

TOWN OF WAKEFIELD, VIRGINIA

FINANCIAL REPORT

June 30, 2023

TOWN COUNCIL

Oscar E. Parker, III, President

Dennis P. Mason

Brian K. Wills

Michael W. Kessinger

Darlean Whiting

Frances J. Chambers

TOWN OFFICIALS

Brian M. Laine, Mayor

Bonita Meyers, Clerk of Council

Robyn L. Croft, Treasurer

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INDEPENDENT AUDITOR'S REPORT

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

Report on the Financial Statements

Opinions

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Town of Wakefield, Virginia as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise the Town of Wakefield, Virginia's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Town of Wakefield, Virginia, as of June 30, 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 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. 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 Wakefield, 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.

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

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 Wakefield, 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 Wakefield, 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 Wakefield, 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, budgetary comparisons, pension information, and related notes 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 them to be essential parts of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Management is responsible for the other information included in the annual report. The other information comprises the listing of Town Council members and officials and 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 October 6, 2023, on our consideration of Town of Wakefield, Virginia's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Town's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Town of Wakefield, Virginia's internal control over financial reporting and compliance.

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

CERTIFIED PUBLIC ACCOUNTANTS

Newport News, Virginia
October 6, 2023

TOWN OF WAKEFIELD, VIRGINIA
MANAGEMENT'S DISCUSSION AND ANALYSIS
June 30, 2023

The Town of Wakefield, Virginia (Town) offers readers of the financial statements this narrative overview and analysis of the financial activities of the Town of Wakefield, Virginia for the fiscal year ended June 30, 2023. Please read it in conjunction with the Town's financial statements following this section.

Overview of Financial Statements

Our discussion and analysis is intended to serve as an introduction to the Town's basic financial statements. As of the year ended June 30, 2023, the Town's financial statements present two types of statements, each with a different snapshot of the Town's finances. The focus is on both the Town as a whole (government-wide) and the fund financial statements. The government-wide financial statements provide both short-term and long-term information about the Town's overall financial status. The fund financials focus on the individual part of the Town government, reporting the Town's operations in more detail than the government-wide statements, which present a longer-term view. Presentation of both perspectives provides the user with a broader overview, enhances the basis for comparisons, and better reflects the Town's accountability.

Government-Wide Financial Statements

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

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

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

Governmental Activities

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

Business-Type Activities

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

TOWN OF WAKEFIELD, VIRGINIA

MANAGEMENT'S DISCUSSION AND ANALYSIS

June 30, 2023

Component Unit

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

Fund Financial Statements

Traditional users of governmental financial statements will find the fund financial statement presentation more familiar. However, the focus is now on the Town's most significant funds rather than fund types. The fund financial statements begin on page 10 and provide detailed information about the most significant funds, not the Town as a whole. The Town has two types of funds:

Governmental Funds

Most of the Town's basic services are accounted for in the governmental funds. Fund-based statements for these funds focus on how resources flow into and out of those funds and the balances at year-end that are available for future spending. These funds are reported on the modified accrual basis of accounting, which measures cash and other liquid assets that can readily be converted to cash. The governmental funds financial statements provide a detailed short-term overview that helps the reader determine the financial resources that can be spent in the near future to finance the Town's programs. The differences between governmental activities as reported in the government-wide and funds financial statements are reconciled on pages 11 and 13.

Proprietary Funds

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

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

Financial Highlights and Analysis

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

TOWN OF WAKEFIELD, VIRGINIA

MANAGEMENT'S DISCUSSION AND ANALYSIS

June 30, 2023

Town of Wakefield, Virginia's Changes in Net Position

	Governmental Activities		Business-Type Activities		Totals	
	2023	2022	2023	2022	2023	2022
Revenues:						
Program revenues:						
Charges for services	\$ -	\$ -	\$ 1,767,363	\$ 1,561,522	\$ 1,767,363	\$ 1,561,522
Capital grants and contributions	-	-	464,324	-	464,324	-
Operating grants and contributions	-	-	2,738	75,914	2,738	75,914
Total program revenues	-	-	2,234,425	1,637,436	2,234,425	1,637,436
General revenues:						
General property taxes	111,598	86,121	-	-	111,598	86,121
Other local taxes	450,017	400,092	-	-	450,017	400,092
Other general revenues	61,318	37,061	-	-	61,318	37,061
Recovered costs	37,701	-	-	-	37,701	-
Miscellaneous	12,762	4,801	57,553	53,869	70,315	58,670
Intergovernmental:						
Commonwealth of Virginia	71,668	70,145	-	-	71,668	70,145
Total general revenues	745,064	598,220	57,553	53,869	802,617	652,089
Total revenues	745,064	598,220	2,291,978	1,691,305	3,037,042	2,289,525
Expenses:						
General government administration	304,599	346,819	-	-	304,599	346,819
Public safety	141,391	123,595	-	-	141,391	123,595
Public works	115,603	100,081	-	-	115,603	100,081
Parks, recreation, and cultural	53,936	16,510	-	-	53,936	16,510
Airport	-	-	142,690	173,849	142,690	173,849
Public utilities	-	-	1,707,881	1,444,329	1,707,881	1,444,329
Total expenses	615,529	587,005	1,850,571	1,618,178	2,466,100	2,205,183
Change in net position before transfers	129,535	11,215	441,407	73,127	570,942	84,342
Transfers	72,667	71,326	(72,667)	(71,326)	-	-
Change in net position	202,202	82,541	368,740	1,801	570,942	84,342
Net position, beginning of year	2,100,307	2,017,766	2,783,280	2,781,479	4,883,587	4,799,245
Net position, end of year	\$ 2,302,509	\$ 2,100,307	\$ 3,152,020	\$ 2,783,280	\$ 5,454,529	\$ 4,883,587

Total revenues increased from fiscal year 2022 to 2023 by \$747,517 primarily due to an increase in public utility charges for services attributable to increased rates during the year combined with an increase in operating grants and contributions attributable to an increase in grant funds received for the airport project.

Total expenses increased by \$260,917. This is primarily because of an increase in public utilities expenses as a result of higher amounts paid to the Virginia Municipal Electric Association due to the increase in the electric fuel adjustment rate.

(Continued)

TOWN OF WAKEFIELD, VIRGINIA

MANAGEMENT'S DISCUSSION AND ANALYSIS

June 30, 2023

Town of Wakefield, Virginia's Net Position

	Governmental Activities		Business-Type Activities		Totals	
	2023	2022	2023	2022	2023	2022
Current and other assets	\$ 1,980,952	\$ 1,872,224	\$ 1,155,778	\$ 901,407	\$ 3,136,730	\$ 2,773,631
Capital assets	<u>228,946</u>	<u>260,152</u>	<u>2,969,767</u>	<u>2,579,889</u>	<u>3,198,713</u>	<u>2,840,041</u>
Total assets	<u>\$ 2,209,898</u>	<u>\$ 2,132,376</u>	<u>\$ 4,125,545</u>	<u>\$ 3,481,296</u>	<u>\$ 6,335,443</u>	<u>\$ 5,613,672</u>
Deferred outflows of resources	<u>\$ 136,815</u>	<u>\$ 41,822</u>	<u>\$ 71,082</u>	<u>\$ 31,610</u>	<u>\$ 207,897</u>	<u>\$ 73,432</u>
Current liabilities	\$ 29,439	\$ 21,337	\$ 1,024,415	\$ 625,717	\$ 1,053,854	\$ 647,054
Noncurrent liabilities	<u>1,680</u>	<u>2,765</u>	<u>13,393</u>	<u>66,276</u>	<u>15,073</u>	<u>69,041</u>
Total liabilities	<u>\$ 31,119</u>	<u>\$ 24,102</u>	<u>\$ 1,037,808</u>	<u>\$ 691,993</u>	<u>\$ 1,068,927</u>	<u>\$ 716,095</u>
Deferred inflows of resources	<u>\$ 13,085</u>	<u>\$ 49,789</u>	<u>\$ 6,799</u>	<u>\$ 37,633</u>	<u>\$ 19,884</u>	<u>\$ 87,422</u>
Net investment in capital assets	\$ 228,946	\$ 260,152	\$ 2,938,583	\$ 2,513,389	\$ 3,167,529	\$ 2,773,541
Restricted	1,786	157,537	-	117,688	1,786	275,225
Unrestricted	<u>2,071,777</u>	<u>1,682,618</u>	<u>213,437</u>	<u>152,203</u>	<u>2,285,214</u>	<u>1,834,821</u>
Net position	<u>\$ 2,302,509</u>	<u>\$ 2,100,307</u>	<u>\$ 3,152,020</u>	<u>\$ 2,783,280</u>	<u>\$ 5,454,529</u>	<u>\$ 4,883,587</u>

Net position may serve over time as a useful indicator of the Town's financial position. At the close of the most recent fiscal year, the Town's assets and deferred outflows of resources exceeded liabilities and deferred inflows by \$5,454,529 compared to the previous year in which assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by \$4,883,587.

Current and other assets increased significantly primarily due to an increase in cash as a result of the second allocation from the State for COVID-19 funding. Similarly, there was a significant increase in deferred outflows of resources driven by an actuarially determined increase in pension deferrals.

Current liabilities increased significantly due to an actuarially determined decrease in the net pension asset to a net pension liability. Noncurrent liabilities decreased significantly due to the regularly scheduled payments made on long-term debt. The significant decrease in deferred inflows of resources is due to an actuarially determined decrease in pension deferrals.

A large portion of the Town's net position represents an unrestricted net position of \$2,285,214, which may be used to meet the Town's ongoing obligations. In the previous year, unrestricted net position totaled \$1,834,821. The significant decrease in restricted net position is primarily attributable to the actuarially determined decrease in the Town's net pension asset to a net pension liability.

