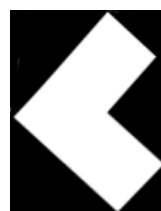


*Town of Keysville, Virginia*  
*Annual Comprehensive Financial Report*  
*Year Ended June 30, 2023*



*Creedle, Jones*  
*& Associates, P.C.*  
*Certified Public Accountants*

## Town of Keysville, Virginia

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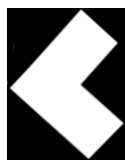
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## FINANCIAL SECTION



**Creedle  
Jones  
& Associates**

*A Professional Corporation*

*Robin B. Jones, CPA, CFP  
Kimberly W. Jackson, CPA*

*Sherwood H. Creedle, Founder*

*Members of  
American Institute of Certified Public Accountants  
Virginia Society of Certified Public Accountants*

## **INDEPENDENT AUDITOR'S REPORT**

To the Town Council  
Town of Keysville, 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, and each major fund of the Town of Keysville, Virginia, as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise the Town of Keysville, Virginia'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, and each major fund of the Town of Keysville, Virginia, as of June 30, 2023, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

#### *Basis for Opinion*

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. 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 of Keysville, Virginia 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 2023, the Town adopted new accounting guidance, GASB Statement No. 94, Public-Private and Public-Public Partnerships and No. 96, Subscription-Based Information Technology Arrangements. 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 the financial statements in accordance with accounting principles generally accepted in the United States of America and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Town of Keysville, Virginia'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 Keysville, Virginia's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Town of Keysville, Virginia's ability to continue as a going concern for a reasonable period of time.

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

### *Required Supplementary Information*

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and budgetary comparison information on pages 1 through 7 and 33 through 35 be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

*Other Information*

Management is responsible for the other information included in the annual report. The other information comprises the statistical section 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 April 26, 2024, on our consideration of the Town of Keysville, Virginia's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of Town of Keysville, Virginia's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Town of Keysville, Virginia's internal control over financial reporting and compliance.

*Creedle, Jones & Associates, P.C.*

Creedle, Jones & Associates, P.C.  
Certified Public Accountants

South Hill, Virginia  
April 26, 2024

## MANAGEMENT'S DISCUSSION AND ANALYSIS

The management of the Town of Keysville, Virginia presents the following discussion and analysis as an overview of the Town of Keysville, Virginia's financial activities for the fiscal year ending June 30, 2023. We encourage readers to read this discussion and analysis in conjunction with the Town's basic financial statements.

### FINANCIAL HIGHLIGHTS

- At the close of the fiscal year, the assets and deferred outflows of resources of the Town's governmental activities exceeded its liabilities and deferred inflows of resources by \$1,408,094. Of this amount, \$1,236,436 is unrestricted and may be used to meet the government's ongoing obligations to citizens and creditors. For the business-type activities, the assets and deferred outflows of resources exceeded the liabilities and deferred inflows of resources by \$2,020,861 with an unrestricted balance of \$45,118.
- The Town's total net position increased by \$216,386 during the current fiscal year. Of this amount, an increase of \$227,700 is related to governmental activities and a decrease of \$11,314 is attributed to business-type activities.
- As of June 30, 2023, the Town's Governmental Funds reported combined ending fund balances of \$1,259,179, an increase of \$241,026 in comparison with the prior year. Approximately 95.73% of this amount is available for spending at the Town's discretion (unassigned fund balance).
- At the end of fiscal year 2023, the unassigned fund balance was \$1,205,367 or approximately 278.99% of total general fund expenditures.

### OVERVIEW OF THE FINANCIAL STATEMENTS

This discussion and analysis is intended to serve as an introduction to the Town's basic financial statements. The Town's basic financial statements comprise three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. This report also contains required supplementary information in addition to the basic financial statements themselves.

#### Government-Wide Financial Statements

The government-wide financial statements report information about the Town as a whole using accounting methods similar to those found in the private sector. They also report the Town's net position and how they have changed during the fiscal year.

Statement of Net Position: presents information on all of the Town's assets and liabilities. The difference between a) assets and deferred outflows of resources and b) liabilities and deferred inflows of resources can be used as one way to measure the Town's financial health or financial condition. Over time, increases or decreases in the net position can be one indicator of whether the Town's financial condition is improving or deteriorating. Other nonfinancial factors will also need to be considered, such as changes in the Town's property tax base and the condition of Town facilities.

Statement of Activities: presents information using the accrual basis accounting method and shows how the Town's net position changed during the fiscal year. All of the current year's revenues and expenses are shown in the Statement of Activities, regardless of when cash is received or paid.



The government-wide financial statements distinguish governmental activities from business-type activities identified as the primary government. The governmental activities of the Town include general government administration, public safety, public works, and parks, recreation and cultural. Public utilities represent the business-type activities.

### **Fund Financial Statements**

A fund is an accountability unit used to maintain control over resources segregated for specific activities or objectives. The Town uses funds to ensure and demonstrate compliance with finance-related laws and regulations. Within the basic financial statements, fund financial statements focus on the Town's most significant funds rather than the Town as a whole. Major funds are separately reported.

The Town has two types of funds:

*Governmental Funds* - Most of the Town's basic services are included in Governmental Funds, which focus on (1) how cash and other financial assets that can readily be converted to cash flow in and out and (2) the balances remaining at year end that are available for spending. The Governmental Funds financial statements provide a detailed short-term view that helps the reader determine whether there are more or fewer financial resources that can be spent in the near future to finance the Town's programs. Because this information does not encompass the long-term focus of the government-wide statements, additional information is provided with the fund's financial statements to explain the relationship (or differences). Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the General Fund, which is considered to be a major fund.

*Proprietary Funds* – The Town uses an Enterprise Fund which operates in a manner similar to private business enterprises. Costs are recovered primarily through user charges. Proprietary Fund financial statements provide both long and short-term financial information.

### **Notes to the Basic Financial Statements**

The accompanying notes to the basic financial statements provide information essential to a full understanding of the government-wide and fund financial statements.

### **Other**

In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information such as budgetary comparison schedules.

## FINANCIAL ANALYSIS OF THE TOWN AS A WHOLE

### Statement of Net Position

The following table reflects the condensed Statement of Net Position :

#### Summary of Net Position

As of June 30, 2023 and 2022

	<u>Governmental Activities</u>		<u>Business-Type Activities</u>		<u>Total Primary Government</u>	
	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>
<b>Assets</b>						
Current and other assets	\$ 1,681,586	\$ 1,253,972	\$ 138,530	\$ 111,199	\$ 1,820,116	\$ 1,365,171
Capital assets (net)	<u>117,846</u>	<u>135,202</u>	<u>2,518,565</u>	<u>2,626,757</u>	<u>2,636,411</u>	<u>2,761,959</u>
Total Assets	<u>\$ 1,799,432</u>	<u>\$ 1,389,174</u>	<u>\$ 2,657,095</u>	<u>\$ 2,737,956</u>	<u>\$ 4,456,527</u>	<u>\$ 4,127,130</u>
<b>Liabilities</b>						
Other liabilities	\$ 391,338	\$ 208,780	\$ 13,055	\$ 19,422	\$ 404,393	\$ 228,202
Long-term liabilities	<u>-</u>	<u>-</u>	<u>623,179</u>	<u>686,359</u>	<u>623,179</u>	<u>686,359</u>
Total Liabilities	<u>391,338</u>	<u>208,780</u>	<u>636,234</u>	<u>705,781</u>	<u>1,027,572</u>	<u>914,561</u>
<b>Net Assets</b>						
Net investment in capital assets	117,846	135,202	1,895,386	1,940,398	2,013,232	2,075,600
Restricted	53,812	53,423	80,357	80,357	134,169	133,780
Unrestricted	<u>1,236,436</u>	<u>991,769</u>	<u>45,118</u>	<u>11,420</u>	<u>1,281,554</u>	<u>1,003,189</u>
Total Net Position	<u>1,408,094</u>	<u>1,180,394</u>	<u>2,020,861</u>	<u>2,032,175</u>	<u>3,428,955</u>	<u>3,212,569</u>
Total Liabilities and Net Position	<u>\$ 1,799,432</u>	<u>\$ 1,389,174</u>	<u>\$ 2,657,095</u>	<u>\$ 2,737,956</u>	<u>\$ 4,456,527</u>	<u>\$ 4,127,130</u>

## Statement of Activities

The following table summarizes revenues and expenses for the primary government:

### Summary of Changes in Net Position

For the Fiscal Years Ended June 30, 2023 and 2022

	Governmental Activities		Business-Type Activities		Total Primary Government	
	2023	2022	2023	2022	2023	2022
<b>Revenues</b>						
<b>Program Revenues</b>						
Charges for services	\$ 220	\$ 105	\$ 412,752	\$ 359,429	\$ 412,972	\$ 359,534
Operating grants and contributions	232,820	164,000	-	6,400	232,820	170,400
<b>General Revenues</b>						
General property taxes, real and personal	126,004	113,240	-	-	126,004	113,240
Other local taxes	340,532	346,242	-	-	340,532	346,242
Unrestricted revenues from use of money and property	4,214	5,435	-	-	4,214	5,435
Grants and contributions not restricted to specific programs	17,726	16,786	-	-	17,726	16,786
Miscellaneous	1,004	9,313	4,962	909	5,966	10,222
<b>Total Revenues</b>	<b>722,520</b>	<b>655,121</b>	<b>417,714</b>	<b>366,738</b>	<b>1,140,234</b>	<b>1,021,859</b>
<b>Expenses</b>						
General government administration	296,151	316,086	-	-	296,151	316,086
Public safety	25,865	42,365	-	-	25,865	42,365
Public works	99,077	172,683	-	-	99,077	172,683
Parks, recreation, and cultural	28,313	12,795	-	-	28,313	12,795
Water and sewer	-	-	474,442	479,486	474,442	479,486
<b>Total Expenses</b>	<b>449,406</b>	<b>543,929</b>	<b>474,442</b>	<b>479,486</b>	<b>923,848</b>	<b>1,023,415</b>
Increase (Decrease) in Net Position Before Transfers	273,114	111,192	(56,728)	(112,748)	216,386	(1,556)
<b>Transfers</b>	<b>(45,414)</b>	<b>(61,486)</b>	<b>45,414</b>	<b>61,486</b>	<b>-</b>	<b>-</b>
Change in Net Position	227,700	49,706	(11,314)	(51,262)	216,386	(1,556)
Beginning Net Position	1,180,394	1,130,688	2,032,175	2,083,437	3,212,569	3,214,125
Ending Net Position	<u>\$ 1,408,094</u>	<u>\$ 1,180,394</u>	<u>\$ 2,020,861</u>	<u>\$ 2,032,175</u>	<u>\$ 3,428,955</u>	<u>\$ 3,212,569</u>

Governmental activities increased the Town's net position by \$227,700 with a total net position of \$1,408,094 at the end of the fiscal year. Revenues from governmental activities totaled \$722,520. Other local taxes comprise the largest source of these revenues, totaling \$340,532 or 47.13% of all governmental activities revenue.

The total cost of all governmental activities for this fiscal year was \$449,406. General government administration was the Town's largest program with expenses totaling \$296,151. Public works, which totals \$99,077, represents the second largest expense.

For the Town's governmental activities, the net expense (total cost less fees generated by the activities and program-specific governmental aid) is illustrated in the following table:

### Net Cost of Governmental Activities

For the Fiscal Years Ended June 30, 2023 and 2022

	<u>2023</u>		<u>2022</u>	
	<u>Total Cost of Services</u>	<u>Net Cost of Services</u>	<u>Total Cost of Services</u>	<u>Net Cost of Services</u>
<b>Net Cost of Governmental Activities</b>				
General government administration	\$ 296,151	\$ (78,111)	\$ 316,086	\$ (166,982)
Public safety	25,865	(10,865)	42,365	(27,365)
Public works	99,077	(99,077)	172,683	(172,683)
Parks, recreation, and cultural	<u>28,313</u>	<u>(28,313)</u>	<u>12,795</u>	<u>(12,795)</u>
Total	<u>\$ 449,406</u>	<u>\$ (216,366)</u>	<u>\$ 543,929</u>	<u>\$ (379,825)</u>

### FINANCIAL ANALYSIS OF THE TOWN'S FUNDS

As noted earlier, the Town uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. The focus of the Town's governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing financing requirements. Unassigned fund balance may serve as a useful measure of a government's net resources available for spending at the end of a fiscal year. The Town's governmental funds reported combined ending fund balances of \$1,259,179. The combined governmental fund balance increased \$241,026 from the prior year.

The General Fund is the main operating fund of the Town. At the end of the current fiscal year, the General Fund had an unassigned fund balance of \$1,205,367. The General Fund's liquidity can be measured by comparing unassigned fund balance to total fund expenditures. Unassigned fund balance represents 278.99% of total fund expenditures, while total fund balance represents 291.44% of that same amount.

## BUDGETARY HIGHLIGHTS

### General Fund

The following table provides a comparison of original budget, final budget, and actual revenues and expenditures in the General Fund:

#### Budgetary Comparison

General Fund

For the Fiscal Years Ended June 30, 2023 and 2022

	Original Budget	2023 Final Budget	Actual	Original Budget	2022 Final Budget	Actual
<b>Revenues</b>						
Taxes	\$ 106,000	\$ 106,000	\$ 121,975	\$ 101,000	\$ 101,000	\$ 101,847
Other	291,450	291,450	345,970	289,337	289,337	361,095
Intergovernmental	<u>32,150</u>	<u>32,150</u>	<u>250,546</u>	<u>31,900</u>	<u>31,900</u>	<u>180,786</u>
Total Revenues	429,600	429,600	718,491	422,237	422,237	643,728
<b>Expenditures</b>	<u>395,900</u>	<u>395,900</u>	<u>432,051</u>	<u>422,237</u>	<u>422,237</u>	<u>549,689</u>
Excess (Deficiency) of Revenues Over Expenditures	33,700	33,700	286,440	-	-	94,039
<b>Other Financing Sources (Uses)</b>						
Transfers out	<u>(33,700)</u>	<u>(33,700)</u>	<u>(45,414)</u>	-	-	(61,486)
Total	<u>(33,700)</u>	<u>(33,700)</u>	<u>(45,414)</u>	-	-	(61,486)
Change in Fund Balance	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 241,026</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 32,553</u>

The Town did not make budget amendments for grant funds received during FY23.

Actual revenues were more than final budget amounts by \$288,891 or 67.25%, while actual expenditures were \$36,151 or 9.13% more than final budget amounts.

## CAPITAL ASSETS AND LONG-TERM DEBT

### Capital Assets

As of June 30, 2023, the Town's governmental activities net capital assets total \$117,846, which represents a net decrease of \$17,356 or 12.84% over the previous fiscal year-end balance. The business-type activities net capital assets total \$2,518,565, a decrease of \$108,192 or 4.12% over the previous fiscal year.

#### Change in Capital Assets

##### Governmental Activities

	Balance July 1, 2022	Net Additions and Deletions	Balance June 30, 2023
Buildings and improvements	\$ 333,999	\$ -	\$ 333,999
Furniture, equipment, and vehicles	180,094	2,610	182,704
Total Capital Assets	514,093	2,610	516,703
Less: Accumulated depreciation and amortization	(378,891)	(19,966)	(398,857)
Total Capital Assets, Net	<u>\$ 135,202</u>	<u>\$ (17,356)</u>	<u>\$ 117,846</u>

### Business-Type Activities

	<u>Balance July 1, 2022</u>	<u>Net Additions and Deletions</u>	<u>Balance June 30, 2023</u>
Buildings and improvements	\$ 8,185,467	\$ -	\$ 8,185,467
Total Capital Assets	8,185,467	-	8,185,467
Less: Accumulated depreciation and amortization	(5,558,710)	(108,192)	(5,666,902)
Total Capital Assets, Net	<u>\$ 2,626,757</u>	<u>\$ (108,192)</u>	<u>\$ 2,518,565</u>

### Long-Term Debt

As of June 30, 2023, the Town's long-term obligations total \$623,179.

	<u>Balance July 1, 2022</u>	<u>Net Additions and Deletions</u>	<u>Balance June 30, 2023</u>
<b>Business-Type Activities</b>			
Long-term debt	\$ 686,359	\$ (63,180)	\$ 623,179
Total Business-Type Activities	<u>686,359</u>	<u>(63,180)</u>	<u>623,179</u>
Total Primary Government	<u>\$ 686,359</u>	<u>\$ (63,180)</u>	<u>\$ 623,179</u>

More detailed information on the Town's long-term obligations is presented in Note 8 to the financial statements.

### ECONOMIC FACTORS AND NEXT YEAR'S BUDGET AND RATES

The Town's elected and appointed officials considered many factors when setting the fiscal-year 2024 budget.

The average unemployment rate for the Town of Keysville, Virginia in June 2023, which uses Charlotte County, Virginia's rate, was 3.5%. This compares unfavorably to the state's rate of 2.8% and favorably to the national rate of 3.8%.

The estimate in April 2020 by the University of Virginia Weldon Cooper Center is a population of 807.

These rates along with other indicators were taken into account when adopting the General Fund budget for 2024, which accounts for most of the Town's operational costs. The fiscal year 2024 adopted budget anticipates General Fund revenues and expenditures to be \$541,895, a 26.14% increase over the fiscal year 2023 original budget.

### REQUESTS FOR INFORMATION

This financial report is designed to provide our citizens, taxpayers, customers, investors, and creditors with a general overview of the Town's finances and to demonstrate the Town's accountability for the money it receives. Questions concerning this report or requests for additional information should be directed to Clerk, Town of Keysville, Virginia, P.O. Box 42, Keysville, Virginia 23947, telephone 434-736-9551.

