



Town of Farmville

Town Council

November 8, 2023 at 7:00 PM
Council Chamber of the Town Hall
116 North Main Street, Farmville, VA

AGENDA

1. **Call to Order**
2. **Roll Call**
3. **Invocation**
4. **Pledge of Allegiance**
5. **Adoption of Agenda**
6. **Declaration of Personal Interest**
7. **Presentation of the Town's FY2022-2023 Audit by Brown, Edwards & Company, L.L.P.**
 - a. Audit Reports
8. **High Bridge Trail Update**
9. **ABM Presentation**
10. **Public Hearing**

Public Hearing - Ordinance No. 227 - to amend Chapter 25 Taxation of the Farmville Town

 - a. Code to add Article XI Authorizing Revenue Sharing for Solar Energy Projects and Energy Storage Systems
11. **Public Comment Period**
 - a. Public Comment Sign-up Sheet
12. **Consent Agenda**
 - a. Draft Minutes of the October 11, 2023 Regular Council Meeting
13. **Finance Report**
 - a. October 2023 Finance Report
14. **New Business**

Request Adoption of Ordinance No. 227 - to amend Chapter 25 Taxation of the Farmville

 - a. Town Code to add Article XI Authorizing Revenue Sharing for Solar Energy Projects and Energy Storage Systems
 - b. Request Adoption of Resolution No. 2023-11-01 - Authorizing the Finance Director to Transfer Budgeted Funds from FY22-23 to FY23-24 in the General Fund and Water Fund
 - c. Request Adoption of Resolution No. 2023-11-02 - Appointment of Daniel Clark as Fire Official for Town of Farmville
 - d. Request Acceptance of Audit for Fiscal Year Ending June 30, 2023
15. **Town Manager's Report**

16. Comments by Mayor and Town Council



Town of Farmville

Agenda Item Summary

MEETING DATE: November 8, 2023

ITEM NUMBER: 7.a. – Audit Reports

BACKGROUND: Chris Murray, Director at Brown, Edwards & Company, L.L.P. will provide an overview of the Town's FY2022-2023 audit results.

RECOMMENDATION:

FISCAL IMPACT:

ATTACHMENTS:

1. 06.23 RPT - Town of Farmville - Final
2. 06.23 ACL - Town of Farmville - Final
3. 06.23 APA ML - Town of Farmville - Final
4. 06.23 FA RPT - Town of Farmville - Final



Hub of Commerce and Community Over 200 Years

Town of Farmville, Virginia

ANNUAL COMPREHENSIVE FINANCIAL REPORT

FISCAL YEAR ENDED JUNE 30, 2023

DEPARTMENT OF FINANCE

TOWN OF FARMVILLE, VIRGINIA
ANNUAL COMPREHENSIVE FINANCIAL REPORT
FISCAL YEAR ENDED JUNE 30, 2023
DEPARTMENT OF FINANCE AND ADMINISTRATION

TOWN OF FARMVILLE, VIRGINIA

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INTRODUCTORY SECTION



TOWN MANAGER'S OFFICE

C. Scott Davis, LP.D.
Town Manager

Jacqueline B. Vaughan
Executive Assistant

October 31, 2023

The Honorable Mayor, Members of the Town Council And the Citizens of Farmville, Virginia:

We are pleased to present the Annual Comprehensive Financial Report (ACFR) of the Town of Farmville for the fiscal year ended June 30, 2023. This report is submitted in accordance with Section 15.1-167 of the Code of Virginia and with Article 5, Section 23 of the Charter of the Town of Farmville, both of which require an annual independent audit and report of the financial activity of the Town. The independent certified public accounting firm of Brown, Edwards & Company, L.L.P., has audited the financial statements and supplemental schedules contained herein. Responsibility for both the accuracy of the data and the completeness and fairness of the presentation, including all disclosures, rests with the Town. To the best of our knowledge and belief, the enclosed information is accurate in all material respects and is reported in a manner designed to present fairly the financial position and results of operations of the various funds of the Town. All disclosures necessary to enable the reader to gain an understanding of the Town's financial activities have been included.

The Reporting Entity and Services Provided

For financial reporting purposes, in accordance with the Governmental Accounting Standards Board (GASB) criteria, the Town of Farmville includes funds, agencies, boards, commissions, and authorities that were controlled by or were financially dependent upon the Town within the reporting period. Control of our financial dependence was determined based on the obligation of the Town to finance deficits, guarantee debt, select the governing authority, approve the budget, have authority to make a public levy and have ownership of assets. The Town of Farmville provides an extensive range of services for its citizens, including general administration, public safety, public works, planning, zoning, economic and community development, code enforcement, cemetery management, and handles water, sewer, transportation, and airport services for the benefit of its citizens.

Organization of Government

On January 15, 1798, the Virginia Legislature established the Town of Farmville. Until 1870, Farmville was governed by a board of commissioners, or trustees, appointed by the Legislature. In 1870, the Legislature authorized qualified voters in the Town to elect a mayor, nine councilmen, a sergeant, a commissioner of the revenue, a treasurer, and a keeper of the public scales. Today, the Town is organized under a Council-Manager form of government with a seven-member Town Council as the governing body. The Town Council and Mayor are popularly elected. The council is responsible for adopting an annual budget, passing ordinances, establishing policies, and appointing committees. The Town Manager is responsible for carrying out the policies and ordinances of the Town Council, for the day-to-day operations of the Town, and for appointing Town department heads.

Economic Condition and Outlook

Established in 1798 and serving as the county seat of Prince Edward County, Farmville's magnetic pull extends far beyond its 120,000-strong regional population. Its diverse shopping, historical richness, and abundant cultural, educational, and outdoor activities attract residents and numerous visitors. In recent years, in collaboration with its esteemed higher education institutions, Farmville's downtown has undergone a renaissance, imbuing the area with a vibrant college-town ambiance.

Farmville boasts a unique distinction as one of the oldest two-college towns in the nation, proudly hosting the prestigious Hampden-Sydney College, founded in 1775, and Longwood University, established in 1839. Hampden-Sydney College, a revered all-male private institution, stands six miles southwest of the town center and enrolls 1,200 students. At the same time, Longwood University, nestled in the heart of Farmville, accommodates approximately 5,000 students. Longwood, evolving from a female seminary to a fully co-educational institution in 1976, continues its expansion with recent additions such as a state-of-the-art 4500-seat convocation center, enhancing the town's academic vibrancy.

Farmville's downtown exudes an enchanting blend of historic architecture and contemporary charm, where each corner tells a story. Local businesses thrive within these storied walls, offering an enticing range of products, from locally crafted treasures to culinary delights. Notable establishments like Green Front Furniture and the Appomattox River Company draw visitors across the state, adding to the town's dynamic tapestry. The Farmville Farmers' Market, a haven for locally grown produce, delectable baked goods, and handcrafted items, beckons residents and tourists alike. Farmville's downtown pulse is meticulously preserved by "Farmville Downtown," a non-profit organization of dedicated locals, ensuring its pivotal role as the heart of the community endures through time.

Prince Edward County, home to Farmville, proudly maintains its Virginia Enterprise Zone designation, offering a wealth of state and local investment incentives. State grants, tailored explicitly for physical property improvements, are extended to businesses. These incentives aren't limited to newcomers; existing industries are equally acknowledged and rewarded.

Moreover, Farmville's allure as a tourism hub continues flourishing, attracting history enthusiasts and nature lovers alike. The town hosts the R. R. Moton Museum, an enlightening narrative of the 1951 student strike pivotal to the civil rights movement, serving as the linchpin of the Civil Rights in Education Heritage Trail.

Nature enthusiasts find solace in the expansive High Bridge Trail State Park and Sailor's Creek Battlefield, solemnly commemorating the conclusive battles of the Civil War. For camping and hiking enthusiasts, Bear Creek Lake State Park and Twin Lakes State Park stand as beckoning havens, drawing visitors from all corners of Virginia. Fishing enthusiasts are welcomed at Sandy River Reservoir, a sprawling 740-acre lake nestled in Prince Edward County, meticulously stocked and managed by the Virginia Department of Game and Inland Fisheries, ensuring a serene and rewarding experience for passionate anglers. Farmville's diverse attractions continue to be a captivating destination for travelers seeking historical insights and natural splendor.

Major Initiatives and Accomplishments

- Farmville's economic trajectory continues to ascend, buoyed by strategic initiatives and accomplishments that underscore the town's commitment to progress—this fiscal year witnessed astute financial management, with the Town's Finance Director orchestrating investments in higher interest-bearing government pools, resulting in an additional revenue influx of \$416,308.89. In a bold move to invigorate economic assets.
- The Farmville Recreation Department has enriched the town's recreational landscape by introducing two exciting additions at Wilck's Lake Park: a toddler playground designed for the little ones and a forthcoming splash pad promising outdoor revelry for school-aged children during spring and summer. This venture, expected upon completion to cost approximately \$600,000, embodies Farmville's commitment to providing inclusive recreational opportunities for all ages.
- Crucial upgrades have been undertaken at our Water Treatment Plant and Wastewater Treatment Plant, reinforcing the town's commitment to environmental stewardship. Noteworthy enhancements include transitioning from chlorine gas to sodium hypochlorite, replacing oxidation tanks and generators, and installing a chemical feed pump with a 5,000-gallon storage tank. This progressive approach ensures a sustainable future for Farmville's utilities.
- In a landmark decision, the Farmville Planning Commission and Town Council collaboratively crafted and endorsed the Moton Museum Overlay District. This pivotal step paves the way for the museum's potential induction as a World Heritage Site, marking a significant milestone in Farmville's historical legacy.
- The Farmville Fire Department, dedicated to superior citizen safety, invested \$937,250 in a new pumper truck, bolstering its firefighting capabilities.
- Moreover, Farmville's unwavering commitment to fiscal responsibility shone through in engaging the expertise of ABM Building Services. Their exhaustive survey of utility and energy consumption across town properties yielded valuable recommendations, aligning Farmville's operations with cost-effective and sustainable practices.

Farmville's economic landscape is thriving, anchored in a rich tapestry of history, education, and community engagement. Through strategic investments, visionary initiatives, and a steadfast commitment to progress, Farmville continues to evolve as a beacon of opportunity, inviting residents and visitors alike to join in its journey toward a vibrant, sustainable future.

Financial Information

During the reporting period, the Town of Farmville managed its financial affairs using Generally Accepted Accounting Principles (GAAP) and maintained its accounting records on a modified accrual basis. The Town's enterprise funds are reported on the full accrual basis, under which revenues are recorded when earned and expenses are recorded when incurred. Additional information can be found in Note 1 of this report.

During the reporting period, Town management was responsible for establishing and maintaining an internal control structure designed to ensure that the assets of the Town are protected from loss, theft, or misuse and to ensure that adequate accounting data are compiled to allow for the preparation of financial statements in conformity with generally accepted accounting principles. The internal control structure is designed to provide reasonable, but not absolute, assurance that these objectives are met. The concept of reasonable assurance recognizes (1) the cost of a control should not exceed the benefits likely to be derived; and (2) the evaluation of costs and benefits require estimates and judgments by management. In addition, the Town maintained budgetary controls during the reporting period. The controls in place ensure compliance with legal provisions embodied in the annual appropriated budget approved by the Town Council. Additional information can be found in Note 1 of this report.

As demonstrated by the financial statements and supplemental schedules included in the financial section of this report, the Town has continued to meet its responsibility for sound financial management.

GAAP requires that management provide a narrative introduction, overview, and analysis to accompany the basic financial statements in the form of Management's Discussion and Analysis (MD&A). This letter of transmittal is designed to complement the MD&A and should be read in conjunction with it. The Town's MD&A can be found immediately following the independent auditors' report.

Cash Management

Following the State code and the Town's Investment Policy, the Town invested in money market accounts, the Virginia Investment Pool, the Local Government Investment Pool, and certificates of deposits.

No other policies significantly impacted the current year's financial statements for the Town.

Other Information

Independent Audit. Virginia Law and the Charter of the Town of Farmville require that a Certified Public Accountant audit the financial statements of the Town. Brown, Edwards, & Company, L.L.P., has performed an annual audit of the Annual Comprehensive Financial Report. The auditor's report is included in the Financial Section of this report. The auditor's report, as required by Government Auditing Standards, is found in the Compliance Section of this report.

Awards. Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the Town of Farmville, Virginia, for its annual comprehensive financial report for the fiscal year ended June 30, 2022. This was the first year that the government had achieved this prestigious award. In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized annual comprehensive financial report. This report must satisfy both generally accepted accounting principles and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. We believe that our current annual comprehensive financial report continues to meet the Certificate of Achievement Program's requirements and we are submitting it to GFOA to determine its eligibility for another certificate.

Acknowledgements. The preparation of this report is a very intensive project. It could not have been accomplished without the assistance and dedication of the Finance Department staff and other personnel from various departments, who assisted in the preparation. The Mayor and Town Council continue to support our efforts to produce the best financial reports possible for our citizens. We appreciate your support in granting us the time and funding to generate this document and allowing us to submit it to the GFOA for consideration. Lastly, we would like to thank our independent auditing firm, Brown, Edwards & Company, L.L.P., for their cooperation and assistance in these efforts.

Respectfully Submitted,



C. Scott Davis, LP.D.
Town Manager



Julie A. Moore, CPA, CFE, CGFM
Director of Finance



Government Finance Officers Association

Certificate of
Achievement
for Excellence
in Financial
Reporting

Presented to

**Town of Farmville
Virginia**

For its Annual Comprehensive
Financial Report
For the Fiscal Year Ended

June 30, 2022

Christopher P. Morrill

Executive Director/CEO



DIRECTORY OF PRINCIPAL OFFICIALS MEMBERS OF TOWN COUNCIL



Brian Vincent, Mayor

Term Expires: December 31, 2026
Phone: (434) 640-1017
Email: bvincent@farmvilleva.com



A.D. "Chuckie" Reid, Vice Mayor

Term Expires: December 31, 2026
Phone: (434) 390-9069
Email: creid@farmvilleva.com



John Hardy, Councilman

Term Expires: December 31, 2026
Phone: (434) 547-8373
Email: jhardy@farmvilleva.com



Sallie O. Amos, Councilwoman

Term Expires: December 31, 2024
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Daniel E. Dwyer, Councilman

Term Expires: December 31, 2024
Phone: (434) 390-6614
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Donald L. Hunter, Councilman

Term Expires: December 31, 2024
Phone: (434) 392-6053
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Thomas M. Pairet, Councilman

Term Expires: December 31, 2026
Phone: (434) 603-1296
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Adam Yoelin, Councilman

Term Expires: December 31, 2026
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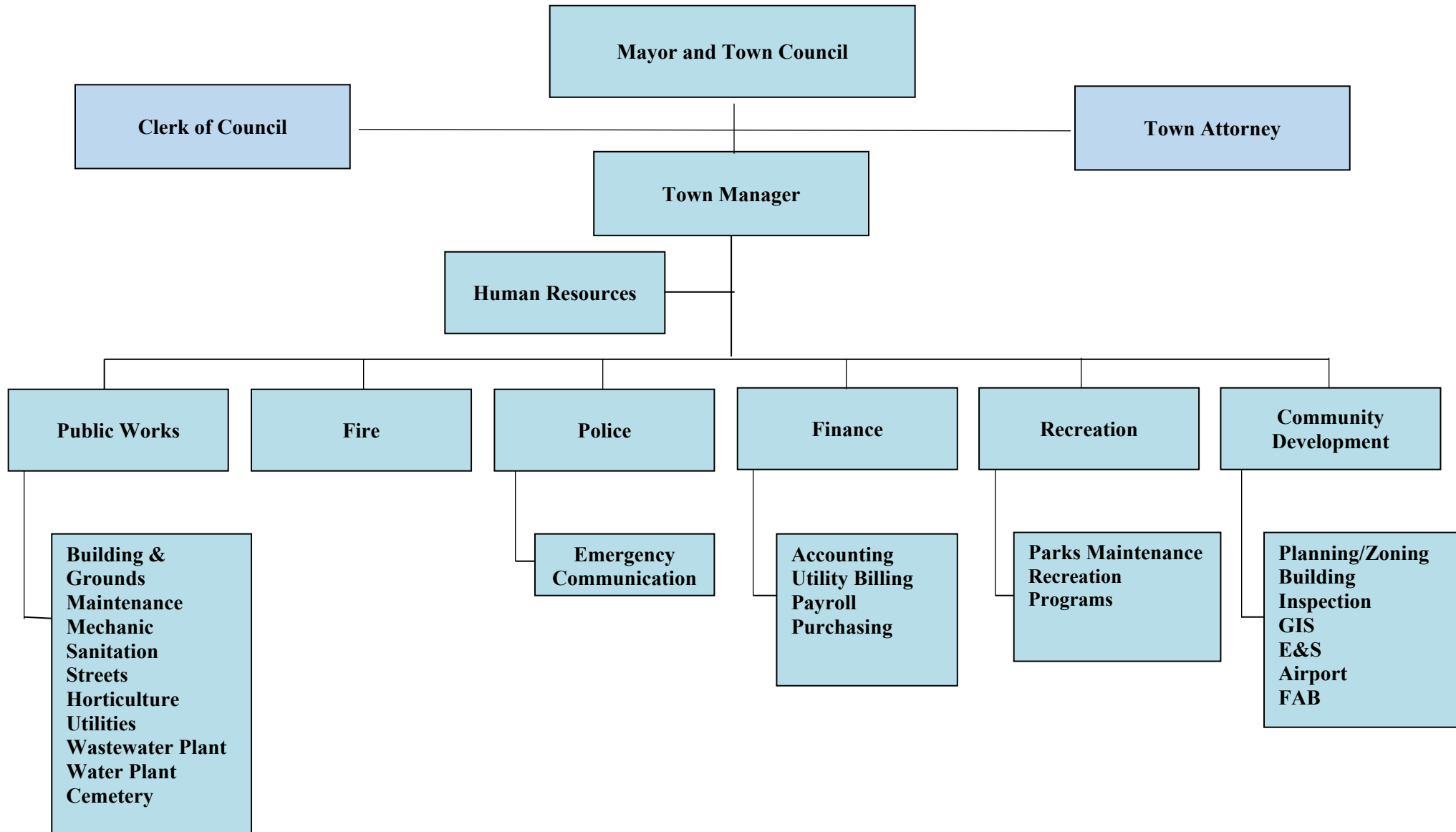


**DIRECTORY OF PRINCIPAL OFFICIALS
MEMBERS OF TOWN COUNCIL
as of June 30, 2023**

Town Manager	C. Scott Davis LP.D.
Assistant to the Town Manager	Jackie Vaughan
Director of Finance	Julie A. Moore
Deputy Director of Finance	Carol Anne Seal
Clerk of Council	Mary McKay
Town Attorney	Gary Elder
Chief of Police	Andy Ellington
Director of Public Works	Robin Atkins
Fire Chief	Daniel Clark
Community Development Director (Interim)	Ashley Atkins-Austin
Building Official	Phillip Moore

TOWN OF FARMVILLE, VIRGINIA

ORGANIZATIONAL CHART



FINANCIAL SECTION

**Financial Section contains the
Basic Financial Statements.**

INDEPENDENT AUDITOR'S REPORT

To the Honorable Mayor and Members of Town Council
Town of Farmville, Virginia

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the Town of Farmville, Virginia (the "Town") as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise the Town'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, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the Town as of June 30, 2023, and the respective changes in financial position and, where applicable, cash flows thereof and the respective budgetary comparison for the General Fund 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 and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, and *Specifications for Audits of Counties, Cities, and Towns* and the *Specifications for Audits of Authorities, Boards and Commissions* issued by the Auditor of Public Accounts of the Commonwealth of Virginia. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Town 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 these 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.

Report on the Audit of the Financial Statements (Continued)

Responsibilities of Management for the Financial Statements (Continued)

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 Town'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 and *Government 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 and *Government 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 Town of Farmville'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 Town of Farmville'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.

Report on the Audit of the Financial Statements (Continued)

Required Supplementary Information

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

Supplementary Information

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

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.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated October 31, 2023 on our consideration of the Town's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Town's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Town's internal control over financial reporting and compliance.

Brown, Edwards & Company, L.L.P.

CERTIFIED PUBLIC ACCOUNTANTS

Lynchburg, Virginia
October 31, 2023

MANAGEMENT'S DISCUSSION AND ANALYSIS

As stewards of Farmville, Virginia, we are pleased to offer this comprehensive narrative overview and analysis of the Town's financial activities for the fiscal years ended June 30, 2023 and 2022. We invite readers to consider this information alongside the detailed insights provided in our transmittal letter on pages i through v.

Financial Highlights:

- The Town's assets and deferred outflows surpassed its liabilities and deferred inflows at the close of the fiscal year by an impressive \$40,717,033, representing the net position. Within this, \$11,150,638 (unrestricted net position) stands available for fulfilling the Town's ongoing commitments to its citizens and creditors.
- The Town's total net position experienced a noteworthy increase of \$4,740,109, attributable equally to the general fund operations and business-type activities.
- At the fiscal year's end, the Town's governmental fund reported an ending fund balance of \$7,149,573, reflecting a substantial increase of \$1,064,330 compared to the previous year. Approximately 55% of this total, amounting to \$3,933,566, is available for discretionary spending (unassigned fund balance).
- The Town's overall debt decreased by a significant \$1,856,066 or 22.89% during the fiscal year, underscoring our commitment to fiscal responsibility.

Overview of the Financial Statements:

This detailed discussion and analysis introduce the Town's fundamental financial statements, which consist of three integral components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. Additionally, this report incorporates supplementary information to enhance the readers' understanding.

Government-wide Financial Statements - The government-wide financial statements provide readers with a comprehensive overview of the Town's financial landscape, akin to private-sector businesses.

- The statement of net position offers a holistic view of the Town's assets, deferred outflows, liabilities, and deferred inflows, with the resulting difference reported as net position. Changes in net position over time serve as indicators of the Town's financial trajectory.
- The statement of activities demonstrates how the Town's net position evolved during the fiscal year, capturing changes as soon as the underlying events occurred, regardless of the timing of cash flows. This includes reporting revenues and expenses for items that will only result in future cash flows, fostering transparency and accountability.

Both government-wide financial statements distinguish between Town functions primarily supported by taxes and intergovernmental revenues (governmental activities) and those intended to recover costs through user fees and charges (business-type activities). Governmental activities encompass general government, public safety, public works, parks, recreation, cultural, and community development, while business-type activities encompass water, sewer, transportation, and airport funds.

The Town adheres to fund accounting principles, ensuring compliance with finance-related legal requirements and reinforcing our commitment to sound financial management.

Fund Financial Statements – A fund constitutes a collection of interconnected accounts designed to manage resources set aside for particular activities or objectives. Like other state and local governments, the Town employs fund accounting to uphold and demonstrate adherence to legal financial requirements. The Town’s funds fall into three primary categories: governmental, proprietary, and fiduciary.

Governmental Fund – The Town’s governmental funds focus on providing insights into immediate inflows, outflows, and available resources. This information aids in evaluating the Town’s financial needs. Specifically, the unassigned fund balance can serve as a valuable measure of the government’s net resources available for spending at the close of the fiscal year.

The Town maintains three distinct governmental funds. Details are presented separately in the governmental fund balance sheet and in the statement of revenues, expenditures, and changes in fund balances for the general fund and the street maintenance fund, both considered major funds. The narcotics fund represents the sole non-major governmental fund.

The Town establishes an annual appropriated budget for its general fund, supported by a budgetary comparison statement illustrating compliance with this budget.

Fund balances represent the disparities between assets and liabilities in a governmental fund.

- **Nonspendable fund balance** comprises amounts not in spendable form or those required to be maintained intact.
- **Restricted fund balance** encompasses amounts usable solely for specific purposes stipulated by external providers, such as grantors or bondholders, along with amounts restricted through enabling legislation.
- **Committed fund balance** pertains to amounts usable only for specific purposes determined by formal action of the government’s highest decision-making body.
- **Assigned fund balance** refers to amounts designated for specific purposes by the governing body or authorized official and applies to remaining resources in any governmental funds other than the general fund.
- **Unassigned fund balance** covers all amounts not included in other classifications for the general fund, as well as deficit fund balances in any other governmental funds.

As of June 30, 2023, the Town’s governmental funds concluded the fiscal year with an ending fund balance of \$7,149,573, marking a notable increase of \$1,064,330 compared to the previous year. Among this total, \$630,279 was nonspendable, \$1,612,932 was restricted, \$538,963 was committed, \$433,833 was assigned, and \$3,933,566 was unassigned.

To gauge the general fund’s liquidity, it’s pertinent to assess both the unassigned fund balance and the total fund balance in relation to the total fund expenditures. The unassigned fund balance, constituting 27.98% of total general fund expenditures, and the total fund balance, representing 47.7% of the same amount, serve as critical indicators of financial health.

Proprietary Funds – These funds mirror the functions presented as business-type activities in the government-wide financial statements. The Town employs enterprise funds to account for its water, sewer, transportation, and airport operations.

Fiduciary Funds – Fiduciary funds are instrumental for managing resources held for external parties' benefit or for the Town's other post-employment benefit trust. Unlike governmental funds, fiduciary funds are excluded from the government-wide financial statements because their resources cannot support the Town's own programs. The accounting principles applied to fiduciary funds are akin to those used for proprietary funds.

Notes to the Financial Statements – The notes offer indispensable additional information that enhances the comprehensive understanding of the data presented in both the government-wide and fund financial statements.

Other Information – Beyond the fundamental financial statements and accompanying notes, this report incorporates specific *required supplementary information*. This information delves into the Town's funding progress for its other post-employment benefits and outlines details regarding its pension contributions and benefits.

Government-wide Financial Analysis

In evaluating the Town's financial position, it's crucial to consider its net position, which proves to be a valuable indicator over time. At the close of the recent fiscal year, the Town's assets and deferred outflows exceeded its liabilities and deferred inflows by \$40,717,033.

A significant portion of the Town's net position (68.7%) represents its investment in capital assets, such as land, buildings, machinery, equipment, and infrastructure. This figure is net of any related debt used to acquire these assets that is still outstanding. These capital assets are essential for delivering services to citizens. It's important to note that even though the Town's investment in these assets is reported net of related debt, the resources necessary to repay this debt must be sourced from other avenues, as the capital assets themselves cannot be utilized to settle these obligations.

Additionally, a portion of the net position (3.9%) is restricted and earmarked for debt service funds, forfeiture funds, and other grant funds. The remaining balance of unrestricted net assets (27.4%) is available to fulfill the Town's ongoing obligations to its citizens and creditors. This portion provides the flexibility needed to meet various financial commitments.

The Town's Net Position						
	Governmental Activities		Business-type Activities		Total	
	2023	2022	2023	2022	2023	2022
Current and other assets	\$ 17,687,694	\$ 11,010,941	\$ 7,458,590	\$ 6,265,056	\$ 25,146,284	\$ 17,275,997
Capital assets	19,284,298	20,408,394	15,832,780	14,136,471	35,117,078	34,544,865
Total assets	36,971,992	31,419,335	23,291,370	20,401,527	60,263,362	51,820,862
Deferred outflow of resources	990,535	971,719	208,304	223,533	1,198,839	1,195,252
Long-term liabilities	5,091,368	6,514,201	2,860,610	3,070,256	7,951,978	9,584,457
Net pension liability	547,001	-	99,111	-	646,112	-
Net OPEB liability	1,260,286	1,538,923	291,306	368,646	1,551,592	1,907,569
Other liabilities	9,536,922	4,915,933	728,932	387,301	10,265,854	5,303,234
Total liabilities	16,435,577	12,969,057	3,979,959	3,826,203	20,415,536	16,795,260
Deferred inflows of resources	267,745	196,789	61,887	47,141	329,632	243,930
Net position						
Net investment in capital assets	15,220,292	14,875,101	12,733,171	11,189,893	27,953,463	26,064,993
Restricted	1,612,932	3,045,457	-	-	1,612,932	3,045,457
Unrestricted	4,425,981	1,304,650	6,724,657	5,561,823	11,150,638	6,866,474
Total net position	<u>\$ 21,259,205</u>	<u>\$ 19,225,208</u>	<u>\$ 19,457,828</u>	<u>\$ 16,751,716</u>	<u>\$ 40,717,033</u>	<u>\$ 35,976,924</u>

As previously mentioned, net position and assets categorized by type can serve as valuable indicators of a government's financial standing over time. For the Town, as of June 30, 2023, assets surpassed liabilities by \$40,717,033 in Governmental Activities and Business-type Activities, underscoring the Town's robust financial position.

During the current fiscal year, the Town's Total Government net position surged by \$4,740,109, marking a significant 13.2% increase. This growth was primarily propelled by a 10.6% rise in Governmental Activities' net position and a substantial 16.2% increase in net position within Business-type Activities compared to the previous year. The Town's ongoing commitment to prudent financial management extended across all its funds, encompassing the General Fund, Street Maintenance Fund, Water Fund, Sewer Fund, Transportation Fund, and Airport Fund. This meticulous approach ensures the responsible utilization of public resources, positioning the Town in a robust financial stance.

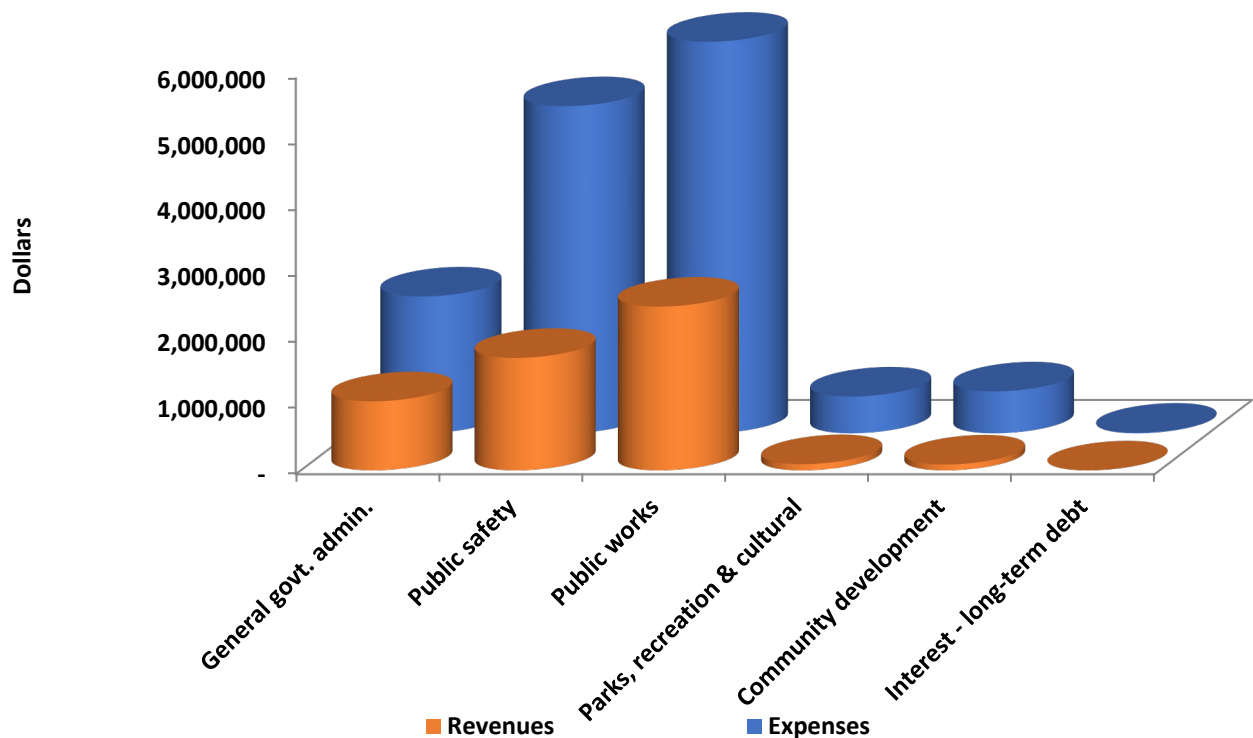
The Town's Changes in Net Position

	Governmental Activities		Business-type Activities		Total	
	2023	2022	2023	2022	2023	2022
Revenues						
Program revenues						
Charges for services	\$ 1,710,432	\$ 1,820,791	\$ 4,241,001	\$ 3,778,435	\$ 5,951,433	\$ 5,599,226
Operating grants and contributions	2,684,257	2,564,086	746,028	789,016	3,430,285	3,353,102
Capital grants and contributions	1,024,452	-	1,892,427	323,467	2,916,879	323,467
General revenues						
Property taxes	1,144,960	1,065,846	-	-	1,144,960	1,065,846
Other taxes	8,025,063	7,526,260	-	-	8,025,063	7,526,260
Intergovernmental revenue unrestricted	70,582	104,713	-	-	70,582	104,713
Investment earnings	516,548	121,643	23,726	620	540,274	122,263
Other	775,110	996,391	128,856	301,693	903,966	1,298,084
Total revenues	<u>15,951,404</u>	<u>14,199,730</u>	<u>7,032,038</u>	<u>5,193,231</u>	<u>22,983,442</u>	<u>19,392,961</u>
Expenses						
General government	2,073,583	1,684,095	-	-	2,073,583	1,684,095
Public safety	4,957,718	3,842,518	-	-	4,957,718	3,842,518
Public works	5,933,858	5,806,553	-	-	5,933,858	5,806,553
Parks, recreation, and cultural	557,407	804,098	-	-	557,407	804,098
Community development	635,196	536,554	-	-	635,196	536,554
Interest on long-term debt	9,645	66,170	-	-	9,645	66,170
Water	-	-	1,601,511	1,481,832	1,601,511	1,481,832
Sewer	-	-	1,276,131	923,769	1,276,131	923,769
Transportation	-	-	826,232	803,985	826,232	803,985
Airport	-	-	372,052	354,760	372,052	354,760
Total expenses	<u>14,167,407</u>	<u>12,739,988</u>	<u>4,075,926</u>	<u>3,564,346</u>	<u>18,243,333</u>	<u>16,304,334</u>
Excess before transfers	1,783,997	1,459,742	2,956,112	1,628,885	4,740,109	3,088,627
Transfers	<u>250,000</u>	<u>1,082,970</u>	<u>(250,000)</u>	<u>(1,082,970)</u>	<u>-</u>	<u>-</u>
Change in net position	2,033,997	2,542,712	2,706,112	545,915	4,740,109	3,088,627
Net position – July 1	<u>19,225,208</u>	<u>16,682,496</u>	<u>16,751,716</u>	<u>16,205,801</u>	<u>35,976,924</u>	<u>32,888,297</u>
Net position – June 30	<u><u>\$ 21,259,205</u></u>	<u><u>\$ 19,225,208</u></u>	<u><u>\$ 19,457,828</u></u>	<u><u>\$ 16,751,716</u></u>	<u><u>\$ 40,717,033</u></u>	<u><u>\$ 35,976,924</u></u>

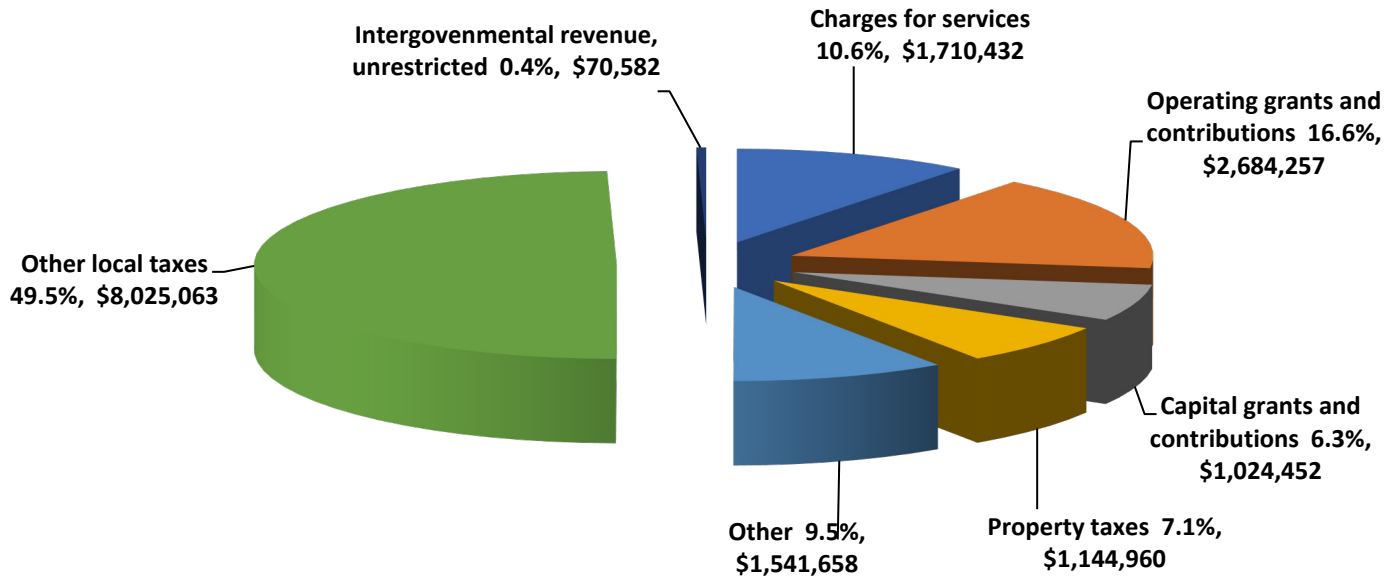
Governmental Activities - Within Governmental Activities, the Town experienced a notable boost of \$2,033,997 in net position, constituting a significant portion of the overall growth. This increase was driven by a 9.9% surge in General Revenues, primarily attributed to higher collections from meals and lodging tax, local tax revenues, investment income, and the golf course sale. The Town's total assets saw a substantial uptick of 17.7%, primarily due to the receipt of the second payment of the Coronavirus State and Local Fiscal Recovery Funds in FY23. However, total liabilities also increased by 26.7%, partly due to the second payment of the Coronavirus State and Local Fiscal Recovery Funds and the pension plan incurring a balance as of June 30, 2023.

