

TOWN OF CREWE, VIRGINIA

ANNUAL FINANCIAL REPORT

FOR THE YEAR ENDED JUNE 30, 2023

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**TOWN OF CREWE, VIRGINIA**

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**FOR THE YEAR ENDED JUNE 30, 2023**

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TOWN OF CREWE, VIRGINIA  
FINANCIAL REPORT  
FOR THE YEAR ENDED JUNE 30, 2023

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**Independent Auditors' Report**

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**To the Honorable Members of the Town Council  
Town of Crewe  
Crewe, Virginia**

**Report on the Audit of the Financial Statements**

***Opinions***

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Town of Crewe, 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 Crewe, 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 financial position of the governmental activities, the business type activities, each major fund, and the aggregate remaining fund information of the Town of Crewe, Virginia, as of and for the year ended 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 Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Town of Crewe, 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 the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about Town of Crewe, 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.

## ***Auditors' 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 auditors' 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 *Governmental 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 *Governmental 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 Town of Crewe, 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 Town of Crewe, 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 budgetary comparison information and schedules related to pension and OPEB funding as listed in the table of contents be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance. The budgetary comparison information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

### ***Required Supplementary Information (Continued)***

Management has omitted management's discussion and analysis that accounting principles generally accepted in the United States of America require to be presented to supplement the basic financial statements. Such missing information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. Our opinion on the basic financial statements is not affected by this missing information.

### ***Supplementary Information***

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

### ***Other Information***

Management is responsible for the other information included in the annual report. The other information comprises the statistical information but does not include the basic financial statements and our auditors' 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 March 13, 2024, on our consideration of Town of Crewe, Virginia's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of Town of Crewe, Virginia's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Town of Crewe, Virginia's internal control over financial reporting and compliance.

*Robinson, Fournier, Cox Associates*

Richmond, Virginia  
March 13, 2024

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*BASIC FINANCIAL STATEMENTS*

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*GOVERNMENT-WIDE FINANCIAL STATEMENTS*

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Town of Crewe, Virginia  
Statement of Net Position  
June 30, 2023

|  | Primary Government         |                             |                      |
|--|----------------------------|-----------------------------|----------------------|
|  | Governmental<br>Activities | Business-type<br>Activities | Total                |
| <b>ASSETS</b>                                      |                            |                             |                      |
| Cash and cash equivalents                          | \$ 4,200,166               | \$ 1,984,080                | \$ 6,184,246         |
| Receivables (net of allowance for uncollectibles): |                            |                             |                      |
| Taxes receivable                                   | 132,256                    | -                           | 132,256              |
| Accounts receivable                                | 94,295                     | 278,732                     | 373,027              |
| Interest receivable                                | -                          | 191                         | 191                  |
| Due from other governmental units                  | 71,233                     | -                           | 71,233               |
| Prepaid items                                      | 6,073                      | -                           | 6,073                |
| Restricted cash and cash equivalents               | -                          | 95,875                      | 95,875               |
| Net pension asset                                  | 202,317                    | 142,264                     | 344,581              |
| Capital assets:                                    |                            |                             |                      |
| Land and land improvements                         | 81,331                     | 3,678                       | 85,009               |
| Buildings and improvements                         | 295,350                    | -                           | 295,350              |
| Utility plant in service                           | -                          | 7,385,893                   | 7,385,893            |
| Machinery and equipment                            | 346,236                    | 101,924                     | 448,160              |
| Leased equipment                                   | 11,559                     | -                           | 11,559               |
| Construction in progress                           | -                          | 53,895                      | 53,895               |
| Total assets                                       | <u>\$ 5,440,816</u>        | <u>\$ 10,046,532</u>        | <u>\$ 15,487,348</u> |
| <b>DEFERRED OUTFLOWS OF RESOURCES</b>              |                            |                             |                      |
| Pension related items                              | \$ 119,287                 | \$ 39,431                   | \$ 158,718           |
| OPEB related items                                 | 9,967                      | 6,563                       | 16,530               |
| Total deferred outflows of resources               | <u>\$ 129,254</u>          | <u>\$ 45,994</u>            | <u>\$ 175,248</u>    |
| <b>LIABILITIES</b>                                 |                            |                             |                      |
| Accounts payable                                   | \$ 78,129                  | \$ 51,819                   | \$ 129,948           |
| Other accrued liabilities                          | -                          | 5,909                       | 5,909                |
| Customers' deposits                                | -                          | 95,875                      | 95,875               |
| Accrued interest payable                           | -                          | 11,923                      | 11,923               |
| Unearned revenue                                   | 2,002,459                  | -                           | 2,002,459            |
| Long-term liabilities:                             |                            |                             |                      |
| Due within one year                                | 65,631                     | 327,787                     | 393,418              |
| Due in more than one year                          | 1,002,367                  | 4,740,634                   | 5,743,001            |
| Total liabilities                                  | <u>\$ 3,148,586</u>        | <u>\$ 5,233,947</u>         | <u>\$ 8,382,533</u>  |
| <b>DEFERRED INFLOWS OF RESOURCES</b>               |                            |                             |                      |
| Deferred revenue - property taxes                  | \$ 3,149                   | -                           | \$ 3,149             |
| Pension related items                              | 118,774                    | 67,331                      | 186,105              |
| OPEB related items                                 | 13,904                     | 9,776                       | 23,680               |
| Total deferred inflows of resources                | <u>\$ 135,827</u>          | <u>\$ 77,107</u>            | <u>\$ 212,934</u>    |
| <b>NET POSITION</b>                                |                            |                             |                      |
| Net investment in capital assets                   | \$ 301,234                 | \$ 2,518,281                | \$ 2,819,515         |
| Restricted for:                                    |                            |                             |                      |
| Net pension asset                                  | 202,317                    | 142,264                     | 344,581              |
| Unrestricted                                       | 1,782,106                  | 2,120,927                   | 3,903,033            |
| Total net position                                 | <u>\$ 2,285,657</u>        | <u>\$ 4,781,472</u>         | <u>\$ 7,067,129</u>  |