# **BASIC FINANCIAL STATEMENTS**

## Town of Keysville, Virginia

## Statement of Net Position

At June 30, 2023

	<u>Primary Government</u>		
	<u>Governmental Activities</u>	<u>Business-Type Activities</u>	<u>Total</u>
<b>Assets</b>			
<b>Current Assets</b>			
Cash and investments	\$ 1,569,113	\$ 10,000	\$ 1,579,113
Cash and investments, restricted	53,812	80,357	134,169
Receivables	<u>58,661</u>	<u>48,173</u>	<u>106,834</u>
Total Current Assets	1,681,586	138,530	1,820,116
<b>Capital Assets</b>			
Buildings and improvements	41,829	2,518,565	2,560,394
Furniture, equipment, and vehicles	<u>76,017</u>	<u>-</u>	<u>76,017</u>
Capital Assets, Net	<u>117,846</u>	<u>2,518,565</u>	<u>2,636,411</u>
Total Assets	<u>\$ 1,799,432</u>	<u>\$ 2,657,095</u>	<u>\$ 4,456,527</u>
<b>Liabilities</b>			
<b>Current Liabilities</b>			
Accounts payable and accrued expenses	\$ 58,554	\$ 13,055	\$ 71,609
Unearned grant	<u>332,784</u>	<u>-</u>	<u>332,784</u>
Total Current Liabilities	391,338	13,055	404,393
<b>Long-Term Liabilities</b>			
<i>Due within one year</i>			
Bonds, loans, and other	-	40,750	40,750
<i>Due in more than one year</i>			
Bonds, loans, and other	<u>-</u>	<u>582,429</u>	<u>582,429</u>
Total Liabilities	391,338	636,234	1,027,572
<b>Net Position</b>			
Net investment in capital assets	117,846	1,895,386	2,013,232
Restricted	53,812	80,357	134,169
Unrestricted	<u>1,236,436</u>	<u>45,118</u>	<u>1,281,554</u>
Total Net Position	<u>1,408,094</u>	<u>2,020,861</u>	<u>3,428,955</u>
Total Liabilities and Net Position	<u>\$ 1,799,432</u>	<u>\$ 2,657,095</u>	<u>\$ 4,456,527</u>

The accompanying notes to the financial statements are an integral part of this statement.



## Town of Keysville, Virginia

## Statement of Activities

For the Year Ended June 30, 2023

<u>Functions/Programs</u>	<u>Expenses</u>	<u>Program Revenues</u>		<u>Net (Expense) Revenue and Changes in Net Position</u>	
		<u>Charges for Services</u>	<u>Operating Grants and Contributions</u>	<u>Governmental Activities</u>	<u>Primary Government Business-Type Activities</u>
<b>Primary Government</b>					<b>Total</b>
<b>Governmental Activities</b>					
General government administration	\$ 296,151	\$ 220	\$ 217,820	\$ (78,111)	\$ (78,111)
Public safety	25,865	-	15,000	(10,865)	(10,865)
Public works	99,077	-	-	(99,077)	(99,077)
Parks, recreation, and cultural	28,313	-	-	(28,313)	(28,313)
Total Governmental Activities	449,406	220	232,820	(216,366)	(216,366)
<b>Business-Type Activities</b>					
Water Fund	272,378	197,553	-		(74,825)
Sewer Fund	186,741	215,199	-		28,458
Interest on long-term debt	15,323	-	-		(15,323)
Total Business-Type Activities	474,442	412,752	-		(61,690)
Total Primary Government	\$ 923,848	\$ 412,972	\$ 232,820		\$ (278,056)
<b>General Revenues</b>					
<b>Taxes</b>					
General property taxes, real and personal				126,004	-
Other local taxes				340,532	-
Unrestricted revenues from use of money and property				4,214	-
Grants and contributions not restricted to specific programs				17,726	-
Miscellaneous				1,004	4,962
<b>Transfers</b>				(45,414)	45,414
Total General Revenues and Transfers				444,066	50,376
Change in Net Position				227,700	(11,314)
Net Position - Beginning of Year				1,180,394	2,032,175
Net Position - End of Year				\$ 1,408,094	\$ 2,020,861
					\$ 3,428,955

The accompanying notes to the financial statements are an integral part of this statement.

Town of Keysville, Virginia

Balance Sheet

Governmental Funds

At June 30, 2023

	<b>General Fund</b>
<b>Assets</b>	
Cash	\$ 1,569,113
Cash - restricted	53,812
Property taxes receivable	31,069
Accounts receivable - other	<u>27,592</u>
Total Assets	<u><u>\$ 1,681,586</u></u>
<b>Liabilities</b>	
Accounts payable and accrued liabilities	\$ 58,554
Unearned grant	<u>332,784</u>
Total Liabilities	391,338
<b>Deferred Inflows of Resources</b>	
Unavailable revenue - taxes	<u>31,069</u>
Total Deferred Inflows of Resources	31,069
<b>Fund Balance</b>	
Restricted	53,812
Unassigned	<u>1,205,367</u>
Total Fund Balance	<u>1,259,179</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balance	<u><u>\$ 1,681,586</u></u>

The accompanying notes to the financial statements are an integral part of this statement.

Town of Keysville, Virginia

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

At June 30, 2023

Total Fund Balances for Governmental Funds	\$ 1,259,179
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**Total net position reported for governmental activities in the Statement of Net Position is different because:**

Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds. Those assets consist of:

Buildings and improvements, net of accumulated depreciation	\$ 41,829
Furniture, equipment, and vehicles, net of accumulated depreciation	<u>76,017</u>

Total Capital Assets	117,846
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Other assets are not available to pay for current-period expenditures and, therefore, are deferred in the funds financial statements.

Unavailable revenue - taxes	<u>31,069</u>
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Total Net Position of Governmental Activities	<u><u>\$ 1,408,094</u></u>
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The accompanying notes to the financial statements are an integral part of this statement.

**Town of Keysville, Virginia**

Statement of Revenues, Expenditures, and Changes in Fund Balances

Governmental Funds

Year Ended June 30, 2023

	<b>General Fund</b>
<b>Revenues</b>	
Property taxes	\$ 121,975
Other local taxes	340,532
Use of money and property	4,214
Permits, licenses and fees	220
Miscellaneous	1,004
<i>Intergovernmental</i>	
Revenue from the Commonwealth of Virginia	32,726
Revenue from the Federal Government	<u>217,820</u>
Total Revenues	718,491
<b>Expenditures</b>	
General government administration	294,525
Public safety	23,300
Public works	87,206
Parks, recreation, and cultural	<u>27,020</u>
Total Expenditures	<u>432,051</u>
Excess (Deficiency) of Revenues Over Expenditures	286,440
<b>Other Financing Sources (Uses)</b>	
Transfers	<u>(45,414)</u>
Total Other Financing Sources (Uses)	<u>(45,414)</u>
Net Change in Fund Balance	241,026
Fund Balance - Beginning of Year	<u>1,018,153</u>
Fund Balance - End of Year	<u><u>\$ 1,259,179</u></u>

The accompanying notes to the financial statements are an integral part of this statement.

**Town of Keysville, Virginia**

Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances  
of Governmental Funds to the Statement of Activities

Year Ended June 30, 2023

Net Change in Fund Balances - Total Governmental Funds \$ 241,026

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

Governmental Funds report capital outlays as expenditures. However,  
in the Statement of Activities, the cost of those assets is allocated over  
their estimated useful lives as depreciation expense.

Capitalized assets	\$ 2,610	
Depreciation	<u>(19,966)</u>	
		(17,356)

Revenue in the Statement of Activities that do not provide current financial resources are deferred in the fund statements.	<u>4,030</u>
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Change in Net Position of Governmental Activities	<u>\$ 227,700</u>
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The accompanying notes to the financial statements are an integral part of this statement.

## Town of Keysville, Virginia

## Statement of Net Position

## Proprietary Funds

At June 30, 2023

## Assets

	<u>Business-Type Activities - Enterprise Funds</u>		
	<u>Water Fund</u>	<u>Sewer Fund</u>	<u>Total</u>
<b>Current Assets</b>			
Cash	\$ 10,000	\$ -	\$ 10,000
Cash - restricted	37,374	42,983	80,357
Accounts receivable	<u>22,974</u>	<u>25,199</u>	<u>48,173</u>
Total Current Assets	70,348	68,182	138,530
<b>Capital Assets</b>			
Buildings and improvements	6,325,807	1,859,659	8,185,466
Less: Accumulated depreciation	<u>(4,258,563)</u>	<u>(1,408,338)</u>	<u>(5,666,901)</u>
Total Capital Assets	<u>2,067,244</u>	<u>451,321</u>	<u>2,518,565</u>
Total Assets	<u>\$ 2,137,592</u>	<u>\$ 519,503</u>	<u>\$ 2,657,095</u>
<b>Liabilities</b>			
<b>Current Liabilities</b>			
Accounts payable and accrued liabilities	\$ 1,783	\$ 11,272	\$ 13,055
Current portion of general obligation bonds	<u>20,476</u>	<u>20,274</u>	<u>40,750</u>
Total Current Liabilities	22,259	31,546	53,805
<b>Noncurrent Liabilities</b>			
General obligation bonds (net of current portion)	<u>582,429</u>	<u>-</u>	<u>582,429</u>
Total Noncurrent Liabilities	<u>582,429</u>	<u>-</u>	<u>582,429</u>
Total Liabilities	604,688	31,546	636,234
<b>Net Position</b>			
Net investment in capital assets	1,464,339	431,047	1,895,386
Restricted	37,374	42,983	80,357
Unrestricted	<u>31,191</u>	<u>13,927</u>	<u>45,118</u>
Total Net Position	<u>1,532,904</u>	<u>487,957</u>	<u>2,020,861</u>
Total Liabilities and Net Position	<u>\$ 2,137,592</u>	<u>\$ 519,503</u>	<u>\$ 2,657,095</u>

The accompanying notes to the financial statements are an integral part of this statement.

