

Hub of Commerce and Community Over 200 Years



TOWN OF FARMVILLE, VIRGINIA

ANNUAL COMPREHENSIVE FINANCIAL REPORT

FISCAL YEAR ENED JUNE 30, 2024

DEPARTMENT OF FINANCE



TOWN OF FARMVILLE, VIRGINIA

ANNUAL COMPREHENSIVE FINANCIAL REPORT

FISCAL YEAR ENDED JUNE 30, 2024

DEPARTMENT OF FINANCE AND ADMINISTRATION

TOWN OF FARMVILLE, VIRGINIA

TABLE OF CONTENTS

Page

INTRODUCTORY SECTION

Letter of Transmittal..... i
Certificate of Achievement for Excellence in Financial Reporting vi
Directory of Principal Officials vii
Organizational Chart ix

FINANCIAL SECTION

Independent Auditor’s Report 1
Management’s Discussion and Analysis..... 5a

BASIC FINANCIAL STATEMENTS

Government-Wide Financial Statements:
Exhibit 1 Statement of Net Position..... 6
Exhibit 2 Statement of Activities 7

Fund Financial Statements:
Exhibit 3 Balance Sheet – Governmental Funds..... 8
Exhibit 4 Reconciliation of the Governmental Funds Balance Sheet
to the Statement of Net Position 9
Exhibit 5 Statement of Revenues, Expenditures, and Changes in
Fund Balances – Governmental Funds 10
Exhibit 6 Reconciliation of the Statement of Revenues, Expenditures, and
Changes in Fund Balances of the Governmental Funds
to the Statement of Activities 11
Exhibit 7 Statement of Revenues, Expenditures, and Changes in
Fund Balance – Budget and Actual – General Fund..... 12
Exhibit 8 Statement of Net Position – Proprietary Funds 13
Exhibit 9 Statement of Revenues, Expenses, and Changes in
Fund Net Position – Proprietary Funds 14
Exhibit 10 Statement of Cash Flows – Proprietary Funds 15
Exhibit 11 Statement of Fiduciary Net Position – Custodial Fund 17
Exhibit 12 Statement of Changes in Fiduciary Net Position –
Custodial Fund 18

Notes to Financial Statements 19

TOWN OF FARMVILLE, VIRGINIA

TABLE OF CONTENTS (Continued)

	Page
REQUIRED SUPPLEMENTARY INFORMATION	
Exhibit 13 Schedule of Changes in Net Pension Liability (Asset) and Related Ratios	50
Exhibit 14 Schedule of Pension Contributions	51
Exhibit 15 Schedule of Changes in Net OPEB Liability and Related Ratios – Local Plan	52
Exhibit 16 Schedule of OPEB Contributions – Local Plan.....	53
Notes to Required Supplementary Information	54

OTHER SUPPLEMENTARY INFORMATION

Exhibit 17 Schedule of Revenues, Expenditures, and Changes in Fund Balance – Budget and Actual – General Fund.....	56
Exhibit 18 Schedule of Revenues, Expenditures, and Changes in Fund Balance – Budget and Actual – Street Maintenance Fund.....	61

STATISTICAL SECTION

Table 1 Net Position by Component.....	62
Table 2 Changes in Net Position by Component	63
Table 3 Fund Balances – Governmental Funds	66
Table 4 Changes in Fund Balances – Governmental Funds	67
Table 5 Assessed Value and Actual Value of Taxable Property	69
Table 6 Principal Utility Customers	70
Table 7 Property Tax Levies and Collections	71
Table 8 Legal Debt Margin Information	72
Table 9 Ratios of Outstanding Debt by Type.....	73
Table 10 Demographic and Economic Statistics.....	74
Table 11 Principal Employers.....	75
Table 12 Full-Time Equivalent Town Government Employees by Function/Program.....	76
Table 13 Operating Indicators by Function/Program.....	77
Table 14 Capital Asset and Infrastructure Statistics by Function/Program.....	78

OWN OF FARMVILLE, VIRGINIA

**TABLE OF CONTENTS
(Continued)**

	Page
COMPLIANCE SECTION	
Schedule of Expenditures of Federal Awards	79
Notes to Schedule of Expenditures of Federal Awards	80
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 <i>Government Auditing Standards</i>	81
Independent Auditor’s Report on Compliance for Each Major Federal Program and on Internal Control over Compliance Required by the Uniform Guidance	83
Summary of Compliance Matters.....	86
Schedule of Findings and Questioned Costs	87

INTRODUCTORY SECTION

October 31, 2024

**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, 2024. 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 to flourish, 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

- The Farmville Recreation Department officially opened the splash pad at Wilck's Lake Park. Children have enjoyed cooling down on hot summer days by using the various water features at the park. Completed at an approximate cost of \$600,000, the facility 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 at our water treatment facility, replacing oxidation tanks and generators, and installing a chemical feed pump with a 5,000-gallon storage tank. Our largest project, and arguably our most environmentally forward, will be the conversion of our Wastewater Treatment Plant from chlorine gas to UV disinfection treatment. This conversion represents an approximate 24-month, \$3.5 million dollar commitment to the engineering and construction of the project that ensures a sustainable future for the Town of Farmville and the Appomattox River.
- The Farmville Fire Department, dedicated to superior citizen safety, has hired an additional full-time paid firefighter – bringing the paid staff to three members, supplemented by a roster of volunteer members.
- Ensuring our commitment to expedient response to emergency situations, the Town invested in a new 250KW generator for our E911 center. If power is ever lost to our emergency call center, for any reason, crucial dispatch services will always be available to get help to our citizens.
- Moreover, Farmville's unwavering commitment to fiscal responsibility shown 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 solid local economy, coupled with the commitment to continual strengthening of our infrastructure, budget reserves, and economic development initiatives, continues to make Farmville evolve as a progressive and inviting community. Our future is a bright one due to the dedication and hard work of our Town Council, Town employees, and our citizens that make our community a vibrant place to live and work.

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 a 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 requires 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, 2023. This was the second consecutive year that the government has 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
Town Manager



Julie A. Moore
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, 2023

Christopher P. Morill

Executive Director/CEO



DIRECTORY OF PRINCIPAL OFFICIALS

MEMBERS OF TOWN COUNCIL



Brian Vincent, Mayor

Term Expires: December 31, 2026

Phone: (434) 603-1055

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

Phone: (434) 390-6294

Email: samos@farmvilleva.com



Daniel E. Dwyer, Councilman

Term Expires: December 31, 2024

Phone: (434) 390-6614

Email: ddwyer@farmvilleva.com



Donald L. Hunter, Councilman

Term Expires: December 31, 2024

Phone: (434) 392-6053

Email: dhunter@farmvilleva.com



Thomas M. Pairet, Councilman

Term Expires: December 31, 2026

Phone: (434) 603-1296

Email: tpairet@farmvilleva.com



Adam Yoelin, Councilman

Term Expires: December 31, 2026

Phone: (434) 808-8977

Email: ayoelin@farmvilleva.com

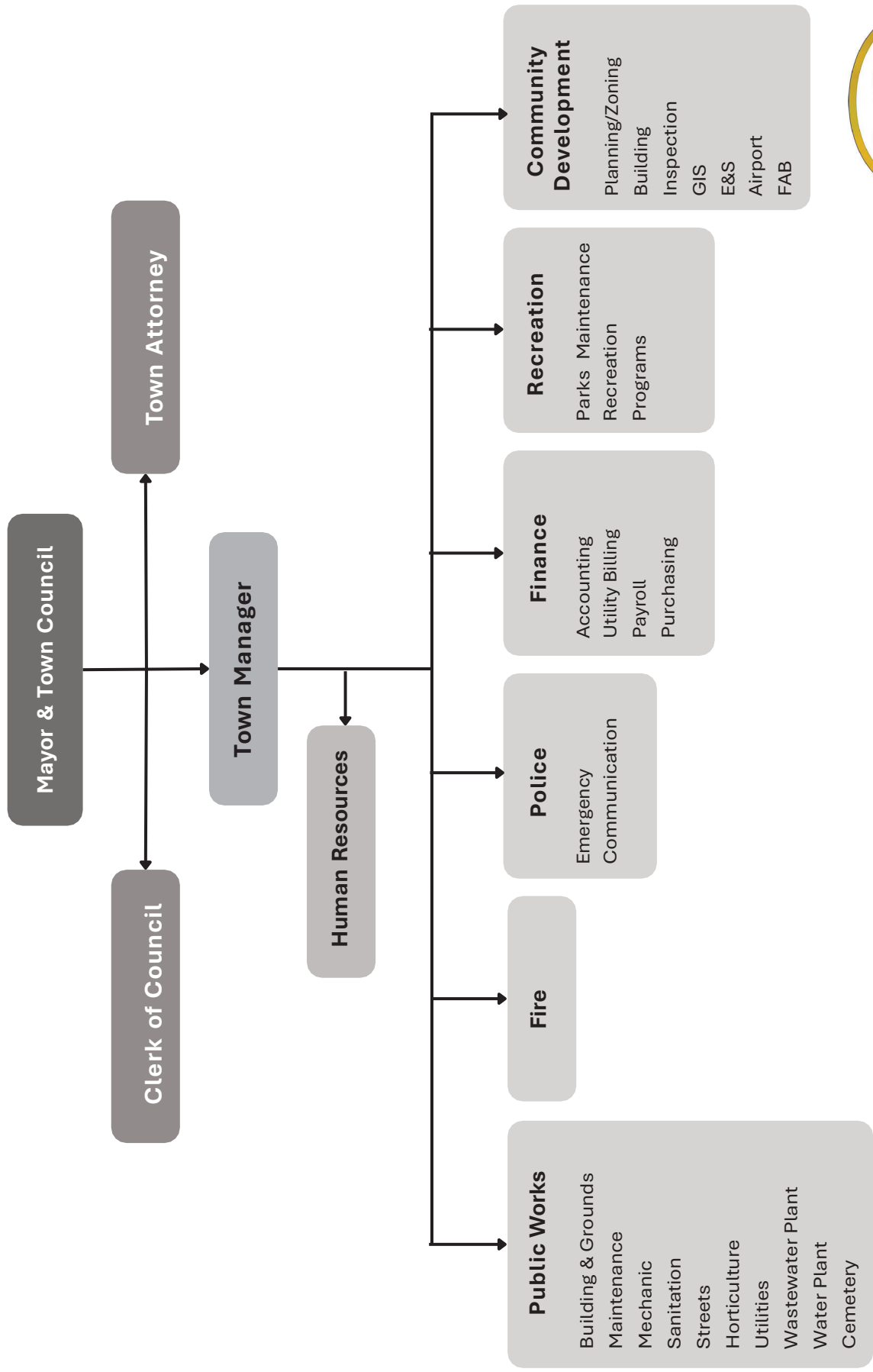


DIRECTORY OF PRINCIPAL OFFICIALS

OTHER OFFICIALS AS OF JUNE 30, 2024

Town Manager	C. Scott Davis LP.D.
Assistant to the Town Manager	Jackie Vaughan
Director of Finance	Julie A. Moore
Clerk of Council	Mary McKay
Town Attorney	Gary Elder
Chief of Police	Andy Ellington
Director of Public Works	Robin Atkins
Fire Chief	Daniel Clark
Director of Community Development	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, 2024, 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, 2024, 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 other supplementary information and 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 other supplementary information and 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, 2024 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, 2024

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 ending June 30, 2024, and 2023. We invite readers to consider this information alongside the detailed insights provided in our transmittal letter on pages i through vi.

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 \$46,263,039, representing the net position. Within this, \$11,881,594 (unrestricted net position) stands available for fulfilling the Town's ongoing commitments to its citizens and creditors.
- The Town's total net position increased by \$5,546,006 this year, with 34% attributable to governmental fund operations and 66% to business-type activities. This shift highlights the continued strong performance of our business-type activities, contributing significantly to the overall growth in net position.
- At the fiscal year's end, the Town's governmental fund reported an ending fund balance of \$8,608,913, reflecting an increase of \$1,459,340 compared to the previous year. Approximately 31% of this total, amounting to \$2,693,601, is available for discretionary spending (unassigned fund balance).
- While the Town's overall debt decreased by \$1,730,569, or 25.46%, during the fiscal year, reflecting our commitment to fiscal responsibility, we also undertook new lease purchases totaling \$5.4M. These investments were essential for replacing water meters, police vehicles, and other critical capital projects. This approach allows us to continue addressing key infrastructure and public safety needs while carefully managing our debt obligations.

Overview of the Financial Statements:

This detailed discussion and analysis introduces 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, which is similar to that of 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, 2024, the Town's governmental funds concluded the fiscal year with an ending fund balance of \$8,608,913, marking a notable increase of \$1,459,340 compared to the previous year. Among this total, \$740,712 was nonspendable, \$4,531,103 was restricted, \$315,809 was committed, \$327,688 was assigned, and \$2,693,601 was unassigned.

To gauge the general fund's liquidity, it's important to assess both the unassigned fund balance and the total fund balance in relation to total general fund expenditures. As of June 30, 2024, the unassigned fund balance of \$2,693,601 represents 18.31% of total general fund expenditures, while the total fund balance of \$8,608,913 accounts for 58.68% of total general fund expenditures. These ratios are vital indicators of the Town's financial health and its ability to cover future obligations without the need for additional borrowing.

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 \$46,263,039.

A significant portion of the Town's net position (64.21%) 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 (15.27%) is restricted and earmarked for debt service funds, forfeiture funds, and other grant funds. The remaining balance of unrestricted net assets (20.52%) 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	
	2024	2023	2024	2023	2024	2023
Current and other assets	\$ 16,036,065	\$ 17,687,694	\$ 11,703,815	\$ 7,458,590	\$ 27,739,880	\$ 25,146,284
Total pension asset (liability)	201,615	(547,001)	35,864	(99,111)	237,479	(646,112)
Capital assets	19,740,271	19,284,298	18,089,418	15,832,780	37,829,689	35,117,078
Total assets	<u>35,977,951</u>	<u>36,424,991</u>	<u>29,829,097</u>	<u>23,192,259</u>	<u>65,807,048</u>	<u>59,617,250</u>
Deferred outflow of resources	905,384	990,535	188,285	208,304	1,093,669	1,198,839
Long-term liabilities	5,831,115	5,091,368	5,947,896	2,860,610	11,779,011	7,951,978
Total Net OPEB liability	1,161,433	1,260,286	269,551	291,306	1,430,984	1,551,592
Other liabilities	6,447,947	9,536,922	634,659	728,932	7,082,606	10,265,854
Total liabilities	<u>13,440,495</u>	<u>15,888,576</u>	<u>6,852,106</u>	<u>3,880,848</u>	<u>20,292,601</u>	<u>19,769,424</u>
Deferred inflows of resources	280,075	267,745	65,002	61,887	345,077	329,632
Net position						
Net investment in capital assets	15,083,947	15,220,292	14,620,627	12,733,171	29,704,574	27,953,463
Restricted	4,732,718	1,612,932	2,569,345	-	7,302,063	1,612,932
Unrestricted	3,346,100	4,425,981	5,910,302	6,724,657	9,256,402	11,150,638
Total net position	<u>\$ 23,162,765</u>	<u>\$ 21,259,205</u>	<u>\$ 23,100,274</u>	<u>\$ 19,457,828</u>	<u>\$ 46,263,039</u>	<u>\$ 40,717,033</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, 2024, assets surpassed liabilities by \$46,263,039 across Governmental and Business-type Activities, highlighting the Town's continued strong financial position.

During the current fiscal year, the Town's total net position increased by \$5,546,006, representing a notable 13.6% growth. This increase was driven by a 9% rise in Governmental Activities' net position and an 18.8% increase in Business-type Activities' net position compared to the previous year. The Town's ongoing commitment to prudent financial management extended across all its funds, including the General Fund, Street Maintenance Fund, Water Fund, Sewer Fund, Transportation Fund, and Airport Fund. This approach ensures the responsible utilization of public resources, maintaining the Town's financial strength.

