMENTS**

**Budget**

Because of the nature of the operations of RPC, annual appropriated operating budgets are not legally required as a means of governance. The financials, therefore, do not include budget versus actual comparisons.

**THE REGIONAL PLANNING COMMISSION OF GREATER BIRMINGHAM**  
**Notes to Financial Statements**  
**September 30, 2023 and 2022**

**NOTE 3 – RECONCILIATION OF GOVERNMENT-WIDE STATEMENT AND FUND FINANCIAL STATEMENTS - Continued**

**Cost Allocation**

Costs were distributed to the projects and activities by an allocation method meeting the requirements of OMB Uniform Guidance. As of September 30, 2023 and 2022, the indirect cost rates based on actual expenditures for all funds other than senior services were 87.48% and 86.11%, respectively. As of September 30, 2023 and 2022, the indirect cost rates of senior services fund activities were 20.40% and 20.91%, respectively. As of September 30, 2023 and 2022, the fringe benefit cost rates based on actual expenditures for all funds including senior services were 62.00% for both years.

**Use of Estimates**

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires the use of estimates made by the Commission. These estimates affect the reported amounts of assets and liabilities at the reporting date and revenues and expenses during the reporting period. Actual results could differ from those estimates.

**Uncertain Tax Positions**

The Commission has implemented the accounting requirements associated with uncertainty in income taxes using the provisions of Financial Accounting Standards Board (FASB) ASC 740, *Income Taxes*. As of September 30, 2023, the Commission had no uncertain tax positions that qualify for either recognition or disclosure in the financial statements. Open tax years may be subject to examination by taxing authorities.

**Explanation of certain differences between the governmental fund balance sheet and the government-wide statement of net assets**

The governmental fund balance sheet includes a reconciliation between *fund balance - total governmental funds* and *net assets - governmental activities* as reported in the government-wide statement of net assets. Elements of that reconciliation explain that fixed assets, compensated absences and capital assets of governmental activities are not financial resources and therefore are not reported in the funds. The details of these (\$1,613,756) and (\$1,469,895) differences are as follows:

	2023	2022
Capital assets	\$ 20,661	\$ 7,881
Net pension liability	(3,556,416)	(1,993,884)
Deferred inflows and outflows of resources, net	2,215,402	827,462
Compensated absences	(293,406)	(311,354)
Net adjustment to reduce fund balance-total governmental funds to arrive at changes in net assets of governmental activities	\$ (1,613,759)	\$ (1,469,895)

**THE REGIONAL PLANNING COMMISSION OF GREATER BIRMINGHAM**  
**Notes to Financial Statements**  
**September 30, 2023 and 2022**

**NOTE 3 – RECONCILIATION OF GOVERNMENT-WIDE STATEMENT AND FUND FINANCIAL STATEMENTS – Continued**

**Explanation of certain differences between the governmental fund statement of revenues, expenditures, and changes in fund balances and the government-wide statement of activities**

The governmental fund statement of revenues, expenditures, and changes in fund balances is different from fund balances-total governmental funds and changes in net assets of governmental activities as reported in the government-wide statement of activities. The details of these \$(160,030) and \$40,990 differences are as follows:

	<b>2023</b>	<b>2022</b>
Net increase in fund balance total governmental funds	\$ 752,916	\$ 668,177

One element is that Capital outlays are reported as expenditures in governmental funds. However, in the statement of activities, the cost of capital assets is allocated over their estimated useful lives as depreciation expense.

Capital expenditures	16,166	-
Depreciation expense	(3,386)	(14,388)

Also, some expenses and long-term financing sources reported in the Statement of Activities do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds, such as changes in compensated absences, and were as follows:

Change in compensated absences	17,948	(51,264)
Change in net pension liability	(1,562,532)	228,650
Change in net outflows of resources	827,084	435,633
Changes in inflows of resources	560,856	(557,641)

Net adjustment to governmental funds to arrive at changes in net assets of governmental activities	(143,864)	40,990
	\$ 609,052	\$ 709,167

**NOTE 4 – CONCENTRATION OF CREDIT RISK**

The Commission places its temporary cash investments with financial institutions insured by the Federal Deposit Insurance Corporation. At times deposits may be in excess of insurance coverage limits.

**THE REGIONAL PLANNING COMMISSION OF GREATER BIRMINGHAM**  
**Notes to Financial Statements**  
**September 30, 2023 and 2022**

**NOTE 5 – RECEIVABLES**

Receivables as of year-end for the RPC's individual major funds and non-major funds are as follows:

<b>Receivables:</b>	<b>2023</b>	<b>2022</b>
General Fund	\$ 1,216,654	\$ 995,718
Transportation	574,846	765,564
Senior Services	793,742	547,271
Total	\$ 2,585,242	\$ 2,308,553

The General Fund receivable totals are shown net of an allowance for doubtful accounts of \$100,000 and \$150,626 for the years ended September 30, 2023 and 2022.

