The background of the cover features a grayscale photograph of the Farmville Town Hall building and a large, ornate clock tower. The clock tower has a circular sign at the top that reads "FARMVILLE". The building's facade has a grid of windows and the words "FARMVILLE TOWN HALL" are visible. The image is overlaid with a large, dark, geometric shape that cuts across the bottom right corner.

TOWN OF FARMVILLE, VIRGINIA

ANNUAL COMPREHENSIVE FINANCIAL REPORT

FISCAL YEAR ENDED JUNE 30, 2025

DEPARTMENT OF FINANCE

Hub of Commerce and Community Over 200 Years

Town of Farmville, Virginia

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Introductory Section





FINANCE OFFICE

December 1, 2025

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

We are pleased to present the Annual Comprehensive Financial Report (ACFR) of the Town of Farmville for the fiscal year ended June 30, 2025. This report is submitted in accordance with Section 15.1-167 of the Code of Virginia and with Article 5, Section 23 of the Charter of the Town of Farmville, both of which require an annual independent audit and report of the financial activity of the Town. The independent certified public accounting firm of Brown, Edwards & Company, L.L.P., has audited the financial statements and supplemental schedules contained herein. Responsibility for both the accuracy of the data and the completeness and fairness of the presentation, including all disclosures, rests with the Town. To the best of our knowledge and belief, the enclosed information is accurate in all material respects and is reported in a manner designed to present fairly the financial position and results of operations of the various funds of the Town. All disclosures necessary to enable the reader to gain an understanding of the Town's financial activities have been included.

The Reporting Entity and Services Provided

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

Organization of Government

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

Economic Condition and Outlook

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

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

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

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

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

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

Major Initiatives and Accomplishments

- **Water Treatment Plant Improvements** – The Town completed numerous upgrades at the Water Treatment Plant, reinforcing Farmville’s commitment to environmental stewardship. Major improvements include the transition from chlorine gas to sodium hypochlorite, replacement of oxidation tanks and generators, and installation of a chemical feed pump with a 5,000-gallon storage tank.
- **Wastewater Treatment Plant UV Filtration Project** – Construction began on a new \$3.8 million ultraviolet disinfection system at the Wastewater Treatment Plant. This environmentally friendly process eliminates the need for chemical disinfection and uses UV light to destroy pathogens prior to discharge.
- **New Ladder Truck (FY2026 Initiative)** – The Farmville Fire Department is moving forward with the purchase of a new \$2,487,960 ladder truck in FY2026. This state-of-the-art vehicle will significantly improve response capabilities and allow safe access to taller structures, including ten-story residence halls at Longwood University.
- **Commercial Growth** – Several new businesses reflect the strength of Farmville’s local economy. Construction is underway for a new Chipotle on South Main Street, and Sheetz is reinvesting in Farmville by demolishing and rebuilding its existing store. Additional locally owned eateries are operating or in development, including Seared, Poplar Sips, Persimmon Market and Eatery, and The Fox and the Lamb.
- **Firehouse Expansion (FY2026 Initiative)** – The Town has begun design and preparatory work on a \$13 million expansion of the existing firehouse scheduled for FY2026. Planned improvements include new bunkrooms, showers, 24/7 mixed-gender accommodations, upgraded decontamination and PPE storage, EMS and SCBA areas, a fitness room, and expanded mezzanine storage.
- **Bond Ratings and FY2026 Bond Sale** – In FY2026, the Town pursued and received its first formal bond ratings, earning A+ from Standard & Poor’s and Aa3 from Moody’s Investors Service. These strong ratings reflect the Town’s sound financial management, economic stability, and long-term planning efforts. The ratings directly contributed to Farmville securing a highly favorable interest rate during its November–December 2025 bond sale, which financed major FY2026 capital initiatives.

These accomplishments reflect Farmville’s ongoing commitment to strengthening infrastructure, supporting economic growth, enhancing public safety, and maintaining strong financial stewardship.

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

Financial Information

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

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

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

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

Cash Management

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

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

Other Information

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

Awards. Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the Town of Farmville, Virginia,

for its annual comprehensive financial report for the fiscal year ended June 30, 2024. This was the third year that the government had achieved this prestigious award. In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized annual comprehensive financial report. This report must satisfy both generally accepted accounting principles and applicable legal requirements.

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

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

Respectfully Submitted,



C. Scott Davis
Town Manager



Julie A. Moore
Director of Finance



Government Finance Officers Association

Certificate of
Achievement
for Excellence
in Financial
Reporting

Presented to

**Town of Farmville
Virginia**

For its Annual Comprehensive
Financial Report
For the Fiscal Year Ended

June 30, 2024

Christopher P. Morill

Executive Director/CEO



**DIRECTORY OF PRINCIPAL OFFICIALS
MEMBERS OF TOWN COUNCIL**



Brian Vincent, Mayor
Term Expires: December 31, 2026
Phone: (434) 603-1055
Email: bvincent@farmvilleva.com



A.D. "Chuckie" Reid, Vice Mayor
Term Expires: December 31, 2026
Phone: (434) 390-9069
Email: creid@farmvilleva.com



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



Sallie O. Amos, Councilwoman
Term Expires: December 31, 2028
Phone: (434) 390-6294
Email: samos@farmvilleva.com



Daniel E. Dwyer, Councilman
Term Expires: December 31, 2028
Phone: (434) 390-6614
Email: ddwyer@farmvilleva.com



Donald L. Hunter, Councilman
Term Expires: December 31, 2028
Phone: (434) 392-6053
Email: dhunter@farmvilleva.com



Thomas M. Pairet, Councilman
Term Expires: December 31, 2026
Phone: (434) 603-1296
Email: tpairet@farmvilleva.com



Adam Yoelin, Councilman
Term Expires: December 31, 2026
Phone: (434) 808-8977
Email: ayoelin@farmvilleva.com



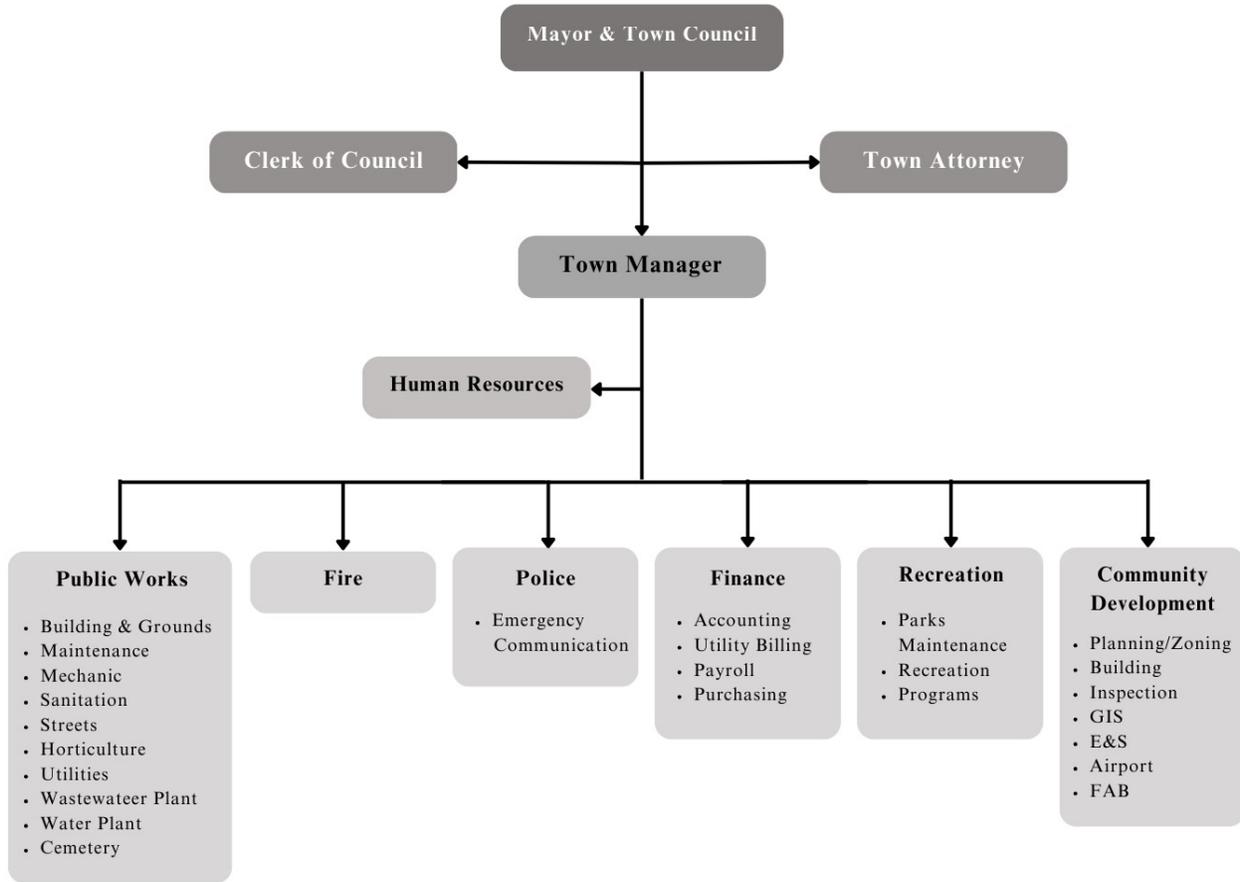
DIRECTORY OF PRINCIPAL OFFICIALS

OTHER OFFICIALS AS OF JUNE 30, 2025

Town Manager	C. Scott Davis LP.D.
Assistant to the Town Manager	Jackie Vaughan
Director of Finance	Julie A. Moore
Clerk of Council	Mary McKay
Town Attorney	Gary Elder
Chief of Police	Andy Ellington
Director of Public Works	Stephen Edwards
Fire Chief	Daniel Clark
Director of Community Development	Ashley Atkins-Austin
Building Official	John Ramsay



**TOWN OF FARMVILLE, VIRGINIA
ORGANIZATIONAL CHART**





Financial Section

Financial Section contains the Basic
Financial Statements



Independent Auditor's Report

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

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the Town of Farmville, Virginia (the "Town") as of and for the year ended June 30, 2025, and the related notes to the financial statements, which collectively comprise the Town's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the Town as of June 30, 2025, and the respective changes in financial position and, where applicable, cash flows thereof and the respective budgetary comparison for the General Fund and Street Maintenance Fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards, issued by the Comptroller General of the United States, and Specifications for Audits of Counties, Cities, and Towns and the Specifications for Audits of Authorities*, Boards and Commissions issued by the Auditor of Public Accounts of the Commonwealth of Virginia. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Town and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Change in Accounting Principle

As described in Note 1 to the financial statements, in 2025 the Town adopted new accounting guidance, **GASB Statement No. 101, *Compensated Absences***. Our opinion is not modified with respect to this matter.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America, and for the

design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and, therefore, is not a guarantee that an audit conducted in accordance with generally accepted auditing standards and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

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

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

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



Required Supplementary Information

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

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Town of Farmville's basic financial statements. The accompanying other supplementary information is presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the other supplementary information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Information

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

In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated December 1, 2025 on our consideration of the Town's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Town's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Town's internal control over financial reporting and compliance.

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

CERTIFIED PUBLIC ACCOUNTANTS

Lynchburg, Virginia
December 1, 2025

MANAGEMENT'S DISCUSSION AND ANALYSIS

As stewards of Farmville, Virginia, we are pleased to offer this comprehensive narrative overview and analysis of the Town's financial activities for the fiscal years ending June 30, 2025, and 2024. We invite readers to consider this information alongside the detailed insights provided in our transmittal letter on pages i through vi.

Financial Highlights:

- The Town's assets and deferred outflows surpassed its liabilities and deferred inflows at the close of the fiscal year by an impressive \$47,657,396, representing the net position. Within this, \$13,491,978 (unrestricted net position) stands available for fulfilling the Town's ongoing commitments to its citizens and creditors.
- The Town's total net position increased by \$1,394,357 for the fiscal year. Governmental activities decreased by \$202,659, representing a 14% offset to the overall change, while business-type activities increased by \$1,597,016, accounting for 115% of the total growth in net position. The strong performance of the business-type operations more than offset the decline in governmental activities and was the primary driver of the overall increase.
- At the fiscal year's end, the Town's governmental fund reported an ending fund balance of \$7,207,110, reflecting a decrease of \$1,401,803 compared to the previous year. Approximately 21% of this total, amounting to \$1,481,764, is available for discretionary spending (unassigned fund balance).
- The Town's overall outstanding debt decreased by \$1,743,735, or 16.66%, during the fiscal year. This reduction reflects the Town's continued commitment to managing long-term obligations responsibly. During the year, the Town also entered into \$776,500 in new financed purchase agreements to support essential capital needs. These investments enabled the Town to replace aging equipment and maintain critical infrastructure while still achieving an overall decrease in total debt.

Overview of the Financial Statements:

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

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

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

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

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

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

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

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

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

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

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

As of June 30, 2025, the Town's governmental funds concluded the fiscal year with an ending fund balance of \$7,207,110, a change of \$1,401,803 from the prior year. Among this total, \$557,443 was nonspendable, \$1,144,553 was restricted, \$3,638,244 was committed, \$385,105 was assigned, and \$1,481,764 was unassigned.

To gauge the general fund's liquidity, it's important to assess both the unassigned fund balance and the total fund balance in relation to total general fund expenditures. As of June 30, 2025, the unassigned fund balance of \$1,481,764 represents 9.50% of total general fund expenditures, while the total fund balance of \$6,807,838 accounts for 43.67% of total general fund expenditures. These ratios are vital indicators of the Town's financial health and its ability to cover future obligations without the need for additional borrowing.

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

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

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

Government-Wide Financial Analysis

In evaluating the Town's financial position, it's crucial to consider its net position, which proves to be a valuable indicator over time. At the close of the recent fiscal year, the Town's assets and deferred outflows exceeded its liabilities and deferred inflows by \$47,657,396.

A significant portion of the Town's net position (69.32%) represents its investment in capital assets, such as land, buildings, machinery, equipment, and infrastructure. This figure is net of any related debt used to acquire these assets that is still outstanding. These capital assets are essential for delivering services to citizens. It's important to note that even though the Town's investment in these assets is reported net of related debt, the resources necessary to repay this debt must be sourced from other avenues, as the capital assets themselves cannot be utilized to settle these obligations.

Additionally, a portion of the net position (2.37%) is restricted and earmarked for unspent debt proceeds and grants or forfeiture funds. The remaining balance of unrestricted net assets (28.31%) is available to fulfill the Town's ongoing obligations to its citizens and creditors. This portion provides the flexibility needed to meet various financial commitments.

The Town's Net Position

	Governmental Activities		Business-type Activities		Total	
	2025	2024	2025	2024	2025	2024
Current and other assets	\$ 13,036,683	\$ 16,036,065	\$ 9,441,144	\$ 11,703,815	\$ 22,477,827	\$ 27,739,880
Total pension asset (liability)	(314,023)	201,615	(86,562)	35,864	(400,585)	237,479
Capital assets	20,438,770	19,740,271	21,538,353	18,089,418	41,977,123	37,829,689
Total assets	33,161,430	35,977,951	30,892,935	29,829,097	64,054,365	65,807,048
Deferred outflow of resources	1,399,432	905,384	356,516	188,285	1,755,948	1,093,669
Long-term liabilities	5,345,586	5,831,115	5,787,162	5,947,898	11,132,748	11,779,014
Total Net OPEB liability	1,085,573	1,161,432	234,873	269,551	1,320,446	1,430,983
Other liabilities	4,846,159	6,447,947	458,771	634,657	5,304,930	7,082,604
Total liabilities	11,277,318	13,440,494	6,480,806	6,852,106	17,758,124	20,292,601
Deferred inflows of resources	323,438	280,075	71,355	65,002	394,793	345,077
Net position						
Net investment in capital assets	16,782,661	16,276,537	16,252,370	14,620,627	33,035,031	30,897,164
Restricted	1,130,387	3,448,417	-	35,864	1,130,387	3,484,281
Unrestricted	5,047,058	3,437,811	8,444,920	8,443,783	13,491,978	11,881,594
Total net position	\$ 22,960,106	\$ 23,162,765	\$ 24,697,290	\$ 23,100,274	\$ 47,657,396	\$ 46,263,039

As previously mentioned, net position and assets categorized by type can serve as valuable indicators of a government's financial standing over time. For the Town, as of June 30, 2025, assets surpassed liabilities by \$47,657,396 across Governmental and Business-type Activities, highlighting the Town's continued strong financial position.

During the current fiscal year, the Town's total net position increased by \$1,394,357, representing a 3.0% growth from the prior year. This overall increase reflects a 0.9% decrease in Governmental Activities' net position and a 6.9% increase in Business-type Activities' net position. The strong performance of the Water, Sewer, Transportation, and Airport operations more than offset the modest decline within Governmental Activities. The Town remains committed to prudent financial management across all funds—including the General Fund, Street Maintenance Fund, Water Fund, Sewer Fund, Transportation Fund, and Airport Fund—ensuring responsible stewardship of public resources while supporting long-term financial stability.

The Town's Changes in Net Position

	Governmental Activities		Business-type Activities		Total	
	2025	2024	2025	2024	2025	2024
Revenues						
Program revenues						
Charges for services	\$ 1,793,653	\$ 1,872,984	\$ 4,458,771	\$ 4,405,094	\$ 6,252,425	\$ 6,278,078
Operating grants and contributions	2,787,077	2,909,448	793,762	786,639	3,580,839	3,696,087
Capital grants and contributions	323,167	545,153	1,723,811	2,122,230	2,046,978	2,667,383
General revenues						
Property taxes	1,153,288	1,164,251	-	-	1,153,288	1,164,251
Other taxes	8,358,438	8,184,006	-	-	8,358,438	8,184,006
Intergovernmental revenue unrestricted	97,058	86,884	-	-	97,058	86,884
Investment earnings	765,569	783,842	259,156	192,960	1,024,725	976,802
Other	372,651	723,181	183,932	386,069	556,583	1,109,250
Total revenues	<u>15,650,902</u>	<u>16,269,749</u>	<u>7,419,432</u>	<u>7,892,992</u>	<u>23,070,334</u>	<u>24,162,741</u>
Expenses						
General government	2,794,641	2,072,892	-	-	2,794,642	2,072,892
Public safety	5,706,414	5,048,531	-	-	5,706,415	5,048,531
Public works	6,075,592	5,891,869	-	-	6,075,597	5,891,869
Parks, recreation, and cultural	565,224	445,763	-	-	565,223	445,763
Community development	701,784	899,914	-	-	700,884	899,914
Interest on long-term debt	9,906	7,219	-	-	10,803	7,219
Water	-	-	2,403,503	1,742,899	2,403,503	1,742,899
Sewer	-	-	1,732,055	1,331,691	1,732,055	1,331,691
Transportation	-	-	905,411	790,350	905,411	790,350
Airport	-	-	781,447	385,606	781,446	385,606
Total expenses	<u>15,853,561</u>	<u>14,366,188</u>	<u>5,822,416</u>	<u>4,250,546</u>	<u>21,675,979</u>	<u>18,616,734</u>
Excess before transfers	<u>(202,659)</u>	<u>1,903,561</u>	<u>1,597,016</u>	<u>3,642,446</u>	<u>1,394,355</u>	<u>5,546,007</u>
Change in net position	(202,659)	1,903,561	1,597,016	3,642,446	1,394,357	5,546,006
Net position – July 1	<u>23,162,765</u>	<u>21,259,206</u>	<u>23,100,274</u>	<u>19,457,828</u>	<u>46,263,039</u>	<u>40,717,033</u>
Net position – June 30	<u>\$22,960,106</u>	<u>\$23,162,765</u>	<u>\$24,697,290</u>	<u>\$23,100,274</u>	<u>\$47,657,396</u>	<u>\$46,263,039</u>

Governmental Activities – the Town reported a decrease in net position of \$202,659 for FY2025, compared to an increase of \$1,903,561 in FY2024. This decline was driven by a combination of higher operating costs and lower capital and miscellaneous revenues. Total governmental revenues decreased by \$618,847, largely due to a reduction in capital grants and contributions, from \$545,153 in FY2024 to \$323,167 in FY2025, and a decline in miscellaneous revenue. In FY2024, miscellaneous revenue included a \$227,000 principal reimbursement from Prince Edward County for its share of the Town’s GO bond; only interest was received in FY2025. Investment income also declined slightly from the prior year.