## Town of Keysville, Virginia

## Statement of Revenues, Expenses, and Changes in Net Position

## Proprietary Funds

Year Ended June 30, 2023

	<u>Business-Type Activities - Enterprise Funds</u>		
	<u>Water Fund</u>	<u>Sewer Fund</u>	<u>Total</u>
<b>Operating Revenues</b>			
Charges for services	\$ 197,553	\$ 215,199	\$ 412,752
Miscellaneous income	<u>254</u>	<u>4,708</u>	<u>4,962</u>
Total Operating Revenues	197,807	219,907	417,714
<b>Operating Expenses</b>			
Salaries and wages	-	61,345	61,345
Fringe benefits	-	10,924	10,924
Chemicals	67,115	11,023	78,138
Operation and maintenance	24,119	14,975	39,094
Contract services	68,145	-	68,145
Testings	1,722	12,693	14,415
Sample kits	3,958	-	3,958
Sludge	-	9,680	9,680
Office expense and postage	1,191	1,522	2,713
Miscellaneous operating costs	2,018	6,309	8,327
Depreciation	84,246	23,946	108,192
Utilities	17,614	29,026	46,640
Telephone	<u>2,250</u>	<u>5,298</u>	<u>7,548</u>
Total Operating Expenses	<u>272,378</u>	<u>186,741</u>	<u>459,119</u>
Operating Income (Loss)	(74,571)	33,166	(41,405)
<b>Nonoperating Revenues (Expenses)</b>			
Interest expense	<u>(15,323)</u>	<u>-</u>	<u>(15,323)</u>
Total Nonoperating Revenues (Expenses)	<u>(15,323)</u>	<u>-</u>	<u>(15,323)</u>
Income (Loss) Before Operating Transfers	(89,894)	33,166	(56,728)
Operating Transfers In (Out)	<u>40,795</u>	<u>4,619</u>	<u>45,414</u>
Change in Net Position	(49,099)	37,785	(11,314)
Total Net Position - Beginning of Year	<u>1,582,003</u>	<u>450,172</u>	<u>2,032,175</u>
Total Net Position - End of Year	<u>\$ 1,532,904</u>	<u>\$ 487,957</u>	<u>\$ 2,020,861</u>

The accompanying notes to the financial statements are an integral part of this statement.

## Town of Keysville, Virginia

Statement of Cash Flows  
Proprietary Funds

Year Ended June 30, 2023

Business-Type Activities - Enterprise Funds

	<u>Water Fund</u>	<u>Sewer Fund</u>	<u>Total</u>
<b>Cash Flows from Operating Activities</b>			
Receipts from customers	\$ 185,019	\$ 200,402	\$ 385,421
Miscellaneous income	254	4,708	4,962
Payments to personnel	-	(72,269)	(72,269)
Payments to suppliers	<u>(190,548)</u>	<u>(94,477)</u>	<u>(285,025)</u>
Net Cash Provided by (Used in) Operating Activities	(5,275)	38,364	33,089
<b>Cash Flows from Noncapital Financing Activities</b>			
Transfers from other funds	<u>40,795</u>	<u>4,619</u>	<u>45,414</u>
Net Cash Provided by Noncapital Financing Activities	40,795	4,619	45,414
<b>Cash Flows from Financing Capital and Related Activities</b>			
Interest paid on debt	(15,323)	-	(15,323)
Principal paid on debt	<u>(20,197)</u>	<u>(42,983)</u>	<u>(63,180)</u>
Net Cash Used in Financing Capital and Related Activities	<u>(35,520)</u>	<u>(42,983)</u>	<u>(78,503)</u>
Net Increase (Decrease) in Cash	-	-	-
Cash - Beginning of Year	<u>47,374</u>	<u>42,983</u>	<u>90,357</u>
Cash - End of Year	<u>\$ 47,374</u>	<u>\$ 42,983</u>	<u>\$ 90,357</u>
<b>Reconciliation of Operating Income (Loss) to Net Cash Provided by (Used in) Operating Activities</b>			
Operating Income (Loss)	\$ (74,571)	\$ 33,166	\$ (41,405)
<i>Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided by (Used in) Operating Activities</i>			
Depreciation expense	84,246	23,946	108,192
<i>Changes in assets and liabilities</i>			
Receivables, net	(12,534)	(14,797)	(27,331)
Accounts payable and accrued expenses	<u>(2,416)</u>	<u>(3,951)</u>	<u>(6,367)</u>
Net Cash Provided by (Used in) Operating Activities	<u>\$ (5,275)</u>	<u>\$ 38,364</u>	<u>\$ 33,089</u>

The accompanying notes to the financial statements are an integral part of this statement.



## Town of Keysville, Virginia

### Notes to the Financial Statements

Year Ended June 30, 2023

## 1 Summary of Significant Accounting Policies and Use of Estimates

### *Narrative Profile*

The Town of Keysville, Virginia (the "Town"), which was incorporated in 1887, has a population of approximately 807 living within an area of 1.64 square miles. The Town is located in Charlotte County, Virginia. The Town is governed by an elected Mayor and a six-member Council with each serving administrative and legislative functions.

The Town engages in a comprehensive range of municipal services, including general government administration, public safety, public works, parks, recreation, and cultural, and community development activities.

The financial statements of the Town have been prepared in conformity with the accounting principles generally accepted in the United States as specified by the Governmental Accounting Standards Board (GASB). The more significant of the government's accounting policies are described below:

#### **1-A. Financial Reporting Entity**

The basic criterion for determining whether a governmental department, agency, institution, commission, public authority, or other governmental organization should be included in a primary governmental unit's reporting entity for the basic financial statements is financial accountability. Financial accountability includes the appointment of a voting majority of the organization's governing body and the ability of the primary government to impose its will on the organization or if there is a financial benefit/burden relationship. In addition, an organization which is fiscally dependent on the primary government should be included in its reporting entity. These financial statements present the Town of Keysville, Virginia (the primary government).

#### **1-B. Financial Reporting Model**

The Town's Annual Comprehensive Financial Report includes management's discussion and analysis, the basic financial statements, and required supplementary information, described as follows:

*Management's Discussion and Analysis* – The basic financial statements are accompanied by a narrative introduction as well as an analytical overview of the Town's financial activities.

*Government-wide Financial Statements* – The government-wide financial statements include the Statement of Net Position and the Statement of Activities. These statements report financial information for the Town as a whole. These financial statements focus on the primary government; as such, individual funds are not displayed but the statements distinguish governmental activities, generally supported by taxes and grants and the Town's general revenues, from business-type activities, generally financed in whole or in part with fees charged to external customers.

The Statement of Net Position presents the financial position of the governmental and business-type activities of the Town at year end.

The Statement of Activities presents a comparison between direct expenses and program revenues for each function of the Town's governmental activities and for each identifiable activity of the business-type activities of the Town. Direct expenses are those that are specifically associated with a function and, therefore, clearly identifiable to that particular function. The Town does not allocate indirect expenses to functions in the Statement of Activities.

The Statement of Activities reports the expenses of a given function offset by program revenues directly connected with the functional program. A function is an assembly of similar activities and may include portions of a fund or summarize more than one fund to capture the expenses and program revenues associated with a distinct functional activity. Program revenues include: (1) charges for services which report fees and other charges to users of the Town's services; (2) operating grants and contributions which finance annual operating activities including restricted investment income; and (3) capital grants and contributions which fund the acquisition, construction, or rehabilitation of capital assets. These revenues are subject to externally imposed restrictions to these program uses. For identifying to which function program revenue pertains, the determining factor for *charges for services* is which function *generates* the revenue. For *grants and contributions*, the determining factor is to which function the revenues are *restricted*.

Other revenue sources not considered to be program revenues are reported as general revenues of the Town. The comparison of direct expenses with program revenues identifies the extent to which each governmental function and each identifiable business activity is self-financing or draws from the general revenues of the Town.

*Fund Financial Statements* – During the year, the Town segregates transactions related to certain Town functions or activities in separate funds in order to aid financial management and to demonstrate legal compliance. Fund financial statements are designed to present financial information of the Town at this more detailed level. Fund financial statements are provided for governmental and proprietary funds.

Major individual governmental and proprietary funds are reported in separate columns.