Business-type Activities - In the realm of Business-type Activities, the Town's net position grew by \$2,706,112, a considerable leap compared to the prior year's increase of \$545,915. This significant growth was fueled by a 12.2% rise in service charges, predominantly attributed to water and sewer rate hikes implemented on July 1, 2022. Furthermore, an additional \$1.5 million was received in capital grants and contributions, primarily related to ongoing airport projects in FY23. These developments reflect the Town's robust financial strategies and effective management, ensuring sustainable growth and stability.

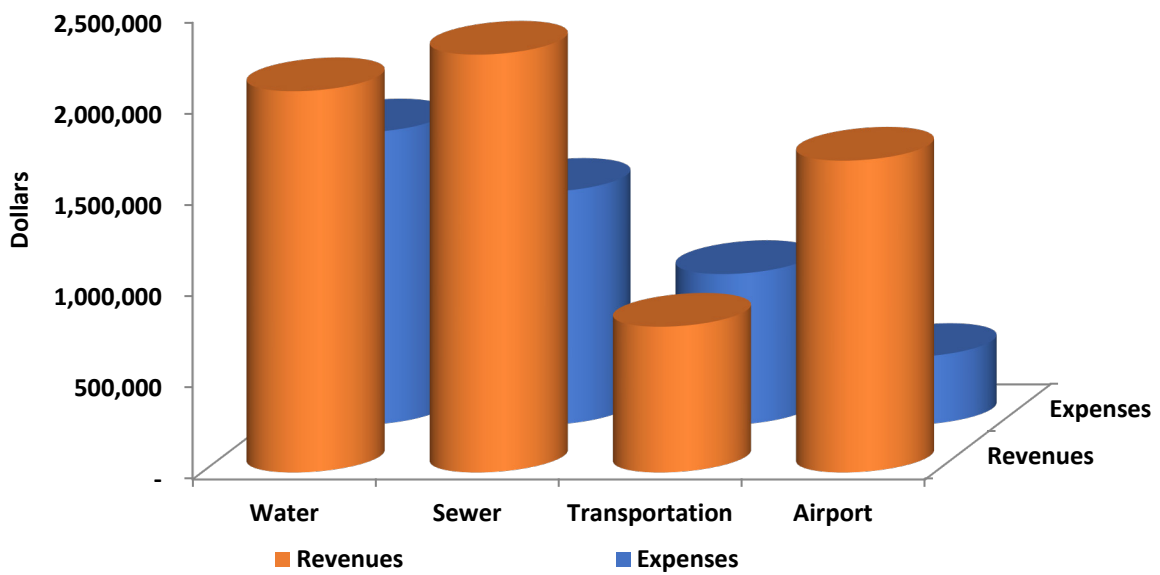
Expenses and Program Revenues – Governmental Activities



Revenues by Source – Governmental Activities



Expenses and Program Revenues – Business-type Activities



Financial Analysis of the Government's Funds

The Town employs fund accounting to ensure compliance with legal financial obligations and to provide a clear picture of its financial activities.

Governmental Fund – The primary focus of the Town's governmental fund is to outline short-term cash flows and available resources. This data is crucial for assessing the Town's financial needs. Specifically, the *unreserved fund balance* is a vital indicator of the government's resources available for spending at the fiscal year's end.

At the close of the current fiscal year, the Town's governmental funds revealed an ending fund balance of \$7,149,573, indicating a \$1,064,330 increase from the previous year. Of this total, approximately 55.0% or \$3,933,566 constitutes an unassigned fund balance, allowing discretionary spending by the Town. Another 7.5%, equating to \$538,963, represents the committed fund balance allocated for specific purposes. Additionally, 6.1%, or \$433,833, is assigned fund balance designated for particular purposes, and 22.6%, or \$1,612,932, is restricted fund balance, subject to specific provisions.

Comparing unassigned and total fund balances to total fund expenditures is valuable for gauging the general fund's liquidity. Unassigned fund balance accounts for 28.0% of total general fund expenditures, while total fund balance makes up 47.7% of the same expenditure amount. This analysis provides a comprehensive view of the Town's financial stability and ability to meet its fiscal obligations.

The \$1,060,074 increase in the general fund balance can be attributed to higher meals and lodging tax revenues in FY23 compared to the previous year. This surge was due to the full benefits realized from two new restaurants that opened at the end of FY22. The rise in lodging taxes was driven by increased economic activity, drawing more visitors to the Town, especially from local colleges and shops. Additionally, in FY23, the Town made strategic investments, including placing funds into LGIP and VIP, generating extra investment income. Part of the Coronavirus State and Local Fiscal Recovery Funds was also allocated to the general fund due to the pre-payment of the fire pumper. Notable expenditures included dispatch radios and police vehicles, with a significant portion allocated to enhancing public safety in FY23.

It's worth highlighting that the general fund demonstrated self-sustainability throughout the year, reducing the need for additional transfers into the fund aligning with the Town's objectives. In contrast, the Street Maintenance fund saw a balanced financial year with a 15% increase in revenues; however, the rising costs of street paving projects offset these gains.

Proprietary Funds – The Town's proprietary funds offer a more detailed version of the information found in the government-wide financial statements.

The water fund's unrestricted net position stood at \$2,403,865, while the sewer fund's unrestricted net position reached \$3,151,047. The transportation fund held an unrestricted net position of \$919,048, and the airport fund's unrestricted net position amounted to \$250,697. The total increase in net position for enterprise funds during the fiscal year was \$2,706,112, a significant rise of \$2,160,197 or 396% compared to the previous year. Additional financial aspects related to these funds have been previously discussed in the context of the Town's business-type activities.

General Fund Budgetary Highlights

Differences between the initial budget and the final amended budget totaled \$3,496,006. Notable adjustments include:

- An increase of \$587,000 in the general governmental sector is due to the analysis of the prior year's contingency fund, which was unknown until the closeout of the previous fiscal year.
- A \$680,000 rise in public safety funds carried over from the previous year, as the money was committed but not utilized by the year-end. Additionally, the Council approved an additional \$937,250 from the Coronavirus State and Local Fiscal Recovery Funds to pre-pay for a fire pumper.
- An augmentation of \$623,000 in the parks and recreation budget, sanctioned by the Council for installing a new splash pad, funded through the Coronavirus State and Local Fiscal Recovery Funds.

Differences between the final amended budget and the actual results totaled \$2,510,750. The key points are as follows:

- General government operational costs were \$911,000 lower than budgeted, resulting in significant savings.
- Public safety funds saw a reduction of \$327,000 due to project delays, safety initiatives, and lower operational expenses.
- Public works funds were underutilized by \$474,000 due to project timing and associated costs, leading to decreased expenditures and re-appropriation.
- Parks, recreation, and cultural expenses were \$656,000 lower than budgeted, primarily due to the incomplete construction of the splash pad.
- Community development operational costs were \$142,000 less than budgeted, contributing to the overall budget surplus.

Capital Asset and Debt Administration

Capital Assets – As of June 30, 2023, the Town’s investment in capital assets for both governmental and business-type activities total \$35,117,078 (after accounting for accumulated depreciation). This encompasses land, buildings, improvements, vehicles, equipment, and infrastructure. The overall increase in capital asset investment for the current fiscal year was 1.6%, with a 5.5% decrease in governmental activities and a 12.0% increase in business-type activities. Here is a summary of the Town’s capital asset investment:

The Town’s Capital Assets						
	Governmental Activities		Business-type Activities		Total	
	2023	2022	2023	2022	2023	2022
Land	\$ 3,484,356	\$ 3,803,356	\$ 683,098	\$ 683,098	\$ 4,167,454	\$ 4,486,454
Buildings and improvements	14,944,287	16,128,846	2,977,114	2,977,114	17,921,401	19,105,960
Vehicles and equipment	7,766,310	6,764,699	2,241,037	2,078,693	10,007,347	8,843,392
Infrastructure	25,937,403	25,937,403	28,825,843	28,511,246	54,763,246	54,448,649
Construction in progress	-	-	8,596,406	6,757,122	8,596,406	6,757,122
Less accumulated depreciation	(32,848,058)	(32,225,910)	(27,490,718)	(26,870,802)	(60,338,776)	(59,096,712)
Total	<u>\$ 19,284,298</u>	<u>\$ 20,408,394</u>	<u>\$ 15,832,780</u>	<u>\$ 14,136,471</u>	<u>\$ 35,117,078</u>	<u>\$ 34,544,865</u>

Additional information on the Town’s capital assets can be found in Note 8 of this report.

Long-term Debt and Liabilities – As of June 30, 2023, the Town’s outstanding total debt and liabilities amounted to \$7,951,978. Among this sum, \$5,445,000 represents debt supported by the government’s full faith and credit.

The Town’s Outstanding Debt and Liabilities						
General Obligation Bonds, Capital Leases, and Liabilities						
	Governmental Activities		Business-type Activities		Total	
	2023	2022	2023	2022	2023	2022
General obligation bonds	\$ 3,050,000	\$ 4,390,000	\$ 2,395,000	\$ 2,575,000	\$ 5,445,000	\$ 6,965,000
Bond premium	711,667	889,583	337,800	371,579	1,049,467	1,261,162
Finance purchases	173,000	-	-	-	173,000	-
Notes payable	129,339	253,710	-	-	129,339	253,710
Compensated absences	565,924	550,060	127,810	123,677	693,734	673,737
Landfill liability	461,438	430,848	-	-	461,438	430,848
Total	<u>\$ 5,091,368</u>	<u>\$ 6,514,201</u>	<u>\$ 2,860,610</u>	<u>\$ 3,070,256</u>	<u>\$ 7,951,978</u>	<u>\$ 9,584,457</u>

The Town successfully reduced its total debt by \$1,632,479, marking a 17.0% decrease in the fiscal year, primarily through payments made towards bonds and notes payable. Furthermore, the Town allocated \$1,644,371 for regular debt service payments.

On July 6, 2022, the Town initiated a finance purchase agreement with a bank to acquire five police vehicles. The total financing amount was \$173,000 at an interest rate of 2.75%. Payments are made semi-annually over a five-year term.

For further details on the Town's long-term debt, please refer to Note 9 in this report.

Economic Factors and Next Year's Budgets and Rates

The Town closely monitors monthly receipts in critical areas like Meals Tax, Lodging Tax, and Sales Tax to assess the local economic impact. Several revenue categories demonstrated consistent growth, leading to increased budget allocations for fiscal year 2024:

- Meals tax revenue surged by \$625,000, a notable increase of 20.8%.
- Lodging tax revenue experienced a significant rise of \$150,000, marking a 25.0% increase.
- Sales tax revenue showed a moderate increase of \$20,000, reflecting a 4.7% uptick.

The total appropriation for all funds now stands at \$25,278,812, reflecting a substantial increase of \$4,174,794 or 19.8% from the Fiscal Year 2023 Adopted Budget.

Within the General Fund Budget for the fiscal year 2024, which totals \$14,390,196, an increase of \$1,267,010 or 9.7% from the fiscal year 2023 adopted budget. This increment accommodates across-the-board pay raises for all staff and the addition of one new fire department employee. It also includes capital expenditures such as the purchase of a new leaf truck, the acquisition of five more police vehicles, and the remodeling of the train station.

The general fund's most substantial revenue category is "other local taxes," constituting 52.9% of the total, encompassing significant sources like business licenses and meal taxes. General property taxes contribute 8.0% to the overall general fund budget.

Regarding functional expenditures, the general fund dedicates 25.6% to public works and 38.0% to public safety, highlighting these areas as primary focus areas in the Town's financial planning.

Requests for Information

This financial report offers a comprehensive overview of the Town's financial status for anyone interested in understanding the government's finances. If you have inquiries about the information presented in this report or if you need further financial details, don't hesitate to get in touch with the Finance Department at the following address:

Finance Department
Town of Farmville
116 North Main Street
Farmville, Virginia 23901

BASIC FINANCIAL STATEMENTS

TOWN OF FARMVILLE, VIRGINIA

STATEMENT OF NET POSITION

June 30, 2023

	Primary Government			Component Unit
	Governmental Activities	Business-Type Activities	Totals	Industrial Development Authority
ASSETS				
Cash and investments (Note 2)				
Unrestricted	\$ 5,087,569	\$ 4,534,892	\$ 9,622,461	\$ 48,937
Restricted	7,934,546	-	7,934,546	-
Investments (Note 2)	2,245,609	2,023,166	4,268,775	-
Receivables, net (Note 3)	518,796	506,384	1,025,180	22,567
Note receivable (Note 7)	-	-	-	29,954
Due from component unit (Note 5)	39,423	-	39,423	-
Due from other governments (Note 6)	333,645	196,412	530,057	-
Prepays	2,666	-	2,666	-
Inventories	44,830	197,736	242,566	-
Note receivable, long-term (Note 7)	-	-	-	95,350
Due from component unit, long-term (Note 5)	543,360	-	543,360	-
Long-term deposit (Note 15)	937,250	-	937,250	-
Capital assets: (Note 8)				
Non-depreciable	3,484,356	9,279,504	12,763,860	-
Depreciable, net	15,799,942	6,553,276	22,353,218	-
Total assets	36,971,992	23,291,370	60,263,362	196,808
DEFERRED OUTFLOWS OF RESOURCES				
Deferred outflows related to pension (Note 14)	413,399	74,904	488,303	-
Deferred outflows related to other postemployment benefits (Note 13)	577,136	133,400	710,536	-
Total deferred outflows of resources	990,535	208,304	1,198,839	-
LIABILITIES				
Accounts payable	1,076,060	534,617	1,610,677	21,765
Accrued payroll and related liabilities	101,960	31,778	133,738	-
Accrued interest	41,538	29,661	71,199	2,016
Due to other government (Note 6)	1,980,769	-	1,980,769	-
Due to primary government (Note 5)	-	-	-	39,423
Unearned revenue	6,321,614	28,284	6,349,898	-
Refundable deposits	14,981	104,592	119,573	-
Long-term liabilities:				
Due within one year (Note 9)	1,584,994	249,341	1,834,335	-
Due in more than one year (Note 9)	3,506,374	2,611,269	6,117,643	-
Due to primary government (Note 5)	-	-	-	543,360
Net pension liability (Note 14)	547,001	99,111	646,112	-
Net other postemployment benefit liability (Note 13)	1,260,286	291,306	1,551,592	-
Total liabilities	16,435,577	3,979,959	20,415,536	606,564
DEFERRED INFLOWS OF RESOURCES				
Deferred inflows related to other postemployment benefits (Note 13)	267,745	61,887	329,632	-
NET POSITION				
Net investment in capital assets	15,220,292	12,733,171	27,953,463	-
Restricted for:				
Debt service	1,372,393	-	1,372,393	-
Grants and forfeiture funds	240,539	-	240,539	-
Unrestricted	4,425,981	6,724,657	11,150,638	(409,756)
Total net position	\$ 21,259,205	\$ 19,457,828	\$ 40,717,033	\$ (409,756)

The Notes to Financial Statements are an integral part of this statement.

TOWN OF FARMVILLE, VIRGINIA

STATEMENT OF ACTIVITIES
Year Ended June 30, 2023

Functions/Programs	Program Revenues				Net (Expense) Revenue and Changes in Net Position			Component Unit
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary Government		Industrial Development Authority	
					Governmental Activities	Business-Type Activities		
Primary Government:								
Governmental activities:								
General government	\$ 2,073,586	\$ 1,010,032	\$ 37,320	\$ -	\$ (1,026,234)		\$ (1,026,234)	
Public safety	4,957,718	190,228	526,654	988,836	(3,252,000)		(3,252,000)	
Public works	5,933,858	398,217	2,083,727	-	(3,451,914)		(3,451,914)	
Parks, recreation, and cultural	557,407	56,622	2,153	35,616	(463,016)		(463,016)	
Community development	635,196	55,333	34,403	-	(545,460)		(545,460)	
Interest on long-term debt	9,643	-	-	-	(9,643)		(9,643)	
Total governmental activities	14,167,408	1,710,432	2,684,257	1,024,452	(8,748,267)		(8,748,267)	
Business-type activities:								
Water	1,601,511	1,924,115	10,765	152,316		\$ 485,685	485,685	
Sewer	1,276,131	2,202,010	6,459	79,080		1,011,418	1,011,418	
Transportation	826,232	9,654	707,846	80,312		(28,420)	(28,420)	
Airport	372,052	105,222	20,958	1,580,719		1,334,847	1,334,847	
Total business-type activities	4,075,926	4,241,001	746,028	1,892,427		2,803,530	2,803,530	
Total primary government	\$ 18,243,334	\$ 5,951,433	\$ 3,430,285	\$ 2,916,879	(8,748,267)	2,803,530	(5,944,737)	
Component unit:								
Industrial Development Authority	\$ 89,409	\$ 80,803	\$ -	\$ -	-	-	-	\$ (8,606)
General revenues:								
					1,144,960	-	1,144,960	-

The Notes to Financial Statements are an integral part of this statement.

TOWN OF FARMVILLE, VIRGINIA

**BALANCE SHEET –
GOVERNMENTAL FUNDS
June 30, 2023**

	General	Street Maintenance	Nonmajor Governmental Fund	Total
ASSETS				
Cash and investments	\$ 3,697,764	\$ 1,389,805	\$ -	\$ 5,087,569
Cash and investments – restricted	7,921,511	-	13,035	7,934,546
Investments	2,245,609	-	-	2,245,609
Receivables, net				
Taxes	439,398	-	-	439,398
Accounts	51,986	-	-	51,986
Other	27,412	-	-	27,412
Due from component unit	582,783	-	-	582,783
Due from other governments	333,645	-	-	333,645
Prepays	2,666	-	-	2,666
Inventories, net	44,830	-	-	44,830
Total assets	<u>\$ 15,347,604</u>	<u>\$ 1,389,805</u>	<u>\$ 13,035</u>	<u>\$ 16,750,444</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES				
LIABILITIES				
Accounts payable	\$ 131,384	\$ 944,676	\$ -	\$ 1,076,060
Accrued payroll and related liabilities	93,264	8,696	-	101,960
Due to other governments	1,980,769	-	-	1,980,769
Unearned grants	6,321,614	-	-	6,321,614
Refundable deposits	14,981	-	-	14,981
Total liabilities	<u>8,542,012</u>	<u>953,372</u>	<u>-</u>	<u>9,495,384</u>
DEFERRED INFLOWS OF RESOURCES				
Unavailable/deferred revenue	<u>105,487</u>	<u>-</u>	<u>-</u>	<u>105,487</u>
FUND BALANCES (Note 11)				
Nonspendable	630,279	-	-	630,279
Restricted	1,599,897	-	13,035	1,612,932
Committed	536,363	2,600	-	538,963
Assigned	-	433,833	-	433,833
Unassigned	<u>3,933,566</u>	<u>-</u>	<u>-</u>	<u>3,933,566</u>
Total fund balances	<u>6,700,105</u>	<u>436,433</u>	<u>13,035</u>	<u>7,149,573</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 15,347,604</u>	<u>\$ 1,389,805</u>	<u>\$ 13,035</u>	<u>\$ 16,750,444</u>

The Notes to Financial Statements are an integral part of this statement.

TOWN OF FARMVILLE, VIRGINIA

**RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET
TO THE STATEMENT OF NET POSITION
June 30, 2023**

Total fund balances – governmental funds \$ 7,149,573

Amounts reported for governmental activities in the Statement of Net Position are different because:

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

Capital assets	\$ 52,132,356	
Accumulated depreciation	(32,848,058)	
		19,284,298

Other long-term assets are not available to pay for current period expenditures and is not reported in the funds.		937,250
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Financial statement elements related to other postemployment benefits are applicable to future periods and, therefore, are not reported in the funds.

Net other postemployment benefit liability	(1,260,286)	
Net other postemployment deferred inflows	(267,745)	
Net other postemployment deferred outflows	577,136	
		(950,895)

Financial statement elements related to pension plan are applicable to future periods and, therefore, are not reported in the funds.

Net pension liability	(547,001)	
Net pension outflows	413,399	
		(133,602)

Certain other assets are also not available to pay for current period expenditures and, therefore, are reported as deferred inflows in the funds.		105,487
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Long-term liabilities are not due and payable in the current period and therefore are not reported in the governmental funds.

Bonds payable, including unamortized premiums	(3,761,667)	
Notes payable	(129,339)	
Financed purchase	(173,000)	
Compensated absences	(565,924)	
Accrued interest	(41,538)	
Landfill	(461,438)	
		(5,132,906)

Total net position – governmental activities \$ 21,259,205

The Notes to Financial Statements are an integral part of this statement.

TOWN OF FARMVILLE, VIRGINIA

**STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES –
GOVERNMENTAL FUNDS
Year Ended June 30, 2023**

	General	Street Maintenance	Nonmajor Governmental Fund	Total
REVENUES				
Property taxes	\$ 1,143,875	\$ -	\$ -	\$ 1,143,875
Other local taxes	7,986,132	-	-	7,986,132
Fines and forfeitures	155,248	-	-	155,248
Permits, privilege fees, and regulatory licenses	55,483	-	-	55,483
Revenue from use of money and property	516,531	-	17	516,548
Charges for services	749,071	-	-	749,071
Miscellaneous	1,605,465	-	-	1,605,465
Contributions	17,523	-	-	17,523
Recovered costs	750,630	-	-	750,630
Intergovernmental	1,715,124	2,043,010	3,634	3,761,768
	<u>14,695,082</u>	<u>2,043,010</u>	<u>3,651</u>	<u>16,741,743</u>
Total revenues				
EXPENDITURES				
Current:				
General government	2,011,210	-	-	2,011,210
Public safety	6,206,528	-	-	6,206,528
Public works	2,980,596	2,042,405	-	5,023,001
Parks, recreation, and cultural	566,957	-	-	566,957
Community development	626,619	-	-	626,619
Debt service:				
Principal	1,464,371	-	-	1,464,371
Interest	201,727	-	-	201,727
	<u>14,058,008</u>	<u>2,042,405</u>	<u>-</u>	<u>16,100,413</u>
Total expenditures				
Excess of revenues over expenditures	<u>637,074</u>	<u>605</u>	<u>3,651</u>	<u>641,330</u>
OTHER FINANCING SOURCES				
Issuance of financed purchase	173,000	-	-	173,000
Transfers in	250,000	-	-	250,000
	<u>423,000</u>	<u>-</u>	<u>-</u>	<u>423,000</u>
Total other financing sources				
Net change in fund balances	1,060,074	605	3,651	1,064,330
FUND BALANCES				
Beginning	5,640,031	435,828	9,384	6,085,243
Ending	<u>\$ 6,700,105</u>	<u>\$ 436,433</u>	<u>\$ 13,035</u>	<u>\$ 7,149,573</u>

The Notes to Financial Statements are an integral part of this statement.

TOWN OF FARMVILLE, VIRGINIA

**RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES OF THE GOVERNMENTAL FUNDS
TO THE STATEMENT OF ACTIVITIES
Year Ended June 30, 2023**

Net change in fund balances – total governmental funds \$ 1,064,330

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

Governmental funds report outlays for capital assets as expenditures. However, in the Statement of Activities the cost of these assets is allocated over their estimated useful lives and reported as depreciation expense. The components of capital outlay, depreciation expense, and other various transactions involving capital assets are as follows:

Outlays for capital assets	\$ 1,427,164	
Depreciation expense	(1,720,906)	
		(293,742)

The net effect of various transactions involving capital assets (gain on disposition of assets) do not provide or use current financial resources and are not reported as revenues or expenditures in the governmental funds.		(830,354)
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Expenditure that consumed current financial resources in the general fund resulted in a long-term deposit for the rights to a future asset.		937,250
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Transactions involving debt principal and cash flows relating to other long-term items are expenditures in the governmental funds, however these transactions increase or decrease long-term items in the Statement of Net Position.

Principal payments on long-term debt and notes payable	1,464,371	
Issuance of financed purchase	(173,000)	
Amortization of premium	177,916	
Change in accrued interest	14,168	
		1,483,455

Governmental funds report other postemployment benefits contributions as expenditures. However, in the Statement of Activities the cost of other postemployment benefits earned net of employee contributions is reported as other postemployment benefits expense.

Employer other postemployment benefit contributions	112,629	
Other postemployment expense	(104,986)	
		7,643

Governmental funds report employer pension contributions as expenditures. However, in the Statement of Activities the cost of pension benefits earned net of employee contributions is reported as pension expense.

Pension contributions	253,876	
Pension expense	(582,023)	
		(328,147)

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

Change in landfill liability	(30,590)	
Change in compensated absences	(15,864)	
		(46,454)

Revenues in the Statement of Activities that do not provide current financial resources are not reported as revenues in the funds.		40,016
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Total change in net position – governmental activities		<u><u>\$ 2,033,997</u></u>
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The Notes to Financial Statements are an integral part of this statement.

TOWN OF FARMVILLE, VIRGINIA

**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE –
BUDGET AND ACTUAL – GENERAL FUND
Year Ended June 30, 2023**

	Budgeted Amounts			Variances with Final Budget Positive (Negative)
	Original	Final	Actual	
REVENUES				
Property taxes	\$ 1,109,704	\$ 1,109,704	\$ 1,143,875	\$ 34,171
Other local taxes	6,836,025	6,836,025	7,986,132	1,150,107
Fines and forfeitures	97,000	97,000	155,248	58,248
Permits, privilege fees, and	70,635	70,635	55,483	(15,152)
Revenue from use of money	105,723	105,723	516,531	410,808
Charges for services	719,209	719,209	749,071	29,862
Miscellaneous	2,381,706	3,888,800	1,605,465	(2,283,335)
Contributions	6,000	6,000	17,523	11,523
Recovered costs	721,400	732,586	750,630	18,044
Intergovernmental	475,782	2,280,508	1,715,124	(565,384)
Total revenues	12,523,184	15,846,190	14,695,082	(1,151,108)
EXPENDITURES				
Current:				
General government	2,292,478	2,922,551	2,011,210	911,341
Public safety	4,651,166	6,533,630	6,206,528	327,102
Public works	3,250,835	3,454,196	2,980,596	473,600
Parks, recreation, and cultural	480,180	1,223,414	566,957	656,457
Community development	742,781	768,869	626,619	142,250
Debt service:				
Principal	1,461,290	1,464,824	1,464,371	453
Interest	194,022	201,274	201,727	(453)
Total expenditures	13,072,752	16,568,758	14,058,008	2,510,750
Excess (deficiency) of revenues over expenditures	(549,568)	(722,568)	637,074	1,359,642
OTHER FINANCING SOURCES (USES):				
Issuance of lease	-	173,000	173,000	-
Transfers in	600,000	600,000	250,000	(350,000)
Transfers out	(50,432)	(50,432)	-	50,432
Total other financing sources	549,568	722,568	423,000	(299,568)
Net change in fund balance	\$ -	\$ -	\$ 1,060,074	\$ 1,060,074

The Notes to Financial Statements are an integral part of this statement.

TOWN OF FARMVILLE, VIRGINIA

**STATEMENT OF NET POSITION –
PROPRIETARY FUNDS
June 30, 2023**

	Enterprise Funds				
	Water	Sewer	Transportation	Airport	Total
ASSETS					
CURRENT ASSETS					
Cash and investments	\$ 1,393,218	\$ 2,005,947	\$ 990,482	\$ 145,245	\$ 4,534,892
Investments	1,011,583	1,011,583	-	-	2,023,166
Receivables, net	227,564	278,820	-	-	506,384
Due from other governments	-	-	87,783	108,629	196,412
Inventories	123,563	19,703	-	54,470	197,736
Total current assets	2,755,928	3,316,053	1,078,265	308,344	7,458,590
NONCURRENT ASSETS					
Capital assets:					
Non-depreciable	275,955	263,621	16,050	8,723,878	9,279,504
Depreciable, net	3,017,329	1,047,921	586,454	1,901,572	6,553,276
Total noncurrent assets	3,293,284	1,311,542	602,504	10,625,450	15,832,780
Total assets	6,049,212	4,627,595	1,680,769	10,933,794	23,291,370
DEFERRED OUTFLOWS OF RESOURCES					
Deferred outflows related to pension	26,536	30,332	18,036	-	74,904
Deferred outflows related to other postemployment benefits	44,043	38,763	46,106	4,488	133,400
Total deferred outflows of resources	70,579	69,095	64,142	4,488	208,304
LIABILITIES					
CURRENT LIABILITIES					
Accounts payable	250,937	139,939	36,230	107,511	534,617
Accrued payroll and related liabilities	11,258	10,440	8,876	1,204	31,778
Accrued interest	29,661	-	-	-	29,661
Unearned revenue	28,284	-	-	-	28,284
Refundable deposits	104,487	105	-	-	104,592
Long-term liabilities, due within one year	233,447	8,176	6,463	1,255	249,341
Total current liabilities	658,074	158,660	51,569	109,970	978,273
NONCURRENT LIABILITIES					
Net pension liability	35,111	40,135	23,865	-	99,111
Net other postemployment benefit liability	96,176	84,647	100,682	9,801	291,306
Long-term liabilities, due in more than one year	2,547,692	32,703	25,853	5,021	2,611,269
Total noncurrent liabilities	2,678,979	157,485	150,400	14,822	3,001,686
Total liabilities	3,337,053	316,145	201,969	124,792	3,979,959
DEFERRED INFLOWS OF RESOURCES					
Deferred inflows related to other postemployment benefits	20,432	17,983	21,390	2,082	61,887
Total deferred inflows of resources	20,432	17,983	21,390	2,082	61,887
NET POSITION					
Net investment in capital assets	358,441	1,211,515	602,504	10,560,711	12,733,171
Unrestricted	2,403,865	3,151,047	919,048	250,697	6,724,657
	<u>\$ 2,762,306</u>	<u>\$ 4,362,562</u>	<u>\$ 1,521,552</u>	<u>\$ 10,811,408</u>	<u>\$ 19,457,828</u>

The Notes to Financial Statements are an integral part of this statement.

TOWN OF FARMVILLE, VIRGINIA

**STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET POSITION –
PROPRIETARY FUNDS
Year Ended June 30, 2023**

	Water	Sewer	Enterprise Funds Transportation	Airport	Total
OPERATING REVENUES					
Charges for services	\$ 1,924,115	\$ 2,202,010	\$ 9,654	\$ 105,222	\$ 4,241,001
OPERATING EXPENSES					
Salaries and wages	409,078	351,556	426,349	39,969	1,226,952
Benefits	184,409	152,441	103,360	21,629	461,839
Fuel	-	-	72,687	76,793	149,480
Professional fees	12,310	38,623	-	10,800	61,733
Sludge removal	19,050	160,000	-	-	179,050
Chemicals	93,917	109,595	-	-	203,512
Depreciation	339,794	106,401	123,194	144,263	713,652
Repairs and maintenance	176,321	80,858	56,172	38,671	352,022
Other charges	29,015	24,877	12,417	5,482	71,791
Utilities	131,291	169,223	10,899	15,214	326,627
Insurance	16,401	27,018	21,154	19,231	83,804
General and administrative	102,729	55,539	-	-	158,268
Total operating expenses	1,514,315	1,276,131	826,232	372,052	3,988,730
Operating income (loss)	409,800	925,879	(816,578)	(266,830)	252,271
NONOPERATING REVENUES (EXPENSES)					
Tap income	17,000	21,000	-	-	38,000
Rental income	65,927	-	-	5,836	71,763
Other income	3,168	5,100	10,825	-	19,093
Federal and state grants	10,765	6,459	539,796	13,358	570,378
Other contributions	-	-	168,050	7,600	175,650
Interest income	11,583	11,583	-	560	23,726
Interest expense	(87,196)	-	-	-	(87,196)
Total nonoperating revenues (expenses)	21,247	44,142	718,671	27,354	811,414
Income (loss) before transfers	431,047	970,021	(97,907)	(239,476)	1,063,685
Capital contributions	152,316	79,080	80,312	1,580,719	1,892,427
Transfers out	-	(250,000)	-	-	(250,000)
	152,316	(170,920)	80,312	1,580,719	1,642,427
Change in net position	583,363	799,101	(17,595)	1,341,243	2,706,112
Total net position – beginning	2,178,943	3,563,461	1,539,147	9,470,165	16,751,716
Total net position – ending	\$ 2,762,306	\$ 4,362,562	\$ 1,521,552	\$ 10,811,408	\$ 19,457,828

The Notes to Financial Statements are an integral part of this statement.

TOWN OF FARMVILLE, VIRGINIA

**STATEMENT OF CASH FLOWS –
PROPRIETARY FUNDS
Year Ended June 30, 2023**

	Water	Sewer	Enterprise Funds Transportation	Airport	Total
OPERATING ACTIVITIES					
Received from customers	\$ 1,927,001	\$ 2,191,204	\$ 9,654	\$ 105,222	\$ 4,233,081
Payments to suppliers for goods and services	(549,473)	(645,078)	(146,779)	(127,280)	(1,468,610)
Payments to employees for services	(574,957)	(478,706)	(511,273)	(61,046)	(1,625,982)
Nonoperating revenue	91,571	26,100	10,825	5,836	134,332
Net cash provided by (used in) operating activities	894,142	1,093,520	(637,573)	(77,268)	1,272,821
NONCAPITAL FINANCING ACTIVITIES					
Transfers to other funds	-	(250,000)	-	-	(250,000)
Operating grants received	10,765	6,459	663,912	20,958	702,094
Net cash provided by (used in) noncapital financing activities	10,765	(243,541)	663,912	20,958	452,094
CAPITAL AND RELATED FINANCING ACTIVITIES					
Acquisition of capital assets	(246,305)	(248,973)	(96,168)	(1,546,684)	(2,138,130)
Capital contributions received	152,316	79,080	80,312	1,506,327	1,818,035
Principal payments on long-term debt	(180,000)	-	-	-	(180,000)
Interest payments on long-term debt	(123,006)	-	-	-	(123,006)
Net cash used in capital and related financing activities	(396,995)	(169,893)	(15,856)	(40,357)	(623,101)
INVESTING ACTIVITIES					
Interest on investments	11,583	11,583	-	560	23,726
Net increase (decrease) in cash and investments	519,495	691,669	10,483	(96,107)	1,125,540
CASH AND CASH EQUIVALENTS					
Beginning	1,885,306	2,325,861	979,999	241,352	5,432,518
Ending	\$ 2,404,801	\$ 3,017,530	\$ 990,482	\$ 145,245	\$ 6,558,058
RECONCILIATION TO EXHIBIT 8					
Cash and investments	\$ 1,393,218	\$ 2,005,947	\$ 990,482	\$ 145,245	\$ 4,534,892
Investments	1,011,583	1,011,583	-	-	2,023,166
	\$ 2,404,801	\$ 3,017,530	\$ 990,482	\$ 145,245	\$ 6,558,058

(Continued)

The Notes to Financial Statements are an integral part of this statement.

TOWN OF FARMVILLE, VIRGINIA

**STATEMENT OF CASH FLOWS –
PROPRIETARY FUNDS
Year Ended June 30, 2023**

	<u>Water</u>	<u>Sewer</u>	<u>Enterprise Funds Transportation</u>	<u>Airport</u>	<u>Total</u>
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES					
Operating income (loss)	\$ 409,800	\$ 925,879	\$ (816,578)	\$ (266,830)	\$ 252,271
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:					
Depreciation	339,794	106,401	123,194	144,263	713,652
OPEB expense	(3,522)	(2,498)	(3,536)	(267)	(9,823)
Pension expense	22,004	23,006	16,559	-	61,569
Nonoperating revenue, net	91,571	26,100	10,825	5,836	134,332
Change in operating assets and liabilities					
Change in receivables	324	(10,911)	-	-	(10,587)
Change in inventories	(5,140)	(3,420)	-	(2,090)	(10,650)
Change in accounts payable	36,701	24,075	26,550	41,001	128,327
Change in accrued payroll and related liabilities	48	4,783	5,413	819	11,063
Change in refundable deposits	2,562	105	-	-	2,667
Net cash provided by (used in) operating activities	<u>\$ 894,142</u>	<u>\$ 1,093,520</u>	<u>\$ (637,573)</u>	<u>\$ (77,268)</u>	<u>\$ 1,272,821</u>
SCHEDULE OF NONCASH ACTIVITIES					
Capital assets purchases included in accounts payable	<u>\$ 202,042</u>	<u>\$ 100,027</u>	<u>\$ -</u>	<u>\$ 64,739</u>	<u>\$ 366,808</u>

The Notes to Financial Statements are an integral part of this statement.