Economic conditions

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

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

Respectfully submitted,

Brian Laine
Mayor

GOVERNMENT-WIDE FINANCIAL STATEMENTS

TOWN OF WAKEFIELD, VIRGINIA

STATEMENT OF NET POSITION

June 30, 2023

	Primary Government		
	Governmental Activities	Business-Type Activities	Total
ASSETS			
Cash and cash equivalents (Note 2)	\$ 1,818,907	\$ 866,197	\$ 2,685,104
Taxes receivable, net (Note 3)	41,511	-	41,511
Accounts receivable, net	-	179,554	179,554
Restricted cash (Note 2)	1,125	110,027	111,152
Note receivable: (Note 5)			
Due within one year	12,112	-	12,112
Due in more than one year	107,297	-	107,297
Capital assets, net of accumulated depreciation (Note 4)	228,946	2,969,767	3,198,713
	<u>\$ 2,209,898</u>	<u>\$ 4,125,545</u>	<u>\$ 6,335,443</u>
Total assets			
	<u>\$ 2,209,898</u>	<u>\$ 4,125,545</u>	<u>\$ 6,335,443</u>
DEFERRED OUTFLOWS OF RESOURCES			
Pension deferrals (Note 8)	<u>\$ 136,815</u>	<u>\$ 71,082</u>	<u>\$ 207,897</u>
LIABILITIES			
Accounts payable and other current liabilities	\$ 26,089	\$ 154,358	\$ 180,447
Payable from restricted cash, deposits	1,125	110,027	111,152
Unearned revenue (Note 10)	-	758,874	758,874
Net pension liability (Note 8)	2,225	1,156	3,381
Noncurrent liabilities: (Notes 6 and 7)			
Due within one year	1,680	13,393	15,073
	<u>\$ 31,119</u>	<u>\$ 1,037,808</u>	<u>\$ 1,068,927</u>
Total liabilities			
	<u>\$ 31,119</u>	<u>\$ 1,037,808</u>	<u>\$ 1,068,927</u>
DEFERRED INFLOWS OF RESOURCES			
Pension deferrals (Note 8)	<u>\$ 13,085</u>	<u>\$ 6,799</u>	<u>\$ 19,884</u>
NET POSITION			
Net investment in capital assets	\$ 228,946	\$ 2,938,583	\$ 3,167,529
Restricted for permanent fund	1,786	-	1,786
Unrestricted	2,071,777	213,437	2,285,214
	<u>\$ 2,302,509</u>	<u>\$ 3,152,020</u>	<u>\$ 5,454,529</u>
Total net position			
	<u>\$ 2,302,509</u>	<u>\$ 3,152,020</u>	<u>\$ 5,454,529</u>

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

TOWN OF WAKEFIELD, VIRGINIA

STATEMENT OF ACTIVITIES

Year Ended June 30, 2023

Functions/Programs	Expenses	Program Revenues			Net Revenues (Expenses) and Changes in Net Position		
		Charges For Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary Government		
					Governmental Activities	Business-Type Activities	Total
PRIMARY GOVERNMENT							
Governmental activities:							
General government administration	\$ 304,599	\$ -	\$ -	\$ -	\$ (304,599)	\$ -	\$ (304,599)
Public safety	141,391	-	-	-	(141,391)	-	(141,391)
Public works	77,902	-	-	-	(77,902)	-	(77,902)
Parks, recreation and cultural	53,936	-	-	-	(53,936)	-	(53,936)
Total governmental activities	577,828	-	-	-	(577,828)	-	(577,828)
Business-type activities:							
Public utilities	1,707,881	1,705,999	2,738	61,444	-	62,300	62,300
Airport Commission	142,690	61,364	-	402,880	-	321,554	321,554
Total business-type activities	1,850,571	1,767,363	2,738	464,324	-	383,854	383,854
Total primary government	\$ 2,428,399	\$ 1,767,363	\$ 2,738	\$ 464,324	(577,828)	383,854	(193,974)
GENERAL REVENUES							
General property taxes					111,598	-	111,598
Meals taxes					303,319	-	303,319
Other local taxes					146,698	-	146,698
Revenues from use of money and property					14,159	6,081	20,240
Permits, privilege fees, and regulatory licenses					180	-	180
Fines and forfeitures					46,979	-	46,979
Miscellaneous					12,762	51,472	64,234
Intergovernmental - Commonwealth of Virginia					71,668	-	71,668
Transfers, net (Note 11)					72,667	(72,667)	-
Total general revenues and transfers					780,030	(15,114)	764,916
Change in net position					202,202	368,740	570,942
NET POSITION							
Beginning of year					2,100,307	2,783,280	4,883,587
End of year					\$ 2,302,509	\$ 3,152,020	\$ 5,454,529

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

GOVERNMENTAL FUND FINANCIAL STATEMENTS

TOWN OF WAKEFIELD, VIRGINIA

BALANCE SHEET - GOVERNMENTAL FUNDS

June 30, 2023

	General Fund	Non-Major Permanent Fund	Total Governmental Funds
	<hr/>	<hr/>	<hr/>
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents (Note 2)	\$ 1,776,358	\$ 42,549	\$ 1,818,907
Taxes receivable, net (Note 3)	41,511	-	41,511
Restricted cash (Note 2)	1,125	-	1,125
	<hr/>	<hr/>	<hr/>
Total assets	<u>\$ 1,818,994</u>	<u>\$ 42,549</u>	<u>\$ 1,861,543</u>
	<hr/>	<hr/>	<hr/>
LIABILITIES			
CURRENT LIABILITIES			
Accounts payable and other current liabilities	\$ 25,852	\$ 237	\$ 26,089
Payable from restricted cash, deposits	1,125	-	1,125
	<hr/>	<hr/>	<hr/>
Total current liabilities	<u>26,977</u>	<u>237</u>	<u>27,214</u>
	<hr/>	<hr/>	<hr/>
FUND BALANCES			
Restricted	-	1,786	1,786
Committed	-	40,526	40,526
Unassigned	1,792,017	-	1,792,017
	<hr/>	<hr/>	<hr/>
Total fund balances	<u>1,792,017</u>	<u>42,312</u>	<u>1,834,329</u>
	<hr/>	<hr/>	<hr/>
Total liabilities and fund balances	<u>\$ 1,818,994</u>	<u>\$ 42,549</u>	<u>\$ 1,861,543</u>
	<hr/>	<hr/>	<hr/>

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

TOWN OF WAKEFIELD, VIRGINIA

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

Total fund balances, governmental funds	\$ 1,834,329
Amounts reported for governmental activities in the statement of net position are different because:	
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds, net of accumulated depreciation.	<u>228,946</u>
Some receivables reported in the Statement of Net Position, such as notes receivable, do not provide current financial resources and therefore are not accrued as receivables in governmental funds.	<u>119,409</u>
Some assets and deferred outflows of resources reported in the statement of net position do not provide current financial resources and therefore are not accrued as assets or deferred in the governmental funds.	
Deferred pension outflows	<u>136,815</u>
Some liabilities and deferred inflows of resources reported in the statement of net position do not require the use of current financial resources and therefore are not accrued as liabilities or deferred in the governmental funds.	
Net pension liability	(2,225)
Compensated absences	(1,680)
Deferred pension inflows	<u>(13,085)</u>
	<u>(16,990)</u>
Net position of governmental activities	<u><u>\$ 2,302,509</u></u>

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

TOWN OF WAKEFIELD, VIRGINIA

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

	<u>General Fund</u>	<u>Non-Major Permanent Fund</u>	<u>Total Governmental Funds</u>
OPERATING REVENUES			
General property taxes	\$ 111,598	\$ -	\$ 111,598
Other local taxes	450,017	-	450,017
Revenues from use of money and property	14,136	23	14,159
Permits, privilege fees, and regulatory licenses	180	-	180
Fines and forfeitures	46,979	-	46,979
Recovered costs	37,701	-	37,701
Miscellaneous	9,682	3,080	12,762
Intergovernmental - Commonwealth of Virginia	71,668	-	71,668
Total revenues	<u>741,961</u>	<u>3,103</u>	<u>745,064</u>
OPERATING EXPENDITURES			
Current:			
General government administration	268,854	-	268,854
Public safety	129,970	-	129,970
Public works	82,752	25,058	107,810
Parks, recreation and cultural	36,097	-	36,097
Capital projects	16,444	-	16,444
Total expenditures	<u>534,117</u>	<u>25,058</u>	<u>559,175</u>
Excess (deficiency) of revenues over (under) expenditures	<u>207,844</u>	<u>(21,955)</u>	<u>185,889</u>
OTHER FINANCING SOURCES (USES)			
Operating transfers in (Note 11)	171,410	21,932	193,342
Operating transfers out (Note 11)	(120,675)	-	(120,675)
Note receivable repayments	36,874	-	36,874
Total other financing sources	<u>87,609</u>	<u>21,932</u>	<u>109,541</u>
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	295,453	(23)	295,430
FUND BALANCE			
Beginning of year	<u>1,496,564</u>	<u>42,335</u>	<u>1,538,899</u>
End of year	<u><u>\$ 1,792,017</u></u>	<u><u>\$ 42,312</u></u>	<u><u>\$ 1,834,329</u></u>

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

TOWN OF WAKEFIELD, VIRGINIA

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

Net change in fund balances, total governmental funds	\$ 295,430
Amounts reported for governmental activities in the statement of activities are different because:	
Repayments on notes receivable to other entities are reported as revenues in the governmental fund statement of revenues, expenditures, and changes in fund balances. However, these are not reported on the Statement of Activities and are instead reported as receivable reduction on the Statement of Net Position.	<u>(36,874)</u>
Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of these assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlays exceeded depreciation.	<u>(31,206)</u>
Some expenses and expense recoveries reported in the Statement of Activities do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds:	
Change in compensated absences	1,085
Change in pension and pension-related deferred amounts	<u>(26,233)</u>
	<u>(25,148)</u>
Change in net position of governmental activities	<u><u>\$ 202,202</u></u>