*Reconciliation of Government-wide and Fund Financial Statements* – Since the governmental funds financial statements are presented on a different measurement focus and basis of accounting than the government-wide financial statements, a summary reconciliation of the difference between total fund balances as reflected on the governmental funds balance sheet and total governmental activities net position as shown on the government-wide Statement of Net Position is presented. In addition, a summary reconciliation of the difference between the total net change in fund balances as reflected on the governmental funds Statement of Revenues, Expenditures, and Changes in Fund Balances, and the change in net position of governmental activities as shown on the government-wide Statement of Activities is presented.

*Budgetary Comparison Schedules* – Demonstrating compliance with the adopted budget is an important component of a government's accountability to the public. Many citizens participate in the process of establishing the annual operating budgets of state and local governments and have a keen interest in following the actual financial progress of their governments over the course of the year. The Town and many other governments revise their original budgets over the course of the year for a variety of reasons.

#### **1-C. Financial Statement Presentation**

In the fund financial statements, financial transactions and accounts of the Town are organized on the basis of funds. The operation of each fund is considered to be an independent fiscal and separate accounting entity, with a self-balancing set of accounts recording cash and/or other financial resources together with all related liabilities and residual equities or balances, and changes therein, which are segregated for the purpose of carrying on specific activities or attaining certain objectives in accordance with special regulations, restrictions, or limitations. The following is a brief description of the funds reported by the Town in each of its fund types in the financial statements:

- *Governmental Funds* – Governmental funds are those through which most governmental functions typically are financed. Governmental fund reporting focuses on the sources, uses, and balances of current financial resources. Expendable assets are assigned to the various governmental funds according to the purposes for which they may or must be used. Fund liabilities are assigned to the fund from which they will be liquidated. The Town reports the difference between its governmental fund assets and deferred outflows of resources and its liabilities and deferred inflows of resources as fund balance. The following are the Town's major governmental funds:
  - *General Fund* – The General Fund is the primary operating fund of the Town and accounts for all revenues and expenditures applicable to the general operations of the Town which are not accounted for in other funds. Revenues are derived primarily from property and other local taxes, licenses, permits, charges for services, use of money and property, and intergovernmental grants.
  - *Special Revenue Funds* – Special Revenue Funds account for the proceeds of specific revenue sources (other than those derived from special assessments, expendable trusts, or dedicated for major capital projects) requiring separate accounting due to legal or regulatory provisions or administrative action. There are no Special Revenue Funds at this time.
  - *Capital Projects Funds* – The Capital Projects Funds account for financial resources to be used for the acquisition or construction of major capital facilities, other than those financed by proprietary funds. There are no Capital Projects Funds at this time.
- *Proprietary Funds* – Proprietary fund reporting focuses on the determination of operating income, changes in net position, financial position, and cash flows. The Town has two enterprise funds, the Water Fund and Sewer Fund, which account for operations that are financed and operated in a manner similar to private business enterprises. The intent of the Town is that the cost of providing services to the general public be financed or recovered through user charges.

- **Fiduciary Funds (Custodial Funds)** – Fiduciary funds account for assets held by the Town in a trustee capacity or as an agent or custodian for individuals, private organizations, other governmental units, or other funds. Custodial funds utilize the accrual basis of accounting. Since by definition, these assets are being held for the benefit of a third party and cannot be used to address activities or obligations of the government, these funds are not incorporated into the government-wide financial statements. The Town has no Fiduciary Funds at this time.

#### **1-D. Measurement Focus and Basis of Accounting**

The accompanying financial statements are prepared in accordance with pronouncements issued by the Governmental Accounting Standards Board. The principles prescribed by GASB represent generally accepted accounting principles applicable to governmental units.

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 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.

The government-wide Statement of Activities reflects both the gross and net cost per functional category (general government administration, public safety, public works, parks, recreation, and cultural, etc.) which are otherwise being supported by general government revenues, (property taxes, sales and use taxes, certain intergovernmental revenues, fines, permits and charges, etc.). The Statement of Activities reduces gross expenses (including depreciation) by related program revenues, operating and capital grants, and contributions. The program revenues must be directly associated with the function (general government administration, public safety, public works, parks, recreation, and cultural, etc.) or a business-type activity.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. This is the manner in which these funds are normally budgeted. 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 government considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. All other revenue items are considered to be measurable and available only when cash is received by the government. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to claims and judgments, are recorded only when payment is due.

Property taxes, franchise taxes, licenses, and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. Accordingly, real and personal property taxes are recorded as revenues and receivables when billed, net of allowances for uncollectible amounts. Property taxes not collected within 60 days after year end are reflected as unavailable revenues. Sales and utility taxes, which are collected by the state or utilities and, subsequently, remitted to the Town, are recognized as revenues and receivables upon collection by the state or utility, which is generally within two months preceding receipt by the Town.

Licenses, permits, fines, and rents are recorded as revenues when received. Intergovernmental revenues, consisting primarily of federal, state, and other grants for the purpose of funding specific expenditures, are recognized when earned or at the time of the specific expenditures. Revenues from general purpose grants are recognized in the period to which the grant applies. All other revenue items are considered to be measurable and available only when cash is received by the government.

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services in connection with the proprietary fund's principal ongoing operations. Operating expenses for enterprise funds include the cost of services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

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.

## **1-E. Assets, Deferred Outflows of Resources, Liabilities, Deferred Inflows of Resources, and Fund Equity**

### *1-E-1 Cash and Cash Equivalents*

The Town operates a cash and investment pool which all funds utilize. The Town pools money from several funds to facilitate disbursement and investment and to maximize investment income. Therefore, all cash and investments are essentially demand deposits and are considered cash and cash equivalents.

The Town allocates investment earnings of the cash and investment pool to each participating fund on a monthly basis in accordance with that fund's average equity balance in the pool for that month.

### *1-E-2 Investments*

Investments are stated at fair value which approximates market; no investments are valued at cost. Certificates of deposit and short-term repurchase agreements are reported in the accompanying financial statements as cash and cash equivalents.

State statutes authorize the government to invest in obligations of the U.S. Treasury, commercial paper, corporate bonds, repurchase agreements, State Treasurer's Local Government Investment Pool (LGIP), and the State Non-Arbitrage Program (SNAP).

### *1-E-3 Receivables and Payables*

Activity between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as either "due to/from other funds" (i.e., the current portions of the interfund loans). Any residual balances outstanding between the governmental activities and business-type activities are reported in the government-wide financial statement as internal balances.

All trade and property tax receivables are shown net of an allowance for uncollectibles. The Town calculates its allowance for uncollectible accounts using historical collection data and, in certain cases, specific account analysis. Management deems that no allowance amount is necessary at this time.

### *Real and Personal Property Tax Data*

The tax calendars for real and personal property taxes are summarized below:

#### Real Property    Personal Property

Levy	January 1	January 1
Due Date	December 6	December 6

The Town bills and collects its own property taxes.

A ten percent penalty or \$2.00 penalty, whichever is greater, is levied on all taxes not collected on or before their due date. An interest charge of ten percent per annum is also levied on such taxes beginning on January 1.

#### *1-E-4    Prepaid Items*

Payments made to vendors for services that will benefit periods beyond June 30 are recorded as prepaid items using the consumption method by recording an asset for the prepaid amount and reflecting the expenditure/expense in the year in which services are consumed. At the fund reporting level, an equal amount of fund balance is reported as nonspendable as this amount is not available for general appropriation.

#### *1-E-5    Capital Assets*

General capital assets are those capital assets not specifically related to activities reported in the proprietary funds. These assets generally result from expenditures in governmental funds. The Town reports these assets in the governmental activities column of the government-wide Statement of Net Position but does not report these assets in the governmental fund financial statements. Capital assets utilized by enterprise funds are reported both in the business-type activities column of the government-wide Statement of Net Position and in the enterprise funds' Statement of Net Position.

All capital assets are capitalized at cost (or estimated historical cost) and updated for additions and retirements during the year. Donated capital assets are recorded at their fair market values as of the date received. Improvements to capital assets are capitalized; however, the costs of normal maintenance and repairs that do not add to the value of the asset or materially extend an asset's life are not capitalized.

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

<u>Asset Description</u>	<u>Estimated Lives</u>
Buildings and improvements	10 to 40 years
Furniture, equipment, and vehicles	3 to 25 years

#### *1-E-6    Deferred Outflows/Inflows of Resources*

In addition to assets, the Statement of Financial Position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources until then.



In addition to liabilities, the Statement of Financial Position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources until that time.

Deferred Inflows of Resources in the Governmental Funds Balance Sheet include unavailable revenue. Unavailable revenue consists primarily of special assessment, loans, and notes receivable. The Town considers revenues available if they are collected within 60 days of the end of the fiscal year.

#### *1-E-7 Compensated Absences*

Vacation benefits are accrued as a liability as the benefits are earned if the employees' rights to receive compensation are attributable to services already rendered and it is probable that the Town will compensate the employees for the benefits through paid time off or some other means.

All compensated absence liabilities include salary-related payments, where applicable.

The total compensated absence liability is reported on the government-wide financial statements. Proprietary funds report the total compensated absence liability in each individual fund at the fund reporting level. Governmental funds report the compensated absence liability at the fund reporting level when paid.

#### *1-E-8 Fund Equity*

Fund equity at the governmental fund financial reporting level is classified as fund balance. Fund equity for all other reporting is classified as net position.

