

# **TOWN OF WAKEFIELD, VIRGINIA**

## **FINANCIAL REPORT**

**June 30, 2021**

## **TOWN COUNCIL**

Oscar E. Parker, III, President

Dennis P. Mason

Brian K. Wills

Michael W. Kessinger

Darlean Whiting

H. Lane Chambers, III

## **TOWN OFFICIALS**

Brian M. Laine, Mayor

Bonita Meyers, Clerk of Council

Robyn L. Croft, Treasurer

## CONTENTS

|  | Page |
|--|------|
| INDEPENDENT AUDITOR’S REPORT.....  | 1    |
| MANAGEMENT’S DISCUSSION AND ANALYSIS .....   | 3    |
| GOVERNMENT-WIDE FINANCIAL STATEMENTS   |      |
| Statement of Net Position.....   | 7    |
| Statement of Activities .....  | 8    |
| GOVERNMENTAL FUND FINANCIAL STATEMENTS   |      |
| Balance Sheet - Governmental Funds .....   | 9    |
| Reconciliation of Governmental Funds Balance Sheet to the Statement of Net Position .....  | 10   |
| Statement of Revenues, Expenditures and Changes in Fund Balances –<br>Governmental Funds .....   | 11   |
| Reconciliation of the Statement of Revenues, Expenditures and Changes in<br>Fund Balances of Governmental Funds to Statement of Activities ..... | 12   |
| PROPRIETARY FUND FINANCIAL STATEMENTS  |      |
| Statement of Net Position - Proprietary Funds .....  | 13   |
| Statement of Revenues, Expenses and Changes in Fund Net Position - Proprietary Funds .....   | 14   |
| Statement of Cash Flows - Proprietary Funds .....  | 15   |
| Notes to Basic Financial Statements.....   | 17   |
| REQUIRED SUPPLEMENTARY INFORMATION (RSI)   |      |
| General Fund - Schedule of Revenues - Budget and Actual (Cash Basis) .....   | 32   |
| General Fund - Schedule of Expenditures - Budget and Actual (Cash Basis).....  | 34   |
| Schedule of Changes in Net Pension Liability (Asset) and Related Ratios .....  | 36   |
| Schedule of Employer Contributions .....   | 37   |
| Notes to Required Supplementary Information .....  | 38   |

## CONTENTS (Continued)

|   | Page |
|---|------|
| COMPLIANCE SECTION  |      |
| Independent Auditor's Report on Internal Control over Financial Reporting and on<br>Compliance and Other Matters Based on an Audit of Financial Statements<br>Performed in Accordance with <i>Government Auditing Standards</i> ..... | 39   |
| Schedule of Findings and Responses .....  | 41   |
| Summary Schedule of Prior Audit Findings.....   | 42   |
| STATISTICAL SECTION (UNAUDITED)   |      |
| Net Position by Component - Last Ten Fiscal Years.....  | 43   |
| Changes in Net Position - Last Ten Fiscal Years .....   | 44   |
| Fund Balances - Governmental Funds - Last Ten Fiscal Years.....   | 46   |
| Changes in Fund Balances - Governmental Funds - Last Ten Fiscal Years.....  | 47   |
| Assessed Value of Taxable Property - Last Ten Fiscal Years .....  | 48   |
| Property Tax Rates (Per \$100 of Assessed Values) - Last Ten Fiscal Years.....  | 49   |
| Principal Tax Payers - Current Year and Nine Years Ago .....  | 50   |
| Property Tax Levies and Collections - Last Ten Fiscal Years.....  | 51   |
| Full-time Equivalent City Government Employees by Function/Program .....  | 52   |
| Operating Indicators by Function/Program .....  | 52   |
| Capital Asset Statistics by Function/Program .....  | 52   |

## INDEPENDENT AUDITOR'S REPORT

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

### **Report on the Financial Statements**

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Town of Wakefield, Virginia as of and for the year ended June 30, 2021, and the related notes to the financial statements, which collectively comprise the Town of Wakefield, Virginia's basic financial statements as listed in the table of contents.

### ***Management's Responsibility 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; this includes 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.

### ***Auditor's Responsibility***

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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 entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

### ***Opinions***

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, each major fund, and the aggregate remaining fund information of the Town of Wakefield, Virginia as of June 30, 2021, and the respective changes in financial position and cash flows, where applicable, thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

### ***Other Matters***

#### ***Required Supplementary Information***

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

#### ***Other Information***

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Town of Wakefield, Virginia's basic financial statements. The listing of Town Council members and officials and the statistical section are presented for purposes of additional analysis and are not a required part of the basic financial statements. The listing of Town Council members and officials and statistical section have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on them.

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

In accordance with *Government Auditing Standards*, we have also issued our report dated October 5, 2021, on our consideration of Town of Wakefield, Virginia'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 of Wakefield, Virginia's internal control over financial reporting and compliance.

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

CERTIFIED PUBLIC ACCOUNTANTS

Newport News, Virginia  
October 5, 2021

## TOWN OF WAKEFIELD, VIRGINIA

### MANAGEMENT'S DISCUSSION AND ANALYSIS

June 30, 2021

The Town of Wakefield, Virginia (Town) offers readers of the financial statements this narrative overview and analysis of the financial activities of the Town of Wakefield, Virginia for the fiscal year ended June 30, 2021. Please read it in conjunction with the Town's financial statements following this section.

#### Overview of Financial Statements

Our discussion and analysis is intended to serve as an introduction to the Town's basic financial statements. As of the year ended June 30, 2021, the Town's financial statements present two types of statements, each with a different snapshot of the Town's finances. The focus is on both the Town as a whole (government-wide) and the fund financial statements. The government-wide financial statements provide both short-term and long-term information about the Town's overall financial status. The fund financials focus on the individual part of Town government, reporting the Town's operations in more detail than the government-wide statements, which present a longer-term view. Presentation of both perspectives provides the user a broader overview, enhances of the basis for comparisons, and better reflects the Town's accountability.

#### Government-Wide Financial Statements

The government-wide financial statements include the *Statement of Net position* and the *Statement of Activities*. These statements provide information about the Town as a whole using the accrual basis of accounting, which is the method used by most private-sector enterprises. All current year revenues and expenses are reported in the Statement of Activities regardless of when cash is received or paid. These statements allow readers to answer the question, "Is the Town's position, as a whole, better or worse as a result of the year's activities?"

One of the main goals of these two statements is to report the Town's net position and changes that affected net position during the fiscal year. The change in the Town's net position, the difference between assets and deferred inflows of resources and liabilities and deferred outflows of resources, is one way to measure the Town's financial health, or financial position. Increases or decreases in net position are indicators of whether the Town's financial health is improving or deteriorating. Other nonfinancial factors, such as changes in the Town's property tax base and the condition of the Town's infrastructure should also be considered in assessing the overall financial health of the Town.

In the *Statement of Net position* and the *Statement of Activities*, the Town's activities are classified as follows:

#### Governmental Activities

Most of the Town's basic services are reported here, including general government, judicial administration, public safety, public works, health and welfare, and parks and recreation and cultural departments. Property taxes, other local taxes, and federal and state grants finance most of these activities.

#### Business-Type Activities

The Town's water, waste disposal and electrical services are reported here as the Town charges a fee to customers designed to cover all the cost of services it provides. Additionally, the Town's Airport Commission is reported here as the Town charges hangar rent to cover the cost of the Airport's operations.

(Continued)

## **TOWN OF WAKEFIELD, VIRGINIA**

### **MANAGEMENT'S DISCUSSION AND ANALYSIS**

**June 30, 2021**

#### **Component Unit**

The Town includes a blended component unit in this report, the Airport Commission of the Town of Wakefield. Although legally separate, the component unit is included because the Town of Wakefield is financially accountable for it and governs its operations.

#### **Fund Financial Statements**

Traditional users of governmental financial statements will find the fund financial statement presentation more familiar. However, the focus is now on the Town's most significant funds rather than fund types. The fund financial statements begin on page 9 and provide detailed information about the most significant funds, not the Town as a whole. The Town has two types of funds:

##### **Governmental Funds**

Most of the Town's basic services are accounted for in the governmental funds. Fund-based statements for these funds focus on how resources flow into and out of those funds and the balances at year-end that are available for future spending. These funds are reported on the modified accrual basis of accounting, which measures cash and other liquid assets that can readily be converted to cash. The governmental funds financial statements provide a detailed short-term overview that helps the reader determine the financial resources that can be spent in the near future to finance the Town's programs. The differences between governmental activities as reported in the government-wide and funds financial statements are reconciled on pages 10 and 12.

##### **Proprietary Funds**

When the Town charges customers for services it provides, whether to outside customers or to other units of the Town, these services are generally reported in proprietary funds. Proprietary funds, like the government-wide statements, utilize the accrual basis of accounting, and their statements provide both short and long-term financial information.

The Town's proprietary fund financial statements provide more detail and additional information, such as cash flows. The Town's proprietary funds are the Public Utilities and Airport Commission Funds.

#### **Financial Highlights and Analysis**

The staff includes six full-time employees and one part-time worker. Seasonal employees are also hired if needed for maintenance work or grass cutting. The Town owns its own electrical and water systems which serve approximately 650 residents. The Town owns a municipal airport and ballpark and owns the building that houses the Wakefield Volunteer Fire Department.

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# TOWN OF WAKEFIELD, VIRGINIA

## MANAGEMENT'S DISCUSSION AND ANALYSIS

June 30, 2021

### Town of Wakefield, Virginia's Changes in Net Position

|   | <u>Governmental Activities</u> |                     | <u>Business-type Activities</u> |                     | <u>Totals</u>       |                     |
|---|--------------------------------|---------------------|---------------------------------|---------------------|---------------------|---------------------|
|   | <u>2021</u>                    | <u>2020</u>         | <u>2021</u>                     | <u>2020</u>         | <u>2021</u>         | <u>2020</u>         |
| Revenues:                               |                                |                     |                                 |                     |                     |                     |
| Program revenues:                       |                                |                     |                                 |                     |                     |                     |
| Charges for services                    | \$ -                           | \$ -                | \$ 1,490,654                    | \$ 1,517,588        | \$ 1,490,654        | \$ 1,517,588        |
| Operating grants and contributions      | <u>144,868</u>                 | <u>-</u>            | <u>4,010</u>                    | <u>312,457</u>      | <u>148,878</u>      | <u>312,457</u>      |
| Total program revenues                  | <u>144,868</u>                 | <u>-</u>            | <u>1,494,664</u>                | <u>1,830,045</u>    | <u>1,639,532</u>    | <u>1,830,045</u>    |
| General revenues:                       |                                |                     |                                 |                     |                     |                     |
| General property taxes                  | 79,723                         | 77,330              | -                               | -                   | 79,723              | 77,330              |
| Other local taxes                       | 351,977                        | 329,619             | -                               | -                   | 351,977             | 329,619             |
| Other general revenues                  | 25,886                         | 28,665              | -                               | -                   | 25,886              | 28,665              |
| Recovered costs                         | 1,064                          | 16,420              | -                               | -                   | 1,064               | 16,420              |
| Miscellaneous                           | 4,575                          | 6,420               | 22,778                          | 39,097              | 27,353              | 45,517              |
| Intergovernmental                       |                                |                     |                                 |                     |                     |                     |
| Commonwealth of Virginia                | <u>65,327</u>                  | <u>62,965</u>       | <u>-</u>                        | <u>-</u>            | <u>65,327</u>       | <u>62,965</u>       |
| Total general revenues                  | <u>528,552</u>                 | <u>521,419</u>      | <u>22,778</u>                   | <u>39,097</u>       | <u>551,330</u>      | <u>560,516</u>      |
| Total revenues                          | <u>673,420</u>                 | <u>521,419</u>      | <u>1,517,442</u>                | <u>1,869,142</u>    | <u>2,190,862</u>    | <u>2,390,561</u>    |
| Expenses:                               |                                |                     |                                 |                     |                     |                     |
| General government administration       | 362,373                        | 326,160             | -                               | -                   | 362,373             | 326,160             |
| Public safety                           | 125,256                        | 129,857             | -                               | -                   | 125,256             | 129,857             |
| Public works                            | 66,885                         | 77,468              | -                               | -                   | 66,885              | 77,468              |
| Parks, recreation, and cultural         | 19,248                         | 25,500              | -                               | -                   | 19,248              | 25,500              |
| Airport                                 | -                              | -                   | 148,052                         | 151,070             | 148,052             | 151,070             |
| Public utilities                        | <u>-</u>                       | <u>-</u>            | <u>1,218,813</u>                | <u>1,312,254</u>    | <u>1,218,813</u>    | <u>1,312,254</u>    |
| Total expenses                          | <u>573,762</u>                 | <u>558,985</u>      | <u>1,366,865</u>                | <u>1,463,324</u>    | <u>1,940,627</u>    | <u>2,022,309</u>    |
| Change in net position before transfers | 99,658                         | (37,566)            | 150,577                         | 405,818             | 250,235             | 368,252             |
| Transfers                               | <u>235,587</u>                 | <u>60,784</u>       | <u>(235,587)</u>                | <u>(60,784)</u>     | <u>-</u>            | <u>-</u>            |
| Change in net position                  | 335,245                        | 23,218              | (85,010)                        | 345,034             | 250,235             | 368,252             |
| Net position, beginning of year         | <u>1,682,521</u>               | <u>1,659,303</u>    | <u>2,866,489</u>                | <u>2,521,455</u>    | <u>4,549,010</u>    | <u>4,180,758</u>    |
| Net position, end of year               | <u>\$ 2,017,766</u>            | <u>\$ 1,682,521</u> | <u>\$ 2,781,479</u>             | <u>\$ 2,866,489</u> | <u>\$ 4,799,245</u> | <u>\$ 4,549,010</u> |

Total revenues decreased from fiscal year 2020 to 2021 by \$199,699 primarily due to a decline in operating grant and contributions attributable to a grant-funded capital project at the Airport in the prior year.

Total expenses decreased by \$81,682. This is primarily because of a decrease in public utilities expenses as a result of lower amounts paid to the Virginia Municipal Electric Association due to the decrease in the electric fuel adjustment rate.

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**TOWN OF WAKEFIELD, VIRGINIA**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
**June 30, 2021**

**Town of Wakefield, Virginia's Net Position**

|                                     | <b>Governmental Activities</b> |                     | <b>Business-type Activities</b> |                     | <b>Totals</b>       |                     |
|-------------------------------------|--------------------------------|---------------------|---------------------------------|---------------------|---------------------|---------------------|
|                                     | <b>2021</b>                    | <b>2020</b>         | <b>2021</b>                     | <b>2020</b>         | <b>2021</b>         | <b>2020</b>         |
| Current and other assets            | \$ 1,972,385                   | \$ 1,407,805        | \$ 392,053                      | \$ 419,176          | \$ 2,364,438        | \$ 1,826,981        |
| Capital assets                      | <u>288,869</u>                 | <u>280,071</u>      | <u>2,691,623</u>                | <u>2,839,052</u>    | <u>2,980,492</u>    | <u>3,119,123</u>    |
| Total assets                        | <u>\$ 2,261,254</u>            | <u>\$ 1,687,876</u> | <u>\$ 3,083,676</u>             | <u>\$ 3,258,228</u> | <u>\$ 5,344,930</u> | <u>\$ 4,946,104</u> |
| Deferred outflows<br>of resources   | <u>\$ 203,552</u>              | <u>\$ 41,576</u>    | <u>\$ 14,557</u>                | <u>\$ 20,020</u>    | <u>\$ 218,109</u>   | <u>\$ 61,596</u>    |
| Current liabilities                 | \$ 445,735                     | \$ 23,312           | \$ 197,893                      | \$ 236,398          | \$ 643,628          | \$ 259,710          |
| Noncurrent liabilities              | <u>891</u>                     | <u>8,477</u>        | <u>118,577</u>                  | <u>168,070</u>      | <u>119,468</u>      | <u>176,547</u>      |
| Total liabilities                   | <u>\$ 446,626</u>              | <u>\$ 31,789</u>    | <u>\$ 316,470</u>               | <u>\$ 404,468</u>   | <u>\$ 763,093</u>   | <u>\$ 436,257</u>   |
| Deferred inflows<br>of resources    | <u>\$ 414</u>                  | <u>\$ 15,142</u>    | <u>\$ 284</u>                   | <u>\$ 7,291</u>     | <u>\$ 698</u>       | <u>\$ 22,433</u>    |
| Net investment in<br>capital assets | \$ 288,869                     | \$ 280,071          | \$ 2,566,477                    | \$ 2,675,462        | \$ 2,855,346        | \$ 2,955,533        |
| Restricted                          | 19,219                         | 18,072              | 11,969                          | 7,619               | 31,188              | 25,691              |
| Unrestricted                        | <u>1,709,678</u>               | <u>1,344,378</u>    | <u>203,033</u>                  | <u>183,408</u>      | <u>1,912,711</u>    | <u>1,567,786</u>    |
| Net position                        | <u>\$ 2,017,766</u>            | <u>\$ 1,682,521</u> | <u>\$ 2,781,479</u>             | <u>\$ 2,866,489</u> | <u>\$ 4,799,245</u> | <u>\$ 4,549,010</u> |

Net position may serve over time as a useful indicator of the Town's financial position. At the close of the most recent fiscal year, the Town's assets and deferred outflows of resources exceeded liabilities and deferred inflows by \$4,799,245 compared to the previous year in which assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by \$4,549,010.