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

PROPRIETARY FUND FINANCIAL STATEMENTS

TOWN OF WAKEFIELD, VIRGINIA

STATEMENT OF NET POSITION - PROPRIETARY FUNDS

June 30, 2023

	<u>Public Utilities</u>	<u>Airport Commission</u>	<u>Total</u>
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents (Note 2)	\$ 866,197	\$ -	\$ 866,197
Accounts receivable, net	174,264	5,290	179,554
Total current assets	<u>1,040,461</u>	<u>5,290</u>	<u>1,045,751</u>
NONCURRENT ASSETS			
Restricted cash (Note 2)	110,027	-	110,027
Capital assets, net of accumulated depreciation (Note 4)	1,205,820	1,763,947	2,969,767
Total noncurrent assets	<u>1,315,847</u>	<u>1,763,947</u>	<u>3,079,794</u>
Total assets	<u><u>\$ 2,356,308</u></u>	<u><u>\$ 1,769,237</u></u>	<u><u>\$ 4,125,545</u></u>
DEFERRED OUTFLOWS OF RESOURCES			
Pension deferrals (Note 8)	<u><u>\$ 71,082</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 71,082</u></u>
LIABILITIES			
CURRENT LIABILITIES			
Accounts payable and other current liabilities	\$ 147,273	\$ 7,085	\$ 154,358
Unearned revenue (Note 10)	758,874	-	758,874
Notes payable, current portion (Notes 6 & 7)	8,773	-	8,773
Net pension liability (Note 8)	1,156	-	1,156
Compensated absences (Note 7)	4,620	-	4,620
Total current liabilities	<u>920,696</u>	<u>7,085</u>	<u>927,781</u>
NONCURRENT LIABILITIES			
Payable from restricted cash, deposits	110,027	-	110,027
Total liabilities	<u><u>\$ 1,030,723</u></u>	<u><u>\$ 7,085</u></u>	<u><u>\$ 1,037,808</u></u>
DEFERRED INFLOWS OF RESOURCES			
Pension deferrals (Note 8)	<u><u>\$ 6,799</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 6,799</u></u>
NET POSITION			
Net investment in capital assets	\$ 1,181,249	\$ 1,757,334	\$ 2,938,583
Unrestricted	208,619	4,818	213,437
Total net position	<u><u>\$ 1,389,868</u></u>	<u><u>\$ 1,762,152</u></u>	<u><u>\$ 3,152,020</u></u>

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

TOWN OF WAKEFIELD, VIRGINIA

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

	Public Utilities	Airport Commission	Total
OPERATING REVENUES			
Charges for services	\$ 1,705,999	\$ 61,364	\$ 1,767,363
OPERATING EXPENSES, other than depreciation:			
Purchase of electricity	1,106,420	-	1,106,420
Other contractual services	185,627	-	185,627
Salaries	86,285	12,729	99,014
Maintenance and repairs	86,547	3,145	89,692
Benefits	81,057	4,795	85,852
Materials and supplies	21,661	93	21,754
Office expense	6,357	5,394	11,751
Fuel	11,870	24,019	35,889
Dues	2,828	-	2,828
Utilities	2,296	7,987	10,283
Professional services	8,330	-	8,330
Rent	225	-	225
Total operating expenses, other than depreciation	1,599,503	58,162	1,657,665
Operating income before depreciation	106,496	3,202	109,698
Depreciation	(103,772)	(84,528)	(188,300)
Operating income (loss)	2,724	(81,326)	(78,602)
NONOPERATING REVENUES (EXPENSES)			
Penalty charges	34,496	-	34,496
Connection fees	1,143	-	1,143
Miscellaneous revenues	10,977	-	10,977
State consumption and regulatory tax, net	4,856	-	4,856
Federal grant revenue (Note 10)	2,738	-	2,738
Capital grants	61,444	402,880	464,324
Grant expenses	(2,738)	-	(2,738)
Interest income	6,081	-	6,081
Interest expense	(1,868)	-	(1,868)
Total nonoperating revenues	117,129	402,880	520,009
Income before operating transfers	119,853	321,554	441,407
OPERATING TRANSFERS			
Transfers from other funds (Note 11)	-	98,743	98,743
Transfers to other funds (Note 11)	(171,410)	-	(171,410)
Change in net position	(51,557)	420,297	368,740
NET POSITION			
Beginning of year	1,441,425	1,341,855	2,783,280
End of year	<u>\$ 1,389,868</u>	<u>\$ 1,762,152</u>	<u>\$ 3,152,020</u>

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

TOWN OF WAKEFIELD, VIRGINIA

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

	Public Utilities	Airport Commission	Total
OPERATING ACTIVITIES			
Received from customers and users	\$ 2,083,085	\$ 59,492	\$ 2,142,577
Payments to suppliers for goods and services	(1,454,205)	(49,765)	(1,503,970)
Payments to employees	(85,713)	(12,729)	(98,442)
Net cash provided (used) by operating activities	543,167	(3,002)	540,165
NONCAPITAL FINANCING ACTIVITIES			
Transfers out to other funds	(171,410)	-	(171,410)
Transfers in from other funds	-	98,743	98,743
Connection fees	1,143	-	1,143
Penalty charges	34,496	-	34,496
Miscellaneous revenues	10,977	-	10,977
State consumption and regulatory tax, net	4,856	-	4,856
Net cash provided (used) by noncapital financing activities	(119,938)	98,743	(21,195)
CAPITAL AND RELATED FINANCING ACTIVITIES			
Acquisition and construction of capital assets	(57,146)	(498,621)	(555,767)
Payments on long-term debt	(53,455)	-	(53,455)
Interest expense	(1,868)	-	(1,868)
Capital grants	-	402,880	402,880
Federal grant revenue	64,182	-	64,182
Grant expenses	(2,738)	-	(2,738)
Net cash used by capital and related financing activities	(51,025)	(95,741)	(146,766)
INVESTING ACTIVITIES			
Interest income	6,081	-	6,081
Net increase in cash and cash equivalents	378,285	-	378,285
CASH AND CASH EQUIVALENTS			
Beginning of year	597,939	-	597,939
End of year	<u>\$ 976,224</u>	<u>\$ -</u>	<u>\$ 976,224</u>
RECONCILIATION OF CASH AND CASH EQUIVALENTS TO THE STATEMENT OF NET POSITION			
Cash and cash equivalents	\$ 866,197	\$ -	\$ 866,197
Restricted cash	110,027	-	110,027
	<u>\$ 976,224</u>	<u>\$ -</u>	<u>\$ 976,224</u>

(Continued)

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

TOWN OF WAKEFIELD, VIRGINIA

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

	<u>Public Utilities</u>	<u>Airport Commission</u>	<u>Total</u>
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES			
Operating income (loss)	\$ 2,724	\$ (81,326)	\$ (78,602)
Adjusting to reconcile operating income (loss) to net cash provided (used) by operating activities:			
Depreciation	103,772	84,528	188,300
Pension expense, net of employer contributions	48,538	-	48,538
Change in current assets and liabilities:			
Accounts receivable	8,098	(1,872)	6,226
Accounts payable and accrued liabilities	10,475	(4,332)	6,143
Payable from restricted cash, deposits	5,194	-	5,194
Unearned revenue	363,794	-	363,794
Compensated absences	572	-	572
	<u>\$ 543,167</u>	<u>\$ (3,002)</u>	<u>\$ 540,165</u>
Net cash provided (used) by operating activities			
	<u>\$ 543,167</u>	<u>\$ (3,002)</u>	<u>\$ 540,165</u>
SUPPLEMENTAL DISCLOSURES			
Cash paid for interest	<u>\$ 1,868</u>	<u>\$ -</u>	<u>\$ 1,868</u>
Capital asset purchases included in accounts payable at year end	<u>\$ 15,798</u>	<u>\$ 6,613</u>	<u>\$ 22,411</u>

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

TOWN OF WAKEFIELD, VIRGINIA
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2023

1. Summary of Significant Accounting Policies

Reporting entity

Primary government

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

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

Fund balance

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

Nonspendable

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

Restricted

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

Committed

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

Assigned

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

Unassigned

All amounts not included in other spendable classifications.

The details of the fund balances are included in the Governmental Funds Balance Sheet (page 10). Restricted funds are used first as appropriate. Assigned Funds are reduced to the extent that expenditure Town has been budgeted by the Town Council or the Assignment has been changed by the Mayor. Decreases to fund balance first reduce Unassigned Fund balance; in the event that Unassigned Fund Balance becomes zero, the Assigned and Committed Fund Balances are used in that order.

General fund

The General Fund has Unassigned Fund Balance of \$1,792,017 at June 30, 2023.

(Continued)

TOWN OF WAKEFIELD, VIRGINIA
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2023

1. Summary of Significant Accounting Policies (Continued)

Other major fund

The Permanent Fund has Restricted Funds of \$1,786 at June 30, 2023, consisting of funds donated by residents for the purpose of Cemetery repairs and maintenance. The Permanent Fund also has Committed Funds of \$40,526, which was set aside by the Council, and includes earnings which are to be similarly used for Cemetery repairs and maintenance.

Blended component unit

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

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

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

Government-wide and fund financial statements

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

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

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

Measurement focus, basis of accounting and financial statement presentation

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

(Continued)

TOWN OF WAKEFIELD, VIRGINIA
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2023

1. Summary of Significant Accounting Policies (Continued)

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

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

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

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

The Town reports the following governmental funds:

General fund

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

Permanent fund

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

The Town reports the following proprietary funds:

Proprietary funds

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

(Continued)

TOWN OF WAKEFIELD, VIRGINIA
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2023

1. Summary of Significant Accounting Policies (Continued)

Budget and budgetary accounting

The Town's annual operating budgets for the General and Proprietary Funds are adopted by ordinances and resolutions passed by Town Council. The budgets are prepared on the basis of accounting utilized in each fund type. All appropriations lapse at year-end to the extent that they have not been fully expended. Public hearings are conducted to obtain citizen comments. Prior to July 1, the General Fund budget is legally enacted through passage of an appropriations resolution. All General Fund budget data presented in the accompanying financial statements represents the revised budget as of June 30, 2023. The Proprietary Fund budget is not legally adopted but is used as a management tool to track the results of operations.

Budgetary comparisons

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

Cash and cash equivalents

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

Receivables

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

Compensated absences

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

Interfund transactions

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

Credit risk

Financial instruments which potentially subject the Town to the concentration of credit risk consist principally of temporary cash investments. The Town places its temporary cash investments with high credit quality financial institutions. At June 30, 2023, the Town's cash funds were located in three financial institutions. Concentrations of credit risk with respect to trade receivables are limited due to the large number of customers comprising the Town's customer base.

(Continued)

TOWN OF WAKEFIELD, VIRGINIA
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2023

1. Summary of Significant Accounting Policies (Continued)

Allowance for uncollectible accounts

As a matter of policy, based on historical collection data and the relatively small sums involved, the Town establishes its allowance for uncollectible accounts based on delinquent real estate and personal property taxes receivable at June 30 of each year. The allowance was \$16,208 at June 30, 2023.

