

TOWN OF REMINGTON, VIRGINIA
FINANCIAL STATEMENTS - MODIFIED CASH BASIS
YEAR ENDED JUNE 30, 2020

TOWN OF REMINGTON, VIRGINIA

June 30, 2020

MAYOR

William E. Polk, Jr.

TOWN COUNCIL

Van M. Loving, Vice Mayor
Evan H. "Skeet" Ashby, III
Susan L. Tiffany
Stanley L. Heaney, Sr.
Amanda B. Hart
Richard Heflin

TOWN OFFICIALS

David Burrelli
Town Administrator

Rachael R. Brinson
Town Clerk

Carol Stalter
Town Treasurer

Charles T. Proffitt
Police Chief

Andrea G. Erard
Zoning Administrator/Town Attorney

James E. Steward
Superintendent

TABLE OF CONTENTS

	<u>Page</u>
Independent Auditors' Report	1-2
 <u>Financial Statements:</u>	
Exhibit 1 Statement of Net Position - Modified Cash Basis	3
Exhibit 2 Statement of Activities - Modified Cash Basis	4-5
Exhibit 3 Balance Sheet - Governmental Funds - Modified Cash Basis	6
Exhibit 4 Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds - Modified Cash Basis	7
Exhibit 5 Statement of Revenues, Expenses and Changes in Net Position - Water Fund - Modified Cash Basis	8
Notes to Financial Statements	9-16
 <u>Supplementary Information:</u>	
Exhibit 6 Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual - General Fund and Special Revenue Funds - Modified Cash Basis	17-18
 <u>Supporting Schedule:</u>	
Schedule 1 Schedule of Revenues - Budget and Actual - Governmental Funds - Modified Cash Basis	19-20



ROBINSON, FARMER, COX ASSOCIATES, PLLC

Certified Public Accountants

INDEPENDENT AUDITORS' REPORT

**TO THE HONORABLE MEMBERS OF THE TOWN COUNCIL
TOWN OF REMINGTON, VIRGINIA
REMINGTON, VIRGINIA**

We have audited the accompanying modified cash basis financial statements of the governmental activities, business-type activities, and each major fund of the Town of Remington, Virginia, as of and for the year ended June 30, 2020, and the related notes to the financial statements which collectively comprise the Town of Remington, Virginia's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with the modified cash basis of accounting described in Note 1; this includes determining that the modified cash basis of accounting is an acceptable basis for the preparation of the financial statements in the circumstances. Management is also responsible for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective modified cash basis financial position of the governmental activities, the business-type activities, and each major fund of the Town of Remington, Virginia, as of June 30, 2020, and the respective changes in modified cash basis financial position thereof for the year then ended in accordance with the modified cash basis of accounting described in Note 1.

Basis of Accounting

We draw attention to Note 1 of the financial statements, which describes the basis of accounting. The financial statements are prepared on the modified cash basis of accounting, which is a basis of accounting other than accounting principles generally accepted in the United States of America. Our opinions are not modified with respect to this matter.

Other Matters

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Town of Remington, Virginia's basic financial statements. The budgetary comparison information and supporting schedule are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The budgetary comparison information presented on pages 17-18 and supporting schedule presented on pages 19-20 are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the budgetary comparison information and supporting schedule are fairly stated in all material respects in relation to the basic financial statements as a whole.

Robinson, Farmer, Cox Associates

Charlottesville, Virginia
November 16, 2022

- Financial Statements -

This page intentionally left blank

Statement of Net Position - Modified Cash Basis
At June 30, 2020

	<u>Governmental Activities</u>	<u>Business- type Activities</u>	<u>Total</u>
<u>Assets</u>			
Cash and cash equivalents	\$ <u>575,745</u>	\$ <u>822,235</u>	\$ <u>1,397,980</u>
Total assets	\$ <u><u>575,745</u></u>	\$ <u><u>822,235</u></u>	\$ <u><u>1,397,980</u></u>
<u>Liabilities</u>			
Current liabilities:			
Accrued liabilities	\$ <u>1,929</u>	\$ <u>1,476</u>	\$ <u>3,405</u>
Refundable deposits	<u>-</u>	<u>38,840</u>	<u>38,840</u>
Total liabilities	\$ <u><u>1,929</u></u>	\$ <u><u>40,316</u></u>	\$ <u><u>42,245</u></u>
<u>Net Position</u>			
Unrestricted	\$ <u>573,816</u>	\$ <u>781,919</u>	\$ <u>1,355,735</u>
Total liabilities and net position	\$ <u><u>575,745</u></u>	\$ <u><u>822,235</u></u>	\$ <u><u>1,397,980</u></u>