*Governmental Fund Balances* – Generally, governmental fund balances represent the difference between the current assets and deferred outflows of resources, and current liabilities and deferred inflows of resources. Governmental funds report fund balance classifications that comprise a hierarchy based primarily on the extent to which the Town is bound to honor constraints on the specific purposes for which resources can be spent. Fund balances are classified as follows:

Nonspendable – amounts that cannot be spent either because they are in non-spendable form or because they are legally or contractually required to be maintained intact.

Restricted – amounts that can be spent only for specific purposes because of constitutional provisions, charter requirements or enabling legislation or because of constraints that are externally imposed by creditors, grantors, contributors, or the laws or regulations of other governments.

Committed – amounts constrained to specific purposes by a government itself, using its highest level of decision-making authority; to be reported as committed, amounts cannot be used for any other purpose unless the government takes the same highest level of action to remove or change the constraint.

Assigned – amounts that do not meet the criteria to be classified as restricted or committed but that are intended to be used for specific purposes.

Unassigned – all amounts not classified as nonspendable, restricted, committed, or assigned.

*Net Position* – Net position represents the difference between assets and deferred outflows of resources, and liabilities and deferred inflows of resources. Net investment in capital assets consists of cost of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowing used for the acquisition, construction or improvement of those assets. This net investment in capital assets amount also is adjusted by any bond issuance deferral amounts. Net position is reported as restricted when there are limitations imposed on its use either through the enabling legislation adopted by the Town or through external restrictions imposed by creditors, grantors or laws or regulations of other governments. All other net position is reported as unrestricted. Restricted net position for specified purposes represents certain deposits restricted for specified expenditures and resources that have restrictions to particular uses imposed by federal awarding agencies or by state legislation.

*Net Position Flow Assumptions* – Sometimes the Town will fund outlays for a particular purpose from both restricted (e.g., restricted bond or grant proceeds) and unrestricted resources. In order to calculate the amounts to report as restricted net position and unrestricted net position in the government-wide and proprietary fund financial statements, a flow assumption must be made about the order in which the resources are considered to be applied. It is the Town's policy to consider restricted net position to have been depleted before unrestricted net position is applied.

*Fund Balance Flow Assumptions* – Sometimes the Town will fund outlays for a particular purpose from both restricted and unrestricted resources (the total of committed, assigned, and unassigned fund balance). In order to calculate the amounts to report as restricted, committed, assigned, and unassigned fund balance in the governmental fund financial statements a flow assumption must be made about the order in which the resources are considered to be applied. It is the Town's policy to consider restricted fund balance to have been depleted before using any of the components of unrestricted fund balance. Further, when the components of unrestricted fund balance can be used for the same purpose, committed fund balance is depleted first, followed by assigned fund balance. Unassigned fund balance is applied last.

#### *1-E-9 Operating Revenues and Expenses*

Operating revenues are those revenues that are generated directly from the primary activity of the proprietary funds. For the Town, these revenues are charges for services for water and sewer utilities. Operating expenses are necessary costs incurred to provide the good or service that are the primary activity of the fund. All other items that do not directly relate to the principal and usual activity of the fund are recorded as nonoperating revenues and expenses. These items include investment earnings and gains or losses on the disposition of capital assets.

#### *1-E-10 Interfund Activity*

Exchange transactions between funds are reported as revenues in the seller funds and as expenditures/expenses in the purchaser funds. Flows of cash or goods from one fund to another without a requirement for repayment are reported as interfund transfers. Interfund transfers are reported as other financing sources/uses in governmental funds and after the non-operating revenues/expenses section in proprietary funds.



### *1-E-11 Long-Term Obligations*

The Town reports long-term debt of Governmental Funds at face value in the general long-term debt account group. The face value of the debt is believed to approximate fair value. Certain other governmental fund obligations not expected to be financed with current available financial resources are also reported in the general long-term debt account group. Long-term debt and other obligations financed by Proprietary Funds are reported as liabilities in the appropriate funds.

### *1-E-12 Adoption of New GASB Statements*

The Town adopted the following GASB statements during the year ended June 30, 2023:

In March 2020, GASB Statement No. 94, Public-Private and Public-Public Partnerships and Availability Payment Arrangements. The primary objective of this statement is to improve financial reporting by addressing issues related to public-private and public-public partnership arrangements (PPPs). As used in this statement, a PPP is an arrangement in which a government (the transferor) contracts with an operator (a governmental or nongovernmental entity) to provide public services by conveying control of the right to operate or use a nonfinancial asset, such as infrastructure or other capital asset (the underlying PPP asset), for a period of time in an exchange or exchange-like transaction. Some PPPs meet the definition of a service concession arrangement (SCA), which the Board defines in this statement as a PPP in which (1) the operator collects and is compensated by fees from third parties; (2) the transferor determines or has the ability to modify or approve which services the operator is required to provide, to whom the operator is required to provide the services, and the prices or rates that can be charged for the services; and (3) the transferor is entitled to significant residual interest in the service utility of the underlying PPP asset at the end of the arrangement. GASB Statement No. 94 is effective for fiscal years beginning after June 15, 2022. The requirements of this statement are effective for the fiscal year ending June 30, 2023 for the Town.

In May 2020, Statement No. 96, Subscription-Based Information Technology Arrangements. This statement provides guidance on the accounting and financial reporting for subscription-based information technology arrangements (SBITAs) for government end users (governments). GASB Statement No. 96 is effective for fiscal year ending June 15, 2022. The requirements of this statement are effective for the fiscal year ending June 30, 2023 for the Town.

### **1-F. Estimates**

The preparation of the financial statements in conformity with accounting principles generally accepted in the United States requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Actual results may differ from those estimates.

## **2 Stewardship, Compliance, and Accountability**

### *Budgets and Budgetary Accounting*

The Town Council annually adopts budgets for the various funds of the primary government. All appropriations are legally controlled at the department level for the primary Government Funds. Unexpended appropriations lapse at the end of each fiscal year.

#### *Budgetary Data*

The following procedures are used by the Town in establishing the budgetary data reflected in the financial statements:

1. Prior to year-end, the Town Council prepares a proposed operating and capital budget for the fiscal year commencing July 1. The operating budget and capital budget includes proposed expenditures and the means of financing them.
2. Public hearings are conducted to obtain citizen comments.
3. Prior to June 30, the budget is legally enacted through passage of an Appropriations Resolution.
4. The Appropriations Resolution places legal restrictions on expenditures at the fund, function, and departmental level. These appropriations for each fund, function, and department can be revised only by the Town Council.
5. Formal budgetary integration is employed as a management control device during the year and budgets are legally adopted for all major funds.
6. All budgets are adopted on a basis consistent with generally accepted accounting principles (GAAP).
7. Supplemental Appropriations are adopted if necessary during the fiscal year.

#### **Expenditures in Excess of Appropriations**

Expenditures did exceed appropriations in the general fund at June 30, 2023.

#### **Fund Deficits**

No funds had fund deficits.

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

#### *Investments*

Statutes authorize the Town to invest in obligations of the United States or agencies thereof, obligations of the Commonwealth of Virginia or political subdivisions thereof, obligations of the International Bank for Reconstruction and Development (World Bank), the Asian Development Bank, the African Development Bank, "prime quality" commercial paper and certain corporate notes, banker's acceptances, repurchase agreements, the State Treasurer's Local Government Investment Pool (LGIP), and the State Non-Arbitrage Program (SNAP).

The following is a summary of cash and cash equivalents:

<u>Asset Type</u>	<u>Carrying Amount</u>		
Deposit accounts	\$ 1,713,282		
Total Cash and Cash Equivalents	\$ 1,713,282		
<u>Primary Government</u>	<u>Governmental Activities</u>	<u>Business-Type Activities</u>	<u>Total</u>
Cash and cash equivalents	\$ 1,622,925	\$ 90,357	\$ 1,713,282
Total	\$ 1,622,925	\$ 90,357	\$ 1,713,282

A portion of the cash is restricted for the following purposes:

#### **Restricted Cash and Cash Equivalents**

##### **General fund**

Community development projects \$ 53,812

##### **Enterprise fund**

Water and sewer improvement projects 80,357

Total Restricted Cash \$ 134,169

## **4 Receivables**

Receivables at June 30, 2023 consist of the following:

#### **Primary Government**

	<u>Governmental Activities</u>	<u>Business-Type Activities</u>	<u>Total</u>	<u>Total Primary Government</u>
		<u>Water</u>	<u>Sewer</u>	
Property taxes	\$ 31,069	\$ -	\$ -	\$ 31,069
Miscellaneous	27,592	-	-	27,592
Water and sewer	-	22,974	25,199	48,173
Total Receivables	\$ 58,661	\$ 22,974	\$ 25,199	\$ 106,834

## 5 Interfund Transfers

Interfund transfers for the year ended June 30, 2023 consisted of the following:

	<u>Transfer to</u>	<u>Transfer from</u>
<b>Primary Government</b>		
<b>General Fund</b>		
To Sewer Fund for operating costs and debt service	\$ 4,619	\$ -
To Water Fund for operating costs and debt service	<u>40,795</u>	<u>-</u>
Total General Fund	45,414	-
<b>Water Fund</b>		
From General Fund for operating costs and debt service	-	<u>40,795</u>
Total Water Fund	-	40,795
<b>Sewer Fund</b>		
From General Fund for operating costs and debt service	-	<u>4,619</u>
Total Sewer Fund	-	<u>4,619</u>
Total Transfers	<u>\$ 45,414</u>	<u>\$ 45,414</u>

## 6 Due from Other Governmental Units

As of June 30, 2023, the Town has no receivables from other governmental units.