The Town's Changes in Net Position

	Governmental Activities		Business-type Activities		Total	
	2024	2023	2024	2023	2024	2023
Revenues						
Program revenues						
Charges for services	\$ 1,872,984	\$ 1,710,432	\$ 4,405,094	\$ 4,241,001	\$ 6,278,078	\$ 5,951,433
Operating grants and contributions	2,909,448	2,684,257	786,639	746,028	3,696,087	3,430,285
Capital grants and contributions	545,153	1,024,452	2,122,230	1,892,427	2,667,383	2,916,879
General revenues						
Property taxes	1,164,251	1,144,960	-	-	1,164,251	1,144,960
Other taxes	8,184,006	8,025,063	-	-	8,184,006	8,025,063
Intergovernmental revenue unrestricted	86,884	70,582	-	-	86,884	70,582
Investment earnings	783,842	516,548	192,960	23,726	976,802	540,274
Other	723,181	775,110	386,069	128,856	1,109,250	903,966
Total revenues	16,269,749	15,951,404	7,892,992	7,032,038	24,162,741	22,983,442
Expenses						
General government	2,072,893	2,073,583	-	-	2,072,892	2,073,583
Public safety	5,048,531	4,957,718	-	-	5,048,531	4,957,718
Public works	5,891,869	5,933,858	-	-	5,891,869	5,933,858
Parks, recreation, and cultural	445,763	557,407	-	-	445,763	557,407
Community development	899,914	635,196	-	-	899,914	635,196
Interest on long-term debt	7,219	9,645	-	-	7,219	9,645
Water	-	-	1,742,899	1,601,511	1,742,899	1,601,511
Sewer	-	-	1,331,691	1,276,131	1,331,691	1,276,131
Transportation	-	-	790,350	826,232	790,350	826,232
Airport	-	-	385,606	372,052	385,606	372,052
Total expenses	14,366,189	14,167,407	4,250,546	4,075,926	18,616,735	18,243,333
Excess before transfers	1,903,560	1,783,997	3,642,446	2,956,112	5,546,006	4,740,109
Transfers	-	250,000	-	(250,000)	-	-
Change in net position	1,903,560	2,033,997	3,642,446	2,706,112		4,740,109
Net position – July 1	21,259,205	19,225,208	19,457,828	16,751,716	40,717,033	35,976,924
Net position – June 30	<u>\$ 23,162,765</u>	<u>\$ 21,259,205</u>	<u>\$ 23,100,274</u>	<u>\$ 19,457,828</u>	<u>\$ 46,263,039</u>	<u>\$ 40,717,033</u>

Governmental Activities - In FY2024, the Town's net position increased by \$1,903,560, compared to \$2,033,997 in FY2023. This year's growth was largely driven by a mix of revenues from meals and lodging taxes, other local taxes, and investment income, with total general revenues increasing by \$159,900 from the prior year. The Town's expenses remained relatively stable, with public works and public safety continuing to be the largest cost centers. The slight decrease in net position growth compared to FY2023 is largely due to reduced capital contributions, with the Town receiving \$1,024,452 in capital grants in FY2023 versus \$545,153 in FY2024. However, despite the decrease in capital grants, the Town maintained a strong financial position, showcasing its continued fiscal responsibility.

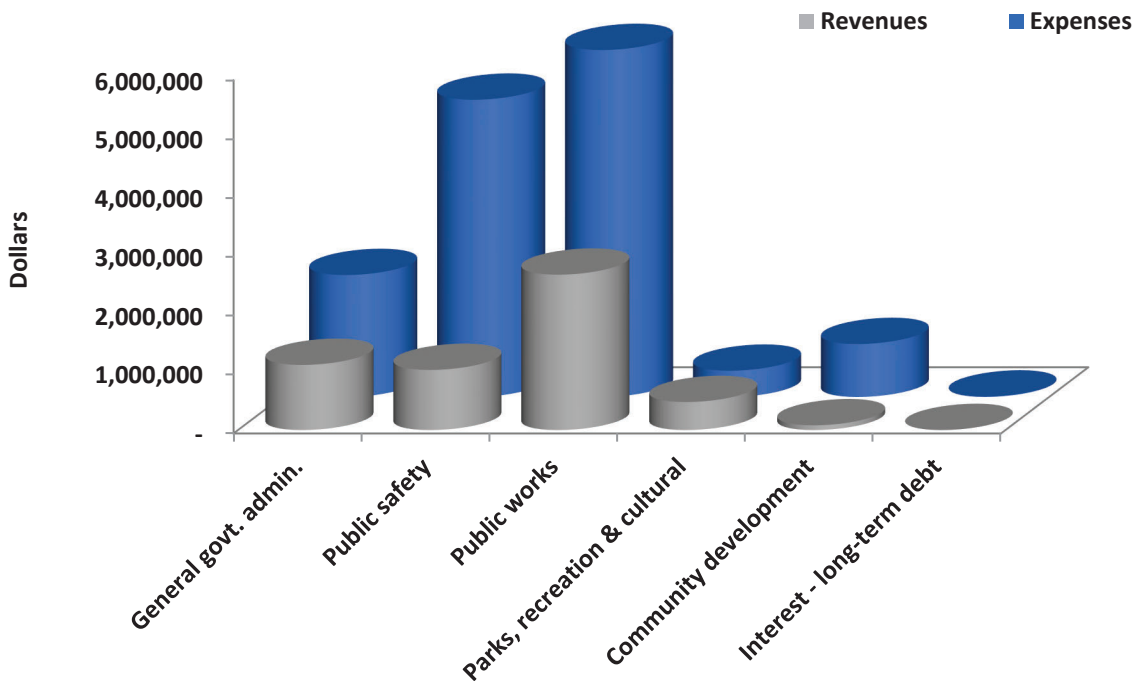
In FY2024, governmental activities expenses totaled \$14,366,189, reflecting a slight increase of 1.4% compared to FY2023. Public safety expenses, representing 35% of the total governmental expenses, increased by \$900,813 or 5.9% due to investments in new police vehicles and equipment upgrades. In contrast, general government expenses remained relatively flat at \$2,072,892. Public works expenses saw a modest decline of 0.7%, largely attributed to lower-than-expected capital expenditures on street maintenance projects.

Business-type Activities - In FY2024, the net position for Business-type Activities surged to \$3,642,446, a substantial increase from \$2,706,112 in FY2023. This rise was largely driven by stable service charges from water and sewer operations and a substantial increase in capital contributions, rising from \$1,892,427 in FY2023 to \$2,122,230 in FY2024. The Town's ongoing airport projects and improvements to water and sewer infrastructure were key contributors to this growth. The continued rise in service charges and effective management of the Town's Business-type Activities highlight the Town's focus on maintaining and improving essential services while ensuring a sustainable financial footing.

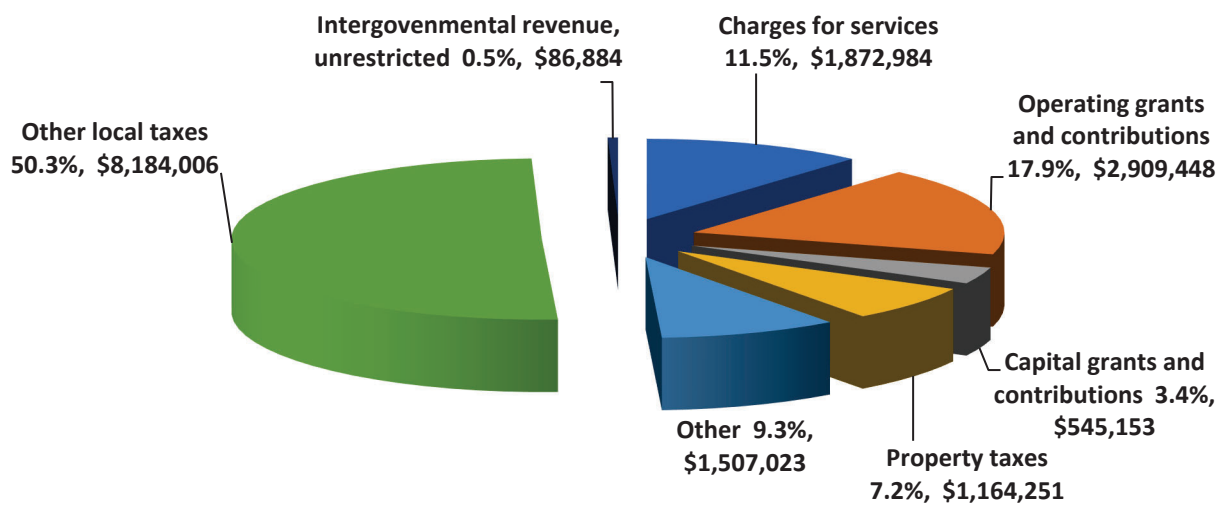
In FY2024, the total expenses for business-type activities amounted to \$4,250,546, reflecting a 4.3% increase compared to \$4,075,926 in FY2023. Here's the breakdown for each fund:

- **Water Fund:** Expenses increased by 8.8%, rising from \$1,601,511 in FY2023 to \$1,742,899 in FY2024. This increase was primarily driven by salary raises for employees, higher maintenance costs, and an increase in depreciation expenses due to newly acquired water infrastructure assets.
- **Sewer Fund:** Sewer Fund expenses grew by 4.3%, from \$1,276,131 in FY2023 to \$1,331,691 in FY2024. The increase is largely attributed to higher employee compensation and maintenance costs, particularly for service lines and equipment.
- **Transportation Fund:** Transportation Fund expenses decreased slightly by 4.3%, from \$826,232 in FY2023 to \$790,350 in FY2024. The reduction is mainly due to lower maintenance costs for buses and equipment, although there were slight increases in insurance and fuel expenses.
- **Airport Fund:** Airport expenses increased by 3.6%, from \$372,052 in FY2023 to \$385,606 in FY2024. This increase was primarily driven by the \$49,500 expense related to the clearing of land, which was a significant project undertaken in FY24. Other areas, such as maintenance and fuel costs, saw reductions, but the land-clearing project was the primary contributor to the overall increase.

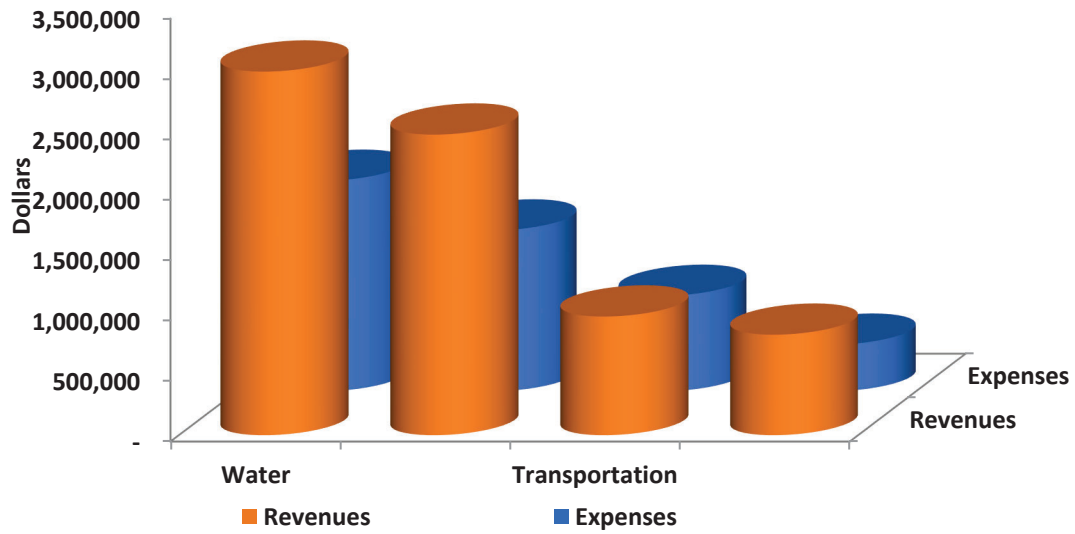
Expenses and Program Revenues – Governmental Activities



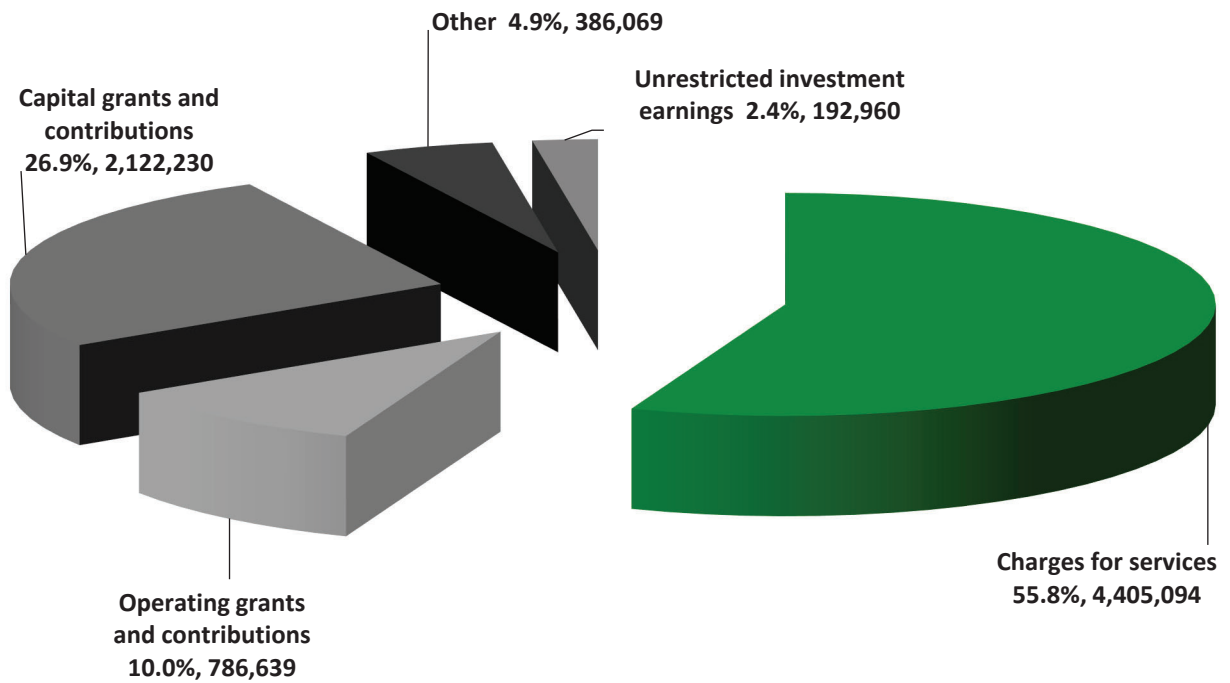
Revenues by Source – Governmental Activities



Expenses and Program Revenues – Business-type Activities



Revenues by Source – 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 \$8,608,913, indicating a \$1,459,340 increase from the previous year. Of this total, approximately 31.2% or \$2,693,601 constitutes an unassigned fund balance, allowing discretionary spending by the Town. Another 3.7%, equating to \$315,809, represents the committed fund balance allocated for specific purposes. Additionally, 3.9%, or \$327,688, is assigned fund balance designated for particular purposes, and 52.6%, or \$4,531,103, 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. The unassigned fund balance accounts for 18.3% of total general fund expenditures, while the total fund balance makes up 58.7% 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 \$1,459,340 increase in the general fund balance for FY24 can be attributed to higher revenues from property taxes and other local taxes, as well as strategic financial management. Property tax revenues rose by \$15,991, increasing from \$1,143,875 in FY23 to \$1,159,866 in FY24. Other local taxes, including meals and lodging taxes, increased by \$193,591, up from \$7,986,132 in FY23 to \$8,179,723 in FY24. Additionally, revenue from the use of money and property saw a significant jump of \$396,997, increasing from \$516,531 in FY23 to \$913,528 in FY24, reflecting increased investment income from funds placed in LGIP and VIP. In contrast, miscellaneous revenue decreased substantially from \$1,605,465 in FY23 to \$593,473 in FY24, largely due to the sale of the golf course in FY23.

While public safety expenses decreased by \$965,838, going from \$6,206,528 in FY23 to \$5,240,690 in FY24, the Town allocated significant funds toward capital investments, including police vehicles, to enhance public safety. Additionally, the general fund demonstrated self-sustainability throughout the year, reducing the need for additional transfers. This aligns with the Town's fiscal objectives, ensuring that revenue growth can be reinvested into essential services without requiring additional external funding.

In contrast, the Street Maintenance Fund experienced a net decrease in fund balance of \$99,761, reflecting the impact of rising project costs in street paving despite a 15% increase in revenues from intergovernmental sources.