Estimates

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

Capital assets

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

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

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

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

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

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

Pensions

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

(Continued)

TOWN OF WAKEFIELD, VIRGINIA
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2023

2. Cash and Cash Equivalents

Deposits

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

At June 30, 2023, the carrying value of the Town's deposits with banks and savings institutions was \$2,796,156 and the bank balance was \$2,814,923. Cash and deposits consist of the following:

Total deposits	\$ 2,796,156
Total cash on hand	<u>100</u>
Total cash and deposits	2,796,256
Less: restricted cash	<u>111,152</u>
Total cash and cash equivalents, Statement of Net Position	<u><u>\$ 2,685,104</u></u>

The Town has no formal investment policy.

3. Property Taxes Receivable

The Town levies real estate taxes on all real property and mobile homes on a calendar year basis at the rate enacted by the Town Council. The rate is applied to the assessed value of property as determined by the appraised value established by Sussex County. The taxes are billed by the Town on an annual basis and are due February 5, of the following year. The tax rate for the fiscal year ended June 30, 2023, was \$0.093 per \$100 of assessed value. This rate also applied to public service corporations.

The Town levies personal property taxes on motor vehicles and tangible personal property used in a trade or business. Taxes are billed on an annual basis and are due February 5, of the following year. The tax rate for the fiscal year ended June 30, 2023, was \$0.86, for both personal property and machinery and tools, per \$100 of assessed value, as determined by Sussex County.

Assessed values used for the fiscal year were as follows:

Real estate	\$ 67,027,712
Personal property	\$ 9,227,462
Public service corporations	\$ 4,768,315

(Continued)

TOWN OF WAKEFIELD, VIRGINIA

NOTES TO BASIC FINANCIAL STATEMENTS

June 30, 2023

4. Capital Assets

Capital assets activity for the year was as follows:

	Beginning July 1 2022	Additions	Reductions	Ending June 30, 2023
Governmental activities				
Capital assets not subject to depreciation:				
Land	\$ 71,483	\$ -	\$ -	\$ 71,483
Capital assets being depreciated:				
Land improvements	269,678	-	-	269,678
Equipment	245,981	16,444	-	262,425
Vehicles	447,969	-	-	447,969
Total capital assets being depreciated	963,628	16,444	-	980,072
Accumulated depreciation:				
Land improvements	(158,614)	(19,166)	-	(177,780)
Equipment	(189,901)	(23,208)	-	(213,109)
Vehicles	(426,444)	(5,276)	-	(431,720)
Total accumulated depreciation	(774,959)	(47,650)	-	(822,609)
Total capital assets being depreciated, net	188,669	(31,206)	-	157,463
Governmental activities capital assets, net	<u>\$ 260,152</u>	<u>\$ (31,206)</u>	<u>\$ -</u>	<u>\$ 228,946</u>
Business-type activities - Public Utility Fund				
Capital assets not subject to depreciation:				
Land	\$ 35,500	\$ -	\$ -	\$ 35,500
Construction in progress	-	61,444	-	61,444
Total capital assets not subject to depreciation	35,500	61,444	-	96,944
Capital assets being depreciated:				
Land improvements	31,211	-	-	31,211
Vehicles	24,930	-	-	24,930
Equipment	1,072,378	11,500	-	1,083,878
Infrastructure	1,223,665	-	-	1,223,665
Total capital assets being depreciated	2,352,184	11,500	-	2,363,684
Accumulated depreciation:				
Land improvements	(4,220)	(1,384)	-	(5,604)
Vehicles	(22,626)	-	-	(22,626)
Equipment	(482,667)	(39,403)	-	(522,070)
Infrastructure	(641,523)	(62,985)	-	(704,508)
Total accumulated depreciation	(1,151,036)	(103,772)	-	(1,254,808)
Total capital assets being depreciated, net	1,201,148	(92,272)	-	1,108,876
Public utilities fund capital assets, net	<u>\$ 1,236,648</u>	<u>\$ (30,828)</u>	<u>\$ -</u>	<u>\$ 1,205,820</u>

(Continued)

TOWN OF WAKEFIELD, VIRGINIA

NOTES TO BASIC FINANCIAL STATEMENTS

June 30, 2023

4. Capital Assets (Continued)

	<u>Beginning July 1 2022</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending June 30, 2023</u>
Business-type activities - Airport Commission				
Capital assets not subject to depreciation:				
Construction in progress	\$ 53,590	\$ 503,601	\$ (557,191)	\$ -
Capital assets being depreciated:				
Hangers and building improvements	1,949,763	557,191	-	2,506,954
Runway improvements	352,462	-	-	352,462
Equipment	70,959	1,633	-	72,592
Total capital assets being depreciated	<u>2,373,184</u>	<u>558,824</u>	<u>-</u>	<u>2,932,008</u>
Accumulated depreciation:				
Hangers and buildings improvements	(700,817)	(77,744)	-	(778,561)
Runway improvements	(320,319)	(4,293)	-	(324,612)
Equipment	(62,397)	(2,491)	-	(64,888)
Total accumulated depreciation	<u>(1,083,533)</u>	<u>(84,528)</u>	<u>-</u>	<u>(1,168,061)</u>
Total capital assets being depreciated, net	<u>1,289,651</u>	<u>474,296</u>	<u>-</u>	<u>1,763,947</u>
Airport Commission capital assets, net	<u>\$ 1,343,241</u>	<u>\$ 977,897</u>	<u>\$ (557,191)</u>	<u>\$ 1,763,947</u>

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

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

Government activities

Public works	\$ 7,793
General government administration	10,597
Parks, recreation and cultural	17,839
Public safety	<u>11,421</u>
	<u>\$ 47,650</u>

Business-type activities

Public utility	\$ 103,772
Airport Commission	<u>84,528</u>
	<u>\$ 188,300</u>

Construction in process consists of the following:

	<u>Incurred through June 30, 2023</u>	<u>Committed at June 30, 2023</u>
Water Main Design	\$ 61,444	\$ 27,834

(Continued)

TOWN OF WAKEFIELD, VIRGINIA
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2023

5. Note Receivable

During FY2022, the Town loaned \$167,925 to the Wakefield Volunteer Fire Department for the purpose of purchasing a new brush truck. The note is payable in thirteen annual installments, including interest at 2.0%. There are twelve payments of \$15,000 and a thirteenth payment of the remaining balance. The outstanding balance of the note receivable was \$119,409 at June 30, 2023.

6. Note Payable

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

Total annual principal maturity is \$8,773 for the year ending June 30, 2024.

7. Noncurrent Liabilities

	Beginning Balance July 1, 2022	Additions	Reductions	Ending Balance June 30, 2023	Due Within One Year
Governmental Activities					
Compensated absences	\$ 2,765	\$ 3,851	\$ (4,936)	\$ 1,680	\$ 1,680
Business-type Activities					
Note payable	\$ 62,228	\$ -	\$ (53,455)	\$ 8,773	\$ 8,773
Compensated absences	4,048	3,120	(2,548)	4,620	4,620
Total business-type activities	\$ 66,276	\$ 3,120	\$ (56,003)	\$ 13,353	\$ 13,353

(Continued)

TOWN OF WAKEFIELD, VIRGINIA
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2023

8. Defined Benefit Pension Plan

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

Plan description

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

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

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

Employees covered by benefit terms

As of the June 30, 2021, actuarial valuation, the following employees were covered by the benefit terms of the pension plan:

	<u>Number</u>
Inactive members or their beneficiaries currently receiving benefits	<u>5</u>
Inactive members:	
Vested	-
Non-vested	-
Active elsewhere in VRS	<u>-</u>
Total inactive members	<u>-</u>
Active members	<u>4</u>
Total covered employees	<u><u>9</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, 2023, was 5.59% of covered employee compensation. This rate was based on an actuarially determined rate from an actuarial valuation as of June 30, 2021.

(Continued)

TOWN OF WAKEFIELD, VIRGINIA
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2023

8. Defined Benefit Pension Plan (Continued)

This rate, when combined with employee contributions, was expected to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. Contributions to the pension plan from the Town were \$9,096 for the year ended June 30, 2023.

Net pension liability

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

Actuarial assumptions

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

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

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

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

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

(Continued)

TOWN OF WAKEFIELD, VIRGINIA

NOTES TO BASIC FINANCIAL STATEMENTS

June 30, 2023

8. Defined Benefit Pension Plan (Continued)

Long-term expected rate of return

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

<u>Asset Class (Strategy)</u>	<u>Target Allocation</u>	<u>Arithmetic Long-Term Expected Rate of Return</u>	<u>Weighted Average Long-Term Expected Rate of Return</u>
Public Equity	34.00%	5.71%	1.94%
Fixed Income	15.00%	2.04%	0.31%
Credit Strategies	14.00%	4.78%	0.67%
Real Assets	14.00%	4.49%	0.63%
Private Equity	14.00%	9.73%	1.36%
MAPS - Multi-Asset Public Strategies	6.00%	3.73%	0.22%
PIP - Private Investment Partnership	3.00%	6.55%	0.20%
	<u>100.00%</u>		5.33%
	Inflation		<u>2.50%</u>
		*Expected arithmetic nominal return	<u>7.83%</u>

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

(Continued)

TOWN OF WAKEFIELD, VIRGINIA
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2023

8. Defined Benefit Pension Plan (Continued)

Discount rate

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

Changes in net pension liability (asset)

	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (Asset) (b) - (a)
Balances at June 30, 2021	\$ 613,172	\$ 886,565	\$ (273,393)
Changes for the year:			
Service cost	10,873	-	10,873
Interest	39,942	-	39,942
Changes of assumptions	-	-	-
Differences between expected and actual experience	245,747	-	245,747
Contributions, employer	-	12,838	(12,838)
Contributions, employee	-	7,676	(7,676)
Net investment income	-	(184)	184
Benefit payments, including refunds of employee contributions	(64,611)	(64,611)	-
Administrative expense	-	(562)	562
Other changes	-	20	(20)
Net changes	231,951	(44,823)	276,774
Balances at June 30, 2022	\$ 845,123	\$ 841,742	\$ 3,381

(Continued)

TOWN OF WAKEFIELD, VIRGINIA
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2023

8. Defined Benefit Pension Plan (Continued)

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

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

	<u>1% Decrease</u> <u>5.75%</u>	<u>Current Discount Rate</u> <u>6.75%</u>	<u>1% Increase</u> <u>7.75%</u>
Net pension liability (asset)	\$ 86,431	\$ 3,381	\$ (67,373)

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

For the year ending June 30, 2023, the Town recognized pension expense of \$83,867. At June 30, 2023, the Town reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ 189,268	\$ -
Changes in assumptions	9,533	-
Employer contributions made subsequent to measurement date	9,096	-
Net difference between projected and actual earnings on plan investments	-	19,884
	<u>\$ 207,897</u>	<u>\$ 19,884</u>

Deferred outflows of resources of \$9,096 represent the Town's contributions subsequent to the measurement date and will be recognized as a reduction of the net pension liability in the fiscal year ending June 30, 2024. Other amounts reported as deferred inflows of resources and deferred outflows of resources related to pensions as of June 30, 2023, will be recognized in pension expense in future reporting periods as follows:

<u>Year Ended</u> <u>June 30,</u>	
2024	\$ 98,876
2025	81,529
2026	(13,192)
2027	<u>11,704</u>
	<u>\$ 178,917</u>

(Continued)

TOWN OF WAKEFIELD, VIRGINIA
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2023

8. Defined Benefit Pension Plan (Continued)

Pension plan data

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

9. Commitments

Law enforcement

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

Airport construction

The Town was working with a design firm and contractor on the airport runway lighting rehab project which was completed at year-end. The total contract price was \$466,528, of which \$6,613 was owed at year-end.