**NOTE 6 – CAPITAL ASSETS**

Capital asset activity for the year ended September 30, 2023 was as follows:

<b>Governmental Activities:</b>	Beginning Balance	Increases	Decreases	Ending Balance
Capital assets, being depreciated:				
Furniture and equipment	\$ 620,872	\$ 16,166	\$ -	\$ 637,038
Less accumulated depreciation for:				
Furniture and equipment	(612,991)	(3,386)	-	(616,377)
Total capital assets, net of depreciation	\$ 7,881	\$ 12,780	\$ -	\$ 20,661

Capital asset activity for the year ended September 30, 2022 was as follows:

<b>Governmental Activities:</b>	Beginning Balance	Increases	Decreases	Ending Balance
Capital assets, being depreciated:				
Furniture and equipment	\$ 620,872	\$ -	\$ -	\$ 620,872
Less accumulated depreciation for:				
Furniture and equipment	(598,603)	(14,388)	-	(612,991)
Total capital assets, net of depreciation	\$ 22,269	\$ (14,388)	\$ -	\$ 7,881

Depreciation expense was \$3,386 and \$14,388 for the years ended September 30, 2023 and 2022, respectively.

**THE REGIONAL PLANNING COMMISSION OF GREATER BIRMINGHAM**  
**Notes to Financial Statements**  
**September 30, 2023 and 2022**

**NOTE 7 – LEASES**

During 2022, the Commission entered into two long-term leases; a copier lease and a lease of office space. The copier lease began June 30, 2022 and terminates July 1, 2026. The copier lease has monthly payments of \$1,379. The Commission capitalized the ROU asset and lease liability at inception with a net present value of \$59,518. As of September 30, 2023, the ROU asset had a balance of \$41,298 and the lease liability had a balance of \$43,059. Amortization expense for the ROU asset was \$14,576 and lease interest expense totaled \$3,271. The office space lease began June 1, 2023 and terminates August 1, 2033. The monthly payments are \$21,788 and escalate annually at 3%. As of September 30, 2023, the ROU asset had a balance of \$2,065,365 and the lease liability had a balance of \$2,101,699. Amortization expense for the ROU asset was \$70,012 and lease interest expense totaled \$46,315. The incremental borrowing rate of 6.50% was used to calculate the net present value of the ROU assets and liabilities at inception of the leases.

The future interest and principal amounts for the next five years are as follows:

	Interest	Principal
2024	\$ 135,877	\$ 144,751
2025	125,942	162,665
2026	114,804	179,258
2027	103,015	185,704
2028	90,316	207,078
Thereafter	207,220	1,389,775
Total	\$ <u>777,174</u>	\$ <u>2,269,231</u>

Rent expense, including short-term leases during 2023 and 2022, amounted to \$391,212 and \$465,466, respectively.

**NOTE 8 – DEFINED BENEFIT PENSION PLAN**

**Plan description**

The Employees' Retirement System of Alabama, an agency multiple-employer plan, was established October 1, 1945 under the provisions of Act 515 of the Legislature of 1945 for the purpose of providing retirement allowances and other specified benefits for state employees, State Police, and on an elective basis, to all cities, counties, towns and quasi-public organizations. The responsibility for the general administration and operation of ERS is vested in its Board of Control. The ERS Board of Control consists of 13 trustees. The Plan is administered by the Retirement Systems of Alabama (RSA). Title 36-Chapter 27 of the Code of Alabama grants the authority to establish and amend the benefit terms to the ERS Board of Control. The Plan issues a publicly available financial report that can be obtained at [www.rsa-al.gov](http://www.rsa-al.gov).



**THE REGIONAL PLANNING COMMISSION OF GREATER BIRMINGHAM**  
**Notes to Financial Statements**  
**September 30, 2023 and 2022**

**NOTE 8 – DEFINED BENEFIT PENSION PLAN – Continued**

**Plan description (Continued)**

The ERS Board of Control consists of 13 trustees as follows:

1. The Governor, ex officio.
2. The State Treasurer, ex officio.
3. The State Personnel Director, ex officio.
4. The State Director of Finance, ex officio.
5. Three vested members of ERS appointed by the Governor for a term of four years, no two of whom are from the same department of state government nor from any department of which an ex officio trustee is the head.
6. Six members of ERS who are elected by members from the same category of ERS for a term of four years as follows:
  - a. Two retired members with one from the ranks of retired state employees and one from the ranks of retired employees of a Commission, county, or a public agency each of whom is an active beneficiary of ERS.
  - b. Two vested active state employees.
  - c. Two vested active employees of an employer participating in ERS pursuant to § 36-27-6.