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

TOWN OF REMINGTON, VIRGINIA

Statement of Activities - Modified Cash Basis
Year Ended June 30, 2020

Functions/Programs	Expenses	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Loans
Governmental activities:				
Salaries and benefits	\$ 130,922	\$ 27,146	\$ -	\$ -
Repairs and maintenance	12,990	-	-	-
Utilities	2,065	540	-	-
General and administrative	40,928	-	-	-
Professional fees	7,413	-	-	-
Other fees	3,545	-	-	-
Other expenses	11,091	-	-	-
Police department	61,021	6,996	28,103	-
Street, lights and sidewalks	8,405	-	-	-
Capital outlays	85,991	-	-	-
Cemetery	17,461	15,850	-	-
DMV	154,142	-	132,508	-
Cemetery Trust	9,159	7,200	-	-
Total governmental activities	\$ 545,133	\$ 57,732	\$ 160,611	\$ -
Business-type activities:				
Water	314,201	354,807	-	-
Total primary government	\$ 859,334	\$ 412,539	\$ 160,611	\$ -

General revenues:

General property taxes

Other local taxes

Unrestricted revenues from use of money and property

Miscellaneous

Total general revenues

Change in net position

Net position - beginning

Net position - ending

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

Exhibit 2

Net (Expense) Revenue and Changes in Net Position		
Primary Government		
Governmental Activities	Business- type Activities	Total
\$ (103,776)	\$ -	\$ (103,776)
(12,990)	-	(12,990)
(1,525)	-	(1,525)
(40,928)	-	(40,928)
(7,413)	-	(7,413)
(3,545)	-	(3,545)
(11,091)	-	(11,091)
(25,922)	-	(25,922)
(8,405)	-	(8,405)
(85,991)	-	(85,991)
(1,611)	-	(1,611)
(21,634)	-	(21,634)
(1,959)	-	(1,959)
\$ (326,790)	\$ -	\$ (326,790)
-	40,606	40,606
\$ (326,790)	\$ 40,606	\$ (286,184)
\$ 104,633	\$ -	\$ 104,633
72,987	-	72,987
35,896	1,453	37,349
3,352	175	3,527
\$ 216,868	\$ 1,628	\$ 218,496
\$ (109,922)	\$ 42,234	\$ (67,688)
683,738	739,685	1,423,423
\$ 573,816	\$ 781,919	\$ 1,355,735

Balance Sheet - Governmental Funds - Modified Cash Basis
At June 30, 2020

	Governmental Funds				Totals
	General Fund	Cemetery Fund	DMV Fund	Cemetery Trust Fund	
<u>Assets</u>					
Cash and cash equivalents	\$ 92,106	\$ 11,848	\$ 102,209	\$ 369,582	\$ 575,745
Total assets	<u>\$ 92,106</u>	<u>\$ 11,848</u>	<u>\$ 102,209</u>	<u>\$ 369,582</u>	<u>\$ 575,745</u>
<u>Liabilities</u>					
Accrued liabilities	\$ 1,211	\$ -	\$ 718	\$ -	\$ 1,929
Total liabilities	<u>\$ 1,211</u>	<u>\$ -</u>	<u>\$ 718</u>	<u>\$ -</u>	<u>\$ 1,929</u>
<u>Fund Balance</u>					
Nonspendable:					
Permanent fund principal	\$ -	\$ -	\$ -	\$ 358,419	\$ 358,419
Committed:					
Cemetery	-	11,848	-	11,163	23,011
DMV	-	-	101,491	-	101,491
Unassigned:					
General	<u>90,895</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>90,895</u>
Total fund balances	<u>\$ 90,895</u>	<u>\$ 11,848</u>	<u>\$ 101,491</u>	<u>\$ 369,582</u>	<u>\$ 573,816</u>
Total liabilities and fund balances	<u>\$ 92,106</u>	<u>\$ 11,848</u>	<u>\$ 102,209</u>	<u>\$ 369,582</u>	<u>\$ 575,745</u>