TOWN OF FARMVILLE, VIRGINIA
STATEMENT OF FIDUCIARY NET POSITION –
CUSTODIAL FUND
June 30, 2023

	Paulette Memorial Trust Fund
ASSETS	
Cash	\$ 165
NET POSITION	
Restricted for employees	\$ 165

The Notes to Financial Statements are an integral part of this statement.

TOWN OF FARMVILLE, VIRGINIA

**STATEMENT OF CHANGES IN FIDUCIARY NET POSITION –
CUSTODIAL FUND
Year Ended June 30, 2023**

	Paulette Memorial Trust Fund
DEDUCTIONS	
Administrative expenses	\$ 420
Decrease in fiduciary net position	(420)
NET POSITION	
Beginning	585
Ending	\$ 165

The Notes to Financial Statements are an integral part of this statement.

TOWN OF FARMVILLE, VIRGINIA
NOTES TO FINANCIAL STATEMENTS
June 30, 2023

Note 1. Summary of Significant Accounting Policies

A. The Financial Reporting Entity

The Town of Farmville, Virginia (the “Town”), which was founded in 1798, has a population of approximately 7,473 living within an area of 7.2 square miles. The Town is located in the heart of Virginia. The accompanying financial statements present the government and its component unit, which are legally separate entities for which the Town is financially accountable.

Primary Government: The Town is governed under the Town Manager-Council form of government. The Town engages in a comprehensive range of municipal services, including general government administration, public safety, transportation and environmental services, planning, community development and recreation, cultural, library, and historic activities.

Discretely Presented Component Unit: The Farmville Industrial Development Authority (the “IDA”) was created as a political subdivision of the Commonwealth of Virginia by ordinance of the Town Council pursuant to provisions of the Industrial Revenue Bond Act of the *Code of Virginia* (1950), as amended. Seven directors appointed by the Town Council of Farmville govern the IDA. The Town provides the majority of the IDA’s funding. The IDA operates as a component unit solely for the purpose of economic development for the Town. It is authorized to acquire, own, lease, and dispose of properties to the end that such activities may promote industry and develop trade by inducing enterprises to locate and remain in Virginia.

Complete financial statements for the component unit may be obtained at the entities’ offices:

Farmville Industrial Development Authority
116 North Main Street
Farmville, Virginia 23901

Jointly governed organizations

Central Virginia Regional Library

The Library provides library services to the Town of Farmville, Virginia. The participating localities provide annual contributions for operations based on book circulation. No one locality contributes significantly more funding nor can impose its will on the organization, and there is no financial benefit/burden relationship. The Town appropriated \$77,130 in operating funds and \$180,000 for rent subsidy in fiscal year 2023. The Town has no equity interest in the Library.

(Continued)

TOWN OF FARMVILLE, VIRGINIA
NOTES TO FINANCIAL STATEMENTS
June 30, 2023

Note 1. Summary of Significant Accounting Policies (Continued)

B. Basis of Presentation

Government-Wide Statements: The statement of net position and the statement of activities report all of the nonfiduciary activities of the primary government and its component units. These statements include the financial activities of the overall government. Eliminations have been made to minimize the double counting of internal activities. These statements distinguish between the *governmental* and *business-type* activities of the Town. Governmental activities generally are financed through taxes, intergovernmental revenues, and other non-exchange transactions. Business-type activities are financed in whole or in part by fees charged to external parties.

The statement of activities presents a comparison between direct expenses and program revenues for the different business-type activities of the Town and for each function of the Town's governmental activities. *Direct expenses* are those that are specifically associated with a program or function and, therefore, are clearly identifiable to a particular function. *Program revenues* include (a) fees and charges paid by the recipients of goods or services offered by the programs and (b) grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenues that are not classified as program revenues, including all taxes, are presented as *general revenues*.

Fund Financial Statements: The accounts of the Town are organized on the basis of funds, each of which is considered a separate accounting entity. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets, deferred outflows of resources, liabilities, deferred inflows of resources, fund equity, revenues and expenditures, or expenses, as appropriate. Government resources are allocated to and accounted for in individual funds based upon the purposes for which they are spent and the means by which spending activities are controlled. The various fund categories and fund types presented in the financial statements are described below:

Governmental fund types

The Town reports the following major governmental funds:

General Fund: The General Fund is the primary operating fund of the Town. It accounts for all financial resources except those required to be accounted for in another fund.

Street Maintenance Fund: Street Maintenance Fund is a special revenue fund that accounts for the maintenance of the Town's streets.

The Town reports the following nonmajor governmental fund:

Special Revenue Fund: This fund consists of the Narcotic Fund that accounts for special police activity having to do with narcotics and drug seizures and forfeitures.

(Continued)

TOWN OF FARMVILLE, VIRGINIA
NOTES TO FINANCIAL STATEMENTS
June 30, 2023

Note 1. Summary of Significant Accounting Policies (Continued)

B. Basis of Presentation (Continued)

Proprietary fund types

Enterprise Funds: Enterprise Funds account for operations (a) that are financed and operated in a manner similar to private business enterprises, where the intent of the governing body is that the costs (expenses, including depreciation) of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges; or (b) where the governing body has decided that periodic determination of revenues earned, expense incurred, and/or net income is appropriate for capital maintenance, public policy, management control, accountability, or other purposes. The Town's major enterprise funds consist of the Water, Sewer, Transportation, and Airport funds.

Fiduciary fund types

Paulette Memorial Trust Fund: The Paulette Memorial Trust Fund was formally used to account for assets held by the Town in a trustee capacity for the Paulette Family graves.

Interfund Activity: During the course of operations, the Town has activity between funds for various purposes. Any residual balances outstanding at year end are reported as due to/from other funds. While these balances are reported in fund financial statements, certain eliminations are made in the preparation of the government-wide financial statements, such that only net amounts due between governmental and business-type activities are shown as internal balances.

Further, certain activity occurs during the year involving transfers of resources between funds. In the fund financial statements these amounts are reported at gross amounts as transfers in and out. Certain eliminations are made in the preparation of the government-wide financial statements.

C. Measurement Focus and Basis of Accounting

The government-wide financial statements are reported using the *economic resources measurement focus* and the *accrual basis of accounting*, as are the proprietary 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. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

(Continued)

TOWN OF FARMVILLE, VIRGINIA
NOTES TO FINANCIAL STATEMENTS
June 30, 2023

Note 1. Summary of Significant Accounting Policies (Continued)

C. Measurement Focus and Basis of Accounting (Continued)

Governmental fund financial statements are reported using the *current financial resources measurement focus* and the *modified accrual basis of accounting*. Revenues are recognized as soon as they are both “measurable” and “available.” Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the Town considers revenues to be available if they are collected within 45 days of the end of the current fiscal period for most non-grant revenues. Reimbursement basis grants are recognized as revenue when all eligibility requirements are met and are considered available if they are collected within one year of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

Intergovernmental revenues, consisting principally of categorical aid from federal and state agencies, are recognized when earned or at the time of the specific expenditure. Sales, communication, and public utility taxes, which are collected by the Commonwealth of Virginia and public utilities, respectively, and subsequently remitted to the Town, are recognized as revenues and receivables when measurable and available.

Proprietary fund types utilize the accrual basis of accounting. Revenues are recognized when earned, including unbilled utility receivables, and expenses are recognized when incurred. Proprietary funds distinguish *operating* revenues and expenses from *nonoperating* items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund’s principal ongoing operations. The principal operating revenues of the enterprise funds and of the Town’s internal service funds are charges to customers for sales and services. Operating expenses for enterprise funds and internal service funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

Fiduciary funds are reported using the economic resources measurement focus and the accrual basis of accounting.

D. Assets, Deferred Outflows, Liabilities, Deferred Inflows, and Net Position

- **Cash and cash equivalents**

All highly liquid investments (including restricted assets) with a maturity of three months or less when purchased are considered cash equivalents.

(Continued)

TOWN OF FARMVILLE, VIRGINIA
NOTES TO FINANCIAL STATEMENTS
June 30, 2023

Note 1. Summary of Significant Accounting Policies (Continued)

D. Assets, Deferred Outflows, Liabilities, Deferred Inflows, and Net Position (Continued)

- **Receivables**

Receivables are presented net of an allowance for doubtful accounts, which is calculated using historical collection data and specific account analysis.

- **Inventories**

Inventories in the General Fund consist of supplies, valued using the average cost method, and are reported using the consumption method, in which an expenditure is reported when the supplies are removed from inventory and used. Inventories in the Enterprise Funds consist primarily of parts held for repairs or construction, and are valued using the average cost method.

- **Capital Assets**

Capital outlays are recorded as capital assets to the extent the Town's capitalization threshold is met. The capitalization threshold for purchased or constructed capital assets is \$5,000. All capital assets are valued at historical cost or estimated historical cost if actual cost is not available. The Town does not capitalize historical treasures or works of art. The Town maintains many items and buildings of historical significance. The Town does not require that the proceeds from the sale of historical treasures or works of art be used to acquire other items for the collection. Donated capital assets, donated works of art and similar items, and capital assets received in a service concession arrangement are reported at acquisition value rather than fair value.

Maintenance, repairs, and minor equipment are charged to operations when incurred. Expenditures that materially change capacities or extend useful lives of capital assets are capitalized. Upon sale or retirement of land, buildings, and equipment, the cost and related accumulated depreciation, if applicable, are eliminated from the respective accounts, and any resulting gain or loss is included in current year's operations.

Capital assets are depreciated using the straight-line method over the following estimated useful lives:

Buildings	10-50 years
Furniture and other equipment	3-25 years
Infrastructure	40 years

(Continued)

TOWN OF FARMVILLE, VIRGINIA
NOTES TO FINANCIAL STATEMENTS
June 30, 2023

Note 1. Summary of Significant Accounting Policies (Continued)

D. Assets, Deferred Outflows, Liabilities, Deferred Inflows, and Net Position (Continued)

- **Deferred Outflows/Inflows of Resources**

In addition to assets, the statements that present net position report a separate section for *deferred outflows of resources*. These items represent a consumption of net asset that applies to future periods and so will *not* be recognized as an outflow of resources (expense) until then. In addition to liabilities, the statements that present financial position report a separate section for *deferred inflows of resources*. These items represent an acquisition of net asset that applies to future periods and so will *not* be recognized as an inflow of resources (revenue) until that time. The Town has the following items that qualify for reporting as deferred inflows or outflows:

- Differences between expected and actual experience for economic/demographic factors in the measurement of the total OPEB liability. This difference will be recognized in OPEB expense over the remaining service life of the employees subject to the plan, and may be reported as a deferred inflow or outflow as applicable.
- Changes in actuarial assumptions in the measurement of the total OPEB liability. This difference will be recognized in OPEB expense over the remaining service life of the employees subject to the plan, and may be reported as a deferred inflow or outflow as appropriate.
- Differences between projected and actual earnings on pension plan investments. This difference will be recognized in pension expense over a closed five-year period and may be reported as a deferred inflow or outflow as appropriate.
- Contributions subsequent to the measurement date for pensions; this will be applied to the net pension liability in the next fiscal year and is reflected as a deferred outflow.
- The governmental funds report unavailable revenue from delinquent property taxes not collected within 45 days of year end. These amounts are deferred and recognized in the period that the amounts become available.

- **Unearned revenue**

Unearned revenue consists of American Rescue Plan Act monies received in advance and not spent at year end. It also consists of lease revenue that has not been earned at year end.

- **Compensated Absences**

Compensated absences are reported in governmental funds only when they are due. In enterprise funds, both the expenses and the liabilities are recorded as the benefits are earned. All liabilities, current and long-term, are recorded in the government-wide statements.

(Continued)

TOWN OF FARMVILLE, VIRGINIA
NOTES TO FINANCIAL STATEMENTS
June 30, 2023

Note 1. Summary of Significant Accounting Policies (Continued)

D. Assets, Deferred Outflows, Liabilities, Deferred Inflows, and Net Position (Continued)

- **Compensated Absences (Continued)**

- **Vacation and Sick Pay**

The Town's policy regarding vacation and sick pay allows for a maximum carryover of 480 hours at the end of the calendar year. Unused vacation and sick pay is paid upon termination or retirement of employment up to 75% of the unused hours. Such amounts are recorded as liabilities in the governmental fund financial statements when they have matured as a result of employee resignations and retirements. In proprietary funds, both the expenses and the liabilities are recorded as benefits as earned. All vacation and sick pay is accrued when incurred in the government-wide financial statements. Each operating fund is responsible for covering its share of vacation and sick pay liability.

- **Long-Term Debt**

For governmental fund types, bond premiums or discounts as well as issuance costs are recognized during the current period. Bond proceeds and any premiums and discounts are reported as an other financing source. Issuance costs, even if withheld from the actual net proceeds received, are reported as debt service expenditures. For enterprise funds and on the government-wide financial statements bond premiums and discounts are deferred and amortized over the life of the bonds using the straight-line method, which is not materially different from the effective interest method. Bonds payable are reported net of the applicable bond premium or discount. Issuance costs are expensed in the year of issue.

- **Net Position/Fund Balance**

Net position in government-wide and proprietary financial statements is classified as net investment in capital assets, restricted and unrestricted. Restricted net position reflects constraints on resources that are either externally imposed by creditors, grantors, contributors, or laws or regulations of other governments or imposed by law through state statutes.

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

In the fund financial statements, fund balance is divided into five classifications based primarily on the extent to which the Town is bound to observe constraints imposed upon the use of the resources in the governmental funds. The classifications are as follows:

Nonspendable – includes amounts associated with inventories, prepaids, long-term loans and notes receivable, and property held for resale (unless the proceeds are restricted, committed, or assigned).

Restricted – includes amounts that can be spent only for the specific purposes stipulated by constitution, external resource providers, or through enabling legislation.

Committed – includes amounts that can be used only for specific purposes determined by the Town's highest level of decision-making authority, which is the Town Council. Formal Council action includes the annual adoption of the Town's Budget Ordinance including subsequent ordinances appropriating funds and amending budgets. Although budgets lapse for legal purposes, they are intended to reflect Council's commitment of resources.

(Continued)

TOWN OF FARMVILLE, VIRGINIA
NOTES TO FINANCIAL STATEMENTS
June 30, 2023

Note 1. Summary of Significant Accounting Policies (Continued)

D. Assets, Deferred Outflows, Liabilities, Deferred Inflows, and Net Position (Continued)

- **Net Position/Fund Balance (Continued)**

Assigned – includes amounts intended to be used by the Town for specific purposes but which do not meet the criteria to be classified as restricted or committed. In governmental funds other than the General Fund, assigned fund balance represents the remaining amount that is not restricted or committed. Assignments are made through the budget process and periodic financial reviews with the joint approval of the Town Manager and the Finance Director.

Unassigned – consists of the residual amounts in the Town’s General Fund.

The Town has a revenue spending policy that provides guidance for programs with multiple revenue sources. The Finance Director will use resources in the following hierarchy: bond proceeds, federal funds, state funds, local non-Town funds, and Town funds. For purposes of fund balance classification expenditures are to be spent from restricted fund balance first, followed by committed fund balance, then assigned fund balance, and lastly unassigned fund balance. The Finance Director has the authority to deviate from this policy if it is considered in the best interest of the Town.

At June 30, 2023, the IDA had a deficit in unrestricted net position of \$409,756. This deficit is anticipated to be recovered through future revenues, as well as possible contributions from the Town.

E. Estimates

Management uses estimates and assumptions in preparing its financial statements. Those estimates and assumptions affect the reported amounts of assets and liabilities, the disclosure of contingent liabilities, and reported revenue, expenditures, and expenses. Actual results could differ from these estimates.

F. Budgetary Information

Prior to June 30, the Town Manager submits to Town Council a proposed operating budget for the fiscal year commencing the following July 1. The operating budget includes proposed expenditures and the means to finance them. After a public hearing has been conducted to obtain taxpayer comments, the budget is legally adopted through passage of an ordinance prior to July 1, of each year.

(Continued)

TOWN OF FARMVILLE, VIRGINIA
NOTES TO FINANCIAL STATEMENTS
June 30, 2023

Note 1. Summary of Significant Accounting Policies (Continued)

F. Budgetary Information (Continued)

The legal level of budgetary control is effective at the department level. The Town Manager is authorized to transfer budgeted amounts within each department but not between departments or funds. Transfers between departments and funds require Town Council approval.

An annual operating budget is adopted for only the General Fund. All budgets are presented on the modified accrual basis of accounting. Effective budgetary control is achieved for the Street Maintenance Fund on a project-by-project or per grant basis when funding sources become available.

Budgets are adopted for management control for the Enterprise Funds. The restrictions on transfer of budgeted amounts for governmental funds also apply to the Enterprise Funds.

All appropriations lapse at year end.

G. Encumbrances

Encumbrance accounting, under which purchase orders, contracts, and other commitments for the expenditure of monies are recorded in order to reserve that portion of the appropriation, is employed as an extension of formal budgetary integration in the governmental funds.

Note 2. Deposits and Investments

Deposits

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

Investments

Statutes authorize the Town to invest in obligations of the United States or agencies thereof; obligations of the Commonwealth of Virginia or political subdivisions thereof; obligations of the International Bank for Reconstruction and Development (World Bank); the Asian Development Bank; the African Development Bank; “prime quality” commercial paper and certain corporate notes; banker’s acceptances; repurchase agreements; the Virginia Investment Pool (VIP); the Virginia State Non-Arbitrage Program (SNAP); and the State Treasurer’s Local Government Investment Pool (LGIP). The VIP, LGIP, and SNAP are not registered with the SEC but are overseen by the Treasurer of Virginia and the State Treasury Board. The fair value of the Town’s position in the pools is the same as the value of the pool shares and is reported within the guidelines of GASB Statement No. 79.

(Continued)

TOWN OF FARMVILLE, VIRGINIA
NOTES TO FINANCIAL STATEMENTS
June 30, 2023

Note 2. Deposits and Investments (Continued)

Investments (Continued)

The Town does not have a formal investment policy addressing the various types of risks associated with investments. The Town currently holds no investments (with the exception of the Retirement Plan Fiduciary Fund). Therefore, interest rate risk and concentration of credit risk is not applicable.

As of June 30th, the Town had the following deposits and investments:

Type	Fair Value	Credit Rating	Weighted Average Maturity*	Percent of Portfolio
Demand deposits	\$ 8,314,886	N/A	N/A	38.10 %
LGIP	9,239,621	AAAm	0.77	42.33
Virginia Investment Pool	4,268,775	AAAm	1.83	19.56
Cash on hand	2,500	N/A	N/A	0.01
	<u>\$ 21,825,782</u>			<u>100.00%</u>

*Average maturity in years

Deposits and investments consist of the following:

	Town of Farmville	Component Unit – Farmville IDA
Reconciliation of deposits and investments to Exhibit 1:		
Cash and cash equivalents	\$ 9,622,461	\$ 48,937
Cash and cash equivalents, restricted	7,934,546	-
Investments	4,268,775	-
Total deposits and investments	<u>\$ 21,825,782</u>	<u>\$ 48,937</u>

Restricted cash and cash equivalents

Restricted cash and cash equivalents consists of the following:

	Governmental Activities
Maintained as a condition of certain bond instruments	\$ 1,372,393
Grant restrictions	6,562,153
	<u>\$ 7,934,546</u>

(Continued)

TOWN OF FARMVILLE, VIRGINIA
NOTES TO FINANCIAL STATEMENTS
June 30, 2023

Note 3. Receivables

Receivables for the individual major funds are as follows:

	<u>Governmental Activities</u>	<u>Business-Type Activities</u>	<u>Component Unit Farmville IDA</u>
Receivables			
Taxes	\$ 453,973	\$ -	\$ -
Accounts	59,712	542,521	-
Other	28,894	-	22,567
	<u>542,579</u>	<u>542,521</u>	<u>22,567</u>
Gross receivables	542,579	542,521	22,567
Less: allowance for uncollectible	(23,783)	(36,137)	-
	<u>(23,783)</u>	<u>(36,137)</u>	<u>-</u>
Net receivables	<u>\$ 518,796</u>	<u>\$ 506,384</u>	<u>\$ 22,567</u>

Governmental funds report *unavailable revenue* in connection with receivables for revenues that are not considered to be available to liquidate liabilities of the current period. At June 30, 2023, *unavailable revenue* related to taxes receivable was \$105,487.

Note 4. Transfers

Transfers between funds are as follows:

	<u>Transfers In</u>	<u>Transfers Out</u>	<u>Net Transfers</u>
Governmental Funds:			
General Fund	\$ 250,000	\$ -	\$ 250,000
	<u>\$ 250,000</u>	<u>\$ -</u>	<u>\$ 250,000</u>
Enterprise Funds:			
Sewer Fund	\$ -	\$ (250,000)	\$ (250,000)
	<u>\$ -</u>	<u>\$ (250,000)</u>	<u>\$ (250,000)</u>

Transfers from the sewer funds are received by the general fund, and represent contributions from the fund to support the Town's operations.

(Continued)

TOWN OF FARMVILLE, VIRGINIA
NOTES TO FINANCIAL STATEMENTS
June 30, 2023

Note 5. Balance Between Town and Component Unit

Due to prior year deficits in operations, the Town of Farmville, Virginia has funded the IDA resources to meet its loan obligations. During the year ended June 30, 2023, operations did not produce an operating gain, and therefore no existing cash balances were able to reimburse a portion of the deficit to the Town. The IDA owed the Town \$422,591 at June 30, 2023. The IDA anticipates paying the “Due to” down through future administrative fees collected on sponsorship of industrial bonds for area businesses.

In 2012, the Town refinanced the bonds in which the IDA shared responsibility. As of the refinance, the IDA now is responsible for 2.942% of the total proceeds to be repaid to the Town. The debt service schedule calls for semi-annual payments with interest only due each April 1 and principal and interest due each October 1 through 2033. There is no collateral for this loan.

At June 30, 2023, the balance owed to the Town from the component unit Farmville Industrial Development Authority consists of the following:

Payables	\$ 422,591
Bond payments	<u>160,192</u>
	582,783
Less: long-term portion	<u>(543,360)</u>
Current portion	<u><u>\$ 39,423</u></u>

The annual requirements to amortize long-term bond payments and related interest are as follows:

<u>Fiscal Year</u>	<u>Due to Town (Bond Re-Payments)</u>		
	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2024	\$ 39,423	\$ 7,055	\$ 46,478
2025	31,185	5,246	36,431
2026	32,950	3,603	36,553
2027	10,297	2,525	12,822
2028	6,767	2,138	8,905
2029-2033	<u>39,570</u>	<u>5,246</u>	<u>44,816</u>
	<u><u>\$ 160,192</u></u>	<u><u>\$ 25,813</u></u>	<u><u>\$ 186,005</u></u>

(Continued)

TOWN OF FARMVILLE, VIRGINIA
NOTES TO FINANCIAL STATEMENTS
June 30, 2023

Note 6. Due From Other Governmental Units

Amounts due from other governments consist of the following:

	Governmental Activities	Business-Type Activities
Federal and state funding:		
Other miscellaneous taxes	\$ 17,070	\$ -
Transportation operations	-	87,783
Airport construction	-	108,629
Utility tax	28,957	-
Communication tax	57,579	-
Other miscellaneous state and federal grants	63,416	-
Sales taxes	78,790	-
Prince Edwards County	87,833	-
	<u>\$ 333,645</u>	<u>\$ 196,412</u>

Amounts due to other governments consist of the following:

	Governmental Activities
Immigration Centers of America – Farmville	<u>\$ 1,980,769</u>

Note 7. Note Receivable

Component unit

The IDA currently has one note receivable outstanding for the fiscal year ended June 30, 2023 as follows:

A \$600,000 note bearing an interest rate of 2.56 % (rate of interest is 2.31% plus .25% for admin.). The loan is secured by the guarantee of the owner and his related business. The note requires interest payments semiannually in April and October and principal payments every October only. As of June 30, 2023, the balance of the note was \$125,304.

Based on the IDA's analysis of the note at June 30, 2023, no allowance was recorded. Management evaluates the performance and payment history of the company annually in determining the required allowance.

The schedule of principal payments to be received is as follows:

Fiscal Year	Notes Receivable		
	Principal	Interest	Total
2024	\$ 29,954	\$ 2,825	\$ 32,779
2025	31,073	2,044	33,117
2026	32,186	1,234	33,420
2027	32,091	410	32,501
	<u>\$ 125,304</u>	<u>\$ 6,513</u>	<u>\$ 131,817</u>

(Continued)

TOWN OF FARMVILLE, VIRGINIA
NOTES TO FINANCIAL STATEMENTS
June 30, 2023

Note 8. Capital Assets

Capital asset activity for the year was as follows:

Governmental Activities	Beginning Balance	Increases	Decreases	Ending Balance
Capital assets, not depreciated				
Land	\$ 3,803,356	\$ -	\$ (319,000)	\$ 3,484,356
Total capital assets, not depreciated	3,803,356	-	(319,000)	3,484,356
Capital assets, depreciated				
Buildings and improvements	16,128,846	-	(1,184,559)	14,944,287
Infrastructure	25,937,403	-	-	25,937,403
Vehicles and equipment	6,764,698	1,427,164	(425,552)	7,766,310
Total capital assets, depreciated	48,830,947	1,427,164	(1,610,111)	48,648,000
Less accumulated depreciation				
Buildings and improvements	(7,837,757)	(449,553)	707,470	(7,579,840)
Infrastructure	(18,554,810)	(655,604)	-	(19,210,414)
Vehicles and equipment	(5,833,342)	(615,749)	391,287	(6,057,804)
Total accumulated depreciation	(32,225,909)	(1,720,906)	1,098,757	(32,848,058)
Total capital assets, depreciated, net	16,605,038	(293,742)	(511,354)	15,799,942
Governmental activities capital assets, net	\$ 20,408,394	\$ (293,742)	\$ (830,354)	\$ 19,284,298

On August 10, 2022, Town Council elected to sell the golf course for \$995,000. The net book value of the assets, at the time of the sale was \$830,354. The gain of \$164,645 is presented on the Statement of Activities.

(Continued)

TOWN OF FARMVILLE, VIRGINIA
NOTES TO FINANCIAL STATEMENTS
June 30, 2023

Note 8. Capital Assets (Continued)

<u>Business-Type Activities</u>	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
Capital assets, not depreciated				
Land	\$ 683,098	\$ -	\$ -	\$ 683,098
Construction in progress	6,757,122	1,839,284	-	8,596,406
Total capital assets, not depreciated	7,440,220	1,839,284	-	9,279,504
Capital assets, depreciated				
Buildings and improvements	2,977,114	-	-	2,977,114
Infrastructure	28,511,246	314,597	-	28,825,843
Vehicles and equipment	2,078,694	256,080	(93,737)	2,241,037
Total capital assets, depreciated	33,567,054	570,677	(93,737)	34,043,994
Less accumulated depreciation				
Buildings and improvements	(2,175,105)	(66,073)	-	(2,241,178)
Infrastructure	(22,930,360)	(499,156)	-	(23,429,516)
Vehicles and equipment	(1,765,338)	(148,423)	93,737	(1,820,024)
Total accumulated depreciation	(26,870,803)	(713,652)	93,737	(27,490,718)
Total capital assets, depreciated, net	6,696,251	(142,975)	-	6,553,276
Business-type activities capital assets, net	<u>\$ 14,136,471</u>	<u>\$ 1,696,309</u>	<u>\$ -</u>	<u>\$ 15,832,780</u>

(Continued)

TOWN OF FARMVILLE, VIRGINIA
NOTES TO FINANCIAL STATEMENTS
June 30, 2023

Note 8. Capital Assets (Continued)

Depreciation expense was charged to functions/programs as follows:

Governmental activities	
General government administration	\$ 15,814
Public safety	461,629
Public works	1,229,375
Parks, recreation, and cultural	14,088
	<u>\$ 1,720,906</u>
Business-type activities	
Water fund	\$ 339,794
Sewer fund	106,401
Transportation fund	123,194
Airport fund	144,263
	<u>\$ 713,652</u>

Note 9. Long-Term Liabilities

The following is a summary of changes in long-term liabilities:

Governmental Activities	Beginning Balance	Increases	Decreases	Ending Balance	Due Within One Year
General obligation bonds	\$ 4,390,000	\$ -	\$ 1,340,000	\$ 3,050,000	\$ 1,150,000
Bond premium	889,583	-	177,916	711,667	177,916
Financed purchases	-	173,000	-	173,000	32,822
Notes payable	253,710	-	124,371	129,339	64,927
Compensated absences	550,060	125,876	110,012	565,924	113,185
Landfill liability	430,848	30,590	-	461,438	46,144
	<u>\$ 6,514,201</u>	<u>\$ 329,466</u>	<u>\$ 1,752,299</u>	<u>\$ 5,091,368</u>	<u>\$ 1,584,994</u>
Governmental activities long-term liabilities					
	<u>\$ 6,514,201</u>	<u>\$ 329,466</u>	<u>\$ 1,752,299</u>	<u>\$ 5,091,368</u>	<u>\$ 1,584,994</u>
Business-Type Activities	Beginning Balance	Increases	Decreases	Ending Balance	Due Within One Year
General obligation bonds	\$ 2,575,000	\$ -	\$ 180,000	\$ 2,395,000	\$ 190,000
Bond premium	371,579	-	33,779	337,800	33,779
Compensated absences	123,677	28,869	24,736	127,810	25,562
	<u>\$ 3,070,256</u>	<u>\$ 28,869</u>	<u>\$ 238,515</u>	<u>\$ 2,860,610</u>	<u>\$ 249,341</u>
Business-type activities long-term liabilities					
	<u>\$ 3,070,256</u>	<u>\$ 28,869</u>	<u>\$ 238,515</u>	<u>\$ 2,860,610</u>	<u>\$ 249,341</u>

(Continued)

TOWN OF FARMVILLE, VIRGINIA
NOTES TO FINANCIAL STATEMENTS
June 30, 2023

Note 9. Long-Term Liabilities (Continued)

Governmental activities long-term liabilities are liquidated by the general fund.

The annual requirements to amortize long-term debt and related interest are as follows:

Year Ending June 30,	Governmental Activities		Business-Type Activities		Total	
	General Obligation Bonds		General Obligation Bonds		General Obligation Bonds	
	Principal	Interest	Principal	Interest	Principal	Interest
2024	\$ 1,150,000	\$ 126,044	\$ 190,000	\$ 113,775	\$ 1,340,000	\$ 239,819
2025	860,000	74,538	200,000	103,781	1,060,000	178,319
2026	910,000	29,181	210,000	93,275	1,120,000	122,456
2027	130,000	2,931	220,000	82,907	350,000	85,838
2028	-	-	230,000	72,675	230,000	72,675
2029-2033	-	-	1,345,000	177,984	1,345,000	177,984
	<u>\$ 3,050,000</u>	<u>\$ 232,694</u>	<u>\$ 2,395,000</u>	<u>\$ 644,397</u>	<u>\$ 5,445,000</u>	<u>\$ 877,091</u>

Year Ending June 30,	Governmental Activities	
	Note Payable	
	Principal	Interest
2024	\$ 64,927	\$ 3,419
2025	60,921	1,432
2026	3,491	11
	<u>\$ 129,339</u>	<u>\$ 4,862</u>

Year Ending June 30,	Governmental Activities	
	Financed Purchases	
	Principal	Interest
2024	\$ 32,822	\$ 4,306
2025	33,632	3,392
2026	34,556	2,455
2027	35,507	1,492
2028	36,483	502
	<u>\$ 173,000</u>	<u>\$ 12,147</u>

(Continued)

TOWN OF FARMVILLE, VIRGINIA
NOTES TO FINANCIAL STATEMENTS
June 30, 2023

Note 9. Long-Term Liabilities (Continued)

Details of long-term indebtedness are as follows:

	<u>Interest Rates</u>	<u>Date Issued</u>	<u>Final Maturity Date</u>	<u>Amount of Original Issue</u>	<u>Governmental Activities</u>	<u>Business-Type Activities</u>
<u>General Obligation Bonds</u>						
Virginia Resources Authority:						
Refunding Series 2012A	2.125 – 5.125%	06/2012	2032	\$ 19,015,000	<u>\$ 3,050,000</u>	<u>\$ 2,395,000</u>
<u>Notes Payable</u>						
USDA Rural Development:						
General Improvement 2018	3.250	05/2018	2025	94,000	\$ 28,207	
Benchmark Community Bank						
Benchmark – 7 yr	3.240	08/2018	2025	300,000	95,992	
Benchmark – 5 yr	2.990	08/2018	2023	286,297	<u>5,140</u>	
					<u>\$ 129,339</u>	
<u>Financed Purchase</u>						
HomeTrust Bank – 5 yr	2.75	07/2022	2028	173,000	<u>\$ 173,000</u>	

On July 6, 2022, the Town Council approved a resolution for the Town Manager to enter a financed purchase with a bank for five police vehicles. The total amount to be financed is \$173,000 at a rate of 2.75%. Payments will be made semi-annually, with the first payment due January 1, 2023.

Note 10. Landfill Obligation

The Town closed its former landfill site in 1990. In accordance with federal and state laws, the Town placed a final cover on this site and was required to perform certain maintenance and monitoring functions for a minimum of ten years after closure. The Town will recognize the remaining estimated costs of closure and post-closure care of \$461,438 as the cost to finalize closure of its landfill. These amounts are based on what it would cost to perform all closure and post-closure care as of June 30, 2023. Actual costs may be higher due to inflation, changes in technology, or changes in regulations. The Town is paying these costs on an annual pay-as-you-go basis.

(Continued)

TOWN OF FARMVILLE, VIRGINIA
NOTES TO FINANCIAL STATEMENTS
June 30, 2023

Note 11. Fund Balances

Fund balances are classified as nonspendable, restricted, committed, assigned and/or unassigned based primarily on the extent to which the Town is bound to observe constraints imposed upon the use of the resources in the governmental funds.

	General Fund	Street Maintenance Fund	Nonmajor Governmental Funds	Total
Nonspendable:				
Inventories	\$ 44,830	\$ -	\$ -	\$ 44,830
Prepays	2,666	-	-	2,666
IDA note receivable, long-term portion	582,783	-	-	582,783
Total nonspendable	630,279	-	-	630,279
Restricted for:				
Unspent grant proceeds	6,799	-	-	6,799
Police	-	-	13,035	13,035
Required debt service	1,372,393	-	-	1,372,393
E911 reserve	212,810	-	-	212,810
Narcotics reserve	7,895	-	-	7,895
Total restricted	1,599,897	-	13,035	1,612,932
Committed to:				
General government	90,477	-	-	90,477
Public safety	4,223	-	-	4,223
Public works	1,000	-	-	1,000
Community development	9,000	-	-	9,000
Recreation	431,663	-	-	431,663
Street maintenance	-	2,600	-	2,600
Total committed	536,363	2,600	-	538,963
Assigned to:				
Public works	-	433,833	-	433,833
Total assigned	-	433,833	-	433,933
Unassigned	3,933,566	-	-	3,933,566
Total fund balance	<u>\$ 6,700,105</u>	<u>\$ 436,433</u>	<u>\$ 13,035</u>	<u>\$ 7,149,573</u>

(Continued)

TOWN OF FARMVILLE, VIRGINIA

NOTES TO FINANCIAL STATEMENTS

June 30, 2023

Note 12. Defined Contribution Plan

Effective July 1, 1982, the Town established a defined contribution plan (the “DC Plan”) for its employees. The DC Plan is administered by Ascensus. All full-time employees are eligible to become a participant on the first day of the month coinciding with or next following completion of 90 days of continuous service and the attainment of age 18. Plan provisions and contribution rates for Town and employees are established and may be amended by Town Council.

The Town’s employees can contribute not less than 4% of his/her base compensation and not to exceed the maximum percentage or amount allowable by law. The Town will match the employee contribution of either 4 or 5 percent. Employees determine how their account balance is invested from a range of available options. DC Plan contributions vest ratably over a five-year period. If the employee leaves the Town before they are fully vested, part of the account balance may be forfeited. Forfeitures by policy are used to reduce the Town’s contributions. For the year ended June 30, 2023, \$22,706, of forfeitures were used to reduce the Town’s contributions.