The Town entered into an agreement with the Commonwealth of Virginia (the Commonwealth) on June 29, 2023, for repair of pavement crack seals, seal coating and marking at the Airport. The agreement calls for the Commonwealth to provide 80% of the funding for this project up to \$90,000 and for the project to be completed by September 30, 2024. As of June 30, 2023, no work has commenced toward this project.

Water project

The Town was working with a design firm on a water main design project. The total contract price is \$89,278, of which \$61,444 was paid at year-end.

10. Unearned Revenue

In June 2021, the Town received an allocation from the State of \$427,976 under the Coronavirus State and Local Fiscal Recovery Fund's Non-Entitlement Unit (NEU) distribution. In July 2022, the Town received a second allocation from the State of \$427,976. These funds are to be used for certain eligible expenditures incurred between March 3, 2021, and December 31, 2024. As of June 30, 2023, the Town had only spent a portion of these funds and, as such, the unspent portion of \$758,874 is included in unearned revenue in the statement of net position for proprietary funds. This allocation will be recognized as revenue as funds are expended in future fiscal years. Revenue was recognized for the spent funds for fiscal year 2023 and is included in operating grants and contributions for the public utilities in the statement of activities.

(Continued)

TOWN OF WAKEFIELD, VIRGINIA
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2023

11. Interfund Transfers

Interfund transfers were made for operating purposes. The total interfund transfers for the year ended June 30, 2023, were as follows:

	<u>General Fund</u>	<u>Public Utility Fund</u>	<u>Total</u>
Transfers to:			
General fund	\$ -	\$ 171,410	\$ 171,410
Airport commission fund	98,743	-	98,743
Permanent fund	<u>21,932</u>	<u>-</u>	<u>21,932</u>
Total	<u>\$ 120,675</u>	<u>\$ 171,410</u>	<u>\$ 292,085</u>

REQUIRED SUPPLEMENTARY INFORMATION (RSI)

TOWN OF WAKEFIELD, VIRGINIA

**GENERAL FUND
SCHEDULE OF REVENUES - BUDGET AND ACTUAL (CASH BASIS)
Year Ended June 30, 2023**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance</u>
REVENUE FROM LOCAL SOURCES				
General property taxes:				
Personal property taxes	\$ 37,710	\$ 37,710	\$ 42,188	\$ 4,478
Real property taxes	62,313	62,313	56,521	(5,792)
Machinery and tools taxes	3,200	3,200	6,489	3,289
Public service corporations (real and personal property taxes)	3,660	3,660	4,510	850
Penalties	800	800	1,780	980
Mobile home taxes	223	223	110	(113)
Total general property taxes	<u>107,906</u>	<u>107,906</u>	<u>111,598</u>	<u>3,692</u>
Other local taxes:				
Meals taxes, net of 3% reimbursement	275,500	275,500	266,963	(8,537)
Local sales and use taxes	60,000	60,000	53,295	(6,705)
Franchise license taxes	35,000	35,000	30,775	(4,225)
Communication taxes	13,000	13,000	11,353	(1,647)
Motor vehicle licenses	10,130	10,130	6,790	(3,340)
Game of skill tax	-	-	-	-
Cigarette tax	34,293	34,293	39,224	4,931
Total other local taxes	<u>427,923</u>	<u>427,923</u>	<u>408,400</u>	<u>(19,523)</u>
Revenue from use of money and property:				
Revenue from use of money	2,631	2,631	4,920	2,289
Revenue from use of property	6,280	6,280	6,090	(190)
Total revenue from use of money and property	<u>8,911</u>	<u>8,911</u>	<u>11,010</u>	<u>2,099</u>
Permits, privilege fees, and regulatory licenses:				
Trailer permits and golf cart licenses	150	150	180	30
Fines and forfeitures:				
Town fines	<u>16,000</u>	<u>16,000</u>	<u>46,979</u>	<u>30,979</u>

(Continued)

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

TOWN OF WAKEFIELD, VIRGINIA

GENERAL FUND

SCHEDULE OF REVENUES - BUDGET AND ACTUAL (CASH BASIS)

Year Ended June 30, 2023

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance</u>
Recovered costs:				
Insurance recoveries	\$ 1,500	\$ 1,500	\$ 37,701	\$ 36,201
Miscellaneous revenue:				
Other	<u>3,132</u>	<u>3,132</u>	<u>9,682</u>	<u>6,550</u>
Total revenue from local sources	<u>565,522</u>	<u>565,522</u>	<u>625,550</u>	<u>60,028</u>
REVENUE FROM THE COMMONWEALTH OF VIRGINIA				
Categorical aid:				
Law enforcement grant	26,032	26,032	28,620	2,588
Fire program funds	<u>15,000</u>	<u>15,000</u>	<u>15,000</u>	<u>-</u>
Total categorical aid	<u>41,032</u>	<u>41,032</u>	<u>43,620</u>	<u>2,588</u>
Noncategorical aid:				
Personal Property Tax Relief Act	19,612	19,612	19,612	-
Rolling stock tax	4,685	4,685	4,559	(126)
Car rental distribution	550	550	243	(307)
Mobile home titling taxes	<u>3,500</u>	<u>3,500</u>	<u>3,634</u>	<u>134</u>
Total noncategorical aid	<u>28,347</u>	<u>28,347</u>	<u>28,048</u>	<u>(299)</u>
Total revenue from the Commonwealth of Virginia	<u>69,379</u>	<u>69,379</u>	<u>71,668</u>	<u>2,289</u>
OTHER FINANCING SOURCES				
Other financing sources:				
Transfers from public utility fund	<u>-</u>	<u>-</u>	<u>171,410</u>	<u>171,410</u>
Total other financing sources	<u>-</u>	<u>-</u>	<u>171,410</u>	<u>171,410</u>
	<u><u>\$ 634,901</u></u>	<u><u>\$ 634,901</u></u>	<u><u>\$ 868,628</u></u>	<u><u>\$ 233,727</u></u>

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

TOWN OF WAKEFIELD, VIRGINIA

**GENERAL FUND
SCHEDULE OF EXPENDITURES - BUDGET AND ACTUAL (CASH BASIS)
Year Ended June 30, 2023**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance</u>
GENERAL GOVERNMENT ADMINISTRATION				
Legislative - Town Council	\$ 10,339	\$ 10,339	\$ 9,912	\$ 427
General and financial administration:				
Salaries and fringe benefits	155,480	155,480	148,120	7,360
Insurance and bonding	28,100	28,100	26,492	1,608
Office operations and utilities	25,696	25,696	22,164	3,532
Repairs and maintenance	19,550	19,550	19,919	(369)
Independent auditor	22,000	22,000	22,449	(449)
Legal services	4,000	4,000	6,169	(2,169)
Dues and subscriptions	725	725	705	20
Travel	1,170	1,170	1,080	90
Advertising	356	356	271	85
Miscellaneous	700	700	534	166
Total general and financial administration	<u>257,777</u>	<u>257,777</u>	<u>247,903</u>	<u>9,874</u>
Total general government administration	<u>268,116</u>	<u>268,116</u>	<u>257,815</u>	<u>10,301</u>
PUBLIC SAFETY				
Law enforcement and traffic control - police department	70,000	70,000	64,310	5,690
Fire and rescue services - volunteer fire and rescue squads	<u>55,118</u>	<u>55,118</u>	<u>50,769</u>	<u>4,349</u>
Total public safety	<u>125,118</u>	<u>125,118</u>	<u>115,079</u>	<u>10,039</u>
PUBLIC WORKS				
Maintenance of highways, streets, bridges and sidewalks:				
Highways, streets, bridges, and sidewalks	24,022	24,022	37,331	(13,309)
Street lights	<u>3,373</u>	<u>3,373</u>	<u>2,693</u>	<u>680</u>
Total maintenance of highways, streets, bridges and sidewalks	<u>27,395</u>	<u>27,395</u>	<u>40,024</u>	<u>(12,629)</u>

(Continued)

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

TOWN OF WAKEFIELD, VIRGINIA

GENERAL FUND

SCHEDULE OF EXPENDITURES - BUDGET AND ACTUAL (CASH BASIS)

Year Ended June 30, 2023

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance</u>
PUBLIC WORKS (CONTINUED)				
Maintenance of general buildings and grounds:				
General properties	\$ 44,160	\$ 44,160	\$ 37,298	\$ 6,862
General administration	6,000	6,000	3,972	2,028
Total maintenance of general buildings and grounds	<u>50,160</u>	<u>50,160</u>	<u>41,270</u>	<u>8,890</u>
Total public works	<u>77,555</u>	<u>77,555</u>	<u>81,294</u>	<u>(3,739)</u>
PARKS, RECREATIONAL AND CULTURAL				
Library	7,200	7,200	7,200	-
Ball park	<u>25,660</u>	<u>25,660</u>	<u>22,904</u>	<u>2,756</u>
Total parks, recreation and cultural	<u>32,860</u>	<u>32,860</u>	<u>30,104</u>	<u>2,756</u>
CAPITAL OUTLAY				
Public works	<u>4,600</u>	<u>4,600</u>	<u>16,444</u>	<u>(11,844)</u>
OTHER FINANCING USES				
Transfers to airport fund	-	-	98,743	(98,743)
Transfers from permanent fund	<u>-</u>	<u>-</u>	<u>21,932</u>	<u>(21,932)</u>
Total other financing uses	<u>-</u>	<u>-</u>	<u>120,675</u>	<u>(120,675)</u>
	<u><u>\$ 508,249</u></u>	<u><u>\$ 508,249</u></u>	<u><u>\$ 621,411</u></u>	<u><u>\$ (113,162)</u></u>