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

Statement of Revenues, Expenditures and Changes in Fund Balances
Governmental Funds - Modified Cash Basis
Year Ended June 30, 2020

	Governmental Funds				Totals
	General Fund	Cemetery Fund	DMV Fund	Cemetery Trust Fund	
Revenues:					
General property taxes	\$ 104,633	\$ -	\$ -	\$ -	\$ 104,633
Other local taxes	72,987	-	-	-	72,987
Permits, privilege fees and regulatory licenses	27,686	-	-	-	27,686
Fines and forfeitures	6,996	-	-	-	6,996
Revenue from use of money and property	2,200	5,482	-	28,214	35,896
Charges for services	-	15,850	-	7,200	23,050
Miscellaneous	3,352	-	-	-	3,352
Intergovernmental:					
Commonwealth	28,103	-	132,508	-	160,611
Total revenues	<u>\$ 245,957</u>	<u>\$ 21,332</u>	<u>\$ 132,508</u>	<u>\$ 35,414</u>	<u>\$ 435,211</u>
Expenditures:					
Salaries and benefits	\$ 130,922	\$ -	\$ -	\$ -	\$ 130,922
Repairs and maintenance	12,990	-	-	-	12,990
Utilities	2,065	-	-	-	2,065
General and administrative	40,928	-	-	-	40,928
Professional fees	7,413	-	-	-	7,413
Other fees	3,545	-	-	-	3,545
Other expenses	11,091	-	-	-	11,091
Police department	61,021	-	-	-	61,021
Street, lights and sidewalks	8,405	-	-	-	8,405
Capital outlays	85,991	-	-	-	85,991
Cemetery	-	17,461	-	-	17,461
DMV	-	-	154,142	-	154,142
Cemetery Trust	-	-	-	9,159	9,159
Total expenditures	<u>\$ 364,371</u>	<u>\$ 17,461</u>	<u>\$ 154,142</u>	<u>\$ 9,159</u>	<u>\$ 545,133</u>
Excess (deficiency) of revenues over (under) expenditures	<u>\$ (118,414)</u>	<u>\$ 3,871</u>	<u>\$ (21,634)</u>	<u>\$ 26,255</u>	<u>\$ (109,922)</u>
Net change in fund balances	<u>\$ (118,414)</u>	<u>\$ 3,871</u>	<u>\$ (21,634)</u>	<u>\$ 26,255</u>	<u>\$ (109,922)</u>
Fund balances at beginning of year	<u>209,309</u>	<u>7,977</u>	<u>123,125</u>	<u>343,327</u>	<u>683,738</u>
Fund balances at end of year	<u>\$ 90,895</u>	<u>\$ 11,848</u>	<u>\$ 101,491</u>	<u>\$ 369,582</u>	<u>\$ 573,816</u>

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

Statement of Revenues, Expenses and Changes in Net Position -
 Water Fund - Modified Cash Basis
 Year Ended June 30, 2020

		Proprietary Funds
		Enterprise
Revenues:		
Water fees	\$	328,612
Service fees		11,195
Tap fees		15,000
Interest		1,453
Miscellaneous		175
Total revenues	\$	<u>356,435</u>
Expenses:		
Salaries and benefits	\$	129,560
Water		15,745
Repairs and maintenance		19,097
Utilities		11,808
General and administrative		18,503
Professional fees		7,413
Capital outlays		<u>112,075</u>
Total expenses	\$	<u>314,201</u>
Excess (deficiency) of revenues over (under) expenses	\$	42,234
Net position at beginning of year		<u>739,685</u>
Net position at end of year	\$	<u><u>781,919</u></u>

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

TOWN OF REMINGTON, VIRGINIA

Notes to Financial Statements As of June 30, 2020

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:

The accounts and records of the Town are maintained on a modified cash basis of accounting, a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America (GAAP). This basis of presentation differs from GAAP in that it reflects only certain receivables and payables; inventories, accrued income and expenses, capital assets, and depreciation, which are estimated to be material in amount, are not reflected, and these statements do not present the overall financial position or results of operations. Minor additions and replacements of furniture and equipment intended to be paid for out of normally recurring income are included in expenditures in lieu of depreciation in the financial statements. Consequently, certain revenues and expenditures are recognized in the determination of income in different reporting periods than they would be if the financial statements were prepared in conformity with generally accepted accounting principles.