## 7 Capital Assets

The following is a summary of changes in capital assets:

### Governmental Activities

	<u>Balance July 1, 2022</u>	<u>Increases</u>	<u>Decreases</u>	<u>Balance June 30, 2023</u>
<b>Other Capital Assets</b>				
Buildings and improvements	\$ 333,999	\$ -	\$ -	\$ 333,999
Furniture, equipment, and vehicles	<u>180,094</u>	<u>2,610</u>	<u>-</u>	<u>182,704</u>
Total Other Capital Assets	514,093	2,610	-	516,703
<b>Less: Accumulated depreciation for</b>				
Buildings and improvements	288,105	4,065	-	292,170
Furniture, equipment, and vehicles	<u>90,786</u>	<u>15,901</u>	<u>-</u>	<u>106,687</u>
Total Accumulated Depreciation	<u>378,891</u>	<u>19,966</u>	<u>-</u>	<u>398,857</u>
Other Capital Assets, Net	<u>135,202</u>	<u>(17,356)</u>	<u>-</u>	<u>117,846</u>
Net Capital Assets	<u>\$ 135,202</u>	<u>\$ (17,356)</u>	<u>\$ -</u>	<u>\$ 117,846</u>

Depreciation expense was allocated as follows:

General government administration	\$ 1,627
Public safety	2,565
Public works	14,481
Parks, recreation and cultural	<u>1,293</u>
Total Depreciation Expense	<u>\$ 19,966</u>

## Business-Type Activities

	Balance July 1, 2022	Increases	Decreases	Balance June 30, 2023
<b>Other Capital Assets</b>				
Buildings and improvements	\$ 8,185,467	\$ -	\$ -	\$ 8,185,467
Total Other Capital Assets	8,185,467	-	-	8,185,467
<b>Less: Accumulated depreciation for</b>				
Buildings and improvements	5,558,710	108,192	-	5,666,902
Total Accumulated Depreciation	5,558,710	108,192	-	5,666,902
Other Capital Assets, Net	2,626,757	(108,192)	-	2,518,565
Net Capital Assets	\$ 2,626,757	\$ (108,192)	\$ -	\$ 2,518,565
Depreciation expense was allocated to:				
Water	\$ 84,246			
Sewer	23,946			
	\$ 108,192			

## 8 Long-Term Debt

### PRIMARY GOVERNMENT

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

Year(s) Ended June 30.	Business-Type Activities	
	Principal	Interest
2024	\$ 40,750	\$ 15,045
2025	20,992	14,529
2026	21,522	13,998
2027	22,067	13,454
2028	22,625	12,896
2029-2033	122,032	55,572
2034-2038	138,380	39,224
2039-2043	157,308	20,296
2044-2048	77,503	5,993
Total	\$ 623,179	\$ 191,007

### Changes in Long-Term Debt

The following is a summary of changes in long-term obligations of the Town:

	<u>Balance July 1, 2022</u>	<u>Increase</u>	<u>Decrease</u>	<u>Balance June 30, 2023</u>	<u>Due Within One Year</u>
<b>Primary Government</b>					
<b>Business-Type Activities</b>					
<b>Enterprise Funds</b>					
<b>Water Fund</b>					
Water Supply Revolving Fund loan payable to Virginia Resource Authority with a stated interest rate of 3.00% for a 30-year term.	\$ 298,670	\$ -	\$ 10,081	\$ 288,589	\$ 10,387
Water Supply Revolving Fund loan payable to Virginia Resource Authority with a stated interest rate of 2.00% for a 30-year term.	324,432	-	10,116	314,316	10,089
<b>Sewer Fund</b>					
General Obligation Bond, July 1, 2005 payable to Virginia Resource Authority in semi-annual installments of \$21,491.43 with a stated interest rate of 0.00%, maturing January 1, 2025.	<u>63,257</u>	<u>-</u>	<u>42,983</u>	<u>20,274</u>	<u>20,274</u>
Total Business-Type Activities - Enterprise Funds	<u>686,359</u>	<u>-</u>	<u>63,180</u>	<u>623,179</u>	<u>40,750</u>
Total Primary Government	<u>\$ 686,359</u>	<u>\$ -</u>	<u>\$ 63,180</u>	<u>\$ 623,179</u>	<u>\$ 40,750</u>

## 9 **Net Investment in Capital Assets**

The "net investment in capital assets" amount reported on the government-wide Statement of Net Position as of June 30, 2023 is determined as follows:

	<u>Governmental Activities</u>	<u>Business-Type Activities</u>
<b>Net Investment in Capital Assets</b>		
Cost of capital assets	\$ 516,703	\$ 8,185,467
Less: Accumulated depreciation	<u>(398,857)</u>	<u>(5,666,902)</u>
Book value	117,846	2,518,565
Less: Capital related debt	<u>-</u>	<u>(623,179)</u>
Net Investment in Capital Assets	<u>\$ 117,846</u>	<u>\$ 1,895,386</u>

## 10 **Deferred Inflows of Resources**

Deferred inflows of resources are comprised of the following:

<b>Primary Government</b>	
Property taxes	<u>\$ 31,069</u>
Total Deferred Inflows of Resources	<u>\$ 31,069</u>

## 11 Risk Management

The Town is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The Town joined together with other local governments in Virginia to form the Virginia Risk Sharing Association, a public entity risk pool currently operating as a common risk management and insurance program for participating local governments. The Town pays an annual premium to the pool for substantially all of its insurance coverage. In the event of a loss deficit and depletion of all available excess insurance, the pool may assess all members in the proportion which the premium of each bears to the total premiums of all members in the year in which such deficit occurs.

The Town continues to carry commercial insurance for all other risks of loss, including employee dishonesty and employee health and accident insurance. Settled claims resulting from these risks have not exceeded commercial insurance coverage in any of the past three fiscal years.

Surety Bond coverage is as follows:

### Virginia Risk Sharing Association

Employees	\$ 100,000
-----------	------------

## 12 Commitments and Contingencies

If applicable, federal programs in which the Town participates were audited in accordance with the requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Pursuant to the requirements of the Uniform Guidance, all major programs and certain other programs were tested for compliance with applicable grant requirements. While no matters of noncompliance were disclosed by the audit, the Federal Government may subject grant programs to additional compliance tests which may result in disallowed expenditures. In the opinion of management, any future disallowance of current grant program expenditures, if any, would be immaterial.

## 13 Litigation

At June 30, 2023 there were no matters of litigation involving the Town which would materially affect the Town's financial position should any court decisions or pending matters not be favorable to such entities.

## 14 Legal Compliance

The Virginia Public Finance Act contains state law for issuance of long-term and short-term debt. The Act states, in part, that no municipality may issue bonds or other interest-bearing obligations, including existing indebtedness, which will at any time exceed ten percent of the assessed valuation on real estate as shown by the last preceding assessment for taxes. Short-term revenue anticipation bonds/notes, general obligation bonds approved in a referendum, revenue bonds, and contract obligations for publically owned or regional projects should not be included in the debt limitation.

### *Computation of Legal Debt Margin*

Total Assessed Value of Taxed Real Property	<u>\$ 46,462,135</u>
Debt Limits per Constitution of Virginia - 10% Assessed Value	\$ 4,646,214
<i>Amount of Debt Applicable to Debt Limit</i>	
Gross Debt	<u>623,179</u>
Legal Debt Margin - June 30, 2023	<u>\$ 4,023,035</u>

**Note:** Includes all long-term general obligation bonded debt.  
Excludes capital leases and compensated absences.

## 15 Upcoming Pronouncements

GASB Statement No. 99, *Omnibus 2022*. This Statement will enhance comparability in accounting and financial reporting and to improve the consistency of authoritative literature by addressing (1) practice issues that have been identified during implementation and application of certain GASB Statements and (2) accounting and financial reporting for financial guarantees. The requirements in paragraphs 11–25 related to leases, PPPs, and SBITAs are effective for fiscal years beginning after June 15, 2022, and all reporting periods thereafter. The requirements in paragraphs 4–10 related to financial guarantees and the classification and reporting of derivative instruments within the scope of Statement 53 are effective for fiscal years beginning after June 15, 2023, and all reporting periods thereafter.

GASB Statement No. 100, *Accounting Changes and Error Corrections*. An Amendment of GASB Statement No. 62 – will be effective for accounting changes and error corrections made in fiscal years beginning after June 15, 2023.