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

Town of Crewe, Virginia  
Statement of Activities  
For the Year Ended June 30, 2023

| Functions/Programs   | Program Revenues    |                      |                          |                                  | Net (Expense) Revenue and Changes in Net Position |                          |                       |
|--|---------------------|----------------------|--------------------------|----------------------------------|---|--------------------------|-----------------------|
|  | Expenses            | Charges for Services | Operating                |                                  | Governmental Activities                           | Primary Government       |                       |
|  |                     |                      | Grants and Contributions | Capital Grants and Contributions |   | Business-type Activities | Total                 |
| <b>PRIMARY GOVERNMENT:</b>                                   |                     |                      |                          |                                  |   |                          |                       |
| Governmental activities:                                     |                     |                      |                          |                                  |   |                          |                       |
| General government administration                            | \$ 399,697          | \$ 2,500             | \$ -                     | \$ -                             | \$ (397,197)                                      | \$ -                     | \$ (397,197)          |
| Public safety  | 822,546             | 5,299                | 174,392                  | -                                | (642,855)   | -                        | (642,855)             |
| Public works   | 722,393             | 419,385              | -                        | -                                | (303,008)   | -                        | (303,008)             |
| Parks, recreation, and cultural                              | 71,272              | -                    | -                        | -                                | (71,272)  | -                        | (71,272)              |
| Community development  | 25,854              | -                    | 351,003                  | -                                | 325,149   | -                        | 325,149               |
| Interest on long-term debt                                   | 12,091              | -                    | -                        | -                                | (12,091)  | -                        | (12,091)              |
| Total governmental activities                                | \$ 2,053,853        | \$ 427,184           | \$ 525,395               | \$ -                             | \$ (1,101,274)                                    | \$ -                     | \$ (1,101,274)        |
| Business-type activities:                                    |                     |                      |                          |                                  |   |                          |                       |
| Water Fund   | \$ 985,767          | \$ 1,236,856         | \$ -                     | \$ 7,114                         | \$ -  | \$ 258,203               | \$ 258,203            |
| Sewer Fund   | 1,156,937           | 662,630              | -                        | -                                | -   | (494,307)                | (494,307)             |
| Total business-type activities                               | \$ 2,142,704        | \$ 1,899,486         | \$ -                     | \$ 7,114                         | \$ -  | \$ (236,104)             | \$ (236,104)          |
| <b>Total primary government</b>                              | <b>\$ 4,196,557</b> | <b>\$ 2,326,670</b>  | <b>\$ 525,395</b>        | <b>\$ 7,114</b>                  | <b>\$ (1,101,274)</b>                             | <b>\$ (236,104)</b>      | <b>\$ (1,337,378)</b> |
| General revenues:  |                     |                      |                          |                                  |   |                          |                       |
| General property taxes                                       |                     |                      |                          |                                  | \$ 521,941  | \$ -                     | \$ 521,941            |
| Other local taxes:   |                     |                      |                          |                                  |   |                          |                       |
| Local sales and use tax                                      |                     |                      |                          |                                  | 183,417   | -                        | 183,417               |
| Consumer's utility tax                                       |                     |                      |                          |                                  | 59,525  | -                        | 59,525                |