A. Financial Reporting Entity

The government is a municipal corporation governed by a mayor and six-member council. These financial statements present the primary government. There are no component units for the Town of Remington.

B. Financial Statement Presentation

The financial statements are required to be accompanied by a narrative introduction and analytical overview of the government's financial activities in the form of "management's discussion and analysis" (MD&A). Management has elected not to prepare its financial statements in accordance with MD&A reporting requirements.

The accounts are organized on the basis of fund classifications, each of which is considered to be a separate accounting entity. The operations of each fund are accounted for by providing a separate set of self-balancing accounts which comprise its assets, liabilities, net position, revenues and expenditures. The various funds are grouped in the financial statements as follows:

1. Governmental Funds:

Governmental Funds are those through which most governmental functions typically are financed. The government reports the following major governmental funds.

a. General Fund:

The General Fund is the primary operating fund of the Town. This fund is used to account for and report all financial transactions and resources except those required to be accounted for and reported in another fund. Revenues are derived primarily from property and other local taxes, state and federal distributions, licenses, permits, charges for services, and interest income.

b. Special Revenue Funds:

Special Revenue Funds account for and report the proceeds of specific revenue sources that are restricted or committed to expenditure for specified purposes other than debt service or capital projects. Special Revenue Funds consist of the Cemetery Fund and DMV Fund.

TOWN OF REMINGTON, VIRGINIA

Notes to Financial Statements
As of June 30, 2020 (Continued)

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES: (Continued)

B. Financial Statement Presentation (Continued)

1. Governmental Funds: (Continued)

c. Permanent Funds:

Permanent Funds account for and report resources that are restricted to the extent that only earnings (and not principal) may be used for the purposes that support the government's programs (i.e. for the benefit of the government or its citizenry). Permanent Funds consist of the Cemetery Trust Fund.

2. Proprietary Funds:

Proprietary Funds account for operations that are financed in a manner similar to those found in private business enterprises. The measurement focus is upon determination of net income, financial position, and changes in financial position. Proprietary Funds consist of the Enterprise Fund.

Enterprise Fund:

Enterprise Funds account for the financing of services to the general public where all or most of the operating expenses involved are recorded in the form of charges to users of such services. Enterprise funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. Enterprise Funds consist of the Water Fund, which accounts for the operations of the Town's water system.

C. Budgets and Budgetary Accounting

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

1. Prior to year-end, the Town Council prepares a proposed operating budget for the fiscal year commencing the following July 1. The operating budget includes proposed expenditures and the means of financing them.
2. Public hearings are conducted to obtain citizen comments.
3. Prior to June 30, the budget is legally adopted by Town Council.
4. All budgets are adopted on a cash basis of accounting.
5. All budgetary data presented in the accompanying financial statements is the original budget as adopted.
6. The Town Council may legally amend the budget only by following procedures used in the adoption of the original budget.

TOWN OF REMINGTON, VIRGINIA

Notes to Financial Statements
As of June 30, 2020 (Continued)

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES: (Continued)

D. Cash and Cash Equivalents

The government's cash and cash equivalents are considered to be cash on hand, demand deposits, and short-term investments with original maturities of three months or less from the date of acquisition.

Investments for the government are reported at cost. The Local Government Investment Pool operates in accordance with appropriate state laws and regulations. The reported value of the pool is the same as the fair value of the pool shares.

E. Retirement Plan

Retirement plan contributions are actuarially determined and consist of current service costs and amortization of prior service costs over a 30-year period. The Town's policy is to fund pension cost as it accrues.

F. Property Taxes

The Town levies real estate and personal property taxes on property within its boundaries, except those specifically exempted by statute. These levies are assessed each year as of January 1 on the estimated market value of the property.