GASB Statement No. 101, *Compensated Absences* - requires recording compensation due to employees as a liability if not paid at the date of the financial statements. The amount due should be calculated at the employee's pay rate as of the date of financials. The Statement reduces the note disclosure and excludes certain compensated absences such as parental leave, military leave, and jury duty from the calculated liability. This Statement is effective for fiscal years beginning after December 15, 2023.

## 16 Subsequent Events

Management has performed an analysis of the activities and transactions subsequent to June 30, 2023 to determine the need for any adjustments to and/or disclosures within the audited financial statements for the year ended June 30, 2023. Management has performed their analysis through April 26, 2024.



## **REQUIRED SUPPLEMENTARY INFORMATION**

Town of Keysville, Virginia

Budgetary Comparison Schedule

Year Ended June 30, 2023

General Fund

	Original Budget	Final Budget	Actual	Variance With Final Budget Positive (Negative)
<b>Revenues</b>				
<b>General Property Taxes</b>				
Real estate and personal property taxes	\$ 105,000	\$ 105,000	\$ 110,841	\$ 5,841
Delinquent taxes	1,000	1,000	11,134	10,134
Total General Property Taxes	106,000	106,000	121,975	15,975
<b>Other Local Taxes</b>				
Local sales and use taxes	38,000	38,000	47,419	9,419
Cigarette taxes	14,000	14,000	21,035	7,035
Utility taxes	25,000	25,000	24,474	(526)
Motor vehicle licenses	-	-	461	461
Consumption taxes	3,500	3,500	3,223	(277)
Business license taxes	21,000	21,000	26,248	5,248
Bank stock tax	43,000	43,000	38,139	(4,861)
Meals tax	145,000	145,000	179,533	34,533
Total Other Local Taxes	289,500	289,500	340,532	51,032
<b>Revenue from Use of Money and Property</b>	1,200	1,200	4,214	3,014
<b>Permits, Licenses and Fees</b>	100	100	220	120
<b>Miscellaneous</b>	650	650	1,004	354
<b>Intergovernmental</b>				
<i>Revenue from the Commonwealth of Virginia</i>				
Communication Tax	1,450	1,450	1,646	196
Litter grant	1,000	1,000	1,595	595
Personal Property Tax Relief Act (PPTRA)	12,500	12,500	12,674	174
Fire program	15,000	15,000	15,000	-
Car Rental Tax	1,200	1,200	702	(498)
Rolling stock taxes - motor vehicle carriers tax	1,000	1,000	1,109	109
Total Revenue from the Commonwealth of Virginia	32,150	32,150	32,726	576
<i>Revenue from the Federal Government</i>				
ARPA Funds	-	-	217,820	217,820
Total Revenue from the Federal Government	-	-	217,820	217,820
Total Intergovernmental Revenue	32,150	32,150	250,546	218,396
Total Revenues	429,600	429,600	718,491	288,891

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance With Final Budget Positive (Negative)</u>
<b>Expenditures</b>				
<b>General Government Administration</b>				
Salaries	69,898	69,898	60,118	9,780
Employee benefits	32,000	32,000	32,931	(931)
Legal and accounting	8,000	8,000	7,100	900
Advertising	1,500	1,500	1,198	302
Dues and fees	1,125	1,125	515	610
Insurance and bonds	13,350	13,350	13,839	(489)
Office	12,900	12,900	8,033	4,867
Postage	1,000	1,000	576	424
Telephone	3,200	3,200	3,611	(411)
Miscellaneous	23,300	23,300	9,016	14,284
Christmas parade	10,000	10,000	5,919	4,081
American Rescue Plan expenses	-	-	151,669	(151,669)
Total General Government Administration	176,273	176,273	294,525	(118,252)
<b>Public Safety</b>				
<i>Fire Department</i>				
Fire program allocation	15,000	15,000	15,000	-
Donation	7,800	7,800	7,800	-
Total Fire Department	22,800	22,800	22,800	-
<i>Rescue Squad</i>				
	1,000	1,000	500	500
Total Public Safety	23,800	23,800	23,300	500
<b>Public Works</b>				
<i>Street Department</i>				
Street lights	15,000	15,000	16,846	(1,846)
Maintenance and repairs	1,150	1,150	1,731	(581)
Vehicle maintenance	3,000	3,000	3,299	(299)
Total Street Department	19,150	19,150	21,876	(2,726)
<i>General Building and Grounds</i>				
Salaries	46,443	46,443	39,945	6,498
Litter grant	1,000	1,000	2,013	(1,013)
Capital outlay	94,500	94,500	2,610	91,890
Utilities	5,475	5,475	1,526	3,949
Operations and maintenance	15,000	15,000	14,369	631
Total General Building and Grounds	162,418	162,418	60,463	101,955
<i>Sanitation Department</i>				
Salaries	5,659	5,659	4,867	792
Total Sanitation Department	5,659	5,659	4,867	792
Total Public Works	187,227	187,227	87,206	100,021

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance With Final Budget Positive (Negative)</u>
<b>Parks, Recreation, and Cultural</b>				
Miscellaneous	600	600	10,828	(10,228)
Library utilities and maintenance	<u>8,000</u>	<u>8,000</u>	<u>16,192</u>	<u>(8,192)</u>
Total Parks, Recreation, and Cultural	<u>8,600</u>	<u>8,600</u>	<u>27,020</u>	<u>(18,420)</u>
 Total Expenditures	 <u>395,900</u>	 <u>395,900</u>	 <u>432,051</u>	 <u>(36,151)</u>
 Excess (Deficiency) of Revenues Over Expenditures	 33,700	 33,700	 286,440	 252,740
<b>Other Financing Sources (Uses)</b>				
Transfers out	<u>(33,700)</u>	<u>(33,700)</u>	<u>(45,414)</u>	<u>(11,714)</u>
Total Other Financing Sources (Uses)	<u>(33,700)</u>	<u>(33,700)</u>	<u>(45,414)</u>	<u>(11,714)</u>
 Net Change in Fund Balance	 <u>\$ -</u>	 <u>\$ -</u>	 241,026	 <u>\$ 241,026</u>
 Fund Balance - Beginning of Year			 <u>1,018,153</u>	
 Fund Balance - End of Year			 <u>\$ 1,259,179</u>	

## **OTHER INFORMATION**

Table 1

## Town of Keysville, Virginia

Pledged Revenue Coverage  
Last Ten Fiscal Years  
(Unaudited)

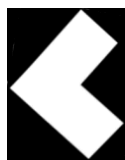
## Water and Sewer Revenue Bonds

<u>Fiscal Year</u>	<u>Gross Revenue</u> <sup>(1)</sup>	<u>Less Operating Expenses</u> <sup>(2)</sup>	<u>Net Revenues Available for Debt Service</u>	<u>Debt Service</u>		<u>Coverage</u>
				<u>Principal</u>	<u>Interest</u>	
2014	\$ 1,133,058	\$ 456,603	\$ 676,455	\$ 64,474	\$ 8,510	9.27
2015	335,637	465,399	(129,762)	29,423	11,035	(3.21)
2016	351,988	363,200	(11,212)	51,167	10,782	(0.18)
2017	762,478	345,691	416,788	72,906	10,535	5.00
2018	371,771	454,650	(82,879)	30,178	25,248	(1.50)
2019	316,192	393,370	(77,177)	87,587	20,685	(0.71)
2020	363,388	407,528	(44,140)	56,911	21,592	(0.56)
2021	356,726	412,708	(55,983)	83,503	16,301	(0.56)
2022	366,738	341,208	25,530	85,585	7,541	0.27
<b>2023</b>	<b>463,128</b>	<b>350,927</b>	<b>112,201</b>	<b>63,180</b>	<b>15,323</b>	<b>1.43</b>

<sup>(1)</sup>Operating revenues, interest income, and transfers from general fund

<sup>(2)</sup>Net of depreciation and amortization

## **COMPLIANCE SECTION**



**Creedle  
Jones  
& Associates**

*A Professional Corporation*

*Robin B. Jones, CPA, CFP  
Kimberly W. Jackson, CPA*

*Sherwood H. Creedle, Founder*

*Members of  
American Institute of Certified Public Accountants  
Virginia Society of Certified Public Accountants*

**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 Town Council  
Town of Keysville, Virginia

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, and each major fund of Town of Keysville, Virginia, as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise Town of Keysville, Virginia's basic financial statements and have issued our report thereon dated April 26, 2024.

**Report on Internal Control over Financial Reporting**

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

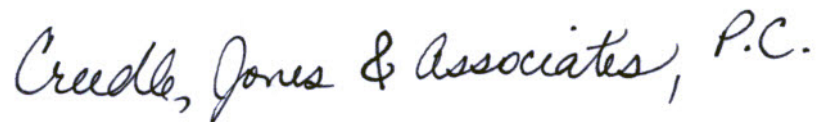


### Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether Town of Keysville, Virginia's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the 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 or other matters that are required to be reported under *Government Auditing Standards*.

### Purpose of this Report

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

A handwritten signature in black ink that reads "Creedle, Jones & Associates, P.C." in a cursive script.

Creedle, Jones & Associates, P.C.  
Certified Public Accountants

South Hill, Virginia  
April 26, 2024