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

TOWN OF WAKEFIELD, VIRGINIA

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

	2022	2021	2020	2019	2018	2017	2016	2015	2014
TOTAL PENSION LIABILITY									
Service cost	\$ 10,873	\$ 15,713	\$ 12,973	\$ 20,790	\$ 21,167	\$ 21,697	\$ 20,780	\$ 20,253	\$ 18,924
Interest	39,942	33,736	32,578	33,388	30,990	29,121	27,217	25,347	23,901
Changes of assumptions	-	23,763	-	10,926	-	(723)	-	-	-
Benefit payments, including refunds of employee contributions	(64,611)	(45,115)	(28,112)	(19,648)	(19,538)	(22,710)	(22,682)	(22,321)	(21,999)
Difference between expected and actual experience	245,747	62,727	8,209	(35,558)	1,695	(2,272)	1,900	3,618	-
Net change in total pension liability	231,951	90,824	25,648	9,898	34,314	25,113	27,215	26,897	20,826
Total pension liability, beginning	613,172	522,348	496,700	486,802	452,488	427,375	400,160	373,263	352,437
Total pension liability, ending (a)	<u>\$ 845,123</u>	<u>\$ 613,172</u>	<u>\$ 522,348</u>	<u>\$ 496,700</u>	<u>\$ 486,802</u>	<u>\$ 452,488</u>	<u>\$ 427,375</u>	<u>\$ 400,160</u>	<u>\$ 373,263</u>
PLAN FIDUCIARY NET POSITION									
Contributions - employer	\$ 12,838	\$ 200,032	\$ 30,680	\$ 11,718	\$ 14,522	\$ 14,179	\$ 13,485	\$ 13,247	\$ 8,839
Contributions - employee	7,676	8,780	19,016	6,797	7,290	7,118	6,994	6,871	6,747
Net investment income	(184)	171,325	10,371	32,889	33,559	49,465	7,011	17,639	53,056
Benefit payments	(64,611)	(45,115)	(28,112)	(19,648)	(19,538)	(22,710)	(22,682)	(22,321)	(21,999)
Administrative expenses	(562)	(251)	(307)	(318)	(282)	(281)	(247)	(240)	(289)
Other changes	20	18	(12)	(21)	(30)	(44)	(3)	(4)	3
Net change in plan fiduciary net position	(44,823)	334,789	31,636	31,417	35,521	47,727	4,558	15,192	46,357
Plan fiduciary net position, beginning	886,565	551,776	520,140	488,723	453,202	405,475	400,917	385,725	339,368
Plan fiduciary net position, ending (b)	<u>\$ 841,742</u>	<u>\$ 886,565</u>	<u>\$ 551,776</u>	<u>\$ 520,140</u>	<u>\$ 488,723</u>	<u>\$ 453,202</u>	<u>\$ 405,475</u>	<u>\$ 400,917</u>	<u>\$ 385,725</u>
Town's net pension liability (asset), ending (a) - (b)	<u>\$ 3,381</u>	<u>\$ (273,393)</u>	<u>\$ (29,428)</u>	<u>\$ (23,440)</u>	<u>\$ (1,921)</u>	<u>\$ (714)</u>	<u>\$ 21,900</u>	<u>\$ (757)</u>	<u>\$ (12,462)</u>
Plan fiduciary net position as a percentage of the total pension liability	<u>99.6%</u>	<u>144.6%</u>	<u>105.6%</u>	<u>104.7%</u>	<u>100.4%</u>	<u>100.2%</u>	<u>94.9%</u>	<u>100.2%</u>	<u>103.3%</u>
Covered payroll	<u>\$ 191,898</u>	<u>\$ 234,291</u>	<u>\$ 254,188</u>	<u>\$ 135,928</u>	<u>\$ 145,803</u>	<u>\$ 142,359</u>	<u>\$ 139,886</u>	<u>\$ 137,417</u>	<u>\$ 134,947</u>
Net pension liability (asset) as a percentage of covered payroll	<u>1.8%</u>	<u>-116.7%</u>	<u>-11.6%</u>	<u>-17.2%</u>	<u>-1.3%</u>	<u>-0.5%</u>	<u>15.7%</u>	<u>-0.6%</u>	<u>-9.2%</u>

The plan years noted above are reported in the Town's financial statements in the fiscal year following the plan year - i.e., plan year 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 2015 (plan year 2014) was the first year for the presentation, no earlier data is available. Additional years will be included as they become available.

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

TOWN OF WAKEFIELD, VIRGINIA

SCHEDULE OF EMPLOYER CONTRIBUTIONS

Fiscal Year Ending June 30,	Contractually Required Contribution	Contributions in Relation to the Actuarially Determined Contribution	Contribution Deficiency (Excess)	Covered Payroll	Contributions as a Percentage of Covered Payroll
2023	\$ 9,096	\$ 9,096	\$ -	\$ 205,772	4.42%
2022	\$ 12,838	\$ 12,838	\$ -	\$ 191,898	6.69%
2021	\$ 18,017	\$ 18,017	\$ -	\$ 234,291	7.69%
2020	\$ 21,911	\$ 21,911	\$ -	\$ 254,188	8.62%
2019	\$ 11,717	\$ 11,717	\$ -	\$ 135,928	8.62%
2018	\$ 14,522	\$ 14,522	\$ -	\$ 145,803	9.96%
2017	\$ 14,179	\$ 14,179	\$ -	\$ 142,359	9.96%
2016	\$ 13,485	\$ 13,485	\$ -	\$ 139,886	9.64%
2015	\$ 13,247	\$ 13,247	\$ -	\$ 137,417	9.64%
2014	\$ 8,839	\$ 8,839	\$ -	\$ 134,947	6.55%

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

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

TOWN OF WAKEFIELD, VIRGINIA

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION June 30, 2023

1. Budgetary Appropriations

The Town budget is prepared on a cash basis. During FY23, actual expenditures were in excess of budgeted appropriations. The amount by which actual revenues exceeded those budgeted for FY23 was greater than the amount by which expenditures exceeded budgetary appropriations.

2. Pension Plan

Changes of benefit terms

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

Changes of assumptions:

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

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

- Update mortality table to PUB2010 public sector mortality tables. For future mortality improvements, replace load with a modified Mortality Scape 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.
- Adjusted withdrawal rates to better fit experience at each year and service through 9 years of service.
- No change to disability rates.
- No changes to salary scale.
- No change to line of duty rates.
- No change to discount rate.

COMPLIANCE SECTION

**INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL
OVER FINANCIAL REPORTING AND ON COMPLIANCE AND
OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL
STATEMENTS PERFORMED IN ACCORDANCE WITH
GOVERNMENT AUDITING STANDARDS**

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

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the financial statements of the governmental activities, business-type activities, each major fund and the aggregate remaining fund information of the Town of Wakefield, Virginia, as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise the Town of Wakefield, Virginia's basic financial statements, and have issued our report thereon dated October 6, 2023.

Report on Internal Control over Financial Reporting

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

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

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented or detected and corrected on a timely basis. We consider the deficiency described in the accompanying schedule of findings and responses to be a material weakness in internal control over financial reporting (see 2023-001).

A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

We consider the deficiency described in the accompanying schedule of findings and responses to be a significant deficiency in internal control over financial reporting (see 2023-002).

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether Town of Wakefield, Virginia's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion.

The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Town of Wakefield, Virginia's Response to Findings

Government Auditing Standards requires the auditor to perform limited procedures on the Town of Wakefield, Virginia's response to the findings identified in our audit and described in the accompanying schedule of findings and responses. The Town of Wakefield, Virginia's response was not subjected to the other auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on the response.

Purpose of this Report

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

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

CERTIFIED PUBLIC ACCOUNTANTS

Newport News, Virginia
October 6, 2023

TOWN OF WAKEFIELD, VIRGINIA
SCHEDULE OF FINDINGS AND RESPONSES
June 30, 2023

Finding 2023-001: Segregation of Duties (Material Weakness)

Criteria

Duties within the accounting system should be properly segregated.

Condition

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

Cause

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

Effect

This situation may result in defalcation or errors being undetected.

Recommendation

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

Management response

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

Finding 2023-002: Audit Adjustments (Significant Deficiency)

Criteria

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

Condition

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

Cause

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

Effect

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

Recommendation

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

Management response

Recommendations made by auditors will be implemented.

TOWN OF WAKEFIELD, VIRGINIA

SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
June 30, 2023

2022-001: Segregation of Duties (Material Weakness)

Condition

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

Recommendation

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

Current Status

See current year Finding 2023-001.

2022-002: Audit Adjustments (Significant Deficiency)

Condition

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

Recommendation

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

Current Status

See current year Finding 2023-002.