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 \$629,720, while the sewer fund's unrestricted net position reached \$4,238,873. The transportation fund held an unrestricted net position of \$956,059, and the airport fund's unrestricted net position amounted to \$85,650. The total increase in net position for enterprise funds during the fiscal year was \$3,642,446, a significant rise compared to the previous year.

This represents a continued focus on maintaining financial stability across all enterprise funds. 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 \$3,059,292. Notable adjustments include:

- An increase of \$1,726,203 in the general governmental sector, primarily due to the Town undertaking a significant project during the year, which included building envelope projects, the installation of electric vehicle (EV) chargers, and new parking meters. This expenditure was budgeted by the town manager's department. Additionally, the Finance Department had subscription-based software costs that needed to be grossed up and accurately reported within the budget for FY24.
- An amendment to the community development budget to include a contribution of \$350,000 to the Farmville Industrial Development Authority, which was decided after the original budget was adopted.
- An augmentation of \$621,000 in the parks and recreation budget, due to funds being carried forward after year-end, as the installation of the new splash pad was not completed in the previous fiscal year. This funding is sourced from the Coronavirus State and Local Fiscal Recovery Funds.

Differences between the final amended budget and the actual results totaled \$2,781,034. The key points are as follows:

- General government operational costs were \$1,425,000 lower than budgeted, resulting in significant savings.
- Public safety funds saw a reduction of \$484,000 due to project delays, safety initiatives, and lower operational expenses.
- Public works funds were underutilized by \$483,000 due to project timing and associated costs, leading to decreased expenditures and re-appropriation.
- Community development operational costs were \$315,000 less than budgeted, contributing to the overall budget surplus.

Capital Asset and Debt Administration

Capital Assets – As of June 30, 2024, the Town's investment in capital assets for governmental and business-type activities totaled \$37,829,687 (after accounting for accumulated depreciation). This includes land, buildings, improvements, vehicles, equipment, and infrastructure. The overall increase in capital asset investment for the current fiscal year was 7.7%, with a 2.4% increase in governmental

activities and a 14.2% 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	
	2024	2023	2024	2023	2024	2023
Land	\$ 3,484,356	\$ 3,484,356	\$ 683,098	\$ 683,098	\$ 4,167,454	\$ 4,167,454
Buildings and improvements	14,987,815	14,944,287	2,977,114	2,977,114	17,964,929	17,921,401
Vehicles and equipment	7,985,228	7,766,310	2,342,865	2,241,037	10,328,093	10,007,347
Infrastructure	26,139,701	25,937,403	38,958,384	28,825,843	65,098,085	54,763,246
Subscription right-of-use assets	204,188	-	-	-	204,188	-
Construction in progress	1,069,067	-	1,095,042	8,596,406	2,164,109	8,596,406
Less accumulated depreciation	(34,130,084)	(32,848,058)	(27,967,087)	(27,490,718)	(62,097,171)	(60,338,776)
Total	\$ 19,740,271	\$ 19,284,298	\$ 18,089,418	\$ 15,832,780	\$ 37,829,687	\$ 35,117,078

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, 2024, the Town's outstanding total debt and liabilities amounted to \$11,779,011. Among this sum, \$4,105,000 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	
	2024	2023	2024	2023	2024	2023
General obligation bonds	\$ 1,900,000	\$ 3,050,000	\$ 2,205,000	\$ 2,395,000	\$ 4,105,000	\$ 5,445,000
Bond premium	533,751	711,667	304,021	337,800	837,772	1,049,467
Finance purchases	2,158,162	173,000	3,301,891	-	5,460,053	173,000
Notes payable	64,412	129,339	-	-	64,412	129,339
Compensated absences	606,414	565,924	136,984	127,810	743,398	693,734
Subscription liability	91,710	-	-	-	91,710	-
Landfill liability	476,666	461,438	-	-	476,666	461,438
Total	\$ 5,831,115	\$ 5,091,368	\$ 5,947,896	\$ 2,860,610	\$11,779,011	\$ 7,951,978

The Town's total debt increased from \$7,951,978 in FY2023 to \$11,779,011 in FY2024, marking a significant increase of \$3,827,033 or 48.1%. New lease purchase financing agreements, including the acquisition of police vehicles and water meter replacement projects, primarily drove this increase. However, the Town continued to make regular debt service payments, allocating \$3,123,121 towards bonds and notes payable, along with the ongoing water replacement project.

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 2025:

- Meals tax revenue surged by \$175,000, a notable increase of 4.8%.
- Lodging tax revenue experienced a significant rise of \$50,000, marking a 6.7% increase.
- Sales tax revenue showed a moderate increase of \$30,000, reflecting a 6.7% uptick.

The total appropriation for all funds now stands at \$24,959,355, reflecting a decline of \$5,614,975 or 18.4% from the Fiscal Year 2024 Adopted Budget of \$30,574,331. This decrease is largely due to the substantial reduction in ARPA funding available for expenditure in FY25 compared to FY24.

Within the General Fund Budget for the fiscal year 2025, which totals \$15,458,058, there is a decrease of \$935,212 or 5.7% from the fiscal year 2024 adopted budget of \$16,393,270. This decline is primarily due to the elimination of the contract with the ICA facility, which reduced the revenue previously budgeted. Additionally, in FY25, the general fund was designed to be self-sustaining, with no transfers from other funds. Furthermore, in FY24, public safety received an additional ARPA grant of \$216,000, which was not received in FY25.

The general fund's most substantial revenue category is "taxes and licenses," constituting 58% of the total. General property taxes contribute 5.2% to the overall general fund budget.

Regarding functional expenditures, the general fund dedicates 25.6% to public works and 38% 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

THIS PAGE INTENTIONALLY BLANK

BASIC FINANCIAL STATEMENTS

TOWN OF FARMVILLE, VIRGINIA

STATEMENT OF NET POSITION

June 30, 2024

	Primary Government			Component Unit
	Governmental Activities	Business-Type Activities	Totals	Industrial Development Authority
ASSETS				
Cash, cash equivalents, and investments (Note 2)				
Unrestricted	\$ 4,149,466	\$ 8,328,561	\$ 12,478,027	\$ 385,752
Restricted	9,232,000	2,533,481	11,765,481	-
Receivables, net (Note 3)	565,725	629,262	1,194,987	610
Note receivable (Note 6)	-	-	-	31,073
Due from component unit (Note 4)	31,185	-	31,185	-
Due from other governments (Note 5)	410,912	36,932	447,844	-
Prepays	151,219	-	151,219	-
Inventories	46,133	175,579	221,712	-
Note receivable, long-term (Note 6)	-	-	-	64,277
Net pension asset (Notes 14 and 15)	201,615	35,864	237,479	-
Due from component unit, long-term (Note 4)	512,175	-	512,175	-
Long-term deposit (Note 16)	937,250	-	937,250	-
Capital assets: (Note 7)				
Non-depreciable	4,553,423	1,778,321	6,331,744	-
Depreciable, net	15,186,848	16,311,097	31,497,945	-
Total assets	<u>35,977,951</u>	<u>29,829,097</u>	<u>65,807,048</u>	<u>481,712</u>
DEFERRED OUTFLOWS OF RESOURCES				
Deferred outflows related to pension (Notes 14 and 15)	402,974	71,683	474,657	-
Deferred outflows related to other postemployment benefits (Notes 13 and 15)	502,410	116,602	619,012	-
Total deferred outflows of resources	<u>905,384</u>	<u>188,285</u>	<u>1,093,669</u>	<u>-</u>
LIABILITIES				
Accounts payable	1,506,954	349,949	1,856,903	-
Accrued payroll and related liabilities	150,714	42,769	193,483	-
Accrued interest	72,201	106,461	178,662	1,512
Due to primary government (Note 4)	-	-	-	31,185
Unearned revenue	4,700,897	29,681	4,730,578	-
Refundable deposits	17,181	105,799	122,980	-
Net other postemployment benefit liability, current (Notes 13 and 15)	116,143	25,768	141,911	-
Long-term liabilities:				
Due within one year (Note 8)	1,510,452	261,175	1,771,627	-
Due in more than one year (Note 8)	4,320,663	5,686,721	10,007,384	-
Due to primary government (Note 4)	-	-	-	512,175
Net other postemployment benefit liability (Notes 13 and 15)	1,045,290	243,783	1,289,073	-
Total liabilities	<u>13,440,495</u>	<u>6,852,106</u>	<u>20,292,601</u>	<u>544,872</u>
DEFERRED INFLOWS OF RESOURCES				
Deferred inflows related to other postemployment benefits (Notes 13 and 15)	280,075	65,002	345,077	-
NET POSITION				
Net investment in capital assets	16,276,537	14,620,627	30,897,164	-
Restricted for:				
Pension	201,615	35,864	237,479	-
Debt service	934,538	-	934,538	-
Future CIP projects	1,956,434	-	1,956,434	-
Grants and forfeiture funds	355,830	-	355,830	-
Unrestricted	3,437,811	8,443,783	11,881,594	(63,160)
Total net position	<u>\$ 23,162,765</u>	<u>\$ 23,100,274</u>	<u>\$ 46,263,039</u>	<u>\$ (63,160)</u>

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

TOWN OF FARMVILLE, VIRGINIA

STATEMENT OF ACTIVITIES
Year Ended June 30, 2024

Functions/Programs Primary Government:	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		Total	
					Governmental Activities	Business-Type Activities		
Governmental activities:								Industrial Development Authority
General government	\$ 2,072,893	\$ 1,107,226	\$ -	\$ -	\$ (965,667)	\$ (965,667)	\$ (965,667)	
Public safety	5,048,531	242,217	665,275	114,388	(4,026,651)	(4,026,651)	(4,026,651)	
Public works	5,891,869	408,106	2,233,540	-	(3,250,223)	(3,250,223)	(3,250,223)	
Parks, recreation, and cultural	445,763	45,654	-	430,765	30,656	30,656	30,656	
Community development	899,914	69,781	10,633	-	(819,500)	(819,500)	(819,500)	
Interest on long-term debt	7,219	-	-	-	(7,219)	(7,219)	(7,219)	
Total governmental activities	14,366,189	1,872,984	2,909,448	545,153	(9,038,604)	(9,038,604)	(9,038,604)	
Business-type activities:								
Water	1,742,899	1,957,359	10,930	1,041,648	\$ 1,267,038	\$ 1,267,038	\$ 1,267,038	
Sewer	1,331,691	2,338,297	2,000	148,554	1,157,160	1,157,160	1,157,160	
Transportation	790,350	9,066	730,354	243,430	192,500	192,500	192,500	
Airport	385,606	100,372	43,355	688,598	446,719	446,719	446,719	
Total business-type activities	4,250,546	4,405,094	786,639	2,122,230	3,063,417	3,063,417	3,063,417	
Total primary government	\$ 18,616,735	\$ 6,278,078	\$ 3,696,087	\$ 2,667,383	(9,038,604)	(9,038,604)	(5,975,187)	
Component unit:	\$ 27,504	\$ 20,954	\$ -	\$ -	-	-	-	\$ (6,550)
Industrial Development Authority								
General revenues:								
Real estate and personal property taxes					1,164,251		1,164,251	
Other taxes:								
Local sales and use taxes					828,273		828,273	
Consumption tax					27,947		27,947	
Consumers' utility taxes					368,417		368,417	
Business licenses					1,707,392		1,707,392	
Franchise license taxes					274,805		274,805	
Motor vehicle licenses					85,820		85,820	
Cigarette taxes					183,800		183,800	
Meals and lodging taxes					4,707,552		4,707,552	
Noncategorical state and federal aid					-		-	
Investment income					86,884		86,884	
Gain on sale of assets					783,842		783,842	
Town contribution					37,483		37,483	
Miscellaneous					-		-	
Total general revenues and transfers					685,698		685,698	
Change in net position					10,942,164		10,942,164	
Net position - beginning					1,903,560		1,903,560	
Net position - ending					21,259,205		21,259,205	
Net position - ending					\$ 23,162,765		\$ 23,162,765	
Net position - ending								\$ 46,263,039
Net position - ending								\$ (63,160)

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

TOWN OF FARMVILLE, VIRGINIA

**BALANCE SHEET –
GOVERNMENTAL FUNDS
June 30, 2024**

	General	Street Maintenance	Nonmajor Governmental Fund	Total
ASSETS				
Cash, cash equivalents, and investments	\$ 2,725,978	\$ 1,423,488	\$ -	\$ 4,149,466
Cash, cash equivalents, and investments – restricted	9,215,455	-	16,545	9,232,000
Receivables, net				
Taxes	455,248	-	-	455,248
Accounts	56,758	-	-	56,758
Other	53,719	-	-	53,719
Due from component unit	543,360	-	-	543,360
Due from other governments	410,912	-	-	410,912
Prepays	151,219	-	-	151,219
Inventories, net	46,133	-	-	46,133
	<u>\$ 13,658,782</u>	<u>\$ 1,423,488</u>	<u>\$ 16,545</u>	<u>\$ 15,098,815</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES				
LIABILITIES				
Accounts payable	\$ 431,917	\$ 1,075,037	\$ -	\$ 1,506,954
Accrued payroll and related liabilities	138,935	11,779	-	150,714
Unearned grants	4,700,897	-	-	4,700,897
Refundable deposits	17,181	-	-	17,181
	<u>5,288,930</u>	<u>1,086,816</u>	<u>-</u>	<u>6,375,746</u>
DEFERRED INFLOWS OF RESOURCES				
Unavailable/deferred revenue	114,156	-	-	114,156
FUND BALANCES (Note 11)				
Nonspendable	740,712	-	-	740,712
Restricted	4,514,558	-	16,545	4,531,103
Committed	306,825	8,984	-	315,809
Assigned	-	327,688	-	327,688
Unassigned	2,693,601	-	-	2,693,601
	<u>8,255,696</u>	<u>336,672</u>	<u>16,545</u>	<u>8,608,913</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 13,658,782</u>	<u>\$ 1,423,488</u>	<u>\$ 16,545</u>	<u>\$ 15,098,815</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, 2024

Total fund balances – governmental funds \$ 8,608,913

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	\$ 53,870,355	
Accumulated depreciation and amortization	<u>(34,130,084)</u>	
		19,740,271

Other long-term assets are not available to pay for current period expenditures and is not reported in the funds.

937,250

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	(1,161,433)	
Net other postemployment deferred inflows	(280,075)	
Net other postemployment deferred outflows	<u>502,410</u>	
		(939,098)

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

Net pension asset	201,615	
Net pension outflows	<u>402,974</u>	
		604,589

Certain other assets are also not available to pay for current period expenditures and, therefore, are reported as deferred inflows in the funds.

114,156

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	(2,433,751)	
Notes payable	(64,412)	
Financed purchase	(2,158,161)	
Compensated absences	(606,414)	
Accrued interest	(72,201)	
Subscription liability	(91,711)	
Landfill	<u>(476,666)</u>	
		<u>(5,903,316)</u>

Total net position – governmental activities \$ 23,162,765

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, 2024**

	General	Street Maintenance	Nonmajor Governmental Fund	Total
REVENUES				
Property taxes	\$ 1,159,866	\$ -	\$ -	\$ 1,159,866
Other local taxes	8,179,723	-	-	8,179,723
Fines and forfeitures	197,128	-	-	197,128
Permits, privilege fees, and regulatory licenses	55,862	-	-	55,862
Revenue from use of money and property	913,528	-	21	913,549
Charges for services	757,982	-	-	757,982
Miscellaneous	593,473	-	-	593,473
Contributions	8,639	-	-	8,639
Recovered costs	862,261	-	-	862,261
Intergovernmental	1,304,762	2,224,346	3,489	3,532,597
Total revenues	<u>14,033,224</u>	<u>2,224,346</u>	<u>3,510</u>	<u>16,261,080</u>
EXPENDITURES				
Current:				
General government	2,693,897	-	-	2,693,897
Public safety	5,240,690	-	-	5,240,690
Public works	3,126,929	2,324,107	-	5,451,036
Parks, recreation, and cultural	1,150,070	-	-	1,150,070
Community development	973,520	-	-	973,520
Debt service:				
Principal	1,328,875	-	-	1,328,875
Interest	154,472	-	-	154,472
Total expenditures	<u>14,668,453</u>	<u>2,324,107</u>	<u>-</u>	<u>16,992,560</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(635,229)</u>	<u>(99,761)</u>	<u>3,510</u>	<u>(731,480)</u>
OTHER FINANCING SOURCES				
Issuance of financed purchase and subscription liability	2,190,820	-	-	2,190,820
Total other financing sources	<u>2,190,820</u>	<u>-</u>	<u>-</u>	<u>2,190,820</u>
Net change in fund balances	1,555,591	(99,761)	3,510	1,459,340
FUND BALANCES				
Beginning	6,700,105	436,433	13,035	7,149,573
Ending	<u>\$ 8,255,696</u>	<u>\$ 336,672</u>	<u>\$ 16,545</u>	<u>\$ 8,608,913</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, 2024**

Net change in fund balances – total governmental funds \$ 1,459,340

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	\$ 2,217,884	
Depreciation and amortization expense	(1,758,539)	
		459,345

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.