A large portion of the Town's net position represents unrestricted net position of \$1,912,711, which may be used to meet the Town's ongoing obligations. In the previous year, unrestricted net position totaled \$1,567,786.

**Economic conditions**

The Town operates under sound management. The Town continues to make every effort to keep the utility rates down for its customers.

Questions concerning this report or requests for additional information should be directed to the Mayor of the Town of Wakefield, Virginia.

Respectively submitted,

Brian Laine  
Mayor

## **GOVERNMENT-WIDE FINANCIAL STATEMENTS**

# TOWN OF WAKEFIELD, VIRGINIA

## STATEMENT OF NET POSITION

June 30, 2021

|  | Primary Government         |                             |                     |
|--|----------------------------|-----------------------------|---------------------|
|  | Governmental<br>Activities | Business-Type<br>Activities | Total               |
| <b>ASSETS</b>  |                            |                             |                     |
| Cash and cash equivalents (Note 2)                       | \$ 1,923,702               | \$ 86,521                   | \$ 2,010,223        |
| Taxes receivable, net (Note 3)                           | 30,149                     | -                           | 30,149              |
| Accounts receivable, net                                 | -                          | 187,752                     | 187,752             |
| Restricted cash (Note 2)                                 | 1,075                      | 105,811                     | 106,886             |
| Net pension asset (Note 8)                               | 17,459                     | 11,969                      | 29,428              |
| Capital assets, net of accumulated depreciation (Note 4) | 288,869                    | 2,691,623                   | 2,980,492           |
| Total assets   | <u>\$ 2,261,254</u>        | <u>\$ 3,083,676</u>         | <u>\$ 5,344,930</u> |
| <b>DEFERRED OUTFLOWS OF RESOURCES</b>                    |                            |                             |                     |
| Pension deferrals (Note 8)                               | <u>\$ 203,552</u>          | <u>\$ 14,557</u>            | <u>\$ 218,109</u>   |
| <b>LIABILITIES</b>                                       |                            |                             |                     |
| Accounts payable and other current liabilities           | \$ 16,684                  | \$ 91,252                   | \$ 107,936          |
| Payable from restricted cash, deposits                   | 1,075                      | 105,811                     | 106,886             |
| Unearned revenue   | 427,976                    | 830                         | 428,806             |
| Noncurrent liabilities: (Notes 6 and 7)                  |                            |                             |                     |
| Due within one year                                      | 891                        | 56,349                      | 57,240              |
| Due in more than one year                                | -                          | 62,228                      | 62,228              |
| Total liabilities  | <u>\$ 446,626</u>          | <u>\$ 316,470</u>           | <u>\$ 763,096</u>   |
| <b>DEFERRED INFLOWS OF RESOURCES</b>                     |                            |                             |                     |
| Pension deferrals (Note 8)                               | <u>\$ 414</u>              | <u>\$ 284</u>               | <u>\$ 698</u>       |
| <b>NET POSITION</b>                                      |                            |                             |                     |
| Net investment in capital assets                         | \$ 288,869                 | \$ 2,566,477                | \$ 2,855,346        |
| Restricted for pension                                   | 17,459                     | 11,969                      | 29,428              |
| Restricted for permanent fund                            | 1,760                      | -                           | 1,760               |
| Unrestricted   | 1,709,678                  | 203,033                     | 1,912,711           |
| Total net position                                       | <u>\$ 2,017,766</u>        | <u>\$ 2,781,479</u>         | <u>\$ 4,799,245</u> |

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

**TOWN OF WAKEFIELD, VIRGINIA**

**STATEMENT OF ACTIVITIES**

**Year Ended June 30, 2021**

| Functions/Programs                               | Expenses            | Program Revenues        |  | Net Revenues (Expenses) and<br>Changes in Net Position |                             |                     |
|--|---------------------|-------------------------|--|--|-----------------------------|---------------------|
|  |                     | Charges<br>For Services | Operating<br>Grants and<br>Contributions | Primary Government                                     |                             |                     |
|  |                     |                         |  | Governmental<br>Activities                             | Business-Type<br>Activities | Total               |
| <b>PRIMARY GOVERNMENT</b>                        |                     |                         |  |  |                             |                     |
| Governmental activities:                         |                     |                         |  |  |                             |                     |
| General government administration                | \$ 362,373          | \$ -                    | \$ 144,868                               | \$ (217,505)   | \$ -                        | \$ (217,505)        |
| Public safety                                    | 124,506             | -                       | -  | (124,506)  | -                           | (124,506)           |
| Public works                                     | 67,635              | -                       | -  | (67,635)   | -                           | (67,635)            |
| Parks, recreation and cultural                   | 19,248              | -                       | -  | (19,248)   | -                           | (19,248)            |
| Total governmental activities                    | 573,762             | -                       | 144,868                                  | (428,894)  | -                           | (428,894)           |
| Business-type activities:                        |                     |                         |  |  |                             |                     |
| Public utility                                   | 1,218,813           | 1,417,084               | -  | -  | 198,271                     | 198,271             |
| Airport Commission                               | 148,052             | 73,570                  | 4,010                                    | -  | (70,472)                    | (70,472)            |
| Total business-type activities                   | 1,366,865           | 1,490,654               | 4,010                                    | -  | 127,799                     | 127,799             |
| Total primary government                         | <u>\$ 1,940,627</u> | <u>\$ 1,490,654</u>     | <u>\$ 148,878</u>                        | <u>(428,894)</u>                                       | <u>127,799</u>              | <u>(301,095)</u>    |
| <b>GENERAL REVENUES</b>                          |                     |                         |  |  |                             |                     |
| General property taxes                           |                     |                         |  | 79,723   | -                           | 79,723              |
| Meals taxes                                      |                     |                         |  | 192,170  | -                           | 192,170             |
| Other local taxes                                |                     |                         |  | 159,807  | -                           | 159,807             |
| Revenues from use of money and property          |                     |                         |  | 7,394  | -                           | 7,394               |
| Permits, privilege fees, and regulatory licenses |                     |                         |  | 200  | -                           | 200                 |
| Fines and forfeitures                            |                     |                         |  | 18,292   | -                           | 18,292              |
| Recovered costs                                  |                     |                         |  | 1,064  | -                           | 1,064               |
| Miscellaneous                                    |                     |                         |  | 4,575  | 22,778                      | 27,353              |
| Intergovernmental - Commonwealth of Virginia     |                     |                         |  | 65,327   | -                           | 65,327              |
| Transfers, net                                   |                     |                         |  | 235,587  | (235,587)                   | -                   |
| Total general revenues and transfers             |                     |                         |  | 764,139  | (212,809)                   | 551,330             |
| Change in net position                           |                     |                         |  | 335,245  | (85,010)                    | 250,235             |
| Net position, beginning of year                  |                     |                         |  | 1,682,521  | 2,866,489                   | 4,549,010           |
| Net position, end of year                        |                     |                         |  | <u>\$ 2,017,766</u>                                    | <u>\$ 2,781,479</u>         | <u>\$ 4,799,245</u> |

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

## **GOVERNMENTAL FUND FINANCIAL STATEMENTS**

**TOWN OF WAKEFIELD, VIRGINIA**

**BALANCE SHEET - GOVERNMENTAL FUNDS**

**June 30, 2021**

|  | <b>General<br/>Fund</b> | <b>Non-Major<br/>Permanent<br/>Fund</b> | <b>Total<br/>Governmental<br/>Funds</b> |
|--|-------------------------|---|---|
| <b>ASSETS</b>                                  |                         |   |   |
| <b>CURRENT ASSETS</b>                          |                         |   |   |
| Cash and cash equivalents (Note 2)             | \$ 1,881,217            | \$ 42,485                               | \$ 1,923,702                            |
| Taxes receivable, net (Note 3)                 | 30,149                  | -                                       | 30,149                                  |
| Restricted cash (Note 2)                       | 1,075                   | -                                       | 1,075                                   |
|  | <hr/>                   | <hr/>                                   | <hr/>                                   |
| Total assets                                   | \$ 1,912,441            | \$ 42,485                               | \$ 1,954,926                            |
|  | <hr/> <hr/>             | <hr/> <hr/>                             | <hr/> <hr/>                             |
| <b>LIABILITIES</b>                             |                         |   |   |
| <b>CURRENT LIABILITIES</b>                     |                         |   |   |
| Accounts payable and other current liabilities | \$ 16,421               | \$ 263                                  | \$ 16,684                               |
| Unearned revenue (Note 10)                     | 427,976                 | -                                       | 427,976                                 |
| Payable from restricted cash, deposits         | 1,075                   | -                                       | 1,075                                   |
|  | <hr/>                   | <hr/>                                   | <hr/>                                   |
| Total current liabilities                      | 445,472                 | 263                                     | 445,735                                 |
|  | <hr/>                   | <hr/>                                   | <hr/>                                   |
| <b>FUND BALANCES</b>                           |                         |   |   |
| Restricted                                     | -                       | 1,760                                   | 1,760                                   |
| Committed                                      | -                       | 40,462                                  | 40,462                                  |
| Unassigned                                     | 1,466,969               | -                                       | 1,466,969                               |
|  | <hr/>                   | <hr/>                                   | <hr/>                                   |
| Total fund balances                            | 1,466,969               | 42,222                                  | 1,509,191                               |
|  | <hr/>                   | <hr/>                                   | <hr/>                                   |
| Total liabilities and fund balances            | \$ 1,912,441            | \$ 42,485                               | \$ 1,954,926                            |
|  | <hr/> <hr/>             | <hr/> <hr/>                             | <hr/> <hr/>                             |

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

**TOWN OF WAKEFIELD, VIRGINIA**

**RECONCILIATION OF GOVERNMENTAL FUNDS BALANCE SHEET  
TO THE STATEMENT OF NET POSITION  
June 30, 2021**

|  |                            |
|--|----------------------------|
| Total fund balances, governmental funds  | \$ 1,509,191               |
| 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, net of accumulated depreciation.   | <u>288,869</u>             |
| Some assets and deferred outflows of resources reported in the statement of net position do not provide current financial resources and therefore are not accrued as assets or deferred in the governmental funds.                     |                            |
| Net pension asset  | 17,459                     |
| Deferred pension outflows  | <u>203,552</u>             |
|  | <u>221,011</u>             |
| Some liabilities and deferred inflows of resources reported in the statement of net position do not require the use of current financial resources and therefore are not accrued as liabilities or deferred in the governmental funds. |                            |
| Compensated absences   | (891)                      |
| Deferred pension inflows   | <u>(414)</u>               |
|  | <u>(1,305)</u>             |
| Net position of governmental activities  | <u><u>\$ 2,017,766</u></u> |

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



**TOWN OF WAKEFIELD, VIRGINIA**

**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -  
GOVERNMENTAL FUNDS  
Year Ended June 30, 2021**

|   | <u>General Fund</u> | <u>Non-Major<br/>Permanent<br/>Fund</u> | <u>Total<br/>Governmental<br/>Funds</u> |
|---|---------------------|---|---|
| <b>OPERATING REVENUES</b>   |                     |   |   |
| General property taxes  | \$ 79,723           | \$ -                                    | \$ 79,723                               |
| Other local taxes   | 351,977             | -                                       | 351,977                                 |
| Revenues from use of money and property   | 7,374               | 20                                      | 7,394                                   |
| Permits, privilege fees, and regulatory licenses  | 200                 | -                                       | 200                                     |
| Fines and forfeitures   | 18,292              | -                                       | 18,292                                  |
| Recovered costs   | 1,064               | -                                       | 1,064                                   |
| Miscellaneous   | 4,575               | -                                       | 4,575                                   |
| Intergovernmental - Commonwealth of Virginia  | 65,327              | -                                       | 65,327                                  |
| Intergovernmental - Federal (Note 10)   | 144,868             | -                                       | 144,868                                 |
|   | <u>673,400</u>      | <u>20</u>                               | <u>673,420</u>                          |
| <b>OPERATING EXPENDITURES</b>   |                     |   |   |
| Current:  |                     |   |   |
| General government administration   | 526,362             | -                                       | 526,362                                 |
| Public safety   | 112,516             | -                                       | 112,516                                 |
| Public works  | 34,837              | 13,612                                  | 48,449                                  |
| Parks, recreation and cultural  | 19,248              | -                                       | 19,248                                  |
| Capital projects  | 61,913              | -                                       | 61,913                                  |
|   | <u>754,876</u>      | <u>13,612</u>                           | <u>768,488</u>                          |
| Total expenditures  | <u>754,876</u>      | <u>13,612</u>                           | <u>768,488</u>                          |
| Deficiency of revenue under expenditures  | <u>(81,476)</u>     | <u>(13,592)</u>                         | <u>(95,068)</u>                         |
| <b>OTHER FINANCING SOURCES (USES)</b>   |                     |   |   |
| Operating transfers in  | 235,587             | 13,563                                  | 249,150                                 |
| Operating transfers out   | (13,563)            | -                                       | (13,563)                                |
| Note receivable repayments  | 7,349               | -                                       | 7,349                                   |
|   | <u>229,373</u>      | <u>13,563</u>                           | <u>242,936</u>                          |
| Total other financing sources   | <u>229,373</u>      | <u>13,563</u>                           | <u>242,936</u>                          |
| Excess (deficiency) of revenues and other<br>financing sources over (under)<br>expenditures and other financing sources | 147,897             | (29)                                    | 147,868                                 |
| Fund balance, beginning of year   | <u>1,319,072</u>    | <u>42,251</u>                           | <u>1,361,323</u>                        |
| Fund balances, end of year  | <u>\$ 1,466,969</u> | <u>\$ 42,222</u>                        | <u>\$ 1,509,191</u>                     |

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

**TOWN OF WAKEFIELD, VIRGINIA**

**RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS  
TO STATEMENT OF ACTIVITIES  
Year Ended June 30, 2021**

|   |                          |
|---|--------------------------|
| Net change in fund balances, total governmental funds   | \$ 147,868               |
| Amounts reported for governmental activities in the statement of activities are different because:  |                          |
| Repayments on notes receivable to other entities are reported as revenues in the governmental fund statement of revenues, expenditures, and changes in fund balances. However, these are not reported on the Statement of Activities and are instead reported as receivable reduction on the Statement of Net Position. | <u>(7,349)</u>           |
| Governmental funds report capital outlays 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. This is the amount by which capital outlays exceeded depreciation.                                     | <u>8,798</u>             |
| Some expenses and expense recoveries 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 compensated absences  | 7,586                    |
| Change in pension and pension-related deferred amounts  | <u>178,342</u>           |
|   | <u>185,928</u>           |
| Change in net position of governmental activities   | <u><u>\$ 335,245</u></u> |