**Benefits provided**

State law establishes retirement benefits as well as death and disability benefits and any ad hoc increase in postretirement benefits for the ERS. Benefits for ERS members vest after 10 years of creditable service. State employees who retire after age 60 (52 for State Police) with 10 years or more of creditable service or with 25 years of service (regardless of age) are entitled to an annual retirement benefit, payable monthly for life. Local employees who retire after age 60 with 10 years or more of creditable service or with 25 or 30 years of service (regardless of age), depending on the particular entity's election, are entitled to an annual retirement benefit, payable monthly for life. Service and disability retirement benefits are based on a guaranteed minimum or a formula method, with the member receiving payment under the method that yields the highest monthly benefit. Under the formula method, members of the ERS (except State Police) are allowed 2.0125% of their average final compensation (highest 3 of the last 10 years) for each year of service.

Act 377 of the Legislature of 2012 established a new tier of benefits (Tier 2) for members hired on or after January 1, 2013. Tier 2 ERS members are eligible for retirement after age 62 with 10 years or more of creditable service and are entitled to an annual retirement benefit, payable monthly for life. Service and disability retirement benefits are based on a guaranteed minimum or a formula method, with the member receiving payment under the method that yields the highest monthly benefit. Under the formula method, Tier 2 members of the ERS are allowed 1.65% of their average final compensation (highest 5 of the last 10 years) for each year of service.

Members are eligible for disability retirement if they have 10 years of credible service, are currently in-service, and determined by the RSA Medical Board to be permanently incapacitated from further performance of duty. Preretirement death benefits are calculated and paid to the beneficiary on the member's age, service credit, employment status and eligibility for retirement.

**THE REGIONAL PLANNING COMMISSION OF GREATER BIRMINGHAM**  
**Notes to Financial Statements**  
**September 30, 2023 and 2022**

**NOTE 8 – DEFINED BENEFIT PENSION PLAN – Continued**

**Benefits provided (Continued)**

The Comprehensive Annual Financial Report of the Retirement Systems of Alabama for the year ended September 30, 2022 contains additional information about the ERS plan. Refer to [www.rsa.al.gov](http://www.rsa.al.gov) for the latest CAFR.

**Contributions**

Covered members of the ERS contributed 5% of earnable compensation to the ERS as required by statute until September 30, 2011. From October 1, 2011, to September 30, 2012, covered members of the ERS were required by statute to contribute 7.25% of earnable compensation. Effective October 1, 2012, covered members of the ERS are required by statute to contribute 7.50% of earnable compensation. ERS local participating employers are not required by statute to increase contribution rates for their members.

Tier 2 covered members of the ERS contribute 6% of earnable compensation to the ERS as required by statute. These contributions rates are the same for Tier 2 covered members of ERS local participating employers.

The ERS establishes rates based upon an actuarially determined rate recommended by an independent actuary. The actuarially determined rate is the estimated amount necessary to finance the costs of benefits earned by employees during the year, with additional amounts to finance any unfunded accrued liability, the pre-retirement death benefit and administrative expenses of the Plan. For the year ended September 30, 2020, the Commission's active employee contribution rate was 7.5% of covered employee payroll, and the Commission's average contribution rate to fund the normal and accrued liability costs ranged from 8% to 9% of covered employee payroll.

The Commission's contractually required contribution rate for the year ended September 30, 2022 was 7.5% of pensionable pay for Tier 1 employees, and 7.5% of pensionable pay for Tier 2 employees. These required contribution rates are based upon the actuarial valuation dated October 1, 2021, a percent of annual pensionable payroll, and actuarially determined as an amount that, when combined with member contributions, is expected to finance the costs of benefits earned by members during the year, with an additional amount to finance any unfunded accrued liability. Total employer contributions to the pension plan from the System for the years ended September 30, 2023 and 2022 were \$351,341 and \$357,390, respectively.