| Restaurant food tax  |                     |                      |                          |                                  | 374,012   | -                        | 374,012               |
| Business licenses  |                     |                      |                          |                                  | 51,341  | -                        | 51,341                |
| Cigarette tax  |                     |                      |                          |                                  | 83,426  | -                        | 83,426                |
| Bank stock tax   |                     |                      |                          |                                  | 84,555  | -                        | 84,555                |
| Other local taxes  |                     |                      |                          |                                  | 43,222  | -                        | 43,222                |
| Unrestricted revenues from use of money and property         |                     |                      |                          |                                  | 98,553  | 4,212                    | 102,765               |
| Miscellaneous  |                     |                      |                          |                                  | 27,844  | -                        | 27,844                |
| Grants and contributions not restricted to specific programs |                     |                      |                          |                                  | 118,678   | -                        | 118,678               |
| Transfers  |                     |                      |                          |                                  | (479,574)   | 479,574                  | -                     |
| Total general revenues and transfers                         |                     |                      |                          |                                  | \$ 1,166,940                                      | \$ 483,786               | \$ 1,650,726          |
| Change in net position                                       |                     |                      |                          |                                  | \$ 65,666   | \$ 247,682               | \$ 313,348            |
| Net position - beginning                                     |                     |                      |                          |                                  | 2,219,991   | 4,533,790                | 6,753,781             |
| Net position - ending  |                     |                      |                          |                                  | \$ 2,285,657                                      | \$ 4,781,472             | \$ 7,067,129          |

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

*FUND FINANCIAL STATEMENTS*

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Town of Crewe, Virginia  
Balance Sheet  
Governmental Funds  
June 30, 2023

---

|   | <u>General</u> |
|---|----------------|
| <b>ASSETS</b>   |                |
| Cash and cash equivalents   | \$ 4,200,166   |
| Receivables (net of allowance for uncollectibles):                    |                |
| Taxes receivable  | 132,256        |
| Accounts receivable   | 94,295         |
| Due from other governmental units                                     | 71,233         |
| Prepaid items   | 6,073          |
| Total assets  | \$ 4,504,023   |
| <b>LIABILITIES</b>  |                |
| Accounts payable  | \$ 78,129      |
| Unearned revenue  | 2,002,459      |
| Total liabilities   | \$ 2,080,588   |
| <b>DEFERRED INFLOWS OF RESOURCES</b>                                  |                |
| Unavailable revenue - property taxes                                  | \$ 119,020     |
| Total deferred inflows of resources                                   | \$ 119,020     |
| <b>FUND BALANCES</b>  |                |
| Nonspendable:   |                |
| Prepaid items   | \$ 6,073       |
| Unassigned  | 2,298,342      |
| Total fund balances   | \$ 2,304,415   |
| Total liabilities, deferred inflows of<br>resources and fund balances | \$ 4,504,023   |

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

Town of Crewe, Virginia  
 Reconciliation of the Balance Sheet of Governmental Funds  
 to the Statement of Net Position  
 June 30, 2023

---

Amounts reported for governmental activities in the statement of net position are different because:

Total fund balances per Exhibit 3 - Balance Sheet - Governmental Funds \$ 2,304,415

Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds. The following is a summary of items supporting this adjustment:

|                          |            |         |
|--------------------------|------------|---------|
| Capital assets, cost     | \$ 734,476 |         |
| Accumulated depreciation | -          | 734,476 |
|                          |            |         |