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

## **PROPRIETARY FUND FINANCIAL STATEMENTS**

**TOWN OF WAKEFIELD, VIRGINIA**

**STATEMENT OF NET POSITION - PROPRIETARY FUNDS**

**June 30, 2021**

|  | <u>Public<br/>Utilities</u> | <u>Airport<br/>Commission</u> | <u>Total</u>               |
|--|-----------------------------|-------------------------------|----------------------------|
| <b>ASSETS</b>  |                             |                               |                            |
| <b>CURRENT ASSETS</b>                                    |                             |                               |                            |
| Cash and cash equivalents (Note 2)                       | \$ 86,521                   | \$ -                          | \$ 86,521                  |
| Accounts receivable, net                                 | 187,752                     | -                             | 187,752                    |
| Total current assets                                     | <u>274,273</u>              | <u>-</u>                      | <u>274,273</u>             |
| <b>NONCURRENT ASSETS</b>                                 |                             |                               |                            |
| Restricted cash (Note 2)                                 | 105,811                     | -                             | 105,811                    |
| Net pension asset (Note 8)                               | 11,969                      | -                             | 11,969                     |
| Capital assets, net of accumulated depreciation (Note 4) | 1,317,007                   | 1,374,616                     | 2,691,623                  |
| Total noncurrent assets                                  | <u>1,434,787</u>            | <u>1,374,616</u>              | <u>2,809,403</u>           |
| Total assets   | <u><u>\$ 1,709,060</u></u>  | <u><u>\$ 1,374,616</u></u>    | <u><u>\$ 3,083,676</u></u> |
| <b>DEFERRED OUTFLOWS OF RESOURCES</b>                    |                             |                               |                            |
| Pension deferrals  | <u><u>\$ 14,557</u></u>     | <u><u>\$ -</u></u>            | <u><u>\$ 14,557</u></u>    |
| <b>LIABILITIES</b>                                       |                             |                               |                            |
| <b>CURRENT LIABILITIES</b>                               |                             |                               |                            |
| Accounts payable and other current liabilities           | \$ 90,589                   | \$ 663                        | \$ 91,252                  |
| Unearned revenue   | -                           | 830                           | 830                        |
| Notes payable, current portion (Notes 6 & 7)             | 51,693                      | -                             | 51,693                     |
| Compensated absences (Note 7)                            | 4,656                       | -                             | 4,656                      |
| Total current liabilities                                | <u>146,938</u>              | <u>1,493</u>                  | <u>148,431</u>             |
| <b>NONCURRENT LIABILITIES</b>                            |                             |                               |                            |
| Payable from restricted cash, deposits                   | 105,811                     | -                             | 105,811                    |
| Notes payable, less current portion (Notes 6 & 7)        | 62,228                      | -                             | 62,228                     |
| Total noncurrent liabilities                             | <u>168,039</u>              | <u>-</u>                      | <u>168,039</u>             |
| Total liabilities  | <u><u>\$ 314,977</u></u>    | <u><u>\$ 1,493</u></u>        | <u><u>\$ 316,470</u></u>   |
| <b>DEFERRED INFLOWS OF RESOURCES</b>                     |                             |                               |                            |
| Pension deferrals (Note 8)                               | <u><u>\$ 284</u></u>        | <u><u>\$ -</u></u>            | <u><u>\$ 284</u></u>       |
| <b>NET POSITION</b>                                      |                             |                               |                            |
| Net investment in capital assets                         | \$ 1,191,861                | \$ 1,374,616                  | \$ 2,566,477               |
| Restricted for pension                                   | 11,969                      | -                             | 11,969                     |
| Unrestricted   | 204,526                     | (1,493)                       | 203,033                    |
| Total net position                                       | <u><u>\$ 1,408,356</u></u>  | <u><u>\$ 1,373,123</u></u>    | <u><u>\$ 2,781,479</u></u> |

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

**TOWN OF WAKEFIELD, VIRGINIA**

**STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET POSITION -  
PROPRIETARY FUNDS  
Year Ended June 30, 2021**

|   | <u>Public<br/>Utilities</u> | <u>Airport<br/>Commission</u> | <u>Total</u>        |
|---|-----------------------------|-------------------------------|---------------------|
| OPERATING REVENUES                                |                             |                               |                     |
| Charges for services                              | \$ 1,417,084                | \$ 73,570                     | \$ 1,490,654        |
| OPERATING EXPENSES, other than depreciation:      |                             |                               |                     |
| Purchase of electricity                           | 786,542                     | -                             | 786,542             |
| Other contractual services                        | 99,694                      | -                             | 99,694              |
| Salaries  | 107,179                     | 8,942                         | 116,121             |
| Maintenance and repairs                           | 26,498                      | 7,156                         | 33,654              |
| Benefits  | 34,322                      | 3,684                         | 38,006              |
| Materials and supplies                            | 12,205                      | 1,309                         | 13,514              |
| Office expense                                    | 5,255                       | 4,842                         | 10,097              |
| Fuel  | 10,352                      | 32,115                        | 42,467              |
| Dues  | 2,711                       | -                             | 2,711               |
| Utilities   | 2,254                       | 7,857                         | 10,111              |
| Professional services                             | 8,661                       | -                             | 8,661               |
| Rent  | 225                         | -                             | 225                 |
| Total operating expenses, other than depreciation | 1,095,898                   | 65,905                        | 1,161,803           |
| Operating income before depreciation              | 321,186                     | 7,665                         | 328,851             |
| Depreciation                                      | (117,261)                   | (82,097)                      | (199,358)           |
| Operating income (loss)                           | 203,925                     | (74,432)                      | 129,493             |
| NONOPERATING REVENUES (EXPENSES)                  |                             |                               |                     |
| Penalty charges                                   | 18,147                      | -                             | 18,147              |
| Miscellaneous revenues                            | 1,419                       | -                             | 1,419               |
| State consumption and regulatory tax, net         | 3,193                       | -                             | 3,193               |
| Capital grants                                    | -                           | 4,010                         | 4,010               |
| Miscellaneous expenses                            | -                           | (50)                          | (50)                |
| Interest income                                   | 19                          | -                             | 19                  |
| Interest expense                                  | (5,654)                     | -                             | (5,654)             |
| Total nonoperating revenues                       | 17,124                      | 3,960                         | 21,084              |
| Income (loss) before operating transfers          | 221,049                     | (70,472)                      | 150,577             |
| OPERATING TRANSFERS                               |                             |                               |                     |
| Transfers from other funds                        | -                           | 17,663                        | 17,663              |
| Transfers to other funds                          | (253,250)                   | -                             | (253,250)           |
| Change in net position                            | (32,201)                    | (52,809)                      | (85,010)            |
| Net position, beginning of year                   | 1,440,557                   | 1,425,932                     | 2,866,489           |
| Net position, end of year                         | <u>\$ 1,408,356</u>         | <u>\$ 1,373,123</u>           | <u>\$ 2,781,479</u> |

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

**TOWN OF WAKEFIELD, VIRGINIA**

**STATEMENT OF CASH FLOWS - PROPRIETARY FUNDS**

**Year Ended June 30, 2021**

|   | <b>Public<br/>Utilities</b> | <b>Airport<br/>Commission</b> | <b>Total</b>      |
|---|-----------------------------|-------------------------------|-------------------|
| <b>OPERATING ACTIVITIES</b>   |                             |                               |                   |
| Received from customers and users   | \$ 1,417,950                | \$ 71,320                     | \$ 1,489,270      |
| Payments to suppliers for goods and services  | (996,240)                   | (108,196)                     | (1,104,436)       |
| Payments to employees   | (107,003)                   | (8,942)                       | (115,945)         |
| Net cash provided (used) by operating activities  | <u>314,707</u>              | <u>(45,818)</u>               | <u>268,889</u>    |
| <b>NONCAPITAL FINANCING ACTIVITIES</b>  |                             |                               |                   |
| Transfers out to other funds  | (253,250)                   | -                             | (253,250)         |
| Transfers in from other funds   | -                           | 17,663                        | 17,663            |
| Net cash provided (used)<br>by noncapital financing activities                          | <u>(253,250)</u>            | <u>17,663</u>                 | <u>(235,587)</u>  |
| <b>CAPITAL AND RELATED FINANCING ACTIVITIES</b>   |                             |                               |                   |
| Acquisition and construction of capital assets  | (23,893)                    | (16,811)                      | (40,704)          |
| Payments on long-term debt  | (49,669)                    | -                             | (49,669)          |
| Interest expense  | (5,654)                     | -                             | (5,654)           |
| State grants  | -                           | 45,016                        | 45,016            |
| Penalty charges   | 18,147                      | -                             | 18,147            |
| Miscellaneous revenues  | 1,419                       | -                             | 1,419             |
| Miscellaneous expenses  | -                           | (50)                          | (50)              |
| State consumption and regulatory tax, net   | 3,193                       | -                             | 3,193             |
| Net cash provided (used) by<br>capital and related financing activities                 | <u>(56,457)</u>             | <u>28,155</u>                 | <u>(28,302)</u>   |
| <b>INVESTING ACTIVITIES</b>   |                             |                               |                   |
| Interest income   | 19                          | -                             | 19                |
| Net increase in cash and cash equivalents   | 5,019                       | -                             | 5,019             |
| <b>CASH AND CASH EQUIVALENTS</b>  |                             |                               |                   |
| Beginning of year   | 187,313                     | -                             | 187,313           |
| End of year   | <u>\$ 192,332</u>           | <u>\$ -</u>                   | <u>\$ 192,332</u> |
| <b>RECONCILIATION OF CASH AND CASH EQUIVALENTS<br/>TO THE STATEMENT OF NET POSITION</b> |                             |                               |                   |
| Cash and cash equivalents   | \$ 86,521                   | \$ -                          | \$ 86,521         |
| Restricted cash   | 105,811                     | -                             | 105,811           |
|   | <u>\$ 192,332</u>           | <u>\$ -</u>                   | <u>\$ 192,332</u> |

(Continued)

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

**TOWN OF WAKEFIELD, VIRGINIA**

**STATEMENT OF CASH FLOWS - PROPRIETARY FUNDS**

**Year Ended June 30, 2021**

|  | <u>Public<br/>Utilities</u> | <u>Airport<br/>Commission</u> | <u>Total</u>      |
|--|-----------------------------|-------------------------------|-------------------|
| <b>RECONCILIATION OF OPERATING INCOME TO NET CASH<br/>PROVIDED BY OPERATING ACTIVITIES</b>             |                             |                               |                   |
| Operating income (loss)  | \$ 203,925                  | \$ (74,432)                   | \$ 129,493        |
| Adjusting to reconcile operating income (loss) to net cash<br>provided (used) by operating activities: |                             |                               |                   |
| Depreciation   | 117,261                     | 82,097                        | 199,358           |
| Pension expense net of employer contributions  | (5,894)                     | -                             | (5,894)           |
| Change in current assets and liabilities:  |                             |                               |                   |
| Accounts receivable  | (4,514)                     | -                             | (4,514)           |
| Accounts payable and accrued liabilities   | (1,627)                     | (51,233)                      | (52,860)          |
| Payable from restricted cash, deposits   | 5,380                       | -                             | 5,380             |
| Unearned revenue   | -                           | (2,250)                       | (2,250)           |
| Compensated absences   | 176                         | -                             | 176               |
|  | <u>\$ 314,707</u>           | <u>\$ (45,818)</u>            | <u>\$ 268,889</u> |
| Net cash provided (used) by operating activities   | <u>\$ 314,707</u>           | <u>\$ (45,818)</u>            | <u>\$ 268,889</u> |
| <b>SUPPLEMENTAL DISCLOSURES</b>  |                             |                               |                   |
| Cash paid for interest   | <u>\$ 5,654</u>             | <u>\$ -</u>                   | <u>\$ 5,654</u>   |
| State grants included in accounts receivable at prior year end   | <u>\$ -</u>                 | <u>\$ 41,006</u>              | <u>\$ 41,006</u>  |
| Capital asset purchases included in accounts payable<br>at year end                                    | <u>\$ 11,225</u>            | <u>\$ -</u>                   | <u>\$ 11,225</u>  |

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

**TOWN OF WAKEFIELD, VIRGINIA**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**June 30, 2021**

**1. Summary of Significant Accounting Policies**

Reporting entity

*Primary government*

The Town of Wakefield, Virginia (Town) is a political subdivision of the Commonwealth of Virginia (Commonwealth) governed by a six-member elected Town Council. The accompanying financial statements for the primary government and its component unit are prepared in accordance with the accounting principles generally accepted in the United States of America (GAAP) applicable to governmental units, as prescribed by the Governmental Accounting Standards Board (GASB).

In accordance with GASB Statement No. 34, *Basic Financial Statements - and Management's Discussion and Analysis - for State and Local Governments*, the basic financial statements are comprised of both government-wide and fund financial statements.

Fund balance

In accordance with GASB Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions* fund balances are classified as follows:

*Nonspendable*

Amounts that cannot be spent either because they are not in a spendable form or because they are legally or contractually required to be maintained intact.

*Restricted*

Amounts that can be spent only for specific purposes because of the Town Charter, Town Code, state or federal laws, or externally imposed conditions by grantors or creditors.

*Committed*

Amounts that can be used only for specific purposes determined by a formal action by the Town Council ordinance or resolution.

*Assigned*

Amounts that are designated by the Mayor for a specific purpose but are not spendable until a budget ordinance is passed by the Town Council.

*Unassigned*

All amounts not included in other spendable classifications.

The details of the fund balances are included in the Governmental Funds Balance Sheet (page 9). Restricted funds are used first as appropriate. Assigned Funds are reduced to the extent that expenditure Town has been budgeted by the Town Council or the Assignment has been changed by the Mayor. Decreases to fund balance first reduce Unassigned Fund balance; in the event that Unassigned Fund Balance becomes zero, the Assigned and Committed Fund Balances are used in that order.

General fund

The General Fund has Unassigned Fund Balance of \$1,466,969 at June 30, 2021.

(Continued)



**TOWN OF WAKEFIELD, VIRGINIA**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**June 30, 2021**

**1. Summary of Significant Accounting Policies (Continued)**

Other major fund

The Permanent Fund has Restricted Funds of \$1,760 at June 30, 2021, consisting of funds donated by residents for the purpose of Cemetery repairs and maintenance. The Permanent Fund also has Committed Funds of \$40,462, which was set aside by the Council, and includes earnings which are to be similarly used for Cemetery repairs and maintenance.

Blended component unit

For financial reporting purposes, in conformance with GASB Statement No. 61, *The Financial Reporting Entity: Omnibus an amendment of GASB Statement No. 14 and No. 34*, the Town includes all funds, agencies, boards, commissions and authorities for which the Town is financially accountable.

Financial accountability was determined on the basis of budget adoption, outstanding debt secured by revenues or general obligations of the Town, obligation of the Town to finance any deficits that may occur, or receipt of significant subsidies from the Town.

Based on the foregoing criteria, the Airport Commission is included in the accompanying financial statements. There are no other component units whose financial activities would appropriately be included in the accompanying financial statements.

Government-wide and fund financial statements

There are two basic government-wide statements, the statement of net position and the statement of activities, which report information on all of the nonfiduciary activities of the Town and its component unit. These two statements report governmental activities, which are normally supported by taxes and intergovernmental revenues, separately from business-type activities, which rely primarily on fees and charges for services. Fiduciary activities are not reported in the government-wide statements because the resources are not available to support government programs. In addition to separately presenting business-type activities and governmental activities, the government-wide financial statements present a consolidated total column for the primary government. The government-wide financial statements are consolidated; therefore, the effect of interfund activity has been removed from these statements.

The statement of activities presents a comparison between direct expenses of a function and program revenues. Direct expenses are those that are specifically associated with a specific function or segment. Program revenues include a) fees, fines and charges paid by the recipients of goods or services offered by the function or segment and b) grants and contributions that are restricted to meet the operating or capital requirements of a particular function or segment. Revenues that are not classified as program revenues, including all taxes, are presented as general revenues.

The fund financial statements are provided to separately present governmental funds, proprietary funds and fiduciary funds (the latter being excluded from the government-wide financial statements). All individual governmental funds and the enterprise fund are reported separately in the fund financial statements.

Measurement focus, basis of accounting and financial statement presentation

The government-wide financial statements and the proprietary fund financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. This measurement focus attempts to match revenues and related costs. The accrual basis of accounting recognizes revenues as they are earned and expenses are recognized when a liability is incurred.

(Continued)

**TOWN OF WAKEFIELD, VIRGINIA**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**June 30, 2021**

**1. Summary of Significant Accounting Policies (Continued)**

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

The governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. The current financial resources measurement focus does not attempt to match revenues and related costs; instead the focus is on increases and decreases in current financial resources. The modified accrual basis of accounting recognizes revenue when measurable and available. That is, revenues are recognized to the degree they are available to finance expenditures of the current fiscal period. Generally, revenues are considered available to be used to pay liabilities of the current period if they are collectible within the current period or within 45 days thereafter.