(3,372)

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, notes payable, and financed purchases	1,328,875	
Issuance of financed purchase	(2,099,109)	
Issuance of subscription liabilities	(91,711)	
Amortization of premium	177,916	
Change in accrued interest	(30,663)	
		(714,692)

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	108,871	
Other postemployment expense	(97,073)	
		11,798

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	285,458	
Pension expense	452,732	
		738,190

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	(15,228)	
Change in compensated absences	(40,490)	
		(55,718)

Revenues in the Statement of Activities that do not provide current financial resources are not reported as revenues in the funds.

8,669

Total change in net position – governmental activities \$ 1,903,560

TOWN OF FARMVILLE, VIRGINIA

**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE –
BUDGET AND ACTUAL – GENERAL FUND
Year Ended June 30, 2024**

	Budgeted Amounts		Actual	Variances with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Property taxes	\$ 1,154,635	\$ 1,154,635	\$ 1,159,866	\$ 5,231
Other local taxes	7,613,000	7,613,000	8,179,723	566,723
Fines and forfeitures	97,000	97,000	197,128	100,128
Permits, privilege fees, and regulatory licenses and property	50,035	50,035	55,862	5,827
Revenue from use of money	259,491	329,363	913,528	584,165
Charges for services	728,375	728,375	757,982	29,607
Miscellaneous	1,904,943	3,252,207	593,473	(2,658,734)
Contributions	2	16,175	8,639	(7,536)
Recovered costs	978,693	1,436,855	862,261	(574,594)
Intergovernmental	673,530	833,775	1,304,762	470,987
Total revenues	<u>13,459,704</u>	<u>15,511,420</u>	<u>14,033,224</u>	<u>(1,478,196)</u>
EXPENDITURES				
Current:				
General government	2,392,815	4,119,018	2,693,897	1,425,121
Public safety	5,464,659	5,724,343	5,240,690	483,653
Public works	3,685,584	3,609,873	3,126,929	482,944
Parks, recreation, and cultural	581,426	1,217,843	1,150,070	67,773
Community development	884,204	1,288,205	973,520	314,685
Debt service:				
Principal	1,247,739	1,329,739	1,328,875	864
Interest	133,768	160,466	154,472	5,994
Total expenditures	<u>14,390,195</u>	<u>17,449,487</u>	<u>14,668,453</u>	<u>2,781,034</u>
Deficiency of revenues under expenditures	<u>(930,491)</u>	<u>(1,938,067)</u>	<u>(635,229)</u>	<u>1,302,838</u>
OTHER FINANCING SOURCES (USES):				
Contingency	-	(586,533)	-	586,533
Issuance of financed purchases and subscription liability	464,000	2,058,109	2,190,820	132,711
Transfers in	466,491	466,491	-	(466,491)
Total other financing sources	<u>930,491</u>	<u>1,938,067</u>	<u>2,190,820</u>	<u>252,753</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,555,591</u>	<u>\$ 1,555,591</u>

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

TOWN OF FARMVILLE, VIRGINIA

STATEMENT OF NET POSITION –
PROPRIETARY FUNDS

June 30, 2024

	Enterprise Funds				
	Water	Sewer	Transportation	Airport	Total
ASSETS					
CURRENT ASSETS					
Cash, cash equivalents, and investments	\$ 3,170,000	\$ 4,050,411	\$ 1,061,856	\$ 46,294	\$ 8,328,561
Cash, cash equivalents, and investments, restricted	2,533,481	-	-	-	2,533,481
Receivables, net	284,157	345,105	-	-	629,262
Due from other governments	-	-	6,935	29,997	36,932
Inventories	123,676	15,943	-	35,960	175,579
Total current assets	6,111,314	4,411,459	1,068,791	112,251	11,703,815
NONCURRENT ASSETS					
Net pension asset	14,727	13,207	7,930	-	35,864
Capital assets:					
Non-depreciable	1,254,424	113,495	16,050	394,352	1,778,321
Depreciable, net	3,427,096	1,335,324	761,790	10,786,887	16,311,097
Total noncurrent assets	4,696,247	1,462,026	785,770	11,181,239	18,125,282
Total assets	10,807,561	5,873,485	1,854,561	11,293,490	29,829,097
DEFERRED OUTFLOWS OF RESOURCES					
Deferred outflows related to pension	29,435	26,397	15,851	-	71,683
Deferred outflows related to other postemployment benefits	38,978	33,894	39,784	3,946	116,602
Total deferred outflows of resources	68,413	60,291	55,635	3,946	188,285
LIABILITIES					
CURRENT LIABILITIES					
Accounts payable	253,488	79,241	6,758	10,462	349,949
Accrued payroll and related liabilities	15,100	13,418	12,635	1,616	42,769
Accrued interest	106,461	-	-	-	106,461
Unearned revenue	29,681	-	-	-	29,681
Refundable deposits	105,656	143	-	-	105,799
Net other postemployment benefit liability, current	8,635	7,539	8,772	822	25,768
Long-term liabilities, due within one year	244,216	8,565	6,965	1,429	261,175
Total current liabilities	763,237	108,906	35,130	14,329	921,602
NONCURRENT LIABILITIES					
Net other postemployment benefit liability	81,472	70,815	83,196	8,300	243,783
Long-term liabilities, due in more than one year	5,618,879	34,261	27,863	5,718	5,686,721
Total noncurrent liabilities	5,700,351	105,076	111,059	14,018	5,930,504
Total liabilities	6,463,588	213,982	146,189	28,347	6,852,106
DEFERRED INFLOWS OF RESOURCES					
Deferred inflows related to other postemployment benefits	21,729	18,895	22,178	2,200	65,002
Total deferred inflows of resources	21,729	18,895	22,178	2,200	65,002
NET POSITION					
Net investment in capital assets	1,212,729	1,448,819	777,840	11,181,239	14,620,627
Restricted for pension	14,727	13,207	7,930	-	35,864
Unrestricted	3,163,201	4,238,873	956,059	85,650	8,443,783
	\$ 4,390,657	\$ 5,700,899	\$ 1,741,829	\$ 11,266,889	\$ 23,100,274

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, 2024**

	Enterprise Funds				Total
	Water	Sewer	Transportation	Airport	
OPERATING REVENUES					
Charges for services	\$ 1,957,359	\$ 2,338,297	\$ 9,066	\$ 100,372	\$ 4,405,094
OPERATING EXPENSES					
Salaries and wages	477,572	399,422	476,222	45,189	1,398,405
Benefits	121,717	90,512	63,866	22,192	298,287
Fuel	-	-	74,597	70,683	145,280
Professional fees	14,618	36,720	-	3,600	54,938
Sludge removal	24,384	154,686	-	-	179,070
Chemicals	94,892	105,223	-	-	200,115
Depreciation	355,424	149,778	91,984	145,474	742,660
Repairs and maintenance	179,343	92,127	42,425	73,805	387,700
Other charges	52,586	25,810	10,174	5,328	93,898
Utilities	130,034	175,483	10,953	13,995	330,465
Insurance	20,797	29,689	20,129	5,340	75,955
General and administrative	102,934	72,241	-	-	175,175
Total operating expenses	1,574,301	1,331,691	790,350	385,606	4,081,948
Operating income (loss)	383,058	1,006,606	(781,284)	(285,234)	323,146
NONOPERATING REVENUES (EXPENSES)					
Tap income	154,265	118,500	-	-	272,765
Rental income	66,516	-	-	7,660	74,176
Other income	5,528	5,150	27,777	673	39,128
Federal and state grants	10,930	2,000	526,554	35,755	575,239
Other contributions	-	-	203,800	7,600	211,400
Interest income	135,004	57,527	-	429	192,960
Interest expense	(168,598)	-	-	-	(168,598)
Total nonoperating revenues	203,645	183,177	758,131	52,117	1,197,070
Income (loss) before transfers	586,703	1,189,783	(23,153)	(233,117)	1,520,216
Capital contributions	1,041,648	148,554	243,430	688,598	2,122,230
	1,041,648	148,554	243,430	688,598	2,122,230
Change in net position	1,628,351	1,338,337	220,277	455,481	3,642,446
Total net position – beginning	2,762,306	4,362,562	1,521,552	10,811,408	19,457,828
Total net position – ending	\$ 4,390,657	\$ 5,700,899	\$ 1,741,829	\$ 11,266,889	\$ 23,100,274

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, 2024

	Enterprise Funds				Total
	Water	Sewer	Transportation	Airport	
OPERATING ACTIVITIES					
Received from customers	\$ 1,901,935	\$ 2,272,050	\$ 9,066	\$ 100,372	\$ 4,283,423
Payments to suppliers for goods and services	(606,469)	(648,891)	(187,750)	(186,551)	(1,629,661)
Payments to employees for services	(644,047)	(534,927)	(565,031)	(66,117)	(1,810,122)
Nonoperating revenue	224,333	123,650	27,777	8,333	384,093
Net cash provided by (used in) operating activities	875,752	1,211,882	(715,938)	(143,963)	1,227,733
NONCAPITAL FINANCING ACTIVITIES					
Operating grants received	10,930	2,000	811,202	43,355	867,487
Net cash provided by noncapital financing activities	10,930	2,000	811,202	43,355	867,487
CAPITAL AND RELATED FINANCING ACTIVITIES					
Acquisition of capital assets	(1,750,968)	(387,082)	(267,320)	(766,002)	(3,171,372)
Capital contributions received	1,041,648	148,554	243,430	767,230	2,200,862
Proceeds from lease purchase	3,301,891	-	-	-	3,301,891
Principal payments on long-term debt	(190,000)	-	-	-	(190,000)
Interest payments on long-term debt	(125,577)	-	-	-	(125,577)
Net cash provided by (used in) capital and related financing activities	2,276,994	(238,528)	(23,890)	1,228	2,015,804
INVESTING ACTIVITIES					
Interest on investments	135,004	57,527	-	429	192,960
Net increase (decrease) in cash and investments	3,298,680	1,032,881	71,374	(98,951)	4,303,984
CASH, CASH EQUIVALENTS, AND INVESTMENTS					
Beginning	2,404,801	3,017,530	990,482	145,245	6,558,058
Ending	\$ 5,703,481	\$ 4,050,411	\$ 1,061,856	\$ 46,294	\$ 10,862,042
RECONCILIATION TO EXHIBIT 8					
Cash, cash equivalents, and investments	\$ 3,170,000	\$ 4,050,411	\$ 1,061,856	\$ 46,294	\$ 8,328,561
Cash, cash equivalents, and investments, restricted	2,533,481	-	-	-	2,533,481
	\$ 5,703,481	\$ 4,050,411	\$ 1,061,856	\$ 46,294	\$ 10,862,042

(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, 2024**

	Enterprise Funds				Total
	Water	Sewer	Transportation	Airport	
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES					
Operating income (loss)	\$ 383,058	\$ 1,006,606	\$ (781,284)	\$ (285,234)	\$ 323,146
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:					
Depreciation	355,424	149,778	91,984	145,474	742,660
OPEB expense	293	(512)	(1,604)	(19)	(1,842)
Pension expense	(52,737)	(49,407)	(29,610)	-	(131,754)
Nonoperating revenue, net	224,333	123,650	27,777	8,333	384,093
Change in operating assets and liabilities					
Change in receivables	(56,593)	(66,285)	-	-	(122,878)
Change in inventories	(112)	3,760	-	18,510	22,158
Change in accounts payable	13,231	39,328	(29,472)	(32,310)	(9,223)
Change in accrued payroll and related liabilities	7,686	4,926	6,271	1,283	20,166
Change in refundable deposits	1,169	38	-	-	1,207
	<u>\$ 875,752</u>	<u>\$ 1,211,882</u>	<u>\$ (715,938)</u>	<u>\$ (143,963)</u>	<u>\$ 1,227,733</u>
SCHEDULE OF NONCASH ACTIVITIES					
Capital assets purchases included in accounts payable	<u>\$ 191,360</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 191,360</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, 2024

	<u>Paulette Memorial Trust Fund</u>
ASSETS	
Cash	<u>\$ -</u>
NET POSITION	
Restricted for employees	<u><u>\$ -</u></u>

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, 2024

	<u>Paulette Memorial Trust Fund</u>
DEDUCTIONS	
Administrative expenses	<u>\$ 165</u>
Decrease in fiduciary net position	(165)
NET POSITION	
Beginning	<u>165</u>
Ending	<u><u>\$ -</u></u>

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

TOWN OF FARMVILLE, VIRGINIA
NOTES TO FINANCIAL STATEMENTS
June 30, 2024

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 2024. The Town has no equity interest in the Library.

TOWN OF FARMVILLE, VIRGINIA
NOTES TO FINANCIAL STATEMENTS
June 30, 2024

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 balance, 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, 2024

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, 2024

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, 2024

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

Subscription assets are amortized over the shorter of the subscription term or useful life of the underlying asset.

(Continued)

TOWN OF FARMVILLE, VIRGINIA
NOTES TO FINANCIAL STATEMENTS
June 30, 2024

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 assets 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 assets 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 lease OPEB liability. This difference will be recognized in lease 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 assumptions on OPEB investments. 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 and other postemployment benefits (OPEB); this will be applied to the net pension or OPEB 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, 2024

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.

(Continued)

TOWN OF FARMVILLE, VIRGINIA
NOTES TO FINANCIAL STATEMENTS
June 30, 2024

Note 1. Summary of Significant Accounting Policies (Continued)

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

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

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.

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, 2024, the IDA had a deficit in unrestricted net position of \$63,160. 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, 2024

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 prepared and adopted for both the General Fund and the Street Maintenance Fund. All budgets are presented in accordance with the modified accrual basis of accounting, ensuring consistency across both funds.

Budgets are adopted for management control purposes within the Enterprise Funds. The same restrictions on budget transfers that apply to governmental funds are also applicable 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, 2024

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:

<u>Type</u>	<u>Fair Value</u>	<u>Credit Rating</u>	<u>Weighted Average Maturity*</u>	<u>Percent of Portfolio</u>
Demand deposits	\$ 8,946,822	N/A	N/A	36.91 %
LGIP	7,667,029	AAAm	0.86	31.62
Virginia Investment Pool	7,627,157	AAAm	1.78	31.46
Cash on hand	2,500	N/A	N/A	0.01
	<u>\$ 24,243,508</u>			<u>100.00%</u>

*Average maturity in years

Deposits and investments consist of the following:

	<u>Town of Farmville</u>	<u>Component Unit – Farmville IDA</u>
Petty cash	\$ 2,500	\$ -
Deposit accounts	8,946,822	385,752
Investments	15,294,186	-
Total deposits and investments	<u>\$ 24,243,508</u>	<u>\$ 385,752</u>
Reconciliation of deposits and investments to Exhibit 1:		
Cash, cash equivalents, and investments	\$ 12,478,027	\$ 385,752
Cash, cash equivalents, and investments, restricted	11,765,481	-
Total deposits and investments	<u>\$ 24,243,508</u>	<u>\$ 385,752</u>

(Continued)

TOWN OF FARMVILLE, VIRGINIA
NOTES TO FINANCIAL STATEMENTS
June 30, 2024

Note 2. Deposits and Investments (Continued)

Investments (Continued)

Restricted cash and cash equivalents

Restricted cash and cash equivalents consists of the following:

	<u>Governmental Activities</u>	<u>Business-Type Activities</u>	<u>Totals</u>
Unspent financed purchases proceeds Maintained as a condition of certain bond instruments	\$ 1,284,301	\$ 2,533,481	\$ 3,817,782
Future CIP projects	934,538	-	934,538
Grant restrictions and forfeiture funds	1,956,434	-	1,956,434
	<u>5,056,727</u>	<u>-</u>	<u>5,056,727</u>
	<u>\$ 9,232,000</u>	<u>\$ 2,533,481</u>	<u>\$ 11,765,481</u>

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	\$ 473,322	\$ -	\$ -
Accounts	65,035	668,237	-
Other	<u>53,719</u>	<u>-</u>	<u>610</u>
Gross receivables	592,076	668,237	610
Less: allowance for uncollectible	<u>(26,351)</u>	<u>(38,975)</u>	<u>-</u>
Net receivables	<u>\$ 565,725</u>	<u>\$ 629,262</u>	<u>\$ 610</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, 2024, *unavailable revenue* related to taxes receivable was \$114,156.