At June 30, 2023, there were 21 active Town employees and a total of 77 participants, including terminated employees enrolled in the DC Plan. During the year, the Town contributed a total of \$49,154 for active employees.

Note 13. Other Postemployment Benefits – Local Plan

Plan description

In December of 2002, The Town established a “Medical Policy for Certain Retirees” through a single-employer defined benefit plan. The Plan is intended to provide compensation for certain retirees to assist them in obtaining retiree medical benefits. Under the Plan, eligible retirees receive periodic payments (monthly, paid quarterly) based on the Plan’s benefit formula. Payments are determined at retirement based on the retiree’s service; a minimum of 25 years is required to receive the benefit. Payments are made over the duration of the retiree’s remaining lifetime, with payments ceasing upon the retiree’s death. On September 20, 2021, the Town elected to freeze the plan and not allow any new employees to enter the plan. Only permanent full-time employees who have completed at least one year of employment as of June 30, 2021 are eligible. Retirees as of June 30, 2021, will have grandfathered benefits and will continue to receive their quarterly benefits, without change, for the remainder of their lifetime.

The Plan does not have any assets accumulated in a trust.

Benefits provided

The Town provides \$250 per month, plus \$10 per month for each year of credit service in excess of 25. Payments are made quarterly to participants for the retiree’s lifetime.

Employees covered by benefit terms

The number of participants at June 30, 2022 was as follows:

Retirees currently receiving benefits	13
Active employees	82
Total	95

(Continued)

TOWN OF FARMVILLE, VIRGINIA
NOTES TO FINANCIAL STATEMENTS
June 30, 2023

Note 13. Other Postemployment Benefits – Local Plan (Continued)

Total OPEB liability

The Town's total OPEB liability of \$1,551,592 was measured as of June 30, 2022, and was determined based on an actuarial valuation performed as of July 1, 2022.

Actuarial assumptions and other inputs

The total OPEB liability was determined using the following assumptions, applied to all periods included in the measurement, unless otherwise specified:

Salary increases, including inflation	4.00%
Actuarial funding method	Entry Age Normal, level % of pay
Discount rate	3.54% Bond Buyer 20-Bond GO Index
Actuarial cost method	Entry Age Normal

Mortality rates: RP-2006, generational Scale MP-2021 for males and females.

The actuarial assumptions used in the June 30, 2023 valuation were based on the results of an actuarial experience study for the period from July 1, 2021 through June 30, 2022.

Changes in assumptions and other inputs reflect a change in the discount rate.

Changes in the total OPEB liability

Balance at June 30, 2022	\$ 1,907,569
Changes for the year:	
Service cost	37,310
Interest	37,839
Differences between expected and actual experience	9,218
Assumption or other input changes	(128,864)
Benefit payments	(311,480)
Net changes	(355,977)
Balance at June 30, 2023	\$ 1,551,592

(Continued)

TOWN OF FARMVILLE, VIRGINIA
NOTES TO FINANCIAL STATEMENTS
June 30, 2023

Note 13. Other Postemployment Benefits – Local Plan (Continued)

Sensitivity of the total OPEB liability to changes in the discount rate

The following presents the total OPEB liability, as well as what the Town's total OPEB liability would be if it were calculated using a discount rate that is one percentage point lower (1.54%) or one percentage point higher (3.54%) than the current discount rate:

	1.00% Decrease (2.54%)	Current Discount Rate (3.54%)	1.00% Increase (4.54%)
Total OPEB liability	\$ 1,629,353	\$ 1,551,592	\$ 1,480,751

OPEB expense and deferred outflows of resources and deferred inflows of resources related to OPEB

For the year ended June 30, 2023, the Town recognized OPEB expense of \$119,606. At June 30, 2023, the political subdivision reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Change in assumptions	\$ 561,384	\$ 233,128
Difference between expected and actual experience	12,082	96,504
Employer contributions subsequent to measurement date	137,070	-
	<u>\$ 710,536</u>	<u>\$ 329,632</u>

The \$137,070 reported as deferred outflows of resources related to OPEB resulting from the Town's contributions subsequent to the measurement date will be recognized as a reduction of the new OPEB liability in the year ending June 30, 2024. Amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Year Ending June 30,	Increase to OPEB Expense
2024	\$ 44,457
2025	44,457
2026	44,457
2027	44,457
2028	44,457
Thereafter	21,549

(Continued)

TOWN OF FARMVILLE, VIRGINIA
NOTES TO FINANCIAL STATEMENTS
June 30, 2023

Note 14. Defined Benefit Pension Plan

Plan Description

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

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

- <https://www.varetire.org/members/benefits/defined-benefit/plan1.asp>,
- <https://www.varetire.org/members/benefits/defined-benefit/plan2.asp>,
- <https://www.varetirement.org/hybrid.html>.

Contributions

The contribution requirement for active employees is governed by §51.1-145 of the *Code of Virginia*, as amended, but may be impacted as a result of funding options provided to political subdivisions by the Virginia General Assembly. Employees are required to contribute 5.00% of their compensation toward their retirement.

The Town's contractually required contribution rate for the year ended June 30, 2023 was 7.81% of covered employee compensation. This rate was based on an actuarially determined rate from an actuarial valuation as of June 30, 2021.

This rate, when combined with employee contributions, was expected to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. Contributions to the pension plan from the political subdivision were \$291,192 and \$231,907 for the year ended June 30, 2023 and June 30, 2022, respectively.

Net pension liability

The net pension liability is calculated separately for each employer and represents that particular employer's total pension liability determined in accordance with GASB Statement No. 68, less that employer's fiduciary net position. For political subdivisions, the net pension liability was measured as of June 30, 2022. The total pension liability used to calculate the net pension liability was determined by an actuarial valuation performed as of June 30, 2021 rolled forward to the measurement date of June 30, 2022.

(Continued)

TOWN OF FARMVILLE, VIRGINIA
NOTES TO FINANCIAL STATEMENTS
June 30, 2023

Note 14. Defined Benefit Pension Plan (Continued)

Actuarial assumptions

The total pension liability for General Employees and Public Safety Employees with hazardous duty benefits, in the Political Subdivision's Retirement Plan was based on an actuarial valuation as of June 30, 2021, using the Entry Age Normal actuarial cost method and the following assumptions, applied to all periods included in the measurement and rolled forward to the measurement date of June 30, 2022.

Inflation	2.50%
General Employees – Salary increases, including inflation	3.50 – 5.35%
Public Safety Employees with hazardous duty benefits – Salary increases, including inflation	3.50 – 4.75%
Investment rate of return	6.75%, net of pension plan investment expense, including inflation

Mortality rates: General employees – 15 to 20% of deaths are assumed to be service related. Public Safety Employees – 45% to 70% of deaths are assumed to be service related. Mortality is projected using the applicable Pub-2010 Mortality Table with various set backs or set forwards for both males and females.

The actuarial assumptions used in the June 30, 2021 valuation were based on the results of an actuarial experience study for the period from July 1, 2012 through June 30, 2016, except the change in the discount rate, which was based on VRS Board action effective as of July 1, 2019. Changes to the actuarial assumptions as a result of the experience study are as follows:

General Employees – Largest 10 – Non-Hazardous Duty and All Others (Non 10 Largest): Updated mortality table; adjusted retirement rates; adjusted withdrawal rates to better fit experience at each year age and service through 9 years of service; no change to disability rates; no change to salary scale; no change to line of duty disability; and no change to discount rate.

Public Safety Employees – Largest 10 – Hazardous Duty and All Others (Non 10 Largest): Update mortality table; adjusted retirement rate to better fit experience and increased final retirement age to 70; decreased rates of withdrawal; no change to disability rates; no changes to salary scale; no change to line of duty disability; and no change to discount rate.

(Continued)

TOWN OF FARMVILLE, VIRGINIA

NOTES TO FINANCIAL STATEMENTS

June 30, 2023

Note 14. Defined Benefit Pension Plan (Continued)

Long-term expected rate of return

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

Asset Class (Strategy)	Target Allocation	Arithmetic Long-Term Expected Rate of Return	Weighted Average Long-Term Expected Rate of Return
Public Equity	34.00 %	5.71 %	1.94 %
Fixed Income	15.00	2.04	0.31
Credit Strategies	14.00	4.78	0.67
Real Assets	14.00	4.47	0.63
Private Equity	14.00	9.73	1.36
MAPS – Multi-Asset Public Strategies	6.00	3.73	0.22
PIP – Private Investment Partnership	3.00	6.55	0.20
Total	100.00 %		5.33 %
	Inflation		2.50 %
	*Expected arithmetic nominal return		7.83 %

- * The above allocation provides for a one-year return of 7.83%. However, one-year returns do not take into account the volatility present in each of the asset classes. In setting the long-term expected rate of return for the system, stochastic projections are employed to model future returns under various economic conditions. The results provide a range of returns over various time periods that ultimately provide a median return of 6.72%, including expected inflation of 2.50%. On October 10, 2019, the VRS Board elected a long-term rate of 6.75% which is roughly at the 40th percentile of expected long-term results of the VRS fund asset allocation at that time, providing a median return of 7.11%, including expected inflation of 2.50%.

(Continued)

TOWN OF FARMVILLE, VIRGINIA
NOTES TO FINANCIAL STATEMENTS
June 30, 2023

Note 14. Defined Benefit Pension Plan (Continued)

Discount rate

The discount rate used to measure the total pension liability was 6.75%. The projection of cash flows used to determine the discount rate assumed that System member contributions will be made per the VRS Statutes and the employer contributions will be made in accordance with the VRS funding policy at rates equal to the difference between actuarially determined contribution rates adopted by the VRS Board of Trustees and the member rate. Consistent with the phased-in funding provided by the General Assembly for state and teacher employer contributions, political subdivisions were also provided with an opportunity to use an alternate employer contribution rate. For the year ended June 30, 2023, the alternate rate was the employer contribution rate used in the fiscal year 2012 or 100% of the actuarially determined employer contribution rate from the June 30, 2021 actuarial valuations, whichever was greater. From July 1, 2022 on, participating employers are assumed to continue to contribute 100% of the actuarially determined contribution rates. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore, the long-term expected rate of return was applied to all periods of projected benefit payments to determine the total pension liability.

Changes in net pension liability

	Increase (Decrease)		
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (a) – (b)
Balances at June 30, 2021	\$ -	\$ -	\$ -
Changes for the year:			
Interest	(21)	-	(21)
Change in benefit terms	3,791,841	-	3,791,841
Contributions – employer	-	201,076	(201,076)
Contributions – employee	-	3,078,681	(3,078,681)
Net investment income	-	(135,664)	135,664
Benefit payments, including refunds of employee contributions	(628)	(628)	-
Administrative expenses	-	1,541	(1,541)
Other changes	-	74	(74)
Net changes	3,791,192	3,145,080	646,112
Balances at June 30, 2022	\$ 3,791,192	\$ 3,145,080	\$ 646,112

(Continued)

TOWN OF FARMVILLE, VIRGINIA
NOTES TO FINANCIAL STATEMENTS
June 30, 2023

Note 14. Defined Benefit Pension Plan (Continued)

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

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

	1.00% Decrease (5.75%)	Current Discount Rate (6.75%)	1.00% Increase (7.75%)
Political subdivision's net pension liability	\$ 1,252,723	\$ 646,112	\$ 149,241

Pension expense and deferred outflows of resources and deferred inflows of resources related to pensions

For the year ended June 30, 2023, the political subdivision recognized pension expense of \$650,077. At June 30, 2023, the political subdivision reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Net difference between projected and actual earnings on pension plan investments	\$ 197,111	\$ -
Employer contributions subsequent to the measurement date	291,192	-
	<u>\$ 488,303</u>	<u>\$ -</u>

(Continued)

TOWN OF FARMVILLE, VIRGINIA
NOTES TO FINANCIAL STATEMENTS
June 30, 2023

Note 14. Defined Benefit Pension Plan (Continued)

Pension expense and deferred outflows of resources and deferred inflows of resources related to pensions (Continued)

The \$291,192 reported as deferred outflows of resources related to pensions resulting from the political subdivision's contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the fiscal year ending June 30, 2024. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ended June 30,	Addition to Pension Expense
2024	\$ 49,278
2025	49,278
2026	49,278
2027	49,277
2028	-
Thereafter	-

Pension plan data

Information about the VRS Political Subdivision Retirement Plans is also available in the separately issued VRS 2022 *Annual Comprehensive Financial Report* (Annual Report). A copy of the 2022 VRS Annual Report may be downloaded from the VRS website at <http://www.varetire.org/Pdf/Publications/2022-annual-report.pdf>, or by writing to the System's Chief Financial Officer at P.O. Box 2500, Richmond, VA, 23218-2500.

Note 15. Long-Term Deposit

On January 11, 2023, the Town Council approved to prepay for a new fire pumper, in the amount of \$937,250. This fire pumper is not expected to be received by the Town for thirty-six months. Therefore, this is being shown as a long-term deposit on the Statement of Net Position.

Note 16. Property Taxes

Real and property taxes are levied on a calendar year basis. The Counties provide the Town with the assessed value as of January 1 for real and personal property. Real estate taxes are payable December 15. The real estate tax rate was \$0.13 and \$0.12 per \$100 of assessed value for the years ending June 30, 2023 and 2022.

Personal property taxes are payable on December 15. The personal property tax rate was \$1.50 per \$100 for both 2023 and 2022. A penalty of 10% for late payment and interest at the rate of 10% per annum, is charged on unpaid balances. The Town bills and collects its own property taxes.

(Continued)

TOWN OF FARMVILLE, VIRGINIA
NOTES TO FINANCIAL STATEMENTS
June 30, 2023

Note 17. Risk Management

The Risk Management programs of the Town are as follows:

General liability and other

The Town purchases insurance coverage for exposure related to property, general, boiler and machinery, flood, accident, and automobile liability from Virginia Aisle Sharing Association Programs. The Town's property and contents are insured up to a limit of approximately \$67,000,000. The Town maintains an additional \$1,000,000 umbrella policy over all forms of liability insurance. The Town's Public Officials and Law Enforcement Liability coverages, with a \$1,000,000 limit for each, are provided through a policy with the Commonwealth of Virginia. Total premiums for fiscal year 2023 were \$323,564.

The Town continues to carry commercial insurance for all other risks of loss, including employee dishonesty and employee health and accident insurance. The Component Unit Farmville IDA carries commercial insurance for all risks of loss. Settled claims resulting from these risks have not exceeded commercial insurance coverage in any of the past three fiscal years. The Town has a Surety Bond on the Finance Director of \$50,000 and all other town employees a blanket bond of \$50,000.

Note 18. Commitments and Contingencies

Grants

Under the terms of federal and state grants, periodic audits are required and certain costs may be questioned as not being appropriate expenditures under the terms of the grants. Such audits could lead to reimbursement to the grantor agencies. Management believes disallowances, if any, would not be material to the financial position of the Town.

Note 19. Incentive Grants

In fiscal year 2018, the IDA, in conjunction with the Town of Farmville, entered into a performance agreement with Hotel Weyanoke LLC. The IDA and other parties agreed to provide certain cash incentives to Hotel Weyanoke LLC provided the Hotel meets the capital investment set forth in the agreement. During fiscal year 2023, the Hotel was considered in compliance with performance requirements to date.

Note 20. New Accounting Standards

The Governmental Accounting Standards Board (GASB) has issued the following statements which are not yet effective:

(Continued)

TOWN OF FARMVILLE, VIRGINIA
NOTES TO FINANCIAL STATEMENTS
June 30, 2023

Note 20. New Accounting Standards (Continued)

In April 2022, the GASB issued **Statement No. 99**, *Omnibus 2022*. The objectives of this Statement are to enhance comparability in accounting and financial reporting and to improve the consistency of authoritative literature by addressing (1) practice issues that have been identified during implementation and application of certain GASB Statements and (2) accounting and financial reporting for financial guarantees. The requirements related to extension of the use of LIBOR, accounting for SNAP distributions, disclosures of nonmonetary transactions, pledges of future revenues by pledging governments, clarification of certain provisions in Statement 34, as amended, and terminology updates related to Statement 53 and Statement 63 are effective upon issuance. The requirements related to leases, PPPs, and SBITAs are effective for fiscal years beginning after June 15, 2022, and all reporting periods thereafter. The requirements related to financial guarantees and the classification and reporting of derivative instruments within the scope of Statement 53 are effective for fiscal years beginning after June 15, 2023, and all reporting periods thereafter.

In June 2022, the GASB issued **Statement No. 100**, *Accounting Changes and Error Corrections*. This Statement requires disclosure in notes to financial statements of descriptive information about accounting changes and error corrections, such as their nature. In addition, information about the quantitative effects on beginning balances of each accounting change and error correction should be disclosed by reporting unit in a tabular format to reconcile beginning balances as previously reported to beginning balances as restated. The requirements of this Statement are effective for accounting changes and error corrections made in fiscal years beginning after June 15, 2023, and all reporting periods thereafter. Earlier application is encouraged.

In June 2022, the GASB issued **Statement No. 101**, *Compensated Absences*. This statement updates the recognition and measurement guidance for compensated absences and amends certain previously required disclosures. The requirements of this Statement are effective for reporting periods beginning after December 15, 2023.

Management has not determined the effects these new GASB Statements may have on prospective financial statements.

Note 21. Subsequent Events

On July 12, 2023, the Town Council approved a resolution for the Town Manager to enter a finance purchase with a bank to purchase four police vehicles and a leaf truck. The total amount to be financed is \$505,000 at a rate of 3.65%. Payments will be made semi-annually, with the first payment due January 1, 2024.

REQUIRED SUPPLEMENTARY INFORMATION

TOWN OF FARMVILLE, VIRGINIA

**REQUIRED SUPPLEMENTARY INFORMATION –
SCHEDULE OF CHANGES IN NET PENSION LIABILITY AND RELATED RATIOS
June 30, 2023**

	<u>Plan Year</u> <u>2022</u>
Total Pension Liability	
Changes in benefit terms	\$ 3,791,841
Interest on total pension liability	(21)
Benefit payments, including refunds of employee contributions	(628)
	<u>3,791,192</u>
Net change in total pension liability	3,791,192
Total pension liability – beginning	<u>-</u>
Total pension liability – ending	<u>3,791,192</u>
Plan Fiduciary Net Position	
Contributions – employer	201,076
Contributions – employee	3,078,681
Net investment income	(135,664)
Benefit payments, including refunds of employee contributions	(628)
Administrative expenses	1,541
Other	74
	<u>3,145,080</u>
Net change in plan fiduciary net position	3,145,080
Plan fiduciary net position – beginning	<u>-</u>
Plan fiduciary net position – ending	<u>3,145,080</u>
Net pension liability – ending	<u>\$ 646,112</u>
Plan fiduciary net position as a percentage of total pension liability	<u>83%</u>
Covered payroll	<u>\$ 2,947,021</u>
Net pension liability as a percentage of covered payroll	<u>22%</u>

The plan years above are reported in the entity's financial statements in the fiscal year following the plan year – i.e., plan year 2022 information was presented in the Town's fiscal year 2023 financial report.

This schedule is intended to show information for 10 years. Since fiscal year 2023 (plan year 2022) was the first year for this presentation, no earlier data is available. Additional years will be included as they become available.

The Notes to Required Supplementary Information are an integral part of this statement.

TOWN OF FARMVILLE, VIRGINIA

**REQUIRED SUPPLEMENTARY INFORMATION –
SCHEDULE OF PENSION CONTRIBUTIONS
June 30, 2023**

Year Ended June 30,	Actuarially Determined Contribution	Contributions in Relation to Actuarially Determined Contribution	Contribution Deficiency (Excess)	Employer's Covered Payroll	Contributions as a Percentage of Covered Payroll
2023	\$ 291,192	\$ 291,192	\$ -	\$ 3,700,025	7.87 %
2022	231,907	231,907	-	2,947,021	7.87

This schedule is intended to show information for 10 years. Since 2022 was the first year for this presentation, no earlier data is available. However, additional years will be included as they become available.

The covered payroll amounts above are for the Town's fiscal year – i.e., the covered payroll on which required contributions were based for the same period.

TOWN OF FARMVILLE, VIRGINIA

**REQUIRED SUPPLEMENTARY INFORMATION –
SCHEDULE OF CHANGES IN NET OPEB LIABILITY AND RELATED RATIOS –
LOCAL PLAN
June 30, 2023**

	Primary Government					
	2023	2022	2021	2020	2019	2018
Total OPEB Liability						
Service cost	\$ 37,310	\$ 42,010	\$ 30,159	\$ 100,864	\$ 100,555	\$ 72,280
Interest on total OPEB liability	37,839	63,995	82,003	73,834	67,336	70,354
Changes of benefit terms	-	(1,057,554)	-	-	-	-
Difference between expected and actual experience	9,218	(16,877)	(12,176)	(41,031)	4,980	(88,368)
Changes in assumptions	(128,864)	8,604	502,675	340,906	(110,151)	(81,438)
Benefit payments	(311,480)	(56,620)	(43,190)	(35,761)	(35,760)	(39,240)
Net change in total OPEB liability	(355,977)	(1,016,442)	559,471	438,812	26,960	(66,412)
Total OPEB liability – beginning	<u>1,907,569</u>	<u>2,924,011</u>	<u>2,364,540</u>	<u>1,925,728</u>	<u>1,898,768</u>	<u>1,965,180</u>
Total OPEB liability – ending	<u>\$ 1,551,592</u>	<u>\$ 1,907,569</u>	<u>\$ 2,924,011</u>	<u>\$ 2,364,540</u>	<u>\$ 1,925,728</u>	<u>\$ 1,898,768</u>
Covered payroll	<u>\$ 4,384,729</u>	<u>\$ 4,279,768</u>	<u>\$ 4,671,745</u>	<u>\$ 5,336,985</u>	<u>\$ 5,052,986</u>	<u>\$ 5,113,418</u>
Net OPEB liability as a percentage of covered payroll	<u>35%</u>	<u>45%</u>	<u>63%</u>	<u>44%</u>	<u>38%</u>	<u>37%</u>

This schedule is intended to show information for 10 years. Since fiscal year 2018 is the first year for this presentation, no earlier data is available. Additional years will be included as they become available.

TOWN OF FARMVILLE, VIRGINIA

**REQUIRED SUPPLEMENTARY INFORMATION –
SCHEDULE OF OPEB CONTRIBUTIONS – LOCAL PLAN
June 30, 2023**

Entity Fiscal Year Ended June 30,	Actuarially Determined Employer Contribution	Actual Employer Contribution	Contribution Deficiency (Excess)	Employer's Covered Payroll	Contributions as a Percentage of Covered Payroll
Local Plan					
2023	\$ 116,186	\$ 137,070	\$ (20,884)	\$ 4,384,729	3.13 %
2022	124,368	311,480	(187,112)	4,279,768	7.28
2021	176,367	56,620	119,747	4,671,745	1.21
2020	158,722	43,190	115,532	5,336,985	0.81
2019	210,477	35,760	174,717	5,425,989	0.66
2018	179,144	35,760	143,384	5,052,986	0.71

This schedule is intended to show information for 10 years. Since 2018 was the first year for this presentation, no earlier data is available. Additional years will be included as they become available.

The covered payroll amounts above are for the entity's fiscal year – i.e., the covered payroll on which required contributions were based for the same year.

TOWN OF FARMVILLE, VIRGINIA

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION June 30, 2023

Note 1. Changes of Benefit Terms

Pension

There have been no actuarially material changes to the Virginia Retirement System (System) benefit provisions since the prior actuarial valuation.

Note 2. Changes of Assumptions

The actuarial assumptions used in the June 30, 2021, valuation were based on the results of an actuarial experience study for the period from July 1, 2016, through June 30, 2020, except the change in the discount rate, which was based on VRS Board action effective as of July 1, 2019. Changes to the actuarial assumptions as a result of the experience study and VRS Board action are as follows:

Largest 10 – Non-Hazardous Duty:

- Update mortality table to PUB2010 public sector mortality tables. For future mortality improvements, replace load with a modified MortalityImprovement Scale MP-2020.
- Adjusted retirement rates to better fit experience for Plan 1; set separate rates based on experience for Plan2/Hybrid; changed final retirement age from 75 to 80 for all.
- Adjusted withdrawal rates to better fit experience at each age and service through 9 years of service.
- No change to disability rates.
- No change to salary scale.
- No change to line of duty rates.
- No change to discount rate.

Largest 10 – Hazardous Duty/Public Safety Employees:

- Update mortality table to PUB2010 public sector mortality tables. For future mortality improvements, replace load with a modified MortalityImprovement Scale MP-2020.
- Adjusted retirement rates to better fit experience and changed final retirement age from 65 to 70.
- Decreased withdrawal rates.
- No change to disability rates.
- No change to salary scale.
- No change to line of duty rates.
- No change to discount rate.

(Continued)

TOWN OF FARMVILLE, VIRGINIA

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION June 30, 2023

Note 2. Changes of Assumptions (Continued)

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

- Update mortality table to PUB2010 public sector mortality tables. For future mortality improvements, replace load with a modified MortalityImprovement Scale MP-2020.
- Adjusted retirement rates to better fit experience for Plan 1; set separate rates based on experience for Plan2/Hybrid; changed final retirement age from 75 to 80 for all.
- Adjusted withdrawal rates to better fit experience at each age and service through 9 years of service.
- No change to disability rates.
- No changes to salary scale.
- No change to line of duty rates.
- No change to discount rate.

All Others (Non 10 Largest) – Hazardous Duty/Public Safety Employees:

- Update mortality table to PUB2010 public sector mortality tables. For future mortality improvements, replace load with a modified MortalityImprovement Scale MP-2020.
- Adjusted retirement rates to better fit experience and changed final retirement age from 65 to 70.
- Decreased withdrawal rates and changed from rates based on age and service to rates based on service only to better fit experience and to be more consistent with Locals Largest 10 Hazardous Duty.
- No change to disability rates.
- No change to salary scale.
- No change to line of duty rates.
- No change to discount rate.

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STATISTICAL SECTION

This part of the Town of Farmville’s Annual Comprehensive Financial Report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about the Town’s overall financial health.

<u>Contents</u>	<u>Table</u>
Financial Trends These tables contain trend information to help the reader understand how the Town’s financial performance and well-being have changed over time.	1-4
Revenue Capacity These tables contain information to help the reader assess the factors affecting the Town’s ability to generate its property and sales taxes.	5-7
Debt Capacity These tables present information to help the reader assess the affordability of the Town’s current levels of outstanding debt and its ability to issue additional debt in the future.	8-9
Demographic and Economic Information These tables offer demographic and economic indicators to help the reader understand the environment within which the Town’s financial activities take place and to help make comparisons over time and with other governments.	10-11
Operating Information These schedules contain information about the Town’s operations and resources to help the reader understand how its financial information relates to the services it provides and the activities it performs.	12-14

Sources: Unless otherwise noted, the information in these schedules is derived from the Annual Comprehensive Financial Reports for the relevant year.

**TOWN OF FARMVILLE, VIRGINIA
NET POSITION BY COMPONENT
LAST TEN FISCAL YEARS
(ACCRUAL BASIS OF ACCOUNTING)**

TABLE 1

	Fiscal Year									
	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Governmental activities										
Net investment in capital assets	\$ 15,220,292	\$ 14,637,694	\$ 14,637,694	\$ 14,250,923	\$ 12,008,984	\$ 10,423,203	\$ 9,060,557	\$ 8,387,436	\$ 7,194,234	\$ 6,549,621
Restricted	1,612,932	3,045,457	2,607,539	2,510,494	2,060,160	-	-	-	-	-
Unrestricted	4,425,981	1,542,057	(562,737)	(1,270,159)	(1,296,033)	259,171	242,475	(390,333)	(564,121)	(2,234,399)
Total governmental activities net position	<u>\$ 21,259,205</u>	<u>\$ 19,225,208</u>	<u>\$ 16,682,496</u>	<u>\$ 15,491,258</u>	<u>\$ 12,773,111</u>	<u>\$ 10,682,374</u>	<u>\$ 9,303,032</u>	<u>\$ 7,997,103</u>	<u>\$ 6,630,113</u>	<u>\$ 4,315,222</u>
Business-type activities										
Net investment in capital assets	\$ 12,733,171	\$ 11,189,894	\$ 11,242,435	\$ 8,938,061	\$ 5,477,209	\$ 3,745,537	\$ 3,601,983	\$ 3,559,383	\$ 5,438,956	\$ 5,739,414
Restricted	-	-	-	-	-	-	-	-	-	380,041
Unrestricted	6,724,657	5,561,822	4,963,366	4,283,601	3,812,219	3,067,887	2,951,527	2,842,922	1,226,107	171,101
Total business-type activities net position	<u>\$ 19,457,828</u>	<u>\$ 16,751,716</u>	<u>\$ 16,205,801</u>	<u>\$ 13,221,662</u>	<u>\$ 9,289,428</u>	<u>\$ 6,813,424</u>	<u>\$ 6,553,510</u>	<u>\$ 6,402,305</u>	<u>\$ 6,665,063</u>	<u>\$ 6,290,556</u>
Primary government										
Net investment in capital assets	\$ 27,953,463	\$ 25,827,588	\$ 25,880,129	\$ 23,188,984	\$ 17,486,193	\$ 14,168,740	\$ 12,662,540	\$ 11,946,819	\$ 12,633,190	\$ 12,289,035
Restricted	1,612,932	3,045,457	2,607,539	2,510,494	2,060,160	-	-	-	-	380,041
Unrestricted	11,150,638	7,103,879	4,400,629	3,013,442	2,516,186	3,327,058	3,194,002	2,452,589	661,986	(2,063,298)
Total primary government net position	<u>\$ 40,717,033</u>	<u>\$ 35,976,924</u>	<u>\$ 32,888,297</u>	<u>\$ 28,712,920</u>	<u>\$ 22,062,539</u>	<u>\$ 17,495,798</u>	<u>\$ 15,856,542</u>	<u>\$ 14,399,408</u>	<u>\$ 13,295,176</u>	<u>\$ 10,605,778</u>

Note: GASB Statements No. 68 and 75 were adopted in fiscal year 2015 and 2018, respectively. Prior years were not restated for the impact of these statements.

**TOWN OF FARMVILLE, VIRGINIA
CHANGES IN NET POSITION BY COMPONENT
LAST TEN FISCAL YEARS
(ACCRUAL BASIS OF ACCOUNTING)**

TABLE 2

	Fiscal Year									
	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Expenses										
Governmental activities:										
General government administration	\$ 2,073,586	\$ 1,684,093	\$ 1,352,402	\$ 1,770,152	\$ 1,756,338	\$ 1,626,421	\$ 1,268,384	\$ 1,130,394	\$ 1,221,787	\$ 1,063,691
Public safety	4,957,718	3,842,517	4,188,808	4,196,635	4,410,817	3,857,548	3,689,104	3,704,042	3,507,564	3,614,517
Public works	5,933,858	5,473,818	5,393,613	5,180,042	5,629,684	4,787,285	4,715,205	4,787,649	3,231,753	5,936,059
Parks, recreation, and cultural	557,407	804,098	727,358	807,018	769,387	712,379	711,172	709,046	1,336,638	798,331
Community development	635,196	536,554	539,396	302,476	207,375	120,107	552,862	168,503	167,328	144,554
Interest on long-term debt	9,643	66,173	125,569	190,488	250,577	294,042	341,457	396,283	447,743	484,632
Total governmental activities	14,167,408	12,407,253	12,327,146	12,446,811	13,024,178	11,397,782	11,278,184	10,895,917	9,912,813	12,041,784
Business-type activities:										
Water	1,601,511	1,481,832	1,523,020	1,777,878	1,703,026	1,753,615	1,720,283	1,661,545	1,672,254	1,879,262
Sewer	1,276,131	923,769	989,720	1,314,541	1,156,837	1,343,341	1,083,365	1,112,301	1,003,647	1,099,508
Transportation	826,232	803,985	822,803	956,757	868,109	350,860	511,157	531,677	434,805	474,960
Airport	372,052	354,760	263,541	239,362	270,286	859,744	825,437	792,463	797,575	834,157
Total business-type activities expense	4,075,926	3,564,346	3,599,084	4,288,538	3,998,258	4,307,560	4,140,242	4,097,986	3,908,281	4,287,887
Total primary government expenses	18,243,334	15,971,599	15,926,230	16,735,349	17,022,436	15,705,342	15,418,426	14,993,903	13,821,094	16,329,671
Program Revenues										
Governmental activities:										
Charges for services:										
General government	1,010,032	1,058,276	432,339	482,762	491,529	279,366	273,406	258,803	223,874	247,655
Public safety	190,228	121,681	278,870	388,476	481,067	105,125	57,714	49,268	89,891	249,315
Public works	398,217	357,366	404,970	394,561	393,354	555,445	592,470	571,422	473,612	407,252
Parks, recreation, and cultural	56,622	203,865	317,456	327,193	382,240	184,759	173,712	159,096	149,824	136,527
Community development	55,333	79,603	301,384	426,360	329,710	-	-	-	-	-
Operating grants and contributions	2,684,257	2,564,086	2,725,061	2,293,332	2,230,159	2,246,006	2,485,956	2,397,893	2,892,308	1,854,031
Capital grants and contributions	1,024,452	-	124,500	1,966,510	407,624	-	-	-	-	-
Total governmental activities program revenues	5,419,141	4,384,877	4,584,580	6,279,194	4,715,683	3,370,701	3,583,258	3,436,482	3,829,509	2,894,780

(Continued)

**TOWN OF FARMVILLE, VIRGINIA
CHANGES IN NET POSITION BY COMPONENT
LAST TEN FISCAL YEARS
(ACCRUAL BASIS OF ACCOUNTING)**

TABLE 2

	Fiscal Year									
	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Business-type activities:										
Charges for services:										
Water	\$ 1,924,115	\$ 1,640,884	\$ 1,421,662	\$ 1,830,124	\$ 1,963,912	\$ 2,076,228	\$ 2,049,053	\$ 1,858,746	\$ 1,947,473	\$ 1,813,190
Sewer	2,202,010	1,948,111	2,014,722	2,145,798	2,396,191	2,242,577	2,276,987	2,252,416	2,254,390	2,124,650
Transportation	9,654	8,951	8,061	9,934	11,016	129,320	145,322	153,152	199,654	232,572
Airport	105,222	180,489	120,783	80,429	84,368	10,625	10,801	11,086	9,091	9,067
Operating grants and contributions	746,028	789,016	3,536,613	4,610,981	2,854,768	1,283,556	837,420	915,893	972,562	850,544
Capital grants and contributions	1,892,427	323,467	-	-	-	-	-	-	-	-
Total business-type activities										
program revenues	6,879,456	4,890,918	7,101,841	8,677,266	7,310,255	5,742,306	5,319,583	5,191,293	5,383,170	5,030,023
Total primary government										
program revenues	12,298,597	9,275,795	11,686,421	14,956,460	12,025,938	9,113,007	8,902,841	8,627,775	9,212,679	7,924,803
Net (expense) revenue										
Governmental activities	(8,748,267)	(8,022,376)	(7,742,566)	(6,167,617)	(8,308,495)	(8,027,081)	(7,694,926)	(7,459,435)	(6,083,304)	(9,147,004)
Business-type activities	2,803,530	1,326,572	3,502,757	4,388,728	3,311,997	1,434,746	1,179,341	1,093,307	1,474,889	742,136
Total primary government net expense	(5,944,737)	(6,695,804)	(4,239,809)	(1,778,889)	(4,996,498)	(6,592,335)	(6,515,585)	(6,366,128)	(4,608,415)	(8,404,868)
General Revenues and Other Changes in Net Position										
Governmental activities:										
Taxes										
Property taxes	1,144,960	1,065,846	973,186	953,412	904,140	935,432	867,326	881,944	849,256	804,662
Sales taxes	831,814	860,016	441,979	394,407	392,110	-	-	-	-	-
Meals and lodging tax	4,584,310	4,178,102	3,428,216	3,087,839	3,576,772	-	-	-	-	-
Utility tax	378,589	367,121	368,421	365,688	380,347	-	-	-	-	-
Other local taxes	2,230,350	2,121,021	1,962,885	2,053,188	2,080,674	6,106,842	5,757,202	5,351,170	5,174,286	5,152,335
Intergovernmental revenue, unrestricted	70,582	104,713	268,664	449,845	562,135	557,752	745,675	745,074	746,890	741,095
Unrestricted investment earnings	516,548	121,643	88,375	150,650	21,251	342,525	15,819	13,962	9,505	8,234
Gain on disposition of assets	164,646	-	-	-	16,680	-	-	-	-	-
Other	610,465	663,656	615,940	587,679	446,492	581,382	540,431	666,266	471,073	453,254
Transfers	250,000	1,082,970	786,138	843,056	1,170,161	1,273,215	1,074,402	1,168,009	1,147,185	1,171,099
Total governmental activities	10,782,264	10,565,088	8,933,804	8,885,764	9,550,762	9,797,148	9,000,855	8,826,425	8,398,195	8,330,679