Governmental Activities expenses increased by \$1,487,373, or 10.4%, totaling \$15,853,561 in FY2025. Public Safety continued to be one of the Town’s largest cost centers, representing 36.1% of total governmental expenses, and increased due to the \$3,000 employee salary adjustment and corresponding increases in retirement and FICA. Public Works remained the largest governmental function at 38.3% of total expenses, reflecting ongoing maintenance demands and service delivery costs. General Government represented 17.6% of total expenses and saw the largest year-over-year increase, rising \$721,750 due to multiple retirements resulting in approximately \$50,000 in OPEB payouts, an \$250,000 contract for GIS mapping and updating of the water and sewer infrastructure, Townwide salary adjustments, and the creation of a centralized IT function. Parks and Recreation comprised 3.6% of total expenses, while Community Development accounted for 4.4%, decreasing from the prior year. Overall, rising costs combined with reduced one-time revenues contributed to the net decrease in governmental activities for FY2025.

Business-type Activities – In FY2025, the net position for Business-type Activities increased by \$1,597,016, compared to an increase of \$3,642,446 in FY2024. While the increase was smaller than in the prior year, business-type operations continued to demonstrate financial strength. Charges for services remained stable at \$4,458,771, supported by steady water and sewer consumption levels. Capital contributions totaled \$1,723,811, reflecting continued investment in water, sewer, and airport infrastructure, though slightly lower than FY2024. Miscellaneous revenues declined due to lower one-time recoveries and reimbursements, and investment earnings decreased compared to the prior fiscal year. Despite these revenue changes, the enterprise funds continued to support ongoing infrastructure reinvestment and system improvements.

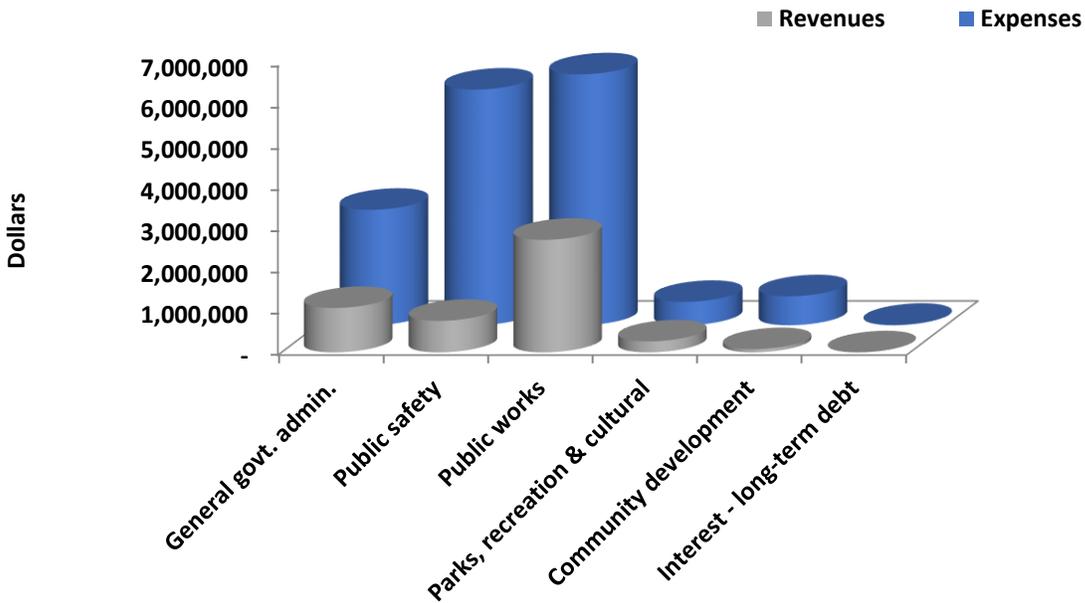
In FY2025, total expenses for Business-type Activities amounted to \$5,822,416, an increase from \$4,250,546 in FY2024. The breakdown by fund is as follows:

- **Water Fund:** Expenses totaled \$2,403,503, representing 41.3% of all business-type activity expenses. This marks a 38% increase from FY2024, primarily due to rising personnel costs associated with the Townwide \$3,000 salary adjustment, higher retirement and FICA contributions, and increased maintenance requirements tied to aging water infrastructure and system reinvestment.
- **Sewer Fund:** Expenses totaled \$1,732,055, or 29.8% of total enterprise costs. Sewer expenses increased by 30% from FY2024, largely due to heightened maintenance and repair needs, continued investment in system reliability, and personnel-related cost increases consistent with Townwide compensation adjustments.
- **Transportation Fund:** Expenses totaled \$905,411, making up 15.6% of business-type expenses. This reflects a 14.5% increase from FY2024, driven by rising insurance premiums, higher personnel costs, and vehicle-related maintenance activity as the Town continues to support reliable transportation services.

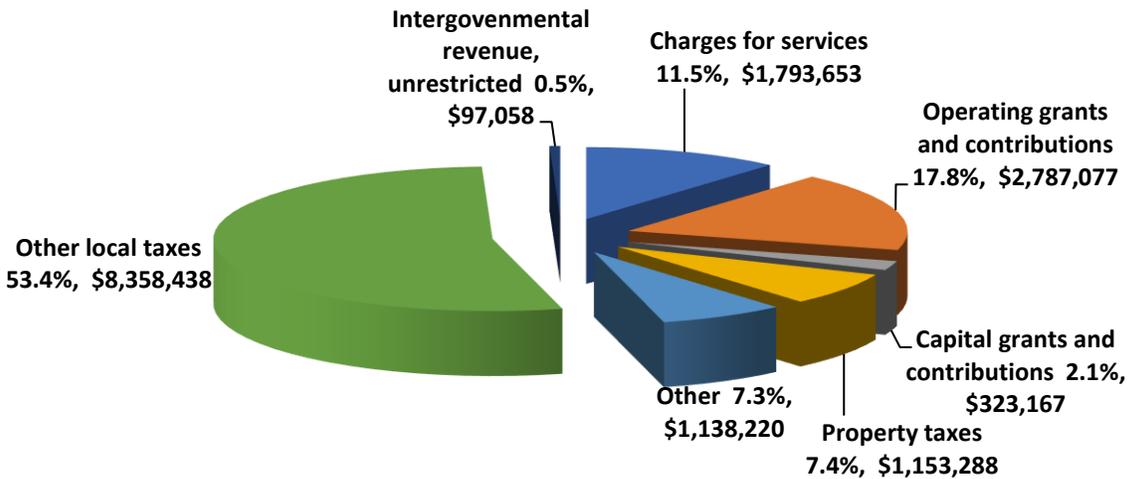
- Airport Fund:** Airport expenses totaled \$781,447, or 13.3% of total business-type expenses. This represents a slight decline of 0.04% from FY2024. Unlike the prior year, which included a one-time \$49,500 land-clearing project, FY2025 expenses were more evenly distributed across routine maintenance, operations, and personnel costs.

Overall, despite higher personnel and operating costs across all enterprise funds, Business-type Activities continued to generate strong operating revenues and capital contributions. These results reflect the Town’s ongoing commitment to maintaining essential utility and transportation services while supporting long-term capital investment and system sustainability.

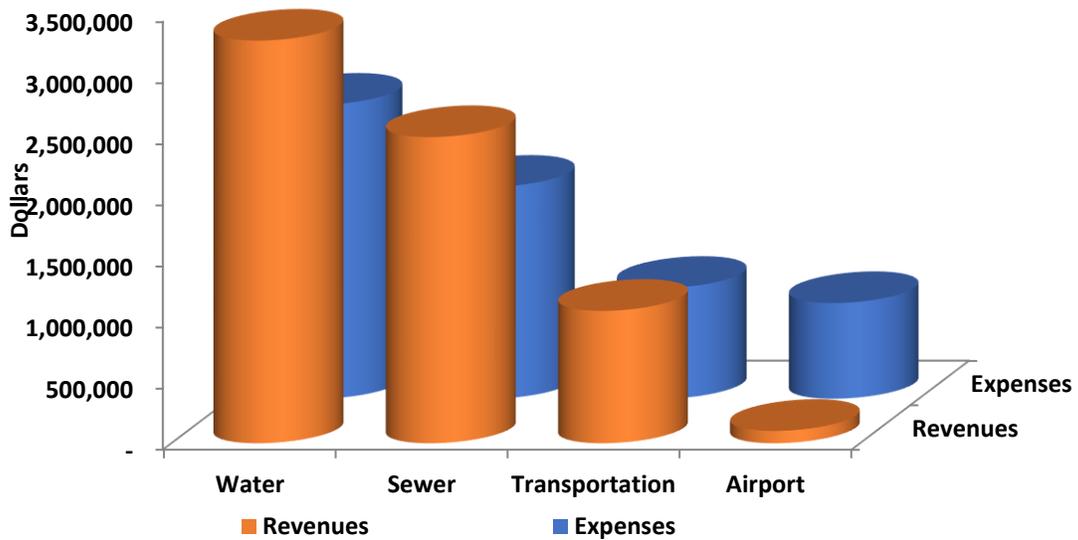
Expenses and Program Revenues – Governmental Activities



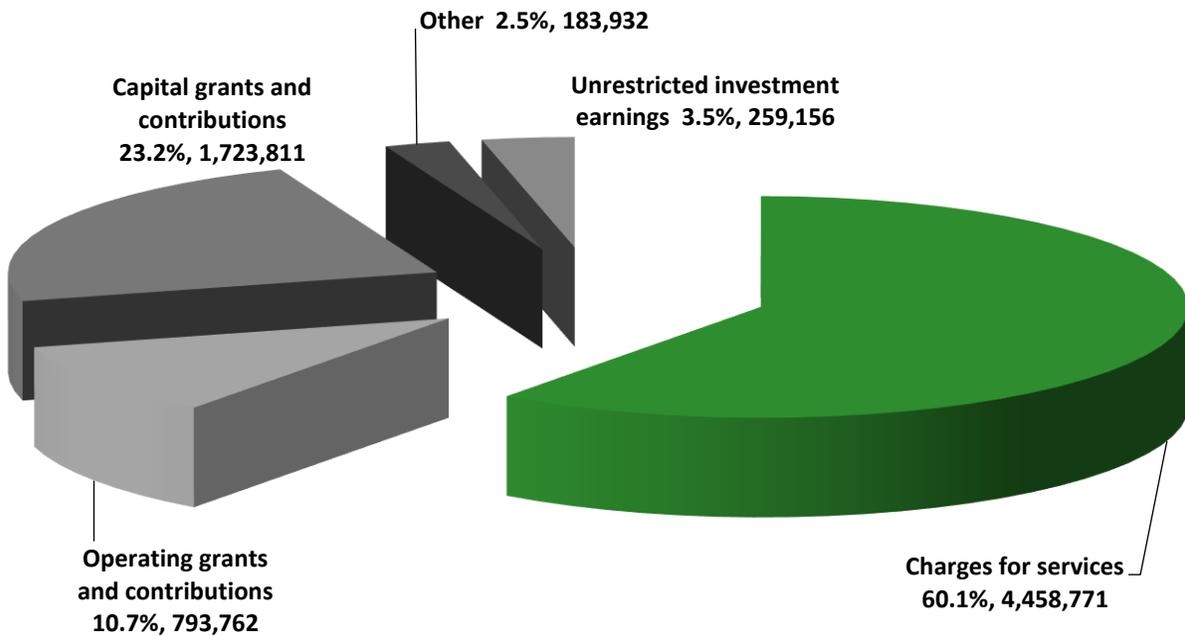
Revenues by Source – Governmental Activities



Expenses and Program Revenues – Business-type Activities



Revenues by Source – Business-Type Activities



Financial Analysis of the Government's Funds

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

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

At the close of the current fiscal year, the Town's governmental funds reported an ending fund balance of \$7,207,110, representing a \$1,401,803 decrease from the previous year. Of this total, 7.7%, or \$557,443, constitutes the nonspendable fund balance. Another 15.9%, or \$1,144,553, represents the restricted fund balance subject to externally imposed limitations. The committed fund balance accounted for 50.5%, or \$3,638,244, designated by Council for specific purposes. An additional 5.3%, or \$385,105, comprises the assigned fund balance set aside for planned uses. The remaining 20.6%, or \$1,481,764, represents the unassigned fund balance, which is available for discretionary spending by the Town.

Comparing unassigned and total fund balances to total General Fund expenditures provides valuable insight into the Town's liquidity. The unassigned fund balance represents 9.5% of total General Fund expenditures, while the total General Fund balance accounts for 43.67% of expenditures. Together, these indicators provide a comprehensive view of the Town's financial stability and its capacity to meet fiscal obligations in the near term.

The General Fund reported a net decrease in fund balance of \$1,447,858 for FY2025, compared to an increase of \$1,555,591 in FY2024. This year's decline reflects several notable revenue and expenditure shifts. Property tax revenues decreased slightly from \$1,159,866 in FY2024 to \$1,153,288 in FY2025, while other local taxes increased modestly by \$175,265, rising from \$8,179,723 to \$8,354,988. Revenue from the use of money and property decreased from \$913,528 to \$765,546, reflecting lower investment earnings compared to the prior year. Miscellaneous revenue also declined significantly, falling from \$593,473 in FY2024 to \$372,651 in FY2025, due primarily to the FY2024 one-time principal reimbursement from Prince Edward County that did not recur in FY2025. Intergovernmental revenue decreased from \$1,304,762 to \$908,417, driven by lower noncategorical state aid and grant activity.

While public safety expenses increased in FY2025, rising from \$5,240,690 in FY2024 to \$5,955,686, the Town also made substantial capital investments to support and enhance essential services. During the year, the Town acquired multiple new police vehicles and outfitting upgrades, replaced aging Chevrolet Tahoes and Silverados, and added two 2025 Ford Explorers to the fleet. Significant public safety capital projects also advanced, including the \$140,240 radio system upgrade for the Fire Department, major repairs to fire apparatus, and the installation of new traffic warning systems and card access controls at the Fire Station. Beyond public safety, the Town invested heavily in infrastructure and facilities across the community, with over \$2.5 million in capital additions, including continued progress on the ABM capital improvement program, upgrades to the 911 system, new equipment for Public Works, improvements at the Train Station and Municipal Building, and ongoing enhancements to the Splashpad and multiple Town parks. Despite increased operating costs and the scale of these capital investments, the General Fund continued to operate without reliance on additional transfers, demonstrating a sustained movement toward long-term fiscal self-sufficiency and allowing the Town to reinvest in critical assets while supporting strategic service delivery.

In contrast to the prior year's decline, the Street Maintenance Fund reported a net increase in fund balance of \$48,434 in FY2025. Intergovernmental revenues rose from \$2,224,346 in FY2024 to \$2,284,463 in FY2025, a 2.7% increase, reflecting modest growth in state street maintenance funding. Expenditures remained relatively stable at \$2,236,029, resulting in revenues modestly exceeding program costs for the year. The positive fund balance change indicates that FY2025 funding levels were sufficient to support ongoing paving and maintenance needs despite rising material and project costs.

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

The Water Fund reported an unrestricted net position of \$2,710,190, while the Sewer Fund's unrestricted net position increased to \$4,765,762, reflecting strong operational performance in both utilities. The Transportation Fund ended the year with an unrestricted net position of \$1,010,190, and the Airport Fund reported an unrestricted balance of (\$41,162), consistent with its limited revenue capacity. Collectively, the enterprise funds achieved a total net position increase of \$1,597,016 for FY2025, representing a meaningful improvement from the prior year and highlighting the Town's continued emphasis on financial stability and long-term asset management within its business-type activities. Further information regarding these funds is included in the preceding discussion of business-type operations.

General Fund Budgetary Highlights

Differences between the initial budget and the final amended budget totaled \$1,848,512. Notable adjustments include:

- A substantial portion of the overall increase occurred within the general government function. Of this amount, \$1,185,577 was attributable to the ABM energy performance project. Although the project began in FY24, final completion occurred in FY26, requiring the Town to budget for the remaining project payments in FY26. The ABM project included the installation of parking meters, electric vehicle charging stations, and various building envelope improvements.
- An amendment to the parks, recreation, and cultural budget to include an additional \$183,000 from set-aside funds to construct bathrooms, including changing rooms and showers, at the new splashpad facility.

Differences between the final amended budget and the actual results totaled \$1,744,402. The key points are as follows:

- General government expenditures were \$329,741 lower than budgeted, reflecting reduced operational costs and project-related savings during the fiscal year.
- Public safety expenditures were \$353,057 below the final budget, primarily due to project timing, delayed initiatives, and lower-than-anticipated operating costs.
- Public works expenditures were under budget by \$601,476, largely driven by project scheduling differences and decreased spending on maintenance and capital-related activities.
- Community development expenditures were \$106,946 lower than budgeted, resulting from reduced operational costs and delayed program activity.
- Parks, recreation, and cultural expenditures were \$352,625 under budget, driven by project timing and lower-than-expected facility and program expenditures.

Capital Asset and Debt Administration

As of June 30, 2025, the Town's investment in capital assets for governmental and business-type activities totaled \$41,977,123, net of accumulated depreciation, representing a 10.96% increase over the prior year. These assets include land, buildings and improvements, vehicles, equipment, infrastructure, subscription right-of-use assets, and construction in progress. Capital assets for governmental activities totaled \$20,438,770, reflecting a 3.5% increase, largely due to current-year additions. In contrast, business-type activities increased significantly to \$21,538,353, a 16.01% rise, driven by substantial investments in water, sewer, transportation, and airport infrastructure, as well as ongoing construction projects. A summary of the Town's FY2025 capital asset investment is presented below.