**THE REGIONAL PLANNING COMMISSION OF GREATER BIRMINGHAM**  
**Notes to Financial Statements**  
**September 30, 2023 and 2022**

**NOTE 8 – DEFINED BENEFIT PENSION PLAN – Continued**

**Net Pension Liability**

The Commission’s net pension liability was measured as of September 30, 2022, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as September 30, 2021 rolled forward to September 30, 2021 using standard roll-forward techniques as shown in the following table:

<b>Total Pension Liability</b>	
as of September 30, 2021 (a)	\$ 9,757,547
<b>Entry Age Normal Cost for</b>	
October 1, 2021– September 30, 2022(b)	364,027
<b>Actual Benefit Payments and Refunds for</b>	
October 1, 2021 – September 30, 2022 (c)	(485,238)
<b>Interest on Total Pension Liability</b>	708,862
<b>Transfers Among Employers</b>	376,336
Difference between expected and actual results	190,479
<b>Changes in Benefit Terms</b>	10,963
<b>Changes in Assumptions</b>	<u>-</u>
<b>Total Pension Liability</b>	
as of September 30, 2022	
[(a)x(1.08)] + (b) – [(c)x(1.04)]	\$ <u><u>10,922,976</u></u>

**Actuarial assumptions**

The total pension liability in the September 30, 2022 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.50%
Salary increases	3.25% - 6.00%, including inflation
Investment rate of return	7.45%, net of pension plan investment expense, including inflation

Mortality rates for ERS were based on the sex distinct RP-2000 Blue Collar Mortality Table projected to 2023 using scale BB with an adjustment of 125% for males and 120% for females age 78 and older. The rates of disabled mortality for ERS were based on the sex distinct RP-2000 Disabled Retiree Mortality Table projected to 2023 using scale BB with an adjustment of 130% for females.

The actuarial assumptions used in the actuarial valuation as of September 30, 2022, were based on the results of an investigation of the economic and demographic experience for the ERS based upon participant data as of September 30, 2015, completed by the RSA and its actuaries. The purpose of the investigation was to assess the reasonableness of the actuarial assumptions and methods currently used by the RSA. This investigation resulted in changes to the actuarial assumptions. The Boards of Control for each accepted and approved these changes in September 2016 which became effective at the beginning of fiscal year 2016.

**THE REGIONAL PLANNING COMMISSION OF GREATER BIRMINGHAM**  
**Notes to Financial Statements**  
**September 30, 2023 and 2022**

**NOTE 8 – DEFINED BENEFIT PENSION PLAN – Continued**

**Actuarial assumptions (Continued)**

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

	<u>Target Allocation</u>	<u>Long-Term Expected Rate of Return*</u>
Fixed Income	17.00%	4.40%
U.S. Large Stocks	32.00%	8.00%
U.S. Mid Stocks	9.00%	10.00%
U.S. Small Stocks	4.00%	11.00%
International Developed Market Stocks	12.00%	9.50%
International Emerging Market Stocks	3.00%	11.00%
Alternatives	10.00%	10.10%
Real Estate	10.00%	7.50%
Cash	3.00%	1.50%
Total	<u>100.00%</u>	

\*Includes assumed rate of inflation of 2.50%.

**Discount rate**

The discount rate used to measure the total pension liability was the long-term rate of return, 7.7%. The projection of cash flows used to determine the discount rate assumed that plan member contributions will be made at the current contribution rate and that the employer contributions will be made in accordance with the funding policy adopted by the ERS Board of Control. Based on those assumptions, components of the pension plan's fiduciary net position were projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

**THE REGIONAL PLANNING COMMISSION OF GREATER BIRMINGHAM**  
**Notes to Financial Statements**  
**September 30, 2023 and 2022**

**NOTE 8 – DEFINED BENEFIT PENSION PLAN – Continued**

**Changes in Net Pension Liability**

		<b>Increase (Decrease)</b>	
	<b>Total Pension</b>	<b>Plan</b>	<b>Net Pension</b>
	<b>Liability</b>	<b>Fiduciary</b>	<b>Liability</b>
	<b>(a)</b>	<b>Net Position</b>	<b>(a)-(b)</b>
	<u>                    </u>	<u>                    </u>	<u>                    </u>
<b>Balances at September 30, 2021</b>	\$	\$	\$
Changes for the year:			
Service cost	9,757,547	7,763,663	1,993,884
Interest	364,027	-	364,027
Changes in benefit terms	708,862	-	708,862
Changes in assumptions	10,963	-	10,963
Differences between expected and actuarial Experience	-	-	-
Contributions – employer	190,479		190,479
Contributions – employee		374,195	374,195
Net investment income		371,193	371,193
		(1,033,589)	(1,033,589)
Benefit payments, including refunds of employee contributions	(485,238)	(485,238)	-
Transfers among employers	376,336	376,336	-
Net changes	<u>1,165,429</u>	<u>(397,103)</u>	<u>1,562,532</u>
<b>Balances at September 30, 2022</b>	\$ <u>10,922,976</u>	\$ <u>7,366,560</u>	\$ <u>3,556,416</u>

**Sensitivity of the net pension liability to changes in the discount rate**

The following table presents the Commission’s net pension liability calculated using the discount rate of 7.45%, as well as what the Commission’s proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage point lower (6.45%) or 1-percentage-point higher (8.45%) than the current rate:

	1% Decrease <u>(6.45%)</u>	Current Rate <u>(7.45%)</u>	1% Increases <u>(8.45%)</u>
Commission’s net pension liability	\$ 4,899,143	\$ 3,556,416	\$ 2,433,486

**THE REGIONAL PLANNING COMMISSION OF GREATER BIRMINGHAM**  
**Notes to Financial Statements**  
**September 30, 2023 and 2022**

**NOTE 8 – DEFINED BENEFIT PENSION PLAN – Continued**

**Pension plan fiduciary net position**

Detailed information about the pension plan’s fiduciary net position is available in the separately issued RSA Comprehensive Annual Report for the fiscal year ended September 30, 2022. The supporting actuarial information is included in the GASB Statement No. 68 Report for the ERS prepared as of September 30, 2022. The auditor’s report dated March 20, 2024 on the Schedule of Changes in Fiduciary Net Position by Employer and accompanying notes is also available. The additional financial and actuarial information is available at [www.rsa-al.gov](http://www.rsa-al.gov).

**Pension expenses and deferred outflows of resources and deferred inflows of resources related to pensions**

For the years ended September 30, 2023 and 2022, the Commission recognized pension expense of \$525,933 and \$250,748 respectively. At September 30, 2023, the Commission reported deferred outflows of resources and deferred inflows of resources related to pensions of the following sources:

	<b>Deferred Outflows of Resources</b>	<b>Deferred Inflows of Resources</b>
Differences between expected and actual experience	\$ 618,260	\$ -
Changes of assumptions	285,101	-
Net difference between projected and actual earnings on pension plan investments	864,264	-
Employer contributions subsequent to the measurement date	447,777	-
Total	\$ 2,215,402	\$ -

Amounts reported as deferred outflows of resources and deferred inflows of resources to pensions will be recognized in pension expense as follows:

**Year ended September 30:**

2024	\$	423,690
2025		362,410
2026		328,372
2027		466,786
2028		128,707
Thereafter		57,660
	\$	1,767,625

**NOTE 9 – CONTINGENT LIABILITIES**

Use of federal, state, and locally administered federal and other grant funds is subject to review and audit by the grantor agencies. Such audits could lead to requests for reimbursement to the grantor agency for expenditures disallowed under terms of the grant.

**SUPPLEMENTAL INFORMATION**

**THE REGIONAL PLANNING COMMISSION OF GREATER BIRMINGHAM**  
**Schedule of Expenditures of Federal Awards**  
**For the year ended September 30, 2023**