(Continued)

**TOWN OF FARMVILLE, VIRGINIA
CHANGES IN NET POSITION BY COMPONENT
LAST TEN FISCAL YEARS
(ACCRUAL BASIS OF ACCOUNTING)**

TABLE 2

	Fiscal Year									
	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Business-type activities:										
Investment earnings	\$ 23,726	\$ 620	\$ 569	\$ 412	\$ 2,327	\$ 71,686	\$ 1,583	\$ 619	\$ 556	\$ 2,992
Gain on disposition of assets	-	-	-	-	24,779	-	-	-	-	-
Other	128,856	301,693	266,951	386,150	262,137	26,697	44,683	(188,675)	46,247	66,163
Transfers	(250,000)	(1,082,970)	(786,138)	(843,056)	(1,170,161)	(1,273,215)	(1,074,402)	(1,168,009)	(1,147,185)	(1,171,099)
Total business-type activities	(97,418)	(780,657)	(518,618)	(456,494)	(880,918)	(1,174,832)	(1,028,136)	(1,356,065)	(1,100,382)	(1,101,944)
Total primary government	10,684,846	9,784,431	8,415,186	8,429,270	8,669,844	8,622,316	7,972,719	7,470,360	7,297,813	7,228,735
Changes in Net Position										
Governmental activities	2,033,997	2,542,712	1,191,238	2,718,147	1,242,267	1,770,067	1,305,929	1,366,990	2,314,891	(816,325)
Business-type activities	2,706,112	545,915	2,984,139	3,932,234	2,431,079	259,914	151,205	(262,758)	374,507	(359,808)
Total primary government	<u>\$ 4,740,109</u>	<u>\$ 3,088,627</u>	<u>\$ 4,175,377</u>	<u>\$ 6,650,381</u>	<u>\$ 3,673,346</u>	<u>\$ 2,029,981</u>	<u>\$ 1,457,134</u>	<u>\$ 1,104,232</u>	<u>\$ 2,689,398</u>	<u>\$ (1,176,133)</u>

**TOWN OF FARMVILLE, VIRGINIA
FUND BALANCES – GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS
(MODIFIED ACCRUAL BASIS OF ACCOUNTING)**

TABLE 3

	Post-GASB 54									
	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
General Fund										
Nonspendable	\$ 630,279	\$ 689,793	\$ 705,475	\$ 749,741	\$ 771,326	\$ 27,237	\$ 20,174	\$ 30,039	\$ 30,968	\$ 37,487
Restricted	1,599,897	3,036,073	2,816,786	2,509,176	2,037,002	-	-	-	-	-
Committed	536,363	169,718	-	-	104,214	-	-	-	-	-
Assigned	-	-	-	-	-	1,183,138	-	-	-	-
Unassigned	3,933,566	1,744,447	758,042	383,678	688,555	2,681,248	3,596,155	2,900,951	2,357,467	1,097,756
Total general fund	<u>\$ 6,700,105</u>	<u>\$ 5,640,031</u>	<u>\$ 4,280,303</u>	<u>\$ 3,642,595</u>	<u>\$ 3,601,097</u>	<u>\$ 3,891,623</u>	<u>\$ 3,616,329</u>	<u>\$ 2,930,990</u>	<u>\$ 2,388,435</u>	<u>\$ 1,135,243</u>
All Other Governmental Funds										
Nonspendable	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 7,297
Restricted	13,035	9,384	878	1,318	23,158	-	-	-	-	4,330
Committed	2,600	4,466	-	-	-	-	-	-	-	-
Assigned	433,833	431,362	666,336	430,148	335,446	21,845	15,423	14,512	252,916	801,313
Unassigned	-	-	-	-	-	362,296	104,732	(18,437)	-	(6,491)
Total all other governmental funds	<u>\$ 449,468</u>	<u>\$ 445,212</u>	<u>\$ 667,214</u>	<u>\$ 431,466</u>	<u>\$ 358,604</u>	<u>\$ 384,141</u>	<u>\$ 120,155</u>	<u>\$ (3,925)</u>	<u>\$ 252,916</u>	<u>\$ 806,449</u>

TOWN OF FARMVILLE, VIRGINIA
CHANGES IN FUND BALANCES – GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS
(MODIFIED ACCRUAL BASIS OF ACCOUNTING)

TABLE 4

	Fiscal Year									
	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Revenues										
Taxes	\$ 9,130,007	\$ 8,606,501	\$ 7,148,138	\$ 6,841,558	\$ 7,334,043	\$ 7,006,395	\$ 6,622,384	\$ 6,210,800	\$ 6,039,310	\$ 6,023,207
Permits, privilege fees, and licenses	55,483	79,633	88,338	104,651	131,043	128,456	110,645	81,771	55,750	52,734
Fines and forfeitures	155,248	111,416	80,629	90,784	99,656	105,125	57,714	49,268	89,891	106,972
Revenue from use of money and property	516,548	121,643	88,375	150,650	132,413	342,525	208,508	358,102	163,133	217,300
Charges for services	749,071	894,858	859,257	962,070	1,042,549	891,114	928,943	907,550	791,560	881,043
Other	1,622,988	676,614	618,662	588,326	512,935	581,382	347,742	326,421	319,076	300,351
Recovered costs	750,630	734,884	509,297	861,847	714,490	844,173	572,485	495,363	482,375	578,651
Intergovernmental	3,761,768	2,655,841	3,312,999	4,863,301	3,096,349	2,803,758	3,231,631	3,142,967	3,639,198	2,595,126
Total revenues	16,741,743	13,881,390	12,705,695	14,463,187	13,063,478	12,702,928	12,080,052	11,572,242	11,580,293	10,755,384
Expenditures										
General government	2,011,210	1,915,428	1,487,855	1,706,222	1,824,893	1,649,556	1,446,809	1,238,189	1,226,827	1,333,456
Public safety	6,206,528	4,137,077	4,040,582	4,278,499	4,281,007	4,740,871	3,621,635	3,517,725	3,323,188	3,717,209
Public works	5,023,001	4,645,234	4,165,401	6,390,553	5,728,424	4,562,796	4,401,900	5,224,775	4,272,535	4,391,492
Parks, recreation, and cultural	566,957	762,384	633,613	745,950	1,066,504	1,381,310	814,647	756,146	1,479,487	933,302
Community development	626,619	607,762	533,814	309,124	204,082	120,107	552,862	168,603	167,328	144,554
Debt service:										
Principal	1,464,371	1,501,042	1,437,781	1,377,961	1,320,982	1,225,476	1,028,807	977,892	932,795	897,700
Interest	201,727	257,707	319,331	383,574	439,610	471,957	519,375	571,307	625,659	662,548
Total expenditures	16,100,413	13,826,634	12,618,377	15,191,883	14,865,502	14,152,073	12,386,035	12,454,637	12,027,819	12,080,261
Excess (deficiency) of revenues under expenditures	641,330	54,756	87,318	(728,696)	(1,802,024)	(1,449,145)	(305,983)	(882,395)	(447,526)	(1,324,877)
Other Financing Sources										
Proceeds from borrowing	-	-	-	-	586,297	645,850	41,000	-	-	-
Issuance of financed purchase	173,000	-	-	-	-	-	-	-	-	-
Transfers in	250,000	1,180,153	900,000	1,009,943	1,540,496	1,783,385	1,259,029	1,274,481	2,325,022	2,081,212
Transfers out	-	(97,183)	(113,862)	(166,887)	(370,335)	(510,170)	(184,627)	(106,472)	(1,177,837)	(910,113)
Total other financing sources	423,000	1,082,970	786,138	843,056	1,756,458	1,919,065	1,115,402	1,168,009	1,147,185	1,171,099
Net change in fund balances	\$ 1,064,330	\$ 1,137,726	\$ 873,456	\$ 114,360	\$ (45,566)	\$ 469,920	\$ 809,419	\$ 285,614	\$ 699,659	\$ (153,778)
Debt service as a percentage of noncapital expenditures	11.35%	13.04%	14.52%	13.85%	13.61%	13.96%	13.26%	13.82%	13.97%	13.27%

TOWN OF FARMVILLE, VIRGINIA
ASSESSED VALUE AND ACTUAL VALUE OF TAXABLE PROPERTY
LAST TEN FISCAL YEARS

TABLE 5

Fiscal Year	Real Estate	Personal Property	Public Service Corporation Real Estate	Public Service Corporation Personal Property	Total Assessed Value	Total Tax Rate Real Estate (1)	Total Tax Rate Personal Property
2023	\$ 662,030,769	\$ 18,812,032	\$ 38,303,243	\$ 575,484	\$ 719,721,528	0.13	1.50
2022	657,218,462	41,354,373	38,842,669	491,925	737,907,429	0.13	1.50
2021	592,297,500	15,948,133	37,052,240	407,971	645,705,844	0.12	1.50
2020	554,025,833	14,513,007	34,165,889	440,486	603,145,215	0.12	1.50
2019	541,808,640	12,814,121	30,633,396	420,512	585,676,669	0.12	1.50
2018	525,065,080	13,173,051	29,544,666	291,846	568,074,643	0.12	1.50
2017	514,708,670	13,899,200	28,973,750	290,918	557,872,538	0.12	1.50
2016	509,662,986	13,945,399	27,959,562	253,641	551,821,588	0.12	1.50
2015	505,184,482	14,770,476	27,676,804	231,225	547,862,987	0.12	1.50
2014	502,983,846	14,308,327	27,240,159	262,566	544,794,898	0.12	1.50

Notes: Property is assessed at full market value. Properties are reassessed once every four years.

⁽¹⁾ Per \$100 of assessed value.

**TOWN OF FARMVILLE, VIRGINIA
PRINCIPAL UTILITY CUSTOMERS
CURRENT YEAR AND TEN YEARS AGO**

TABLE 6

Customer	Fiscal Year 2023			Fiscal Year 2014 ¹		
	Revenue	Rank	Percentage of Total Town Electrical Revenue	Revenue	Rank	Percentage of Total Town Electrical Revenue
Longwood University	\$ 525,094	1	29.67 %	N/A	N/A	N/A
Longwood Univ R/E Foundation	331,877	2	18.76	N/A	N/A	N/A
Piedmont Regional Jail	284,215	3	16.06	N/A	N/A	N/A
Centra Southside Hospital	142,908	4	8.08	N/A	N/A	N/A
Farmville Health & Rehab	88,748	5	5.02	N/A	N/A	N/A
Holly Manor Snf Operations LLC	88,036	6	4.98	N/A	N/A	N/A
UR-OZBP Farmville Lots LLC	83,695	7	4.73	N/A	N/A	N/A
Hampden Sydney College	83,260	8	4.71	N/A	N/A	N/A
Parkview Gardens	77,576	9	4.38	N/A	N/A	N/A
Cumberland County	64,119	10	3.61	N/A	N/A	N/A
Total revenue	<u>\$ 1,769,528</u>		<u>100.00 %</u>			

Source: Town's Public Utility Billing System (Edmunds)

¹ This information is not available due to database change at the Town.

TABLE 7

**TOWN OF FARMVILLE, VIRGINIA
PROPERTY TAX LEVIES AND COLLECTIONS
LAST TEN FISCAL YEARS**

Fiscal Year Ended June 30,	Taxes Levied for the Fiscal Year		Collected within the Fiscal Year of the Levy		Collections in Subsequent Years	Total Collections to Date	
			Amount	Percentage of Levy		Amount	Percentage of Levy
2023	\$	860,640	\$ 842,051	97.84 %	\$ 541	\$ 842,592	97.90 %
2022		854,384	843,454	98.72	8,028	851,482	99.66
2021		710,757	700,307	98.53	8,604	708,911	99.74
2020		664,831	654,895	98.51	7,887	662,782	99.69
2019		650,170	641,393	98.65	8,034	649,427	99.89
2018		630,078	619,682	98.35	2,872	622,554	98.81
2017		617,650	608,262	98.48	9,388	617,650	100.00
2016		611,596	602,544	98.52	6,911	609,455	99.65
2015		606,221	597,674	98.59	7,335	605,009	99.80
2014		603,581	595,493	98.66	6,338	601,831	99.71

Source: Tax Records of the Town. (The Tax Collection Percentage Report)

**TOWN OF FARMVILLE, VIRGINIA
LEGAL DEBT MARGIN INFORMATION
LAST TEN FISCAL YEARS**

TABLE 8

	Fiscal Year									
	2022	2022	2021	2020	2019	2018	2017	2016	2015	2014
Debt limit	\$ 71,972,153	\$ 71,232,884	\$ 64,570,584	\$ 60,314,522	\$ 58,567,667	\$ 56,807,464	\$ 55,787,254	\$ 55,182,159	\$ 54,786,299	\$ 54,479,490
Total net debt applicable to limit	5,445,000	7,218,710	8,420,000	9,805,000	11,125,000	12,390,000	13,600,000	14,755,000	15,860,000	16,915,000
Legal debt margin	<u>\$ 66,527,153</u>	<u>\$ 64,014,174</u>	<u>\$ 56,150,584</u>	<u>\$ 50,509,522</u>	<u>\$ 47,442,667</u>	<u>\$ 44,417,464</u>	<u>\$ 42,187,254</u>	<u>\$ 40,427,159</u>	<u>\$ 38,926,299</u>	<u>\$ 37,564,490</u>
Total net debt applicable to the limit as a percentage of debt limit	<u>7.57%</u>	<u>10.13%</u>	<u>13.04%</u>	<u>16.26%</u>	<u>19.00%</u>	<u>21.81%</u>	<u>24.38%</u>	<u>26.74%</u>	<u>28.95%</u>	<u>31.05%</u>

Legal Debt Margin Calculation for Fiscal Year 2023

Assessed value	<u>\$ 719,721,528</u>
Debt limit (10% of assessed value)	\$ 71,972,153
Less debt applicable to limit: General obligation bonds	<u>(5,445,000)</u>
Legal debt margin	<u>\$ 66,527,153</u>

**TOWN OF FARMVILLE, VIRGINIA
RATIOS OF OUTSTANDING DEBT BY TYPE
LAST TEN FISCAL YEARS**

TABLE 9

Fiscal Year	General Bonded Debt			Percentage of Actual Value of Taxable Property	Per Capita ⁽²⁾	Other Governmental Activities Debt	
	Governmental Activities General Obligation Bonds	Business-Type General Obligation Bonds	Total General Bonded Debt			Bond Premium	Other Debt
2023	\$ 3,050,000	\$ 2,395,000	\$ 5,445,000	0.76 %	372	\$ 711,667	\$ 302,339
2022	4,390,000	2,575,000	6,965,000	0.94	472	889,583	253,710
2021	5,670,000	2,750,000	8,420,000	1.30	758	1,067,499	474,753
2020	6,890,000	2,915,000	9,805,000	1.63	1,006	1,245,415	692,534
2019	8,050,000	3,075,000	11,125,000	1.90	1,160	1,423,331	910,495
2018	9,165,000	3,225,000	12,390,000	2.18	1,435	1,601,247	530,180
2017	10,230,000	3,370,000	13,600,000	2.44	1,539	1,779,163	44,806
2016	11,250,000	3,505,000	14,755,000	2.67	1,624	1,957,079	12,613
2015	12,225,000	3,635,000	15,860,000	2.89	1,760	2,134,995	15,505
2014	13,155,000	3,760,000	16,915,000	3.10	1,882	2,312,911	18,300

Fiscal Year	Business-Type Activities		Total Primary Government	Per Capita ⁽¹⁾	Percentage of Personal Income ⁽¹⁾
	Revenue Bonds	Bond Premium			
2023	\$ -	\$ 337,800	\$ 6,796,806	378	*
2022	-	371,579	8,479,872	394	1.84 %
2021	-	405,358	10,367,610	438	1.42
2020	-	439,137	12,182,086	467	1.53
2019	-	472,916	13,931,742	452	1.49
2018	-	506,695	15,028,122	474	1.54
2017	-	540,474	15,964,443	499	1.66
2016	-	574,253	17,298,945	501	1.68
2015	-	608,032	18,618,532	519	1.78
2014	-	641,811	19,888,022	535	1.92

* Unavailable

⁽¹⁾ See Table 10 for population and per capita personal income information.

⁽²⁾ Per Capita is calculated using the total General Debt less externally restricted cash for debt divided by population.

**TOWN OF FARMVILLE, VIRGINIA
DEMOGRAPHIC AND ECONOMIC STATISTICS
LAST TEN FISCAL YEARS**

TABLE 10

Fiscal Year Ended ⁽¹⁾	Population ⁽²⁾	Total Personal Income ⁽³⁾	Per Capita Personal Income ⁽³⁾	Unemployment Rate ⁽⁴⁾
2023	7,230	(5)	(5)	5.0 %
2022	7,473	\$ 697,704,000	\$ 21,455	4.9
2021	7,202	697,704,000	30,880	4.8
2020	7,188	697,704,000	30,461	6.4
2019	7,846	697,704,000	30,401	3.7
2018	7,872	697,704,000	30,732	3.8
2017	7,831	697,704,000	30,149	4.8
2016	8,140	697,704,000	29,857	5.3
2015	8,169	672,890,000	29,162	6.2
2014	8,229	636,603,000	27,919	7.5

⁽¹⁾ Population is based on fiscal years ending June 30. Per Capita Income and unemployment figures are as of December 31.

⁽²⁾ Source: Weldon Cooper Center for Public Service, Demographics Research Group as of July 1, 2014.

⁽³⁾ Source: www.fedstats.gov. Town of Farmville is included in the statistics for Prince Edwards County.

⁽⁴⁾ Source: VEC, Local Area Unemployment Statistics, VirginiaLMI.com. Town of Farmville is included in the statistics for Prince Edwards County.

⁽⁵⁾ Information currently not available.

**TOWN OF FARMVILLE, VIRGINIA
PRINCIPAL EMPLOYERS
CURRENT YEAR AND TEN YEARS AGO**

TABLE 11

Employer	Fiscal Year 2023			Fiscal Year 2014 ¹		
	Employees	Rank	Percentage of Total Town Employment	Employees	Rank	Percentage of Total Town Employment
Longwood University	800	1	26.08 %	N/A	N/A	N/A
Centra Health	733	2	23.89	N/A	N/A	N/A
Walmart	380	3	12.39	N/A	N/A	N/A
ICA	247	4	8.05	N/A	N/A	N/A
Holly Manor SNF Operations	208	5	6.78	N/A	N/A	N/A
Aramark	171	6	5.57	N/A	N/A	N/A
Prince Edward County	167	7	5.44	N/A	N/A	N/A
Town of Farmville	150	8	4.89	N/A	N/A	N/A
Steps	115	9	3.75	N/A	N/A	N/A
Greenfront	97	10	3.16	N/A	N/A	N/A
	<u>3,068</u>		<u>100.00 %</u>			

Source:

** Total Town Employment 2020 <https://datausa.io/profile/geo/farmville-va>

¹ This information is not available due to database change at the Town.

TOWN OF FARMVILLE, VIRGINIA
FULL-TIME EQUIVALENT TOWN GOVERNMENT EMPLOYEES BY FUNCTION/PROGRAM
LAST TEN FISCAL YEARS

TABLE 12

	Fiscal Year									
	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
<u>Function/Program</u>										
General government										
Executive	3	2	2	2	3	4	4	2	2	2
Clerk	1	1	1	1	1	1	1	1	1	1
Finance	12	10	10	10	10	11	11	11	11	11
Planning (Comm Dev)	4	4	5	5	5	5	6	6	6	6
Recreation (Golf/rec)	0	5	5	3	4	4	4	4	4	4
Police										
Officers	27	27	27	27	27	27	27	27	27	27
Civilians	2	2	2	2	2	2	2	2	2	2
Dispatch	18	14	13	11	14	14	14	13	12	14
Fire	2	0	1	2	2	2	2	2	2	2
Public works	43	40	36	34	42	41	41	43	42	42
Parks and Recreation	2	2	1	1	2	2	2	2	2	2
Solid waste	3	3	3	3	3	3	3	3	3	3
Water	6	6	6	6	6	6	6	6	6	6
Wastewater	6	6	6	6	6	6	6	6	6	6
Transportation	4	4	4	4	4	4	4	4	4	4
Airport	1	1	1	1	1	1	1	1	1	1
Total	134	127	123	118	132	133	134	133	131	133

**TOWN OF FARMVILLE, VIRGINIA
OPERATING INDICATORS BY FUNCTION/PROGRAM
LAST TEN FISCAL YEARS**

TABLE 13

	Fiscal Year									
	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Function/Program										
General government:										
Fleet:										
Pieces of equipment maintained	314	308	306	305	310	312	311	313	309	312
Building permits issued	216	127	381	176	265	327	372	352	304	256
Building permits construction value	\$ 6,272,695	\$ 3,796,205	\$ 9,322,184	\$ 7,502,132	\$10,377,251	\$71,761,724	\$19,582,751	\$30,266,246	\$18,124,371	\$15,454,071
Public safety:										
Police:										
Physical arrests	366	257	205	257	364	481	508	394	465	609
Parking violations	1,108	951	899	561	1,001	633	777	323	221	641
Traffic violations	3,679	1,630	1,981	1,307	2,056	1,891	1,423	946	1,064	1,267
Fire:										
Emergency responses	1,237	731	1,155	884	1,082	615	426	398	388	105
Public works:										
Refuse collection:										
Brush	4.15	4.25	3.89	4.17	4.48	3.54	3.44	4.71	5.41	5.46
Refuse collected (tons per day)	13.10	13.58	13.65	13.17	13.90	13.37	14.34	13.45	13.21	13.09
Recyclables collected (tons per day)	1.83	1.01	1.02	0.92	1.08	1.06	1.07	0.99	0.96	1.08
Leaves	3.43	3.51	3.37	3.44	3.29	2.63	2.63	3.66	3.66	3.66
Other public works:										
Street resurfacing (miles)	7.02	10.36	5.24	3.56	2.98	2.28	8.21	6.66	4.68	7.28
Parks, recreation, and cultural:										
Parks and recreation:										
Park acreage owned by the Town-Developed	209.81	209.81	209.81	209.81	209.81	209.81	209.81	209.81	209.81	209.81
Water:										
Number of customer accounts	2,903	2,851	2,825	2,815	2,809	2,795	2,790	2,783	2,780	2,775
Volume pumped (million gallons per day average)	794,774	927,750	908,310	894,123	1,075,866	1,058,658	1,010,712	1,083,863	1,111,890	1,115,553
Sewer:										
Number of customer accounts	2,801	2,735	2,730	2,750	2,780	2,742	2,740	2,703	2,695	2,690
Waste/Water treated (million gallons per day average)	0.97	1.03	1.17	1.35	1.36	1.39	1.25	1.38	1.45	1.44

TOWN OF FARMVILLE, VIRGINIA
CAPITAL ASSET AND INFRASTRUCTURE STATISTICS BY FUNCTION/PROGRAM
LAST TEN FISCAL YEARS

TABLE 14

<u>Function/Program</u>	Fiscal Year									
	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Public safety:										
Law enforcement vehicles	30	24	20	20	21	20	20	20	20	18
Fire stations	1	1	1	1	1	1	1	1	1	1
Public works:										
Primary streets (lane miles)	30.36	30.36	30.36	30.36	30.76	30.76	32.76	32.76	33.71	33.71
Secondary streets (lane miles)	82	82.00	82.00	82.00	83.60	83.60	81.60	81.60	82.88	82.88
Streetlights	651	651	651	649	647	647	647	635	635	635
Parks, recreation, and cultural:										
Parks/athletic fields	7	7	7	7	7	7	7	7	7	7
Water and sewage:										
Water treatment plants	1	1	1	1	1	1	1	1	1	1
Water mains (miles)	66.88	66.55	66.55	66.55	66.55	66.55	66.55	66.55	63.08	63.08
Storm sewers (miles)	60.96	60.96	60.96	60.96	60.96	60.96	60.96	60.96	60.96	60.96
Sanitary sewers (miles)	64.50	64.50	64.50	64.50	64.50	64.50	64.50	64.50	64.50	64.50

Note:

Parks/Rec list found on Town website

Acreage found on PE County website-taxes

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COMPLIANCE SECTION

TOWN OF FARMVILLE, VIRGINIA
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
Year Ended June 30, 2023

Federal Grantor/Pass – Through Grantor/ Program or Cluster Title	Assistance Listing Number	Federal Expenditures
Department of Homeland Security		
Pass Through Payments		
Virginia Department of Emergency Management		
Emergency Management Performance Grants	97.042	\$ 21,765
Homeland Security Grant Program	97.067	15,400
Total Department of Homeland Security		<u>37,165</u>
Department of Treasury		
Direct Payment		
Coronavirus State and Local Fiscal Recovery Funds	21.027	<u>1,409,672</u>
Department of Transportation		
Direct Payment		
Airport Improvement Program	20.106	1,572,324
Pass Through Payments		
Virginia Department of Rail and Public Transportation		
COVID-19 – Formula Grants for Rural Areas	20.509	408,583
Virginia Department of Motor Vehicles Alcohol		
Speed grant	20.607	22,630
Open Container Requirements	20.607	14,475
Total Department of Transportation		<u>2,018,012</u>
Department of Justice		
Direct Payment		
Edward Byrne Memorial Justice Assistance Grant Program	16.738	<u>31,709</u>
Total Department of Justice		<u>31,709</u>
Total Expenditures of Federal Awards		<u><u>\$ 3,496,558</u></u>

TOWN OF FARMVILLE, VIRGINIA

NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS June 30, 2023

Basis of Presentation

The accompanying Schedule of Federal Expenditures includes the activity of all federally assisted programs for the Town of Farmville, Virginia and is presented on the modified accrual basis of accounting, as described in Note 1 to the Town's basic financial statements. All federal awards received directly from federal agencies, as well as federal awards passed through other government agencies, are included on this schedule.

De Minimis Indirect Cost Rate

The Town did not elect to utilize the 10% de minimis indirect cost rate.

Subrecipient Monitoring

The Town provided no amounts to subrecipients during fiscal year 2023.

Outstanding Loan Balances

At June 30, 2023, the Town had no outstanding loan balances requiring continuing disclosure.

**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 Honorable Mayor and Members of Town Council
Town of Farmville, Virginia

We have audited, in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the *Specifications for Audits of Counties, Cities and Towns*, and the *Specifications for Audits of Authorities, Boards, and Commissions*, issued by the Auditor of Public Accounts of the Commonwealth of Virginia, the financial statements of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the Town of Farmville, Virginia (the "Town"), as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise the Town's basic financial statements, and have issued our report thereon dated October 31, 2023.

Report on Internal Control over Financial Reporting

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

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

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

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Town's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. **The results of our tests disclosed no instances of noncompliance 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 Town's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Brown, Edwards & Company, L.L.P.

CERTIFIED PUBLIC ACCOUNTANTS

Lynchburg, Virginia
October 31, 2023

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

To the Honorable Mayor and Members of Town Council
Town of Farmville, Virginia

Report on Compliance for Each Major Federal Program

Opinion on Compliance for Each Major Federal Program

We have audited the Town of Farmville, Virginia's (the "Town") 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 Town's major federal programs for the year ended June 30, 2023. The Town'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 Town complied in all material respects with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 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 Town of Farmville, Virginia and to meet our other ethical responsibilities, in accordance with relevant ethical requirements related 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 documentation of the Town'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 Town's federal programs.

Report on Compliance for Each Major Federal Program (Continued)

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 Town'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 judgement made by a reasonable user of the report on compliance about the Town'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 risk 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 Town'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 Town'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 Town'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 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.

Report on Internal Control over Compliance (Continued)

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 have not been 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.

Brown, Edwards & Company, L.L.P.

CERTIFIED PUBLIC ACCOUNTANTS

Lynchburg, Virginia
October 31, 2023

TOWN OF FARMVILLE, VIRGINIA
SUMMARY OF COMPLIANCE MATTERS
June 30, 2023

As more fully described in the 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*, we performed tests of the Town's compliance with certain provisions of the laws, regulations, contracts, and grants shown below.

STATE COMPLIANCE MATTERS

Code of Virginia

Budget and Appropriation Laws

Cash and Investment Laws

Conflicts of Interest Act

Debt Provisions

Procurement Laws

Uniform Disposition of Unclaimed Property Act

Fire Program Aid

State Agency Requirements

Urban Highway Maintenance

FEDERAL COMPLIANCE MATTERS

Compliance Supplement for Single Audits of State and Local Governments

Provisions and conditions of agreements related to federal programs selected for testing.

TOWN OF FARMVILLE, VIRGINIA

SCHEDULE OF FINDINGS AND QUESTIONED COSTS
June 30, 2023

A. SUMMARY OF AUDITOR'S RESULTS

1. The auditor's report expresses an **unmodified opinion** on the financial statements.
2. **No significant deficiencies and no material weaknesses** relating to the audit of the financial statements were reported in the 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*.
3. **No instances of noncompliance** material to the financial statements were disclosed.
4. **No significant deficiencies and no material weaknesses** relating to the audit of the major federal award programs was reported in the Independent Auditor's Report on Compliance for Each Major Program and on Internal Control over Compliance Required by the Uniform Guidance.
5. The auditor's report on compliance for the major federal award programs expresses an **unmodified opinion**.
6. The audit disclosed **no audit findings relating to the major program**.
7. The major programs of the Town are:

Name of Program	Assistance Listing #
Airport Improvement Program	20.106
Coronavirus State and Local Fiscal Recovery Funds	21.027

8. The **threshold for** distinguishing Type A and B programs was **\$750,000**.
9. The Town of Farmville was **not** determined to be a **low-risk auditee**.

B. FINDINGS – FINANCIAL STATEMENT AUDIT

None.

C. FINDINGS – COMMONWEALTH OF VIRGINIA

None.

D. FINDINGS AND QUESTIONED COSTS – MAJOR FEDERAL AWARD PROGRAMS AUDIT

None.

TOWN OF FARMVILLE, VIRGINIA
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
June 30, 2023

2022-001: Information Technology (Material Weakness)

Condition:

During review of the Information Technology controls for the Town we noted several areas where there is a lack of controls or a lack of segregation of duties.

Recommendations:

We suggest the Town implement the following control consideration:

- The Town should conduct a formal IT risk assessment at least annually.
- The Town should document its IT policies, standards, and procedures – including information security policy.
- The Town should identify and document compensating controls for the Finance Director's administrative access and ability to provision financial system accounts.
- Provisioning and de-provisioning account access processes should be included in IT procedures documentation.

Current Status:

The comment is no longer applicable.

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REQUIRED COMMUNICATION WITH THOSE CHARGED WITH GOVERNANCE

Honorable Members of Town Council
Town of Farmville, Virginia
Farmville, Virginia

We have audited the financial statements of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the Town of Farmville, Virginia (the “Town”) for the year ended June 30, 2023. Professional standards require that we provide you with information about our responsibilities under generally accepted auditing standards, *Government Auditing Standards*, and the Uniform Guidance, as well as certain information related to the planned scope and timing of our audit. We have communicated such information in our letter to you dated July 10, 2023. Professional standards also require that we communicate to you the following information related to our audit.

Significant Audit Matters

Qualitative Aspects of Accounting Practices

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by the Town are described in Note 1 to the financial statements. No new accounting policies were adopted and the application of existing policies was not changed during 2023. We noted no transactions entered into by the Town during the year for which there is a lack of authoritative guidance or consensus. All significant transactions have been recognized in the financial statements in the proper period.

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

- The useful lives of capital assets are based on management’s knowledge and judgment, which is based on history.
- The other postemployment benefits liability is based on an actuarial study provided by the Town’s external actuarial firm.
- The landfill liability for closure, postclosure, and corrective action care is based on management’s knowledge, judgment, and estimates provided by the external engineering firm.
- The allowance for doubtful accounts is based on historical records and on analysis of the collectability of accounts.

We evaluated the key factors and assumptions used to develop these estimates in determining that the estimates are reasonable in relation to the financial statements taken as a whole.

Significant Audit Matters (Continued)

Qualitative Aspects of Accounting Practices (Continued)

Certain financial statement disclosures are particularly sensitive because of their significance to financial statement users. The most sensitive disclosures affecting the financial statements were:

- Note 9, which provides details on the Town's debt and other long-term obligations.
- Note 10, which provides details on the Town's landfill closure and postclosure costs.
- Notes 13, which provide details on the Town's net other postemployment benefits liabilities.
- Note 14, which provides details on the Town's defined benefit pension plan.
- Note 18, which details the Town's various commitments and contingencies.

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

Difficulties Encountered in Performing the Audit

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

Corrected and Uncorrected Misstatements

Professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that are trivial, and communicate them to the appropriate level of management. We did not detect any misstatements as a result of audit procedures that were corrected by management. Management has determined that the effects of the following unrecorded misstatement is immaterial to the financial statements taken as a whole. All amounts are rounded to the nearest thousand.

- An understatement of right-to-use assets and related lease liabilities in Governmental Activities by approximately \$67,000 under the provisions of GASB 87.

Disagreements with Management

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

Management Representations

We have requested certain representations from management that are included in the management representation letter dated October 31, 2023, a copy of which is attached.

Management Consultations with Other Independent Accountants

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

Significant Audit Matters (Continued)

Other Audit Findings or Issues

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

Other Matters

We applied certain limited procedures to the management's discussion and analysis and the required pension and OPEB schedules as listed in the table of contents, which are required supplementary information (RSI) that supplements the basic financial statements. Our procedures consisted of inquiries of management regarding the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We did not audit the RSI and do not express an opinion or provide any assurance on the RSI.

We were engaged to report on the schedule of expenditures of federal awards, which accompany the financial statements but is not RSI. The schedule of expenditures of federal awards 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 auditing standards generally accepted in the United States of America.

We were not engaged to report on the introductory and statistical sections, which accompanies the financial statements but is not RSI. Such information has not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on it.

Restriction on Use

This information is intended solely for the information and use of the Town Council and management of the Town of Farmville, Virginia and is not intended to be, and should not be, used by anyone other than these specified parties.

Brown, Edwards & Company, L.L.P.

CERTIFIED PUBLIC ACCOUNTANTS

Lynchburg, Virginia
October 31, 2023



TOWN MANAGER'S OFFICE

C. Scott Davis, LP.D., ICMA-CM
Town Manager

Jacqueline B. Vaughan
Executive Assistant

October 31, 2023

Brown, Edwards & Company, L.L.P.
Certified Public Accountants
828 Main Street, Suite 1401
Lynchburg, VA 24504

This representation letter is provided in connection with your audit of the financial statements of Town of Farmville, Virginia, which comprise the respective financial position of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information as of June 30, 2023, and the respective changes in financial position and, where applicable, cash flows for the year then ended, and the related notes to the financial statements, for the purpose of expressing opinions as to whether the financial statements are presented fairly, in all material respects, in accordance with accounting principles generally accepted in the United States of America (U.S. GAAP).

Certain representations in this letter are described as being limited to matters that are material. Items are considered material, regardless of size, if they involve an omission or misstatement of accounting information that, in light of surrounding circumstances, makes it probable that the judgment of a reasonable person relying on the information would be changed or influenced by the omission or misstatement. An omission or misstatement that is monetarily small in amount could be considered material as a result of qualitative factors.

We confirm, to the best of our knowledge and belief, as of October 31, 2023, the following representations made to you during your audit.

Financial Statements

- 1) We have fulfilled our responsibilities, as set out in the terms of the audit engagement letter dated March 22, 2022, including our responsibility for the preparation and fair presentation of the financial statements in accordance with U.S. GAAP and for preparation of the supplementary information in accordance with the applicable criteria.
- 2) The financial statements referred to above are fairly presented in conformity with U.S. GAAP and include all properly classified funds and other financial information of the primary government and all component units required by generally accepted accounting principles to be included in the financial reporting entity.
- 3) We acknowledge our responsibility 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.
- 4) We acknowledge our responsibility for the design, implementation, and maintenance of internal control to prevent and detect fraud.
- 5) Significant assumptions we used in making accounting estimates, including those measured at fair value, are reasonable.

- 6) Related party relationships and transactions, including revenues, expenditures/expenses, loans, transfers, leasing arrangements, and guarantees, and amounts receivable from or payable to related parties have been appropriately accounted for and disclosed in accordance with U.S. GAAP.
- 7) Adjustments or disclosures have been made for all events, including instances of noncompliance, subsequent to the date of the financial statements that would require adjustment to or disclosure in the financial statements or in the schedule of findings and questioned costs.
- 8) The effects of all known actual or possible litigation, claims, and assessments have been accounted for and disclosed in accordance with U.S. GAAP.
- 9) Guarantees, whether written or oral, under which the entity is contingently liable, if any, have been properly recorded or disclosed.
- 10) We have provided the planning communication letter to all members of those charged with governance as requested.