G. Fund Balance

The following classifications describe the relative strength of the spending constraints placed on the purposes for which resources can be used:

Nonspendable fund balance - amounts that are not in spendable form (such as inventory and prepaids) or are required to be maintained intact (corpus of a permanent fund);

Restricted fund balance - amounts that can be sent only for the specific purposes stipulated by external resource providers such as grantors or enabling federal, state, or local legislation. Restrictions may be changed or lifted only with the consent of the resource providers;

Committed fund balance - amounts that can be used only for the specific purposes determined by the adoption of an ordinance committing fund balance for a specified purpose by the Town Council prior to the end of the fiscal year. Once adopted, the limitation imposed by the ordinance remains in place until the resources have been spent for the specified purpose or the Council adopts another ordinance to remove or revise the limitation;

Assigned fund balance - amounts a government intends to use for a specific purpose but do not meet the criteria to be classified as committed; intent can be expressed by the governing body or by an official or body to which the governing body delegates the authority. Unlike commitments, assignments general only exist temporarily. In other words, an additional action does not normally have to be taken for the removal of an assignment. Conversely, as discussed above, an additional action is essential to either remove or revise a commitment;

Unassigned fund balance - amounts that are available for any purpose; positive amounts are only reported in the general fund. Additionally, any deficit fund balance within the other governmental fund types is reported as unassigned.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES: (Continued)

G. Fund Balance (Continued)

When fund balance resources are available for a specific purpose in more than one classification, it is the Town's policy to use the most restrictive funds first in the following order: restricted, committed, assigned, and unassigned as they are needed.

Town Council establishes (and modifies or rescinds) fund balance commitments by passage of an ordinance or resolution. This is typically done through adoption and amendment of the budget. A fund balance commitment is further indicated in the budget document as a designation or commitment of the fund (such as for special incentives).

H. Net Position

For government-wide reporting as well as in proprietary funds, the difference between assets and deferred outflows of resources less liabilities and deferred inflows of resources is called net position. Net position is comprised of three components: net investment in capital assets, restricted, and unrestricted.

- Net investment in capital assets consists of capital assets, net of accumulated depreciation and reduced by outstanding balances of bonds, notes, and other debt that are attributable to the acquisition, construction, or improvement of those assets. Deferred outflows of resources and deferred inflows of resources that are attributable to the acquisition, construction, or improvement of those assets or related debt are included in this component of net position.
- Restricted net position consists of restricted assets reduced by liabilities and deferred inflows of resources related to those assets. Assets are reported as restricted when constraints are placed on asset use either by external parties or by law through constitutional provision or enabling legislation.
- Unrestricted net position is the net amount of the assets, deferred outflows of resources, liabilities, and deferred inflows of resources that does not meet the definition of the two preceding categories.

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

I. Deferred Outflows/Inflows of Resources

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

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

TOWN OF REMINGTON, VIRGINIA

Notes to Financial Statements
As of June 30, 2020 (Continued)

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES: (Continued)

I. Deferred Outflows/Inflows of Resources (Continued)

Under the modified cash basis of accounting, deferred outflows and deferred inflows that do not arise from a cash transaction or event are not reported. Therefore, the Town does not have items to report in these categories for the year ended June 30, 2020.

NOTE 2 - DEPOSITS AND INVESTMENTS:

Deposits:

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

Investments:

Statutes authorize local governments and other public bodies to invest in obligations of the United States or agencies thereof, obligations of the Commonwealth of Virginia or political subdivisions thereof, obligations of the International Bank for Reconstruction and Development (World Bank), the Asian Development Bank, the African Development Bank, "prime quality" commercial paper that has received at least two of the following ratings: P-1 by Moody's Investors Services, Inc.; A-1 by Standard and Poor's; or F1 by Fitch Ratings, Inc. (Section 2.2-4502), banker's acceptances, repurchase agreements and the State Treasurer's Local Government Investment Pool (LGIP).

During the course of our audit, we have noted the Town has several unrated investments which are illegal in accordance with investment laws of the Code of Virginia. These unrated investments are disclosed below.

Credit Risk of Debt Securities:

The Town's rated debt investments as of June 30, 2020 were rated by Standard and Poor's and/or an equivalent national rating organization and the ratings are presented below using the Standard and Poor's rating scale.