Accordingly, real and personal property taxes are recorded as revenues and receivables when billed and displayed at year end, net of an allowance for uncollectible amounts. Sales and utility taxes, which are collected by the Commonwealth or utilities and subsequently remitted to the Town, are recognized as revenues and receivables upon collection by the Commonwealth or utility, which is generally one month preceding receipt by the Town. Licenses, permits and fines are recorded as revenues when received by the Town. Intergovernmental revenues are recognized when received. Revenues from general purpose grants are recognized in the period to which the grant applies. Expenditures are recorded as the related fund liabilities are incurred.

With the fund financial statements, two reconciliations are provided to explain the difference between the fund financial statements and the government-wide financial statements caused by these differences in measurement focus and basis of accounting.

The Town reports the following governmental funds:

*General fund*

The General Fund accounts for all revenues and expenditures applicable to the general operations of the Town which are not accounted for in other funds. Revenues are derived from general property taxes, other local taxes, licenses and permits and intergovernmental revenues. Primary expenditures are for public safety, public works, recreation and cultural, and the general administration of the Town.

*Permanent fund*

The Permanent Fund accounts for assets held by a governmental unit in a trustee capacity or as an agent or custodian for individuals, private organizations, other governmental units, or other funds. The Cemetery Fund, a nonexpendable permanent fund, accounts for monies derived from the sale of cemetery lots.

The Town reports the following proprietary fund:

*Proprietary funds*

Proprietary funds account for the financing of services to the general public where all or most of the operating expenses involved are recovered in the form of charges to users of such services. The Town's enterprise fund accounts for the activities of the Airport and the operations of water, waste disposal, and electrical services. Operating revenues, such as charges for services, result from exchange transactions associated with the principal activity of the fund. Exchange transactions are those in which each party receives and gives up essentially equal values. Non-operating revenues, such as grants, contributions, and investment earnings, result from non-exchange transactions or ancillary activities.

(Continued)

**TOWN OF WAKEFIELD, VIRGINIA**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**June 30, 2021**

**1. Summary of Significant Accounting Policies (Continued)**

Budget and budgetary accounting

The Town's annual operating budgets for the General and Proprietary Funds are adopted by ordinances and resolutions passed by Town Council. The budgets are prepared on the basis of accounting utilized in each fund type. All appropriations lapse at year-end to the extent that they have not been fully expended. Public hearings are conducted to obtain citizen comments. Prior to July 1, the General Fund budget is legally enacted through passage of an appropriations resolution. All General Fund budget data presented in the accompanying financial statements represents the revised budget as of June 30, 2021. The Proprietary Fund budget is not legally adopted but is used as a management tool to track the results of operations.

Budgetary comparisons

The General Fund Schedules of Revenues and Expenditures - Budget and Actual presented in Required Supplementary Information (RSI) - compares budget and actual data for all governmental funds for which a budget is adopted. A review of the budgetary comparison presented herein will disclose how accurately the governing body was able to forecast the revenues and expenditures of the Town.

Cash and cash equivalents

The Town's cash and cash equivalents consist principally of demand deposits and certificates of deposit. The *Code of Virginia (1950)*, as amended, considers all certificates of deposit to be cash. However, for the statement of cash flows, only demand deposits and certificates of deposit with an original maturity date at the time of purchase of three months or less are considered to be cash and cash equivalents.

Receivables

The Town recognizes receivables in its various funds based on the accounting basis required for that fund. Allowances are provided, as appropriate, for possible uncollectible accounts.

Compensated absences

Employees of the Town are granted vacation pay in varying amounts as services are provided. Town employees may accumulate, subject to certain limitations, unused vacation, and upon separation of employment from the Town, may be compensated for certain amounts. The Town's cost of accumulated vacation pay expected to be paid in the future is accounted for as a noncurrent liability in the statement of net position.

Interfund transactions

Transactions that constitute reimbursement to a fund for expenditures/expenses initially made on behalf of another fund are recorded as expenditures/expenses in the reimbursing fund and as reductions of expenditures/expenses in the fund that is reimbursed. All other interfund transactions are recorded as operating transfers.

Credit risk

Financial instruments which potentially subject the Town to concentration of credit risk consist principally of temporary cash investments. The Town places its temporary cash investments with high credit quality financial institutions. At June 30, 2021, the Town's cash funds were located in two financial institutions. Concentrations of credit risk with respect to trade receivables are limited due to the large number of customers comprising the Town's customer base.

(Continued)

**TOWN OF WAKEFIELD, VIRGINIA**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**June 30, 2021**

**1. Summary of Significant Accounting Policies (Continued)**

Allowance for uncollectible accounts

As a matter of policy, based on historical collection data and the relatively small sums involved, the Town establishes its allowance for uncollectible accounts based on delinquent real estate and personal property taxes receivable at June 30 of each year. The allowance was \$14,206 at June 30, 2021.

Estimates

The preparation of financial statements in accordance with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets, liabilities, revenues, and expenses and disclosure of contingent assets and liabilities for the reported periods. Actual results could differ from those estimates and assumptions.

Capital assets

Capital assets include land and land improvements and buildings and building improvements, equipment and vehicles. Any asset or group of assets acquired by the Town that has a useful life in excess of two years and an acquisition cost or fair market value (when received) of at least \$1,000 are reported in the applicable governmental or business-type activities column in the government-wide financial statements.

Such assets are recorded at historical, or estimated historical, cost if constructed or purchased. Donated capital assets are recorded at fair market value at the date of donation. Capital assets are depreciated over their estimated useful lives, ranging from 5 to 25 years, using the straight-line method as follows:

|                   |              |
|-------------------|--------------|
| Land improvements | 7 - 20 years |
| Equipment         | 5 - 25 years |
| Vehicles          | 5 - 15 years |

When capital assets are disposed, the related costs and accumulated depreciation are removed from the respective accounts and any profit or loss on disposition is recognized in the current year's operations.

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

Certain capital items, including buildings, that would have been fully depreciated at the time the Town adopted GASB 34 are not being depreciated as described above (as they had no remaining book value at the time of adoption).

Pensions

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the Town's Retirement Plan and the additions to/deductions from the Town's Retirement Plan's net fiduciary position have been determined on the same basis as they were reported by the Virginia Retirement System (VRS). For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

(Continued)

**TOWN OF WAKEFIELD, VIRGINIA**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**June 30, 2021**

**1. Summary of Significant Accounting Policies (Continued)**

Reclassifications

Certain reclassifications have been made to the beginning balances from the 2020 financial statements to conform to the 2021 financial statement presentation. Total net position and the change in net position are unchanged due to these reclassifications.

**2. Cash and Cash Equivalents**

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 amounts from 50% to 130% of excess deposits. Accordingly, all deposits are considered fully collateralized.

At June 30, 2021, the carrying value of the Town's deposits with banks and savings institutions was \$2,117,109 and the bank balance was \$2,122,044. Cash and deposits consist of the following:

|                    |                     |
|--------------------|---------------------|
| Total deposits     | \$ 2,117,009        |
| Total cash on hand | <u>100</u>          |
|                    | <u>\$ 2,117,109</u> |

The Town has no formal investment policy.

**3. Property Taxes Receivable**

The Town levies real estate taxes on all real property and mobile homes on a calendar year basis at the rate enacted by Town Council. The rate is applied to the assessed value of property as determined by the appraised value established by Sussex County. The taxes are billed by the Town on an annual basis and are due February 5, of the following year. The tax rate for the fiscal year ended June 30, 2021, was \$0.093 per \$100 of assessed value. This rate also applied to public service corporations.

The Town levies personal property taxes on motor vehicles and tangible personal property used in a trade or business. Taxes are billed on an annual basis and are due February 5, of the following year. The tax rate for the fiscal year ended June 30, 2021, was \$0.86, for both personal property and machinery and tools, per \$100 of assessed value, as determined by Sussex County.

Assessed values used for the fiscal year were as follows:

|                             |               |
|-----------------------------|---------------|
| Real estate                 | \$ 52,812,812 |
| Personal property           | \$ 5,237,923  |
| Public service corporations | \$ 4,323,741  |

(Continued)

**TOWN OF WAKEFIELD, VIRGINIA**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**June 30, 2021**

**4. Capital Assets**

Capital assets activity for the year was as follows:

|   | <b>Beginning<br/>July 1<br/>2020</b> | <b>Additions</b> | <b>Reductions</b> | <b>Ending<br/>June 30,<br/>2021</b> |
|---|--------------------------------------|------------------|-------------------|-------------------------------------|
| <b>Governmental activities</b>                        |                                      |                  |                   |                                     |
| Capital assets not subject to depreciation:           |                                      |                  |                   |                                     |
| Land  | \$ 71,483                            | \$ -             | \$ -              | \$ 71,483                           |
| Capital assets being depreciated:                     |                                      |                  |                   |                                     |
| Land improvements                                     | 247,431                              | 22,247           | -                 | 269,678                             |
| Equipment   | 206,315                              | 39,666           | -                 | 245,981                             |
| Vehicles  | 426,969                              | -                | -                 | 426,969                             |
| Total capital assets being depreciated                | 880,715                              | 61,913           | -                 | 942,628                             |
| Accumulated depreciation:                             |                                      |                  |                   |                                     |
| Land improvements                                     | (118,885)                            | (19,186)         | -                 | (138,071)                           |
| Equipment   | (145,088)                            | (21,940)         | -                 | (167,028)                           |
| Vehicles  | (408,154)                            | (11,989)         | -                 | (420,143)                           |
| Total accumulated depreciation                        | (672,127)                            | (53,115)         | -                 | (725,242)                           |
| Total capital assets being depreciated, net           | 208,588                              | 8,798            | -                 | 217,386                             |
| Governmental activities capital assets, net           | \$ 280,071                           | \$ 8,798         | \$ -              | \$ 288,869                          |
| <b>Business-type activities - Public Utility Fund</b> |                                      |                  |                   |                                     |
| Capital assets not subject to depreciation:           |                                      |                  |                   |                                     |
| Land  | \$ 35,500                            | \$ -             | \$ -              | \$ 35,500                           |
| Construction in progress                              | -                                    | 11,225           | -                 | 11,225                              |
| Total capital assets not subject to depreciation      | 35,500                               | 11,225           | -                 | 46,725                              |
| Capital assets being depreciated:                     |                                      |                  |                   |                                     |
| Land improvements                                     | 31,211                               | -                | -                 | 31,211                              |
| Vehicles  | 24,930                               | -                | -                 | 24,930                              |
| Equipment   | 1,060,028                            | 12,350           | -                 | 1,072,378                           |
| Infrastructure  | 1,175,450                            | 11,543           | -                 | 1,186,993                           |
| Total capital assets being depreciated                | 2,291,619                            | 23,893           | -                 | 2,315,512                           |
| Accumulated depreciation:                             |                                      |                  |                   |                                     |
| Land improvements                                     | (1,452)                              | (1,384)          | -                 | (2,836)                             |
| Vehicles  | (22,626)                             | -                | -                 | (22,626)                            |
| Equipment   | (395,850)                            | (47,813)         | -                 | (443,663)                           |
| Infrastructure  | (508,041)                            | (68,064)         | -                 | (576,105)                           |
| Total accumulated depreciation                        | (927,969)                            | (117,261)        | -                 | (1,045,230)                         |
| Total capital assets being depreciated, net           | 1,363,650                            | (93,368)         | -                 | 1,270,282                           |
| Public utilities fund capital assets, net             | \$ 1,399,150                         | \$ (82,143)      | \$ -              | \$ 1,317,007                        |

(Continued)

**TOWN OF WAKEFIELD, VIRGINIA**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**June 30, 2021**

**4. Capital Assets (Continued)**

|   | <b>Beginning<br/>July 1<br/>2020</b> | <b>Additions</b> | <b>Reductions</b> | <b>Ending<br/>June 30,<br/>2021</b> |
|---|--------------------------------------|------------------|-------------------|-------------------------------------|
| <b>Business-type activities - <i>Airport Commission</i></b> |                                      |                  |                   |                                     |
| Capital assets not subject to depreciation:                 |                                      |                  |                   |                                     |
| Construction in progress                                    | \$ 454,617                           | \$ 5,013         | \$ (459,630)      | \$ -                                |
| Capital assets being depreciated:                           |                                      |                  |                   |                                     |
| Hangers and building improvements                           | 1,478,335                            | 471,428          | -                 | 1,949,763                           |
| Runway improvements   | 352,462                              | -                | -                 | 352,462                             |
| Equipment   | 70,959                               | -                | -                 | 70,959                              |
| Total capital assets being depreciated                      | 1,901,756                            | 471,428          | -                 | 2,373,184                           |
| Accumulated depreciation:                                   |                                      |                  |                   |                                     |
| Hangers and buildings improvements                          | (541,227)                            | (78,021)         | -                 | (619,248)                           |
| Runway improvements   | (318,346)                            | (986)            | -                 | (319,332)                           |
| Equipment   | (56,898)                             | (3,090)          | -                 | (59,988)                            |
| Total accumulated depreciation                              | (916,471)                            | (82,097)         | -                 | (998,568)                           |
| Total capital assets being depreciated, net                 | 985,285                              | 389,331          | -                 | 1,374,616                           |
| Airport Commission capital assets, net                      | \$ 1,439,902                         | \$ 394,344       | \$ (459,630)      | \$ 1,374,616                        |

In addition to the assets listed above, the Town owns several parcels of real estate, the original value of which is nominal and, as such, is not presented herein.

Depreciation expense was charged to functions of the primary government as follows:

**Government activities**

|                                   |                  |
|-----------------------------------|------------------|
| Public works                      | \$ 19,186        |
| General government administration | 21,939           |
| Public safety                     | 11,990           |
|                                   | <u>\$ 53,115</u> |

**Business-type activities**

|                    |                   |
|--------------------|-------------------|
| Public utility     | \$ 117,261        |
| Airport Commission | 82,097            |
|                    | <u>\$ 199,358</u> |

(Continued)

**TOWN OF WAKEFIELD, VIRGINIA**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**June 30, 2021**

**5. Note Receivable**

During FY2011, the Town loaned \$104,000 to the Wakefield Volunteer Fire Department for the purpose of purchasing a new brush truck. The note was payable in ten annual installments of \$12,000, including interest at 2.0%. The note receivable was paid off during FY2021.

**6. Note Payable**

The Town obtained a \$250,000 loan from Farmer's Bank to fund an electrical line upgrade. The total loan amount was received in August 31, 2018, bears interest at a rate of 4%, and is due in monthly installments through August 2023.

Total annual principal maturity for the years subsequent to June 30, 2021, are as follows:

| <u>Year Ending<br/>June 30,</u> |                   |
|---------------------------------|-------------------|
| 2022                            | \$ 51,693         |
| 2023                            | 53,799            |
| 2024                            | <u>8,429</u>      |
|                                 | <u>\$ 113,921</u> |

**7. Noncurrent Liabilities**

|                                 | <u>Beginning<br/>Balance<br/>July 1,<br/>2020</u> | <u>Additions</u> | <u>Reductions</u>  | <u>Ending<br/>Balance<br/>June 30,<br/>2021</u> | <u>Due<br/>Within<br/>One Year</u> |
|---------------------------------|---|------------------|--------------------|---|------------------------------------|
| <b>Governmental Activities</b>  |   |                  |                    |   |                                    |
| Compensated absences            | \$ 8,477  | \$ 951           | \$ (8,537)         | \$ 891  | \$ 891                             |
| <b>Business-type Activities</b> |   |                  |                    |   |                                    |
| Note payable                    | \$ 163,590  | \$ -             | \$ (49,669)        | \$ 113,921                                      | \$ 51,693                          |
| Compensated absences            | <u>4,480</u>                                      | <u>4,966</u>     | <u>(4,790)</u>     | <u>4,656</u>                                    | <u>4,656</u>                       |
| Total business-type activities  | <u>\$ 168,070</u>                                 | <u>\$ 4,966</u>  | <u>\$ (54,459)</u> | <u>\$ 118,577</u>                               | <u>\$ 56,349</u>                   |

(Continued)



**TOWN OF WAKEFIELD, VIRGINIA**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**June 30, 2021**

**8. Defined Benefit Pension Plan**

The Town contributes to the Virginia Retirement System (VRS), an agent, multiple-employer defined benefit pension plan administered by the VRS.

Plan description

All full-time, salaried permanent employees of the Town, (the Political Subdivision) are automatically covered by the VRS Retirement Plan upon employment. This multi-employer agent plan 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 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, 2019, actuarial valuation, the following employees were covered by the benefit terms of the pension plan:

|  | <u><b>Number</b></u> |
|--|----------------------|
| Inactive members or their beneficiaries currently receiving benefits | <u>2</u>             |
| Inactive members:  |                      |
| Vested   | 1                    |
| Non-vested   | 0                    |
| Active elsewhere in VRS  | <u>0</u>             |
| Total inactive members   | <u>1</u>             |
| Active members   | <u>2</u>             |
|  | <u><u>5</u></u>      |

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.