Federal Grantor/Pass-Through Grantor/Program Title	Federal CFDA Number	Award Period Beginning with Authorization Dates	Fiscal Period	Pass Through Entity Identification Number/Direct	Total Funds Expended
<b>U.S. Department of Transportation</b>					
<b>Passed Through the Alabama State</b>					
<b>Highway Department of Transportation</b>					
F.W.H.A. Section 112(M)	20.205	10/1/2022 - 9/30/2022	10/1/2022 - 9/30/2023	4521 HP3 100075600	\$ 971,263
Rideshare	20.205	10/1/2021 - 9/30/2023	10/1/2022 - 9/30/2023	STPBH-100070046	1,013,307
Voluntary Air Quality	20.205	10/1/2021 - 9/30/2023	10/1/2022 - 9/30/2023	CMAQ-100073252	475,756
Building Communities	20.205	10/1/2021 - 9/30/2023	10/1/2022 - 9/30/2023	STPBH-100073255	441,575
ALDOT-Rural Transportation Planning	20.205	10/1/2021 - 9/30/2022	10/1/2022 - 9/30/2023	4521 HP1 100075645	53,997
ALDOT - Corridor Feasibility Study (APPLE)	20.205	10/1/2021 - 9/30/2023	10/1/2022 - 9/30/2023	STPBH-100073253	361,321
ALDOT - Transportation Systems Congestion Management	20.205	10/1/2021 - 9/30/2023	10/1/2022 - 9/30/2023	STBH-100073254	177,605
Distracted Driving	20.205	10/1/2021 - 9/30/2023	10/1/2022 - 9/30/2023	CRSA-100073606	37,454
Technical Assistance Safety Project Planning	20.205	10/1/2021 - 9/30/2023	10/1/2022 - 9/30/2023	CRSA-100073605	158,452
<b>Total of Cluster</b>					<b>3,690,730</b>
<b>Appalachian Regional Commission</b>					
<b>Direct Program</b>					
Local Development Districts	23.009	01/01/2022 - 12/31/2022	10/01/2022 - 12/31/2022	AL-700-E-C51-22	75,928
Local Development Districts	23.009	01/01/2023 - 12/31/2023	01/01/2023 - 09/30/2023	AL-700-E-C52-23	74,105
ARC READY LDDS	23.002	07/01/2023 - 08/31/2024	10/1/2022 - 9/30/2023	CC-21163-LDD-23	-
<b>Total of Cluster</b>					<b>150,033</b>
<b>Other Projects:</b>					
RPCGB - Birmingham Jefferson County Transit Authority	20.513	10/1/2018	10/1/2022 - 9/30/2023	FTA Section 5310	2,284,933
Areas of Persistent Poverty	20.505	09/15/2022 - 12/30/2024	10/1/2022 - 9/30/2023	AL-2022-034-00	178,200
EPA Brownfields	66.818	07/01/2022 - 09/30/2026	10/1/2022 - 9/30/2023	BF02D28022	109,907
SMART Grant	20.941	07/15/2023 - 01/15/2025	10/1/2022 - 9/30/2023	69A3552341008 SMARTFY22N1P1G02	1,649
SS4A Grant	20.939	07/07/2023 - 03/07/2025	10/1/2022 - 9/30/2023	693JJ2340404	7,666
USDA RPIC	10.890	09/30/2022 - 09/30/2024	10/1/2022 - 9/30/2023	12RDIC2200001	97,738
<b>Total of Cluster</b>					<b>2,680,093</b>
<b>U.S. Department of Commerce</b>					
<b>Passed Through the Economic Development Administration</b>					
<b>Direct Program:</b>					
EDA	11.302	1/1/2020 - 12/31/2022	10/01/2022-12/31/2022	ED20ATL3020006	9,703
EDA	11.302	1/1/2023 - 12/31/2025	01/01/2023-09/30/2023	ED23ATL3020005	40,564
<b>Total of Cluster</b>					<b>50,267</b>
<b>Medicaid Waiver Programs</b>					
Medicaid Waiver	93.796		10/1/2022 - 09/30/2023	E&D Waiver Services	6,022,131
TA (Technology Assisted Waiver)	93.796		10/1/2022 - 9/30/2023	TA	64,496
ACT (Transition Coordinator)	93.796	01/01/2023 - 12/31/2023	10/1/2022 - 9/30/2023	ACT	35,282
ACT (Alabama Community Transition Waiver)	93.796		10/1/2022 - 9/30/2023	ACT	234,333
Medical Waiver Personal Choices	93.796	10/01/2022-12/31/2023	10/1/2022 - 9/30/2023	Waiver Personal Choices	665,525
<b>Total of Cluster</b>					<b>7,021,767</b>
<b>Grand Total</b>					<b>\$ 13,592,890</b>

*The accompanying notes are an integral part of this schedule.*



**THE REGIONAL PLANNING COMMISSION OF GREATER BIRMINGHAM**  
**Schedule of Expenditures of Federal Awards**  
**September 30, 2023**

**Notes to the Schedule of Expenditures of Federal Awards**

**Basis of Presentation**

The accompanying schedule of expenditures of federal awards (the schedule) includes the federal award activity of the Regional Planning Commission of Greater Birmingham (the Commission) under programs of the federal government for the year ended September 30, 2022. The information in this schedule is presented in accordance with the requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the schedule presents only a selected portion of the operations of the Commission, it is not intended to and does not present the financial position, changes in net assets, or cash flows of the Commission.

**Summary of Significant Accounting Policies**

Expenditures reported on the schedule are reported on the accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement. Negative amounts shown on the schedule represent adjustments or credits made in the normal course of business to amounts reported as expenditures in prior years.

**Indirect Cost Rates**

The Commission has elected to not use the 10 percent de minimis indirect cost rate as allowed under the Uniform Guidance.



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

To the Executive Committee of  
The Regional Planning Commission of Greater Birmingham  
Birmingham, Alabama

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Regional Planning Commission of Greater Birmingham (“the Commission”) as of and for the year ended September 30, 2023, and the related notes to the financial statements, which collectively comprise the Commission’s basic financial statements, and have issued our report thereon dated March 20, 2024.

Internal Control Over Financial Reporting

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

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned function, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity’s financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

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

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Commission’s financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion.

The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

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

*DiPiazza LaRocca Heeter & Co., LLC*

DiPiazza LaRocca Heeter & Co., LLC  
Birmingham, Alabama  
March 20, 2024



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**INDEPENDENT AUDITOR'S REPORT  
ON COMPLIANCE FOR EACH MAJOR PROGRAM  
AND ON INTERNAL CONTROL OVER COMPLIANCE  
REQUIRED BY OMB'S UNIFORM GUIDANCE**

To the Executive Committee of  
The Regional Planning Commission of Greater Birmingham  
Birmingham, Alabama

Report on Compliance for Each Major Federal Program

*Opinion on Each Major Federal Program*

We have audited the Regional Planning Commission of Greater Birmingham's (the Commission's) compliance with the types of compliance requirements identified as subject to audit in the OMB *Compliance Supplement* that could have a direct and material effect on each of the Commission's major federal programs for the year ended September 30, 2023. 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.