Rated Debt Investments' Values		
Rated Debt Investments Value	Fair Quality Ratings	
Rated Debt Investments	AAAm	Unrated
Local Government Investment Pool	\$ 5,881	\$ -
Equities	-	165,533
Fixed income and other	-	192,886
Total	\$ 5,881	\$ 358,419

TOWN OF REMINGTON, VIRGINIA

Notes to Financial Statements
As of June 30, 2020 (Continued)

NOTE 2 - DEPOSITS AND INVESTMENTS: (Continued)

External Investment Pools:

The fair value of the positions in the external investment pool (Local Government Investment Pool) is the same as the value of the pool shares. As this pool is not SEC registered, regulatory oversight of the pool rests with the Virginia State Treasury. LGIP is an amortized cost basis portfolio. There are no withdrawal limitations or restrictions imposed on participants.

Interest Rate Risk:

The following is a summary of interest rate risk disclosure:

Investment Maturities (in years)		
Investment Type	Fair Value	Less Than 1 Year
Local Government Investment Pool	\$ 5,881	\$ 5,881
Total	\$ 5,881	\$ 5,881

NOTE 3 - PENSION PLAN:

All full-time, salaried permanent employees of the Town are automatically covered by VRS Retirement Plan upon employment. This is an agent multiple-employer plan 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.

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 employer contribution rate for the year ended June 30, 2020 was 8.80% of covered employee compensation. This rate was based on an actuarially determined rate from an actuarial valuation as of June 30, 2017.

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 \$15,417 and \$14,445 for the years ended June 30, 2020 and June 30, 2019, respectively.

TOWN OF REMINGTON, VIRGINIA

Notes to Financial Statements
As of June 30, 2020 (Continued)

NOTE 3 - PENSION PLAN: (Continued)

Net Pension Liability

The Town's net pension liability of \$78,320 was measured as of June 30, 2019. The total pension liability used to calculate the net pension liability was determined by an actuarial valuation performed as of June 30, 2018, rolled forward to the measurement date of June 30, 2019.

NOTE 4 - GROUP LIFE INSURANCE (GLI PLAN) (OPEB PLAN):

The Virginia Retirement System (VRS) Group Life Insurance (GLI) Plan provides coverage to state employees, teachers, and employees of participating political subdivisions. The GLI Plan was established pursuant to §51.1-500 et seq. of the *Code of Virginia*, as amended, and which provides the authority under which benefit terms are established or may be amended. The GLI Plan is a defined benefit plan that provides a basic group life insurance benefit for employees of participating employers. For purposes of measuring the net GLI OPEB Plan liability, deferred outflows of resources and deferred inflows of resources related to the GLI OPEB, and GLI OPEB expense, information about the fiduciary net position of the VRS GLI OPEB Plan and the additions to/deductions from the VRS GLI OPEB's net fiduciary position have been determined on the same basis as they were reported by VRS. In addition, benefit payments are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

All full-time, salaried permanent employees of the state agencies, teachers, and employees of participating political subdivisions are automatically covered by the VRS Group Life Insurance Plan upon employment. This is a cost-sharing multiple-employer plan administered by the Virginia Retirement System (the System), along with pensions and other OPEB plans, for public employer groups in the Commonwealth of Virginia.

In addition to the Basic Group Life Insurance benefit, members are also eligible to elect additional coverage for themselves as well as a spouse or dependent children through the Optional Group Life Insurance Plan. For members who elect the optional group life insurance coverage, the insurer bills employers directly for the premiums. Employers deduct these premiums from members' paychecks and pay the premiums to the insurer. Since this is a separate and fully insured Plan, it is not included as part of the Group Life Insurance OPEB Plan.

Contributions

The contribution requirements for the GLI Plan are governed by §51.1-506 and §51.1-508 of the Code of Virginia, as amended, but may be impacted as a result of funding provided to state agencies and school divisions by the Virginia General Assembly. The total rate for the Group Life Insurance Plan was 1.31% of covered employee compensation. This was allocated into an employee and an employer component using a 60/40 split. The employee component was 0.79% (1.31% x 60%) and the employer component was 0.52% (1.31% x 40%). Employers may elect to pay all or part of the employee contribution; however, the employer must pay all of the employer contribution. Each employer's contractually required employer contribution rate for the year ended June 30, 2020 was 0.52% of covered employee compensation. This rate was based on an actuarially determined rate from an actuarial valuation as of June 30, 2017. The actuarially determined rate, when combined with employee contributions, was expected to finance the costs of benefits payable during the year, with an additional amount to finance any unfunded accrued liability. Contributions to the Group Life Insurance Plan from the entity were \$995 and \$854 for the years ended June 30, 2020 and June 30, 2019, respectively.