The Town's Capital Assets

	Governmental Activities		Business-type Activities		Total	
	2025	2024	2025	2024	2025	2024
Land	\$ 3,484,356	\$ 3,484,356	\$ 683,098	\$ 683,098	\$ 4,167,454	\$ 4,167,454
Buildings and improvements	14,987,815	14,987,815	2,977,114	2,977,114	17,964,929	17,964,929
Vehicles and equipment	8,395,463	7,985,228	3,163,270	2,342,865	11,558,733	10,328,093
Infrastructure	27,200,219	26,139,701	40,430,882	38,958,384	67,631,101	65,098,085
Subscription right-of-use assets	204,188	204,188	-	-	204,188	204,188
Construction in progress	1,828,162	1,069,067	3,439,613	1,095,042	5,267,775	2,164,109
Less accumulated depreciation	(35,661,433)	(34,130,084)	(29,155,624)	(27,967,087)	(64,817,057)	(62,097,171)
Total	\$ 20,438,770	\$ 19,740,271	\$ 21,538,353	\$ 18,089,416	\$ 41,977,123	\$ 37,829,687

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

Long-term Debt and Liabilities – As of June 30, 2025, the Town's outstanding total debt and liabilities amounted to \$11,132,748. Among this sum, \$3,045,000 represents debt supported by the government's full faith and credit.

The Town's Outstanding Debt and Liabilities

General Obligation Bonds, Finance Purchases, and Liabilities

	Governmental Activities		Business-type Activities		Total	
	2025	2024	2025	2024	2025	2024
General obligation bonds	\$ 1,040,000	\$ 1,900,000	\$ 2,005,000	\$ 2,205,000	\$ 3,045,000	\$ 4,105,000
Bond premium	355,835	533,751	270,242	304,021	626,077	837,772
Finance purchase	2,567,611	2,158,162	3,301,891	3,301,891	5,869,502	5,460,053
Notes payable	3,491	64,412	-	-	3,491	64,412
Compensated absences	843,855	606,414	210,029	136,984	1,053,884	743,398
Subscription liability	47,642	91,710	-	-	47,642	91,710
Landfill liability	487,152	476,666	-	-	487,152	476,666
Total	\$ 5,345,586	\$ 5,831,115	\$ 5,787,162	\$ 5,947,896	\$ 11,132,748	\$ 11,779,011

As of June 30, 2025, the Town's total outstanding debt and long-term liabilities amounted to \$11,132,748, compared to \$11,779,011 in FY2024—reflecting a decrease of \$646,263, or 5.5%. This reduction is primarily the result of scheduled principal payments on general obligation bonds, notes payable, and financed purchases made throughout the fiscal year. Governmental activities decreased from \$5,831,115 to \$5,345,586, while business-type activities decreased from \$5,947,896 to \$5,787,162, demonstrating progress in paying down existing obligations. Although the Town continues to utilize financed purchase agreements to support essential capital investments—such as vehicles, equipment, and infrastructure upgrades—these additions were offset by debt service payments that outpaced new issuances during FY2025. Overall, the Town maintained its commitment to responsibly managing long-term obligations while continuing to invest in critical capital needs.

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

Economic Factors and Next Year's Budgets and Rates

The Town continues to monitor key local revenue indicators—especially Meals Tax, Lodging Tax, and Sales Tax—to assess economic activity and inform budget planning. Unlike FY25, where several tax categories increased, the FY26 budget reflects a year of stabilization in these major revenue streams. Meals Tax and Lodging Tax are both level-funded at \$3,800,000 and \$800,000 respectively for FY26, indicating steady but not expanding economic activity in the food and hospitality sectors. Sales Tax is budgeted at \$455,000 for FY26, a slight 3.4% increase compared to the FY25 adopted amount of \$450,000, reflecting modest retail growth.

A significant economic factor affecting FY26 is the Town's real estate reassessment, which resulted in approximately a 30% increase in assessed values. To remain revenue-neutral, the Town initially calculated an equalized rate of \$0.09 per \$100 of assessed value. However, to meet operational needs, fund capital initiatives, and support long-term infrastructure investment, the Town adopted a real estate tax rate of \$0.22 per \$100. This adjustment, combined with higher assessments, contributes to a substantial increase in real estate tax revenues from the FY25 budgeted amount of \$810,000 to \$1,770,000 in FY26.

The General Fund totals \$33,341,990, an increase driven primarily by the planned issuance of a \$16 million General Obligation Bond to renovate and expand the fire department and purchase a new ladder truck. This debt issuance is reflected in the "Transfers, GO Bonds, and Interest" revenue category, which accounts for 63% of total General Fund revenues. Meals Tax, Lodging Tax, Business License Tax, and other major local revenue sources remain stable year over year, demonstrating continued economic resilience.

General Fund expenditures in FY26 place substantial emphasis on public safety and public works, consistent with prior years. The budget includes financing for critical operational capital such as police vehicles, EMS equipment, and public works machinery. The Town is also adding one new full-time firefighter to support 24-hour operations. While the FY25 budget included pay raises, FY26 does not include general salary increases due to limited available funds and the priority placed on essential capital and infrastructure needs.

Overall, the FY26 budget reflects Farmville's continued focus on long-term financial sustainability, targeted capital investment, and maintaining stable tax and fee structures wherever possible. Economic growth remains steady, and the Town continues to balance service demands, infrastructure needs, and fiscal responsibility.

Requests for Information

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

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



Basic Financial Statements



Town of Farmville, Virginia

Exhibit 1

Statement of Net Position

June 30, 2025

	Primary Government			Component Unit
	Governmental Activities	Business-Type Activities	Totals	Industrial Development Authority
ASSETS				
Cash, cash equivalents, and investments (Note 2)				
Unrestricted	\$ 6,387,287	\$ 8,316,025	\$ 14,703,312	\$ 397,222
Restricted	4,226,250	291,150	4,517,400	-
Receivables, net (Note 3)	506,921	549,057	1,055,978	411
Note receivable (Note 6)	-	-	-	32,186
Due from component unit (Note 4)	32,950	-	32,950	-
Due from other governments (Note 5)	421,532	107,830	529,362	-
Prepays	13,220	-	13,220	-
Inventories	32,048	177,082	209,130	-
Note receivable, long-term (Note 6)	-	-	-	32,091
Due from component unit, long-term (Note 4)	479,225	-	479,225	-
Long-term deposit (Note 16)	937,250	-	937,250	-
Capital assets: (Note 7)				
Non-depreciable	5,312,518	4,122,711	9,435,229	-
Depreciable, net	15,126,252	17,415,642	32,541,894	-
Total assets	<u>33,475,453</u>	<u>30,979,497</u>	<u>64,454,950</u>	<u>461,910</u>
DEFERRED OUTFLOWS OF RESOURCES				
Deferred outflows related to pension (Notes 14 and 15)	906,291	249,820	1,156,111	-
Deferred outflows related to other postemployment benefits (Notes 13 and 15)	493,141	106,696	599,837	-
Total deferred outflows of resources	<u>1,399,432</u>	<u>356,516</u>	<u>1,755,948</u>	<u>-</u>
LIABILITIES				
Accounts payable	1,481,092	166,420	1,647,512	-
Accrued payroll and related liabilities	187,088	51,420	238,508	-
Accrued interest	66,746	102,176	168,922	1,112
Due to primary government (Note 4)	-	-	-	32,950
Unearned revenue	3,081,697	30,078	3,111,775	-
Refundable deposits	29,536	108,677	138,213	-
Net other postemployment benefit liability, current (Notes 13 and 15)	108,557	23,485	132,042	-
Long-term liabilities:				
Due within one year (Note 8)	1,827,221	374,808	2,202,029	-
Due in more than one year (Note 8)	3,518,365	5,412,354	8,930,719	-
Due to primary government (Note 4)	-	-	-	479,225
Net pension liability (Notes 14 and 15)	314,023	86,562	400,585	-
Net other postemployment benefit liability (Notes 13 and 15)	977,016	211,388	1,188,404	-
Total liabilities	<u>11,591,341</u>	<u>6,567,368</u>	<u>18,158,709</u>	<u>513,287</u>
DEFERRED INFLOWS OF RESOURCES				
Deferred inflows of resources related to pension plans (Notes 14 and 15)	23,212	6,398	29,610	-
Deferred inflows related to other postemployment benefits (Notes 13 and 15)	300,226	64,957	365,183	-
Total deferred inflows of resources	<u>323,438</u>	<u>71,355</u>	<u>394,793</u>	<u>-</u>
NET POSITION				
Net investment in capital assets	16,782,661	16,252,370	33,035,031	-
Restricted for:				
Pension	474,787	-	474,787	-
Grants and forfeiture funds	655,600	-	655,600	-
Unrestricted	5,047,058	8,444,920	13,491,978	(51,377)
Total net position (deficit)	<u>\$ 22,960,106</u>	<u>\$ 24,697,290</u>	<u>\$ 47,657,396</u>	<u>\$ (51,377)</u>

Town of Farmville, Virginia

Exhibit 2

Statement of Activities

Year Ended June 30, 2025

Functions/Programs	Program Revenues				Net (Expense) Revenue and Changes in Net Position			
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary Government			Component Unit
					Governmental Activities	Business-Type Activities	Total	Industrial Development Authority
Primary Government:								
Governmental activities:								
General government	\$ 2,794,641	\$ 1,074,303	\$ -	\$ -	\$ (1,720,338)		\$ (1,720,338)	
Public safety	5,706,414	195,813	450,602	116,317	(4,943,682)		(4,943,682)	
Public works	6,075,592	395,192	2,329,275	-	(3,351,125)		(3,351,125)	
Parks, recreation, and cultural	565,224	58,345	-	206,850	(300,029)		(300,029)	
Community development	701,784	70,000	7,200	-	(624,584)		(624,584)	
Interest on long-term debt	9,906	-	-	-	(9,906)		(9,906)	
Total governmental activities	15,853,561	1,793,653	2,787,077	323,167	(10,949,664)		(10,949,664)	
Business-type activities:								
Water	2,403,503	2,000,618	8,930	1,282,085		\$ 888,130	888,130	
Sewer	1,732,055	2,371,914	-	130,266		770,125	770,125	
Transportation	905,411	9,088	761,277	311,460		176,414	176,414	
Airport	781,447	77,151	23,555	-		(680,741)	(680,741)	
Total business-type activities	5,822,416	4,458,771	793,762	1,723,811		1,153,928	1,153,928	
Total primary government	\$ 21,675,977	\$ 6,252,424	\$ 3,580,839	\$ 2,046,978	(10,949,664)	1,153,928	(9,795,736)	
Component unit:								
Industrial Development Authority	\$ 4,847	\$ -	\$ -	\$ -	-	-	-	\$ (4,847)
General revenues:								
					1,153,288	-	1,153,288	-
					835,084	-	835,084	-
					29,845	-	29,845	-
					380,466	-	380,466	-
					1,730,427	-	1,730,427	-
					294,157	-	294,157	-
					82,088	-	82,088	-
					161,145	-	161,145	-
					4,845,226	-	4,845,226	-
					97,059	-	97,059	-
					765,569	259,156	1,024,725	16,630
					372,651	183,932	556,583	-
					10,747,005	443,088	11,190,093	16,630
					(202,659)	1,597,016	1,394,357	11,783
					23,162,765	23,100,274	46,263,039	(63,160)
					\$ 22,960,106	\$ 24,697,290	\$ 47,657,396	\$ (51,377)

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

Town of Farmville, Virginia

Exhibit 3

Balance Sheet – Governmental Funds June 30, 2025

	General	Street Maintenance	Nonmajor Governmental Fund	Total
ASSETS				
Cash, cash equivalents, and investments	\$ 4,913,246	\$ 1,474,041	\$ -	\$ 6,387,287
Cash, cash equivalents, and investments – restricted	4,212,084	-	14,166	4,226,250
Receivables, net				
Taxes	440,710	-	-	440,710
Accounts	54,583	-	-	54,583
Other	11,628	-	-	11,628
Due from component unit	512,175	-	-	512,175
Due from other governments	421,532	-	-	421,532
Prepays	13,220	-	-	13,220
Inventories, net	32,048	-	-	32,048
Total assets	\$ 10,611,226	\$ 1,474,041	\$ 14,166	\$ 12,099,433
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES				
LIABILITIES				
Accounts payable	\$ 405,283	\$ 1,075,809	\$ -	\$ 1,481,092
Accrued payroll and related liabilities	173,962	13,126	-	187,088
Unearned grants	3,081,697	-	-	3,081,697
Refundable deposits	29,536	-	-	29,536
Total liabilities	3,690,478	1,088,935	-	4,779,413
DEFERRED INFLOWS OF RESOURCES				
Unavailable/deferred revenue	112,910	-	-	112,910
FUND BALANCES (Note 11)				
Nonspendable	557,443	-	-	557,443
Restricted	1,130,387	-	14,166	1,144,553
Committed	3,638,244	-	-	3,638,244
Assigned	-	385,106	-	385,106
Unassigned	1,481,764	-	-	1,481,764
Total fund balances	6,807,838	385,106	14,166	7,207,110
Total liabilities, deferred inflows of resources, and fund balances	\$ 10,611,226	\$ 1,474,041	\$ 14,166	\$ 12,099,433

Town of Farmville, Virginia

Exhibit 4

Reconciliation of the Governmental Funds Balance Sheet to the Statement of Net Position

June 30, 2025

Total fund balances – governmental funds		\$ 7,207,110
Amounts reported for governmental activities in the Statement of Net Position are different because:		
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.		
Capital assets	\$ 56,100,203	
Accumulated depreciation and amortization	<u>(35,661,433)</u>	20,438,770
Other long-term assets are not available to pay for current period expenditures and is not reported in the funds.		
		937,250
Financial statement elements related to other postemployment benefits are applicable to future periods and, therefore, are not reported in the funds.		
Net other postemployment benefit liability	(1,085,573)	
Net other postemployment deferred inflows	(300,226)	
Net other postemployment deferred outflows	<u>493,141</u>	(892,658)
Financial statement elements related to pension plan are applicable to future periods and, therefore, are not reported in the funds.		
Net pension liability	(314,023)	
Net pension deferred inflows	(23,212)	
Net pension deferred outflows	<u>906,291</u>	569,056
Certain other assets are also not available to pay for current period expenditures and, therefore, are reported as deferred inflows in the funds.		
		112,910
Long-term liabilities are not due and payable in the current period and, therefore, are not reported in the governmental funds.		
Bonds payable, including unamortized premiums	(1,395,835)	
Notes payable	(3,491)	
Financed purchase	(2,567,611)	
Compensated absences	(843,855)	
Accrued interest	(66,746)	
Subscription liability	(47,642)	
Landfill	<u>(487,152)</u>	(5,412,332)
Total net position – governmental activities		<u><u>\$ 22,960,106</u></u>

**Statement of Revenues, Expenditures, and Changes in Fund Balances –
Governmental Funds
Year Ended June 30, 2025**

	<u>General</u>	<u>Street Maintenance</u>	<u>Nonmajor Governmental Fund</u>	<u>Total</u>
REVENUES				
Property taxes	\$ 1,153,288	\$ -	\$ -	\$ 1,153,288
Other local taxes	8,359,684	-	-	8,359,684
Fines and forfeitures	151,762	-	-	151,762
Permits, privilege fees, and regulatory licenses	70,921	-	-	70,921
Revenue from use of money and property	765,546	-	23	765,569
Charges for services	575,171	-	-	575,171
Miscellaneous	372,651	-	-	372,651
Contributions	12,072	-	-	12,072
Recovered costs	995,799	-	-	995,799
Intergovernmental	908,417	2,284,463	2,351	3,195,231
Total revenues	<u>13,365,311</u>	<u>2,284,463</u>	<u>2,374</u>	<u>15,652,148</u>
EXPENDITURES				
Current:				
General government	3,821,129	-	-	3,821,129
Public safety	5,955,686	-	4,753	5,960,439
Public works	2,995,490	2,236,029	-	5,231,519
Parks, recreation, and cultural	585,494	-	-	585,494
Community development	706,553	-	-	706,553
Debt service:				
Principal	1,332,040	-	-	1,332,040
Interest	193,277	-	-	193,277
Total expenditures	<u>15,589,669</u>	<u>2,236,029</u>	<u>4,753</u>	<u>17,830,451</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(2,224,358)</u>	<u>48,434</u>	<u>(2,379)</u>	<u>(2,178,303)</u>
OTHER FINANCING SOURCES				
Issuance of financed purchase	776,500	-	-	776,500
Total other financing sources	<u>776,500</u>	<u>-</u>	<u>-</u>	<u>776,500</u>
Net change in fund balances	<u>(1,447,858)</u>	<u>48,434</u>	<u>(2,379)</u>	<u>(1,401,803)</u>
FUND BALANCES				
Beginning	8,255,696	336,672	16,545	8,608,913
Ending	<u>\$ 6,807,838</u>	<u>\$ 385,106</u>	<u>\$ 14,166</u>	<u>\$ 7,207,110</u>

**Reconciliation of the Statement of Revenues, Expenditures, and Changes in
Fund Balances of the Governmental Funds to the Statement of Activities
Year Ended June 30, 2025**

Net change in fund balances – total governmental funds		\$ (1,401,803)
Amounts reported for governmental activities in the Statement of Activities are different because:		
Governmental funds report outlays for capital assets as expenditures. However, in the Statement of Activities the cost of these assets is allocated over their estimated useful lives and reported as depreciation expense. The components of capital outlay, depreciation expense, and other various transactions involving capital assets are as follows:		
Outlays for capital assets	\$ 2,526,132	
Depreciation and amortization expense	<u>(1,827,633)</u>	698,499
Transactions involving debt principal and cash flows relating to other long-term items are expenditures in the governmental funds, however these transactions increase or decrease long-term items in the Statement of Net Position.		
Principal payments on long-term debt, notes payable, and financed purchases	1,287,971	
Issuance of financed purchase	(776,500)	
Principal payments on subscription liabilities	44,069	
Amortization of premium	177,916	
Change in accrued interest	<u>5,455</u>	738,911
Governmental funds report other postemployment benefits contributions as expenditures. However, in the Statement of Activities the cost of other postemployment benefits earned net of employee contributions is reported as other postemployment benefits expense.		
Employer other postemployment benefit contributions	147,762	
Other postemployment expense	<u>(101,322)</u>	46,440
Governmental funds report employer pension contributions as expenditures. However, in the Statement of Activities the cost of pension benefits earned net of employee contributions is reported as pension expense.		
Pension contributions	404,567	
Pension expense	<u>(440,100)</u>	(35,533)
Some expenses reported in the Statement of Activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds.		
Change in landfill liability	(10,486)	
Change in compensated absences	<u>(237,441)</u>	(247,927)
Revenues in the Statement of Activities that do not provide current financial resources are not reported as revenues in the funds.		
		<u>(1,246)</u>
Total change in net position – governmental activities		<u>\$ (202,659)</u>

Town of Farmville, Virginia

Exhibit 7

Statement of Revenues, Expenditures, and Changes in Fund Balance – Budget and Actual – General Fund Year Ended June 30, 2025