STATISTICAL SECTION

TOWN OF WAKEFIELD, VIRGINIA

NET POSITION BY COMPONENT - LAST TEN FISCAL YEARS

	Fiscal Year									
	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
GOVERNMENTAL ACTIVITIES										
Net investment in capital assets	\$ 228,946	\$ 260,152	\$ 288,869	\$ 280,071	\$ 324,333	\$ 270,909	\$ 193,628	\$ 225,577	\$ 226,040	\$ 270,094
Restricted for permanent fund	1,786	1,832	1,760	2,251	42,143	41,884	41,302	41,921	41,876	42,023
Restricted for pensions	-	155,705	17,459	15,821	1,516	-	-	586	11,042	-
Unrestricted	2,071,777	1,682,618	1,709,678	1,384,378	1,291,311	1,295,001	1,123,448	1,221,506	1,099,404	874,513
Total governmental activities net position	<u>\$ 2,302,509</u>	<u>\$ 2,100,307</u>	<u>\$ 2,017,766</u>	<u>\$ 1,682,521</u>	<u>\$ 1,659,303</u>	<u>\$ 1,607,794</u>	<u>\$ 1,358,378</u>	<u>\$ 1,489,590</u>	<u>\$ 1,378,362</u>	<u>\$ 1,186,630</u>
BUSINESS-TYPE ACTIVITIES										
Net investment in capital assets	\$ 2,938,583	\$ 2,513,389	\$ 2,566,477	\$ 2,675,462	\$ 2,297,763	\$ 2,106,108	\$ 2,136,580	\$ 1,870,693	\$ 1,388,348	\$ 1,347,998
Restricted for pensions	-	117,688	11,969	7,619	405	-	-	171	1,420	-
Unrestricted	213,437	152,203	203,033	183,408	223,287	194,210	184,687	207,107	145,083	62,339
Total business-type activities net position	<u>\$ 3,152,020</u>	<u>\$ 2,783,280</u>	<u>\$ 2,781,479</u>	<u>\$ 2,866,489</u>	<u>\$ 2,521,455</u>	<u>\$ 2,300,318</u>	<u>\$ 2,321,267</u>	<u>\$ 2,077,971</u>	<u>\$ 1,534,851</u>	<u>\$ 1,410,337</u>
PRIMARY GOVERNMENT										
Net investment in capital assets	\$ 3,167,529	\$ 2,773,541	\$ 2,855,346	\$ 2,955,533	\$ 2,622,096	\$ 2,377,017	\$ 2,330,208	\$ 2,096,270	\$ 1,614,388	\$ 1,618,092
Restricted for permanent fund	1,786	1,832	1,760	2,251	42,143	41,884	41,302	41,921	41,876	42,023
Restricted for pensions	-	273,393	29,428	23,440	1,921	-	-	757	12,462	-
Unrestricted	2,285,214	1,834,821	1,912,711	1,567,786	1,514,598	1,489,211	1,308,135	1,428,613	1,244,487	936,852
Total primary government net position	<u>\$ 5,454,529</u>	<u>\$ 4,883,587</u>	<u>\$ 4,799,245</u>	<u>\$ 4,549,010</u>	<u>\$ 4,180,758</u>	<u>\$ 3,908,112</u>	<u>\$ 3,679,645</u>	<u>\$ 3,567,561</u>	<u>\$ 2,913,213</u>	<u>\$ 2,596,967</u>

See Independent Auditor's Report.

TOWN OF WAKEFIELD, VIRGINIA

CHANGES IN NET POSITION - LAST TEN FISCAL YEARS

	Fiscal Year									
	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
EXPENSES										
Governmental activities:										
General government administration	\$ 304,599	\$ 346,819	\$ 362,373	\$ 326,160	\$ 288,234	\$ 287,102	\$ 275,860	\$ 252,234	\$ 280,136	\$ 299,223
Public safety	141,391	123,595	124,506	129,857	123,416	117,530	124,539	130,871	104,626	107,198
Public works	77,902	100,081	67,635	77,468	183,967	172,367	175,765	169,621	182,088	130,457
Parks, recreation and cultural	53,936	16,510	19,248	25,500	26,266	30,314	16,081	22,192	26,170	11,190
Community development	-	-	-	-	-	-	-	124,776	-	15,818
Total governmental activities expenses	577,828	587,005	573,762	558,985	621,883	607,313	592,245	699,694	593,020	563,886
Business-type activities:										
Public utility	1,707,881	1,444,329	1,218,813	1,312,254	1,333,911	1,260,827	1,289,260	1,233,896	1,394,066	1,323,717
Airport Commission expenses	142,690	173,849	148,052	151,070	172,711	198,148	277,501	166,660	207,804	174,207
Total business-type activities expenses	1,850,571	1,618,178	1,366,865	1,463,324	1,506,622	1,458,975	1,566,761	1,400,556	1,601,870	1,497,924
Total primary government expenses	<u>\$ 2,428,399</u>	<u>\$ 2,205,183</u>	<u>\$ 1,940,627</u>	<u>\$ 2,022,309</u>	<u>\$ 2,128,505</u>	<u>\$ 2,066,288</u>	<u>\$ 2,159,006</u>	<u>\$ 2,100,250</u>	<u>\$ 2,194,890</u>	<u>\$ 2,061,810</u>
PROGRAM REVENUES										
Governmental activities:										
Operating grants and contributions	\$ -	\$ -	\$ 144,868	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Business-type activities:										
Charges for services	1,767,363	1,561,522	1,490,654	1,517,588	1,723,060	1,710,057	1,629,148	1,671,992	1,818,629	1,589,137
Capital grants and contributions	464,324	-	-	-	-	-	-	-	-	-
Operating grants and contributions	2,738	75,914	4,010	312,457	97,713	-	33,986	420,637	174,663	5,451
Total business-type activities program revenues	2,234,425	1,637,436	1,494,664	1,830,045	1,820,773	1,710,057	1,663,134	2,092,629	1,993,292	1,594,588
Total primary government program revenues	<u>\$ 2,234,425</u>	<u>\$ 1,637,436</u>	<u>\$ 1,639,532</u>	<u>\$ 1,830,045</u>	<u>\$ 1,820,773</u>	<u>\$ 1,710,057</u>	<u>\$ 1,663,134</u>	<u>\$ 2,092,629</u>	<u>\$ 1,993,292</u>	<u>\$ 1,594,588</u>
NET (EXPENSE) REVENUE										
Governmental activities	\$ (577,828)	\$ (587,005)	\$ (428,894)	\$ (558,985)	\$ (621,883)	\$ (607,313)	\$ (592,245)	\$ (699,694)	\$ (593,020)	\$ (563,886)
Business-type activities	383,854	19,258	127,799	366,721	314,151	251,082	96,373	692,073	391,422	96,664
Total primary government net expense	<u>\$ (193,974)</u>	<u>\$ (567,747)</u>	<u>\$ (301,095)</u>	<u>\$ (192,264)</u>	<u>\$ (307,732)</u>	<u>\$ (356,231)</u>	<u>\$ (495,872)</u>	<u>\$ (7,621)</u>	<u>\$ (201,598)</u>	<u>\$ (467,222)</u>

(Continued)

See Independent Auditor's Report.

TOWN OF WAKEFIELD, VIRGINIA

CHANGES IN NET POSITION - LAST TEN FISCAL YEARS

	Fiscal Year									
	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
GENERAL REVENUES AND OTHER CHANGES IN NET POSITION										
Governmental activities:										
General property taxes	\$ 111,598	\$ 86,121	\$ 79,723	\$ 77,330	\$ 84,243	\$ 81,548	\$ 84,724	\$ 84,301	\$ 81,945	\$ 83,582
Meals taxes	303,319	266,229	192,170	189,656	-	0	227,106	246,858	231,690	227,311
Other local taxes	146,698	133,863	159,807	139,963	361,818	390,657	103,127	76,076	83,126	44,950
Revenues from use of money and property	14,159	10,325	7,394	15,181	8,216	9,062	9,157	8,795	8,486	9,384
Permits, privilege fees, and regulatory licenses	180	196	200	140	90	248	170	450	100	40
Fines and forfeitures	46,979	26,540	18,292	13,344	5,594	1,939	772	180	1,140	390
Recovered costs	-	-	1,064	16,420	4,033	3,695	16,968	8,834	11,662	10,942
Revenues from other sources	12,762	4,801	4,575	6,420	8,316	3,938	29,984	21,912	9,289	965
Intergovernmental - Commonwealth of Virginia	71,668	70,145	65,327	62,965	59,466	57,573	59,599	58,422	58,341	58,604
Transfers	72,667	71,326	235,587	60,784	141,616	308,069	(70,574)	305,094	298,973	122,563
Total governmental activities	<u>780,030</u>	<u>669,546</u>	<u>764,139</u>	<u>582,203</u>	<u>673,392</u>	<u>856,729</u>	<u>461,033</u>	<u>810,922</u>	<u>784,752</u>	<u>558,731</u>
Business-type activities:										
Revenues from other sources	57,553	53,869	22,778	39,097	39,562	32,547	38,211	31,365	32,065	35,706
Payments from (to) the Town	-	-	-	-	9,040	3,491	(11,862)	124,776	-	15,818
Transfers	(72,667)	(71,326)	(235,587)	(60,784)	(141,616)	(308,069)	70,574	(305,094)	(298,973)	(122,563)
Total business-type activities	<u>(15,114)</u>	<u>(17,457)</u>	<u>(212,809)</u>	<u>(21,687)</u>	<u>(93,014)</u>	<u>(272,031)</u>	<u>96,923</u>	<u>(148,953)</u>	<u>(266,908)</u>	<u>(71,039)</u>
Total primary government	<u>\$ 764,916</u>	<u>\$ 652,089</u>	<u>\$ 551,330</u>	<u>\$ 560,516</u>	<u>\$ 580,378</u>	<u>\$ 584,698</u>	<u>\$ 557,956</u>	<u>\$ 661,969</u>	<u>\$ 517,844</u>	<u>\$ 487,692</u>
CHANGE IN NET POSITION										
Governmental activities	\$ 202,202	\$ 82,541	\$ 335,245	\$ 23,218	\$ 51,509	\$ 249,416	\$ (131,212)	\$ 111,228	\$ 191,732	\$ (5,155)
Business-type activities	368,740	1,801	(85,010)	345,034	221,137	(20,949)	193,296	543,120	124,514	25,625
Total primary government	<u>\$ 570,942</u>	<u>\$ 84,342</u>	<u>\$ 250,235</u>	<u>\$ 368,252</u>	<u>\$ 272,646</u>	<u>\$ 228,467</u>	<u>\$ 62,084</u>	<u>\$ 654,348</u>	<u>\$ 316,246</u>	<u>\$ 20,470</u>

See Independent Auditor's Report.