(Continued)

**TOWN OF WAKEFIELD, VIRGINIA**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**June 30, 2021**

**8. Defined Benefit Pension Plan (Continued)**

Contributions (Continued)

The political subdivision's contractually required contribution rate for the year ended June 30, 2021, was 7.69% of covered employee compensation. This rate was based on an actuarially determined rate from an actuarial valuation as of June 30, 2019.

This rate, when combined with employee contributions, was expected to finance the costs of benefits earned by employee during the year, with an additional amount to finance any unfunded accrued liability. Contributions to the pension plan from the Town were \$200,334 for the year ended June 30, 2021, which includes \$182,317 in catch-up contributions related to underpayments in prior years.

Net pension asset

The net pension 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. The Town's net pension asset was measured as of June 30, 2020. The total pension liability used to calculate the net pension asset was determined by an actuarial valuation performed as of June 30, 2019, rolled forward to the measurement date of June 30, 2020.

Actuarial assumptions

The total pension liability for General Employees in the Town's Retirement Plan was based on an actuarial valuation as of June 30, 2019, 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, 2020.

|                                       |  |
|---------------------------------------|--|
| Inflation                             | 2.5%   |
| Salary increases, including inflation | 3.5% - 5.35%   |
| Investment rate of return             | 6.75%, net of pension plan investment expenses, including inflation* |

\* Administrative expenses as a percent of the market value of assets for the last experience study were found to be approximately 0.06% of the market assets for all of the VRS plans. This would provide an assumed investment return rate for GASB purposes of slightly more than the assumed 6.75%. However, since the difference was minimal, and a more conservative 6.75% investment return assumption provided a projected plan net position that exceeded the projected benefit payments, the long-term expected rate of return on investments was assumed to be 6.75% to simplify preparation of pension liabilities.

Mortality rates: General employees - 15 to 20% of deaths are assumed to be service related. Mortality is projected using the applicable RP-2014 Mortality Table Projected to 2020 with various setbacks or set forwards for both males and females.

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

(Continued)

**TOWN OF WAKEFIELD, VIRGINIA**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**June 30, 2021**

**8. Defined Benefit Pension Plan (Continued)**

Actuarial assumptions (Continued)

General Employees - Largest 10 - Non-Hazardous Duty and All Others (Non 10 Largest): Update mortality table; lowered retirement rates at older ages, changed final retirement from 70 to 75; adjusted withdrawal rates to better fit experience at each year age and service through 9 years of service; lowered disability rates, no change to salary scale, increased rate of line of duty disability from 14% to 20% (Largest 10) or 15% (All Others), and decreased discount rate from 7.00% to 6.75%.

Long-term expected rate of return

The long-term expected rate of return on pension 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<br/>Allocation</u>        | <u>Arithmetic<br/>Long-Term<br/>Expected<br/>Rate of<br/>Return</u> | <u>Weighted<br/>Average<br/>Long-Term<br/>Expected<br/>Rate of<br/>Return</u> |
|--------------------------------------|-------------------------------------|---|---|
| Public Equity                        | 34.00%                              | 4.65%   | 1.58%   |
| Fixed Income                         | 15.00%                              | 0.46%   | 0.07%   |
| Credit Strategies                    | 14.00%                              | 5.38%   | 0.75%   |
| Real Assets                          | 14.00%                              | 5.01%   | 0.70%   |
| Private Equity                       | 14.00%                              | 8.34%   | 1.17%   |
| MAPS - Multi-Asset Public Strategies | 6.00%                               | 3.04%   | 0.18%   |
| PIP - Private Investment Partnership | 3.00%                               | 6.49%   | 0.19%   |
|                                      | <u>100.00%</u>                      |   | 4.64%   |
|                                      | Inflation                           |   | <u>2.50%</u>  |
|                                      | *Expected arithmetic nominal return |   | <u>7.14%</u>  |

\*The above allocation provides a one-year return of 7.14%. However, one-year returns do not take into account the volatility present in each of the asset classes. In setting the long-term expected return for the system, stochastic projects 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 7.11%, including expected inflation of 2.50%. On October 10, 2019, the VRS Board elected a long-term rate of 6.75% which is roughly at the 40<sup>th</sup> percentile of expected long-term results of the VRS fund asset allocation. More recent capital market assumptions compiled for the FY2020 actuarial valuations, provide a median return of 6.81%.

(Continued)

**TOWN OF WAKEFIELD, VIRGINIA**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**June 30, 2021**

**8. 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, 2020, the alternate rate was the employer contribution rate used in FY 2012 or 100% of the actuarially determined employer contribution rate from the June 30, 2017, actuarial valuations, whichever was greater. From July 1, 2020 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 (asset).

Changes in net pension asset

|   | <b>Total<br/>Pension<br/>Liability<br/>(a)</b> | <b>Plan<br/>Fiduciary<br/>Net Position<br/>(b)</b> | <b>Net Pension<br/>Liability (Asset)<br/>(b) - (a)</b> |
|---|--|--|--|
| Balances at June 30, 2019                                     | \$ 496,700                                     | \$ 520,140   | \$ (23,440)  |
| Changes for the year:   |  |  |  |
| Service cost  | 12,973   | -  | 12,973   |
| Interest  | 32,578   | -  | 32,578   |
| Differences between expected and actual experience            | 8,209  | -  | 8,209  |
| Contributions, employer                                       | -  | 30,680   | (30,680)   |
| Contributions, employee                                       | -  | 19,016   | (19,016)   |
| Net investment income   | -  | 10,371   | (10,371)   |
| Benefit payments, including refunds of employee contributions | (28,112)                                       | (28,112)   | -  |
| Administrative expense  | -  | (307)  | 307  |
| Other changes   | -  | (12)   | 12   |
| Net changes   | 25,648   | 31,636   | (5,988)  |
| Balances at June 30, 2020                                     | \$ 522,348                                     | \$ 551,776   | \$ (29,428)  |

(Continued)

**TOWN OF WAKEFIELD, VIRGINIA**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**June 30, 2021**

**8. Defined Benefit Pension Plan (Continued)**

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

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

|                               | <b>1% Decrease<br/>5.75%</b> | <b>Current<br/>Discount<br/>Rate<br/>6.75%</b> | <b>1% Increase<br/>7.75%</b> |
|-------------------------------|------------------------------|--|------------------------------|
| Net pension asset (liability) | \$ (13,144)                  | \$ 29,428                                      | \$ 66,448                    |

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

For the year ending June 30, 2021, the Town recognized pension benefit of \$9,248. At June 30, 2021, the Town reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

|  | <b>Deferred<br/>Outflows of<br/>Resources</b> | <b>Deferred<br/>Inflows of<br/>Resources</b> |
|--|---|--|
| Differences between expected and actual experience                       | \$ 1,368                                      | \$ 698                                       |
| Changes in assumptions   | 214   | -  |
| Employer contributions made subsequent to measurement date               | 200,334                                       | -  |
| Net difference between projected and actual earnings on plan investments | 16,193  | -  |
|  | <u>\$ 218,109</u>                             | <u>\$ 698</u>                                |

Deferred outflows of resources of \$200,334 represent the Town's contributions subsequent to the measurement date and will be recognized as an increase to the net pension asset in the fiscal year ending June 30, 2022. Other amounts reported as deferred inflows of resources and deferred outflows of resources related to pensions as of June 30, 2021, will be recognized in pension expense in future reporting periods as follows:

| <b><u>Year Ending<br/>June 30,</u></b> |                  |
|--|------------------|
| 2022                                   | \$ 1,649         |
| 2023                                   | 4,991            |
| 2024                                   | 5,345            |
| 2025                                   | <u>5,092</u>     |
|  | <u>\$ 17,077</u> |

(Continued)

**TOWN OF WAKEFIELD, VIRGINIA**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**June 30, 2021**

**8. Defined Benefit Pension Plan (Continued)**

Pension plan data

Information about the VRS Political Subdivision Retirement Plan is also available in the separately issued VRS 2020 Comprehensive Annual Financial Report (Annual Report). A copy of the 2020 VRS Annual Report may be downloaded from the VRS website at <http://www.varetire.org/Pdf/Publications/2020-annual-report.pdf>, or by writing to the System's Chief Financial Officer at P.O. Box 2500, Richmond, VA 23218-2500.

**9. Commitments**

Law enforcement

The Town contracts with the County of Sussex to provide law enforcement services and equipment. The Town pays a monthly fee for all services and equipment; however, the agreement can be terminated upon 90 days written notice.

**10. COVID-19 Impact**

The full impact of the COVID-19 outbreak continues to evolve as of the date of this report. As such, it is uncertain as to the full magnitude the pandemic will have on the Town's financial condition, liquidity, and future results of operations. Management is actively monitoring the impact of the global situation on its financial condition, liquidity, operations, suppliers, industry, and workforce. Given the daily evolution of the COVID-19 outbreak and the global responses to curb its spread, the Town is not able to estimate the effects of the COVID-19 outbreak on its results of operations, financial condition, or liquidity for fiscal year 2021.

The Town's operations are heavily dependent on the ability to raise taxes, assess fees, and access the capital markets. Additionally, access to grants and contracts from federal and state governments may decrease or may not be available depending on appropriations. The outbreak will have a continued material adverse impact on economic and market conditions, triggering a period of global economic slowdown. This situation has depressed the tax bases and other areas in which the Town received revenue during fiscal year 2021. As such, the Town's financial condition and liquidity will be negatively impacted for fiscal year 2021.

In September 2020, the Town received an allocation from Sussex County of \$144,868 for its share of Coronavirus Aid, Relief, and Economic Security (CARES) Act funding from the federal government. These funds were to be used for expenditures that were: (1) necessary due to COVID-19, (2) not accounted for in the most recently approved budget as of March 27, 2020, and (3) incurred between March 1, 2020, and December 31, 2021. As of June 30, 2021, the Town had already incurred such expenses up to the full amount of the allocation. As such, revenue was recognized for fiscal year 2021 and is included in operating grants and contributions in the statement of activities.

In June 2021, the Town received an allocation from the State of \$427,976 under the Coronavirus State and Local Fiscal Recovery Fund's Non-Entitlement Unit (NEU) distribution. These funds are to be used for certain eligible expenditures incurred between March 3, 2021, and December 31, 2024. As of June 30, 2021, the Town had not spent these funds and, as such, they are included in unearned revenue in the statement of net position. This allocation will be recognized as revenue as funds are expended in future fiscal years.

## **REQUIRED SUPPLEMENTARY INFORMATION (RSI)**

**TOWN OF WAKEFIELD, VIRGINIA**

**GENERAL FUND  
SCHEDULE OF REVENUES - BUDGET AND ACTUAL (CASH BASIS)  
Year Ended June 30, 2021**

|  | <u>Original<br/>Budget</u> | <u>Final<br/>Budget</u> | <u>Actual</u>  | <u>Variance</u> |
|--|----------------------------|-------------------------|----------------|-----------------|
| <b>REVENUE FROM LOCAL SOURCES</b>                                    |                            |                         |                |                 |
| General property taxes:  |                            |                         |                |                 |
| Personal property taxes  | \$ 28,000                  | \$ 28,000               | \$ 21,849      | \$ (6,151)      |
| Real property taxes  | 49,700                     | 49,700                  | 49,709         | 9               |
| Machinery and tools taxes  | 7,285                      | 7,285                   | 2,654          | (4,631)         |
| Public service corporations<br>(real and personal property<br>taxes) | 4,000                      | 4,000                   | 3,946          | (54)            |
| Penalties  | 700                        | 700                     | 1,395          | 695             |
| Mobile home taxes  | 120                        | 120                     | 145            | 25              |
| Total general property taxes   | <u>89,805</u>              | <u>89,805</u>           | <u>79,698</u>  | <u>(10,107)</u> |
| Other local taxes:   |                            |                         |                |                 |
| Meals taxes, net of 3%<br>reimbursement                              | 243,500                    | 243,500                 | 182,276        | (61,224)        |
| Local sales and use taxes  | 56,000                     | 56,000                  | 56,235         | 235             |
| Franchise license taxes  | 30,000                     | 30,000                  | 37,580         | 7,580           |
| Communication taxes  | 15,000                     | 15,000                  | 13,740         | (1,260)         |
| Motor vehicle licenses   | 7,830                      | 7,830                   | 9,149          | 1,319           |
| Cigarette tax  | 32,832                     | 32,832                  | 36,183         | 3,351           |
| Total other local taxes  | <u>385,162</u>             | <u>385,162</u>          | <u>335,163</u> | <u>(49,999)</u> |
| Revenue from use of money<br>and property:                           |                            |                         |                |                 |
| Revenue from use of money  | 8,400                      | 8,400                   | 1,472          | (6,928)         |
| Revenue from use of property   | 5,266                      | 5,266                   | 5,902          | 636             |
| Total revenue from use<br>of money and property                      | <u>13,666</u>              | <u>13,666</u>           | <u>7,374</u>   | <u>(6,292)</u>  |
| Permits, privilege fees, and<br>regulatory licenses:                 |                            |                         |                |                 |
| Trailer permits and golf cart<br>licenses                            | 120                        | 120                     | 200            | 80              |
| Fines and forfeitures:   |                            |                         |                |                 |
| Town fines   | 12,000                     | 12,000                  | 18,292         | 6,292           |

(Continued)

See Independent Auditor's Report and Notes to Required Supplementary Information.



**TOWN OF WAKEFIELD, VIRGINIA**

**GENERAL FUND**

**SCHEDULE OF REVENUES - BUDGET AND ACTUAL (CASH BASIS)**

**Year Ended June 30, 2021**

|  | <u><b>Original<br/>Budget</b></u> | <u><b>Final<br/>Budget</b></u> | <u><b>Actual</b></u>     | <u><b>Variance</b></u>    |
|--|-----------------------------------|--------------------------------|--------------------------|---------------------------|
| Recovered costs:                                     |                                   |                                |                          |                           |
| Insurance recoveries                                 | \$ 1,500                          | \$ 1,500                       | \$ 1,064                 | \$ (436)                  |
| Miscellaneous revenue:                               |                                   |                                |                          |                           |
| Other  | <u>2,751</u>                      | <u>2,751</u>                   | <u>4,575</u>             | <u>1,824</u>              |
| Total revenue from<br>local sources                  | <u>505,004</u>                    | <u>505,004</u>                 | <u>446,366</u>           | <u>(58,638)</u>           |
| <b>REVENUE FROM THE<br/>COMMONWEALTH OF VIRGINIA</b> |                                   |                                |                          |                           |
| Categorical aid:                                     |                                   |                                |                          |                           |
| Law enforcement grant                                | 26,032                            | 26,032                         | 26,031                   | (1)                       |
| Fire program funds                                   | <u>10,000</u>                     | <u>10,000</u>                  | <u>15,000</u>            | <u>5,000</u>              |
| Total categorical aid                                | <u>36,032</u>                     | <u>36,032</u>                  | <u>41,031</u>            | <u>4,999</u>              |
| Noncategorical aid:                                  |                                   |                                |                          |                           |
| Personal Property Tax Relief Act                     | 19,612                            | 19,612                         | 19,612                   | -                         |
| Rolling stock tax                                    | 4,800                             | 4,800                          | 4,684                    | (116)                     |
| Mobile home titling taxes                            | <u>50</u>                         | <u>50</u>                      | <u>-</u>                 | <u>(50)</u>               |
| Total noncategorical aid                             | <u>24,462</u>                     | <u>24,462</u>                  | <u>24,296</u>            | <u>(166)</u>              |
| Total revenue from the<br>Commonwealth of Virginia   | <u>60,494</u>                     | <u>60,494</u>                  | <u>65,327</u>            | <u>4,833</u>              |
|  | <u><u>\$ 565,498</u></u>          | <u><u>\$ 565,498</u></u>       | <u><u>\$ 511,693</u></u> | <u><u>\$ (53,805)</u></u> |

See Independent Auditor's Report and Notes to Required Supplementary Information.