In our opinion, the Commission complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended September 30, 2023.

*Basis for Opinion on Each Major Federal Program*

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

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

*Responsibilities of Management for Compliance*

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

*Auditor's Responsibilities for the Audit of Compliance*

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

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

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

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

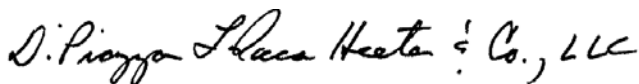
#### Report on Internal Control over Compliance

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

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

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

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



DiPiazza LaRocca Heeter & Co., LLC  
Birmingham, Alabama  
March 20, 2024

**THE REGIONAL PLANNING COMMISSION OF GREATER BIRMINGHAM**  
**Schedule of Findings and Questioned Costs**  
**For the Year Ended September 30, 2023**

**Section I – Summary of Auditor's Results**

***Financial Statements***

Type of auditor's report issued:	Unmodified			
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	None reported
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	None reported
Type of auditor's report issued on compliance for major programs:	Unmodified			
Noncompliance material to financial statements noted?	_____	Yes	X	No

Identification of major programs:

**CFDA Numbers**

93.796  
20.205

**Name of Federal Program or Cluster**

Medicaid Waiver  
U.S. Department of Transportation

Dollar threshold used to distinguish between type A and type B programs:	\$750,000			
Auditee qualified as low-risk auditee?	_____ X _____	Yes	_____	No

**Section II – Financial Statement Findings**

No current year financial statement findings noted.

**Section III – Prior Year Financial Statement Findings**

No prior year financial statement findings noted.

**REQUIRED SUPPLEMENTARY INFORMATION**

**THE REGIONAL PLANNING COMMISSION OF GREATER BIRMINGHAM**  
**SCHEDULE OF EMPLOYER CONTRIBUTIONS**  
**LAST EIGHT FISCAL YEARS ENDING SEPTEMBER 30,**

	2023	2022	2021	2020	2019	2018	2017	2016	2015
Actuarially determined contribution	\$ 351,341	\$ 357,390	\$ 268,708	\$ 215,813	\$ 245,002	\$ 339,955	\$ 258,642	\$ 268,771	\$ 233,603
Contributions in relation to the actuarially determined contribution	<u>(351,341)</u>	<u>(357,390)</u>	<u>(268,708)</u>	<u>(215,813)</u>	<u>(245,002)</u>	<u>(339,955)</u>	<u>(258,642)</u>	<u>(268,771)</u>	<u>(233,603)</u>
Contribution deficiency	\$ <u>-</u>	\$ <u>-</u>	\$ <u>-</u>	\$ <u>-</u>	\$ <u>-</u>	\$ <u>-</u>	\$ <u>-</u>	\$ <u>-</u>	\$ <u>-</u>
Covered payroll	\$ <u>5,324,567</u>	\$ <u>4,951,252</u>	\$ <u>3,743,872</u>	\$ <u>3,592,195</u>	\$ <u>3,179,796</u>	\$ <u>3,324,814</u>	\$ <u>3,065,587</u>	\$ <u>2,744,102</u>	\$ <u>2,577,240</u>
Contributions as a percentage of covered payroll	-6.60%	-7.22%	-7.18%	-6.01%	-7.70%	-10.22%	-8.44%	-9.79%	-9.06%

*Notes to schedule.*

*a This schedule requires this information for 10 years. Only 9 years are available at this time.*

*b Actuarially determined contribution rates are calculated as of September 30, three years prior to the end of the fiscal year in which contributions are reported. Contributions for fiscal year 2023 were based on the September 30, 2019 actuarial valuation.*

*c Methods and assumptions used to determine contribution rates for the period October 1, 2022 to September 30, 2023:*

<i>Actuarial cost method</i>	<i>Entry age</i>
<i>Amortization method</i>	<i>Level percent closed</i>
<i>Remaining amortization period</i>	<i>15.2 years</i>
<i>Asset valuation method</i>	<i>Five year smoothed market</i>
<i>Inflation</i>	<i>2.75%</i>
<i>Salary increases</i>	<i>3.25%-5.00%, including inflation</i>
<i>Investment rate of return</i>	<i>7.70%, net of pension plan investment expense, including inflation</i>