	Budgeted Amounts		Actual	Variances with
	Original	Final		Final Budget Positive (Negative)
REVENUES				
Property taxes	\$ 1,154,770	\$ 1,154,770	\$ 1,153,288	\$ (1,482)
Other local taxes	7,946,000	7,946,000	8,359,684	413,684
Fines and forfeitures	128,700	128,700	151,762	23,062
Permits, privilege fees, and regulatory licenses and property	52,085	52,085	70,921	18,836
Revenue from use of money and property	669,019	669,019	765,546	96,527
Charges for services	527,325	539,825	575,171	35,346
Miscellaneous	1,590,969	1,590,969	372,651	(1,218,318)
Contributions	17,100	18,100	12,072	(6,028)
Recovered costs	771,000	771,000	995,799	224,799
Intergovernmental	752,335	752,335	908,417	156,082
Total revenues	13,609,303	13,622,803	13,365,311	(257,492)
EXPENDITURES				
Current:				
General government	2,825,126	4,150,870	3,821,129	329,741
Public safety	6,086,789	6,308,743	5,955,686	353,057
Public works	3,722,104	3,596,966	2,995,490	601,476
Parks, recreation, and cultural	693,478	938,119	585,494	352,625
Community development	856,188	813,499	706,553	106,946
Debt service:				
Principal	1,120,357	1,332,357	1,332,040	317
Interest	181,517	193,517	193,277	240
Total expenditures	15,485,559	17,334,071	15,589,669	1,744,402
Deficiency of revenues under expenditures	(1,876,256)	(3,711,268)	(2,224,358)	1,486,910
OTHER FINANCING SOURCES				
Contingency	1,106,811	1,756,246	-	(1,756,246)
Issuance of financed purchases	769,445	1,955,022	776,500	(1,178,522)
Total other financing sources	1,876,256	3,711,268	776,500	(2,934,768)
Net change in fund balance	\$ -	\$ -	\$ (1,447,858)	\$ (1,447,858)

Town of Farmville, Virginia

Exhibit 8

Statement of Revenues, Expenditures, and Changes in Fund Balance – Budget and Actual – Street Maintenance Fund Year Ended June 30, 2025

	Budgeted Amounts		Actual	Variances with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Intergovernmental				
Revenue from the Commonwealth	\$ 2,224,346	\$ 2,224,346	\$ 2,284,463	\$ 60,117
Total intergovernmental revenue	2,224,346	2,224,346	2,284,463	60,117
Total revenues	<u>\$ 2,224,346</u>	<u>\$ 2,224,346</u>	<u>\$ 2,284,463</u>	<u>\$ 60,117</u>
EXPENDITURES				
Current:				
Public works				
Arterial	\$ 719,389	\$ 725,853	\$ 663,397	\$ 62,456
Collector	1,633,124	1,637,620	1,572,632	64,988
Total expenditures	2,352,513	2,363,473	2,236,029	127,444
Excess (deficiency) of revenues over (under) expenditures	(128,167)	(139,127)	48,434	187,561
OTHER FINANCING SOURCES				
Use of prior year funds	128,167	139,127	-	(139,127)
Total other financing sources	128,167	139,127	-	(139,127)
Net change in fund balance	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 48,434</u>	<u>\$ 48,434</u>

Town of Farmville, Virginia

Exhibit 9

Statement of Net Position – Proprietary Funds June 30, 2025

	Enterprise Funds				Total
	Water	Sewer	Transportation	Airport	
ASSETS					
CURRENT ASSETS					
Cash, cash equivalents, and investments	\$ 2,726,705	\$ 4,570,374	\$ 1,018,946	\$ -	\$ 8,316,025
Cash, cash equivalents, and investments, restricted	291,150	-	-	-	291,150
Receivables, net	241,626	307,431	-	-	549,057
Due from other governments	-	-	97,698	10,132	107,830
Inventories	127,433	17,400	-	32,249	177,082
Total current assets	3,386,914	4,895,205	1,116,644	42,381	9,441,144
NONCURRENT ASSETS					
Capital assets:					
Non-depreciable	3,491,142	221,166	16,050	394,353	4,122,711
Depreciable, net	4,630,746	1,634,371	917,103	10,233,422	17,415,642
Total noncurrent assets	8,121,888	1,855,537	933,153	10,627,775	21,538,353
Total assets	11,508,802	6,750,742	2,049,797	10,670,156	30,979,497
DEFERRED OUTFLOWS OF RESOURCES					
Deferred outflows related to pension	107,069	89,683	53,068	-	249,820
Deferred outflows related to other postemployment benefits	35,126	29,550	38,220	3,800	106,696
Total deferred outflows of resources	142,195	119,233	91,288	3,800	356,516
LIABILITIES					
CURRENT LIABILITIES					
Accounts payable	40,014	51,806	9,587	65,013	166,420
Accrued payroll and related liabilities	20,288	15,152	13,995	1,985	51,420
Accrued interest	102,176	-	-	-	102,176
Unearned revenue	30,078	-	-	-	30,078
Refundable deposits	108,534	143	-	-	108,677
Net other postemployment benefit liability, current	7,732	6,504	8,413	836	23,485
Long-term liabilities, due within one year	350,427	13,033	9,414	1,934	374,808
Total current liabilities	659,249	86,638	41,409	69,768	857,064
NONCURRENT LIABILITIES					
Net pension liability	37,099	31,075	18,388	-	86,562
Net other postemployment benefit liability	69,592	58,545	75,723	7,528	211,388
Long-term liabilities, due in more than one year	5,314,835	52,131	37,654	7,734	5,412,354
Total noncurrent liabilities	5,421,526	141,751	131,765	15,262	5,710,304
Total liabilities	6,080,775	228,389	173,174	85,030	6,567,368
DEFERRED INFLOWS OF RESOURCES					
Deferred inflows related to other postemployment benefits	21,385	17,990	23,269	2,313	64,957
Deferred inflows related to other pension	2,742	2,297	1,359	-	6,398
Total deferred inflows of resources	24,127	20,287	24,628	2,313	71,355
NET POSITION					
Net investment in capital assets	2,835,905	1,855,537	933,153	10,627,775	16,252,370
Unrestricted	2,710,190	4,765,762	1,010,130	(41,162)	8,444,920
	\$ 5,546,095	\$ 6,621,299	\$ 1,943,283	\$ 10,586,613	\$ 24,697,290

**Statement of Revenues, Expenses, and Changes in Fund Net Position –
Proprietary Fund
Year Ended June 30, 2025**

	Enterprise Funds				Total
	Water	Sewer	Transportation	Airport	
OPERATING REVENUES					
Charges for services	\$ 2,000,618	\$ 2,371,914	\$ 9,088	\$ 77,151	\$ 4,458,771
OPERATING EXPENSES					
Salaries and wages	483,278	399,338	518,690	49,662	1,450,968
Benefits	161,597	133,853	78,172	23,138	396,760
Fuel	-	-	62,717	53,565	116,282
Professional fees	126,839	40,400	-	3,600	170,839
Sludge removal	27,678	166,068	-	-	193,746
Chemicals	104,432	148,194	-	-	252,626
Depreciation	425,727	209,900	156,147	595,379	1,387,153
Repairs and maintenance	231,982	97,681	47,766	18,989	396,418
Other charges	44,193	27,476	14,735	17,722	104,126
Utilities	154,573	183,956	9,983	13,859	362,371
Insurance	18,797	28,677	17,201	5,533	70,208
General and administrative	401,943	296,512	-	-	698,455
Total operating expenses	2,181,039	1,732,055	905,411	781,447	5,599,952
Operating income (loss)	(180,421)	639,859	(896,323)	(704,296)	(1,141,181)
NONOPERATING REVENUES (EXPENSES)					
Tap income	46,655	27,611	-	-	74,266
Rental income	72,798	-	-	-	72,798
Other income	11,375	453	25,040	-	36,868
Federal and state grants	8,930	-	557,477	15,955	582,362
Other contributions	-	-	203,800	7,600	211,400
Interest income	136,480	122,211	-	465	259,156
Interest expense	(222,464)	-	-	-	(222,464)
Total nonoperating revenues	53,774	150,275	786,317	24,020	1,014,386
Income (loss) before capital contributions	(126,647)	790,134	(110,006)	(680,276)	(126,795)
Capital contributions	1,282,085	130,266	311,460	-	1,723,811
Change in net position	1,155,438	920,400	201,454	(680,276)	1,597,016
Total net position – beginning	4,390,657	5,700,899	1,741,829	11,266,889	23,100,274
Total net position – ending	<u>\$ 5,546,095</u>	<u>\$ 6,621,299</u>	<u>\$ 1,943,283</u>	<u>\$ 10,586,613</u>	<u>\$ 24,697,290</u>

Statement of Cash Flows – Proprietary Funds
Year Ended June 30, 2025

	Enterprise Funds				Total
	Water	Sewer	Transportation	Airport	
OPERATING ACTIVITIES					
Received from customers	\$ 2,046,027	\$ 2,409,588	\$ 9,088	\$ 77,151	\$ 4,541,854
Payments to suppliers for goods and services	(1,136,308)	(1,017,856)	(149,573)	(55,008)	(2,358,745)
Payments to employees for services	(636,082)	(535,692)	(597,979)	(70,407)	(1,840,160)
Nonoperating revenue	131,225	28,064	25,040	-	184,329
Net cash provided by (used in) operating activities	404,862	884,104	(713,424)	(48,264)	527,278
NONCAPITAL FINANCING ACTIVITIES					
Operating grants received	8,930	-	670,514	23,555	702,999
Net cash provided by noncapital financing activities	8,930	-	670,514	23,555	702,999
CAPITAL AND RELATED FINANCING ACTIVITIES					
Acquisition of capital assets	(4,057,455)	(616,618)	(311,460)	(41,915)	(5,027,448)
Capital contributions received	1,282,085	130,266	311,460	19,865	1,743,676
Principal payments on long-term debt	(200,000)	-	-	-	(200,000)
Interest payments on long-term debt	(260,528)	-	-	-	(260,528)
Net cash used in capital and related financing activities	(3,235,898)	(486,352)	-	(22,050)	(3,744,300)
INVESTING ACTIVITIES					
Interest on investments	136,480	122,211	-	465	259,156
Net increase (decrease) in cash and investments	(2,685,626)	519,963	(42,910)	(46,294)	(2,254,867)
CASH, CASH EQUIVALENTS, AND INVESTMENTS					
Beginning	5,703,481	4,050,411	1,061,856	46,294	10,862,042
Ending	<u>\$ 3,017,855</u>	<u>\$ 4,570,374</u>	<u>\$ 1,018,946</u>	<u>\$ -</u>	<u>\$ 8,607,175</u>
RECONCILIATION TO EXHIBIT 8					
Cash, cash equivalents, and investments	\$ 2,726,705	\$ 4,570,374	\$ 1,018,946	\$ -	\$ 8,316,025
Cash, cash equivalents, and investments, restricted	291,150	-	-	-	291,150
	<u>\$ 3,017,855</u>	<u>\$ 4,570,374</u>	<u>\$ 1,018,946</u>	<u>\$ -</u>	<u>\$ 8,607,175</u>
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES					
Operating income (loss)	\$ (180,421)	\$ 639,859	\$ (896,323)	\$ (704,296)	\$ (1,141,181)
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:					
Depreciation	425,727	209,900	156,147	595,379	1,387,153
OPEB expense	(9,275)	(9,866)	(5,177)	(499)	(24,817)
Pension expense	(23,066)	(16,707)	(9,540)	-	(49,313)
Nonoperating revenue, net	131,225	28,064	25,040	-	184,329
Change in operating assets and liabilities					
Change in receivables	42,531	37,674	-	-	80,205
Change in inventories	(3,757)	(1,457)	-	3,711	(1,503)
Change in accounts payable	(22,114)	(27,435)	2,829	54,551	7,831
Change in accrued payroll and related liabilities	5,188	1,734	1,360	369	8,651
Change in compensated absences	35,946	22,338	12,240	2,521	73,045
Change in refundable deposits	2,878	-	-	-	2,878
Net cash provided by (used in) operating activities	<u>\$ 404,862</u>	<u>\$ 884,104</u>	<u>\$ (713,424)</u>	<u>\$ (48,264)</u>	<u>\$ 527,278</u>

Town of Farmville, Virginia

Notes to Financial Statements

June 30, 2025

Note 1 – Summary of Significant Accounting Policies

The Financial Reporting Entity

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

Primary Government

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

Discretely Presented Component Unit

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

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

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

Jointly Governed Organizations

Central Virginia Regional Library

The Library provides library services to the Town of Farmville, Virginia. The participating localities provide annual contributions for operations based on book circulation. No one locality contributes significantly more funding nor can impose its will on the organization, and there is no financial benefit/burden relationship. The Town appropriated \$77,130 in operating funds and \$180,000 for rent subsidy in fiscal year 2025. The Town has no equity interest in the Library.

Basis of Presentation

Government-Wide Statements

The statement of net position and the statement of activities report all of the nonfiduciary activities of the primary government and its component units. These statements include the financial activities of the overall government. Eliminations have been made to minimize the double counting of internal activities. These statements distinguish between the *governmental* and *business-type* activities of the Town. Governmental activities generally are financed through taxes,

Town of Farmville, Virginia

Notes to Financial Statements

June 30, 2025

intergovernmental revenues, and other non-exchange transactions. Business-type activities are financed in whole or in part by fees charged to external parties.

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

Fund Financial Statements

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

Governmental Fund Types

The Town reports the following major governmental funds:

General Fund

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

Street Maintenance Fund

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

The Town reports the following nonmajor governmental fund:

Special Revenue Fund

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

Proprietary Fund Types

Enterprise Funds

Enterprise Funds account for operations (a) that are financed and operated in a manner similar to private business enterprises, where the intent of the governing body is that the costs (expenses, including depreciation) of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges; or (b) where the governing body has decided that periodic determination of revenues earned, expense incurred, and/or net

Town of Farmville, Virginia

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income is appropriate for capital maintenance, public policy, management control, accountability, or other purposes. The Town's major enterprise funds consist of the Water, Sewer, Transportation, and Airport funds.

Fiduciary Fund Types

Interfund Activity

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

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

Measurement Focus and Basis of Accounting

The government-wide financial statements are reported using the *economic resources measurement focus* and the *accrual basis of accounting*, as are the proprietary fund financial statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

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

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

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

Town of Farmville, Virginia

Notes to Financial Statements

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

Cash and Cash Equivalents

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

Receivables

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

Inventories

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

Capital Assets

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

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

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

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

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

Deferred Outflows/Inflows of Resources

In addition to assets, the statements that present net position report a separate section for deferred outflows of resources. These items represent a consumption of net assets that applies to future periods and so will not be recognized as an outflow of resources (expense) until then. In addition to liabilities, the statements that present financial position report a separate section for deferred inflows of resources. These items represent an acquisition of net assets that applies to future

Town of Farmville, Virginia

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periods and so will not be recognized as an inflow of resources (revenue) until that time. The Town has the following items that qualify for reporting as deferred inflows or outflows:

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

Unearned Revenue

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

Change in Accounting Principle

During 2025, the Town adopted **GASB Statement No. 101, *Compensated Absences***. **GASB Statement No. 101** established new guidance by updating the recognition and measurement for compensated absences. A liability should be recognized for leave that has not been used if the leave is more likely than not to be used for time off or otherwise paid in cash or settled through noncash means. As stated in **GASB Statement No. 100, *Accounting Changes and Error Corrections***, a change in accounting principle should be reported retroactively by restating beginning net position for the cumulative effect of the change of the newly adopted accounting principle on prior periods. The Town determined the cumulative effect on beginning net position was minimal and, therefore, no restatement of the prior year net position was necessary.

Compensated Absences

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

Vacation and Sick Pay

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

Town of Farmville, Virginia

Notes to Financial Statements

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Long-Term Debt

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

Net Position/Fund Balance

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

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

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

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

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

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

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

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

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

At June 30, 2025, the IDA and sewer fund had a deficit in unrestricted net position of \$51,377 and \$41,162, respectively. This deficit is anticipated to be recovered through future revenues, as well as possible contributions from the Town.

Town of Farmville, Virginia

Notes to Financial Statements

June 30, 2025

Estimates

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

Budgetary Information

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

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

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

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

All appropriations lapse at year end.

Encumbrances

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

Note 2 – Deposits and Investments

Deposits

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

Investments

Statutes authorize the Town to invest in obligations of the United States or agencies thereof; obligations of the Commonwealth of Virginia or political subdivisions thereof; obligations of the International Bank for Reconstruction and

Town of Farmville, Virginia

Notes to Financial Statements

June 30, 2025

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

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

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

Type	Fair Value	Credit Rating	Weighted Average Maturity*	Percent of Portfolio
Demand deposits	\$ 4,278,837	N/A	N/A	22.26%
LGIP	10,448,148	AAAm	0.83	54.36
Virginia Investment Pool	4,491,227	AAAm	1.78	23.37
Cash on hand	2,500	N/A	N/A	0.01
	<u>\$ 19,220,712</u>			<u>100.00%</u>

Deposits and investments consist of the following:

	Town of Farmville	Component Unit – Farmville IDA
Petty cash	\$ 2,500	\$ -
Deposit accounts	4,278,837	397,222
Investments	14,939,375	-
Total deposits and investments	<u>\$ 19,220,712</u>	<u>\$ 397,222</u>
Reconciliation of deposits and investments to Exhibit 1:		
Cash, cash equivalents, and investments	\$ 14,703,312	\$ 397,222
Cash, cash equivalents, and investments, restricted	4,517,400	-
Total deposits and investments	<u>\$ 19,220,712</u>	<u>\$ 397,222</u>

Restricted Cash and Cash Equivalents

Restricted cash and cash equivalents consists of the following:

	Governmental Activities	Business-Type Activities	Totals
Unspent financed purchases proceeds	\$ 474,787	\$ 291,150	\$ 765,937
Grant restrictions and forfeiture funds	3,751,463	-	3,751,463
	<u>\$ 4,226,250</u>	<u>\$ 291,150</u>	<u>\$ 4,517,400</u>

Town of Farmville, Virginia

Notes to Financial Statements

June 30, 2025

Note 3 – Receivables

Receivables for the individual major funds are as follows:

	Governmental Activities	Business-Type Activities	Component Unit – Farmville IDA
Receivables			
Taxes	\$ 466,961	\$ -	\$ -
Accounts	64,125	597,504	-
Other	11,627	-	411
Gross receivables	542,713	597,504	411
Less allowance for uncollectible	(35,792)	(48,447)	-
Net receivables	\$ 506,921	\$ 549,057	\$ 411

Governmental funds report *unavailable revenue* in connection with receivables for revenues that are not considered to be available to liquidate liabilities of the current period. At June 30, 2025, *unavailable revenue* related to taxes receivable was \$112,910.

Note 4 – Balance Between Town and Component Unit

Due to prior year deficits in operations, the Town of Farmville, Virginia has funded the IDA resources to meet its loan obligations. During the year ended June 30, 2025, operations did not produce an operating gain, and therefore no existing cash balances were able to reimburse a portion of the deficit to the Town. The IDA owed the Town \$422,591 at June 30, 2025. The IDA anticipates paying the “Due to” down through future administrative fees collected on sponsorship of industrial bonds for area businesses.