**TOWN OF WAKEFIELD, VIRGINIA**

**GENERAL FUND**

**SCHEDULE OF EXPENDITURES - BUDGET AND ACTUAL (CASH BASIS)**

**Year Ended June 30, 2021**

|   | <u>Original<br/>Budget</u> | <u>Final<br/>Budget</u> | <u>Actual</u>  | <u>Variance</u>  |
|---|----------------------------|-------------------------|----------------|------------------|
| <b>GENERAL GOVERNMENT ADMINISTRATION</b>                            |                            |                         |                |                  |
| Legislative - Town Council  | \$ 11,054                  | \$ 11,054               | \$ 10,166      | \$ 888           |
| General and financial administration:                               |                            |                         |                |                  |
| Salaries and fringe benefits  | 187,276                    | 187,276                 | 344,010        | (156,734)        |
| Insurance and bonding   | 26,100                     | 26,100                  | 22,841         | 3,259            |
| Office operations and utilities                                     | 33,850                     | 33,850                  | 21,041         | 12,809           |
| Repairs and maintenance   | 18,000                     | 18,000                  | 18,778         | (778)            |
| Independent auditor   | 23,000                     | 23,000                  | 25,725         | (2,725)          |
| Legal services  | 10,000                     | 10,000                  | 3,384          | 6,616            |
| Dues and subscriptions  | 3,097                      | 3,097                   | 1,246          | 1,851            |
| Travel  | 1,420                      | 1,420                   | 690            | 730              |
| Advertising   | 1,000                      | 1,000                   | 263            | 737              |
| Miscellaneous   | 800                        | 800                     | 1,155          | (355)            |
| CARES expenditures  | -                          | -                       | 79,468         | (79,468)         |
| Total general and financial<br>administration                       | <u>304,543</u>             | <u>304,543</u>          | <u>518,601</u> | <u>(214,058)</u> |
| Total general government<br>administration                          | <u>315,597</u>             | <u>315,597</u>          | <u>528,767</u> | <u>(213,170)</u> |
| <b>PUBLIC SAFETY</b>  |                            |                         |                |                  |
| Law enforcement and traffic control -<br>police department          | 62,000                     | 62,000                  | 59,661         | 2,339            |
| Fire and rescue services - volunteer<br>fire and rescue squads      | <u>48,395</u>              | <u>48,395</u>           | <u>54,008</u>  | <u>(5,613)</u>   |
| Total public safety   | <u>110,395</u>             | <u>110,395</u>          | <u>113,669</u> | <u>(3,274)</u>   |
| <b>PUBLIC WORKS</b>   |                            |                         |                |                  |
| Maintenance of highways, streets,<br>bridges and sidewalks:         |                            |                         |                |                  |
| Highways, streets, bridges, and<br>sidewalks                        | 16,397                     | 16,397                  | 4,359          | 12,038           |
| Street lights   | <u>6,850</u>               | <u>6,850</u>            | <u>1,574</u>   | <u>5,276</u>     |
| Total maintenance of<br>highways, streets, bridges<br>and sidewalks | <u>23,247</u>              | <u>23,247</u>           | <u>5,933</u>   | <u>17,314</u>    |

(Continued)

See Independent Auditor's Report and Notes to Required Supplementary Information.

**TOWN OF WAKEFIELD, VIRGINIA**

**GENERAL FUND**

**SCHEDULE OF EXPENDITURES - BUDGET AND ACTUAL (CASH BASIS)**

**Year Ended June 30, 2021**

|   | <u><b>Original<br/>Budget</b></u> | <u><b>Final<br/>Budget</b></u> | <u><b>Actual</b></u>     | <u><b>Variance</b></u>     |
|---|-----------------------------------|--------------------------------|--------------------------|----------------------------|
| Maintenance of general buildings<br>and grounds:      |                                   |                                |                          |                            |
| General properties                                    | \$ 41,653                         | \$ 41,653                      | \$ 22,005                | \$ 19,648                  |
| General administration                                | 3,800                             | 3,800                          | 2,463                    | 1,337                      |
| Total maintenance of general<br>buildings and grounds | <u>45,453</u>                     | <u>45,453</u>                  | <u>24,468</u>            | <u>20,985</u>              |
| Total public works                                    | <u>68,700</u>                     | <u>68,700</u>                  | <u>30,401</u>            | <u>38,299</u>              |
| <b>PARKS, RECREATIONAL AND CULTURAL</b>               |                                   |                                |                          |                            |
| Library   | 7,200                             | 7,200                          | 7,200                    | -                          |
| Ball park   | <u>26,814</u>                     | <u>26,814</u>                  | <u>12,245</u>            | <u>14,569</u>              |
| Total parks, recreation and<br>cultural               | <u>34,014</u>                     | <u>34,014</u>                  | <u>19,445</u>            | <u>14,569</u>              |
| <b>CAPITAL OUTLAY</b>                                 |                                   |                                |                          |                            |
| Public works  | 10,000                            | 10,000                         | -                        | 10,000                     |
| General and financial administration                  | <u>-</u>                          | <u>-</u>                       | <u>61,913</u>            | <u>(61,913)</u>            |
| Total capital outlay                                  | <u>10,000</u>                     | <u>10,000</u>                  | <u>61,913</u>            | <u>(51,913)</u>            |
|   | <u><u>\$ 538,706</u></u>          | <u><u>\$ 538,706</u></u>       | <u><u>\$ 754,195</u></u> | <u><u>\$ (215,489)</u></u> |

See Independent Auditor's Report and Notes to Required Supplementary Information.

**TOWN OF WAKEFIELD, VIRGINIA**

**SCHEDULE OF CHANGES IN NET PENSION LIABILITY (ASSET) AND RELATED RATIOS**

|  | <b>Plan Year</b>   |                    |                   |                   |                   |                   |                    |
|--|--------------------|--------------------|-------------------|-------------------|-------------------|-------------------|--------------------|
|  | <b>2020</b>        | <b>2019</b>        | <b>2018</b>       | <b>2017</b>       | <b>2016</b>       | <b>2015</b>       | <b>2014</b>        |
| <b>TOTAL PENSION LIABILITY</b>   |                    |                    |                   |                   |                   |                   |                    |
| Service cost   | \$ 12,973          | \$ 20,790          | \$ 21,167         | \$ 21,697         | \$ 20,780         | \$ 20,253         | \$ 18,924          |
| Interest   | 32,578             | 33,388             | 30,990            | 29,121            | 27,217            | 25,347            | 23,901             |
| Changes of assumptions   | -                  | 10,926             | -                 | (723)             | -                 | -                 | -                  |
| Benefit payments, including refunds of employee contributions              | (28,112)           | (19,648)           | (19,538)          | (22,710)          | (22,682)          | (22,321)          | (21,999)           |
| Difference between expected and actual experience                          | 8,209              | (35,558)           | 1,695             | (2,272)           | 1,900             | 3,618             | -                  |
| Net change in total pension liability                                      | 25,648             | 9,898              | 34,314            | 25,113            | 27,215            | 26,897            | 20,826             |
| Total pension liability, beginning   | 496,700            | 486,802            | 452,488           | 427,375           | 400,160           | 373,263           | 352,437            |
| Total pension liability, ending (a)  | <u>\$ 522,348</u>  | <u>\$ 496,700</u>  | <u>\$ 486,802</u> | <u>\$ 452,488</u> | <u>\$ 427,375</u> | <u>\$ 400,160</u> | <u>\$ 373,263</u>  |
| <b>PLAN FIDUCIARY NET POSITION</b>   |                    |                    |                   |                   |                   |                   |                    |
| Contributions - employer   | \$ 30,680          | \$ 11,718          | \$ 14,522         | \$ 14,179         | \$ 13,485         | \$ 13,247         | \$ 8,839           |
| Contributions - employee   | 19,016             | 6,797              | 7,290             | 7,118             | 6,994             | 6,871             | 6,747              |
| Net investment income  | 10,371             | 32,889             | 33,559            | 49,465            | 7,011             | 17,639            | 53,056             |
| Benefit payments   | (28,112)           | (19,648)           | (19,538)          | (22,710)          | (22,682)          | (22,321)          | (21,999)           |
| Administrative expenses  | (307)              | (318)              | (282)             | (281)             | (247)             | (240)             | (289)              |
| Other changes  | (12)               | (21)               | (30)              | (44)              | (3)               | (4)               | 3                  |
| Net change in plan fiduciary net position                                  | 31,636             | 31,417             | 35,521            | 47,727            | 4,558             | 15,192            | 46,357             |
| Plan fiduciary net position, beginning                                     | 520,140            | 488,723            | 453,202           | 405,475           | 400,917           | 385,725           | 339,368            |
| Plan fiduciary net position, ending (b)                                    | <u>\$ 551,776</u>  | <u>\$ 520,140</u>  | <u>\$ 488,723</u> | <u>\$ 453,202</u> | <u>\$ 405,475</u> | <u>\$ 400,917</u> | <u>\$ 385,725</u>  |
| Town's net pension liability (asset), ending (a) - (b)                     | <u>\$ (29,428)</u> | <u>\$ (23,440)</u> | <u>\$ (1,921)</u> | <u>\$ (714)</u>   | <u>\$ 21,900</u>  | <u>\$ (757)</u>   | <u>\$ (12,462)</u> |
| Plan fiduciary net position as a percentage of the total pension liability | <u>105.6%</u>      | <u>104.7%</u>      | <u>100.4%</u>     | <u>100.2%</u>     | <u>94.9%</u>      | <u>100.2%</u>     | <u>103.3%</u>      |
| Covered payroll  | <u>\$ 254,188</u>  | <u>\$ 135,928</u>  | <u>\$ 145,803</u> | <u>\$ 142,359</u> | <u>\$ 139,886</u> | <u>\$ 137,417</u> | <u>\$ 134,947</u>  |
| Net pension liability (asset) as a percentage of covered payroll           | <u>-11.6%</u>      | <u>-17.2%</u>      | <u>-1.3%</u>      | <u>-0.5%</u>      | <u>15.7%</u>      | <u>-0.6%</u>      | <u>-9.2%</u>       |

The plan years noted above are reported in the Town's financial statements in the fiscal year following the plan year - i.e., plan year 2020 information was presented in the Town's fiscal year 2021 financial report.

This schedule is intended to show information for 10 years. Since fiscal year 2015 (plan year 2014) was the first year for the presentation, no earlier data is available. Additional years will be included as they become available.

See Independent Auditor's Report and Notes to Required Supplementary Information.

**TOWN OF WAKEFIELD, VIRGINIA**

**SCHEDULE OF EMPLOYER CONTRIBUTIONS**

| <b>Fiscal Year Ending<br/>June 30,</b> | <b>Contractually<br/>Required<br/>Contribution</b> | <b>Contributions<br/>in Relation<br/>to the<br/>Actuarially<br/>Determined<br/>Contribution</b> | <b>Contribution<br/>Deficiency<br/>(Excess)</b> | <b>Covered<br/>Payroll</b> | <b>Contributions<br/>as a<br/>Percentage<br/>of Covered<br/>Payroll</b> |
|--|--|---|---|----------------------------|---|
| 2021                                   | \$ 18,017  | \$ 18,017   | \$ -  | \$ 234,291                 | 7.69%   |
| 2020                                   | \$ 21,911  | \$ 21,911   | \$ -  | \$ 254,188                 | 8.62%   |
| 2019                                   | \$ 11,717  | \$ 11,717   | \$ -  | \$ 135,928                 | 8.62%   |
| 2018                                   | \$ 14,522  | \$ 14,522   | \$ -  | \$ 145,803                 | 9.96%   |
| 2017                                   | \$ 14,179  | \$ 14,179   | \$ -  | \$ 142,359                 | 9.96%   |
| 2016                                   | \$ 13,485  | \$ 13,485   | \$ -  | \$ 139,886                 | 9.64%   |
| 2015                                   | \$ 13,247  | \$ 13,247   | \$ -  | \$ 137,417                 | 9.64%   |
| 2014                                   | \$ 8,839   | \$ 8,839  | \$ -  | \$ 134,947                 | 6.55%   |

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 year.

This schedule is intended to show information for 10 years. Since fiscal year 2015 (plan year 2014) was the first year for the presentation, no earlier data is available. Additional years will be included as they become available.

See Independent Auditor's Report and Notes to Required Supplementary Information.

## **TOWN OF WAKEFIELD, VIRGINIA**

### **NOTES TO REQUIRED SUPPLEMENTARY INFORMATION**

**June 30, 2021**

#### **1. Budgetary Appropriations**

The Town budget is prepared on a cash basis. The General Fund cash-basis expenditures exceeded budgeted appropriations by \$215,489.

#### **2. Pension Plan**

##### Changes of benefit terms

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

##### Changes of assumptions:

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

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

- Update mortality table to RP-2014 projected to 2020
- Lowered rates of retirement at older ages and changed final retirement from 70 to 75
- Update withdrawal rates to better fit experience at each age and service year through 9 years of service
- Lowered disability rates
- No changes to salary rates
- Increased Line of Duty disability rate from 14% to 15%
- Decreased discount rate from 7.00% to 6.75%

## **COMPLIANCE SECTION**

**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 Members of the Town Council  
Town of Wakefield, Virginia  
Wakefield, Virginia

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the financial statements of the governmental activities, business-type activities, each major fund and the aggregate remaining fund information of the Town of Wakefield, Virginia, as of and for the year ended June 30, 2021, and the related notes to the financial statements, which collectively comprise the Town of Wakefield, Virginia's basic financial statements and have issued our report thereon dated October 5, 2021.

**Internal Control over Financial Reporting**

In planning and performing our audit of the financial statements, we considered Town of Wakefield, Virginia'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 opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Town of Wakefield, Virginia's internal control. Accordingly, we do not express an opinion on the effectiveness of the Town of Wakefield, Virginia's internal control.

Our consideration of internal control was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control that might be significant deficiencies or material weaknesses and therefore, material weaknesses or significant deficiencies may exist that have not been identified. However, as described in the accompanying schedule of findings and responses, we identified certain deficiencies in internal control that we consider to be material weaknesses and significant deficiencies.

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. We consider the deficiency described in the accompanying schedule of findings and responses to be a material weakness in internal control over financial reporting (see 2021-001).



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. We consider the deficiency described in the accompanying schedule of findings and responses to be a significant deficiency in internal control over financial reporting (see 2021-002).

### **Compliance and Other Matters**

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

### **Town of Wakefield, Virginia's Response to Findings**

The Town of Wakefield, Virginia's responses to the findings identified in our audit are described in the accompanying schedule of findings and responses. The Town of Wakefield, Virginia's responses were not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

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

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

CERTIFIED PUBLIC ACCOUNTANTS

Newport News, Virginia  
October 5, 2021

**TOWN OF WAKEFIELD, VIRGINIA**  
**SCHEDULE OF FINDINGS AND RESPONSES**  
**June 30, 2021**

**Finding 2021-001: Segregation of Duties (Material Weakness)**

Criteria

Duties within the accounting system should be properly segregated.

Condition

A lack of segregation of duties within the accounting function was noted.

Cause

This is due to the limited number of office personnel employed by the Town.

Effect

This situation may result in defalcation or errors being undetected.

Recommendation

Due to the small size of the Town, we do not consider the hiring of additional employees to be cost effective. While complete segregation of duties is not practical, we recommend strong management supervision and review over the accounting system.

Management response

Management (Town Council and Town Officials) will continue to strongly supervise and review the accounting system through monthly review of detailed financial information.

**Finding 2021-002: Audit Adjustments (Significant Deficiency)**

Criteria

The Town does not prepare financial statements and footnotes in compliance with Generally Accepted Accounting Principles (GAAP) and Governmental Accounting Standards Board (GASB).

Condition

As part of our audit, we proposed multiple significant adjustments related to pensions, capital assets, accounts payable, and accounts receivable. These are reviewed and approved by management; however, auditors feel that this review would only detect material misstatements, and that a misstatement that is more than inconsequential may not be prevented or detected.

Cause

Due to the small size of the Town, there is a limited accounting staff, which does not allow for the hiring of an accountant with the background needed to prepare GAAP financial statements and related disclosures.

Effect

Financial statements and related disclosures may be misstated by an amount that is more than inconsequential.

Recommendation

Management will meet regularly with the auditors to keep up to date on changes in GAAP and GASB and continue to review the draft GAAP and GASB financial statements and related disclosures prior to issuance.

Management response

Recommendations made by auditors will be implemented.

**TOWN OF WAKEFIELD, VIRGINIA**

**SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS**

**June 30, 2021**

**2020-001: Segregation of Duties**

Condition

A lack of segregation of duties within the accounting function was noted.