TOWN OF WAKEFIELD, VIRGINIA

FUND BALANCES - GOVERNMENTAL FUNDS - LAST TEN FISCAL YEARS

		Fiscal Year									
		2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
GENERAL FUND											
Unassigned		\$ 1,792,017	\$ 1,496,564	\$ 1,466,969	\$ 1,319,072	\$ 1,277,030	\$ 1,271,688	\$ 1,090,629	\$ 1,174,692	\$ 1,054,079	\$ 810,297
Total general fund		<u>\$ 1,792,017</u>	<u>\$ 1,496,564</u>	<u>\$ 1,466,969</u>	<u>\$ 1,319,072</u>	<u>\$ 1,277,030</u>	<u>\$ 1,271,688</u>	<u>\$ 1,090,629</u>	<u>\$ 1,174,692</u>	<u>\$ 1,054,079</u>	<u>\$ 810,297</u>
ALL OTHER GOVERNMENT FUNDS											
Committed		\$ 40,526	\$ 40,503	\$ 40,462	\$ 40,000	\$ 40,000	\$ 40,000	\$ 40,000	\$ 40,000	\$ 40,000	\$ 40,000
Restricted		<u>1,786</u>	<u>1,832</u>	<u>1,760</u>	<u>2,251</u>	<u>2,143</u>	<u>1,884</u>	<u>1,302</u>	<u>1,921</u>	<u>1,876</u>	<u>1,973</u>
Total all other governmental funds		<u>\$ 42,312</u>	<u>\$ 42,335</u>	<u>\$ 42,222</u>	<u>\$ 42,251</u>	<u>\$ 42,143</u>	<u>\$ 41,884</u>	<u>\$ 41,302</u>	<u>\$ 41,921</u>	<u>\$ 41,876</u>	<u>\$ 41,973</u>

See Independent Auditor's Report.

TOWN OF WAKEFIELD, VIRGINIA

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

	Fiscal Year									
	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
REVENUES										
General property taxes	\$ 111,598	\$ 86,121	\$ 79,723	\$ 77,330	\$ 84,243	\$ 81,548	\$ 84,724	\$ 84,301	\$ 81,945	\$ 83,582
Other local taxes	450,017	400,092	351,977	329,619	361,818	390,657	330,233	322,934	314,816	272,261
Revenue from use of money and property	14,159	10,325	7,394	15,181	8,216	9,062	9,157	8,795	8,486	9,384
Permits, privilege fees, and regulatory licenses	180	196	200	140	90	248	170	450	100	40
Fines and forfeitures	46,979	26,540	18,292	13,344	5,594	1,939	772	180	1,140	390
Recovered costs	37,701	-	1,064	16,420	4,033	3,695	16,968	8,834	11,662	10,942
Miscellaneous	12,762	4,801	4,575	6,420	8,316	3,938	18,122	21,912	9,289	965
Intergovernmental - Commonwealth of Virginia	71,668	7,145	65,327	62,965	59,466	57,573	59,599	58,422	58,341	58,604
Federal	-	-	144,868	-	-	-	-	-	-	-
Total revenues	745,064	535,220	673,420	521,419	531,776	548,660	519,745	505,828	485,779	436,168
EXPENDITURES										
General government administration	268,854	249,380	526,362	345,903	279,623	278,492	262,688	243,908	231,254	252,987
Public safety	129,970	117,294	112,516	107,454	95,419	91,807	101,093	107,425	104,626	107,198
Public works	107,810	79,371	48,449	59,937	166,239	157,086	164,246	156,744	184,416	133,717
Parks, recreation and cultural	36,097	16,510	19,248	25,500	26,266	30,314	16,081	22,318	26,284	11,350
Community development	-	-	-	-	-	-	-	124,776	-	-
Capital projects	16,444	21,000	61,913	12,876	111,631	128,551	12,548	45,818	5,000	7,280
Total expenditures	559,175	483,555	768,488	551,670	679,178	686,250	556,656	700,989	551,580	512,532
Excess (deficiency) of revenues over (under) expenditures	185,889	114,665	(95,068)	(30,251)	(147,402)	(137,590)	(36,911)	(195,161)	(65,801)	(76,364)
OTHER FINANCING SOURCES (USES)										
Operating transfers in	193,342	87,697	249,150	73,783	162,990	322,402	153,352	525,090	507,462	236,761
Operating transfers out	(120,675)	(16,371)	(13,563)	(12,999)	(21,374)	(14,333)	(212,064)	(219,996)	(208,489)	(114,198)
Loan to fire department	-	(167,925)	-	-	-	-	-	-	-	-
Note receivable repayments	36,874	11,642	7,349	11,617	11,387	11,162	10,941	10,725	10,513	10,305
Total other financing sources (uses)	109,541	(84,957)	242,936	72,401	153,003	319,231	(47,771)	315,819	309,486	132,868
Net change in fund balances	\$ 295,430	\$ 29,708	\$ 147,868	\$ 42,150	\$ 5,601	\$ 181,641	\$ (84,682)	\$ 120,658	\$ 243,685	\$ 56,504

See Independent Auditor's Report.

TOWN OF WAKEFIELD, VIRGINIA

ASSESSED VALUE OF TAXABLE PROPERTY - LAST TEN FISCAL YEARS

Fiscal Year Ended June 30,	Real Estate	Personal Property	Public Service Corporations	Total Taxable Assessed Value
2023	\$ 67,027,712	\$ 9,227,462	\$ 4,768,315	\$ 81,023,489
2022	\$ 52,753,512	\$ 6,679,594	\$ 3,941,966	\$ 63,375,072
2021	\$ 52,812,812	\$ 5,237,923	\$ 4,323,741	\$ 62,374,476
2020	\$ 52,641,112	\$ 5,858,660	\$ 4,209,997	\$ 62,709,769
2019	\$ 52,194,712	\$ 5,803,895	\$ 4,313,933	\$ 62,312,540
2018	\$ 49,054,871	\$ 6,271,633	\$ 3,175,615	\$ 58,502,119
2017	\$ 48,831,653	\$ 5,892,730	\$ 4,373,220	\$ 59,097,603
2016	\$ 49,163,113	\$ 6,402,419	\$ 4,136,636	\$ 59,702,168
2015	\$ 49,177,913	\$ 6,463,406	\$ 3,741,551	\$ 59,382,870
2014	\$ 48,321,013	\$ 6,086,074	\$ 4,032,988	\$ 58,440,075

Source: Commissioner of Revenue, Sussex County

TOWN OF WAKEFIELD, VIRGINIA

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

Fiscal Year Ended June 30,	Real Estate	Personal Property	Public Service Corporations	Machinery and Tools	Mobile Homes
2023	\$ 0.093	\$ 0.860	\$ 0.093	\$ 0.860	\$ 0.093
2022	\$ 0.093	\$ 0.860	\$ 0.093	\$ 0.860	\$ 0.093
2021	\$ 0.093	\$ 0.860	\$ 0.093	\$ 0.860	\$ 0.093
2020	\$ 0.093	\$ 0.860	\$ 0.093	\$ 0.860	\$ 0.093
2019	\$ 0.093	\$ 0.860	\$ 0.093	\$ 0.860	\$ 0.093
2018	\$ 0.093	\$ 0.860	\$ 0.093	\$ 0.860	\$ 0.093
2017	\$ 0.093	\$ 0.860	\$ 0.093	\$ 0.860	\$ 0.093
2016	\$ 0.093	\$ 0.860	\$ 0.093	\$ 0.860	\$ 0.093
2015	\$ 0.093	\$ 0.860	\$ 0.093	\$ 0.860	\$ 0.093
2014	\$ 0.093	\$ 0.860	\$ 0.093	\$ 0.860	\$ 0.093

Source: Commissioner of Revenue, Sussex County

TOWN OF WAKEFIELD, VIRGINIA

PRINCIPAL TAXPAYERS CURRENT YEAR AND NINE YEARS AGO

Taxpayer	2023			2014		
	Total Taxes Paid	Rank	Percentage of Total Town Tax Revenue	Total Taxes Paid	Rank	Percentage of Total Town Tax Revenue
Virginia Diner	\$ 13,229	1	2.36%	\$ 12,860	1	3.61%
Wakefield Farm Service	6,440	2	1.15%	3,330	2	0.94%
7-Eleven	2,708	3	0.48%	n/a	n/a	n/a
Indmar Coatings/Wilmer Rowe	2,280	4	0.41%	786	9	0.22%
Wakefield IGA	2,144	5	0.38%	2,013	3	0.57%
Norfolk & Western Railroad	1,421	6	0.25%	1,042	7	0.00%
Richard E. and Sandra P. Rickmond	1,271	7	0.23%	861	8	0.24%
Virginia Electric & Power Co.	1,265	8	0.23%	1,059	5	0.00%
Jenkins Properties	791	9	0.14%	n/a	n/a	n/a
Bank of Southside Virginia	780	10	0.14%	n/a	n/a	n/a
Golden Peanut	n/a	n/a	n/a	1,605	4	0.45%
Mac's / Uppy's	n/a	n/a	n/a	1,057	6	0.30%
Southside Investments	n/a	n/a	n/a	709	10	0.20%
	<u>\$ 32,329</u>		<u>5.76%</u>	<u>\$ 25,322</u>		<u>6.53%</u>

Source: Town of Wakefield Office

TOWN OF WAKEFIELD, VIRGINIA

PROPERTY TAX LEVIES AND COLLECTIONS - LAST TEN FISCAL YEARS

Fiscal Year Ended June 30,	Taxes Levied for the Fiscal Year	Collected within the Fiscal Year of the Levy		Collections in Subsequent Years (a)	Total Collections to Date	
		Amount	Percentage of Levy		Amount	Percentage of Levy
2023	\$ 111,281	\$ 104,750	94.13%	-	\$ 104,750	94.13%
2022	\$ 85,460	\$ 82,006	95.96%	-	\$ 82,006	95.96%
2021	\$ 77,251	\$ 72,082	93.31%	-	\$ 72,082	93.31%
2020	\$ 82,091	\$ 75,252	91.67%	-	\$ 75,252	91.67%
2019	\$ 83,103	\$ 79,183	95.28%	-	\$ 79,183	95.28%
2018	\$ 81,055	\$ 76,736	94.67%	-	\$ 76,736	94.67%
2017	\$ 83,889	\$ 79,983	95.34%	-	\$ 79,983	95.34%
2016	\$ 84,383	\$ 81,243	96.28%	-	\$ 81,243	96.28%
2015	\$ 82,962	\$ 79,860	96.26%	-	\$ 79,860	96.26%
2014	\$ 81,883	\$ 80,489	98.30%	-	\$ 80,489	98.30%

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

Source: Town of Wakefield Office

See Independent Auditor's Report.

TOWN OF WAKEFIELD, VIRGINIA

FULL-TIME EQUIVALENT CITY GOVERNMENT EMPLOYEES BY FUNCTION/PROGRAM

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

OPERATING INDICATORS BY FUNCTION/PROGRAM

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

CAPITAL ASSET STATISTICS BY FUNCTION/PROGRAM

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