Information Provided

- 11) We have provided you with:
 - a) Access to all information, of which we are aware, that is relevant to the preparation and fair presentation of the financial statements, such as records, documentation, and other matters and all audit or relevant monitoring reports, if any, received from funding sources.
 - b) Additional information that you have requested from us for the purpose of the audit.
 - c) Unrestricted access to persons within the entity from whom you determined it necessary to obtain audit evidence.
 - d) Minutes of the meetings or summaries of actions of recent meetings for which minutes have not yet been prepared.
- 12) All material transactions have been recorded in the accounting records and are reflected in the financial statements and the schedule of expenditures of federal awards.
- 13) We have disclosed to you the results of our assessment of the risk that the financial statements may be materially misstated as a result of fraud.
- 14) We have no knowledge of any fraud or suspected fraud that affects the entity and involves:
 - Management,
 - Employees who have significant roles in internal control,
 - Service organizations used by the entity, or
 - Others where the fraud could have a material effect on the financial statements.
- 15) We have no knowledge of any allegations of fraud or suspected fraud affecting the entity's financial statements communicated by employees, former employees, regulators, or others.
- 16) We have no knowledge of instances of noncompliance or suspected noncompliance with provisions of laws, regulations, contracts, or grant agreements, or waste or abuse, whose effects should be considered when preparing financial statements.
- 17) We have disclosed to you all known actual or possible litigation, claims, and assessments whose effects should be considered when preparing the financial statements.

- 18) We have disclosed to you the identity of the entity's related parties and all the related party relationships and transactions of which we are aware.

Government—specific

- 19) There have been no communications from regulatory agencies concerning noncompliance with, or deficiencies in, financial reporting practices.
- 20) We have taken timely and appropriate steps to remedy fraud, noncompliance with provisions of laws, regulations, contracts, and grant agreements, or abuse that you have reported to us.
- 21) We have a process to track the status of audit findings and recommendations.
- 22) We have identified to you any previous audits, attestation engagements, and other studies related to the audit objectives and whether related recommendations have been implemented.
- 23) We have provided our views on reported findings, conclusions, and recommendations, as well as our planned corrective actions, for the report.
- 24) The entity has no plans or intentions that may materially affect the carrying value or classification of assets, deferred outflows of resources, liabilities, deferred inflows of resources, and fund balance or net position.
- 25) We are responsible for compliance with the laws, regulations, and provisions of contracts and grant agreements applicable to us, including tax or debt limits and debt contracts; and legal and contractual provisions for reporting specific activities in separate funds.
- 26) We have identified and disclosed to you all instances, which have occurred or are likely to have occurred, of fraud and noncompliance with provisions of laws and regulations that we believe have a material effect on the financial statements or other financial data significant to the audit objectives, and any other instances that warrant the attention of those charged with governance.
- 27) We have identified and disclosed to you all instances, which have occurred or are likely to have occurred, of noncompliance with provisions of contracts and grant agreements that we believe have a material effect on the determination of financial statement amounts or other financial data significant to the audit objectives.
- 28) We have identified and disclosed to you all instances that have occurred or are likely to have occurred, of abuse that could be quantitatively or qualitatively material to the financial statements or other financial data significant to the audit objectives.
- 29) There are no violations or possible violations of budget ordinances, laws and regulations (including those pertaining to adopting, approving, and amending budgets), provisions of contracts and grant agreements, tax or debt limits, and any related debt covenants whose effects should be considered for disclosure in the financial statements, or as a basis for recording a loss contingency, or for reporting on noncompliance.
- 30) As part of your audit, you assisted with preparation of the comparative report transmittal form, and the data collection form. We acknowledge our responsibility as it relates to those nonaudit services, including that we assume all management responsibilities; oversee the services by designating an individual, preferably within senior management, who possesses suitable skill, knowledge, or experience; evaluate the adequacy and results of the services performed; and accept responsibility for the results of the services; and ensured that the entity's data and records are complete and received sufficient information to oversee the services.. We have reviewed, approved, and accepted responsibility for the comparative report transmittal form and the data collection form.

- 31) The entity has satisfactory title to all owned assets, and there are no liens or encumbrances on such assets nor has any asset been pledged as collateral.
- 32) The entity has complied with all aspects of contractual agreements that would have a material effect on the financial statements in the event of noncompliance.
- 33) The financial statements include all component units, appropriately present majority equity interests in legally separate organizations and joint ventures with an equity interest, and properly disclose all other joint ventures and other related organizations.
- 34) The financial statements properly classify all funds and activities, in accordance with GASB Statement No. 34, as amended, and GASB Statement No. 84, as amended.
- 35) All funds that meet the quantitative criteria in GASBS Nos. 34 and 37 for presentation as major are identified and presented as such and all other funds that are presented as major are particularly important to financial statement users.
- 36) Components of net position (net investment in capital assets; restricted; and unrestricted), and classifications of fund balance (nonspendable, restricted, committed, assigned, and unassigned) are properly classified and, if applicable, approved.
- 37) Provisions for uncollectible receivables have been properly identified and recorded.
- 38) Expenses have been appropriately classified in or allocated to functions and programs in the statement of activities, and allocations have been made on a reasonable basis.
- 39) Revenues are appropriately classified in the statement of activities within program revenues, general revenues, contributions to term or permanent endowments, or contributions to permanent fund principal.
- 40) Interfund, internal, and intra-entity activity and balances have been appropriately classified and reported.
- 41) Special and extraordinary items are appropriately classified and reported, if applicable.
- 42) Deposits and investment securities are properly classified as to risk and are properly disclosed.
- 43) Capital assets, including infrastructure and intangible assets, are properly capitalized, reported, and, if applicable, depreciated or amortized.
- 44) Capital assets have been evaluated for impairment as a result of significant and unexpected decline in service utility.
- 45) We believe that the actuarial assumptions and methods used to measure OPEB liabilities and costs for financial accounting purposes are appropriate in the circumstances.
- 46) We have not completed the process of evaluating the impact that will result from adopting new Governmental Accounting Standards Board (GASBS) Statements that are not yet effective, as discussed in the notes to financial statements. The entity is therefore unable to disclose the impact that adopting these Statements will have on its financial position and the results of its operations when the Statements are adopted.
- 47) We agree with the findings of specialists in evaluating the landfill liability estimate for closure, post-closure costs, the actuaries in determining other post-employment benefits liabilities and disclosures, and the third party administrators in determining the incurred but not reported liabilities, and have adequately considered the qualifications of the specialist in determining the amounts and disclosures used in the financial statements and underlying accounting records. We did not give or cause any instructions to be given to specialists with respect to the values or amounts derived in an attempt to bias

their work, and we are not otherwise aware of any matters that have had an impact on the independence or objectivity of the specialists.

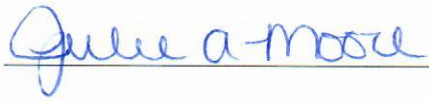
- 48) We agree with the actuaries in determining other post-employment benefits liabilities and disclosures and have adequately considered the qualifications of the specialist in determining the amounts and disclosures used in the financial statements and underlying accounting records. We did not give or cause any instructions to be given to specialists with respect to the values or amounts derived in an attempt to bias their work, and we are not otherwise aware of any matters that have had an impact on the independence or objectivity of the specialists.
- 49) We have appropriately disclosed the entity's policy regarding whether to first apply restricted or unrestricted resources when an expense is incurred for purposes for which both restricted and unrestricted net position is available and have determined that net position is properly recognized under the policy.
- 50) We are following our established accounting policy regarding which resources (that is, restricted, committed, assigned, or unassigned) are considered to be spent first for expenditures for which more than one resource classification is available. That policy determines the fund balance classifications for financial reporting purposes.
- 51) We acknowledge our responsibility for the required supplementary information (RSI). The RSI is measured and presented within prescribed guidelines and the methods of measurement and presentation have not changed from those used in the prior period. We have disclosed to you any significant assumptions and interpretations underlying the measurement and presentation of the RSI.
- 52) With respect to the supplementary information on which an in-relation-to opinion is issued.
 - a) We acknowledge our responsibility for presenting the supplementary information in accordance with accounting principles generally accepted in the United States of America, and we believe the supplementary information, including its form and content, is fairly presented in accordance with accounting principles generally accepted in the United States of America. The methods of measurement and presentation of the supplementary information have not changed from those used in the prior period, and we have disclosed to you any significant assumptions or interpretations underlying the measurement and presentation of the supplementary information.
 - b) If the supplementary information is not presented with the audited financial statements, we will make the audited financial statements readily available to the intended users of the supplementary information no later than the date we issue the supplementary information and the auditor's report thereon.
- 53) With respect to federal award programs:
 - a) We are responsible for understanding and complying with and have complied with the requirements of Title 2 U.S. *Code of Federal Regulations* (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance), including requirements relating to preparation of the schedule of expenditures of federal awards.
 - b) We acknowledge our responsibility for preparing and presenting the schedule of expenditures of federal awards (SEFA) and related disclosures in accordance with the requirements of the Uniform Guidance, and we believe the SEFA, including its form and content, is fairly presented in accordance with the Uniform Guidance. The methods of measurement or presentation of the SEFA have not changed from those used in the prior period and we have disclosed to you any significant assumptions and interpretations underlying the measurement or presentation of the SEFA.

- c) If the SEFA is not presented with the audited financial statements, we will make the audited financial statements readily available to the intended users of the SEFA no later than the date we issue the SEFA and the auditor's report thereon.
- d) We have identified and disclosed to you all of our government programs and related activities subject to the Uniform Guidance compliance audit, and have included in the SEFA expenditures made during the audit period for all awards provided by federal agencies in the form of federal awards, federal cost-reimbursement contracts, loans, loan guarantees, property (including donated surplus property), cooperative agreements, interest subsidies, insurance, food commodities, direct appropriations, and other direct assistance.
- e) We are responsible for understanding and complying with, and have complied with, the requirements of federal statutes, regulations, and the terms and conditions of federal awards related to each of our federal programs and have identified and disclosed to you the requirements of federal statutes, regulations, and the terms and conditions of federal awards that are considered to have a direct and material effect on each major program.
- f) We are responsible for establishing and maintaining, and have established and maintained, effective internal control over compliance for federal programs that provides reasonable assurance that we are managing our federal awards in compliance with federal statutes, regulations, and the terms and conditions of federal awards that could have a material effect on our federal programs. We believe the internal control system is adequate and is functioning as intended.
- g) We have made available to you all federal awards (including amendments, if any) and any other correspondence with federal agencies or pass-through entities relevant to federal programs and related activities.
- h) We have received no requests from a federal agency to audit one or more specific programs as a major program.
- i) We have complied with the direct and material compliance requirements (except for noncompliance disclosed to you), including when applicable, those set forth in the *OMB Compliance Supplement*, relating to federal awards and confirm that there were no amounts questioned and no known noncompliance with the direct and material compliance requirements of federal awards.
- j) We have disclosed any communications from federal awarding agencies and pass-through entities concerning possible noncompliance with the direct and material compliance requirements, including communications received from the end of the period covered by the compliance audit to the date of the auditor's report.
- k) We have disclosed to you the findings received and related corrective actions taken for previous audits, attestation engagements, and internal or external monitoring that directly relate to the objectives of the compliance audit, including findings received and corrective actions taken from the end of the period covered by the compliance audit to the date of the auditor's report.
- l) Amounts claimed or used for matching were determined in accordance with relevant guidelines in OMB's Uniform Guidance (2 CFR part 200, subpart E).
- m) We have disclosed to you our interpretation of compliance requirements that may have varying interpretations.
- n) We have made available to you all documentation related to compliance with the direct and material compliance requirements, including information related to federal program financial reports and claims for advances and reimbursements.

- o) We have disclosed to you the nature of any subsequent events that provide additional evidence about conditions that existed at the end of the reporting period affecting noncompliance during the reporting period.
 - p) There are no such known instances of noncompliance with direct and material compliance requirements that occurred subsequent to the period covered by the auditor's report.
 - q) No changes have been made in internal control over compliance or other factors that might significantly affect internal control, including any corrective action we have taken regarding significant deficiencies or material weaknesses in internal control over compliance, subsequent to the period covered by the auditor's report.
 - r) Federal program financial reports and claims for advances and reimbursements are supported by the books and records from which the financial statements have been prepared.
 - s) The copies of federal program financial reports provided you are true copies of the reports submitted, or electronically transmitted, to the respective federal agency or pass-through entity, as applicable.
 - t) We have monitored subrecipients, as necessary, to determine that they have expended subawards in compliance with federal statutes, regulations, and the terms and conditions of the subaward and have met the requirements of the Uniform Guidance, if applicable.
 - u) We have issued management decisions for audit findings that relate to federal awards made to subrecipients and such management decisions have been issued within six months of acceptance of the audit report by the Federal Audit Clearinghouse. Additionally, we have followed-up ensuring that the subrecipient has taken timely and appropriate action on all deficiencies detected through audits, on-site reviews, and other means that pertain to the federal award provided to the subrecipient., if applicable.
 - v) We have considered the results of subrecipient audits and have made any necessary adjustments to our books and records, if applicable.
 - w) We have charged costs to federal awards in accordance with applicable cost principles.
 - x) We are responsible for and have accurately prepared the summary schedule of prior audit findings to include all findings required to be included by the Uniform Guidance and we have provided you with all information on the status of the follow-up on prior audit findings by federal awarding agencies and pass-through entities, including all management decisions.
 - y) We are responsible for and have ensured the reporting package does not contain protected personally identifiable information.
 - z) We are responsible for and have accurately prepared the auditee section of the Data Collection Form as required by the Uniform Guidance.
 - aa) We are responsible for taking corrective action on each audit finding of the compliance audit and have developed a corrective action plan that meets the requirements of the Uniform Guidance.
 - bb) We have disclosed to you all contracts or other agreements with service organizations, and we have disclosed to you all communications from the service organizations relating to noncompliance at the service organizations, if applicable.
- 54) We have evaluated and classified any subsequent events as recognized or nonrecognized through the date of this letter. No events, including instances of noncompliance, have occurred subsequent to the balance sheet date and through the date of this letter that would require adjustment to or disclosure in the aforementioned financial statements or in the schedule of findings and questioned costs.

55) We reaffirm the representations made to you in our letter dated November 3, 2022 regarding your audit for the fiscal year ended June 30, 2022.

Signature: 

Signature: 

Title: Town Manager

Title: Finance Director

TOWN OF FARMVILLE, VIRGINIA
COMMENTS ON INTERNAL CONTROL AND
OTHER SUGGESTIONS FOR YOUR CONSIDERATION

June 30, 2023

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INDEPENDENT AUDITOR'S REPORT ON COMMENTS AND SUGGESTIONS

To the Honorable Members of the Town Council
Town of Farmville, Virginia
Farmville, Virginia

In planning and performing our audit of the financial statements of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the Town of Farmville, Virginia (the "Town") as of and for the year ended June 30, 2023, in accordance with auditing standards generally accepted in the United States of America, we considered its internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements and to comply with any other applicable standards, such as *Government Auditing Standards* and the regulations set forth in the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we do not express an opinion on the effectiveness of the Town's internal control.

Our consideration of internal control was for the limited purpose described in the first paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and, therefore, material weaknesses or significant deficiencies may exist that were not identified. In addition, because of inherent limitations in internal control, including the possibility of management override of controls, misstatements due to error or fraud may occur and not be detected by such controls.

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

If material weaknesses or significant deficiencies were identified during our procedures they are appropriately designated as such in this report. Additional information on material weaknesses or significant deficiencies and compliance and other matters is included in the ***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*** which should be read in conjunction with this report.

During our audits, we also became aware of certain other matters that provide opportunities for improving your financial reporting system and/or operating efficiency. Such comments and suggestions regarding these matters, if any, are also included in the attached report, but are not designated as a material weakness or significant deficiency. Since our audit is not designed to include a detail review of all systems and procedures, these comments should not be considered as being all-inclusive of areas where improvements might be achieved. We also have included information on accounting and other matters that we believe is important enough to merit consideration by management and those charged with governance. It is our hope that our suggestions will be taken in the constructive light in which they are offered.

We have already discussed these comments and suggestions with management, and we will be pleased to discuss them in further detail at your convenience, to perform any additional study of these matters, or to assist you in implementing the recommendations. A review of the status of our prior year comments and suggestions is included on page 3.

This communication is intended solely for the information and use of the Town Council, management, and the appropriate state and federal regulatory agencies and is not intended to be, and should not be, used by anyone other than these specified parties.

Brown, Edwards & Company, L.L.P.

CERTIFIED PUBLIC ACCOUNTANTS

Lynchburg, Virginia
October 31, 2023

PRIOR YEAR COMMENTS AND SUGGESTIONS

Segregation of Duties

Currently, the Town lacks sufficient staff to properly segregate their duties. No one employee should have access to both physical assets and the related accounting records, or to all phases of a transaction. A lack of segregation of duties increases the exposure of the Town to various risks such as an increased risk of errors or fraud that may go undetected due to the involvement of only one person performing these functions. We noted the following areas that lacked proper internal controls and separation of duties:

- The clerks who prepare the bank reconciliations also have the ability to process cash receipts and write manual checks to be approved by the Town Manager.
- The clerks that prepare bills also collect accounts receivable. They also have the ability to post cash receipts to the accounts receivable subledger.
- The employee who prepares the payroll for processing can also edit the master employee payroll file and can generate payroll checks and record the expense to the general ledger.
- The Finance Director has access to cash receipts prior to being recorded, prepares the deposits and takes deposits to the bank, and has access to change utility charges on individual accounts.

We recommend the Town take steps to eliminate performance of conflicting duties where possible. For those areas where this is not feasible, we recommend the Town take steps to implement effective compensating controls.

Current status: *Compensating controls are in place, therefore condition no longer applicable as of fiscal year 2023. We would recommend continuing to monitor roles and responsibilities for potentially conflicting duties.*

Accounting Manual

The Town does not have an accounting procedures manual. There may be an assumption that, because accounting personnel have direct and easy access to the Finance Director when questions arise, there is no need for a manual. However, written procedures, instructions, and assignments of duties will prevent or reduce misunderstandings, errors, inefficient or wasted effort, duplicated or omitted procedures, and other situations that can result in inaccurate or untimely accounting records. A well-devised accounting manual can also help to ensure that all similar transactions are treated consistently, that accounting principles used are proper, and that records are produced in the form desired by management. A good accounting manual should aid in the training of new employees and possibly allow for delegation to other employees of some accounting functions management performs. It will take some time and effort for management to develop a manual; however, we believe this time will be more than offset by time saved later in training and supervising accounting personnel. Also, in the process of the comprehensive review of existing accounting procedures for the purpose of developing the manual, management will be likely to discover procedures that can be eliminated or improved to make the system more efficient and effective.

Current status: *Town has various manuals for procedures performed within the finance department. Condition no longer applicable as of fiscal year 2023.*

ACCOUNTING AND OTHER MATTERS

NEW GASB PRONOUNCEMENTS

In this section, we would like to make you aware of certain confirmed and potential changes that are on the horizon that may affect your financial reporting and audit.

The GASB issued **Statement No. 99, Omnibus 2022** in April 2022. The objectives of this Statement are to enhance comparability in accounting and financial reporting and to improve the consistency of authoritative literature by addressing (1) practice issues that have been identified during implementation and application of certain GASB Statements and (2) accounting and financial reporting for financial guarantees. The practice issues addressed by this Statement are as follows:

- Classification and reporting of derivative instruments within the scope of Statement No. 53, *Accounting and Financial Reporting for Derivative Instruments*, that do not meet the definition of either an investment derivative instrument or a hedging derivative instrument.
- Extension of the period during which the London Interbank Offered Rate (LIBOR) is considered an appropriate benchmark interest rate for the qualitative evaluation of the effectiveness of an interest rate swap that hedges the interest rate risk of taxable debt.
- Accounting for the distribution of benefits as part of the Supplemental Nutrition Assistance Program (SNAP).
- Disclosures related to nonmonetary transactions.
- Pledges of future revenues when resources are not received by the pledging government.
- Clarification of provisions in Statement No. 34, *Basic Financial Statements—and Management's Discussion and Analysis—for State and Local Governments*, as amended, related to the focus of the government-wide financial statements.
- Terminology updates related to certain provisions of Statement No. 63, *Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position*.
- Terminology used in Statement 53 to refer to resource flows statements.

The requirements related to extension of the use of LIBOR, accounting for SNAP distributions, disclosures of nonmonetary transactions, pledges of future revenues by pledging governments, clarification of certain provisions in Statement 34, as amended, and terminology updates related to Statement 53 and Statement 63 are effective upon issuance. The requirements related to financial guarantees and the classification and reporting of derivative instruments within the scope of Statement 53 are effective for fiscal years beginning after June 15, 2023, and all reporting periods thereafter.

The GASB issued **Statement No. 100, Accounting Changes and Error Corrections** in June 2022. The primary objective of this Statement is to enhance accounting and financial reporting requirements for accounting changes and error corrections to provide more understandable, reliable, relevant, consistent, and comparable information for making decisions or assessing accountability.

This Statement defines accounting changes as changes in accounting principles, changes in accounting estimates, and changes to or within the financial reporting entity and describes the transactions or other events that constitute those changes. As part of those descriptions, for (1) certain changes in accounting principles and (2) certain changes in accounting estimates that result from a change in measurement methodology, a new principle or methodology should be justified on the basis that it is preferable to the principle or methodology used before the change. That preferability should be based on the qualitative characteristics of financial reporting—understandability, reliability, relevance, timeliness, consistency, and comparability. This Statement also addresses corrections of errors in previously issued financial statements.

(Continued)

ACCOUNTING AND OTHER MATTERS

This Statement prescribes the accounting and financial reporting for (1) each type of accounting change and (2) error corrections. This Statement requires that (a) changes in accounting principles and error corrections be reported retroactively by restating prior periods, (b) changes to or within the financial reporting entity be reported by adjusting beginning balances of the current period, and (c) changes in accounting estimates be reported prospectively by recognizing the change in the current period. The requirements of this Statement for changes in accounting principles apply to the implementation of a new pronouncement in absence of specific transition provisions in the new pronouncement. This Statement also requires that the aggregate amount of adjustments to and restatements of beginning net position, fund balance, or fund net position, as applicable, be displayed by reporting unit in the financial statements.

This Statement requires disclosure in notes to financial statements of descriptive information about accounting changes and error corrections, such as their nature. In addition, information about the quantitative effects on beginning balances of each accounting change and error correction should be disclosed by reporting unit in a tabular format to reconcile beginning balances as previously reported to beginning balances as restated.

Furthermore, this Statement addresses how information that is affected by a change in accounting principle or error correction should be presented in required supplementary information (RSI) and supplementary information (SI). For periods that are earlier than those included in the basic financial statements, information presented in RSI or SI should be restated for error corrections, if practicable, but not for changes in accounting principles.

The requirements of this Statement are effective for accounting changes and error corrections made in fiscal years beginning after June 15, 2023, and all reporting periods thereafter. Earlier application is encouraged.

The GASB issued **Statement No. 101, *Compensated Absences*** in June 2022. The objective of this Statement is to better meet the information needs of financial statement users by updating the recognition and measurement guidance for compensated absences. That objective is achieved by aligning the recognition and measurement guidance under a unified model and by amending certain previously required disclosures. This Statement requires that liabilities for compensated absences be recognized for (1) leave that has not been used and (2) leave that has been used but not yet paid in cash or settled through noncash means. A liability should be recognized for leave that has not been used if (a) the leave is attributable to services already rendered, (b) the leave accumulates, and (c) the leave is more likely than not to be used for time off or otherwise paid in cash or settled through noncash means. Leave is attributable to services already rendered when an employee has performed the services required to earn the leave. Leave that accumulates is carried forward from the reporting period in which it is earned to a future reporting period during which it may be used for time off or otherwise paid or settled. In estimating the leave that is more likely than not to be used or otherwise paid or settled, a government should consider relevant factors such as employment policies related to compensated absences and historical information about the use or payment of compensated absences. However, leave that is more likely than not to be settled through conversion to defined benefit postemployment benefits should not be included in a liability for compensated absences.

This Statement requires that a liability for certain types of compensated absences—including parental leave, military leave, and jury duty leave—not be recognized until the leave commences. This Statement also requires that a liability for specific types of compensated absences not be recognized until the leave is used.

This Statement also establishes guidance for measuring a liability for leave that has not been used, generally using an employee's pay rate as of the date of the financial statements. A liability for leave that has been used but not yet paid or settled should be measured at the amount of the cash payment or noncash settlement to be made. Certain salary-related payments that are directly and incrementally associated with payments for leave also should be included in the measurement of the liabilities.

ACCOUNTING AND OTHER MATTERS

With respect to financial statements prepared using the current financial resources measurement focus, this Statement requires that expenditures be recognized for the amount that normally would be liquidated with expendable available financial resources.

The requirements of this Statement are effective for fiscal years beginning after December 15, 2023, and all reporting periods thereafter. Earlier application is encouraged.

ACCOUNTING AND OTHER MATTERS

CURRENT GASB PROJECTS

GASB currently has a variety of projects in process. Some of these projects discussed below.

Conceptual Framework – Recognition. The project’s objective is to develop recognition criteria for *whether* information should be reported in state and local governmental financial statements and *when* that information should be reported. This project ultimately will lead to a Concepts Statement on recognition of elements of financial statements. This project has been removed from the technical plan.

Financial Reporting Model. The objective of this project is to make improvements to the financial reporting model, including Statement No. 34, *Basic Financial Statements – and Management’s Discussion and Analysis – for State and Local Governments*, and other reporting model-related pronouncements (Statements No. 35, *Basic Financial Statements – and Management’s Discussion and Analysis – for Public Colleges and Universities*, No. 37, *Basic Financial Statements – and Management’s Discussion and Analysis – for State and Local Governments: Omnibus*, No. 41, *Budgetary Comparison Schedules – Perspective Differences*, and No. 46, *Net Assets Restricted by Enabling Legislation, and Interpretation No. 6, Recognition and Measurement of Certain Liabilities and Expenditures in Governmental Fund Financial Statements*). The objective of these improvements would be to enhance the effectiveness of the model in providing information that is essential for decision-making and enhance the ability to assess a government’s accounting and address certain application issues, based upon the results of the pre-agenda research on the financial reporting model. This project is currently in exposure draft re-deliberations period.

Revenue and Expense Recognition. The objective of this project is to develop a comprehensive application model for the classification, recognition, and measurement of revenues and expenses. The purpose for developing a comprehensive model is (1) to improve the information regarding revenues and expenses that users need to make decisions and assess accountability, (2) to provide guidance regarding exchange and exchange-like transactions that have not been specifically addressed, (3) to evaluate revenue and expense recognition in the context of the conceptual framework, and (4) to address application issues identified in practice, based upon the results of the pre-agenda research on revenue for exchange and exchange-like transactions. This project is currently in the preliminary views re-deliberations period.

Going Concern Uncertainties and Severe Financial Stress. The objective of this project is to address issues related to disclosures regarding going concern uncertainties and severe financial stress. The project will consider (1) improvements to existing guidance for going concern considerations to address diversity in practice and clarify the circumstances under which disclosure is appropriate, (2) developing a definition of severe financial stress and criteria for identifying when governments should disclose their exposure to severe financial stress, and (3) what information about a government’s exposure to severe financial stress is necessary to disclose. This project is currently in the initial deliberations period.

Infrastructure Assets. The objective of this project is to address issues related to accounting and financial reporting for infrastructure assets. The project would evaluate standards-setting options related to reporting infrastructure assets to make information (1) more comparable across governments and more consistent over time, (2) more useful for making decisions and assessing government accountability, (3) more relevant to assessments of a government’s economic condition, and (4) better reflect the capacity of those assets to provide service and how that capacity may change over time. This project is currently in the initial deliberations period.

TOWN OF FARMVILLE, VIRGINIA

FINANCIAL ANALYSIS

June 30, 2023

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**INDEPENDENT AUDITOR'S REPORT
ON FINANCIAL ANALYSIS**

Members of Council
Town of Farmville, Virginia
Farmville, Virginia

We have audited, in accordance with auditing standards generally accepted in the United States of America, the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the *Specifications for Audits of Counties, Cities, and Towns*, issued by the Auditor of Public Accounts of the Commonwealth of Virginia, the basic financial statements of the Town of Farmville, Virginia (the "Town") for the years ended June 30, 2019 through June 30, 2023. This audit was conducted for the purpose of forming opinions on those basic financial statements taken as a whole. In our report, we expressed an unmodified opinion on those financial statements. The financial analysis set forth in this report is presented for purposes of additional analysis and is not a required part of the basic financial statements. However, this financial analysis was derived from, and should be read in conjunction with, the basic financial statements and our report thereon for the year in which we served as the Town's auditors. Any information which is of a non-accounting nature has not been subjected to the auditing procedures applied in the audit of the basic financial statements, and we express no opinion on it.

Brown, Edwards & Company, L.L.P.

CERTIFIED PUBLIC ACCOUNTANTS

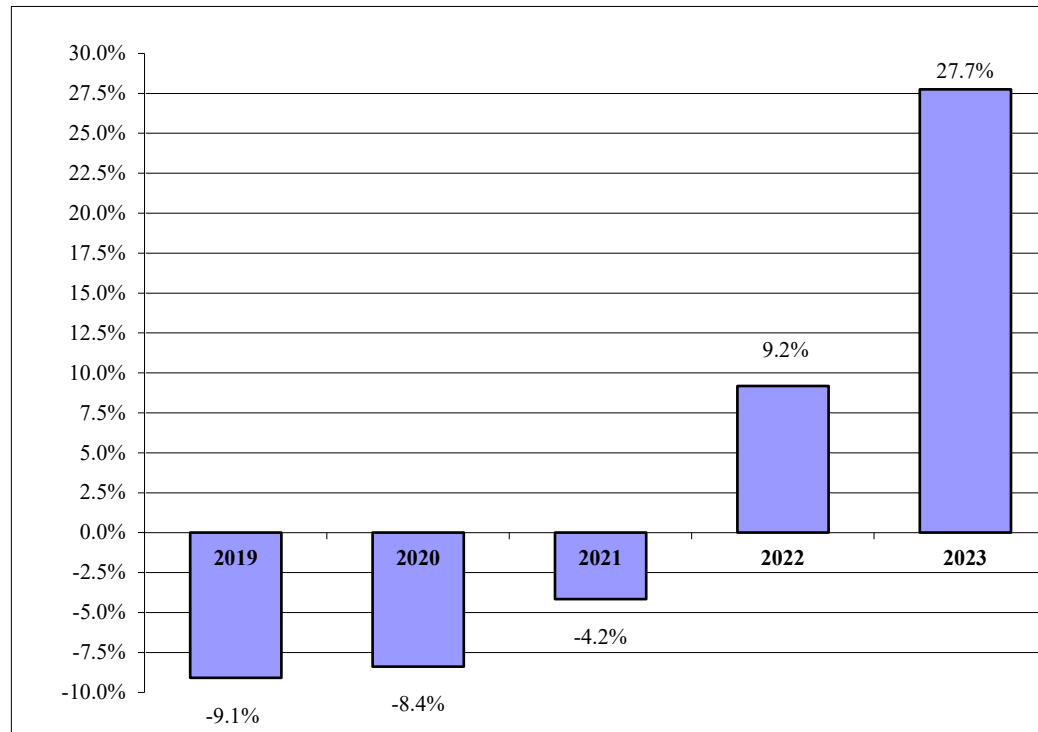
Lynchburg, Virginia
October 31, 2023

Level of Unrestricted Net Position

How do our total rainy day funds look?

Unrestricted Governmental Activities

Net Position as a Percentage of Annual Revenues



The level of total governmental unrestricted net position is an indication of the amount of unexpended and available resources the Town has in all funds combined at a point in time to fund emergencies, shortfalls, or other unexpected needs.

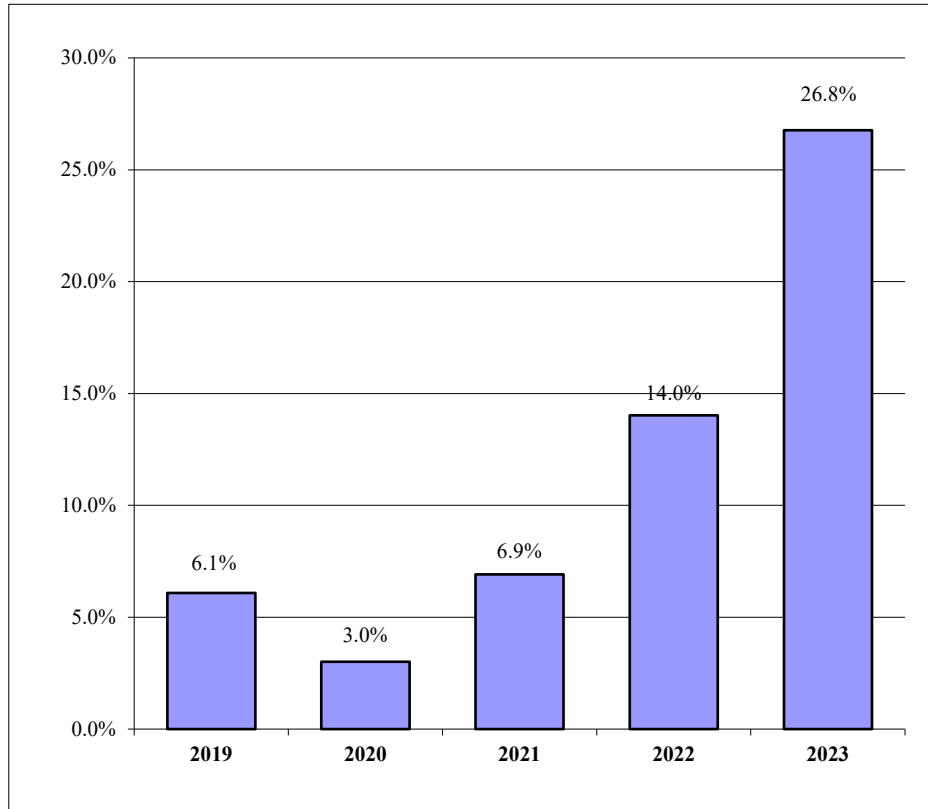
For the year ended June 30, 2023, the Town's total unrestricted net position approximated \$4,425,000.

Starting with 2019, the significant drop in unrestricted governmental net position is due to items that were deemed restricted being separately reported in fiscal year 2019, whereas these were not considered in prior years. The increase in unrestricted governmental net position is due to several reasons that include an increase in general revenue from sales and use, meals, and lodging taxes. Also, the Town had a substantial increase in investment income. Finally, funds that were previously restricted were released to the unrestricted category because the conditions or restrictions tied to these funds were met and the money was spent as intended.

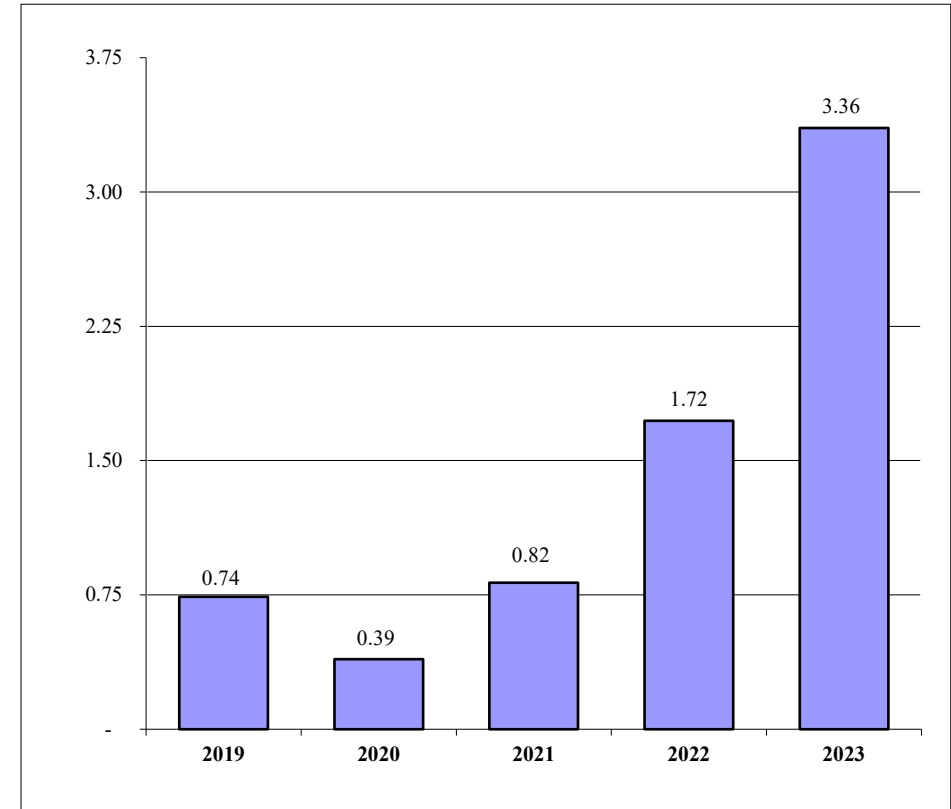
Level of Budgetary Fund Balance

How does our budgetary carryover position look?