TOWN OF REMINGTON, VIRGINIA

Notes to Financial Statements
As of June 30, 2020 (Continued)

NOTE 4 - GROUP LIFE INSURANCE (GLI) PLAN (OPEB PLAN): (Continued)

Net Group Life Liability (OPEB)

At June 30, 2020, the Town reported a liability of \$13,669 for its proportionate share of the Net GLI OPEB Liability. The Net GLI OPEB Liability was determined by an actuarial valuation as of that date. The covered employer's portion of the Net GLI OPEB Liability was based on the covered employer's actuarially determined employer contributions to the GLI Plan for the year ended June 30, 2018 relative to the total of the actuarially determined employer contributions for all participating employers. At June 30, 2019, the participating employer's proportion was 0.00084%.

NOTE 5 - RISK MANAGEMENT:

The Town is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The Town carries commercial insurance for all of these risks of loss. Settled claims resulting from these risks have not exceeded commercial insurance coverage in any of the past three fiscal years.

- Supplementary Information -

TOWN OF REMINGTON, VIRGINIA

Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual
General Fund and Special Revenue Funds - Modified Cash Basis
Year Ended June 30, 2020

	General Fund		
	Budget	Actual	Variance Positive (Negative)
Revenues:			
General property taxes	\$ 99,700	\$ 104,633	\$ 4,933
Other local taxes	72,000	72,987	987
Permits, privilege fees and regulatory licenses	23,640	27,686	4,046
Fines and forfeitures	8,675	6,996	(1,679)
Revenue from use of money and property	2,200	2,200	-
Charges for services	-	-	-
Miscellaneous	2,350	3,352	1,002
Intergovernmental:			
Commonwealth	27,442	28,103	661
Total revenues	\$ 236,007	\$ 245,957	\$ 9,950
Expenditures:			
Salaries and benefits	\$ 108,965	130,922	\$ (21,957)
Repairs and maintenance	13,605	12,990	615
Utilities	3,650	2,065	1,585
General and administrative	28,195	40,928	(12,733)
Professional fees	9,600	7,413	2,187
Other fees	5,000	3,545	1,455
Annexation / zoning	2,417	-	2,417
Other expenses	12,000	11,091	909
Police department	84,244	61,021	23,223
Street, lights and sidewalks	15,500	8,405	7,095
Capital Outlays	481,346	85,991	395,355
Cemetery	-	-	-
DMV	-	-	-
Total expenditures	\$ 764,522	\$ 364,371	\$ 400,151
Excess (deficiency) of revenues over (under) expenditures	\$ (528,515)	\$ (118,414)	\$ 410,101
Net change in fund balances	\$ (528,515)	\$ (118,414)	\$ 410,101
Fund balance at beginning of year	414,891	209,309	(205,582)
Fund balance at end of year	\$ (113,624)	\$ 90,895	\$ 204,519

Cemetery Fund			DMV Fund		
Budget	Actual	Variance Positive (Negative)	Budget	Actual	Variance Positive (Negative)
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
5,500	5,482	(18)	-	-	-
10,925	15,850	4,925	-	-	-
-	-	-	-	-	-
-	-	-	-	132,508	132,508
\$ 16,425	\$ 21,332	\$ 4,907	\$ -	\$ 132,508	\$ 132,508
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
16,425	17,461	(1,036)	-	-	-
-	-	-	112,839	154,142	(41,303)
\$ 16,425	\$ 17,461	\$ (1,036)	\$ 112,839	\$ 154,142	\$ (41,303)
\$ -	\$ 3,871	\$ 3,871	\$ (112,839)	\$ (21,634)	\$ 91,205
\$ -	\$ 3,871	\$ 3,871	\$ (112,839)	\$ (21,634)	\$ 91,205
-	7,977	7,977	-	123,125	123,125
\$ -	\$ 11,848	\$ 11,848	\$ (112,839)	\$ 101,491	\$ 214,330