Other long-term assets are not available to pay for current-period expenditures and, therefore, are either deferred or not reported in the funds:

|                            |            |         |
|----------------------------|------------|---------|
| Unavailable property taxes | \$ 115,871 |         |
| Net pension asset          | 202,317    | 318,188 |
|                            |            |         |

Deferred outflows of resources are not available to pay for current-period expenditures and, therefore, are not reported in the funds.

|                       |            |         |
|-----------------------|------------|---------|
| Pension related items | \$ 119,287 |         |
| OPEB related items    | 9,967      | 129,254 |
|                       |            |         |

Long-term liabilities, including bonds payable, are not due and payable in the current period and, therefore, are not reported in the funds. The following is a summary of items supporting this adjustment:

|                         |              |             |
|-------------------------|--------------|-------------|
| Notes and bonds payable | \$ (957,348) |             |
| Lease liability         | (11,587)     |             |
| Net OPEB liability      | (32,733)     |             |
| Compensated absences    | (66,330)     | (1,067,998) |
|                         |              |             |

Deferred inflows of resources are not due and payable in the current period and, therefore, are not reported in the funds.

|                       |              |           |
|-----------------------|--------------|-----------|
| Pension related items | \$ (118,774) |           |
| OPEB related items    | (13,904)     | (132,678) |
|                       |              |           |

|   |  |                     |
|---|--|---------------------|
| Net position of governmental activities |  | <u>\$ 2,285,657</u> |
|---|--|---------------------|

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

Town of Crewe, Virginia  
Statement of Revenues, Expenditures, and Changes in Fund Balances  
Governmental Funds  
For the Year Ended June 30, 2023

---

|  | <u>General</u>      |
|--|---------------------|
| <b>REVENUES</b>  |                     |
| General property taxes                                       | \$ 510,513          |
| Other local taxes  | 879,498             |
| Permits, privilege fees, and regulatory licenses             | 2,500               |
| Fines and forfeitures  | 5,299               |
| Revenue from the use of money and property                   | 98,553              |
| Charges for services   | 419,385             |
| Miscellaneous  | 27,844              |
| Recovered costs  | 700                 |
| Intergovernmental:   |                     |
| Commonwealth   | 284,764             |
| Federal  | 359,309             |
| Total revenues   | <u>\$ 2,588,365</u> |
| <b>EXPENDITURES</b>  |                     |
| Current:   |                     |
| General government administration                            | \$ 389,280          |
| Public safety  | 869,850             |
| Public works   | 691,674             |
| Parks, recreation, and cultural                              | 51,299              |
| Community development  | 25,854              |
| Nondepartmental  | 2,752               |
| Debt service:  |                     |
| Principal retirement   | 66,515              |
| Interest and other fiscal charges                            | 12,091              |
| Total expenditures   | <u>\$ 2,109,315</u> |
| Excess (deficiency) of revenues over<br>(under) expenditures | <u>\$ 479,050</u>   |
| <b>OTHER FINANCING SOURCES (USES)</b>                        |                     |
| Transfers out  | \$ (479,574)        |
| Issuance of note payable                                     | 68,200              |
| Lease issuance   | 6,243               |
| Total other financing sources (uses)                         | <u>\$ (405,131)</u> |
| Net change in fund balances                                  | \$ 73,919           |
| Fund balances - beginning                                    | 2,230,496           |
| Fund balances - ending                                       | <u>\$ 2,304,415</u> |

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

Town of Crewe, Virginia  
 Reconciliation of Statement of Revenues,  
 Expenditures, and Changes in Fund Balances of Governmental Funds  
 to the Statement of Activities  
 For the Year Ended June 30, 2023

---

Amounts reported for governmental activities in the statement of activities are different because:

|  |    |        |
|--|----|--------|
| Net change in fund balances - total governmental funds | \$ | 73,919 |
|--|----|--------|

Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which the capital outlays exceeded depreciation in the current period:

|                         |                  |        |
|-------------------------|------------------|--------|
| Capital asset additions | \$ 121,407       |        |
| Depreciation expense    | <u>(107,764)</u> | 13,643 |

Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the fund. Details are as follows:

|                |  |        |
|----------------|--|--------|
| Property taxes |  | 11,428 |
|----------------|--|--------|

The issuance of long-term debt (e.g. bonds, leases) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position. A summary of items supporting this adjustment is as follows:

|                              |                |         |
|------------------------------|----------------|---------|
| Principal retirement on debt | \$ 66,515      |         |
| Issuance of note payable     | (68,200)       |         |
| Issuance of lease            | <u>(6,243)</u> | (7,928) |

Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore are not reported as expenditures in governmental funds.