*See auditor's report.*



**THE REGIONAL PLANNING COMMISSION OF GREATER BIRMINGHAM**  
**SCHEDULE OF CHANGES IN THE NET PENSION LIABILITY**  
**LAST SEVEN FISCAL YEARS ENDING SEPTEMBER 30,**

	2022	2021	2020	2019	2018	2017	2016	2015
Total pension liability								
Service cost	\$ 364,027	328,904	\$ 264,541	\$ 299,445	\$ 260,576	\$ 245,214	\$ 228,309	\$ 220,081
Interest	708,862	637,528	584,451	545,521	517,101	501,038	477,878	460,631
Differences between expected and actual experience	190,479	363,642	179,066	194,813	39,123	12,515	94,760	(51,413)
Changes of benefit terms	10,963	-	107,386	-	-	-	-	-
Changes of assumptions	-	377,277	-	-	40,638	-	104,181	-
Benefit payments, including refunds of employee contributions	(485,238)	(468,926)	(513,376)	(491,716)	(667,445)	(431,349)	(382,534)	(444,904)
Transfers Among Employees	376,336	5,080	45,016	(31,653)	134,556	(2,094)	(6,659)	-
<b>Net change in pension liability</b>	<u>1,165,429</u>	<u>1,243,505</u>	<u>667,084</u>	<u>516,410</u>	<u>324,549</u>	<u>325,324</u>	<u>515,935</u>	<u>184,395</u>
<b>Total pension liability - beginning</b>	<u>9,757,547</u>	<u>8,514,042</u>	<u>7,846,958</u>	<u>7,330,548</u>	<u>7,005,999</u>	<u>6,680,675</u>	<u>6,164,740</u>	<u>5,980,345</u>
<b>Total pension liability - ending</b>	<u>10,922,976</u>	<u>9,757,547</u>	<u>8,514,042</u>	<u>7,846,958</u>	<u>7,330,548</u>	<u>7,005,999</u>	<u>6,680,675</u>	<u>6,164,740</u>
Plan fiduciary net position								
Contributions - employer	374,195	250,541	223,363	232,906	282,244	247,459	258,618	224,659
Contributions - employees	371,193	280,835	244,662	406,077	250,717	234,747	199,470	187,673
Net investment income	(1,033,589)	1,404,625	340,090	147,556	481,864	588,225	419,182	47,901
Benefit payments, including refunds of employee contributions	(485,238)	(468,926)	(513,376)	(491,716)	(667,445)	(431,349)	(382,534)	(444,904)
Transfers among employers	376,336	5,080	45,016	(31,653)	134,556	(2,094)	(6,659)	24,685
<b>Net change in fiduciary net position</b>	<u>(397,103)</u>	<u>1,472,155</u>	<u>339,755</u>	<u>263,170</u>	<u>481,936</u>	<u>636,988</u>	<u>488,077</u>	<u>40,014</u>
<b>Plan net position - beginning</b>	<u>7,763,663</u>	<u>6,291,508</u>	<u>5,951,753</u>	<u>5,688,583</u>	<u>5,206,647</u>	<u>4,569,659</u>	<u>4,081,582</u>	<u>4,041,568</u>
<b>Plan net position - ending</b>	<u>7,366,560</u>	<u>7,763,663</u>	<u>6,291,508</u>	<u>5,951,753</u>	<u>5,688,583</u>	<u>5,206,647</u>	<u>4,569,659</u>	<u>4,081,582</u>
<b>Net pension liability - ending</b>	<u>\$ 3,556,416</u>	<u>1,993,884</u>	<u>\$ 2,222,534</u>	<u>\$ 1,895,205</u>	<u>\$ 1,641,965</u>	<u>\$ 1,799,352</u>	<u>\$ 2,111,016</u>	<u>\$ 2,083,158</u>
<b>Plan fiduciary net pension as a percentage of the total pension liability</b>	67.44%	79.57%	73.90%	75.85%	77.60%	74.32%	68.40%	66.21%
<b>Covered payroll</b>	<u>\$ 5,324,567</u>	<u>4,951,252</u>	<u>\$ 3,743,872</u>	<u>\$ 3,592,195</u>	<u>\$ 3,179,796</u>	<u>\$ 3,324,814</u>	<u>\$ 3,065,587</u>	<u>\$ 2,744,102</u>
<b>Net pension liability as a percentage of covered payroll</b>	66.79%	40.27%	59.36%	52.76%	51.64%	54.12%	68.86%	75.91%

Notes to schedule.

This schedule requires this information for 10 years. Only 7 years are available at this time.

Covered payroll during the measurement period is the total covered payroll.

The measurement period is for the fiscal year previous to the current fiscal year.

See auditor's report.