TOWN OF FARMVILLE, VIRGINIA
NOTES TO FINANCIAL STATEMENTS
June 30, 2024

Note 4. 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, 2024, 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, 2024. 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, 2024, the balance owed to the Town from the component unit Farmville Industrial Development Authority consists of the following:

Payables	\$	422,591
Bond payments		120,769
		543,360
Less: long-term portion		(512,175)
Current portion	\$	31,185

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

Fiscal Year	Due to Town (Bond Re-Payments)		
	Principal	Interest	Total
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	7,208	1,821	9,029
2030-2033	32,362	3,425	35,787
	\$ 120,769	\$ 18,758	\$ 139,527

TOWN OF FARMVILLE, VIRGINIA
NOTES TO FINANCIAL STATEMENTS
June 30, 2024

Note 5. 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	\$ 27,796	\$ -
Law enforcement grant	66,072	-
Transportation operations	-	6,935
Airport construction	-	29,997
Utility tax	28,470	-
Communication tax	53,603	-
Other miscellaneous state and federal grants	73,785	-
Sales taxes	81,919	-
Prince Edwards County	79,267	-
	\$ 410,912	\$ 36,932

Note 6. Note Receivable

Component unit

The IDA currently has one note receivable outstanding for the fiscal year ended June 30, 2024 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, 2024, the balance of the note was \$125,304.

Based on the Authority's analysis of the note at June 30, 2024, no allowance was recorded. Management evaluates the performance and payment history of the company annually to determine the required allowance.

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

Fiscal Year	Notes Receivable		
	Principal	Interest	Total
2025	\$ 31,073	\$ 2,044	\$ 33,117
2026	32,186	1,234	33,420
2027	32,091	410	32,501
	\$ 95,350	\$ 3,688	\$ 99,038

(Continued)

TOWN OF FARMVILLE, VIRGINIA
NOTES TO FINANCIAL STATEMENTS
June 30, 2024

Note 7. Capital Assets

Capital asset activity for the year was as follows:

<u>Governmental Activities</u>	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
Capital assets, not depreciated				
Land	\$ 3,484,356	\$ -	\$ -	\$ 3,484,356
Construction in progress	-	1,069,067	-	1,069,067
Total capital assets, not depreciated	<u>3,484,356</u>	<u>1,069,067</u>	<u>-</u>	<u>4,553,423</u>
Capital assets, depreciated and amortized				
Buildings and improvements	14,944,287	43,528	-	14,987,815
Infrastructure	25,937,403	308,941	(106,644)	26,139,700
Vehicles and equipment	7,766,310	732,028	(513,109)	7,985,229
Subscription right-to-use assets	-	204,188	-	204,188
Total capital assets, depreciated and amortized	<u>48,648,000</u>	<u>1,288,685</u>	<u>(619,753)</u>	<u>49,316,932</u>
Less accumulated depreciation				
Buildings and improvements	(7,579,840)	(421,661)	-	(8,001,501)
Infrastructure	(19,210,414)	(661,423)	106,644	(19,765,193)
Vehicles and equipment	(6,057,804)	(623,279)	385,756	(6,295,327)
Subscription right-to-use assets	-	(68,063)	-	(68,063)
Total accumulated depreciation and amortized	<u>(32,848,058)</u>	<u>(1,774,426)</u>	<u>492,400</u>	<u>(34,130,084)</u>
Total capital assets, depreciated and amortized, net	<u>15,799,942</u>	<u>(485,741)</u>	<u>(127,353)</u>	<u>15,186,848</u>
Governmental activities capital assets, net	<u>\$ 19,284,298</u>	<u>\$ 583,326</u>	<u>\$ (127,353)</u>	<u>\$ 19,740,271</u>

(Continued)

TOWN OF FARMVILLE, VIRGINIA
NOTES TO FINANCIAL STATEMENTS
June 30, 2024

Note 7. 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	8,596,406	1,786,147	(9,287,330)	1,095,223
Total capital assets, not depreciated	<u>9,279,504</u>	<u>1,786,147</u>	<u>(9,287,330)</u>	<u>1,778,321</u>
Capital assets, depreciated				
Buildings and improvements	2,977,114	-	-	2,977,114
Infrastructure	28,825,843	10,132,541	-	38,958,384
Vehicles and equipment	2,241,037	328,659	(227,011)	2,342,685
Total capital assets, depreciated	<u>34,043,994</u>	<u>10,461,200</u>	<u>(227,011)</u>	<u>44,278,183</u>
Less accumulated depreciation				
Buildings and improvements	(2,241,178)	(47,058)	-	(2,288,236)
Infrastructure	(23,429,516)	(549,040)	-	(23,978,556)
Vehicles and equipment	(1,820,024)	(146,562)	266,292	(1,700,294)
Total accumulated depreciation	<u>(27,490,718)</u>	<u>(742,660)</u>	<u>266,292</u>	<u>(27,967,086)</u>
Total capital assets, depreciated, net	<u>6,553,276</u>	<u>9,718,540</u>	<u>39,281</u>	<u>16,311,097</u>
Business-type activities capital assets, net	<u>\$ 15,832,780</u>	<u>\$ 11,504,687</u>	<u>\$ (9,248,049)</u>	<u>\$ 18,089,418</u>

(Continued)

TOWN OF FARMVILLE, VIRGINIA

NOTES TO FINANCIAL STATEMENTS
June 30, 2024

Note 7. Capital Assets (Continued)

Depreciation and amortization expense, not including \$15,887 transferred from the transportation fund, was charged to functions/programs as follows:

Governmental activities		
General government administration	\$	69,553
Public safety		371,120
Public works		1,282,371
Parks, recreation, and cultural		35,495
		<u>\$ 1,758,539</u>
Business-type activities		
Water fund	\$	355,424
Sewer fund		149,778
Transportation fund		91,984
Airport fund		145,474
		<u>\$ 742,660</u>

Note 8. 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	\$ 3,050,000	\$ -	\$ 1,150,000	\$ 1,900,000	\$ 860,000
Bond premium	711,667	-	177,916	533,751	177,916
Financed purchases	173,000	2,099,109	113,948	2,158,161	198,596
Notes payable	129,339	-	64,927	64,412	60,921
Subscription liability	-	91,711	-	91,711	44,069
Compensated absences	565,924	153,675	113,185	606,414	121,283
Landfill liability	461,438	15,228	-	476,666	47,667
				<u>\$ 5,831,115</u>	<u>\$ 1,510,452</u>
Governmental activities long-term liabilities	<u>\$ 5,091,368</u>	<u>\$ 2,359,723</u>	<u>\$ 1,619,976</u>	<u>\$ 5,831,115</u>	<u>\$ 1,510,452</u>
Business-Type Activities	Beginning Balance	Increases	Decreases	Ending Balance	Due Within One Year
General obligation bonds	\$ 2,395,000	\$ -	\$ 190,000	\$ 2,205,000	\$ 200,000
Bond premium	337,800	-	33,779	304,021	33,779
Financed purchases	-	3,301,891	-	3,301,891	-
Compensated absences	127,810	34,736	25,562	136,984	27,396
				<u>\$ 5,947,896</u>	<u>\$ 261,175</u>
Business-type activities long-term liabilities	<u>\$ 2,860,610</u>	<u>\$ 3,336,627</u>	<u>\$ 249,341</u>	<u>\$ 5,947,896</u>	<u>\$ 261,175</u>

(Continued)

TOWN OF FARMVILLE, VIRGINIA
NOTES TO FINANCIAL STATEMENTS
June 30, 2024

Note 8. 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
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	-	-	245,000	61,904	245,000	61,904
2030-2032	-	-	1,100,000	116,081	1,100,000	116,081
	<u>\$ 1,900,000</u>	<u>\$ 106,650</u>	<u>\$ 2,205,000</u>	<u>\$ 530,623</u>	<u>\$ 4,105,000</u>	<u>\$ 637,273</u>

Year Ending June 30,	Governmental Activities		Business-Type Activities		Total	
	Financed Purchases		Financed Purchases		Financed Purchases	
	Principal	Interest	Principal	Interest	Principal	Interest
2025	\$ 198,596	\$ 91,317	\$ -	\$ 156,746	\$ 198,596	\$ 248,063
2026	248,576	85,202	89,022	155,024	337,598	240,226
2027	212,263	74,890	184,113	148,707	396,376	223,597
2028	129,928	68,069	193,554	139,952	323,482	208,021
2029	97,678	63,134	202,322	130,770	300,000	193,904
2030-2034	561,977	241,551	1,164,023	500,329	1,726,000	741,880
2035-2039	709,143	94,740	1,468,857	196,233	2,178,000	290,973
	<u>\$ 2,158,161</u>	<u>\$ 718,903</u>	<u>\$ 3,301,891</u>	<u>\$ 1,427,761</u>	<u>\$ 5,460,052</u>	<u>\$ 2,146,664</u>

Year Ending June 30,	Governmental Activities			
	Note Payable		Subscription Liability	
	Principal	Interest	Principal	Interest
2025	\$ 60,921	\$ 1,432	\$ 44,069	\$ 4,145
2026	3,491	11	47,642	2,153
	<u>\$ 64,412</u>	<u>\$ 1,443</u>	<u>\$ 91,711</u>	<u>\$ 6,298</u>

(Continued)

TOWN OF FARMVILLE, VIRGINIA
NOTES TO FINANCIAL STATEMENTS
June 30, 2024

Note 8. 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	\$ 1,900,000	\$ 2,205,000
<u>Notes Payable</u>						
USDA Rural Development:						
General Improvement 2018	3.250	05/2018	2025	94,000	\$ 13,919	\$ -
Benchmark Community Bank						
Benchmark – 7 yr	3.240	08/2018	2025	300,000	50,493	-
					<u>\$ 64,412</u>	<u>\$ -</u>
<u>Finance purchase</u>						
HomeTrust Bank – 5Yr	2.75	07/2022	2028	173,000	\$ 140,179	\$ -
HomeTrust Bank – 3 Yr	3.65	07/2023	2027	505,000	423,874	-
Bank of America – 15 Yr	4.695	12/2023	2039	4,896,000	1,594,108	3,301,891
					<u>\$ 2,158,161</u>	<u>\$ 3,301,891</u>

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.

In December 2023, the Town of Farmville entered into a financed purchase agreement with Bank of America, N.A. for a principal amount of \$4,896,000, bearing an interest rate of 4.695%. The loan is to be repaid over fifteen years, with semi-annual payments of principal and interest beginning in January 2026 and interest being paid semi-annually starting July 2024. The proceeds from this loan will be used to finance new water meters, parking meters, and other infrastructure upgrades.

The loan is secured by the Town’s assets. The Town anticipates making all required payments from the water and general fund.

Note 9. 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 \$476,666 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, 2024. 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.

TOWN OF FARMVILLE, VIRGINIA

NOTES TO FINANCIAL STATEMENTS
June 30, 2024

Note 10. Subscription-Based Information Technology Arrangements (SBITAs)

The Town has SBITAs for software platforms with periods expiring June 2026. The Town uses its estimated incremental borrowing rate of 4.52% as the discount rate as none of the subscription arrangements have an explicitly stated interest rate. The value of the right-to-use subscription asset and related accumulated amortization as of year-end are disclosed in Note 7. The related liability as well as principal and interest requirements to maturity are disclosed in Note 8. The annual payments range from \$13,000 to \$36,795.

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	\$ 46,133	\$ -	\$ -	\$ 46,133
Prepays	151,219	-	-	151,219
IDA note receivable	543,360	-	-	543,360
Total nonspendable	740,712	-	-	740,712
Restricted for:				
Unspent financed purchase proceeds	1,284,301	-	-	1,284,301
Police	-	-	16,545	16,545
Future CIP projects	1,956,434	-	-	1,956,434
Required debt service	934,538	-	-	934,538
E911 reserve	331,391	-	-	331,391
Narcotics reserve	7,894	-	-	7,894
Total restricted	4,514,558	-	16,545	4,531,103
Committed to:				
General government	-	-	-	
Public safety	244,300	-	-	244,300
Public works	26,242	-	-	26,242
Community development	311	-	-	311
Recreation	35,972	-	-	35,972
Street maintenance	-	8,984	-	8,984
Total committed	306,825	8,984	-	315,809
Assigned to:				
Public works	-	327,688	-	327,688
Total assigned	-	327,688	-	327,688
Unassigned	2,693,601	-	-	2,693,601
Total fund balance	\$ 8,255,696	\$ 336,672	\$ 16,545	\$ 8,608,913

(Continued)

TOWN OF FARMVILLE, VIRGINIA
NOTES TO FINANCIAL STATEMENTS
June 30, 2024

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, 2024, \$22,756, of forfeitures were used to reduce the Town’s contributions.

At June 30, 2024, there were 20 active Town employees and a total of 76 participants, including terminated employees enrolled in the DC Plan. During the year, the Town contributed a total of \$55,872 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

As of the July 1, 2023 actuarial valuation, the following employees were covered by the benefit terms of the plan:

Retirees currently receiving benefits	12	
Active employees	78	
Total	90	

TOWN OF FARMVILLE, VIRGINIA
NOTES TO FINANCIAL STATEMENTS
June 30, 2024

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

Total OPEB liability

The Town’s total OPEB liability of \$1,430,984 was measured as of June 30, 2023, and was determined based on an actuarial valuation performed as of July 1, 2023.

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	3.65% 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 July 1, 2023 valuation were based on the results of an actuarial experience study for the period from July 1, 2022 through June 30, 2023.

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

Changes in the total OPEB liability

Balance at June 30, 2023	\$ 1,551,592
Changes for the year:	
Service cost	31,400
Interest	52,501
Differences between expected and actual experience	(60,807)
Assumption or other input changes	(6,632)
Benefit payments	(137,070)
Net changes	(120,608)
Balance at June 30, 2024	\$ 1,430,984

(Continued)

TOWN OF FARMVILLE, VIRGINIA
NOTES TO FINANCIAL STATEMENTS
June 30, 2024

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 (2.65%) or one percentage point higher (4.65%) than the current discount rate:

	1.00% Decrease (2.65%)	Current Discount Rate (3.65%)	1.00% Increase (4.65%)
Total OPEB liability	\$ 1,492,955	\$ 1,430,984	\$ 1,372,778

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

For the year ended June 30, 2024, the Town recognized OPEB expense of \$119,519. At June 30, 2024, 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	\$ 475,472	\$ 208,223
Difference between expected and actual experience	10,379	136,854
Employer contributions subsequent to measurement date	133,161	-
	\$ 619,012	\$ 345,077

The \$133,161 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, 2025. 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 (Decrease) to OPEB Expense
2025	\$ 35,618
2026	35,618
2027	35,618
2028	35,618
2029	35,618
Thereafter	(37,316)

TOWN OF FARMVILLE, VIRGINIA
NOTES TO FINANCIAL STATEMENTS
June 30, 2024

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>.

Employees covered by benefit terms

As of the June 30, 2022, actuarial valuation, the following employees were covered by the benefit terms of the pension plan:

	Number
Inactive members:	
Non-vested inactive members	6
Inactive members active elsewhere in VRS	3
Total inactive members	9
Active members	79
Total covered employees	88

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, 2024 was 7.87% of covered employee compensation. This rate was based on an actuarially determined rate from an actuarial valuation as of June 30, 2022.

TOWN OF FARMVILLE, VIRGINIA
NOTES TO FINANCIAL STATEMENTS
June 30, 2024

Note 14. Defined Benefit Pension Plan (Continued)

Contributions (Continued)

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 \$336,237 and \$291,187 for the year ended June 30, 2024 and June 30, 2023, respectively.