General Fund Unassigned Fund Balance as a Percentage of Annual Revenues



Months in General Fund – Unassigned Fund Balance

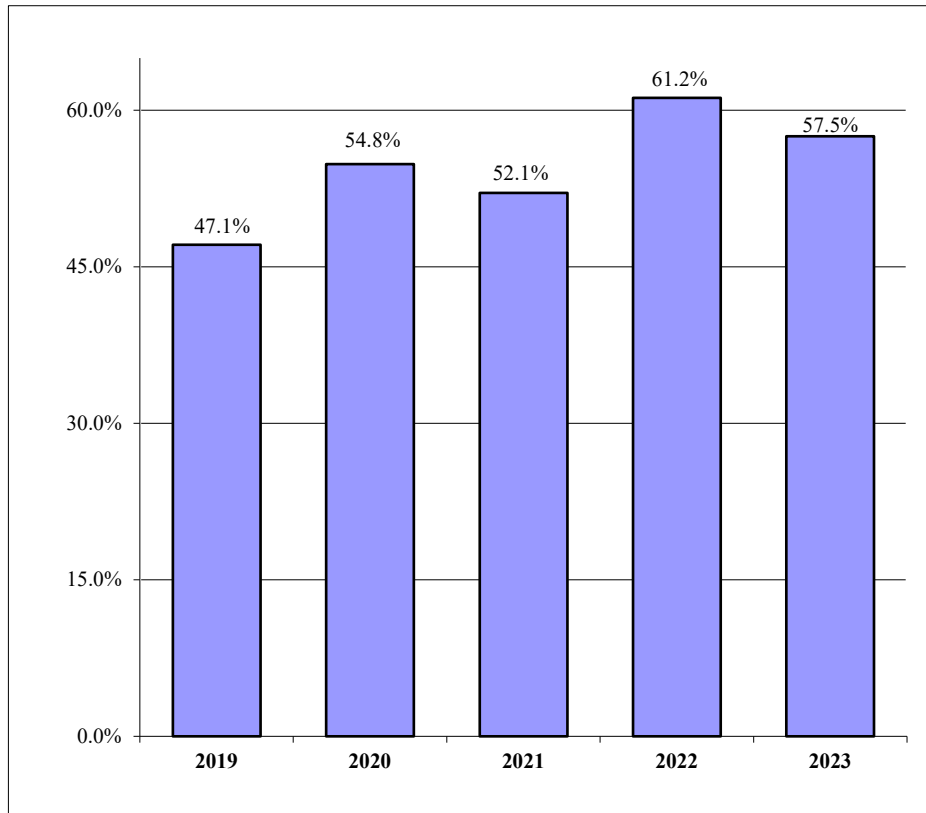


The level of budgetary unassigned fund balance is an indication of the amount of unexpended, unencumbered, and available resources the Town has at a point in time to carryover into the next fiscal year to fund budgetary emergencies, shortfalls, or other unexpected needs. In this analysis, only the General Fund is considered.

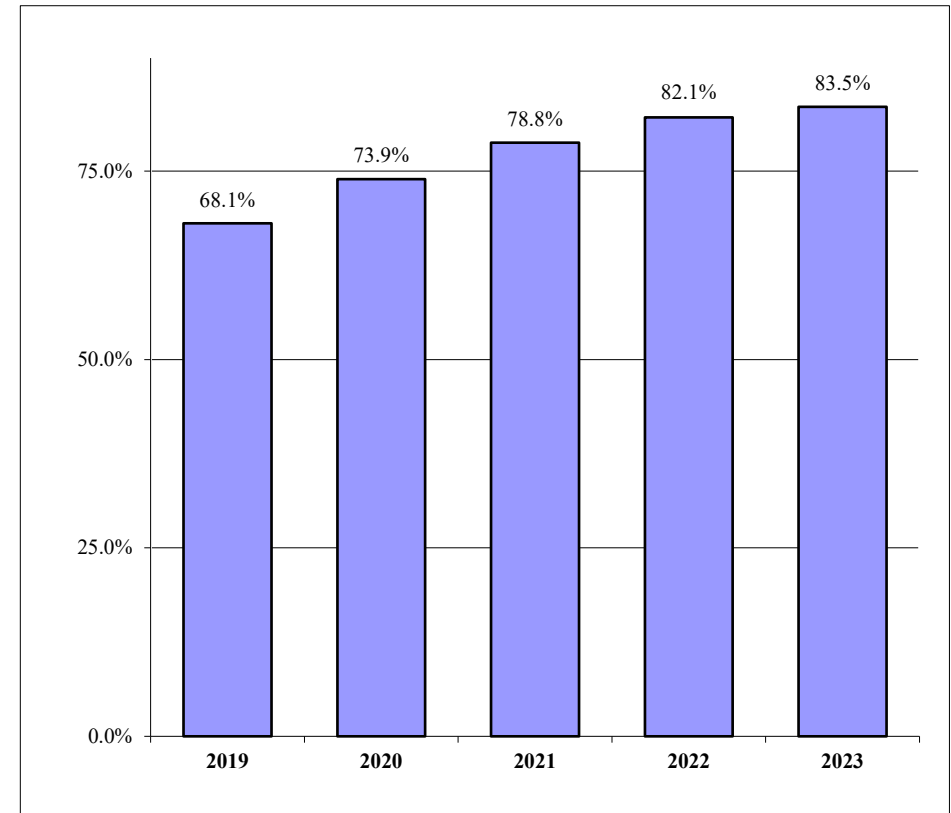
Decrease in Unassigned Fund Balance and Months in General Unassigned Fund Balance for the years ended June 30, 2019 through 2020 was due to starting the allocation of restricted funds being separately reported. The increases in fiscal year 2021 through 2023 were related to continued positive change in fund balance with growth in sales and use, meals, and lodging taxes being the biggest factors in fiscal year 2023.

Assets to Liabilities Who really owns the Town?

**Percentage of Equity in
Governmental Activities' Assets**



**Percentage of Equity in
Business-Type Activities' Assets**

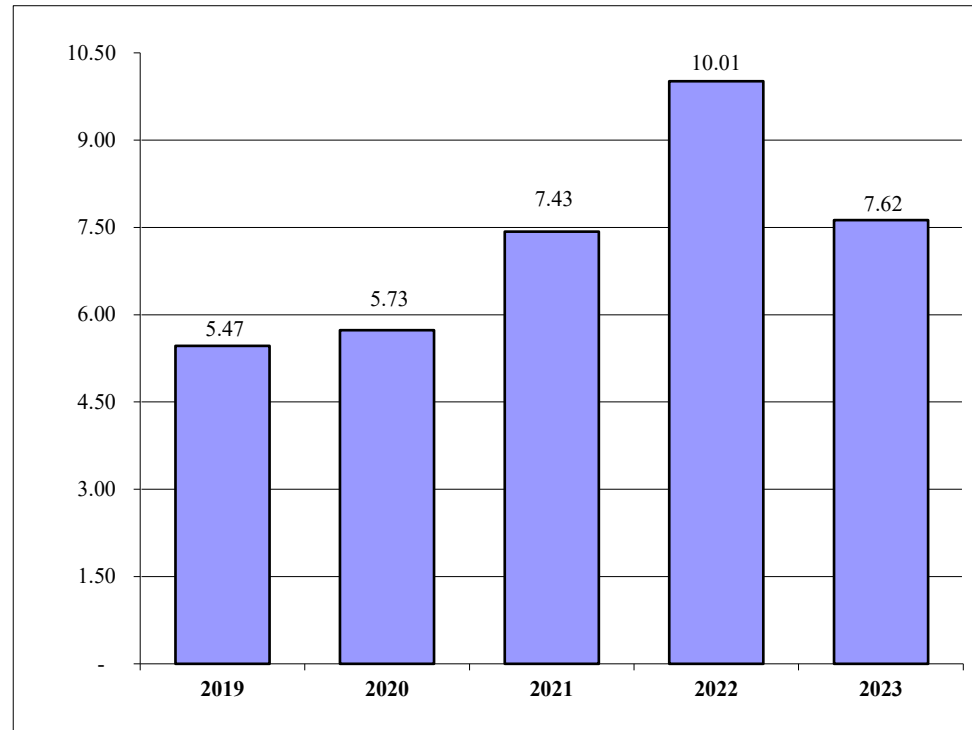


The assets to liabilities ratio measures the extent to which the Town had funded its assets with debt and other liabilities. The higher the percentage, the more equity the Town has in its assets.

Current Ratio

Will our employees and vendors be pleased with our ability to pay them on time?

Business-Type Activities' Current Assets Compared to Current Liabilities



The current ratio is one measure of the Town's ability to pay its short-term obligations. The current ratio compares total current assets and liabilities. A current ratio of 2.00 to 1.00 indicates good current liquidity and an ability to meet short-term obligations.

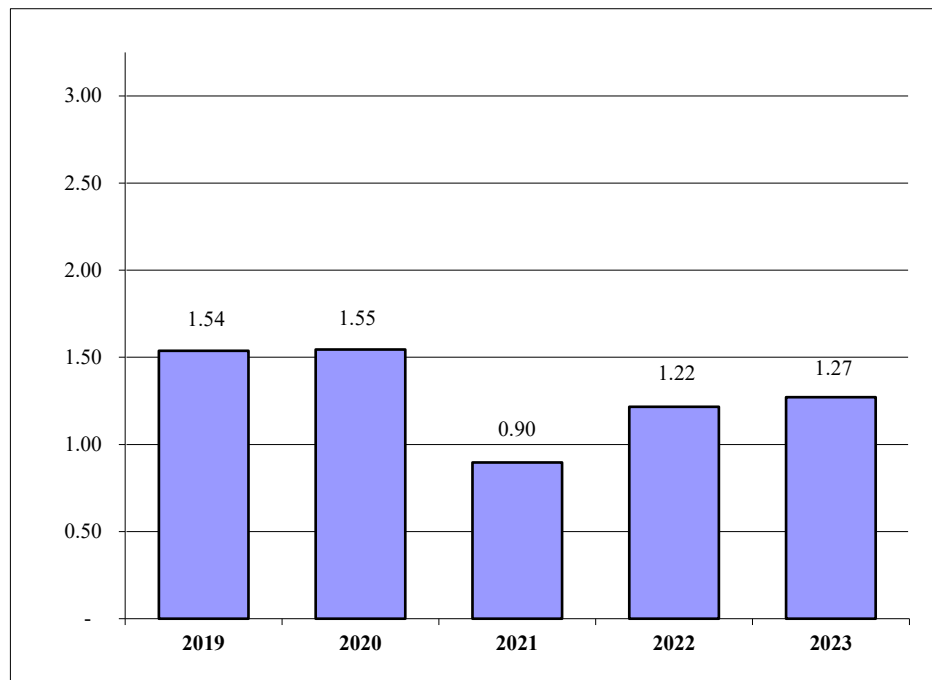
At June 30, 2023, the Town had a ratio of current assets to current liabilities of 7.62 to 1.00 for its business-type activities.

The decrease in the current ratio at June 30, 2023 is attributable to increase in accounts payable at June 30, 2023 compared to prior year. This increase in payables is a result of substantial capital acquisitions during the year-end period. Many of these acquisitions are items that the Council specifically designated to be procured using ARPA funding.

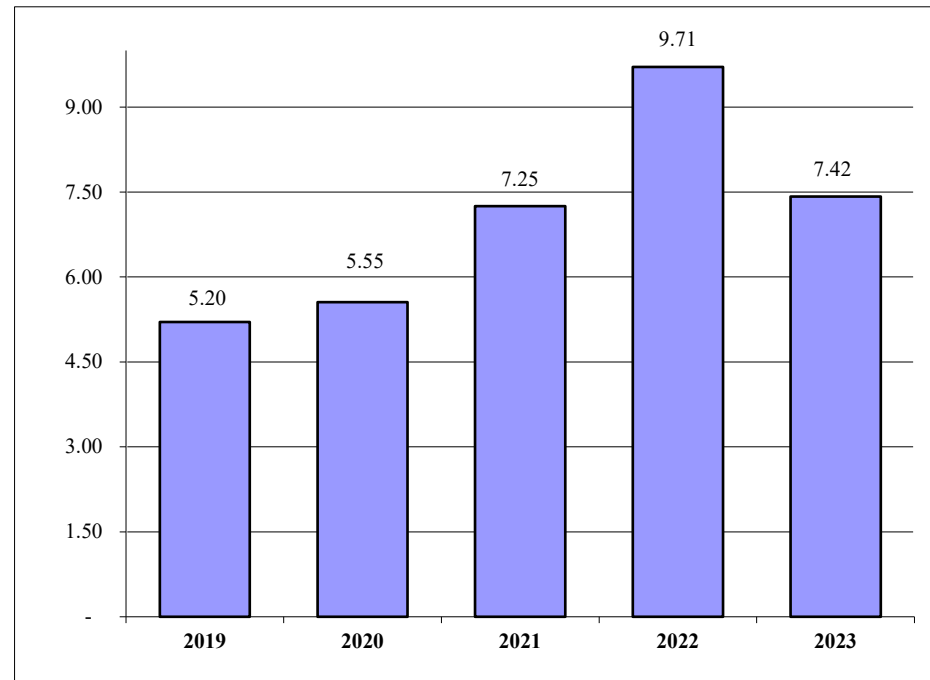
Quick Ratio

How do our quickly convertible assets compare to our current obligations?

Governmental Activities' Cash and Cash Equivalents Compared to Current Liabilities



Business-Type Activities' Cash and Cash Equivalents Compared to Current Liabilities



The quick ratio is another, more conservative measure of the Town's ability to pay its short-term obligations. The quick ratio compares total current assets, less the inventory and other assets which are not currently convertible to cash to current liabilities. A quick ratio of 1.00 to 1.00 indicates good current liquidity and an ability to meet the short-term obligations.

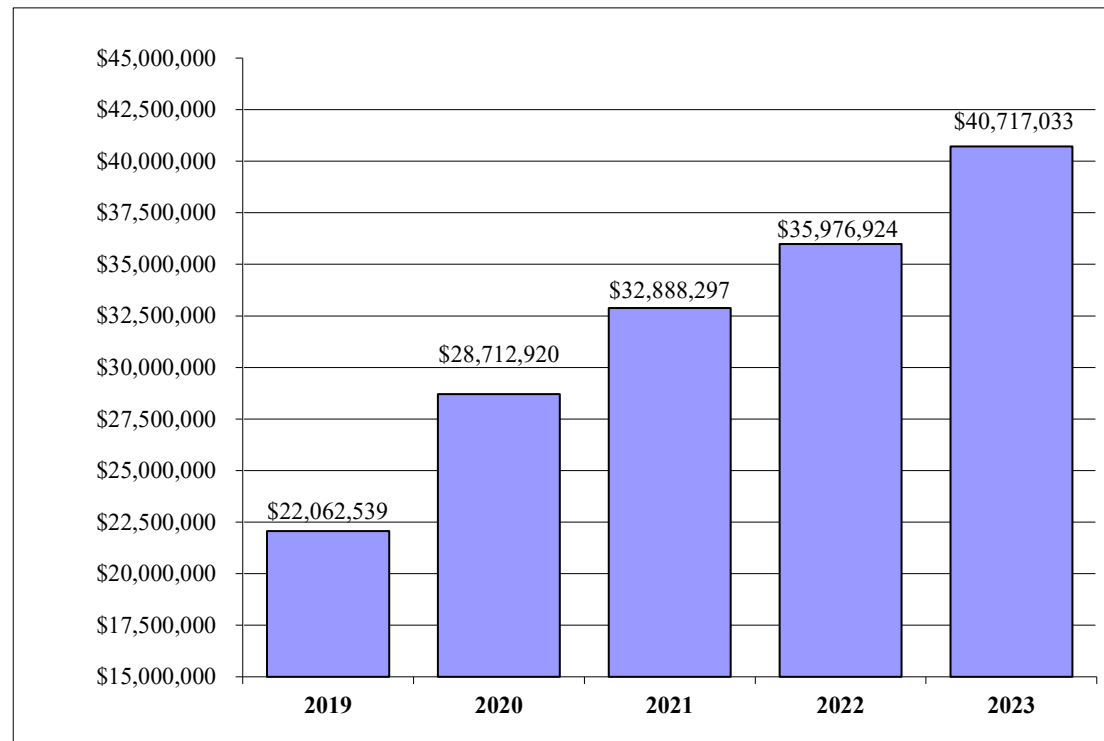
Governmental Activities quick ratio for 2023 remained comparable to 2022.

For fiscal year 2023, Business-Type Activities quick ratio decreased due to a increase in accounts payables in the water, sewer and airport funds.

Change in Net Position

Did our overall financial condition improve, decline, or remain steady from the past year?

Net Position at Year End



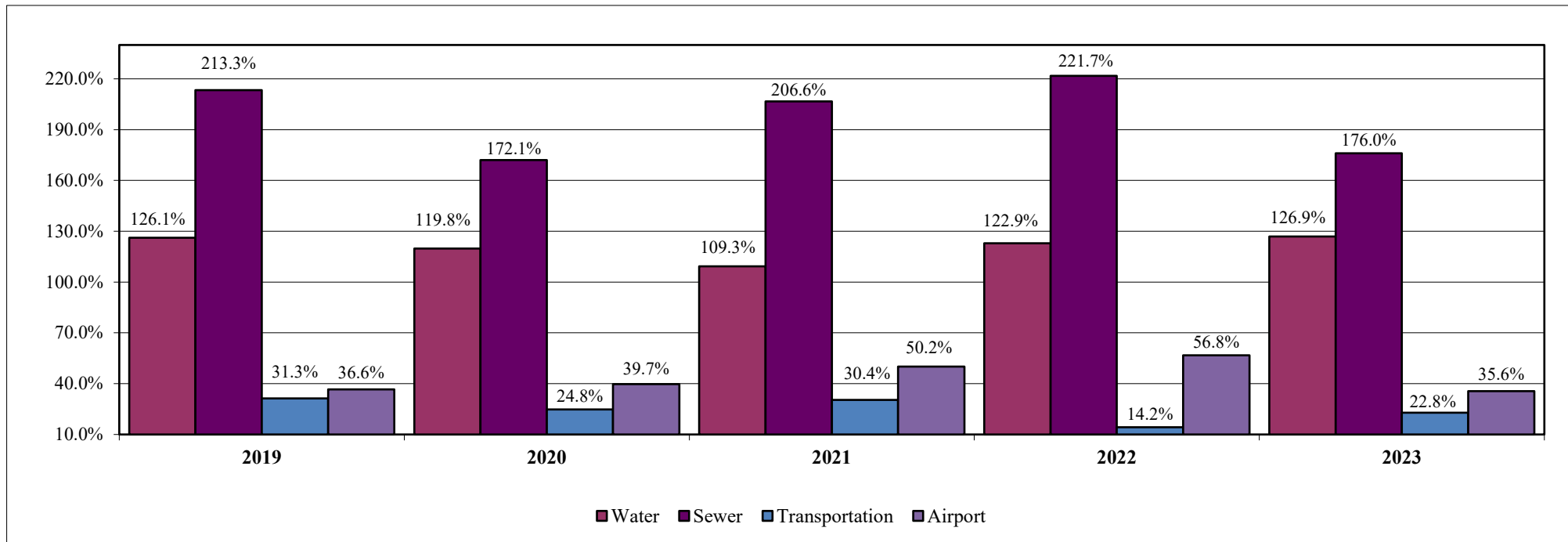
Net position includes all assets of the Town. It is measured as the difference between total assets, including capital assets, deferred inflows, total liabilities, including long-term debt and deferred outflows. Net position increases as a result of earning more revenue than expenses incurred in the fiscal year.

There has been a steady trend upwards for the net position. The increase in net position in 2020 and 2021 was provided by the enterprise funds, specifically the airport fund and grants received for airport renovations. The increase in fiscal year 2022 and 2023 was due to Governmental activities, specifically due to increases in sales and use, meals, and lodging taxes received in revenue during the year.

BTA Self-Sufficiency by Fund

Did current year business-type activities pay for themselves?

Percentage of BTA Expenses Covered by BTA Revenues by Fund



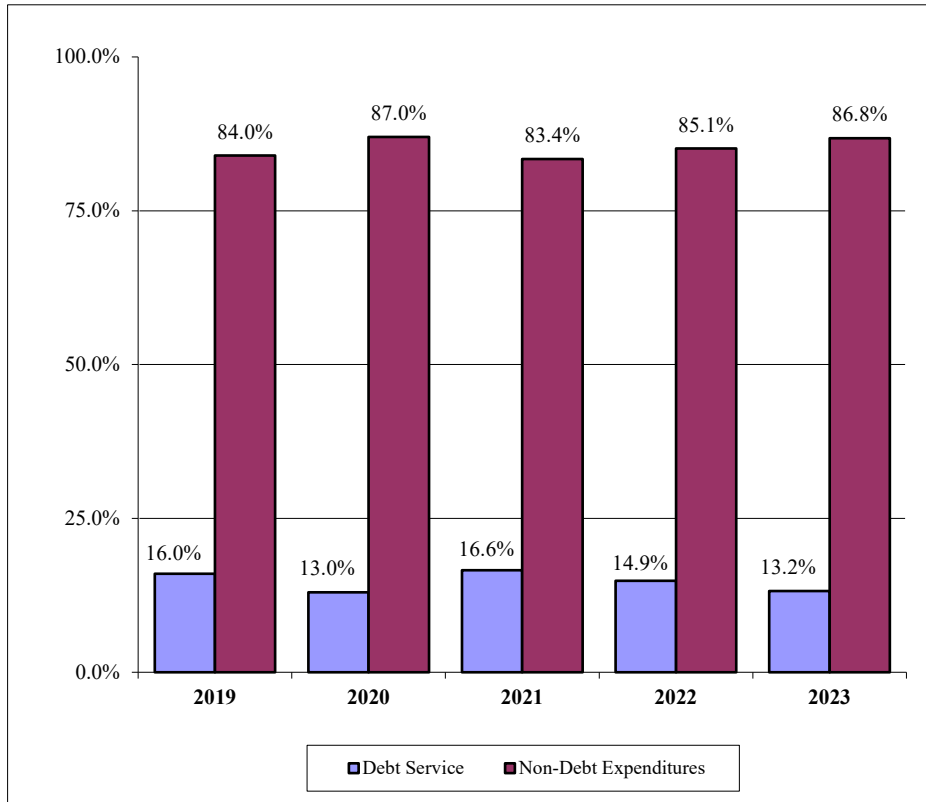
The self-sufficiency ratio indicates the level at which business-type activities covered their current costs with current year revenues, without having to rely on subsidies or use of prior year reserves. Federal and state grants related to renovations and construction are excluded from this analysis.

In 2023, the airport fund had a decrease in charges for service while the sewer fund experienced an increase in expenses.

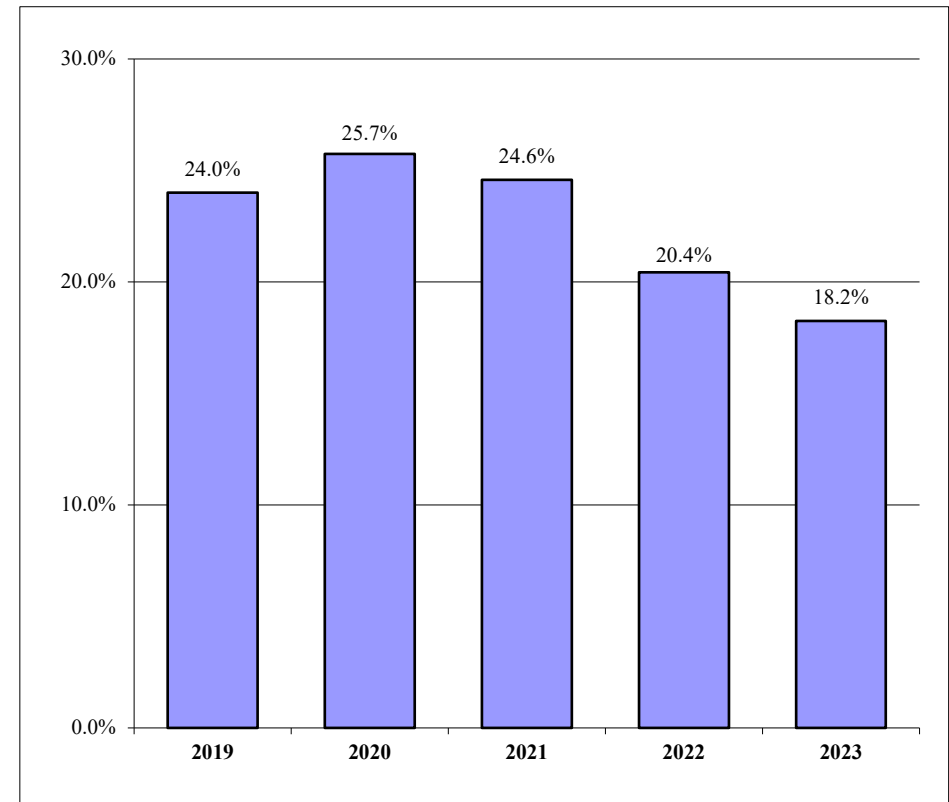
Debt Service Load

How much of our annual budget is loaded with disbursements to pay off long-term debt?

Percentage of Debt Service and Non-Debt Expenditures



Debt Service as a Percentage of Tax Revenues



The debt service load ratio measures the extent to which the Town's non-capital expenditures were comprised of debt service payments on long-term debt. It also measures the amount of tax revenue used to pay the current debt service.

Town of Farmville
Town Council
PUBLIC HEARING NOTICE

The Farmville Town Council will hold a public hearing on Wednesday, November 8, 2023, at 7:00 PM in the Council Chamber, located on the second floor of the Town Hall, 116 North Main Street, Farmville Virginia to receive public comment on the following item:

- **Ordinance No. 227 – to amend Chapter 25 Taxation of the Farmville Town Code to add Article XI Authorizing Revenue Sharing for Solar Energy Projects and Energy Storage Systems**

The full text of the proposed ordinance amendment is available by contacting the Clerk of Council at (434) 392-9465 and online at www.farmvilleva.com

The Farmville Town Council will consider the amendment following the public hearing. Any person(s) wishing to comment on the above matter should plan to attend this meeting or submit written comments. Please send your written comments to Mary McKay at mmckay@farmvilleva.com by 5:00 PM on Wednesday, November 8, 2023.

Questions and comments related to the public hearing may be directed to the Town Manager's Office, 116 North Main Street, PO Drawer 368, Farmville, Virginia, 23901 or by calling (434) 392-5686, between the hours of 8:00 AM and 5:00 PM, Monday through Friday.

It is the intent of the Town to comply with the Americans with Disabilities Act. Should you need special accommodation, please contact C. Scott Davis, LP.D., Town Manager, at (434)392-5686, prior to the meeting.



**PUBLIC HEARING COMMENTS
ORDINANCE NO. 227
(to amend Chapter 25 Taxation of the Farmville Town Code to
add Article XI Authorizing Revenue Sharing for Solar Energy
Projects and Energy Storage Systems)
November 8, 2023
Guests Sign Up Sheet**

<i>Name</i>	<i>Address</i>	<i>Topic</i>	<i>Via</i>



PUBLIC COMMENT PERIOD
(held after PUBLIC HEARINGS)
November 8, 2023
Guests Sign Up Sheet
(Please limit comments to three minutes)

<i>Name</i>	<i>Address</i>	<i>Topic</i>	<i>Via</i>



Town of Farmville

Agenda Item Summary

MEETING DATE: November 8, 2023

ITEM NUMBER: 12.a. – Draft Minutes of the October 11, 2023 Regular Council Meeting

BACKGROUND:

RECOMMENDATION: Approve the Consent Agenda as presented.

FISCAL IMPACT:

ATTACHMENTS:

1. 2023-10-11 Regular Council Meeting-DRAFT

REGULAR MEETING OF THE FARMVILLE TOWN COUNCIL
HELD ON OCTOBER 11, 2023

At the regular meeting of the Farmville Town Council held on Wednesday, October 11, 2023, at 7:00 PM, in the Council Chamber of the Town Hall, located at 116 North Main Street, Farmville, Virginia, there were present Mayor Brian Vincent, presiding, and Council members John Hardy, Donald Hunter, Adam Yoelin, Daniel Dwyer, A.D. “Chuckie” Reid, and Sallie Amos.

Staff present were Town Manager C. Scott Davis, Chief of Police Andy Ellington, Town Attorney Gary Elder, and Finance Director Julie Moore.

Mayor Vincent called the meeting to order and welcomed all guests including Professor Eric Hodges’ Political Science class from Longwood University. It was noted that Town Manager Scott Davis would be handling the clerks’ duties during the meeting. The Clerk and Deputy Clerk were absent due to their attendance at the 2023 VMCA Annual Institute and Academy.

Each Council member stated their name as being in attendance. Council member Tommy Pairret was noted as absent.

The Lord’s Prayer was recited for anyone wishing to join in prayer. Vice-Mayor Reid led the Pledge of Allegiance.

ADOPTION OF AGENDA

A motion was made by Mr. Hunter to adopt the agenda as presented, seconded by Mr. Dwyer, and with all in favor stating “aye”, the motion passed.

RECOGNITION FOR CERTIFICATION AWARD RECEIVED – BILL HOGAN

Farmville Police Department Chief Andy Ellington recognized Deputy Chief Bill Hogan as a Certified Law Enforcement Command Executive through the Virginia Association Chiefs of Police (VACP). An overview was provided of the certification program and of Deputy Chief Hogan’s continued work and service in the community. Chief Ellington and Mayor Vincent expressed congratulations on his VACP award.

DECLARATION OF PERSONAL INTEREST

There were no declarations of personal interest made.

PUBLIC HEARING – ORDINANCE NO. 226 – AMENDING SECTION 22-25 OF ARTICLE II OF CHAPTER 22 AND ADDING SECTION 22-25.1 OF ARTICLE II OF CHAPTER 22 OF THE FARMVILLE TOWN CODE

With no one signed up or wishing to speak, the Public Hearing was closed.

PUBLIC HEARING - RESOLUTION NO. 2023-10-02 – TRANSFERRING BUDGETED FUNDS FROM FY2022-2023 TO FY2023-2024 IN THE GENERAL FUND, STREET MAINTENANCE FUND, WATER FUND, SEWER FUND, TRANSPORTATION FUND AND AIRPORT FUND

With no one signed up or wishing to speak, the Public Hearing was closed.

PUBLIC HEARING - RESOLUTION NO. 2023-10-03 - AMENDING THE 2023-2024 TOWN BUDGET

With no one signed up or wishing to speak, the Public Hearing was closed.

PUBLIC COMMENT PERIOD

Jesse Franzblau, Senior Policy Analyst with the National Immigrant Justice Center, called into the meeting to provide comments on the Town of Farmville's extension of the ICA-Farmville contract without public meeting or notice.

Flora G. Lopez Trejo, Immigrant Community Organizer with the Legal Aid Justice Center, and member of the Freedom of Virginia Coalition, was present to address the Council concerning the extension of the contract with ICA-Farmville Detention Center, and it not being consistent with the messages received at the last Council meeting on September 13, 2023.

Sarah Maddox, Chief Executive Officer of the Piedmont Area Veterans' Council, was present to thank the Town Council for their support and gave an overview of the new services being provided to area veterans.

Jake Romaine was present and offered a thank you from the Farmville Downtown Partnership for the support of their Rock the Block event. A 2024 Work Plan will be presented at upcoming Town Council meetings. Mr. Romaine handed out T-shirts for the Council members.

Mayor Vincent closed the Public Comment period and returned to the regular order of business.

CONSENT AGENDA

On motion by Mr. Hunter, seconded by Mr. Hardy, and with all Council members stating "aye", the consent agenda was approved as presented. The consent agenda includes the draft minutes of the September 6, 2023 Regular Work Session and the September 13, 2023 Regular Council Meeting.

FINANCE REPORT

On motion by Mr. Dwyer, seconded by Mr. Reid, and with all Council members stating “aye”, the finance report was approved as presented.

BACKGROUND:

Finance Director Julie Moore first reported on the August 2023 reports due to the cancellation of the October Work Session. The overall total revenue should be approximately 17% of what is budgeted at this point in the year. Several factors caused the total revenue to be below what is budgeted: the taxes and business licenses are collected at certain points during the year and not monthly whereas the budget is assuming 17% of taxes and business licenses were collected in August. Payments are received quarterly for the Street Maintenance fund, and the first payment isn’t received until September 2023. The Water and Sewer funds are down compared to the budget due to ARPA revenue being included but not yet recognized. The Airport fund is down due to no reimbursement requests being made this fiscal year. There is a slight increase in the General Fund current revenue compared to the prior year due to an increase in meals, lodging, and cigarette taxes and investment earnings. The Water and Sewer funds are down slightly due to a lower consumption of water and less sewer services used by residents in July. Expenses are down compared to the approximate 17% budgeted, due to the departments staying within their allocated budgets. Expenses compared to the prior year are up due to the following items being paid: OpenGov software for the Finance Department, Splash pad equipment for the Recreation department, and the one-time contribution to the Industrial Development Authority.

A report was also provided for September 2023. A total of \$15,470.42 was earned at the Virginia Investment Pool (VIP), making a total earned so far of \$95,040.37. Ms. Moore noted the figure is slightly less than in previous months due to transferring \$600,000 to make the bond payment. There was a total earned for September of \$18,499.30 in the Sweep Accounts with Benchmark Community Bank, for a total earned so far of \$81,744.52. The Local Government Investment Pool (LGIP) is switching platforms, and their site was down at month’s end therefore the September earned income was not recorded. This figure will be reported at next month’s meeting. The total earned income for September is \$33,969.72, excluding LGIP. The October bond payment was made at the end of September with the next payment not due until April 2024, which will be an interest-only payment.

Mayor Vincent made a general inquiry of the materials for the rescue squad during July and September, with a spike in contributions being noted for those timeframes. The Finance Director reported needing to investigate the figures.

REQUEST ADOPTION OF ORDINANCE NO. 226 – AMENDING SECTION 22-25 OF ARTICLE II OF CHAPTER 22 AND ADDING SECTION 22-25.1 OF ARTICLE II OF CHAPTER 22 OF THE FARMVILLE TOWN CODE

Mr. Hardy made a motion to adopt Ordinance No. 226 – Amending Section 22-25 of Article II of Chapter 22 and Adding Section 22-25.1 of Article II of Chapter 22 of the Farmville Town Code, seconded by Mr. Dwyer, and with a recorded vote of Council members Amos, Dwyer, Yoelin, Hunter, Hardy and Reid voting “yes”, the motion passed.

BACKGROUND:

A fee schedule for non-compliance was added to the town code including a warning notification for first offense violations. Penalties for non-compliance will be administered on a calendar-year basis. The five-foot stipulation was removed to reflect that trash receptacles shall be placed behind the front plane of the house or screened except during the times for placement for collection. A Public Hearing was held on the proposed ordinance on October 11, 2023.

Ordinance No. 226

Amending Section 22-25 of Article II of Chapter 22 and Adding Section 22-25.1 of Article II of Chapter 22 of the Farmville Town Code

THE TOWN OF FARMVILLE HEREBY ORDAINS:

1. That Section 22-25 of Article II of Chapter 22 is amended by striking language in Subsections 2 and 4.
2. That Section 22-25.1 of Article II of Chapter 22 is added as described below.

Sec. 22-25. Placement of containers at collection site and removal of same therefrom.

It shall be the responsibility of the owner and user of a town refuse container, the contents of which are to be collected by the town forces, to:

- (1) Place the container at the curbside in the public right-of-way, alley or designated pick up area, so that there is no danger of the container being overturned and so that there is sufficient clearance to accommodate town collection equipment and pedestrians.
- (2) For residents receiving regular once weekly refuse collection, place collection containers at the collection site no later than 7:00 a.m. on the day of collection and not earlier than 5:00 p.m. on the night prior to the day of collection. ~~Placement of~~

~~containers at the collection site prior to 5:00 p.m. on the night prior to the day of collection or failure to remove containers by 12:00 midnight of the collection day shall constitute a violation of this chapter.~~

- (3) Remove all emptied containers from the alley, curbside, street or sidewalk as soon as practicable after they have been emptied, but in no case later than 12:00 midnight of the collection day.
- (4) Collections containers shall be located ~~five (5) feet~~ behind the building line, or screened so as to not be visible from the street except during the times prescribed for placement for collection. This provision applies to all residential and commercial locations. Where placement as described herein is not possible, an alternate location may be designated by the director of public works, or his designee.
- (5) For those designated shopping centers and businesses receiving collection services on a regular three-day-per-week schedule, place collection containers at the collection site no earlier than 5:00 p.m. on the day preceding collection, nor later than 6:00 a.m. on the day of collection.
- (6) Recyclables may be placed out for collection no earlier than 5:00 p.m. of the day preceding collection, nor later than 7:00 a.m. of the day of collection.