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

At June 30, 2025, the balance owed to the Town from the component unit Farmville Industrial Development Authority consists of the following:

Payables	\$ 422,591
Bond payments	89,584
	512,175
Less long-term portion	(479,225)
Current portion	\$ 32,950

Town of Farmville, Virginia

Notes to Financial Statements

June 30, 2025

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

Fiscal Year	Due to Town (Bond Re-Payments)		
	Principal	Interest	Total
2026	\$ 32,950	\$ 3,603	\$ 36,553
2027	10,297	2,525	12,822
2028	6,767	2,138	8,905
2029	7,208	1,821	9,029
2030	7,502	1,466	8,968
2031-2033	24,860	1,959	26,819
	\$ 89,584	\$ 13,512	\$ 103,096

Note 5 – Due From Other Governmental Units

Amounts due from other governments consist of the following:

	Governmental Activities	Business-Type Activities
Federal and state funding		
Other miscellaneous taxes	\$ 28,612	\$ -
VDEM grant	127,208	-
Transportation operations	-	97,698
Airport construction	-	10,132
Utility tax	28,554	-
Communication tax	54,117	-
Other miscellaneous state and federal grants	24,403	-
Sales taxes	82,428	-
Prince Edwards County	76,210	-
	\$ 421,532	\$ 107,830

Note 6 – Note Receivable

Component Unit

The IDA currently has one note receivable outstanding for the fiscal year ended June 30, 2025 as follows:

A \$600,000 note bearing an interest rate of 2.56% (rate of interest is 2.31% plus 0.25% for admin.). The loan is secured by the guarantee of the owner and his related business. The note requires interest payments semiannually in April and October and principal payments every October only. As of June 30, 2025, the balance of the note was \$64,277.

Based on the Authority's analysis of the note at June 30, 2025, no allowance was recorded. Management evaluates the performance and payment history of the company annually to determine the required allowance.

Town of Farmville, Virginia

Notes to Financial Statements

June 30, 2025

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

Fiscal Year	Notes Receivable		
	Principal	Interest	Total
2026	\$ 32,186	\$ 1,234	\$ 33,420
2027	32,091	410	32,501
	\$ 64,277	\$ 1,644	\$ 65,921

Note 7 – Capital Assets

Capital asset activity for the year was as follows:

Governmental Activities	Beginning Balance	Increases	Decreases	Ending Balance
Capital assets, not depreciated				
Land	\$ 3,484,356	\$ -	\$ -	\$ 3,484,356
Construction in progress	1,069,067	1,401,877	(642,782)	1,828,162
Total capital assets, not depreciated	4,553,423	1,401,877	(642,782)	5,312,518
Capital assets, depreciated and amortized				
Buildings and improvements	14,987,815	-	-	14,987,815
Infrastructure	26,139,700	1,060,519	-	27,200,219
Vehicles and equipment	7,985,229	748,859	(338,625)	8,395,463
Subscription right-to-use assets	204,188	-	-	204,188
Total capital assets, depreciated and amortized	49,316,932	1,809,378	(338,625)	50,787,685
Less accumulated depreciation				
Buildings and improvements	(8,001,501)	(365,920)	-	(8,367,421)
Infrastructure	(19,765,193)	(697,476)	-	(20,462,669)
Vehicles and equipment	(6,295,327)	(738,515)	338,625	(6,695,217)
Subscription right-to-use assets	(68,063)	(68,063)	-	(136,126)
Total accumulated depreciation and amortized	(34,130,084)	(1,869,974)	338,625	(35,661,433)
Total capital assets, depreciated and amortized, net	15,186,848	(60,596)	-	15,126,252
Governmental activities capital assets, net	\$ 19,740,271	\$ 1,341,281	\$ (642,782)	\$ 20,438,770

Town of Farmville, Virginia

Notes to Financial Statements

June 30, 2025

Business-Type Activities	Beginning Balance	Increases	Decreases	Ending Balance
Capital assets, not depreciated				
Land	\$ 683,098	\$ -	\$ -	\$ 683,098
Construction in progress	1,095,223	2,605,060	(260,670)	3,439,613
Total capital assets, not depreciated	<u>1,778,321</u>	<u>2,605,060</u>	<u>(260,670)</u>	<u>4,122,711</u>
Capital assets, depreciated				
Buildings and improvements	2,977,114	-	-	2,977,114
Infrastructure	38,958,384	1,477,786	(5,289)	40,430,881
Vehicles and equipment	2,342,685	1,013,912	(193,327)	3,163,270
Total capital assets, depreciated	<u>44,278,183</u>	<u>2,491,698</u>	<u>(198,616)</u>	<u>46,571,265</u>
Less accumulated depreciation				
Buildings and improvements	(2,288,236)	(46,453)	-	(2,334,689)
Infrastructure	(23,978,556)	(1,076,650)	5,289	(25,049,917)
Vehicles and equipment	(1,700,294)	(264,050)	193,327	(1,771,017)
Total accumulated depreciation	<u>(27,967,086)</u>	<u>(1,387,153)</u>	<u>198,616</u>	<u>(29,155,623)</u>
Total capital assets, depreciated, net	<u>16,311,097</u>	<u>1,104,545</u>	<u>-</u>	<u>17,415,642</u>
Business-type activities capital assets, net	<u>\$ 18,089,418</u>	<u>\$ 3,709,605</u>	<u>\$ (260,670)</u>	<u>\$ 21,538,353</u>

Depreciation and amortization expense, not including \$42,341 transferred from the sewer fund, was charged to functions/programs as follows:

Governmental activities	
General government administration	\$ 58,131
Public safety	413,496
Public works	1,274,126
Parks, recreation, and cultural	59,903
Community development	21,977
	<u>\$ 1,827,633</u>
Business-type activities	
Water fund	\$ 425,727
Sewer fund	209,900
Transportation fund	156,147
Airport fund	595,379
	<u>\$ 1,387,153</u>

Town of Farmville, Virginia

Notes to Financial Statements

June 30, 2025

Note 8 – Long-Term Liabilities

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

Governmental Activities	Beginning Balance	Increases	Decreases	Ending Balance	Due Within One Year
General obligation bonds	\$ 1,900,000	\$ -	\$ 860,000	\$ 1,040,000	\$ 910,000
Bond premium	533,751	-	177,916	355,835	177,916
Financed purchases	2,158,161	776,500	367,050	2,567,611	470,686
Notes payable	64,412	-	60,921	3,491	3,491
Subscription liability	91,711	-	44,069	47,642	47,642
Compensated absences*	606,414	237,441	-	843,855	168,771
Landfill liability	476,666	10,486	-	487,152	48,715
Governmental activities long-term liabilities	<u>\$ 5,831,115</u>	<u>\$ 1,024,427</u>	<u>\$ 1,509,956</u>	<u>\$ 5,345,586</u>	<u>\$ 1,827,221</u>

Business-Type Activities	Beginning Balance	Increases	Decreases	Ending Balance	Due Within One Year
General obligation bonds	\$ 2,205,000	\$ -	\$ 200,000	\$ 2,005,000	\$ 210,000
Bond premium	304,021	-	33,779	270,242	33,779
Financed purchases	3,301,891	-	-	3,301,891	89,022
Compensated absences*	136,984	73,045	-	210,029	42,007
Business-type activities long-term liabilities	<u>\$ 5,947,896</u>	<u>\$ 73,045</u>	<u>\$ 233,779</u>	<u>\$ 5,787,162</u>	<u>\$ 374,808</u>

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

* The change in compensated absences above is a net change for the year.

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

Year Ending June 30,	Governmental Activities		Business-Type Activities		Total	
	General Obligation Bonds		General Obligation Bonds		General Obligation Bonds	
	Principal	Interest	Principal	Interest	Principal	Interest
2026	\$ 910,000	\$ 29,181	\$ 210,000	\$ 93,275	\$ 1,120,000	\$ 122,456
2027	130,000	2,931	220,000	82,907	350,000	85,838
2028	-	-	230,000	72,675	230,000	72,675
2029	-	-	245,000	61,904	245,000	61,904
2030	-	-	255,000	49,841	255,000	49,841
2031-2032	-	-	845,000	66,240	845,000	66,240
	<u>\$ 1,040,000</u>	<u>\$ 32,112</u>	<u>\$ 2,005,000</u>	<u>\$ 426,842</u>	<u>\$ 3,045,000</u>	<u>\$ 458,954</u>

Town of Farmville, Virginia

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June 30, 2025

Year Ending June 30,	Governmental Activities		Business-Type Activities		Total	
	Financed Purchases		Financed Purchases		Financed Purchases	
	Principal	Interest	Principal	Interest	Principal	Interest
2026	\$ 470,686	\$ 110,546	\$ 89,022	\$ 155,024	\$ 559,708	\$ 265,570
2027	461,444	89,795	184,113	148,707	645,557	238,502
2028	266,683	71,160	193,555	139,952	460,238	211,112
2029	97,678	63,134	202,322	130,769	300,000	193,903
2030	102,236	58,495	211,764	121,160	314,000	179,655
2031-2035	588,675	214,854	1,219,326	445,028	1,808,001	659,882
2036-2040	580,209	62,943	1,201,789	130,374	1,781,998	193,317
	<u>\$ 2,567,611</u>	<u>\$ 670,927</u>	<u>\$ 3,301,891</u>	<u>\$ 1,271,014</u>	<u>\$ 5,869,502</u>	<u>\$ 1,941,941</u>

Year Ending June 30,	Governmental Activities			
	Note Payable		Subscription Liability	
	Principal	Interest	Principal	Interest
2026	<u>\$ 3,491</u>	<u>\$ 11</u>	<u>\$ 47,642</u>	<u>\$ 2,153</u>

Details of long-term indebtedness are as follows:

	Interest Rates	Date Issued	Final Maturity Date	Amount of Original Issue	Governmental Activities	Business-Type Activities
General Obligation Bonds						
Virginia Resources Authority:						
Refunding Series 2012A	2.125 – 5.125%	06/2012	2032	\$ 19,015,000	<u>\$ 1,040,000</u>	<u>\$ 2,005,000</u>
Notes Payable						
Benchmark Community Bank						
Benchmark – 7 yr	3.240	08/2018	2025	300,000	<u>\$ 3,491</u>	<u>\$ -</u>
Finance purchase						
HomeTrust Bank – 5Yr	2.750	07/2022	07/2022	173,000	\$ 106,547	\$ -
HomeTrust Bank – 3 Yr	3.650	07/2023	07/2023	505,000	212,750	-
U.S. Bancorp – 3 Yr	4.520	08/2024	08/2027	776,500	654,206	-
Bank of America – 15 Yr	4.695	12/2023	12/2023	4,896,000	1,594,108	3,301,891
					<u>\$ 2,567,611</u>	<u>\$ 3,301,891</u>

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

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

On August 20, 2024, the Town of Farmville entered into a Master Tax-Exempt Lease/Purchase Agreement with U.S. Bancorp Government Leasing and Finance, Inc. (the “Lessor”). Under this agreement, the Town agreed to finance \$776,500

Town of Farmville, Virginia

Notes to Financial Statements

June 30, 2025

for the acquisition of vehicles, which are deemed essential to the Town's operations. The lease carries an interest rate of 4.52% with six semi-annual payments due starting February 20, 2025, through August 20, 2027.

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

Note 9 – Landfill Obligation

The Town closed its former landfill site in 1990. In accordance with federal and state laws, the Town placed a final cover on this site and was required to perform certain maintenance and monitoring functions for a minimum of ten years after closure. The Town will recognize the remaining estimated costs of closure and post-closure care of \$487,152 as the cost to finalize closure of its landfill. These amounts are based on what it would cost to perform all closure and post-closure care as of June 30, 2025. Actual costs may be higher due to inflation, changes in technology, or changes in regulations. The Town is paying these costs on an annual pay-as-you-go basis.

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

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

Town of Farmville, Virginia

Notes to Financial Statements

June 30, 2025

Note 11 – Fund Balances

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

	General Fund	Street Maintenance Fund	Nonmajor Governmental Funds	Total
Nonspendable:				
Inventories	\$ 32,048	\$ -	\$ -	\$ 32,048
Prepays	13,220	-	-	13,220
IDA note receivable	512,175	-	-	512,175
Total nonspendable	557,443	-	-	557,443
Restricted for:				
Unspent financed purchase proceeds	474,787	-	-	474,787
Police	-	-	14,166	14,166
Future CIP projects	-	-	-	-
Required debt service	-	-	-	-
E911 reserve	647,706	-	-	647,706
Narcotics reserve	7,894	-	-	7,894
Total restricted	1,130,387	-	14,166	1,144,553
Committed to:				
General government	3,303,635	-	-	3,303,635
Public safety	126,558	-	-	126,558
Public works	207,317	-	-	207,317
Community development	734	-	-	734
Total committed	3,638,244	-	-	3,638,244
Assigned to:				
Public works	-	385,106	-	385,106
Total assigned	-	385,106	-	385,106
Unassigned				
	1,481,764	-	-	1,481,764
Total fund balance	\$ 6,807,838	\$ 385,106	\$ 14,166	\$ 7,207,110

Note 12 – Defined Contribution Plan

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

The Town’s employees can contribute not less than 4% of his/her base compensation and not to exceed the maximum percentage or amount allowable by law. The Town will match the employee contribution of either 4 or 5 percent. Employees determine how their account balance is invested from a range of available options. DC Plan contributions vest ratably over a five-year period. If the employee leaves the Town before they are fully vested, part of the account balance

Town of Farmville, Virginia

Notes to Financial Statements

June 30, 2025

may be forfeited. Forfeitures by policy are used to reduce the Town’s contributions. For the year ended June 30, 2025, no forfeitures were used to reduce the Town’s contributions.

At June 30, 2025, there were 20 active Town employees and a total of 76 participants, including terminated employees enrolled in the DC Plan. During the year, the Town contributed a total of \$55,132 for active employees.

Note 13 – Other Postemployment Benefits – Local Plan

Plan Description

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

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

Benefits Provided

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

Employees Covered by Benefit Terms

As of the July 1, 2024 actuarial valuation, the following employees were covered by the benefit terms of the plan:

Retirees currently receiving benefits	12
Active employees	65
Total	<u>77</u>

Total OPEB Liability

The Town’s total OPEB liability of \$1,320,446 was measured as of June 30, 2024, and was determined based on an actuarial valuation performed as of July 1, 2024.

Town of Farmville, Virginia

Notes to Financial Statements

June 30, 2025

Actuarial Assumptions and Other Inputs

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

Salary increases, including inflation	4.00%
Actuarial funding method	Entry Age Normal, level % of pay
Discount rate	3.93% Bond Buyer 20-Bond GO Index
Actuarial cost method	Entry Age Normal

Mortality rates: Pub-2010 Public retirement plans general employee male and female tables at valuation year 2024 with generational improvement using full 2D mortality improvement rates MP-2021

The actuarial assumptions used in the July 1, 2024 valuation were based on the results of an actuarial experience study for the period from July 1, 2023 through June 30, 2024.

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

Changes in the Total OPEB Liability

Balance at June 30, 2024	\$ 1,430,984
Changes for the year:	
Service cost	29,502
Interest	49,801
Differences between expected and actual experience	(81,375)
Assumption or other input changes	24,694
Benefit payments	(133,160)
Net changes	(110,538)
Balance at June 30, 2025	<u>\$ 1,320,446</u>

Sensitivity of the Total OPEB Liability to Changes in the Discount Rate

The following presents the total OPEB liability, as well as what the Town's total OPEB liability would be if it were calculated using a discount rate that is one percentage point lower (2.93%) or one percentage point higher (4.93%) than the current discount rate:

	1.00% Decrease (2.93%)	Current Discount Rate (3.93%)	1.00% Increase (4.93%)
Total OPEB liability	<u>\$ 1,377,978</u>	<u>\$ 1,320,446</u>	<u>\$ 1,266,560</u>

Town of Farmville, Virginia

Notes to Financial Statements

June 30, 2025

OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB

For the year ended June 30, 2025, the Town recognized OPEB expense of \$108,463. At June 30, 2025, the political subdivision reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Change in assumptions	\$ 411,441	\$ 176,685
Difference between expected and actual experience	8,676	188,498
Employer contributions subsequent to measurement date	179,720	-
	\$ 599,837	\$ 365,183

The \$179,720 reported as deferred outflows of resources related to OPEB resulting from the Town’s contributions subsequent to the measurement date will be recognized as a reduction of the new OPEB liability in the year ending June 30, 2026. Amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Year Ending June 30,	Effect on OPEB Expense
2026	\$ 29,160
2027	29,160
2028	29,160
2029	29,160
2030	(4,978)
Thereafter	(56,728)

Note 14 – Defined Benefit Pension Plan

Plan Description

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

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

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

Town of Farmville, Virginia

Notes to Financial Statements

June 30, 2025

Employees Covered by Benefit Terms

As of the June 30, 2023, actuarial valuation, the following employees were covered by the benefit terms of the pension plan:

	<u>Number</u>
Inactive members	
Retirees and beneficiaries	1
Vested inactive members	1
Inactive members active elsewhere in VRS	<u>13</u>
Total inactive members	15
Active elsewhere in VRS	<u>8</u>
Active members	<u>90</u>
Total covered employees	<u><u>113</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.

The Town's contractually required contribution rate for the year ended June 30, 2025 was 9.47% of covered employee compensation. This rate was based on an actuarially determined rate from an actuarial valuation as of June 30, 2023.

This rate, when combined with employee contributions, was expected to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. Contributions to the pension plan from the Political Subdivision were \$516,076 and \$336,256 for the year ended June 30, 2025 and June 30, 2024, respectively.

The defined contributions component of the Hybrid plan includes member and employer mandatory and voluntary contributions. The Hybrid plan member must contribute a mandatory rate of 1% of their covered payroll. The employer must also contribute a mandatory rate of 1% of this covered payroll, which totaled \$34,802 for the year ended June 30, 2025. Hybrid plan members may also elect to contribute an additional voluntary rate of up to 4% of their covered payroll; which would require the employer a mandatory additional contribution rate of up to 2.5%. This additional employer mandatory contribution totaled \$267,479 for the year ended June 30, 2025. The total Hybrid plan participant covered payroll totaled \$3,480,200 for the year ended June 30, 2025.

Net Pension Liability (Asset)

The net pension liability (asset) is calculated separately for each employer and represents that particular employer's total pension liability determined in accordance with GASB Statement No. 68, less that employer's fiduciary net position. For Political Subdivisions, the net pension liability (asset) was measured as of June 30, 2024. The total pension liability used to calculate the net pension liability (asset) was determined by an actuarial valuation performed as of June 30, 2023 rolled forward to the measurement date of June 30, 2024.

Town of Farmville, Virginia

Notes to Financial Statements

June 30, 2025

Actuarial Assumptions

The total pension liability for General Employees and Public Safety Employees with hazardous duty benefits, in the Political Subdivision's Retirement Plan was based on an actuarial valuation as of June 30, 2023, 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, 2024.