Net pension liability (asset)

The net pension liability (asset) 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 (asset) was measured as of June 30, 2023. The total pension liability used to calculate the net pension liability (asset) was determined by an actuarial valuation performed as of June 30, 2022 rolled forward to the measurement date of June 30, 2023.

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, 2022, 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, 2023.

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, 2022 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, 2021. 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 to better fit experience; 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.

TOWN OF FARMVILLE, VIRGINIA
NOTES TO FINANCIAL STATEMENTS
June 30, 2024

Note 14. Defined Benefit Pension Plan (Continued)

Actuarial assumptions (Continued)

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.

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:

<u>Asset Class (Strategy)</u>	<u>Target Allocation</u>	<u>Arithmetic Long-Term Expected Rate of Return</u>	<u>Weighted Average Long-Term Expected Rate of Return</u>
Public Equity	34.00 %	6.14 %	2.09 %
Fixed Income	15.00	2.56	0.38
Credit Strategies	14.00	5.60	0.78
Real Assets	14.00	5.02	0.70
Private Equity	16.00	9.17	1.47
MAPS – Multi-Asset Public Strategies	4.00	4.50	0.18
PIP – Private Investment Partnership	2.00	7.18	0.14
Cash	1.00	1.20	0.01
Total	100.00 %		<u>5.75 %</u>
	Inflation		<u>2.50 %</u>
	*Expected arithmetic nominal return		<u>8.25 %</u>

* The above allocation provides for a one-year return of 8.25%. 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 7.14%, including expected inflation of 2.50%. On June 15, 2023, the VRS Board elected a long-term rate of 6.75% which is roughly at the 45th percentile of expected long-term results of the VRS fund asset allocation at that time, providing a median return of 7.14%, including expected inflation of 2.50%.

(Continued)

TOWN OF FARMVILLE, VIRGINIA
NOTES TO FINANCIAL STATEMENTS
June 30, 2024

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, 2022 actuarial valuations, whichever was greater. From July 1, 2023 on, participating employers are assumed to continue to contribute 100% of the actuarially determined contribution rates. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore, the long-term expected rate of return was applied to all periods of projected benefit payments to determine the total pension liability.

Changes in net pension liability (asset)

	Increase (Decrease)		
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (Asset) (a) – (b)
Balances at June 30, 2022	\$ 3,791,192	\$ 3,145,080	\$ 646,112
Changes for the year:			
Service cost	463,516		463,516
Interest	285,534	-	285,534
Contributions – employer	-	291,187	(291,187)
Contributions – employee	-	1,074,552	(1,074,552)
Net investment income	-	268,442	(268,442)
Benefit payments, including refunds of employee contributions	(49,147)	(49,147)	-
Administrative expenses	-	(1,658)	1,658
Other changes	-	118	(118)
Net changes	699,903	1,583,494	(883,591)
Balances at June 30, 2023	\$ 4,491,095	\$ 4,728,574	\$ (237,479)

(Continued)

TOWN OF FARMVILLE, VIRGINIA
NOTES TO FINANCIAL STATEMENTS
June 30, 2024

Note 14. Defined Benefit Pension Plan (Continued)

Sensitivity of the net pension liability (asset) to changes in the discount rate

The following presents the net pension liability (asset) of the 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 (asset)	\$ 463,607	\$ (237,479)	\$ (799,421)

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

For the year ended June 30, 2024, the political subdivision recognized pension benefit of \$533,713. At June 30, 2024, 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	\$ 138,420	\$ -
Employer contributions subsequent to the measurement date	336,237	-
	\$ 474,657	\$ -

TOWN OF FARMVILLE, VIRGINIA
NOTES TO FINANCIAL STATEMENTS
June 30, 2024

Note 14. Defined Benefit Pension Plan (Continued)

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

The \$336,237 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, 2025. 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 Ending June 30,	Effect on Pension Expense
2025	\$ 46,925
2026	46,925
2027	46,925
2028	(2,355)
2029	-
Thereafter	-

Pension plan data

Information about the VRS Political Subdivision Retirement Plans is also available in the separately issued VRS 2023 Annual Report. A copy of the 2023 VRS Annual Report may be downloaded from the VRS website at <http://www.varetire.org/Pdf/Publications/2023-annual-report.pdf>, or by writing to the System’s Chief Financial Officer at P.O. Box 2500, Richmond, VA, 23218-2500.

TOWN OF FARMVILLE, VIRGINIA
NOTES TO FINANCIAL STATEMENTS
June 30, 2024

Note 15. Summary of Pension and Other Postemployment Benefit Elements

	Governmental Activities	Business-Type Activities	Total Primary Government
Deferred outflows of resources – pensions			
Difference between expected and actual experience			
VRS	\$ 117,516	\$ 20,904	\$ 138,420
Employer contributions subsequent to the measurement date			
VRS	285,458	50,779	336,237
Total deferred outflows of resources – pensions	\$ 402,974	\$ 71,683	\$ 474,657
Deferred outflows of resources – OPEB			
Change in assumptions			
Local plan	\$ 385,132	\$ 90,340	\$ 475,472
Difference between expected and actual experience			
Local plan	8,407	1,972	10,379
Employer contributions subsequent to the measurement date			
Local plan	108,871	24,290	133,161
Total deferred outflows of resources – OPEB	\$ 502,410	\$ 116,602	\$ 619,012
Net pension asset			
VRS	\$ 201,615	\$ 35,864	\$ 237,479
Net OPEB liability			
Local plan	\$ 1,161,433	\$ 269,551	\$ 1,430,984
Deferred inflows of resources – OPEB			
Difference between expected and actual experience			
Local plan	\$ 110,852	\$ 26,002	\$ 136,854
Changes in assumptions			
Local plan	169,223	39,000	208,223
Total deferred inflow of resources – OPEB	\$ 280,075	\$ 65,002	\$ 345,077
Pension benefit			
VRS	\$ 453,108	\$ 80,605	\$ 533,713
OPEB expense			
Local plan	\$ 97,080	\$ 22,439	\$ 119,519

(Continued)

TOWN OF FARMVILLE, VIRGINIA

NOTES TO FINANCIAL STATEMENTS

June 30, 2024

Note 16. 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 17. 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 per \$100 of assessed value for the years ending June 30, 2024 and 2023.

Personal property taxes are payable on December 15. The personal property tax rate was \$1.50 per \$100 for both 2024 and 2023. 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.

Note 18. 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 \$84,000,000. The Town maintains an additional \$5,000,000 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 2024 were \$318,988.

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 19. 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.

(Continued)

TOWN OF FARMVILLE, VIRGINIA
NOTES TO FINANCIAL STATEMENTS
June 30, 2024

Note 20. 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 2024, Hotel Weyanoke, LLC was sold, resulting in the termination of the performance agreement due to this sale. As a result, the agreement was dissolved in the fiscal year 2024. Prior to the dissolution, the Hotel was in full compliance with the performance requirements outlined in the agreement.

Note 21. Subsequent Event

On August 20, 2024, the Town of Farmville entered into a Master Tax-Exempt Lease/Purchase Agreement with U.S. Bancorp Government Leasing and Finance, Inc. (the “Lessor”). Under this agreement, the Town agreed to finance \$776,500 for the acquisition of vehicles, which are deemed essential to the Town’s operations. The lease carries an interest rate of 4.52% with six semi-annual payments due starting February 20, 2025, through August 20, 2027.

Note 22. New Accounting Standards

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

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.

In December 2023, the GASB issued **Statement No. 102**, *Certain Risk Disclosures*. This statement defines and requires governments to disclose the risks related to concentrations of inflows or outflows of resources. The requirements of this Statement are effective for reporting periods beginning after June 15, 2024.

In April 2024, the GASB issued **Statement No. 103**, *Financial Reporting Model Improvements*. This statement improves key components of the financial reporting model to enhance its effectiveness in providing information that is essential for decision making and assessing a government’s accountability as well as addresses certain application issues. The requirements of this Statement are effective for reporting periods beginning after June 15, 2025.

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

THIS PAGE INTENTIONALLY BLANK

**REQUIRED
SUPPLEMENTARY INFORMATION**

TOWN OF FARMVILLE, VIRGINIA

**REQUIRED SUPPLEMENTARY INFORMATION –
SCHEDULE OF CHANGES IN NET PENSION LIABILITY (ASSET) AND RELATED RATIOS
June 30, 2024**

	Plan Year	
	2023	2022
Total Pension Liability		
Service Cost	\$ 463,516	\$ -
Interest on total pension liability	285,534	(21)
Changes in benefit terms	-	3,791,841
Benefit payments, including refunds of employee contributions	(49,147)	(628)
Net change in total pension liability	699,903	3,791,192
Total pension liability – beginning	3,791,192	-
Total pension liability – ending	4,491,095	3,791,192
Plan Fiduciary Net Position		
Contributions – employer	291,187	201,076
Contributions – employee	1,074,552	3,078,681
Net investment income (loss)	268,442	(135,664)
Benefit payments, including refunds of employee contributions	(49,147)	(628)
Administrative expenses	(1,658)	1,541
Other	118	74
Net change in plan fiduciary net position	1,583,494	3,145,080
Plan fiduciary net position – beginning	3,145,080	-
Plan fiduciary net position – ending	4,728,574	3,145,080
Net pension liability (asset) – ending	\$ (237,479)	\$ 646,112
Plan fiduciary net position as a percentage of total pension liability (asset)	105%	83%
Covered employee payroll	\$ 3,700,025	\$ 2,947,021
Net pension liability (asset) as a percentage of covered employee payroll	-6%	22%

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, 2024

<u>Year Ended June 30,</u>	<u>Actuarially Determined Contribution</u>	<u>Contributions in Relation to Actuarially Determined Contribution</u>	<u>Contribution Deficiency (Excess)</u>	<u>Employer's Covered Payroll</u>	<u>Contributions as a Percentage of Covered Payroll</u>
2024	\$ 336,237	\$ 336,237	\$ -	\$ 4,390,146	7.66 %
2023	291,187	291,187	-	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, 2024**

	Primary Government			
	2024	2023	2022	2021
Total OPEB Liability				
Service cost	\$ 31,400	\$ 37,310	\$ 42,010	\$ 30,159
Interest on total OPEB liability	52,500	37,839	63,995	82,003
Changes of benefit terms	-	-	(1,057,554)	-
Difference between expected and actual experience	(60,807)	9,218	(16,877)	(12,176)
Changes in assumptions	(6,633)	(128,864)	8,604	502,675
Benefit payments	(137,068)	(311,480)	(56,620)	(43,190)
	<u>(120,608)</u>	<u>(355,977)</u>	<u>(1,016,442)</u>	<u>559,471</u>
Net change in total OPEB liability				
	(120,608)	(355,977)	(1,016,442)	559,471
Total OPEB liability – beginning	<u>1,551,592</u>	<u>1,907,569</u>	<u>2,924,011</u>	<u>2,364,540</u>
Total OPEB liability – ending	<u>\$ 1,430,984</u>	<u>\$ 1,551,592</u>	<u>\$ 1,907,569</u>	<u>\$ 2,924,011</u>
Covered employee payroll	<u>\$ 4,506,186</u>	<u>\$ 4,384,729</u>	<u>\$ 4,279,768</u>	<u>\$ 4,671,745</u>
Net OPEB liability as a percentage of covered employee payroll	<u>32%</u>	<u>35%</u>	<u>45%</u>	<u>63%</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.

Note: There are no assets accumulated in a trust that meets the criteria of GASB Codification P22.101 or P52.101.

The Notes to Required Supplementary Information are an integral part of these statements.

Primary Government		
2020	2019	2018
\$ 100,864	\$ 100,555	\$ 72,280
73,834	67,336	70,354
-	-	-
(41,031)	4,980	(88,368)
340,906	(110,151)	(81,438)
(35,761)	(35,760)	(39,240)
438,812	26,960	(66,412)
1,925,728	1,898,768	1,965,180
<u>\$ 2,364,540</u>	<u>\$ 1,925,728</u>	<u>\$ 1,898,768</u>
<u>\$ 5,336,985</u>	<u>\$ 5,052,986</u>	<u>\$ 5,113,418</u>
<u>44%</u>	<u>38%</u>	<u>37%</u>

TOWN OF FARMVILLE, VIRGINIA

**REQUIRED SUPPLEMENTARY INFORMATION –
SCHEDULE OF OPEB CONTRIBUTIONS – LOCAL PLAN
June 30, 2024**

Entity Fiscal Year Ended June 30,	Actuarially Determined Employer Contribution	Actual Employer Contribution	Contribution Deficiency (Excess)	Covered Employee Payroll	Contributions as a Percentage of Covered Employee Payroll
Local Plan					
2024	\$ 137,070	\$ 133,161	\$ 3,909	\$ 4,506,186	2.96 %
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 employee payroll amounts above are for the entity's fiscal year – i.e., the covered employee payroll on which required contributions were based for the same year.

TOWN OF FARMVILLE, VIRGINIA

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION June 30, 2024

Note 1. Changes of Benefit Terms

Pension

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

Note 2. Changes of Assumptions

The actuarial assumptions used in the June 30, 2022, 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, 2021. Changes to the actuarial assumptions as a result of the experience study and VRS Board action are as follows:

Non-Hazardous Duty:

- Update mortality table to PUB2010 public sector mortality tables. For future mortality improvements, replace load with a modified Mortality Improvement 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 Mortality Improvement 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.

TOWN OF FARMVILLE, VIRGINIA

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
June 30, 2024

Note 2. Changes of Assumptions (Continued)

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 Mortality Improvement 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.

OTHER SUPPLEMENTARY INFORMATION

TOWN OF FARMVILLE, VIRGINIA

**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE –
BUDGET AND ACTUAL – GENERAL FUND
Year Ended June 30, 2024**

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variances with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
REVENUES				
Property taxes				
Real property taxes	\$ 810,000	\$ 810,000	\$ 789,311	\$ (20,689)
Public service corporation property taxes	62,590	62,590	58,554	(4,036)
Personal property taxes	273,030	273,030	274,399	1,369
Delinquent taxes	5,500	5,500	20,808	15,308
Interest on taxes	1,515	1,515	5,025	3,510
Penalties on taxes	2,000	2,000	11,769	9,769
	<u>1,154,635</u>	<u>1,154,635</u>	<u>1,159,866</u>	<u>5,231</u>
Other local taxes				
Local sales and use taxes	810,000	810,000	823,990	13,990
Consumption tax	26,000	26,000	27,947	1,947
Consumers' utility taxes	360,000	360,000	368,417	8,417
Business licenses	1,530,000	1,530,000	1,707,392	177,392
Franchise license taxes	235,000	235,000	274,805	39,805
Motor vehicle licenses	75,000	75,000	85,820	10,820
Cigarette taxes	200,000	200,000	183,800	(16,200)
Lodging taxes	750,000	750,000	826,978	76,978
Meals taxes	3,627,000	3,627,000	3,880,574	253,574
	<u>7,613,000</u>	<u>7,613,000</u>	<u>8,179,723</u>	<u>566,723</u>
Fines and forfeitures				
Court fines	65,000	65,000	143,521	78,521
Other fines and forfeitures	32,000	32,000	53,607	21,607
	<u>97,000</u>	<u>97,000</u>	<u>197,128</u>	<u>100,128</u>
Permits, privilege fees, and regulatory licenses				
Building permits	30,000	30,000	35,429	5,429
Other permits, licenses, and fees	20,035	20,035	20,433	398
	<u>50,035</u>	<u>50,035</u>	<u>55,862</u>	<u>5,827</u>

(Continued)