This page intentionally left blank

- Supporting Schedule -

This page intentionally left blank

Schedule of Revenues - Budget and Actual - Governmental Funds - Modified Cash Basis
Year Ended June 30, 2020

<u>Fund, Major and Minor Revenue Source</u>	<u>Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
General Fund:			
Revenue from local sources:			
General property taxes:			
Real property taxes	\$ 63,625	\$ 64,083	\$ 458
Personal property taxes	35,125	38,983	3,858
Penalties and interest	950	1,567	617
Total general property taxes	\$ 99,700	\$ 104,633	\$ 4,933
Other local taxes:			
Sales taxes	\$ 41,000	\$ 44,408	\$ 3,408
Utility taxes	31,000	28,579	(2,421)
Total other local taxes	\$ 72,000	\$ 72,987	\$ 987
Permits, privilege fees and regulatory licenses:			
Business licenses	\$ 16,000	\$ 19,493	\$ 3,493
Vehicle decals	6,500	7,141	641
Refuse tipping fees	540	540	-
Zoning permits	600	512	(88)
Total permits, privilege fees and regulatory licenses	\$ 23,640	\$ 27,686	\$ 4,046
Fines and Forfeitures:			
Police fines	\$ 8,675	\$ 6,996	\$ (1,679)
Total fines and forfeitures	\$ 8,675	\$ 6,996	\$ (1,679)
Revenue from use of money and property:			
Revenue from use of property	\$ 2,200	\$ 2,200	\$ -
Total revenue from use of money and property	\$ 2,200	\$ 2,200	\$ -
Miscellaneous:			
Copier income	\$ 250	\$ 254	\$ 4
Miscellaneous income	2,100	3,098	998
Total miscellaneous	\$ 2,350	\$ 3,352	\$ 1,002
Total revenue from local sources	\$ 208,565	\$ 217,854	\$ 9,289

Schedule of Revenues - Budget and Actual - Governmental Funds - Modified Cash Basis
Year Ended June 30, 2019 (Continued)

<u>Fund, Major and Minor Revenue Source</u>	<u>Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
General Fund: (continued)			
Intergovernmental:			
Revenue from the Commonwealth:			
Law enforcement assistance	\$ 17,000	\$ 17,664	\$ 664
Rolling rail tax	442	439	(3)
Fire and rescue assistance	10,000	10,000	-
Total revenue from the Commonwealth	\$ 27,442	\$ 28,103	\$ 661
Total General Fund	\$ 236,007	\$ 245,957	\$ 9,950
Special Revenue Funds:			
Cemetery Fund:			
Revenue from local sources:			
Charges for services:			
Lot sales	\$ 4,000	\$ 9,000	\$ 5,000
Marker fees	125	500	375
Other fees	800	1,500	700
Burial fees	6,000	4,850	(1,150)
Total charges for services	\$ 10,925	\$ 15,850	\$ 4,925
Revenue from use of money and property:			
Income distributions	\$ 5,500	\$ 5,482	\$ (18)
Total revenue from use of money and property	\$ 5,500	\$ 5,482	\$ (18)
Total Cemetery Fund	\$ 16,425	\$ 21,332	\$ 4,907
DMV Fund:			
Intergovernmental:			
Revenue from the Commonwealth:			
Commissions from DMV	\$ -	\$ 132,508	\$ 132,508
Total DMV Fund	\$ -	\$ 132,508	\$ 132,508
Permanent Fund:			
Cemetery Trust Fund:			
Revenue from local sources:			
Revenue from use of money and property:			
Revenue from use of money	\$ 19,570	\$ 28,214	\$ 8,644
Total revenue from use of money and property	\$ 19,570	\$ 28,214	\$ 8,644
Charges for services:			
80% Lot sales	\$ 3,200	\$ 7,200	\$ 4,000
Total Cemetery Trust Fund	\$ 22,770	\$ 35,414	\$ 12,644
Total Governmental Funds	\$ 275,202	\$ 435,211	\$ 160,009