The following is a summary of items supporting this adjustment:

|                                 |              |          |
|---------------------------------|--------------|----------|
| Change in compensated absences  | \$ (5,990)   |          |
| Change in pension related items | (26,383)     |          |
| Change in OPEB related items    | <u>6,977</u> | (25,396) |

|   |    |                      |
|---|----|----------------------|
| Change in net position of governmental activities | \$ | <u><u>65,666</u></u> |
|---|----|----------------------|

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

Town of Crewe, Virginia  
Statement of Net Position  
Proprietary Funds  
June 30, 2023

|  | Enterprise Funds    |                     |                      |
|--|---------------------|---------------------|----------------------|
|  | <u>Water</u>        | <u>Sewer</u>        | <u>Total</u>         |
| <b>ASSETS</b>                                    |                     |                     |                      |
| Current assets:                                  |                     |                     |                      |
| Cash and cash equivalents                        | \$ 1,410,659        | \$ 573,421          | \$ 1,984,080         |
| Interest receivable                              | -                   | 191                 | 191                  |
| Accounts receivable                              | 178,898             | 99,834              | 278,732              |
| Total current assets                             | <u>\$ 1,589,557</u> | <u>\$ 673,446</u>   | <u>\$ 2,263,003</u>  |
| Noncurrent assets:                               |                     |                     |                      |
| Restricted cash and cash equivalents             | \$ 95,875           | \$ -                | \$ 95,875            |
| Net pension asset                                | 71,922              | 70,342              | 142,264              |
| Capital assets:                                  |                     |                     |                      |
| Land   | 3,678               | -                   | 3,678                |
| Utility plant in service                         | 368,508             | 11,930,381          | 12,298,889           |
| Machinery and equipment                          | 203,618             | 384,283             | 587,901              |
| Construction in progress                         | -                   | 53,895              | 53,895               |
| Accumulated depreciation                         | (325,699)           | (5,073,274)         | (5,398,973)          |
| Total capital assets                             | <u>\$ 250,105</u>   | <u>\$ 7,295,285</u> | <u>\$ 7,545,390</u>  |
| Total noncurrent assets                          | <u>\$ 417,902</u>   | <u>\$ 7,365,627</u> | <u>\$ 7,783,529</u>  |
| Total assets                                     | <u>\$ 2,007,459</u> | <u>\$ 8,039,073</u> | <u>\$ 10,046,532</u> |
| <b>DEFERRED OUTFLOWS OF RESOURCES</b>            |                     |                     |                      |
| Pension related items                            | \$ 22,411           | \$ 17,020           | \$ 39,431            |
| OPEB related items                               | 3,676               | 2,887               | 6,563                |
| Total deferred outflows of resources             | <u>\$ 26,087</u>    | <u>\$ 19,907</u>    | <u>\$ 45,994</u>     |
| <b>LIABILITIES</b>                               |                     |                     |                      |
| Current liabilities:                             |                     |                     |                      |
| Accounts payable                                 | \$ 28,154           | \$ 23,665           | \$ 51,819            |
| Withholdings payable                             | 3,972               | 1,937               | 5,909                |
| Accrued interest payable                         | 2,221               | 9,702               | 11,923               |
| Deposits held for customers                      | 95,875              | -                   | 95,875               |
| Bonds and loans payable - current portion        | 13,330              | 312,627             | 325,957              |
| Compensated absences - current portion           | 768                 | 1,062               | 1,830                |
| Total current liabilities                        | <u>\$ 144,320</u>   | <u>\$ 348,993</u>   | <u>\$ 493,313</u>    |
| Noncurrent liabilities:                          |                     |                     |                      |
| Bonds and loans payable - net of current portion | \$ 182,900          | \$ 4,518,252        | \$ 4,701,152         |
| Compensated absences - net of current portion    | 9,849               | 6,616               | 16,465               |
| Net OPEB liability                               | 11,637              | 11,380              | 23,017               |
| Total noncurrent liabilities                     | <u>\$ 204,386</u>   | <u>\$ 4,536,248</u> | <u>\$ 4,740,634</u>  |
| Total liabilities                                | <u>\$ 348,706</u>   | <u>\$ 4,885,241</u> | <u>\$ 5,233,947</u>  |
| <b>DEFERRED INFLOWS OF RESOURCES</b>             |                     |                     |                      |
| Pension related items                            | \$ 25,269           | \$ 42,062           | \$ 67,331            |
| OPEB related items                               | 4,942               | 4,834               | 9,776                |
| Total deferred inflows of resources              | <u>\$ 30,211</u>    | <u>\$ 46,896</u>    | <u>\$ 77,107</u>     |
| <b>NET POSITION</b>                              |                     |                     |                      |
| Net investment in capital assets                 | \$ 53,875           | \$ 2,464,406        | \$ 2,518,281         |
| Restricted for net pension asset                 | 71,922              | 70,342              | 142,264              |
| Unrestricted                                     | 1,528,832           | 592,095             | 2,120,927            |
| Total net position                               | <u>\$ 1,654,629</u> | <u>\$ 3,126,843</u> | <u>\$ 4,781,472</u>  |