TOWN OF FARMVILLE, VIRGINIA

**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE –
BUDGET AND ACTUAL – GENERAL FUND
Year Ended June 30, 2024**

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variances with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
REVENUES (Continued)				
Revenue from use of money and property				
Revenue from use of money	\$ 145,280	\$ 215,152	\$ 783,842	\$ 568,690
Rental of general property and real estate	99,211	99,211	92,203	(7,008)
Sale of property and equipment	15,000	15,000	37,483	22,483
	<u>259,491</u>	<u>329,363</u>	<u>913,528</u>	<u>584,165</u>
Charges for services				
Miscellaneous	18,975	18,975	19,320	345
ICA per diem	160,000	160,000	136,500	(23,500)
Sanitation fees	395,100	395,100	404,838	9,738
Longwood Streets	35,000	35,000	35,000	-
Recreation fees	35,300	35,300	42,404	7,104
Parking meters	44,000	44,000	50,595	6,595
Public safety	6,000	6,000	14,577	8,577
Public works	5,000	5,000	2,248	(2,752)
Grave openings and cemetery lots	29,000	29,000	52,500	23,500
	<u>728,375</u>	<u>728,375</u>	<u>757,982</u>	<u>29,607</u>
Miscellaneous				
Payment from Prince Edward County for share of debt	226,299	226,299	226,299	-
Setaside account reserve	1,276,044	1,276,044	-	(1,276,044)
Carryover funds from prior year	-	1,347,263	-	(1,347,263)
Miscellaneous	402,600	402,601	367,174	(35,427)
	<u>1,904,943</u>	<u>3,252,207</u>	<u>593,473</u>	<u>(2,658,734)</u>
Recovered costs				
Other funds and street department	390,000	390,000	437,827	47,827
Library rent	180,000	180,000	180,000	-
Other recovered costs	408,693	866,855	244,434	(622,421)
	<u>978,693</u>	<u>1,436,855</u>	<u>862,261</u>	<u>(574,594)</u>

(Continued)

TOWN OF FARMVILLE, VIRGINIA

**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE –
BUDGET AND ACTUAL – GENERAL FUND
Year Ended June 30, 2024**

	Budgeted Amounts		Actual	Variances with Final Budget Positive (Negative)
	Original	Final		
REVENUES (Continued)				
Contributions				
Other contributions	\$ 2	\$ 16,175	\$ 8,639	\$ (7,536)
	2	16,175	8,639	(7,536)
Intergovernmental				
Revenue from the Commonwealth				
Non-categorical aid				
Other taxes	-	-	62	62
Mobile home titling tax	1,200	1,200	300	(900)
Rolling stock taxes – motor vehicle carriers tax	200	200	118	(82)
Auto rental tax	50,000	50,000	86,365	36,365
	51,400	51,400	86,845	35,445
Categorical aid				
Wireless payments	112,000	112,000	119,439	7,439
VDEM grant	4,000	52,750	54,215	1,465
Litter control grant	2,500	2,500	6,789	4,289
Law enforcement grant	204,000	204,000	214,694	10,694
Virginia tourism brochure	2,000	2,000	2,033	33
Virginia department of forestry grant	-	-	2,405	2,405
HEAT grant	-	12,020	10,504	(1,516)
Fire program	-	-	33,647	33,647
Miscellaneous police grant	4,200	4,200	12,051	7,851
	328,700	389,470	455,777	66,307
Revenue from the Federal				
Government				
Emergency service grants	12,180	12,180	14,775	2,595
Police related grants	64,250	115,085	52,496	(62,589)
VDEM funding	-	48,640	47,440	(1,200)
Law Enforcement Equipment ARPA grant	217,000	217,000	216,914	(86)
ARPA revenue recognized	-	-	430,515	430,515
	293,430	392,905	762,140	369,235
Total intergovernmental revenue	673,530	833,775	1,304,762	470,987
Total revenues	\$ 13,459,704	\$ 15,511,420	\$ 14,033,224	\$ (1,478,196)

(Continued)

TOWN OF FARMVILLE, VIRGINIA

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE –
 BUDGET AND ACTUAL – GENERAL FUND
 Year Ended June 30, 2024

	Budgeted Amounts		Actual	Variances with Final Budget Positive (Negative)
	Original	Final		
EXPENDITURES				
Current:				
General government				
Town Council	\$ 603,283	\$ 603,283	\$ 411,824	\$ 191,459
Town Manager	705,512	2,316,728	1,083,347	1,233,381
Finance	1,084,020	1,199,007	1,198,726	281
	<u>2,392,815</u>	<u>4,119,018</u>	<u>2,693,897</u>	<u>1,425,121</u>
Public safety				
Police department	3,381,997	3,523,474	3,297,195	226,279
911 services	1,547,089	1,618,799	1,443,313	175,486
Fire and rescue services	535,573	582,070	500,182	81,888
	<u>5,464,659</u>	<u>5,724,343</u>	<u>5,240,690</u>	<u>483,653</u>
Public works				
Recycling department	205,796	205,796	170,732	35,064
Sanitation	745,170	745,170	662,496	82,674
Maintenance of highways and streets	831,365	939,527	750,705	188,822
Maintenance of building and grounds	1,747,485	1,563,612	1,397,502	166,110
Horticulturist	155,768	155,768	145,494	10,274
	<u>3,685,584</u>	<u>3,609,873</u>	<u>3,126,929</u>	<u>482,944</u>
Parks, recreation, and cultural				
Library	24,969	39,753	39,753	-
Appropriation – Library – Rent	180,000	180,000	180,000	-
Sports arena	23,492	24,140	24,102	38
Parks and recreation	352,965	973,950	906,215	67,735
	<u>581,426</u>	<u>1,217,843</u>	<u>1,150,070</u>	<u>67,773</u>
Community development				
Planning and community development	528,781	566,609	381,152	185,457
Appropriations/incentives	355,423	721,596	592,368	129,228
	<u>884,204</u>	<u>1,288,205</u>	<u>973,520</u>	<u>314,685</u>

(Continued)

TOWN OF FARMVILLE, VIRGINIA

**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE –
BUDGET AND ACTUAL – GENERAL FUND
Year Ended June 30, 2024**

	Budgeted Amounts		Actual	Variances with Final Budget Positive (Negative)
	Original	Final		
EXPENDITURES (Continued)				
Debt service:				
Principal	\$ 1,247,739	\$ 1,329,739	\$ 1,328,875	\$ 864
Interest	133,768	160,466	154,472	5,994
	<u>1,381,507</u>	<u>1,490,205</u>	<u>1,483,347</u>	<u>6,858</u>
Total expenditures	<u>14,390,195</u>	<u>17,449,487</u>	<u>14,668,453</u>	<u>2,781,034</u>
Deficiency of revenues under expenditures	<u>(930,491)</u>	<u>(1,938,067)</u>	<u>(635,229)</u>	<u>1,302,838</u>
OTHER FINANCING SOURCES (USES)				
Contingency	-	(586,533)	-	586,533
Issuance of financed purchases and subscription liability	464,000	2,058,109	2,190,820	132,711
Transfers in	466,491	466,491	-	(466,491)
Total other financing sources	<u>930,491</u>	<u>1,938,067</u>	<u>2,190,820</u>	<u>252,753</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,555,591</u>	<u>\$ 1,555,591</u>

TOWN OF FARMVILLE, VIRGINIA

**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE –
BUDGET AND ACTUAL – STREET MAINTENANCE FUND
Year Ended June 30, 2024**

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variances with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
REVENUES				
Intergovernmental				
Revenue from the Commonwealth	\$ 1,886,000	\$ 2,224,346	\$ 2,224,346	\$ -
Total intergovernmental revenue	1,886,000	2,224,346	2,224,346	-
Total revenues	<u>\$ 1,886,000</u>	<u>\$ 2,224,346</u>	<u>\$ 2,224,346</u>	<u>\$ -</u>
EXPENDITURES				
Current:				
Public works				
Arterial	\$ 978,592	\$ 711,060	\$ 698,577	\$ 12,483
Collector	907,408	1,627,427	1,625,530	1,897
	1,886,000	2,338,487	2,324,107	14,380
Total expenditures	1,886,000	2,338,487	2,324,107	14,380
Deficiency of revenues under expenditures	-	(114,141)	(99,761)	14,380
OTHER FINANCING SOURCES				
Use of prior year funds	-	114,141	-	(114,141)
Total other financing sources	-	114,141	-	(114,141)
Net change in fund balance	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (99,761)</u>	<u>\$ (99,761)</u>

THIS PAGE INTENTIONALLY BLANK

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

TABLE 1

**NET POSITION BY COMPONENT
LAST TEN FISCAL YEARS
(ACCRUAL BASIS OF ACCOUNTING)**

	Fiscal Year									
	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Governmental activities										
Net investment in capital assets	\$ 16,276,537	\$ 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
Restricted	3,448,417	1,612,932	3,045,457	2,607,539	2,510,494	2,060,160	-	-	-	-
Unrestricted	3,437,811	4,425,981	1,542,057	(562,737)	(1,270,159)	(1,296,033)	259,171	242,475	(390,333)	(564,121)
Total governmental activities net position	\$ 23,162,765	\$ 21,259,205	\$ 19,225,208	\$ 16,682,496	\$ 15,491,258	\$ 12,773,111	\$ 10,682,374	\$ 9,303,032	\$ 7,997,103	\$ 6,630,113
Business-type activities										
Net investment in capital assets	\$ 14,620,627	\$ 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
Restricted	35,864	-	-	-	-	-	-	-	-	-
Unrestricted	8,443,783	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
Total business-type activities net position	\$ 23,100,274	\$ 19,457,828	\$ 16,751,716	\$ 16,205,801	\$ 13,221,662	\$ 9,289,428	\$ 6,813,424	\$ 6,553,510	\$ 6,402,305	\$ 6,665,063
Primary government										
Net investment in capital assets	\$ 30,897,164	\$ 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
Restricted	3,484,281	1,612,932	3,045,457	2,607,539	2,510,494	2,060,160	-	-	-	-
Unrestricted	11,881,594	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
Total primary government net position	\$ 46,263,039	\$ 40,717,033	\$ 35,976,924	\$ 32,888,297	\$ 28,712,920	\$ 22,062,539	\$ 17,495,798	\$ 15,856,542	\$ 14,399,408	\$ 13,295,176

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

CHANGES IN NET POSITION BY COMPONENT
LAST TEN FISCAL YEARS
(ACCURAL BASIS OF ACCOUNTING)

	Fiscal Year									
	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Expenses										
Governmental activities:										
General government administration	\$ 2,072,893	\$ 2,073,583	\$ 1,684,093	\$ 1,352,402	\$ 1,770,152	\$ 1,756,338	\$ 1,626,421	\$ 1,268,384	\$ 1,130,394	\$ 1,221,787
Public safety	5,048,531	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
Public works	5,891,869	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
Parks, recreation, and cultural	445,763	557,407	804,098	727,358	807,018	769,387	712,379	711,172	709,046	1,336,638
Community development	899,914	635,196	536,554	539,396	302,476	207,375	120,107	552,862	168,503	167,328
Interest on long-term debt	7,219	9,645	66,173	125,569	190,488	250,577	294,042	341,457	396,283	447,743
Total governmental activities	14,366,189	14,167,407	12,407,253	12,327,146	12,446,811	13,024,178	11,397,782	11,278,184	10,895,917	9,912,813
Business-type activities:										
Water	1,742,899	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
Sewer	1,331,691	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
Transportation	790,350	826,232	803,985	822,803	956,757	868,109	350,860	511,157	531,677	434,805
Airport	385,606	372,052	354,760	263,541	239,362	270,286	859,744	825,437	792,463	797,575
Total business-type activities expense	4,250,546	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
Total primary government expenses	18,616,735	18,243,333	15,971,599	15,926,230	16,735,349	17,022,436	15,705,342	15,418,426	14,993,903	13,821,094
Program Revenues										
Governmental activities:										
Charges for services:										
General government	1,107,226	1,010,032	1,058,276	432,339	482,762	491,529	279,366	273,406	258,803	223,874
Public safety	242,217	190,228	121,681	278,870	388,476	481,067	105,125	57,714	49,268	89,891
Public works	408,106	398,217	357,366	404,970	394,561	393,354	555,445	592,470	571,422	473,612
Parks, recreation, and cultural	45,654	56,622	203,865	317,456	327,193	382,240	184,759	173,712	159,096	149,824
Community development	69,781	55,333	79,603	301,384	426,360	329,710	-	-	-	-
Operating grants and contributions	2,909,448	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
Capital grants and contributions	545,153	1,024,452	-	124,500	1,966,510	407,624	-	-	-	-
Total governmental activities program revenues	5,327,585	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

TOWN OF FARMVILLE

CHANGES IN NET POSITION BY COMPONENT
LAST TEN FISCAL YEARS
(ACCURAL BASIS OF ACCOUNTING)

	Fiscal Year									
	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Business-type activities:										
Charges for services:										
Water	\$ 1,957,359	\$ 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
Sewer	2,338,297	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
Transportation	9,066	9,654	8,951	8,061	9,934	11,016	129,320	145,322	153,152	199,654
Airport	100,372	105,222	180,489	120,783	80,429	84,368	10,625	10,801	11,086	9,091
Operating grants and contributions	786,639	746,028	789,016	3,536,613	4,610,981	2,854,768	1,283,556	837,420	915,893	972,562
Capital grants and contributions	2,122,230	1,892,427	323,467	-	-	-	-	-	-	-
Total business-type activities	7,313,963	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
program revenues										
Total primary government program revenues	12,641,548	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
Net (expense) revenue										
Governmental activities	(9,038,604)	(8,748,266)	(8,022,376)	(7,742,566)	(6,167,617)	(8,308,495)	(8,027,081)	(7,694,926)	(7,459,435)	(6,083,304)
Business-type activities	3,063,417	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
Total primary government net expense	(5,975,187)	(5,944,736)	(6,695,804)	(4,239,809)	(1,778,889)	(4,996,498)	(6,592,335)	(6,515,585)	(6,366,128)	(4,608,415)
General Revenues and Other Changes in Net Position										
Governmental activities:										
Taxes										
Property taxes	1,164,251	1,144,960	1,065,846	973,186	953,412	904,140	935,432	867,326	881,944	849,256
Sales taxes	828,273	831,814	860,016	441,979	394,407	392,110	-	-	-	-
Meals and lodging tax	4,707,552	4,584,310	4,178,102	3,428,216	3,087,839	3,576,772	-	-	-	-
Utility tax	368,417	378,589	367,121	368,421	365,688	380,347	-	-	-	-
Other local taxes	2,279,764	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
Intergovernmental revenue, unrestricted	86,884	70,582	104,713	268,664	449,845	562,135	557,752	745,675	745,074	746,890
Unrestricted investment earnings	783,842	516,548	121,643	88,375	150,650	21,251	342,525	15,819	13,962	9,505
Gain on disposition of assets	37,483	164,645	-	-	-	16,680	-	-	-	-
Other	685,698	610,465	663,656	615,940	587,679	446,492	581,382	540,431	666,266	471,073
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
Total governmental activities	10,942,164	10,782,263	10,565,088	8,933,804	8,885,764	9,550,762	9,797,148	9,000,855	8,826,425	8,398,195

TOWN OF FARMVILLE

TABLE 2

CHANGES IN NET POSITION BY COMPONENT
LAST TEN FISCAL YEARS
(ACCURAL BASIS OF ACCOUNTING)

	Fiscal Year									
	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Business-type activities:										
Investment earnings	\$ 192,960	\$ 23,726	\$ 620	\$ 569	\$ 412	\$ 2,327	\$ 71,686	\$ 1,583	\$ 619	\$ 556
Gain on disposition of assets	-	-	-	-	-	24,779	-	-	-	-
Other	386,069	128,856	301,693	266,951	386,150	262,137	26,697	44,683	(188,675)	46,247
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)
Total business-type activities	579,029	(97,418)	(780,657)	(518,618)	(456,494)	(880,918)	(1,174,832)	(1,028,136)	(1,356,065)	(1,100,382)
Total primary government	11,521,193	10,684,845	9,784,431	8,415,186	8,429,270	8,669,844	8,622,316	7,972,719	7,470,360	7,297,813
Changes in Net Position										
Governmental activities	1,903,560	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
Business-type activities	3,642,446	2,706,112	545,915	2,984,139	3,932,234	2,431,079	259,914	151,205	(262,758)	374,507
Total primary government	\$ 5,546,006	\$ 4,740,109	\$ 3,088,627	\$ 4,175,377	\$ 6,650,381	\$ 3,673,346	\$ 2,029,981	\$ 1,457,134	\$ 1,104,232	\$ 2,689,398

TOWN OF FARMVILLE

FUND BALANCES – GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS
(MODIFIED ACCRUAL BASIS OF ACCOUNTING)