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

Mortality rates: General employees – 15 to 20% of deaths are assumed to be service related. Public Safety Employees – 45% to 70% of deaths are assumed to be service related. Mortality is projected using the applicable Pub-2010 Mortality Table and a Modified MP-2020 Improvement Scale with various set backs or set forwards for both males and females.

The actuarial assumptions used in the June 30, 2023 valuation were based on the results of an actuarial experience study for the period from July 1, 2016 through June 30, 2020, except the change in the discount rate, which was based on VRS Board action effective as of July 1, 2021. Changes to the actuarial assumptions as a result of the experience study are as follows:

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

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

Long-Term Expected Rate of Return

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

Town of Farmville, Virginia

Notes to Financial Statements

June 30, 2025

percentage and by adding expected inflation. The target asset allocation and best estimate of arithmetic real rates of return for each major asset class are summarized in the following table:

Asset Class (Strategy)	Target Allocation	Arithmetic Long-Term Expected Rate of Return	Weighted Average Long-Term Expected Rate of Return
Public Equity	32.00%	6.70%	2.14%
Fixed Income	16.00	5.40	0.86
Credit Strategies	16.00	8.10	1.30
Real Assets	15.00	7.20	1.08
Private Equity	15.00	8.70	1.31
PIP – Private Investment Partnership	1.00	8.00	0.08
Diversifying Strategies	6.00	5.80	0.35
Cash	2.00	3.00	0.06
Leverage	(3.00)	3.50	(0.11)
Total	100.00%		7.07
*Expected arithmetic nominal return			7.07%

* The above allocation provides for a one-year return of 7.07% (includes 2.50% inflation assumptions). However, one-year returns do not take into account the volatility present in each of the asset classes. In setting the long-term expected rate of return for the System, stochastic projections are employed to model future returns under various economic conditions. The results provide a range of returns over various time periods that ultimately provide a median return of 7.14%, including expected inflation of 2.50%. On June 15, 2023, the VRS Board elected a long-term rate of 6.75% which is roughly at the 45th percentile of expected long-term results of the VRS fund asset allocation at that time, providing a median return of 7.14%, including expected inflation of 2.50%.

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. For the year ended June 30, 2024, the employer contribution was 100% of the actuarially determined employer contribution rate from the June 30, 2023 actuarial valuations. From July 1, 2024, on, participating employers are assumed to continue to contribute 100% of the actuarially determined contribution rate. 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.

Town of Farmville, Virginia

Notes to Financial Statements

June 30, 2025

Changes in Net Pension Liability (Asset)

	Increase (Decrease)		
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (Asset) (a) – (b)
Balances at June 30, 2023	\$ 4,491,095	\$ 4,728,574	\$ (237,479)
Changes for the year:			
Service cost	582,390	-	582,390
Interest	341,516	-	341,516
Difference between expected and actual	762,180	-	762,180
Contributions – employer	-	336,256	(336,256)
Contributions – employee	-	225,185	(225,185)
Net investment income	-	488,499	(488,499)
Benefit payments, including refunds of employee contributions	(27,992)	(27,992)	-
Administrative expenses	-	(2,066)	2,066
Other changes	-	148	(148)
Net changes	1,658,094	1,020,030	638,064
Balances at June 30, 2024	<u>\$ 6,149,189</u>	<u>\$ 5,748,604</u>	<u>\$ 400,585</u>

Sensitivity of the Net Pension Liability (Asset) to Changes in the Discount Rate

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

	1.00% Decrease(5.75%)	Current Discount Rate (6.75%)	1.00% Increase (7.75%)
Political subdivision's net pension liability (asset)	\$ <u>1,330,756</u>	\$ <u>400,585</u>	\$ <u>(345,892)</u>

Pension Benefit and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

For the year ended June 30, 2025, the political subdivision recognized pension expense of \$502,314. At June 30, 2025, the Political Subdivision reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Net difference between projected and actual earnings on pension plan investments	\$ -	\$ 29,610
Difference between expected and actual experience	640,036	-
Employer contributions subsequent to the measurement date	516,075	-
	<u>\$ 1,156,111</u>	<u>\$ 29,610</u>

Town of Farmville, Virginia

Notes to Financial Statements

June 30, 2025

The \$516,075 reported as deferred outflows of resources related to pensions resulting from the Political Subdivision's contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the fiscal year ending June 30, 2026. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

<u>Year Ending June 30,</u>	<u>Effect on Pension Expense</u>
2026	\$ 138,793
2027	138,792
2028	89,514
2029	91,867
2030	122,144
Thereafter	29,316

Pension Plan Data

Information about the VRS Political Subdivision Retirement Plans is also available in the separately issued VRS 2024 Annual Report. A copy of the 2024 VRS Annual Report may be downloaded from the VRS website at varetire.org/media/shared/pdf/publications/2024-annual-report.pdf, or by writing to the System's Chief Financial Officer at P.O. Box 2500, Richmond, VA, 23218-2500.

Town of Farmville, Virginia

Notes to Financial Statements

June 30, 2025

Note 15 – Summary of Pension and Other Postemployment Benefit Elements

	Governmental Activities	Business-Type Activities	Total Primary Government
Deferred outflows of resources – pensions			
Difference between expected and actual experience			
VRS	\$ 501,724	\$ 138,312	\$ 640,036
Employer contributions subsequent to the measurement date			
VRS	404,567	111,508	516,075
Total deferred outflows of resources – pensions	\$ 906,291	\$ 249,820	\$ 1,156,111
Deferred outflows of resources – OPEB			
Change in assumptions			
Local plan	\$ 338,246	\$ 73,195	\$ 411,441
Difference between expected and actual experience			
Local plan	7,133	1,543	8,676
Employer contributions subsequent to the measurement date			
Local plan	147,762	31,958	179,720
Total deferred outflows of resources – OPEB	\$ 493,141	\$ 106,696	\$ 599,837
Net pension liability			
VRS	\$ 314,023	\$ 86,562	\$ 400,585
Net OPEB liability			
Local plan	\$ 1,085,573	\$ 234,873	\$ 1,320,446
Deferred inflows of resources – pensions			
Net difference between project and actual earnings on plan investments			
VRS	\$ 23,212	\$ 6,398	\$ 29,610
Total deferred inflow of resources – pensions	\$ 23,212	\$ 6,398	\$ 29,610
Deferred inflows of resources – OPEB			
Difference between expected and actual experience			
Local plan	\$ 154,964	\$ 33,534	\$ 188,498
Changes in assumptions			
Local plan	145,262	31,423	176,685
Total deferred inflow of resources – OPEB	\$ 300,226	\$ 64,957	\$ 365,183
Pension expense			
VRS	\$ 393,775	\$ 108,539	\$ 502,314
OPEB expense			
Local plan	\$ 89,170	\$ 19,293	\$ 108,463

Note 16 – Long-Term Deposit

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

Town of Farmville, Virginia

Notes to Financial Statements

June 30, 2025

Note 17 – Property Taxes

Real and property taxes are levied on a calendar year basis. The Counties provide the Town with the assessed value as of January 1 for real and personal property. Real estate taxes are payable December 15. The real estate tax rate was \$0.13 per \$100 of assessed value for the years ending June 30, 2025 and 2024.

Personal property taxes are payable on December 15. The personal property tax rate was \$1.50 per \$100 for both 2025 and 2024. A penalty of 10% for late payment and interest at the rate of 10% per annum, is charged on unpaid balances. The Town bills and collects its own property taxes.

Note 18 – Risk Management

The Risk Management programs of the Town are as follows:

General Liability and Other

The Town purchases insurance coverage for exposure related to property, general, boiler and machinery, flood, accident, and automobile liability from Virginia Aisle Sharing Association Programs. The Town's property and contents are insured up to a limit of approximately \$84,000,000. The Town maintains an additional \$5,000,000 umbrella policy over all forms of liability insurance. The Town's Public Officials and Law Enforcement Liability coverages, with a \$1,000,000 limit for each, are provided through a policy with the Commonwealth of Virginia. Total premiums for fiscal year 2025 were \$363,754.

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

Note 19 – Commitments and Contingencies

Grants

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

Note 20 – Incentive Grants

The IDA did not award or distribute any incentive grants during the fiscal year ended June 30, 2025. No commitments, disbursements, or liabilities related to incentive grant programs were incurred for this reporting period.

Note 21 – Subsequent Event

On July 15, 2025, the Town of Farmville entered into a Business Loan Agreement and executed a Commercial Promissory Note with Benchmark Community Bank. Under this agreement, the Town financed \$963,500 for the lease-purchase of ten vehicles deemed essential to Town operations. The loan carries a fixed interest rate of 4.25% with semi-annual payments

Town of Farmville, Virginia

Notes to Financial Statements

June 30, 2025

of \$107,981 beginning January 15, 2026, and continuing through July 15, 2030, at which time the final payment will be due.

Note 22 – New Accounting Standards

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

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

In September 2024, the GASB issued **Statement No. 104**, *Disclosure of Certain Capital Assets*. This statement requires certain information regarding capital assets to be presented by major class. Certain types of capital assets are to be disclosed separately in the capital assets note disclosures required by Statement No. 34. The requirements of this Statement are effective for reporting periods beginning after June 15, 2025.

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

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Required Supplementary Information

**Required Supplementary Information –
Schedule of Changes in Net Pension Liability (Asset) and Related Ratios
June 30, 2025**

	Plan Year		
	2024	2023	2022
Total Pension Liability			
Service cost	\$ 582,390	\$ 463,516	\$ -
Interest on total pension liability	341,516	285,534	(21)
Changes in benefit terms	-	-	3,791,841
Difference between expected and actual experience	762,180	-	-
Benefit payments, including refunds of employee contributions	(27,992)	(49,147)	(628)
Net change in total pension liability	1,658,094	699,903	3,791,192
Total pension liability – beginning	4,491,095	3,791,192	-
Total pension liability – ending	6,149,189	4,491,095	3,791,192
Plan Fiduciary Net Position			
Contributions – employer	336,256	291,187	201,076
Contributions – employee	225,185	1,074,552	3,078,681
Net investment income (loss)	488,499	268,442	(135,664)
Benefit payments, including refunds of employee contributions	(27,992)	(49,147)	(628)
Administrative expenses	(2,066)	(1,658)	1,541
Other	148	118	74
Net change in plan fiduciary net position	1,020,030	1,583,494	3,145,080
Plan fiduciary net position – beginning	4,728,574	3,145,080	-
Plan fiduciary net position – ending	5,748,604	4,728,574	3,145,080
Net pension liability (asset) – ending	\$ 400,585	\$ (237,479)	\$ 646,112
Plan fiduciary net position as a percentage of total pension liability	93%	105%	83%
Covered employee payroll	\$ 4,390,146	\$ 3,700,025	\$ 2,947,021
Net pension liability (asset) as a percentage of covered employee payroll	9%	-6%	22%

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

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

Town of Farmville, Virginia

Required Supplementary Information – Schedule of Pension Contributions June 30, 2025

Year Ended June 30,	Actuarially Determined Contribution	Contributions in Relation to Actuarially Determined Contribution	Contribution Deficiency (Excess)	Employer's Covered Payroll	Contributions as a Percentage of Covered Payroll
2025	\$ 516,076	\$ 516,076	\$ -	\$ 5,449,587	9.47 %
2024	336,256	336,256	-	4,390,146	7.66
2023	291,187	291,187	-	3,700,025	7.87
2022	231,907	231,907	-	2,947,021	7.87

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

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

Town of Farmville, Virginia
Required Supplementary Information –
Schedule of Changes in Net OPEB Liability and Related Ratios – Local Plan
June 30, 2025

	Primary Government			
	2025	2024	2023	2022
Total OPEB Liability				
Service cost	\$ 29,502	\$ 31,400	\$ 37,310	\$ 42,010
Interest on total OPEB liability	49,801	52,500	37,839	63,995
Changes of benefit terms	-	-	-	(1,057,554)
Difference between expected and actual experience	(81,375)	(60,807)	9,218	(16,877)
Changes in assumptions	24,694	(6,633)	(128,864)	8,604
Benefit payments	(133,160)	(137,068)	(311,480)	(56,620)
Net change in total OPEB liability (asset)	(110,538)	(120,608)	(355,977)	(1,016,442)
Total OPEB liability – beginning	1,430,984	1,551,592	1,907,569	2,924,011
Total OPEB liability – ending	\$ 1,320,446	\$ 1,430,984	\$ 1,551,592	\$ 1,907,569
Covered employee payroll	\$ 4,165,296	\$ 4,506,186	\$ 4,384,729	\$ 4,279,768
Net OPEB liability as a percentage of covered employee payroll	32%	32%	35%	45%

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

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

Primary Government			
2021	2020	2019	2018
\$ 30,159	\$ 100,864	\$ 100,555	\$ 72,280
82,003	73,834	67,336	70,354
-	-	-	-
(12,176)	(41,031)	4,980	(88,368)
502,675	340,906	(110,151)	(81,438)
(43,190)	(35,761)	(35,760)	(39,240)
559,471	438,812	26,960	(66,412)
2,364,540	1,925,728	1,898,768	1,965,180
\$ 2,924,011	\$ 2,364,540	\$ 1,925,728	\$ 1,898,768
\$ 4,671,745	\$ 5,336,985	\$ 5,052,986	\$ 5,113,418
63%	44%	38%	37%

Town of Farmville, Virginia

Exhibit 15

Required Supplementary Information – Schedule of OPEB Contributions – Local Plan June 30, 2025

Entity Fiscal Year Ended June 30,	Actuarially Determined Employer Contribution	Actual Employer Contribution	Contribution Deficiency (Excess)	Covered Employee Payroll	Contributions as a Percentage of Covered Employee Payroll
Local Plan					
2025	\$ 99,642	\$ 179,720	\$ (80,078)	\$ 4,165,296	4.31 %
2024	137,070	133,161	3,909	4,506,186	2.96
2023	116,186	137,070	(20,884)	4,384,729	3.13
2022	124,368	311,480	(187,112)	4,279,768	7.28
2021	176,367	56,620	119,747	4,671,745	1.21
2020	158,722	43,190	115,532	5,336,985	0.81
2019	210,477	35,760	174,717	5,052,986	0.71
2018	179,144	35,760	143,384	5,113,418	0.70

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

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

Town of Farmville, Virginia
Notes to Required Supplementary Information
June 30, 2025

Note 1 – Changes of Benefit Terms

Pension

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

Note 2 – Changes of Assumptions

The actuarial assumptions used in the June 30, 2023, valuation were based on the results of an actuarial experience study for the period from July 1, 2016, through June 30, 2020. Changes to the actuarial assumptions as a result of the experience study and VRS Board action are as follows:

Non-Hazardous Duty:

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

Largest 10 – Hazardous Duty/Public Safety Employees:

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

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

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

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Other Supplementary Information

**Statement of Revenues, Expenditures, and Changes in Fund Balance –
Budget and Actual – General Fund
Year Ended June 30, 2025**

	Budgeted Amounts		Actual	Variances with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Property taxes				
Real property taxes	\$ 810,000	\$ 810,000	\$ 803,620	\$ (6,380)
Public service corporation property taxes	62,590	62,590	62,733	143
Personal property taxes	273,030	273,030	253,679	(19,351)
Delinquent taxes	5,000	5,000	10,421	5,421
Interest on taxes	1,650	1,650	2,254	604
Penalties on taxes	2,500	2,500	20,581	18,081
	<u>1,154,770</u>	<u>1,154,770</u>	<u>1,153,288</u>	<u>(1,482)</u>
Other local taxes				
Local sales and use taxes	810,000	810,000	836,330	26,330
Consumption tax	27,000	27,000	29,845	2,845
Consumers' utility taxes	360,000	360,000	380,466	20,466
Business licenses	1,625,000	1,625,000	1,730,427	105,427
Franchise license taxes	235,000	235,000	294,157	59,157
Motor vehicle licenses	87,000	87,000	82,088	(4,912)
Cigarette taxes	200,000	200,000	161,145	(38,855)
Lodging taxes	800,000	800,000	920,597	120,597
Meals taxes	3,802,000	3,802,000	3,924,629	122,629
	<u>7,946,000</u>	<u>7,946,000</u>	<u>8,359,684</u>	<u>413,684</u>
Fines and forfeitures				
Court fines	85,000	85,000	121,324	36,324
Other fines and forfeitures	43,700	43,700	30,438	(13,262)
	<u>128,700</u>	<u>128,700</u>	<u>151,762</u>	<u>23,062</u>
Permits, privilege fees, and regulatory licenses				
Building permits	32,000	32,000	40,370	8,370
Other permits, licenses, and fees	20,085	20,085	30,551	10,466
	<u>52,085</u>	<u>52,085</u>	<u>70,921</u>	<u>18,836</u>
Revenue from use of money and property				
Revenue from use of money	557,267	557,267	608,222	50,955
Rental of general property and real estate	96,752	96,752	102,589	5,837
Sale of property and equipment	15,000	15,000	54,735	39,735
	<u>669,019</u>	<u>669,019</u>	<u>765,546</u>	<u>96,527</u>
Charges for services				
Miscellaneous	11,675	11,675	38,229	26,554
Sanitation fees	390,000	390,000	386,299	(3,701)
Recreation fees	34,550	47,050	56,220	9,170

Town of Farmville, Virginia

Exhibit 16

Statement of Revenues, Expenditures, and Changes in Fund Balance – Budget and Actual – General Fund Year Ended June 30, 2025

	Budgeted Amounts		Actual	Variances with Final Budget
	Original	Final		Positive (Negative)
Parking meters	44,000	44,000	65,308	21,308
Public safety	3,100	3,100	2,886	(214)
Public works	5,000	5,000	2,729	(2,271)
Grave openings and cemetery lots	39,000	39,000	23,500	(15,500)
	<u>527,325</u>	<u>539,825</u>	<u>575,171</u>	<u>35,346</u>
Miscellaneous				
Payment from Prince Edward County for share of debt	36,421	36,431	5,246	(31,185)
Setaside account reserve	934,538	934,538	-	(934,538)
Longwood Dispatch	350,000	350,000	350,000	-
Miscellaneous	270,000	270,000	17,405	(252,595)
	<u>1,590,959</u>	<u>1,590,969</u>	<u>372,651</u>	<u>(1,218,318)</u>
Recovered costs				
Other funds and street department	500,000	500,000	743,401	243,401
Library rent	180,000	180,000	180,000	-
Other recovered costs	91,000	91,000	72,398	(18,602)
	<u>771,000</u>	<u>771,000</u>	<u>995,799</u>	<u>224,799</u>
Contributions				
Other contributions	17,100	18,100	12,072	(6,028)
	<u>17,100</u>	<u>18,100</u>	<u>12,072</u>	<u>(6,028)</u>
Intergovernmental				
Revenue from the Commonwealth				
Non-categorical aid				
Other taxes	-	-	16	16
Mobile home titling tax	1,000	1,000	1,866	866
Rolling stock taxes – motor vehicle carriers tax	100	100	82	(18)
Auto rental tax	75,000	75,000	88,205	13,205
	<u>76,100</u>	<u>76,100</u>	<u>90,169</u>	<u>14,069</u>
Categorical aid				
Wireless payments	117,000	117,000	120,429	3,429
VDEM grant	4,000	4,000	6,578	2,578
Litter control grant	2,500	2,500	5,985	3,485
Law enforcement grant	215,000	215,000	222,380	7,380
Virginia tourism brochure	2,000	2,000	-	(2,000)
Virginia department of forestry grant	62,000	62,000	25,407	(36,593)
Fire program	200,000	200,000	116,317	(83,683)
Miscellaneous police grant	22,910	22,900	65,806	42,906
	<u>625,410</u>	<u>625,400</u>	<u>562,902</u>	<u>(62,498)</u>