Recommendation

Due to the small size of the Town, we do not consider the hiring of additional employees to be cost effective. While complete segregation of duties is not practical, we recommend strong management supervision and review over the accounting system.

Current Status

See current year Finding 2021-001.

**2020-002: Audit Adjustments**

Condition

As part of our audit, we proposed multiple significant adjustments related to pensions, capital assets, accounts payable, and accounts receivable. These are reviewed and approved by management; however, auditors feel that this review would only detect material misstatements, and that a misstatement that is more than inconsequential may not be prevented or detected.

Recommendation

Management will meet regularly with the auditors to keep up to date on changes in GAAP and GASB and continue to review the draft GAAP and GASB financial statements and related disclosures prior to issuance.

Current Status

See current year Finding 2021-002.

## **STATISTICAL SECTION**

**TOWN OF WAKEFIELD, VIRGINIA**

**NET POSITION BY COMPONENT - LAST TEN FISCAL YEARS**

|   | Fiscal Year         |                     |                     |                     |                     |                     |                     |                     |                     |                     |
|---|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|
|   | 2021                | 2020                | 2019                | 2018                | 2017                | 2016                | 2015                | 2014                | 2013                | 2012                |
| <b>GOVERNMENTAL ACTIVITIES</b>              |                     |                     |                     |                     |                     |                     |                     |                     |                     |                     |
| Net investment in capital assets            | \$ 288,869          | \$ 280,071          | \$ 324,333          | \$ 270,909          | \$ 193,628          | \$ 225,577          | \$ 226,040          | \$ 270,094          | \$ 311,563          | \$ 323,278          |
| Restricted for permanent fund               | 1,760               | 2,251               | 42,143              | 41,884              | 41,302              | 41,921              | 41,876              | 42,023              | 42,003              | 42,003              |
| Restricted for pensions                     | 17,459              | 15,821              | 1,516               | -                   | -                   | 586                 | 11,042              | -                   | -                   | -                   |
| Unrestricted                                | 1,709,678           | 1,384,378           | 1,291,311           | 1,295,001           | 1,123,448           | 1,221,506           | 1,099,404           | 874,513             | 849,799             | 751,867             |
| Total governmental activities net position  | <u>\$ 2,017,766</u> | <u>\$ 1,682,521</u> | <u>\$ 1,659,303</u> | <u>\$ 1,607,794</u> | <u>\$ 1,358,378</u> | <u>\$ 1,489,590</u> | <u>\$ 1,378,362</u> | <u>\$ 1,186,630</u> | <u>\$ 1,203,365</u> | <u>\$ 1,117,148</u> |
| <b>BUSINESS-TYPE ACTIVITIES</b>             |                     |                     |                     |                     |                     |                     |                     |                     |                     |                     |
| Net investment in capital assets            | \$ 2,566,477        | \$ 2,675,462        | \$ 2,297,763        | \$ 2,106,108        | \$ 2,136,580        | \$ 1,870,693        | \$ 1,388,348        | \$ 1,347,998        | \$ 1,236,985        | \$ 1,242,375        |
| Restricted for pensions                     | 11,969              | 7,619               | 405                 | -                   | -                   | 171                 | 1,420               | -                   | -                   | -                   |
| Unrestricted                                | 203,033             | 183,408             | 223,287             | 194,210             | 184,687             | 207,107             | 145,083             | 62,339              | 149,216             | 133,513             |
| Total business-type activities net position | <u>\$ 2,781,479</u> | <u>\$ 2,866,489</u> | <u>\$ 2,521,455</u> | <u>\$ 2,300,318</u> | <u>\$ 2,321,267</u> | <u>\$ 2,077,971</u> | <u>\$ 1,534,851</u> | <u>\$ 1,410,337</u> | <u>\$ 1,386,201</u> | <u>\$ 1,375,888</u> |
| <b>PRIMARY GOVERNMENT</b>                   |                     |                     |                     |                     |                     |                     |                     |                     |                     |                     |
| Net investment in capital assets            | \$ 2,855,346        | \$ 2,955,533        | \$ 2,622,096        | \$ 2,377,017        | \$ 2,330,208        | \$ 2,096,270        | \$ 1,614,388        | \$ 1,618,092        | \$ 1,548,548        | \$ 1,565,653        |
| Restricted for permanent fund               | 1,760               | 2,251               | 42,143              | 41,884              | 41,302              | 41,921              | 41,876              | 42,023              | 42,003              | 42,003              |
| Restricted for pensions                     | 29,428              | 23,440              | 1,921               | -                   | -                   | 757                 | 12,462              | -                   | -                   | -                   |
| Unrestricted                                | 1,912,711           | 1,567,786           | 1,514,598           | 1,489,211           | 1,308,135           | 1,428,613           | 1,244,487           | 936,852             | 999,015             | 885,380             |
| Total primary government net position       | <u>\$ 4,799,245</u> | <u>\$ 4,549,010</u> | <u>\$ 4,180,758</u> | <u>\$ 3,908,112</u> | <u>\$ 3,679,645</u> | <u>\$ 3,567,561</u> | <u>\$ 2,913,213</u> | <u>\$ 2,596,967</u> | <u>\$ 2,589,566</u> | <u>\$ 2,493,036</u> |

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**TOWN OF WAKEFIELD, VIRGINIA**

**CHANGES IN NET POSITION - LAST TEN FISCAL YEARS**

|   | Fiscal Year         |                     |                     |                     |                     |                     |                     |                     |                     |                     |
|---|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|
|   | 2021                | 2020                | 2019                | 2018                | 2017                | 2016                | 2015                | 2014                | 2013                | 2012                |
| <b>EXPENSES</b>                                 |                     |                     |                     |                     |                     |                     |                     |                     |                     |                     |
| Governmental activities:                        |                     |                     |                     |                     |                     |                     |                     |                     |                     |                     |
| General government administration               | \$ 362,373          | \$ 326,160          | \$ 288,234          | \$ 287,102          | \$ 275,860          | \$ 252,234          | \$ 280,136          | \$ 299,223          | \$ 296,466          | \$ 249,519          |
| Public safety                                   | 124,506             | 129,857             | 123,416             | 117,530             | 124,539             | 130,871             | 104,626             | 107,198             | 108,549             | 105,662             |
| Public works                                    | 67,635              | 77,468              | 183,967             | 172,367             | 175,765             | 169,621             | 182,088             | 130,457             | 138,490             | 114,674             |
| Parks, recreation and cultural                  | 19,248              | 25,500              | 26,266              | 30,314              | 16,081              | 22,192              | 26,170              | 11,190              | 16,747              | 28,862              |
| Community development                           | -                   | -                   | -                   | -                   | -                   | 124,776             | -                   | 15,818              | 7,126               | -                   |
| Total governmental activities expenses          | <u>573,762</u>      | <u>558,985</u>      | <u>621,883</u>      | <u>607,313</u>      | <u>592,245</u>      | <u>699,694</u>      | <u>593,020</u>      | <u>563,886</u>      | <u>567,378</u>      | <u>498,717</u>      |
| Business-type activities:                       |                     |                     |                     |                     |                     |                     |                     |                     |                     |                     |
| Public utility                                  | 1,218,813           | 1,312,254           | 1,333,911           | 1,260,827           | 1,289,260           | 1,233,896           | 1,394,066           | 1,323,717           | 1,277,649           | 1,230,369           |
| Airport Commission expenses                     | 148,052             | 151,070             | 172,711             | 198,148             | 277,501             | 166,660             | 207,804             | 174,207             | 121,081             | 109,899             |
| Total business-type activities expenses         | <u>1,366,865</u>    | <u>1,463,324</u>    | <u>1,506,622</u>    | <u>1,458,975</u>    | <u>1,566,761</u>    | <u>1,400,556</u>    | <u>1,601,870</u>    | <u>1,497,924</u>    | <u>1,398,730</u>    | <u>1,340,268</u>    |
| Total primary government expenses               | <u>\$ 1,940,627</u> | <u>\$ 2,022,309</u> | <u>\$ 2,128,505</u> | <u>\$ 2,066,288</u> | <u>\$ 2,159,006</u> | <u>\$ 2,100,250</u> | <u>\$ 2,194,890</u> | <u>\$ 2,061,810</u> | <u>\$ 1,966,108</u> | <u>\$ 1,838,985</u> |
| <b>PROGRAM REVENUES</b>                         |                     |                     |                     |                     |                     |                     |                     |                     |                     |                     |
| Governmental activities:                        |                     |                     |                     |                     |                     |                     |                     |                     |                     |                     |
| Operating grants and contributions              | \$ 144,868          | \$ -                | \$ -                | \$ -                | \$ -                | \$ -                | \$ -                | \$ -                | \$ -                | \$ -                |
| Business-type activities:                       |                     |                     |                     |                     |                     |                     |                     |                     |                     |                     |
| Charges for services                            | 1,490,654           | 1,517,588           | 1,723,060           | 1,710,057           | 1,629,148           | 1,671,992           | 1,818,629           | 1,589,137           | 1,504,625           | 1,394,814           |
| Operating grants and contributions              | 4,010               | 312,457             | 97,713              | -                   | 33,986              | 420,637             | 174,663             | 5,451               | 6,611               | -                   |
| Total business-type activities program revenues | <u>1,494,664</u>    | <u>1,830,045</u>    | <u>1,820,773</u>    | <u>1,710,057</u>    | <u>1,663,134</u>    | <u>2,092,629</u>    | <u>1,993,292</u>    | <u>1,594,588</u>    | <u>1,511,236</u>    | <u>1,394,814</u>    |
| Total primary government program revenues       | <u>\$ 1,639,532</u> | <u>\$ 1,830,045</u> | <u>\$ 1,820,773</u> | <u>\$ 1,710,057</u> | <u>\$ 1,663,134</u> | <u>\$ 2,092,629</u> | <u>\$ 1,993,292</u> | <u>\$ 1,594,588</u> | <u>\$ 1,511,236</u> | <u>\$ 1,394,814</u> |
| <b>NET (EXPENSE) REVENUE</b>                    |                     |                     |                     |                     |                     |                     |                     |                     |                     |                     |
| Governmental activities                         | \$ (428,894)        | \$ (558,985)        | \$ (621,883)        | \$ (607,313)        | \$ (592,245)        | \$ (699,694)        | \$ (593,020)        | \$ (563,886)        | \$ (567,378)        | \$ (498,717)        |
| Business-type activities                        | 127,799             | 366,721             | 314,151             | 251,082             | 96,373              | 692,073             | 391,422             | 96,664              | 112,506             | 54,546              |
| Total primary government net expense            | <u>\$ (301,095)</u> | <u>\$ (192,264)</u> | <u>\$ (307,732)</u> | <u>\$ (356,231)</u> | <u>\$ (495,872)</u> | <u>\$ (7,621)</u>   | <u>\$ (201,598)</u> | <u>\$ (467,222)</u> | <u>\$ (454,872)</u> | <u>\$ (444,171)</u> |

(Continued)

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**TOWN OF WAKEFIELD, VIRGINIA**

**CHANGES IN NET POSITION - LAST TEN FISCAL YEARS**

|   | Fiscal Year       |                   |                   |                   |                   |                   |                   |                   |                   |                   |
|---|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|
|   | 2021              | 2020              | 2019              | 2018              | 2017              | 2016              | 2015              | 2014              | 2013              | 2012              |
| <b>GENERAL REVENUES AND OTHER CHANGES IN NET POSITION</b> |                   |                   |                   |                   |                   |                   |                   |                   |                   |                   |
| Governmental activities:                                  |                   |                   |                   |                   |                   |                   |                   |                   |                   |                   |
| General property taxes                                    | \$ 79,723         | \$ 77,330         | \$ 84,243         | \$ 81,548         | \$ 84,724         | \$ 84,301         | \$ 81,945         | \$ 83,582         | \$ 78,603         | \$ 80,516         |
| Meals taxes   | 192,170           | 189,656           | 227,106           | 246,858           | 231,690           | 227,311           | 215,967           | 192,181           | 182,824           | 180,618           |
| Other local taxes   | 159,807           | 139,963           | 134,712           | 143,799           | 98,543            | 95,623            | 98,849            | 80,080            | 87,379            | 99,081            |
| Revenues from use of money and property                   | 7,394             | 15,181            | 8,216             | 9,062             | 9,157             | 8,795             | 8,486             | 9,384             | 9,108             | 9,925             |
| Permits, privilege fees, and regulatory licenses          | 200               | 140               | 90                | 248               | 170               | 450               | 100               | 40                | 20                | 50                |
| Fines and forfeitures                                     | 18,292            | 13,344            | 5,594             | 1,939             | 772               | 180               | 1,140             | 390               | 747               | 1,788             |
| Recovered costs   | 1,064             | 16,420            | 4,033             | 3,695             | 16,968            | 8,834             | 11,662            | 10,942            | 17,465            | 22,245            |
| Revenues from other sources                               | 4,575             | 6,420             | 8,316             | 3,938             | 29,984            | 21,912            | 9,289             | 965               | 35,621            | 69,256            |
| Intergovernmental - Commonwealth of Virginia              | 65,327            | 62,965            | 59,466            | 57,573            | 59,599            | 58,422            | 58,341            | 58,604            | 57,558            | 56,382            |
| Transfers   | 235,587           | 60,784            | 141,616           | 308,069           | (70,574)          | 305,094           | 298,973           | 122,563           | 184,270           | 72,742            |
| Total governmental activities                             | <u>764,139</u>    | <u>582,203</u>    | <u>673,392</u>    | <u>856,729</u>    | <u>461,033</u>    | <u>810,922</u>    | <u>784,752</u>    | <u>558,731</u>    | <u>653,595</u>    | <u>592,603</u>    |
| Business-type activities:                                 |                   |                   |                   |                   |                   |                   |                   |                   |                   |                   |
| Revenues from other sources                               | 22,778            | 39,097            | 39,562            | 32,547            | 38,211            | 31,365            | 32,065            | 35,706            | 74,951            | 34,817            |
| Payments from (to) the Town                               | -                 | -                 | 9,040             | 3,491             | (11,862)          | 124,776           | -                 | 15,818            | 7,126             | (10,637)          |
| Transfers   | (235,587)         | (60,784)          | (141,616)         | (308,069)         | 70,574            | (305,094)         | (298,973)         | (122,563)         | (184,270)         | (72,742)          |
| Total business-type activities                            | <u>(212,809)</u>  | <u>(21,687)</u>   | <u>(93,014)</u>   | <u>(272,031)</u>  | <u>96,923</u>     | <u>(148,953)</u>  | <u>(266,908)</u>  | <u>(71,039)</u>   | <u>(102,193)</u>  | <u>(48,562)</u>   |
| Total primary government                                  | <u>\$ 551,330</u> | <u>\$ 560,516</u> | <u>\$ 580,378</u> | <u>\$ 584,698</u> | <u>\$ 557,956</u> | <u>\$ 661,969</u> | <u>\$ 517,844</u> | <u>\$ 487,692</u> | <u>\$ 551,402</u> | <u>\$ 544,041</u> |
| <b>CHANGE IN NET POSITION</b>                             |                   |                   |                   |                   |                   |                   |                   |                   |                   |                   |
| Governmental activities                                   | \$ 335,245        | \$ 23,218         | \$ 51,509         | \$ 249,416        | \$ (131,212)      | \$ 111,228        | \$ 191,732        | \$ (5,155)        | \$ 86,217         | \$ 93,886         |
| Business-type activities                                  | (85,010)          | 345,034           | 221,137           | (20,949)          | 193,296           | 543,120           | 124,514           | 25,625            | 10,313            | 5,984             |
| Total primary government                                  | <u>\$ 250,235</u> | <u>\$ 368,252</u> | <u>\$ 272,646</u> | <u>\$ 228,467</u> | <u>\$ 62,084</u>  | <u>\$ 654,348</u> | <u>\$ 316,246</u> | <u>\$ 20,470</u>  | <u>\$ 96,530</u>  | <u>\$ 99,870</u>  |

See Independent Auditor's Report.