(Ord. No. 47, 7-8-98)

Sec. 22-25.1. Penalty for noncompliance

The following is the schedule of fees for noncompliance with any of the provisions of Section 22-25:

<i>Number of Offenses</i>	<i>Fee</i>
<i>1st Offense</i>	<i>Warning</i>
<i>2nd Offense</i>	<i>\$25</i>
<i>3rd Offense</i>	<i>\$50</i>
<i>4th Offense</i>	<i>\$100</i>
<i>5th Offense and any Subsequent Offense</i>	<i>\$200</i>

3. This ordinance shall be in full force and effect upon approval.

Approved: _____
Mayor

Attest: _____
Clerk of Council

I certify that the above ordinance was:

Adopted on _____.

Ayes: _____. Nays: _____. Absent: _____. Abstain: _____.

The Honorable A.D. “Chuckie” Reid: _____.

The Honorable Sallie O. Amos _____.

The Honorable Daniel E. Dwyer _____.

The Honorable Tommy Pairret _____.

The Honorable Adam Yoelin _____.

The Honorable Donald L. Hunter _____.

The Honorable John Hardy _____.

REQUEST ADOPTION OF RESOLUTION NO. 2023-10-01 – AUTHORIZING THE FINANCE DIRECTOR TO TRANSFER FUNDS WITHIN THE GENERAL FUND TO VARIOUS DEPARTMENTS IN THE GENERAL FUND, IN THE AMOUNT OF \$142,376.81 FOR FY2022-2023 BUDGET

Mr. Dwyer made a motion to adopt Resolution No. 2023-10-01 Authorizing the Finance Director to Transfer Funds within the General Fund to Various Departments in the General Fund in the Amount of \$142,376.81 for FY2022-2023 Budget, seconded by Mr. Reid, and with a recorded vote of Council members Dwyer, Yoelin, Hunter, Hardy, Amos, and Reid voting “yes”, the motion passed.

BACKGROUND:

A breakdown by department of the amounts to be transferred within the General Fund for the FY 2022-2023 budget was previously provided by the Finance Director as referenced in the resolution.

Resolution No. 2023-10-01

To transfer funds within the General Fund for the fiscal year beginning July 1, 2022 and ending June 30, 2023. To transfer funds within the General Fund in the amount of \$142,376.81 to various departments in the General Fund. The purpose of the transfer is to cover insufficient funding in various departments on June 30th.

THEREFORE, BE IT RESOLVED BY THE COUNCIL OF THE TOWN OF FARMVILLE:

1. That a transfer of funds in the amount of \$142,376.81 as follows:

- From Building & Grounds to Golf \$17,468.72
- From Police to Non-Departmental \$37,980.00
- From Streets to Non-Departmental \$33,633.81
- From Police to Fire \$12,000.00
- From Town Manager to Finance \$8,640.26
- From Police to Finance \$6,848.08
- From Streets to Finance \$6,394.08
- From Sanitation to Finance \$6,081.11
- From Building & Grounds to Finance \$4,930.07
- From Community Development to Finance \$6,353.44
- From Dispatch to Finance \$2,047.24

2. That this resolution shall be in full force and effect upon its passage.

Approved:

Mayor

Attest:

Town Clerk

I certify that the above resolution was:

Adopted on _____.

Ayes: _____. Nays: _____. Absent: _____. Abstain: _____.

The Honorable Sallie O. Amos: _____.

The Honorable A.D. "Chuckie" Reid: _____.

The Honorable Daniel E. Dwyer _____.

The Honorable Tommy Pairet _____.

The Honorable Adam B Yoelin _____

The Honorable Donald L. Hunter _____

The Honorable John F. Hardy _____

REQUEST ADOPTION OF RESOLUTION NO. 2023-10-02 – AUTHORIZING THE FINANCE DIRECTOR TO TRANSFER BUDGETED FUNDS FROM FY22-23 TO FY23-24 IN THE GENERAL FUND, STREET MAINTENANCE FUND, WATER FUND, SEWER FUND, TRANSPORTATION FUND AND AIRPORT FUND

Mr. Dwyer made a motion to adopt Resolution No. 2023-10-02 Authorizing the Finance Director to Transfer Budgeted Funds from FY2022-2023 to FY2023-2024 in the General Fund, Street Maintenance Fund, Water Fund, Sewer Fund, Transportation Fund and Airport Fund, seconded by Mrs. Amos, and with a recorded vote of Council members Yoelin, Hunter, Hardy, Amos, Reid, and Dwyer voting “yes”, the motion passed.

BACKGROUND:

An itemized list was previously provided by the Finance Director and outlined the transfer of funds from various departments in the General Fund, Street Maintenance Fund, Water Fund, Sewer Fund, Transportation Fund and Airport Fund for items and projects that have not been received or invoiced as of June 30, 2023. A Public Hearing was held on October 11, 2023.

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AP-June 2023 PO's Carried Over to July (FY23-24)

<u>Fund/Department</u>	<u>Description</u>	<u>Amount</u>
<u>General Fund:</u>		
Finance Department	OpenGov Software	\$90,477.42
Police Department	Uniforms	\$101.50
Fire Department	Radio	\$4,121.73
Building & Grounds Department	Repair Drywell-Municipal Bldg	\$1,000.00
Community Development Department	Building Permit Software	\$9,000.00
Recreation Department	Splashpad-ARPA	\$431,662.45
Street Maintenance Fund	Cut/Grind Tree	\$2,600.00
	Repair Clamps, Chest Waders, Hydrant Repair Kit, ARPA	
Water Fund	Projects	\$605,454.87
Sewer Fund	Engineering, Refrigerated Sampler, ARPA Project	\$177,332.95
Transportation Fund	2-14 Passenger Buses	\$261,902.00
	Rail Repair, Rehab Runway Lighting, Reloc Access Rd, Runway	
Airport Fund	Safety Area, Tree Cutting	\$73,786.16
Grand Total		\$1,657,439.08

Resolution No. 2023-10-02

To transfer FY22-23 budgeted funds to the fiscal year beginning July 1, 2023 and ending June 30, 2024 budget, in an aggregate amount of \$1,657,439.08. To transfer prior year's budgeted funds from FY22-23 to FY23-24 to the General Fund in the amount of \$536,363.10, Street Maintenance Fund in the amount of \$2,600.00, Water Fund in the amount of \$605,454.87, Sewer Fund in the amount of \$177,332.95, Transportation Fund in the amount of \$261,902.00 and Airport Fund in the amount of \$73,786.16. The purpose of the transfer is for items and projects that have not been received or invoiced as of June 30, 2023.

THEREFORE, BE IT RESOLVED BY THE COUNCIL OF THE TOWN OF FARMVILLE:

1. That a transfer of funds from FY22-23 to FY23-24 in the aggerate amount of 1,657,439.08: to the General Fund in the amount of \$536,363.10; Street Maintenance Fund in the amount of \$2,600.00; Water Maintenance Fund in the amount of \$605,454.87; Sewer Fund in the amount of \$177,332.95; Transportation Fund in the amount of \$261,902.00; and Airport Fund in the amount of \$73,786.16 for the purpose of budgeted funds for items and projects that have not been received or invoiced as of June 30, 2023.
2. That this resolution shall be in full force and effect upon its passage.

Approved:

Mayor

Attest:

Town Clerk

I certify that the above resolution was:

Adopted on _____.

Ayes: _____. Nays: _____. Absent: _____. Abstain: _____.

The Honorable Sallie O. Amos: _____.

The Honorable A.D. "Chuckie" Reid _____.

The Honorable Daniel E. Dwyer _____.

The Honorable Tommy Pairret _____.

The Honorable Adam B. Yoelin _____.

The Honorable Donald L. Hunter _____.

The Honorable John F. Hardy _____.

**REQUEST ADOPTION OF RESOLUTION NO. 2023-10-03 AMENDING THE 2023-2024
TOWN BUDGET**

Mr. Hardy made a motion to adopt Resolution No. 2023-10-03 Amending the 2023-2024 Town Budget, seconded by Mr. Hunter, and with a recorded vote of Council members Hunter, Hardy, Amos, Reid, Dwyer, and Yoelin voting "yes", the motion passed.

BACKGROUND:

With the Finance Director closing out the FY2022-2023 Town Budget, the FY2023-2024 Town Budget needed to be amended to carry over contingencies in the aggregate amount of \$2,394,273.13. A Public Hearing was held on October 11, 2023.

RESOLUTION #2023-10-03
BUDGET AMENDMENT

To amend the Town Budget for the fiscal year beginning July 1, 2023 and ending June 20, 2024 in a total amount of \$25,278,811.95. To transfer surplus funds from FY 2022-2023 Budget to the FY 2023-2024 Budget. The purpose of the appropriation, \$2,394,273.13 is to transfer surplus funds from FY 2022-2023 Budget.

THEREFORE, BE IT RESOLVED BY THE COUNCIL OF THE TOWN OF FARMVILLE:

That a transfer of funds in the amount of \$2,394,273.13 be added to the FY 2023-2024 Budget so that the amended total of the Town of Farmville's FY 2023-2024 budget shall be \$27,673,085.08; and

BE IT FURTHER RESOLVED THAT \$2,394,273.13 shall be appropriated by the Town of Farmville as follows:

\$586,533.04 added to the General Fund
\$790,441.63 added to the Water Fund
\$557,144.97 added to the Sewer Fund
\$460,153.49 added to the Transportation Fund

1. That this resolution shall be in full force and effect upon its passage.

Approved: _____
Mayor

Attest: _____
Clerk of Council

I certify that the above resolution was:

Adopted on _____.

Ayes: _____. Nays: _____. Absent: _____. Abstain: _____.

The Honorable Sallie O. Amos _____.

The Honorable A.D. “Chuckie” Reid _____.

The Honorable Daniel E. Dwyer _____.

The Honorable Tommy Pairret _____.

The Honorable Adam B. Yoelin _____.

The Honorable Donald L. Hunter _____.

The Honorable John E. Hardy _____.

**AUTHORIZE TOWN MANAGER TO SIGN MEMORANDUM OF UNDERSTANDING FOR
INFRASTRUCTURE IMPROVEMENTS IN PRINCE EDWARD BUSINESS PARK**

Mrs. Amos made a motion to Authorize the Town Manager to sign a Memorandum of Understanding for Infrastructure Improvements in Prince Edward Business Park, seconded by Mr. Hunter, and with all in favor stating “aye”, the motion passed.

BACKGROUND: The Town Manager reported on a sewer line extension not agreed upon with Prince Edward County as far as its construction. The referenced MOU with the County outlines their responsibility for any repairs, replacements or any part of the sewer line not agreed upon.

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MEMORANDUM OF
UNDERSTANDING

THIS MEMORANDUM OF UNDERSTANDING, made this __day of September, 2023, by and between the County of Prince Edward and the Town of Farmville, states as follows:

WHEREAS, the Town of Farmville owns infrastructure improvements including a sewer line that is located in the Prince Edward Business Park; and

WHEREAS, the County of Prince Edward desires to connect its own sewer line to the existing sewer line owned by the Town of Farmville, in a location more fully described on a drawing attached to this agreement as "Exhibit A," with said County connection being used for a business that will be locating in the Prince Edward Business Park; and

WHEREAS, it is the desire of both the Town of Farmville and the County of Prince Edward that the responsibility for maintenance, upkeep and repair of the sewer line being installed by Prince Edward County and connected to the existing line owned by the Town of Farmville, in the location indicated on "Exhibit A," be clearly addressed and delineated prior to commencement of the project;

NOW THEREFORE, the parties to this Memorandum of Understanding hereby agree to the following:

1. That the County of Prince Edward shall be permitted to install and construct a sewer line and to connect the same to the existing Town of Farmville sewer line in the Prince Edward Business Park. The location at which the lines shall connect is described more accurately on drawings attached to this Agreement as "Exhibit A".
2. The County of Prince Edward shall be solely responsible for all of the expense related to the construction, maintenance and repair of the sewer line that it is installing, and shall further be responsible for any necessary repair to the sewer line owned and maintained by the Town of Farmville for repairs necessitated by the connection and use by the County.
3. The County of Prince Edward shall indemnify and hold harmless the Town of Farmville for any malfunctions or other issues that result in reduced operability or inoperability of the existing Town sewer line.

(The remainder of this page is intentionally left blank.)

WITNESS THE FOLLOWING SIGNATURES AND SEALS:

THE COUNTY OF PRINCE EDWARD

THE TOWN OF FARMVILLE

by: 

by: _____

STATE OF VIRGINIA,

COUNTY of PRINCE EDWARD, to-wit:

I, the undersigned, a Notary Public in and for the jurisdiction aforesaid, whose commission expires 9.30.23, do hereby certify that DOUGLAS P. STANLEY, whose name is signed to the foregoing Memorandum of Understanding, has acknowledged same before me this 13 day of SEPTEMBER, 2023.


Notary Public

ID # 340790



STATE OF VIRGINIA,

COUNTY of PRINCE EDWARD, to-wit:

I, the undersigned, a Notary Public in and for the jurisdiction aforesaid, whose commission expires _____, do hereby certify that _____, whose name is signed to the foregoing Memorandum of Understanding, has acknowledged same before me this _____ day of _____, 2023.

Notary Public

ID # _____

TOWN MANAGER'S REPORT

- Appreciation was expressed to the Council for allowing him to meet with colleagues and for professional development at the annual ICMA conference.
- The circle base for the Splash Pad at Lions Club Park has been installed, with the company contractors to begin installing parts of the splash pad equipment next week.

COMMENTS BY THE MAYOR AND TOWN COUNCIL

Mr. Hardy thanked everyone who showed up and provided comments. A reminder was made that October is Breast Cancer Awareness Month, and for an awareness of all cancers.

Mr. Hunter made an inquiry in reference to the Splash Park and items going out on West Third, to see if any security cameras would be installed. Town Manager Davis advised that cameras were not allocated in the plan for that area. Mr. Hunter further asked about the possibility of a cost estimate, with the Town Manager confirming a cost could be provided.

Mr. Yoelin thanked everyone for attending tonight, especially the Longwood University representation. A thank you also was expressed to Deputy Chief Bill Hogan for his accomplishments and work with the town.

Mr. Dwyer thanked all for being in attendance.

Mr. Reid expressed his concern about the missing traffic signal light on West Third and North Streets and asked if there was an update. The Town Manager reported that staff are trying to locate a pole for what the existing foundation is engineered for. If a pole cannot be found to match the existing foundation, new standards will need to be met with a new foundation being placed, which would be at least six months. Signs are being displayed and a stop sign has been placed at North Street. Mayor Vincent noted his concern of the blind spot with the building when coming onto Third Street, and if a traffic mirror could be placed to see the traffic flow. The Town Manager advised it could be looked at from an operational standpoint with the Public Works Department.

Mayor Vincent mentioned that while attending the annual conference this past week with several Council members, Vice-Mayor Reid was serving in his role as President of the Virginia Municipal League.

Mayor Vincent provided comments for transparency and openness concerning the ICA issue and reported that ICA staff are investigating a means for a direct contract with the federal government. He mentioned his participation in a live interview with the Longwood University

Communications Department where he was asked about the ICA facility and responded at that time about the extension and the reasons behind it, as well as speaking with students who were writing articles on the topic for *The Rotunda*. He also spoke with a lawyer, and someone associated with one of the advocate groups shortly after the extension and provided an explanation.

A monthly report was provided:

- provided the convocation speech and attended the capping ceremony for the senior class at Longwood University this past month,
- attended the Lions Club Shrimp Fest,
- attended the Heart of Virginia Festival,
- attended the NAACP Annual Banquet where Odessa Pride and Pattie Cooper-Jones were honored for being the first and second African American women elected as Chair of the Board of Supervisors for Prince Edward County,
- attended a meeting to discuss the Christmas Tree Lighting event with the Farmville Downtown Partnership and the Farmville Area Chamber of Commerce – the event is being planned for Sunday, November 19, 2023,
- met with a Longwood University student, who spoke at the last council meeting concerning the ICA facility, to discuss that issue and others for an article he was planning to write; being very interested in leadership, he also asked to shadow him on one of his days as Mayor,
- attended the National Night Out event on October 3, 2023, which included fellowship with the Town of Farmville Police Department, Prince Edward County Sheriff's Department, and several of the rescue squads,
- attended the Mayors Institute and the Virginia Municipal League Annual Conference this past weekend in fellowship with elected leaders across the Commonwealth of Virginia.

There being no other business and on a motion by Mr. Hunter, seconded by Mr. Dwyer, with all in favor stating “aye”, the meeting adjourned at 7:51 PM.

APPROVED:

ATTEST:

Brian R. Vincent, Mayor

Mary H. McKay, Clerk of Council



Town of Farmville

Agenda Item Summary

MEETING DATE: November 8, 2023

ITEM NUMBER: 13.a. – October 2023 Finance Report

BACKGROUND: Report to be provided by Finance Director Julie Moore.

RECOMMENDATION: Approve the Finance Report as presented.

FISCAL IMPACT:

ATTACHMENTS:

1. Finance Report - October 2023
2. Variable Revenue - October 2023
3. Rescue Squad Expenses-Oct 2023
4. Rescue Squad YTD Totals Thru 10.31.23

TOWN OF FARMVILLE
FINANCE REPORT OF CASH RECEIPTS AND DISBURSEMENTS
FOR THE MONTH OF OCTOBER 2023

FUND NUMBER	FUND TITLE	BALANCE 10/01/2023	NET CHANGE	BALANCE 10/31/2023
<u>UNRESTRICTED FUNDS</u>				
10	GENERAL FUND	\$ 1,226,216.03	\$ 42,685.78	\$ 1,268,901.81
15	ST MAINT FUND	675,233.74	(104,610.02)	570,623.72
40	WATER FUND	2,113,374.33	(208,998.75)	1,904,375.58
42	SEWER FUND	3,031,190.39	76,482.65	3,107,673.04
44	TRANSPORTATION FUND	1,177,687.50	(62,437.91)	1,115,249.59
45	AIRPORT FUND	<u>120,499.78</u>	<u>37,339.62</u>	<u>157,839.40</u>
TOTAL	UNRESTRICTED FUNDS	8,344,201.77	(219,538.63)	8,124,663.14
<u>RESTRICTED FUNDS</u>				
10	ARPA-COVID FUNDS	5,861,095.22	(258,767.25)	5,602,327.97
10	ENHANCED 911-WIRELESS	415,984.00	11,433.71	427,417.71
10	E911-RESERVE	133,050.59	16.95	133,067.54
10	SET ASIDE ACCOUNT	1,917,935.60	143,810.79	2,061,746.39
10	E-CITATION	25,058.83	856.93	25,915.76
10	MEDICAL COMPENSATION	282,398.02	846.64	283,244.66
61	PAULETTE FUND	165.42	-	165.42
70	NARCOTICS FUND	11,241.88	1.43	11,243.31
70	TASK FORCE	<u>2,147.38</u>	<u>0.27</u>	<u>2,147.65</u>
TOTAL	RESTRICTED FUNDS	8,649,076.94	(101,800.53)	8,547,276.41
TOTAL ALL FUNDS		\$ 16,993,278.71	\$ (321,339.16)	\$ 16,671,939.55

UNRESTRICTED FUNDS - ACCOUNTED FOR AS FOLLOWS:

PETTY CASH	\$ 2,500.00
VIP ACCT - GOLF SALE PROCEEDS	940,394.86
VIP ACCTS - UNRESTRICTED	2,061,059.32
LGIP ACCT - UNRESTRICTED	843,047.34
CHECKING ACCT-BENCHMARK-AIRPORT	296,404.11
CHECKING ACCOUNT-BENCHMARK-UNRESTRICTED	<u>3,981,257.50</u>
TOTAL UNRESTRICTED FUNDS	\$ 8,124,663.13

RESTRICTED FUNDS - ACCOUNTED FOR AS FOLLOWS:

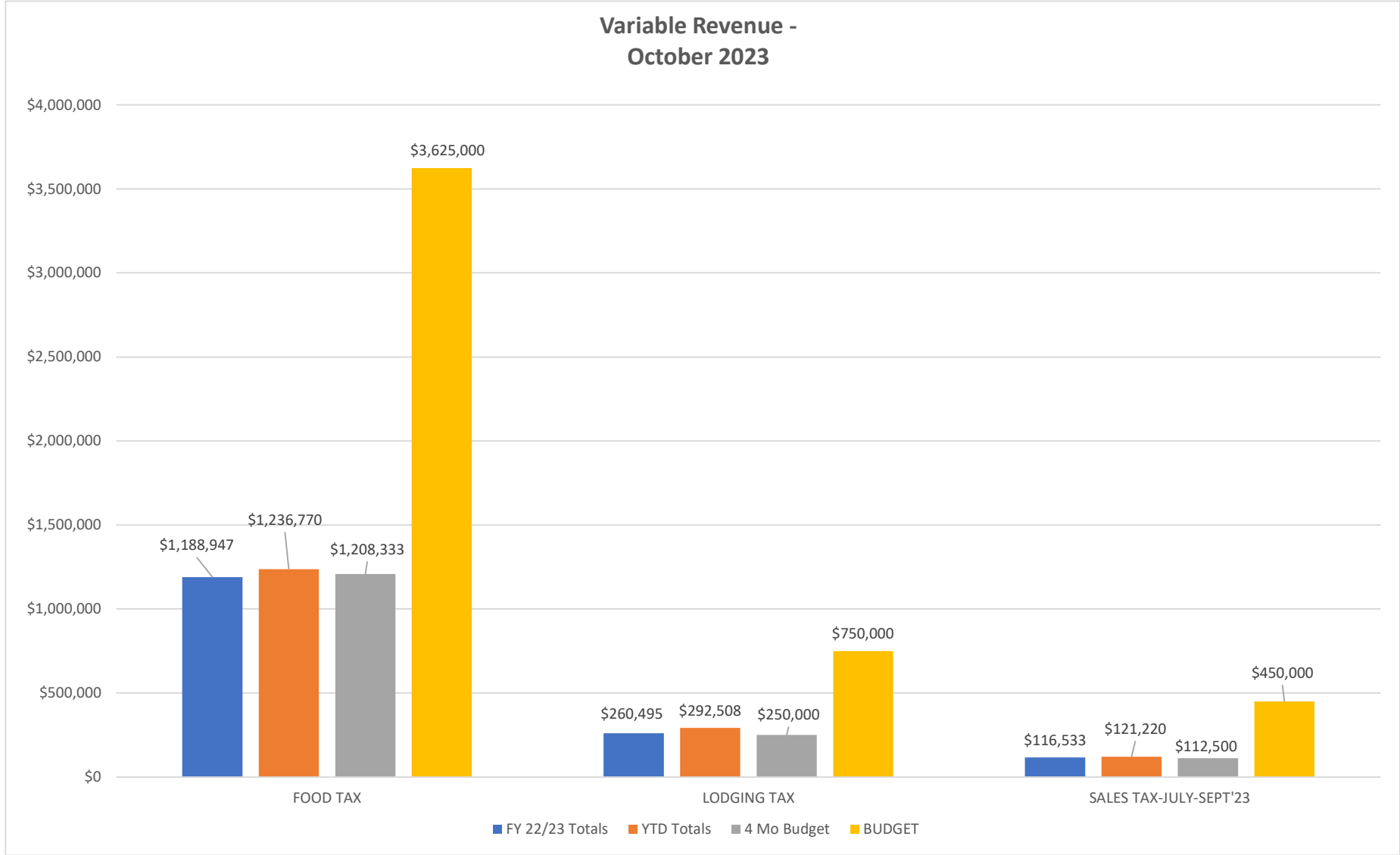
LGIP ACCT - ARPA -COVID FUNDS	\$ 5,602,327.97
MONEY MARKET - BENCHMARK - 911 WIRELESS	118,258.83
VIP ACCT - WIRELESS	309,158.88
INTEREST CHECKING-BENCHMARK-E911 RESERVE	133,067.54
INTEREST CHECKING-BENCHMARK-SET ASIDE ACCOUNT	689,091.00
LGIP ACCT - SET ASIDE ACCOUNT	947,787.49
VIP ACCT - SET ASIDE ACCOUNT	424,867.90
INTEREST CHECKING-FARMERS BANK-E-CITATION ACCOUNT	25,915.76
INTEREST CHECKING-BENCHARK-MEDICAL COMPENSATION	283,244.66
PASSBOOK SAVINGS - BENCHMARK - PAULETTE TRUST FUND	165.42
INTEREST CHECKING-BENCHMARK - NARCOTICS FUND-STATE	11,243.31
INTEREST CHECKING-BENCHMARK-TASK FORCE	<u>2,147.65</u>
TOTAL RESTRICTED FUNDS	\$ 8,547,276.41

RESPECTFULLY SUBMITTED:

Julie A. Moore

Julie A. Moore, CPA, CFE, CGFM

Variable Revenue -
October 2023



OCTOBER MONTHLY COST-RESCUE SQUAD

<u>DATE</u>	<u>VEHICLE</u>	<u>DESCRIPTION OF SERVICE</u>	<u>Man Hours</u>	<u>LABOR COST</u>	<u>MATERIAL COST</u>	<u>EQUIPMENT COST</u>	<u>FUEL COST</u>
3-Oct	Building	Cut grass at Rescue Squad	8	\$128.79			
4-Oct	Rescue 10	Broken regulator gauge	2	\$58.64			
12-Oct	Rescue 10	State inspection	2	\$47.25	\$20.00		
31-Oct	Rescue 14	Oil Change	2	\$143.37	\$111.67		
		Cut grass at Rescue Squad: Equipment Usage				\$310.00	
		Fuel Cost					\$1,816.51

Total Labor Cost \$378.05

Total Material Cost \$131.67

Total Equipment Cost \$310.00

Total Fuel Cost \$1,816.51

Total October \$2,636.23

YTD Total **\$21,881.56**

Year-to-Date Costs - Rescue Squad
July - June 2024

2023-2024

	<u>July</u>	<u>August</u>	<u>Sept</u>	<u>Oct</u>	<u>Nov</u>	<u>Dec</u>	<u>Jan</u>	<u>Feb</u>	<u>March</u>	<u>April</u>	<u>May</u>	<u>June</u>	<u>Total</u>
Labor	1,239.65	1,182.76	920.77	378.05	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	\$3,721.24
Materials	4,902.21	813.09	2,922.80	131.67	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	\$8,769.77
Equipment	310.00	310.00	310.00	310.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	\$1,240.00
Fuel	<u>2,028.25</u>	<u>2,312.09</u>	<u>1,993.70</u>	<u>1,816.51</u>	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>	<u>\$8,150.55</u>
	\$8,480.11	\$4,617.94	\$6,147.27	\$2,636.23	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$21,881.56



Town of Farmville

Agenda Item Summary

MEETING DATE: November 8, 2023

ITEM NUMBER: 14.a. – Request Adoption of Ordinance No. 227 - to amend Chapter 25 Taxation of the Farmville Town Code to add Article XI Authorizing Revenue Sharing for Solar Energy Projects and Energy Storage Systems

BACKGROUND: This topic was discussed at the September 6, 2023 Regular Work Session. In order to receive any tax revenue from a solar energy project stemming from someone's business venture, a locality must have a revenue share ordinance in place. A proposed ordinance amendment was brought forward for discussion at the November 1, 2023 Regular Work Session. A Public Hearing is scheduled for November 8, 2023.

RECOMMENDATION: Adopt Ordinance No. 227

FISCAL IMPACT:

ATTACHMENTS:

1. Ordinance 227- Solar Project Revenue Sharing Farmville (2023)

ORDINANCE NO. 227

ORDINANCE TO AMEND CHAPTER 25 TAXATION OF THE FARMVILLE TOWN CODE TO ADD ARTICLE XI AUTHORIZING REVENUE SHARING FOR SOLAR ENERGY PROJECTS AND ENERGY STORAGE SYSTEMS

BE IT ORDAINED by the Town Council of The Town of Farmville:

Article XI: Revenue Share for Solar Energy Projects and Energy Storage Systems

Section: 25-205 Purpose, definition, relation to other ordinances.

- (A) The purpose of this article is to implement § 58.1-2636 of the Code of Virginia, as amended, titled “Revenue Share for Solar Energy Projects and Energy Storage Systems.”*
- (B) Terms used in this article shall have the defined meanings found in §§ 58.1-2636, 58.1-3660, 58.1-3507, or 58.1-3508.6 of the Code of Virginia, as amended.*
- (C) To the extent that the provisions of this article conflict with any other prior ordinance or provision of the Town of Farmville ordinances, this article shall control.*

Section: 25-206 Applicability.

- (A) This article shall apply to all solar photovoltaic (electric energy) systems except those:*
 - (1) Described in § 56-594, 56-594.01, 56-594.02 or 56-594.2;*
 - (2) 20 megawatts or less, as measured in alternating current (AC) generation capacity, for which an initial interconnection request form has been filed with an electric utility or a regional transmission organization on or before December 31, 2018.*
- (B) Pursuant to Va. Code 58.1-2606.1(B), as amended, this Article shall apply to solar photovoltaic (electric energy) generation facilities of 5 megawatts or less.*
- (C) This article shall not apply to any solar photovoltaic (electric energy) project or energy storage system for which an application was filed with the Town and approved by the Town prior to January 1, 2021, unless one of the following apply:*
 - 1. The Town and the applicant or owner agree to revise any existing voluntary payment agreement, or enter into any new voluntary payment agreement, under which the applicant or owner agrees to voluntarily waive a portion of the exemption from machinery and tools as provided in Section 58.1-3660 of the Code of Virginia, as amended.*

2. *The Town and the e applicant or owner agree to substitute the amount of such voluntary payment for a similar amount of a solar energy revenue share authorized by Section 58.2-2636 of the Code of Virginia.*
3. *For purposes of this subsection, “application has been filed with the locality” means an applicant has filed an application for a zoning confirmation from the Town for a by-right use, or an application for land use approval under the Town’s zoning ordinance to include an application for conditional use permit, special use permit, special exception, or other application as set out in the zoning ordinance.*

Section: 25-207 Revenue share rate per megawatt and waiver of machinery and tool tax.

- (A) The Town hereby imposes a revenue share to be assessed at a rate of \$1,400.00 per megawatt on any solar photovoltaic (energy) project or energy storage system, which rate shall be increased by ten percent on July 1, 2026, and every five years thereafter by ten percent. The generation or storage capacity shall be measured in alternating current (AC) generation or storage capacity of the facility and the determination of the generation or storage capacity shall be based on submissions by the facility owner to the interconnecting utility.*
- (B) The exemption for solar photovoltaic (electric energy) projects and energy storage systems greater than five megawatts as provided by Va. Code Ann. § 58.1-3660 and § 58.1-2606.1, as amended, shall be 100 percent of the assessed value.*
- (C) Nothing contained herein shall be construed to prevent any other tax or fee as provided by the Code of Virginia.*

Secs. 25-208 - 25-305 – Reserved.

1. This ordinance shall be in full force and effect upon approval.

Approved: _____
Mayor

Attest: _____
Clerk of Council

I certify that the above ordinance was:

Adopted on _____.

Ayes: _____. Nays: _____. Absent: _____. Abstain: _____.

The Honorable A.D. “Chuckie” Reid: _____.

The Honorable Sallie O. Amos _____.

The Honorable Daniel E. Dwyer _____.

The Honorable Tommy Pairet _____.

The Honorable Adam Yoelin _____.

The Honorable Donald L. Hunter _____.

The Honorable John Hardy _____.



Town of Farmville

Agenda Item Summary

MEETING DATE: November 8, 2023

ITEM NUMBER: 14.b. – Request Adoption of Resolution No. 2023-11-01 - Authorizing the Finance Director to Transfer Budgeted Funds from FY22-23 to FY23-24 in the General Fund and Water Fund

BACKGROUND: Verbal Report by the Finance Director.

A transfer of funds from various departments in the General Fund and Water Fund for items and projects that have not been received or invoiced as of June 30, 2023.

ITEMIZED LIST IS ATTACHED.

RECOMMENDATION: Adopt Resolution No. 2023-11-01

FISCAL IMPACT:

ATTACHMENTS:

1. Transfer Funds Itemized List
2. Resolution No. 2023-11-01

AP-June 2023 PO's Carried Over to July (FY23-24)

<u>Fund/Department</u>	<u>Description</u>	<u>Amount</u>
<u>General Fund</u>		
Town Manager Department	Replace Town Hall Server	\$9,940.00
	House Demo/Unkept Property, Cloudpermit	
Community Development Department	Software-Bldg Inspector	\$26,700.00
Recreation Department	Splashpad-ARPA	<u>\$187,727.21</u>
		\$224,367.21
<u>Water Fund</u>		
Water Treatment Department	Chemical Storage Tank-ARPA	\$15,684.60
	Grand Total	\$240,051.81

Resolution No. 2023-11-01

To transfer FY22-23 budgeted funds to the fiscal year beginning July 1, 2023 and ending June 30, 2024 budget, in an aggregate amount of \$240,051.81. To transfer prior year's budgeted funds from FY22-23 to FY23-24 to the General Fund in the amount of \$224,367.21 and Water Fund in the amount of \$15,684.60. The purpose of the transfer is for items and projects that have not been received or invoiced as of June 30, 2023.

THEREFORE, BE IT RESOLVED BY THE COUNCIL OF THE TOWN OF FARMVILLE:

1. That a transfer of funds from FY22-23 to FY23-24 in the aggregate amount of \$240,051.81; to the General Fund in the amount of \$224,367.21 and Water Fund in the amount of \$15,684.60 for the purpose of budgeted funds for items and projects that have not been received or invoiced as of June 30, 2023.
2. That this resolution shall be in full force and effect upon its passage.

Approved:

Mayor

Attest:

Town Clerk

I certify that the above resolution was:

Adopted on _____.

Ayes: _____. Nays: _____. Absent: _____. Abstain: _____.

The Honorable Sallie O. Amos: _____.

The Honorable A.D. "Chuckie" Reid _____.

The Honorable Daniel E. Dwyer _____.

The Honorable Tommy Pairt _____.

The Honorable Adam B. Yoelin _____.

The Honorable Donald L. Hunter _____.

The Honorable John F. Hardy _____.



Town of Farmville

Agenda Item Summary

MEETING DATE: November 8, 2023

ITEM NUMBER: 14.c. – Request Adoption of Resolution No. 2023-11-02 - Appointment of Daniel Clark as Fire Official for Town of Farmville

BACKGROUND: Verbal Report by the Town Manager.

RECOMMENDATION: Adopt Resolution No. 2023-11-02

FISCAL IMPACT:

ATTACHMENTS:

1. Resolution No. 2023-11-02

Resolution #2023-11-02

Appointment of Daniel Clark as Fire Official for Town Farmville

WHEREAS, Section 105.1 of the Virginia Statewide Fire Prevention Code states each enforcing agency shall have an executive official in charge of, hereinafter referred to as the “fire official”; and

WHEREAS, Section 105.1.1 states in part that the fire official shall be appointed in a manner selected by the local government having jurisdiction and this is a permanent appointment which is not required to be completed each year; and

WHEREAS, Fire Chief Daniel Clark will take on the additional duties of Fire Official in addition to serving as the Fire Chief; and

WHEREAS, Chief Clark has met all the Virginia Certification Standards to serve as Fire Official; NOW THEREFORE,

BE IT RESOLVED BY THE TOWN OF FARMVILLE TOWN COUNCIL:

1. The Town of Farmville Town Council appoints Daniel Clark as Fire Official for the Town of Farmville.
2. This resolution shall be in full force and effect upon passage.

Approved:

Mayor

Attest: _____
Clerk of Council

I certify that the above resolution was:

Adopted on _____.

Ayes: _____. Nays: _____. Absent: _____. Abstain: _____.

The Honorable A.D. “Chuckie” Reid: _____.

The Honorable Sallie O. Amos _____.

The Honorable Daniel E. Dwyer _____.

The Honorable Tommy Pairt _____.

The Honorable John Hardy _____.

The Honorable Donald L. Hunter _____.

The Honorable Adam Yoelin _____.



Town of Farmville

Agenda Item Summary

MEETING DATE: November 8, 2023

ITEM NUMBER: 14.d. – Request Acceptance of Audit for Fiscal Year Ending June 30, 2023

BACKGROUND: Verbal report by the Town Manager.

Chris Murray, Director at Brown, Edwards & Company, L.L.P. is scheduled to provide a review of the audit on November 8, 2023.

RECOMMENDATION: Accept the Audit for Fiscal Year Ending June 30, 2023.

FISCAL IMPACT:

ATTACHMENTS: None