	Post-GASB 54									
	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
General Fund										
Nonspendable	\$ 740,712	\$ 630,279	\$ 689,793	\$ 705,475	\$ 749,741	\$ 771,326	\$ 27,237	\$ 20,174	\$ 30,039	\$ 30,968
Restricted	4,514,558	1,599,897	3,036,073	2,816,786	2,509,176	2,037,002	-	-	-	-
Committed	306,825	536,363	169,718	-	-	104,214	-	-	-	-
Assigned	-	-	-	-	-	-	1,183,138	-	-	-
Unassigned	2,693,601	3,933,566	1,744,447	758,042	383,678	688,555	2,681,248	3,596,155	2,900,951	2,357,467
Total general fund	\$8,255,696	\$6,700,105	\$5,640,031	\$4,280,303	\$3,642,595	\$3,601,097	\$3,891,623	\$3,616,329	\$2,930,990	\$2,388,435
All Other Governmental Funds										
Nonspendable	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Restricted	16,545	13,035	9,384	878	1,318	23,158	-	-	-	-
Committed	8,984	2,600	4,466	-	-	-	-	-	-	-
Assigned	327,688	433,833	431,362	666,336	430,148	335,446	21,845	15,423	14,512	252,916
Unassigned	-	-	-	-	-	-	362,296	104,732	(18,437)	-
Total all other governmental funds	\$ 353,217	\$ 449,468	\$ 445,212	\$ 667,214	\$ 431,466	\$ 358,604	\$ 384,141	\$ 120,155	\$ (3,925)	\$ 252,916

TOWN OF FARMVILLE

TABLE 4

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

	Fiscal Year									
	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Revenues										
Taxes	\$ 9,339,589	\$ 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
Permits, privilege fees, and licenses	55,862	55,483	111,416	88,338	104,651	131,043	128,456	110,645	81,771	55,750
Fines and forfeitures	197,128	155,248	79,633	80,629	90,784	99,656	105,125	57,714	49,268	89,891
Revenue from use of money and property	913,549	516,548	121,643	88,375	150,650	132,413	342,525	208,508	358,102	163,133
Charges for services	757,982	749,071	894,858	859,257	962,070	1,042,549	891,114	928,943	907,550	791,560
Other	602,112	1,622,988	676,614	618,662	588,326	512,935	581,382	347,742	326,421	319,076
Recovered costs	862,261	750,630	734,884	509,297	861,847	714,490	844,173	572,485	495,363	482,375
Intergovernmental	3,532,597	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
Total revenues	16,261,080	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
Expenditures										
General government	2,693,897	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
Public safety	5,240,690	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
Public works	5,451,036	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
Parks, recreation, and cultural	1,150,070	566,957	762,384	633,613	745,950	1,066,504	1,381,310	814,647	756,146	1,479,487
Community development	973,520	626,619	607,762	533,814	309,124	204,082	120,107	552,862	168,603	167,328
Debt service:										
Principal	1,328,875	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
Interest	154,472	201,727	257,707	319,331	383,574	439,610	471,957	519,375	571,307	625,659
Total expenditures	16,992,560	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
Excess (deficiency) of revenues over (under) expenditures	(731,480)	641,330	54,756	87,318	(728,696)	(1,802,024)	(1,449,145)	(305,983)	(882,395)	(447,526)

(Continued)

TOWN OF FARMVILLE

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

	Fiscal Year									
	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Other Financing Sources (Uses)										
Proceeds from borrowing	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 586,297	\$ 645,850	\$ 41,000	\$ -	\$ -
Issuance of subscription liability	91,711	-	-	-	-	-	-	-	-	-
Issuance of financed purchase	2,099,109	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
Transfers out	-	-	(97,183)	(113,862)	(166,887)	(370,335)	(510,170)	(184,627)	(106,472)	(1,177,837)
Total other financing sources	2,190,820	423,000	1,082,970	786,138	843,056	1,756,458	1,919,065	1,115,402	1,168,009	1,147,185
Net change in fund balances	\$ 1,459,340	\$ 1,064,330	\$ 1,137,726	\$ 873,456	\$ 114,360	\$ (45,566)	\$ 469,920	\$ 809,419	\$ 285,614	\$ 699,659
Debt service as a percentage of noncapital expenditures	10.04%	11.35%	13.04%	14.52%	13.85%	13.61%	13.96%	13.26%	13.82%	13.97%

TOWN OF FARMVILLE

TABLE 5

**ASSESSED VALUE AND ACTUAL VALUE OF TAXABLE PROPERTY
LAST TEN FISCAL YEARS**

Fiscal Year	Real Estate	Personal Property	Public Service Corporation Real Estate	Public Service Corporation Personal Property	Total Assessed Value	Total Tax Rate Real Estate	Total Tax Rate Personal Property
	\$	\$	\$	\$	\$		
2024	\$ 664,156,923	\$ 18,526,250	\$ 35,380,826	\$ 837,269	\$ 718,901,268	0.13	1.50
2023	662,030,769	18,812,032	38,303,243	574,484	719,720,528	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

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

⁽¹⁾ Per \$100 of assessed value.

TOWN OF FARMVILLE

TABLE 6

PRINCIPAL UTILITY CUSTOMERS
CURRENT YEAR AND TEN YEARS AGO

Customer	Fiscal Year 2024			Fiscal Year 2015 ¹		
	Revenue	Rank	Percentage of Total Town Electrical Revenue	Revenue	Rank	Percentage of Total Town Electrical Revenue
Longwood University	\$ 493,173	1	11.48 %	N/A	N/A	N/A
Longwood Univ R/E Foundation	326,376	3	7.60	N/A	N/A	N/A
Piedmont Regional Jail	225,717	4	5.25	N/A	N/A	N/A
Centra Southside Hospital	183,017	5	4.26	N/A	N/A	N/A
Ica Farmville LLC	130,782	6	3.04	N/A	N/A	N/A
Holly Manor SNF Operations LLC	106,226	7	2.47	N/A	N/A	N/A
Hampden Sydney College	98,833	8	2.30	N/A	N/A	N/A
Cumberland County	90,733	9	2.11	N/A	N/A	N/A
Farmville Health & Rehab	89,864	10	2.09	N/A	N/A	N/A
UR-OZBP Farmville Lots LLC	73,803	11	1.72	N/A	N/A	N/A
Total revenue	<u>\$ 1,818,524</u>		<u>42.32 %</u>			

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

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

TOWN OF FARMVILLE

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	
	Fiscal Year	Amount	Percentage of Levy		Amount	Percentage of Levy
2024	\$ 863,404	\$ 851,497	98.62 %	\$ 795	\$ 852,292	98.71 %
2023	860,640	842,051	97.84	15,221	857,272	99.61
2022	854,384	843,454	98.72	9,313	852,767	99.81
2021	710,757	700,307	98.53	9,250	709,557	99.83
2020	664,806	654,895	98.51	8,558	663,453	99.80
2019	649,943	641,393	98.68	8,372	649,765	99.97
2018	622,973	619,682	99.47	3,209	622,891	99.99
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

Source: Tax Records of the Town.
Tax Collection Percentage Report

TOWN OF FARMVILLE

TABLE 8

LEGAL DEBT MARGIN INFORMATION
LAST TEN FISCAL YEARS

	Fiscal Year									
	2023	2022	2021	2020	2019	2018	2017	2016	2015	
Debt limit	\$ 71,972,053	\$ 71,232,884	\$ 64,570,584	\$ 60,314,522	\$ 58,567,667	\$ 56,807,464	\$ 55,787,254	\$ 55,182,159	\$ 54,786,299	
Total net debt applicable to limit	4,105,000	7,218,710	8,420,000	9,805,000	11,125,000	12,390,000	13,600,000	14,755,000	15,860,000	
Legal debt margin	\$ 66,527,053	\$ 64,014,174	\$ 56,150,584	\$ 50,509,522	\$ 47,442,667	\$ 44,417,464	\$ 42,187,254	\$ 40,427,159	\$ 38,926,299	
Total net debt applicable to the limit as a percentage of debt limit	5.71%	10.13%	13.04%	16.26%	19.00%	21.81%	24.38%	26.74%	28.95%	

Legal Debt Margin Calculation for Fiscal Year 2024

Assessed value	\$ 718,901,268
Debt limit (10% of assessed value)	\$ 71,890,127
Less debt applicable to limit: General obligation bonds	(4,105,000)
Legal debt margin	\$ 67,785,127

TOWN OF FARMVILLE

RATIOS OF OUTSTANDING DEBT BY TYPE
LAST TEN FISCAL YEARS

Fiscal Year	General Bonded Debt			Percentage of Actual Value of Taxable Property	Per Capita ⁽²⁾	Other Governmental Activities Debt	
	Business-Type		Total General Bonded Debt			Bond Premium	Other Debt
	General Obligation Bonds	General Obligation Bonds					
2024	\$ 1,900,000	\$ 2,205,000	\$ 4,105,000	0.57 %	217	\$ 533,751	\$ 2,314,284
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

Business-Type Activities

Fiscal Year	Other Debt	Bond Premium	Total Primary Government	Per Capita ⁽¹⁾	Percentage of Personal Income ⁽¹⁾
2024	\$ 3,301,891	\$ 304,021	\$ 10,558,947	336	*
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

* Unavailable

⁽¹⁾ See Table 11 for population and per capita personal income information.

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

TOWN OF FARMVILLE

TABLE 10

DEMOGRAPHIC AND ECONOMIC STATISTICS
LAST TEN FISCAL YEARS

Fiscal Year Ended ⁽¹⁾	Population ⁽²⁾	Total Personal Income ⁽³⁾	Per Capita Personal Income ⁽³⁾	Unemployment Rate ⁽⁴⁾
2024	7,476	(5)	(5)	5.3 %
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

⁽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.

**PRINCIPAL EMPLOYERS
CURRENT YEAR AND TEN YEARS AGO**

Employer	Fiscal Year 2024			Fiscal Year 2015 ¹		
	Employees	Rank	Percentage of Total Town Employment	Employees	Rank	Percentage of Total Town Employment
Longwood University	1366	1	19.30 %	N/A	N/A	N/A
Centra Health	733	2	10.35	N/A	N/A	N/A
Walmart	380	3	5.37	N/A	N/A	N/A
ICA	250	4	3.53	N/A	N/A	N/A
Holly Manor SNF Operations	222	5	3.14	N/A	N/A	N/A
Steps	212	6	2.99	N/A	N/A	N/A
Aramark	171	7	2.42	N/A	N/A	N/A
Prince Edward County	166	8	2.34	N/A	N/A	N/A
Town of Farmville	151	9	2.13	N/A	N/A	N/A
Food Lion	86	10	1.21	N/A	N/A	N/A
	<u>3,737</u>		<u>52.78 %</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

TABLE 12

FULL-TIME EQUIVALENT TOWN GOVERNMENT EMPLOYEES BY FUNCTION/PROGRAM
LAST TEN FISCAL YEARS

Function/Program	Fiscal Year									
	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
General government										
Executive	3	3	2	2	2	3	4	4	2	2
Clerk	1	1	1	1	1	1	1	1	1	1
Finance	12	12	4	4	4	4	5	5	5	5
Planning (Comm Dev)	3	4	4	5	5	5	5	6	6	6
Recreation (Golf/rec)	-	-	5	5	3	4	4	4	4	4
Police										
Officers	29	27	27	27	27	27	27	27	27	27
Civilians	2	2	2	2	2	2	2	2	2	2
Dispatch	21	18	14	13	11	14	14	14	13	12
Fire	3	2	-	1	2	2	2	2	2	2
Public works	37	43	40	36	34	42	41	41	43	42
Parks and Recreation	2	2	2	1	1	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	133	134	121	117	112	126	127	128	127	125

TOWN OF FARMVILLE, VIRGINIA

TABLE 13

OPERATING INDICATORS BY FUNCTION/PROGRAM
LAST TEN FISCAL YEARS

	Fiscal Year									
	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Function/Program										
General government:										
Fleet:										
Pieces of equipment maintained	311	314	308	306	305	310	312	311	313	309
Building permits issued	221	216	127	381	176	265	327	372	352	304
Building permits construction value	\$ 15,079,621	\$ 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
Public safety:										
Police:										
Physical arrests	438	366	257	205	257	364	481	508	394	465
Parking violations	1,321	1,108	951	899	561	1,001	633	777	323	221
Traffic violations	3,069	3,679	1,630	1,981	1,307	2,056	1,891	1,423	946	1,064
Fire:										
Emergency responses	1,245	1,237	731	1,155	884	1,082	615	426	398	388
Public works:										
Refuse collection:										
Brush	4.42	4.15	4.25	3.89	4.17	4.48	3.54	3.44	4.71	5.41
Refuse collected (tons per day)	13.33	13.10	13.58	13.65	13.17	13.90	13.37	14.34	13.45	13.21
Recyclables collected (tons per day)	1.35	1.83	1.01	1.02	0.92	1.08	1.06	1.07	0.99	0.96
Leaves	4.03	3.43	3.51	3.37	3.44	3.29	2.63	2.63	3.66	3.66
Other public works:										
Street resurfacing (miles)	11.24	7.02	10.36	5.24	3.56	2.98	2.28	8.21	6.66	4.68
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	2,913	2,903	2,851	2,825	2,815	2,809	2,795	2,790	2,783	2,780
Volume pumped (million gallons per day average)	854,000	794,774	927,750	908,310	894,123	1,075,866	1,058,658	1,010,712	1,083,863	1,111,890
Sewer:										
Number of customer accounts	2,811	2,801	2,735	2,730	2,750	2,780	2,742	2,740	2,703	2,695
Waste/Water treated (million gallons per day average)	1	1	1	1	1	1	1	1	1	1

TOWN OF FARMVILLE

TABLE 14

CAPITAL ASSET AND INFRASTRUCTURE STATISTICS BY FUNCTION/PROGRAM
LAST TEN FISCAL YEARS

Function/Program	Fiscal Year									
	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Public safety:										
Law enforcement vehicles	35	30	24	20	20	21	20	20	20	20
Fire stations	1	1	1	1	1	1	1	1	1	1
Public works: Robin										
Primary streets (lane miles)	30.36	30.36	30.36	30.36	30.36	30.76	30.76	32.76	32.76	33.71
Secondary streets (lane miles)	82.00	82.00	82.00	82.00	82.00	83.60	83.60	81.60	81.60	82.88
Streetlights	651	651	651	651	649	647	647	647	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	66.88	66.55	66.55	66.55	66.55	66.55	66.55	66.55	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

Source: Information was obtained from prior year audit reports.

Note:

- Parks/Rec list found on Town website
- Acresage found on PE County website-taxes

COMPLIANCE SECTION

TOWN OF FARMVILLE, VIRGINIA
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
Year Ended June 30, 2024

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	\$ 14,775
Homeland Security Grant Program	97.067	47,440
Total Department of Homeland Security		<u>62,215</u>
Department of Treasury		
Direct Payment		
COVID-19 – Coronavirus State and Local Fiscal Recovery Funds	21.027	<u>1,837,631</u>
Department of Transportation		
Direct Payment		
Airport Improvement Program	20.106	710,598
Pass Through Payments		
Virginia Department of Rail and Public Transportation		
Formula Grants for Rural Areas	20.509	547,616
Virginia Department of Motor Vehicles		
Alcohol Open Container Requirements	20.607	23,044
Highway Safety Cluster		
State and Community Highway Safety	20.600	<u>24,502</u>
Total Department of Transportation		<u>1,305,760</u>
Department of Justice		
Pass Through Payment		
Edward Byrne Memorial Justice Assistance Grant Program	16.738	<u>4,951</u>
Total Department of Justice		<u>4,951</u>
Department of Forestry		
Direct Payment		
Inflation Reduction Act Urban & Community Forestry Program	10.727	<u>2,405</u>
Total Department of Justice		<u>2,405</u>
Total Expenditures of Federal Awards		<u><u>\$ 3,212,962</u></u>

TOWN OF FARMVILLE, VIRGINIA

**NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
June 30, 2024**

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 2024.

Outstanding Loan Balances

At June 30, 2024, 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, 2024, 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, 2024.

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, 2024



**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, 2024. 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, 2024.

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 judgment 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, 2024

TOWN OF FARMVILLE, VIRGINIA
SUMMARY OF COMPLIANCE MATTERS
June 30, 2024

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, 2024**

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 program of the Town is:

Name of Program	Assistance Listing #
COVID-19 – 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.