**TOWN OF WAKEFIELD, VIRGINIA**

**FUND BALANCES - GOVERNMENTAL FUNDS - LAST TEN FISCAL YEARS**

|                                    |  | Fiscal Year         |                     |                     |                     |                     |                     |                     |                   |                   |                   |
|------------------------------------|--|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|-------------------|-------------------|-------------------|
|                                    |  | 2021                | 2020                | 2019                | 2018                | 2017                | 2016                | 2015                | 2014              | 2013              | 2012              |
| GENERAL FUND                       |  |                     |                     |                     |                     |                     |                     |                     |                   |                   |                   |
| Unassigned                         |  | \$ 1,466,969        | \$ 1,319,072        | \$ 1,277,030        | \$ 1,271,688        | \$ 1,090,629        | \$ 1,174,692        | \$ 1,054,079        | \$ 810,297        | \$ 769,581        | \$ 685,933        |
| Total general fund                 |  | <u>\$ 1,466,969</u> | <u>\$ 1,319,072</u> | <u>\$ 1,277,030</u> | <u>\$ 1,271,688</u> | <u>\$ 1,090,629</u> | <u>\$ 1,174,692</u> | <u>\$ 1,054,079</u> | <u>\$ 810,297</u> | <u>\$ 769,581</u> | <u>\$ 685,933</u> |
| ALL OTHER GOVERNMENT FUNDS         |  |                     |                     |                     |                     |                     |                     |                     |                   |                   |                   |
| Committed                          |  | \$ 40,462           | \$ 40,000           | \$ 40,000           | \$ 40,000           | \$ 40,000           | \$ 40,000           | \$ 40,000           | \$ 40,000         | \$ 40,000         | \$ 40,000         |
| Restricted                         |  | <u>1,760</u>        | <u>2,251</u>        | <u>2,143</u>        | <u>1,884</u>        | <u>1,302</u>        | <u>1,921</u>        | <u>1,876</u>        | <u>1,973</u>      | <u>2,003</u>      | <u>2,003</u>      |
| Total all other governmental funds |  | <u>\$ 42,222</u>    | <u>\$ 42,251</u>    | <u>\$ 42,143</u>    | <u>\$ 41,884</u>    | <u>\$ 41,302</u>    | <u>\$ 41,921</u>    | <u>\$ 41,876</u>    | <u>\$ 41,973</u>  | <u>\$ 42,003</u>  | <u>\$ 42,003</u>  |

See Independent Auditor's Report.



**TOWN OF WAKEFIELD, VIRGINIA**

**CHANGES IN FUND BALANCES - GOVERNMENTAL FUNDS - LAST TEN FISCAL YEARS**

|   | Fiscal Year |           |           |            |             |            |            |           |           |           |
|---|-------------|-----------|-----------|------------|-------------|------------|------------|-----------|-----------|-----------|
|   | 2021        | 2020      | 2019      | 2018       | 2017        | 2016       | 2015       | 2014      | 2013      | 2012      |
| <b>REVENUES</b>                                     |             |           |           |            |             |            |            |           |           |           |
| General property taxes                              | \$ 79,723   | \$ 77,330 | \$ 84,243 | \$ 81,548  | \$ 84,724   | \$ 84,301  | \$ 81,945  | \$ 83,582 | \$ 78,603 | \$ 80,516 |
| Other local taxes                                   | 351,977     | 329,619   | 361,818   | 390,657    | 330,233     | 322,934    | 314,816    | 272,261   | 270,203   | 279,699   |
| Revenue from use of money<br>and property           | 7,394       | 15,181    | 8,216     | 9,062      | 9,157       | 8,795      | 8,486      | 9,384     | 9,108     | 9,925     |
| Permits, privilege fees, and<br>regulatory licenses | 200         | 140       | 90        | 248        | 170         | 450        | 100        | 40        | 20        | 50        |
| Fines and forfeitures                               | 18,292      | 13,344    | 5,594     | 1,939      | 772         | 180        | 1,140      | 390       | 747       | 1,788     |
| Recovered costs                                     | 1,064       | 16,420    | 4,033     | 3,695      | 16,968      | 8,834      | 11,662     | 10,942    | 17,465    | 22,245    |
| Miscellaneous                                       | 4,575       | 6,420     | 8,316     | 3,938      | 18,122      | 21,912     | 9,289      | 965       | 11,463    | 10,940    |
| Intergovernmental -<br>Commonwealth of Virginia     | 65,327      | 62,965    | 59,466    | 57,573     | 59,599      | 58,422     | 58,341     | 58,604    | 57,558    | 56,382    |
| Federal   | 144,868     | -         | -         | -          | -           | -          | -          | -         | -         | -         |
| Total revenues                                      | 673,420     | 521,419   | 531,776   | 548,660    | 519,745     | 505,828    | 485,779    | 436,168   | 445,167   | 461,545   |
| <b>EXPENDITURES</b>                                 |             |           |           |            |             |            |            |           |           |           |
| General government administration                   | 526,362     | 345,903   | 279,623   | 278,492    | 262,688     | 243,908    | 231,254    | 252,987   | 244,624   | 202,512   |
| Public safety                                       | 112,516     | 107,454   | 95,419    | 91,807     | 101,093     | 107,425    | 104,626    | 107,198   | 108,549   | 105,662   |
| Public works  | 48,449      | 59,937    | 166,239   | 157,086    | 164,246     | 156,744    | 184,416    | 133,717   | 138,490   | 114,674   |
| Parks, recreation and cultural                      | 19,248      | 25,500    | 26,266    | 30,314     | 16,081      | 22,318     | 26,284     | 11,350    | 16,747    | 28,862    |
| Community development                               | -           | -         | -         | -          | -           | 124,776    | -          | -         | -         | -         |
| Capital projects                                    | 61,913      | 12,876    | 111,631   | 128,551    | 12,548      | 45,818     | 5,000      | 7,280     | 40,353    | 38,144    |
| Total expenditures                                  | 768,488     | 551,670   | 679,178   | 686,250    | 556,656     | 700,989    | 551,580    | 512,532   | 548,763   | 489,854   |
| Deficiency of revenues<br>under expenditures        | (95,068)    | (30,251)  | (147,402) | (137,590)  | (36,911)    | (195,161)  | (65,801)   | (76,364)  | (103,596) | (28,309)  |
| <b>OTHER FINANCING SOURCES (USES)</b>               |             |           |           |            |             |            |            |           |           |           |
| Operating transfers in                              | 249,150     | 73,783    | 162,990   | 322,402    | 153,352     | 525,090    | 507,462    | 236,761   | 312,530   | 216,819   |
| Operating transfers out                             | (13,563)    | (12,999)  | (21,374)  | (14,333)   | (212,064)   | (219,996)  | (208,489)  | (114,198) | (135,386) | (133,440) |
| Note receivable repayments                          | 7,349       | 11,617    | 11,387    | 11,162     | 10,941      | 10,725     | 10,513     | 10,305    | 10,100    | 9,901     |
| Total other financing<br>sources (uses)             | 242,936     | 72,401    | 153,003   | 319,231    | (47,771)    | 315,819    | 309,486    | 132,868   | 187,244   | 93,280    |
| Net change in fund balances                         | \$ 147,868  | \$ 42,150 | \$ 5,601  | \$ 181,641 | \$ (84,682) | \$ 120,658 | \$ 243,685 | \$ 56,504 | \$ 83,648 | \$ 64,971 |

See Independent Auditor's Report.

**TOWN OF WAKEFIELD, VIRGINIA**

**ASSESSED VALUE OF TAXABLE PROPERTY - LAST TEN FISCAL YEARS**

| <b>Fiscal Year Ended<br/>June 30,</b> | <b>Real<br/>Estate</b> | <b>Personal<br/>Property</b> | <b>Public<br/>Service<br/>Corporations</b> | <b>Total Taxable<br/>Assessed<br/>Value</b> |
|---------------------------------------|------------------------|------------------------------|--|---|
| 2021                                  | \$ 52,812,812          | \$ 5,237,923                 | \$ 4,323,741                               | \$ 62,374,476                               |
| 2020                                  | \$ 52,641,112          | \$ 5,858,660                 | \$ 4,209,997                               | \$ 62,709,769                               |
| 2019                                  | \$ 52,194,712          | \$ 5,803,895                 | \$ 4,313,933                               | \$ 62,312,540                               |
| 2018                                  | \$ 49,054,871          | \$ 6,271,633                 | \$ 3,175,615                               | \$ 58,502,119                               |
| 2017                                  | \$ 48,831,653          | \$ 5,892,730                 | \$ 4,373,220                               | \$ 59,097,603                               |
| 2016                                  | \$ 49,163,113          | \$ 6,402,419                 | \$ 4,136,636                               | \$ 59,702,168                               |
| 2015                                  | \$ 49,177,913          | \$ 6,463,406                 | \$ 3,741,551                               | \$ 59,382,870                               |
| 2014                                  | \$ 48,321,013          | \$ 6,086,074                 | \$ 4,032,988                               | \$ 58,440,075                               |
| 2013                                  | \$ 47,988,713          | \$ 5,797,851                 | \$ 3,763,689                               | \$ 57,550,253                               |
| 2012                                  | \$ 47,730,201          | \$ 6,003,296                 | \$ 3,108,227                               | \$ 56,841,724                               |

Source: Commissioner of Revenue, Sussex County

**TOWN OF WAKEFIELD, VIRGINIA**

**PROPERTY TAX RATES - LAST TEN FISCAL YEARS  
(PER \$100 OF ASSESSED VALUES)**

| <b>Fiscal Year Ended<br/>June 30,</b> | <b>Real<br/>Estate</b> | <b>Personal<br/>Property</b> | <b>Public<br/>Service<br/>Corporations</b> | <b>Machinery<br/>and Tools</b> | <b>Mobile<br/>Homes</b> |
|---------------------------------------|------------------------|------------------------------|--|--------------------------------|-------------------------|
| 2021                                  | \$ 0.093               | \$ 0.860                     | \$ 0.093                                   | \$ 0.860                       | \$ 0.093                |
| 2020                                  | \$ 0.093               | \$ 0.860                     | \$ 0.093                                   | \$ 0.860                       | \$ 0.093                |
| 2019                                  | \$ 0.093               | \$ 0.860                     | \$ 0.093                                   | \$ 0.860                       | \$ 0.093                |
| 2018                                  | \$ 0.093               | \$ 0.860                     | \$ 0.093                                   | \$ 0.860                       | \$ 0.093                |
| 2017                                  | \$ 0.093               | \$ 0.860                     | \$ 0.093                                   | \$ 0.860                       | \$ 0.093                |
| 2016                                  | \$ 0.093               | \$ 0.860                     | \$ 0.093                                   | \$ 0.860                       | \$ 0.093                |
| 2015                                  | \$ 0.093               | \$ 0.860                     | \$ 0.093                                   | \$ 0.860                       | \$ 0.093                |
| 2014                                  | \$ 0.093               | \$ 0.860                     | \$ 0.093                                   | \$ 0.860                       | \$ 0.093                |
| 2013                                  | \$ 0.093               | \$ 0.860                     | \$ 0.093                                   | \$ 0.860                       | \$ 0.093                |
| 2012                                  | \$ 0.093               | \$ 0.860                     | \$ 0.093                                   | \$ 0.860                       | \$ 0.093                |

Source: Commissioner of Revenue, Sussex County

# **TOWN OF WAKEFIELD, VIRGINIA**

## **PRINCIPAL TAX PAYERS CURRENT YEAR AND NINE YEARS AGO**

| <b>Taxpayer</b>                   | <b>2021</b>                     |             |   | <b>2012</b>                     |             |   |
|-----------------------------------|---------------------------------|-------------|---|---------------------------------|-------------|---|
|                                   | <b>Total<br/>Taxes<br/>Paid</b> | <b>Rank</b> | <b>Percentage<br/>of Total<br/>Town Tax<br/>Revenue</b> | <b>Total<br/>Taxes<br/>Paid</b> | <b>Rank</b> | <b>Percentage<br/>of Total<br/>Town Tax<br/>Revenue</b> |
| Virginia Diner                    | \$ 6,776                        | 1           | 1.57%   | \$ 12,179                       | 1           | 3.38%   |
| Wakefield Farm Service            | 5,429                           | 2           | 1.26%   | 3,559                           | 2           | 0.99%   |
| Indmar Coatings/Wilmer Rowe       | 1,571                           | 3           | 0.36%   | 520                             | 10          | 0.14%   |
| Norfolk & Western Railroad        | 1,227                           | 4           | 0.28%   | n/a                             | n/a         | n/a   |
| 7-Eleven                          | 1,036                           | 6           | 0.24%   | n/a                             | n/a         | n/a   |
| Virginia Electric & Power Co.     | 1,136                           | 5           | 0.26%   | n/a                             | n/a         | n/a   |
| Richard E. and Sandra P. Rickmond | 867                             | 7           | 0.20%   | n/a                             | n/a         | n/a   |
| Charter Communications            | 867                             | 8           | 0.20%   | 709                             | 6           | 0.20%   |
| Jenkins Properties                | 736                             | 9           | 0.17%   | n/a                             | n/a         | n/a   |
| Mac's / Uppy's                    | 766                             | 10          | 0.18%   | 913                             | 5           | 0.25%   |
| Golden Peanut                     | n/a                             | n/a         | n/a   | 1,584                           | 3           | 0.44%   |
| Southland Corporation             | n/a                             | n/a         | n/a   | 1,135                           | 4           | 0.32%   |
| Bank of Southside Virginia        | n/a                             | n/a         | n/a   | 709                             | 7           | 0.20%   |
| Southside Investments             | n/a                             | n/a         | n/a   | 644                             | 8           | 0.18%   |
| James R. Stringfield              | n/a                             | n/a         | n/a   | 640                             | 9           | 0.18%   |
|                                   | <u>\$ 20,411</u>                |             | <u>4.73%</u>  | <u>\$ 22,592</u>                |             | <u>6.28%</u>  |

Source: Town of Wakefield Office

**TOWN OF WAKEFIELD, VIRGINIA**

**PROPERTY TAX LEVIES AND COLLECTIONS - LAST TEN FISCAL YEARS**

| <b>Fiscal Year Ended<br/>June 30,</b> | <b>Taxes Levied<br/>for the<br/>Fiscal Year</b> | <b>Collected within the<br/>Fiscal Year of the Levy</b> |                               | <b>Collections in<br/>Subsequent<br/>Years (a)</b> | <b>Total Collections to Date</b> |                               |
|---------------------------------------|---|---|-------------------------------|--|----------------------------------|-------------------------------|
|                                       |   | <b>Amount</b>   | <b>Percentage<br/>of Levy</b> |  | <b>Amount</b>                    | <b>Percentage<br/>of Levy</b> |
| 2021                                  | \$ 77,251                                       | \$ 77,251   | 100.00%                       | -  | \$ 77,251                        | 100.00%                       |
| 2020                                  | \$ 82,091                                       | \$ 82,091   | 100.00%                       | -  | \$ 82,091                        | 100.00%                       |
| 2019                                  | \$ 83,103                                       | \$ 79,183   | 95.28%                        | -  | \$ 79,183                        | 95.28%                        |
| 2018                                  | \$ 81,055                                       | \$ 76,736   | 94.67%                        | -  | \$ 76,736                        | 94.67%                        |
| 2017                                  | \$ 83,889                                       | \$ 79,983   | 95.34%                        | -  | \$ 79,983                        | 95.34%                        |
| 2016                                  | \$ 84,383                                       | \$ 81,243   | 96.28%                        | -  | \$ 81,243                        | 96.28%                        |
| 2015                                  | \$ 82,962                                       | \$ 79,860   | 96.26%                        | -  | \$ 79,860                        | 96.26%                        |
| 2014                                  | \$ 81,883                                       | \$ 80,489   | 98.30%                        | -  | \$ 80,489                        | 98.30%                        |
| 2013                                  | \$ 78,749                                       | \$ 76,922   | 97.68%                        | -  | \$ 76,922                        | 97.68%                        |
| 2012                                  | \$ 78,439                                       | \$ 77,024   | 98.20%                        | -  | \$ 77,024                        | 98.20%                        |

Note (a): Town does not maintain detailed records of subsequent collections.

Source: Town of Wakefield Office

See Independent Auditor's Report.

## **TOWN OF WAKEFIELD, VIRGINIA**

### **FULL-TIME EQUIVALENT CITY GOVERNMENT EMPLOYEES BY FUNCTION/PROGRAM**

Due to the small number of employees, such statistical data is not maintained by the Town.

### **OPERATING INDICATORS BY FUNCTION/PROGRAM**

Due to the small size of the Town, such statistical numbers are not maintained, nor will they be maintained in the future due to the small amount of activity within the Town.

### **CAPITAL ASSET STATISTICS BY FUNCTION/PROGRAM**

See Note 4 to the Financial Statements. The Town also has assets that are not listed on the depreciation Schedule. However, these assets were considered during the GASB 34 conversion and were deemed fully depreciated.