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

Town of Crewe, Virginia  
Statement of Revenues, Expenses, and Changes in Net Position  
Proprietary Funds  
For the Year Ended June 30, 2023

|   | Enterprise Funds    |                     |                     |
|---|---------------------|---------------------|---------------------|
|   | <u>Water</u>        | <u>Sewer</u>        | <u>Total</u>        |
| <b>OPERATING REVENUES</b>               |                     |                     |                     |
| Charges for services:                   |                     |                     |                     |
| Water and sewer revenues                | \$ 1,212,226        | \$ 662,630          | \$ 1,874,856        |
| Penalties                               | 24,630              | -                   | 24,630              |
| Total operating revenues                | <u>\$ 1,236,856</u> | <u>\$ 662,630</u>   | <u>\$ 1,899,486</u> |
| <b>OPERATING EXPENSES</b>               |                     |                     |                     |
| Personnel services                      | \$ 372,469          | \$ 203,248          | \$ 575,717          |
| Fringe benefits                         | 136,766             | 74,557              | 211,323             |
| Contractual services                    | 81,278              | 122,572             | 203,850             |
| Other supplies and expenses             | 368,904             | 375,026             | 743,930             |
| Depreciation                            | 20,953              | 318,460             | 339,413             |
| Total operating expenses                | <u>\$ 980,370</u>   | <u>\$ 1,093,863</u> | <u>\$ 2,074,233</u> |
| Operating income (loss)                 | <u>\$ 256,486</u>   | <u>\$ (431,233)</u> | <u>\$ (174,747)</u> |
| <b>NONOPERATING REVENUES (EXPENSES)</b> |                     |                     |                     |
| Investment income                       | \$ 40               | \$ 4,172            | \$ 4,212            |
| Connection/reconnection fees            | 7,114               | -                   | 7,114               |
| Interest and fiscal charges             | (5,397)             | (63,074)            | (68,471)            |
| Total nonoperating revenues (expenses)  | <u>\$ 1,757</u>     | <u>\$ (58,902)</u>  | <u>\$ (57,145)</u>  |
| Income (loss) before transfers          | <u>\$ 258,243</u>   | <u>\$ (490,135)</u> | <u>\$ (231,892)</u> |
| <b>TRANSFERS</b>                        |                     |                     |                     |
| Transfers in                            | \$ 16,488           | \$ 463,086          | \$ 479,574          |
| Change in net position                  | <u>\$ 274,731</u>   | <u>\$ (27,049)</u>  | <u>\$ 247,682</u>   |
| Net position - beginning                | 1,379,898           | 3,153,892           | 4,533,790           |
| Net position - ending                   | <u>\$ 1,654,629</u> | <u>\$ 3,126,843</u> | <u>\$ 4,781,472</u> |