**Statement of Revenues, Expenditures, and Changes in Fund Balance –
Budget and Actual – General Fund
Year Ended June 30, 2025**

	Budgeted Amounts		Actual	Variances with Final Budget Positive (Negative)
	Original	Final		
Revenue from the Federal Government				
Emergency service grants	-	-	12,180	12,180
Police related grants	50,835	50,835	31,516	(19,319)
VDEM funding	-	-	4,800	4,800
ARPA revenue recognized	-	-	206,850	206,850
	<u>50,835</u>	<u>50,835</u>	<u>255,346</u>	<u>204,511</u>
Total intergovernmental revenue	752,345	752,335	908,417	156,082
Total revenues	<u>\$ 13,609,303</u>	<u>\$ 13,622,803</u>	<u>\$ 13,365,311</u>	<u>\$ (257,492)</u>
EXPENDITURES				
Current:				
General government				
Town Council	\$ 567,549	\$ 567,549	\$ 480,314	\$ 87,235
Town Manager	662,784	2,032,528	1,931,491	101,037
Finance	1,594,793	1,550,793	1,409,324	141,469
	<u>2,825,126</u>	<u>4,150,870</u>	<u>3,821,129</u>	<u>329,741</u>
Public safety				
Police department	3,629,845	3,435,040	3,359,508	75,532
911 services	1,790,710	1,966,105	1,704,420	261,685
Fire and rescue services	666,234	907,598	891,758	15,840
	<u>6,086,789</u>	<u>6,308,743</u>	<u>5,955,686</u>	<u>353,057</u>
Public works				
Recycling department	189,991	189,991	183,746	6,245
Sanitation	965,833	965,833	673,265	292,568
Maintenance of highways and streets	667,498	610,498	528,790	81,708
Maintenance of building and grounds	1,658,782	1,590,644	1,438,323	152,321
Horticulturist	240,000	240,000	171,366	68,634
	<u>3,722,104</u>	<u>3,596,966</u>	<u>2,995,490</u>	<u>601,476</u>
Parks, recreation, and cultural				
Library	199,503	209,936	209,936	-
Sports arena	23,247	23,247	16,380	6,867
Parks and recreation	470,728	704,936	359,178	345,758
	<u>693,478</u>	<u>938,119</u>	<u>585,494</u>	<u>352,625</u>
Community development				
Planning and community development	616,759	567,070	460,351	106,719
Appropriations/incentives	239,429	246,429	246,202	227
	<u>856,188</u>	<u>813,499</u>	<u>706,553</u>	<u>106,946</u>

Town of Farmville, Virginia

Exhibit 16

Statement of Revenues, Expenditures, and Changes in Fund Balance – Budget and Actual – General Fund Year Ended June 30, 2025

	Budgeted Amounts		Actual	Variances with Final Budget Positive (Negative)
	Original	Final		
Debt service:				
Principal	1,120,357	1,332,357	1,332,040	317
Interest	181,517	193,517	193,277	240
	<u>1,301,874</u>	<u>1,525,874</u>	<u>1,525,317</u>	<u>557</u>
Total expenditures	15,485,559	17,334,071	15,589,669	1,744,402
Deficiency of revenues under expenditures	<u>(1,876,256)</u>	<u>(3,711,268)</u>	<u>(2,224,358)</u>	<u>1,486,910</u>
OTHER FINANCING SOURCES				
Contingency	1,106,811	1,756,246	-	(1,756,246)
Issuance of financed purchases	769,445	1,955,022	776,500	(1,178,522)
Total other financing sources	<u>1,876,256</u>	<u>3,711,268</u>	<u>776,500</u>	<u>(2,934,768)</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (1,447,858)</u>	<u>\$ (1,447,858)</u>

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Statistical Section

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

Contents

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

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

Town of Farmville, Virginia

Table 1

Net Position by Component Last Ten Fiscal Years (Accrual Basis of Accounting)

	Fiscal Year									
	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Governmental activities										
Net investment in capital assets	\$ 16,782,661	\$ 16,276,537	\$ 15,220,292	\$ 14,637,694	\$ 14,637,694	\$ 14,250,923	\$ 12,008,984	\$ 10,423,203	\$ 9,060,557	\$ 8,387,436
Restricted	1,130,387	3,448,417	1,612,932	3,045,457	2,607,539	2,510,494	2,060,160	-	-	-
Unrestricted	5,047,058	3,437,811	4,425,981	1,542,057	(562,737)	(1,270,159)	(1,296,033)	259,171	242,475	(390,333)
Total governmental activities net position	\$ 22,960,106	\$ 23,162,765	\$ 21,259,205	\$ 19,225,208	\$ 16,682,496	\$ 15,491,258	\$ 12,773,111	\$ 10,682,374	\$ 9,303,032	\$ 7,997,103
Business-type activities										
Net investment in capital assets	\$ 16,252,370	\$ 14,620,627	\$ 12,733,171	\$ 11,189,894	\$ 11,242,435	\$ 8,938,061	\$ 5,477,209	\$ 3,745,537	\$ 3,601,983	\$ 3,559,383
Restricted	-	35,864	-	-	-	-	-	-	-	-
Unrestricted	8,444,920	8,443,783	6,724,657	5,561,822	4,963,366	4,283,601	3,812,219	3,067,887	2,951,527	2,842,922
Total business-type activities net position	\$ 24,697,290	\$ 23,100,274	\$ 19,457,828	\$ 16,751,716	\$ 16,205,801	\$ 13,221,662	\$ 9,289,428	\$ 6,813,424	\$ 6,553,510	\$ 6,402,305
Primary government										
Net investment in capital assets	\$ 33,035,031	\$ 30,897,164	\$ 27,953,463	\$ 25,827,588	\$ 25,880,129	\$ 23,188,984	\$ 17,486,193	\$ 14,168,740	\$ 12,662,540	\$ 11,946,819
Restricted	1,130,387	3,484,281	1,612,932	3,045,457	2,607,539	2,510,494	2,060,160	-	-	-
Unrestricted	13,491,978	11,881,594	11,150,638	7,103,879	4,400,629	3,013,442	2,516,186	3,327,058	3,194,002	2,452,589
Total primary government net position	\$ 47,657,396	\$ 46,263,039	\$ 40,717,033	\$ 35,976,924	\$ 32,888,297	\$ 28,712,920	\$ 22,062,539	\$ 17,495,798	\$ 15,856,542	\$ 14,399,408

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

Town of Farmville, Virginia
Changes in Net Position by Component
Last Ten Fiscal Years
(Accrual Basis of Accounting)

Table 2

	Fiscal Year									
	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Expenses										
Governmental activities:										
General government administration	\$ 2,794,641	\$ 2,072,893	\$ 2,073,583	\$ 1,684,093	\$ 1,352,402	\$ 1,770,152	\$ 1,756,338	\$ 1,626,421	\$ 1,268,384	\$ 1,130,394
Public safety	5,706,414	5,048,531	4,957,718	3,842,517	4,188,808	4,196,635	4,410,817	3,857,548	3,689,104	3,704,042
Public works	6,075,592	5,891,869	5,933,858	5,473,818	5,393,613	5,180,042	5,629,684	4,787,285	4,715,205	4,787,649
Parks, recreation, and cultural	565,224	445,763	557,407	804,098	727,358	807,018	769,387	712,379	711,172	709,046
Community development	701,784	899,914	635,196	536,554	539,396	302,476	207,375	120,107	552,862	168,503
Interest on long-term debt	9,906	7,219	9,645	66,173	125,569	190,488	250,577	294,042	341,457	396,283
Total governmental activities	15,853,561	14,366,189	14,167,407	12,407,253	12,327,146	12,446,811	13,024,178	11,397,782	11,278,184	10,895,917
Business-type activities:										
Water	2,403,503	1,742,899	1,601,511	1,481,832	1,523,020	1,777,878	1,703,026	1,753,615	1,720,283	1,661,545
Sewer	1,732,055	1,331,691	1,276,131	923,769	989,720	1,314,541	1,156,837	1,343,341	1,083,365	1,112,301
Transportation	905,411	790,350	826,232	803,985	822,803	956,757	868,109	350,860	511,157	531,677
Airport	781,447	385,606	372,052	354,760	263,541	239,362	270,286	859,744	825,437	792,463
Total business-type activities expense	5,822,416	4,250,546	4,075,926	3,564,346	3,599,084	4,288,538	3,998,258	4,307,560	4,140,242	4,097,986
Total primary government expenses	21,675,977	18,616,735	18,243,333	15,971,599	15,926,230	16,735,349	17,022,436	15,705,342	15,418,426	14,993,903
Program Revenues										
Governmental activities:										
Charges for services:										
General government	1,074,303	1,107,226	1,010,032	1,058,276	432,339	482,762	491,529	279,366	273,406	258,803
Public safety	195,813	242,217	190,228	121,681	278,870	388,476	481,067	105,125	57,714	49,268
Public works	395,192	408,106	398,217	357,366	404,970	394,561	393,354	555,445	592,470	571,422
Parks, recreation, and cultural	58,345	45,654	56,622	203,865	317,456	327,193	382,240	184,759	173,712	159,096
Community development	70,000	69,781	55,333	79,603	301,384	426,360	329,710	-	-	-
Operating grants and contributions	2,787,077	2,909,448	2,684,257	2,564,086	2,725,061	2,293,332	2,230,159	2,246,006	2,485,956	2,397,893
Capital grants and contributions	323,167	545,153	1,024,452	-	124,500	1,966,510	407,624	-	-	-
Total governmental activities program revenues	4,903,897	5,327,585	5,419,141	4,384,877	4,584,580	6,279,194	4,715,683	3,370,701	3,583,258	3,436,482
Business-type activities:										
Charges for services:										
Water	2,000,618	1,957,359	1,924,115	1,640,884	1,421,662	1,830,124	1,963,912	2,076,228	2,049,053	1,858,746
Sewer	2,371,914	2,338,297	2,202,010	1,948,111	2,014,722	2,145,798	2,396,191	2,242,577	2,276,987	2,252,416
Transportation	9,088	9,066	9,654	8,951	8,061	9,934	11,016	129,320	145,322	153,152
Airport	77,151	100,372	105,222	180,489	120,783	80,429	84,368	10,625	10,801	11,086
Operating grants and contributions	793,762	786,639	746,028	789,016	3,536,613	4,610,981	2,854,768	1,283,556	837,420	915,893
Capital grants and contributions	1,723,811	2,122,230	1,892,427	323,467	-	-	-	-	-	-
Total business-type activities program revenues	6,976,344	7,313,963	6,879,456	4,890,918	7,101,841	8,677,266	7,310,255	5,742,306	5,319,583	5,191,293
Total primary government program revenues	11,880,241	12,641,548	12,298,597	9,275,795	11,686,421	14,956,460	12,025,938	9,113,007	8,902,841	8,627,775

Town of Farmville, Virginia
Changes in Net Position by Component
Last Ten Fiscal Years
(Accrual Basis of Accounting)

Table 2

	Fiscal Year									
	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Net (expense) revenue										
Governmental activities	(10,949,664)	(9,038,604)	(8,748,266)	(8,022,376)	(7,742,566)	(6,167,617)	(8,308,495)	(8,027,081)	(7,694,926)	(7,459,435)
Business-type activities	1,153,928	3,063,417	2,803,530	1,326,572	3,502,757	4,388,728	3,311,997	1,434,746	1,179,341	1,093,307
Total primary government net expense	(9,795,736)	(5,975,187)	(5,944,736)	(6,695,804)	(4,239,809)	(1,778,889)	(4,996,498)	(6,592,335)	(6,515,585)	(6,366,128)
General Revenues and Other Changes in Net Position										
Governmental activities:										
Taxes										
Property taxes	1,153,288	1,164,251	1,144,960	1,065,846	973,186	953,412	904,140	935,432	867,326	881,944
Sales taxes	835,084	828,273	831,814	860,016	441,979	394,407	392,110	-	-	-
Meals and lodging tax	4,845,226	4,707,552	4,584,310	4,178,102	3,428,216	3,087,839	3,576,772	-	-	-
Utility tax	380,466	368,417	378,589	367,121	368,421	365,688	380,347	-	-	-
Other local taxes	2,297,662	2,279,764	2,230,350	2,121,021	1,962,885	2,053,188	2,080,674	6,106,842	5,757,202	5,351,170
Intergovernmental revenue, unrestricted	97,059	86,884	70,582	104,713	268,664	449,845	562,135	557,752	745,675	745,074
Unrestricted investment earnings	765,569	783,842	516,548	121,643	88,375	150,650	21,251	342,525	15,819	13,962
Gain on disposition of assets	-	37,483	164,645	-	-	-	16,680	-	-	-
Other	372,651	685,698	610,465	663,656	615,940	587,679	446,492	581,382	540,431	666,266
Transfers	-	-	250,000	1,082,970	786,138	843,056	1,170,161	1,273,215	1,074,402	1,168,009
Total governmental activities	10,747,005	10,942,164	10,782,263	10,565,088	8,933,804	8,885,764	9,550,762	9,797,148	9,000,855	8,826,425
Business-type activities:										
Investment earnings	259,156	192,960	23,726	620	569	412	2,327	71,686	1,583	619
Gain on disposition of assets	-	-	-	-	-	-	24,779	-	-	-
Other	183,932	386,069	128,856	301,693	266,951	386,150	262,137	26,697	44,683	(188,675)
Transfers	-	-	(250,000)	(1,082,970)	(786,138)	(843,056)	(1,170,161)	(1,273,215)	(1,074,402)	(1,168,009)
Total business-type activities	443,088	579,029	(97,418)	(780,657)	(518,618)	(456,494)	(880,918)	(1,174,832)	(1,028,136)	(1,356,065)
Total primary government	11,190,093	11,521,193	10,684,845	9,784,431	8,415,186	8,429,270	8,669,844	8,622,316	7,972,719	7,470,360
Changes in Net Position										
Governmental activities	(202,659)	1,903,560	2,033,997	2,542,712	1,191,238	2,718,147	1,242,267	1,770,067	1,305,929	1,366,990
Business-type activities	1,597,016	3,642,446	2,706,112	545,915	2,984,139	3,932,234	2,431,079	259,914	151,205	(262,758)
Total primary government	\$ 1,394,357	\$ 5,546,006	\$ 4,740,109	\$ 3,088,627	\$ 4,175,377	\$ 6,650,381	\$ 3,673,346	\$ 2,029,981	\$ 1,457,134	\$ 1,104,232

Town of Farmville, Virginia

Table 3

Fund Balances – Governmental Funds

Last Ten Fiscal Years

(Modified Accrual Basis of Accounting)

	Post-GASB 54									
	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
General Fund										
Nonspendable	\$ 557,443	\$ 740,712	\$ 630,279	\$ 689,793	\$ 705,475	\$ 749,741	\$ 771,326	\$ 27,237	\$ 20,174	\$ 30,039
Restricted	1,130,387	4,514,558	1,599,897	3,036,073	2,816,786	2,509,176	2,037,002	-	-	-
Committed	3,638,244	306,825	536,363	169,718	-	-	104,214	-	-	-
Assigned	-	-	-	-	-	-	-	1,183,138	-	-
Unassigned	1,481,764	2,693,601	3,933,566	1,744,447	758,042	383,678	688,555	2,681,248	3,596,155	2,900,951
Total general fund	<u>\$6,807,838</u>	<u>\$8,255,696</u>	<u>\$6,700,105</u>	<u>\$5,640,031</u>	<u>\$4,280,303</u>	<u>\$3,642,595</u>	<u>\$3,601,097</u>	<u>\$3,891,623</u>	<u>\$3,616,329</u>	<u>\$2,930,990</u>
All Other Governmental Funds										
Restricted	\$ 14,166	\$ 16,545	\$ 13,035	\$ 9,384	\$ 878	\$ 1,318	\$ 23,158	\$ -	\$ -	\$ -
Committed	-	8,984	2,600	4,466	-	-	-	-	-	-
Assigned	385,106	327,688	433,833	431,362	666,336	430,148	335,446	21,845	15,423	14,512
Unassigned	-	-	-	-	-	-	-	362,296	104,732	(18,437)
Total all other governmental funds	<u>\$ 399,272</u>	<u>\$ 353,217</u>	<u>\$ 449,468</u>	<u>\$ 445,212</u>	<u>\$ 667,214</u>	<u>\$ 431,466</u>	<u>\$ 358,604</u>	<u>\$ 384,141</u>	<u>\$ 120,155</u>	<u>\$ (3,925)</u>

Town of Farmville, Virginia

Table 4

Changes in Fund Balances – Governmental Funds Last Ten Fiscal Years (Modified Accrual Basis of Accounting)

	Fiscal Year									
	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Revenues										
Taxes	\$ 9,512,972	\$ 9,339,589	\$ 9,130,007	\$ 8,606,501	\$ 7,148,138	\$ 6,841,558	\$ 7,334,043	\$ 7,006,395	\$ 6,622,384	\$ 6,210,800
Permits, privilege fees, and licenses	70,921	55,862	55,483	111,416	88,338	104,651	131,043	128,456	110,645	81,771
Fines and forfeitures	151,762	197,128	155,248	79,633	80,629	90,784	99,656	105,125	57,714	49,268
Revenue from use of money and property	765,569	913,549	516,548	121,643	88,375	150,650	132,413	342,525	208,508	358,102
Charges for services	575,171	757,982	749,071	894,858	859,257	962,070	1,042,549	891,114	928,943	907,550
Other	384,723	602,112	1,622,988	676,614	618,662	588,326	512,935	581,382	347,742	326,421
Recovered costs	995,799	862,261	750,630	734,884	509,297	861,847	714,490	844,173	572,485	495,363
Intergovernmental	3,195,231	3,532,597	3,761,768	2,655,841	3,312,999	4,863,301	3,096,349	2,803,758	3,231,631	3,142,967
Total revenues	<u>15,652,148</u>	<u>16,261,080</u>	<u>16,741,743</u>	<u>13,881,390</u>	<u>12,705,695</u>	<u>14,463,187</u>	<u>13,063,478</u>	<u>12,702,928</u>	<u>12,080,052</u>	<u>11,572,242</u>
Expenditures										
General government	3,821,129	2,693,897	2,011,210	1,915,428	1,487,855	1,706,222	1,824,893	1,649,556	1,446,809	1,238,189
Public safety	5,960,439	5,240,690	6,206,528	4,137,077	4,040,582	4,278,499	4,281,007	4,740,871	3,621,635	3,517,725
Public works	5,231,519	5,451,036	5,023,001	4,645,234	4,165,401	6,390,553	5,728,424	4,562,796	4,401,900	5,224,775
Parks, recreation, and cultural	585,494	1,150,070	566,957	762,384	633,613	745,950	1,066,504	1,381,310	814,647	756,146
Community development	706,553	973,520	626,619	607,762	533,814	309,124	204,082	120,107	552,862	168,603
Debt service:										
Principal	1,332,040	1,328,875	1,464,371	1,501,042	1,437,781	1,377,961	1,320,982	1,225,476	1,028,807	977,892
Interest	193,277	154,472	201,727	257,707	319,331	383,574	439,610	471,957	519,375	571,307
Total expenditures	<u>17,830,451</u>	<u>16,992,560</u>	<u>16,100,413</u>	<u>13,826,634</u>	<u>12,618,377</u>	<u>15,191,883</u>	<u>14,865,502</u>	<u>14,152,073</u>	<u>12,386,035</u>	<u>12,454,637</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(2,178,303)</u>	<u>(731,480)</u>	<u>641,330</u>	<u>54,756</u>	<u>87,318</u>	<u>(728,696)</u>	<u>(1,802,024)</u>	<u>(1,449,145)</u>	<u>(305,983)</u>	<u>(882,395)</u>
Other Financing Sources (Uses)										
Proceeds from borrowing	-	-	-	-	-	-	586,297	645,850	41,000	-
Issuance of subscription liability	-	91,711	-	-	-	-	-	-	-	-
Issuance of financed purchase	776,500	2,099,109	173,000	-	-	-	-	-	-	-
Transfers in	-	-	250,000	1,180,153	900,000	1,009,943	1,540,496	1,783,385	1,259,029	1,274,481
Transfers out	-	-	-	(97,183)	(113,862)	(166,887)	(370,335)	(510,170)	(184,627)	(106,472)
Total other financing sources	<u>776,500</u>	<u>2,190,820</u>	<u>423,000</u>	<u>1,082,970</u>	<u>786,138</u>	<u>843,056</u>	<u>1,756,458</u>	<u>1,919,065</u>	<u>1,115,402</u>	<u>1,168,009</u>
Net change in fund balances	<u>\$ (1,401,803)</u>	<u>\$ 1,459,340</u>	<u>\$ 1,064,330</u>	<u>\$ 1,137,726</u>	<u>\$ 873,456</u>	<u>\$ 114,360</u>	<u>\$ (45,566)</u>	<u>\$ 469,920</u>	<u>\$ 809,419</u>	<u>\$ 285,614</u>
Debt service as a percentage of noncapital expenditures	<u>9.97%</u>	<u>10.04%</u>	<u>11.35%</u>	<u>13.04%</u>	<u>14.52%</u>	<u>13.85%</u>	<u>13.61%</u>	<u>13.96%</u>	<u>13.26%</u>	<u>13.82%</u>

Town of Farmville, Virginia

Table 5

Assessed Value and Actual Value of Taxable Property Last Ten Fiscal Years

Fiscal Year	Real Estate	Personal Property	Public Service Corporation Real Estate	Public Service Corporation Personal Property	Total Assessed Value	Total Tax Rate Real Estate	Total Tax Rate Personal Property
2025	\$ 626,104,778	\$ 18,104,541	\$ 40,683,683	\$ 656,271	\$ 685,549,273	0.13	1.50
2024	664,156,923	18,526,250	35,380,826	837,269	718,901,268	0.13	1.50
2023	662,030,769	18,812,032	38,303,243	574,484	719,720,528	0.13	1.50
2022	657,218,462	41,354,373	38,842,669	491,925	737,907,429	0.13	1.50
2021	592,297,500	15,948,133	37,052,240	407,971	645,705,844	0.12	1.50
2020	554,025,833	14,513,007	34,165,889	440,486	603,145,215	0.12	1.50
2019	541,808,640	12,814,121	30,633,396	420,512	585,676,669	0.12	1.50
2018	525,065,080	13,173,051	29,544,666	291,846	568,074,643	0.12	1.50
2017	514,708,670	13,899,200	28,973,750	290,918	557,872,538	0.12	1.50
2016	509,662,986	13,945,399	27,959,562	253,641	551,821,588	0.12	1.50

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

⁽¹⁾ Per \$100 of assessed value.

Principal Utility Customers
Current Year and Ten Years Ago

Customer	Fiscal Year 2025			Fiscal Year 2016 ¹		
	Revenue	Rank	Percentage of Total Town Electrical Revenue	Revenue	Rank	Percentage of Total Town Electrical Revenue
Longwood University	\$ 523,881	1	12.20 %	N/A	N/A	N/A
Longwood Univ R/E Foundation	335,026	2	7.80	N/A	N/A	N/A
Ica Farmville Llc	296,597	3	6.90	N/A	N/A	N/A
Piedmont Regional Jail	291,397	4	6.78	N/A	N/A	N/A
Centra Southside Hospital	133,957	5	3.12	N/A	N/A	N/A
Hampden Sydney College	103,262	6	2.40	N/A	N/A	N/A
Holly Manor Snf Operations Llc	101,546	7	2.36	N/A	N/A	N/A
Farmville Health & Rehab	95,520	8	2.22	N/A	N/A	N/A
Ur-Ozbp Farmville Lots Llc	85,190	9	1.98	N/A	N/A	N/A
Cumberland County	79,326	10	1.85	N/A	N/A	N/A
Total revenue	\$ 2,045,702		47.61 %			

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

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

Town of Farmville, Virginia

Table 7

Property Tax Levies and Collections Last Ten Fiscal Years

Fiscal Year Ended June 30,	Taxes Levied for the Fiscal Year	Collected within the Fiscal Year of the Levy		Collections in Subsequent Years	Total Collections to Date	
		Amount	Percentage of Levy		Amount	Percentage of Levy
2025	\$ 874,820	\$ 863,540	98.71 %	\$ 1,106	\$ 864,646	98.84 %
2024	863,404	851,497	98.62	795	852,292	98.71
2023	860,640	842,051	97.84	15,221	857,272	99.61
2022	854,384	843,454	98.72	9,313	852,767	99.81
2021	710,757	700,307	98.53	9,250	709,557	99.83
2020	664,806	654,895	98.51	8,558	663,453	99.80
2019	649,943	641,393	98.68	8,372	649,765	99.97
2018	622,973	619,682	99.47	3,209	622,891	99.99
2017	617,650	608,262	98.48	9,388	617,650	100.00
2016	611,596	602,544	98.52	6,911	609,455	99.65

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

Town of Farmville, Virginia

Legal Debt Margin Information Last Ten Fiscal Years

	Fiscal Year									
	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Debt limit	\$ 68,554,927	\$ 71,890,127	\$ 71,972,053	\$ 71,232,884	\$ 64,570,584	\$ 60,314,522	\$ 58,567,667	\$ 56,807,464	\$ 55,787,254	\$ 55,182,159
Total net debt applicable to limit	3,045,000	4,105,000	5,445,000	7,218,710	8,420,000	9,805,000	11,125,000	12,390,000	13,600,000	14,755,000
Legal debt margin	<u><u>\$ 65,509,927</u></u>	<u><u>\$ 67,785,127</u></u>	<u><u>\$ 66,527,053</u></u>	<u><u>\$ 64,014,174</u></u>	<u><u>\$ 56,150,584</u></u>	<u><u>\$ 50,509,522</u></u>	<u><u>\$ 47,442,667</u></u>	<u><u>\$ 44,417,464</u></u>	<u><u>\$ 42,187,254</u></u>	<u><u>\$ 40,427,159</u></u>
Total net debt applicable to the limit as a percentage of debt limit	<u><u>4.44%</u></u>	<u><u>5.71%</u></u>	<u><u>7.57%</u></u>	<u><u>10.13%</u></u>	<u><u>13.04%</u></u>	<u><u>16.26%</u></u>	<u><u>19.00%</u></u>	<u><u>21.81%</u></u>	<u><u>24.38%</u></u>	<u><u>26.74%</u></u>

Legal Debt Margin Calculation for Fiscal Year 2025

Assessed value	<u><u>\$ 685,549,273</u></u>
Debt limit (10% of assessed value)	\$ 68,554,927
Less debt applicable to limit:	
General obligation bonds	(3,045,000)
Legal debt margin	<u><u>\$ 65,509,927</u></u>

Town of Farmville, Virginia
Ratios of Outstanding Debt by Type
 Last Ten Fiscal Years

Table 9

Fiscal Year	General Bonded Debt			Percentage of Actual Value of Taxable Property	Per Capita ⁽²⁾	Other Governmental Activities Debt		
	General Obligation Bonds	Business-Type				Bond Premium	Financed purchases and Subscription Liabilities	Notes Payable
		General Obligation Bonds	Total General Bonded Debt					
2025	\$ 1,040,000	\$ 2,005,000	\$ 3,045,000	0.44 %	\$ 461	\$ 355,835	\$ 2,615,253	\$ 3,491
2024	1,900,000	2,205,000	4,105,000	0.57	205	533,751	2,249,872	64,412
2023	3,050,000	2,395,000	5,445,000	0.76	348	711,667	173,000	129,339
2022	4,390,000	2,575,000	6,965,000	0.94	472	889,583	-	253,710
2021	5,670,000	2,750,000	8,420,000	1.30	758	1,067,499	-	474,753
2020	6,890,000	2,915,000	9,805,000	1.63	1,006	1,245,415	-	692,534
2019	8,050,000	3,075,000	11,125,000	1.90	1,160	1,423,331	-	910,495
2018	9,165,000	3,225,000	12,390,000	2.18	1,435	1,601,247	-	530,180
2017	10,230,000	3,370,000	13,600,000	2.44	1,539	1,779,163	-	44,806
2016	11,250,000	3,505,000	14,755,000	2.67	1,624	1,957,079	-	12,613

Fiscal Year	Business-Type Activities			Per Capita ⁽¹⁾	Percentage of Personal Income ⁽¹⁾
	Financed Purchases	Bond Premium	Total Primary Government		
2025	\$ 3,301,891	\$ 270,242	\$ 9,591,712	\$ 300	*
2024	3,301,891	304,021	10,558,947	336	*
2023	-	337,800	6,796,806	378	*
2022	-	371,579	8,479,872	394	1.84 %
2021	-	405,358	10,367,610	438	1.42
2020	-	439,137	12,182,086	467	1.53
2019	-	472,916	13,931,742	452	1.49
2018	-	506,695	15,028,122	474	1.54
2017	-	540,474	15,964,443	499	1.66
2016	-	574,253	17,298,945	501	1.68

* Unavailable

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

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

Town of Farmville, Virginia

Table 10

Demographic and Economic Statistics

Last Ten Fiscal Years

Fiscal Year Ended ⁽¹⁾	Population ⁽²⁾	Total Personal Income ⁽³⁾	Per Capita Personal Income ⁽³⁾	Unemployment Rate ⁽⁴⁾
2025	7,578	(5)	(5)	6.2 %
2024	7,476	(5)	(5)	5.3
2023	7,230	(5)	(5)	5.0
2022	7,473	\$ 697,704,000	\$ 21,455	4.9
2021	7,202	697,704,000	30,880	4.8
2020	7,188	697,704,000	30,461	6.4
2019	7,846	697,704,000	30,401	3.7
2018	7,872	697,704,000	30,732	3.8
2017	7,831	697,704,000	30,149	4.8
2016	8,140	697,704,000	29,857	5.3

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

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

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

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

⁽⁵⁾ Information currently not available.

Town of Farmville, Virginia

Table 11

Principal Employers Current Year and Ten Years Ago

Employer	Fiscal Year 2025			Fiscal Year 2016 ¹		
	Employees	Rank	Percentage of Total Town Employment	Employees	Rank	Percentage of Total Town Employment
Longwood University	767	1	10.83 %	N/A	N/A	N/A
Centra Health	722	2	10.20	N/A	N/A	N/A
Walmart	380	3	5.37	N/A	N/A	N/A
ICA	250	4	3.53	N/A	N/A	N/A
Holly Manor SNF Operations	217	5	3.07	N/A	N/A	N/A
Steps	135	6	1.91	N/A	N/A	N/A
Aramark	161	7	2.27	N/A	N/A	N/A
Prince Edward County	171	8	2.42	N/A	N/A	N/A
Town of Farmville	130	9	1.84	N/A	N/A	N/A
Food Lion	78	10	1.10	N/A	N/A	N/A
	3,011		42.54 %			

Source:

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

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

Town of Farmville, Virginia

Table 12

Full-Time Equivalent Town Government Employees by Function/Program Last Ten Fiscal Years

Function/Program	Fiscal Year									
	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
General government										
Executive	3	3	3	2	2	2	3	4	4	2
Clerk	1	1	1	1	1	1	1	1	1	1
Finance	12	12	12	4	4	4	4	5	5	5
Planning (Comm Dev)	4	3	4	4	5	5	5	5	6	6
Recreation (Golf/rec)	-	-	-	5	5	3	4	4	4	4
Police										
Officers	27	29	27	27	27	27	27	27	27	27
Civilians	2	2	2	2	2	2	2	2	2	2
Dispatch	18	21	18	14	13	11	14	14	14	13
Fire	4	3	2	-	1	2	2	2	2	2
Public works	36	37	43	40	36	34	42	41	41	43
Parks and Recreation	2	2	2	2	1	1	2	2	2	2
Solid waste	3	3	3	3	3	3	3	3	3	3
Water	6	6	6	6	6	6	6	6	6	6
Wastewater	6	6	6	6	6	6	6	6	6	6
Transportation	5	4	4	4	4	4	4	4	4	4
Airport	1	1	1	1	1	1	1	1	1	1
Total	130	133	134	121	117	112	126	127	128	127

Source: Town of Farmville's Finance Department.

Town of Farmville, Virginia
Operating Indicators by Function/Program
Last Ten Fiscal Years

Table 13

	Fiscal Year									
	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Function/Program										
General government:										
Fleet:										
Pieces of equipment maintained	321	311	314	308	306	305	310	312	311	313
Building permits issued	262	221	216	127	381	176	265	327	372	352
Building permits construction value	\$ 9,649,751	\$ 15,079,621	\$ 6,272,695	\$ 3,796,205	\$ 9,322,184	\$ 7,502,132	\$ 10,377,251	\$ 71,761,724	\$ 19,582,751	\$ 30,266,246
Public safety:										
Police:										
Physical arrests	332	438	366	257	205	257	364	481	508	394
Parking violations	859	1,321	1,108	951	899	561	1,001	633	777	323
Traffic violations	2,910	3,069	3,679	1,630	1,981	1,307	2,056	1,891	1,423	946
Fire:										
Emergency responses	1,993	1,245	1,237	731	1,155	884	1,082	615	426	398
Public works:										
Refuse collection:										
Brush	3.13	4.42	4.15	4.25	3.89	4.17	4.48	3.54	3.44	4.71
Refuse collected (tons per day)	12.83	13.33	13.10	13.58	13.65	13.17	13.90	13.37	14.34	13.45
Recyclables collected (tons per day)	1.06	1.35	1.83	1.01	1.02	0.92	1.08	1.06	1.07	0.99
Leaves	4.02	4.03	3.43	3.51	3.37	3.44	3.29	2.63	2.63	3.66
Other public works:										
Street resurfacing (miles)	5.01	11.24	7.02	10.36	5.24	3.56	2.98	2.28	8.21	6.66
Parks, recreation, and cultural:										
Parks and recreation:										
Park acreage owned by the Town-Developed	209.81	209.81	209.81	209.81	209.81	209.81	209.81	209.81	209.81	209.81
Water:										
Number of customer accounts	2,925	2,913	2,903	2,851	2,825	2,815	2,809	2,795	2,790	2,783
Volume pumped (million gallons per day average)	-	854,000	794,774	927,750	908,310	894,123	1,075,866	1,058,658	1,010,712	1,083,863
Sewer:										
Number of customer accounts	2,819	2,811	2,801	2,735	2,730	2,750	2,780	2,742	2,740	2,703
Waste/Water treated (million gallons per day average)	1,115	1	1	1	1	1	1	1	1	1

Source: Town of Farmville's Finance Department.

Town of Farmville, Virginia

Table 14

Capital Asset and Infrastructure Statistics by Function/Program Last Ten Fiscal Years

Function/Program	Fiscal Year									
	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Public safety:										
Law enforcement vehicles	31	35	30	24	20	20	21	20	20	20
Fire stations	1	1	1	1	1	1	1	1	1	1
Public works: Robin										
Primary streets (lane miles)	30.36	30.36	30.36	30.36	30.36	30.36	30.76	30.76	32.76	32.76
Secondary streets (lane miles)	82.00	82.00	82.00	82.00	82.00	82.00	83.60	83.60	81.60	81.60
Streetlights	651	651	651	651	651	649	647	647	647	635
Parks, recreation, and cultural:										
Parks/athletic fields	7	7	7	7	7	7	7	7	7	7
Water and sewage:										
Water treatment plants	1	1	1	1	1	1	1	1	1	1
Water mains (miles)	63.08	66.88	66.88	66.55	66.55	66.55	66.55	66.55	66.55	66.55
Storm sewers (miles)	60.96	60.96	60.96	60.96	60.96	60.96	60.96	60.96	60.96	60.96
Sanitary sewers (miles)	64.50	64.50	64.50	64.50	64.50	64.50	64.50	64.50	64.50	64.50

Source: Information was obtained from prior year audit reports.

Note:

Parks/Rec list found on Town website

Acreage found on PE County website-taxes



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 Mayor and Members of Town Council
Town of Farmville, Virginia

We have audited, in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the *Specifications for Audits of Counties, Cities and Towns*, and the *Specifications for Audits of Authorities, Boards, and Commissions*, issued by the Auditor of Public Accounts of the Commonwealth of Virginia, the financial statements of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the Town of Farmville, Virginia (the "Town"), as of and for the year ended June 30, 2025, and the related notes to the financial statements, which collectively comprise the Town's basic financial statements, and have issued our report thereon dated December 1, 2025.

Report on Internal Control over Financial Reporting

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

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

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

Report on Compliance and Other Matters

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

Purpose of this Report

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

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

CERTIFIED PUBLIC ACCOUNTANTS

Lynchburg, Virginia
December 1, 2025

Town of Farmville, Virginia
Summary of Compliance Matters
June 30, 2025

As more fully described in the Independent Auditor’s Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards*, we performed tests of the Town’s compliance with certain provisions of the laws, regulations, contracts, and grants shown below.

State Compliance Matters

Code of Virginia

Budget and Appropriation Laws
Cash and Investment Laws
Conflicts of Interest Act
Debt Provisions
Procurement Laws
Uniform Disposition of Unclaimed Property Act
Fire Program Aid

State Agency Requirements

Urban Highway Maintenance

Town of Farmville, Virginia
Schedule of Findings and Responses
June 30, 2025

A – Findings – Financial Statement Audit

None.

B – Findings – Commonwealth of Virginia

None.