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

Town of Crewe, Virginia  
Statement of Cash Flows  
Proprietary Funds  
For the Year Ended June 30, 2023

|   | Enterprise Funds    |                     |                     |
|---|---------------------|---------------------|---------------------|
|   | <u>Water</u>        | <u>Sewer</u>        | <u>Total</u>        |
| <b>CASH FLOWS FROM OPERATING ACTIVITIES</b>   |                     |                     |                     |
| Receipts from customers and users   | \$ 1,285,292        | \$ 668,474          | \$ 1,953,766        |
| Payments for operating expenses   | (497,299)           | (497,386)           | (994,685)           |
| Payments to/for employees   | (505,702)           | (273,078)           | (778,780)           |
| Net cash provided by (used for) operating activities  | <u>\$ 282,291</u>   | <u>\$ (101,990)</u> | <u>\$ 180,301</u>   |
| <b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>  |                     |                     |                     |
| Transfers from other funds  | \$ 16,488           | \$ 463,086          | \$ 479,574          |
| Fees and deposits   | (5,594)             | -                   | (5,594)             |
| Net cash provided by (used for) noncapital financing activities   | <u>\$ 10,894</u>    | <u>\$ 463,086</u>   | <u>\$ 473,980</u>   |
| <b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>   |                     |                     |                     |
| Additions to utility plant  | \$ -                | \$ (53,895)         | \$ (53,895)         |
| Principal payments on bonds and notes payable   | (12,090)            | (307,897)           | (319,987)           |
| Connection fees   | 7,114               | -                   | 7,114               |
| Interest payments   | (5,563)             | (63,907)            | (69,470)            |
| Net cash provided by (used for) capital and related financing activities                                  | <u>\$ (10,539)</u>  | <u>\$ (425,699)</u> | <u>\$ (436,238)</u> |
| <b>CASH FLOWS FROM INVESTING ACTIVITIES</b>   |                     |                     |                     |
| Sale (purchase) of investments  | \$ -                | \$ 108,995          | \$ 108,995          |
| Interest income   | 40                  | 4,172               | 4,212               |
| Net cash provided by (used for) investing activities  | <u>\$ 40</u>        | <u>\$ 113,167</u>   | <u>\$ 113,207</u>   |
| Net increase (decrease) in cash and cash equivalents  | \$ 282,686          | \$ 48,564           | \$ 331,250          |
| Cash and cash equivalents - beginning, including restricted of \$101,469                                  | 1,223,848           | 524,857             | 1,748,705           |
| Cash and cash equivalents - ending, including restricted of \$95,875                                      | <u>\$ 1,506,534</u> | <u>\$ 573,421</u>   | <u>\$ 2,079,955</u> |
| <b>Reconciliation of operating income (loss) to net cash provided by (used for) operating activities:</b> |                     |                     |                     |
| Operating income (loss)   | \$ 256,486          | \$ (431,233)        | \$ (174,747)        |
| Adjustments to reconcile operating income (loss) to net cash provided by (used for) operating activities: |                     |                     |                     |
| Depreciation  | \$ 20,953           | \$ 318,460          | \$ 339,413          |
| (Increase) decrease in accounts receivable  | 48,436              | 5,845               | 54,281              |
| (Increase) decrease in net pension asset  | 41,202              | 45,908              | 87,110              |
| (Increase) decrease in deferred outflows of resources   | 8,360               | 367                 | 8,727               |
| Increase (decrease) in accounts payable   | (47,117)            | 212                 | (46,905)            |
| Increase (decrease) in deferred inflows of resources  | (43,640)            | (41,858)            | (85,498)            |
| Increase (decrease) in withholding payable  | (528)               | (2,189)             | (2,717)             |
| Increase (decrease) in net OPEB liability   | (1,747)             | 548                 | (1,199)             |
| Increase (decrease) in compensated absences   | (114)               | 1,950               | 1,836               |
| Total adjustments   | <u>\$ 25,805</u>    | <u>\$ 329,243</u>   | <u>\$ 355,048</u>   |
| Net cash provided by (used for) operating activities  | <u>\$ 282,291</u>   | <u>\$ (101,990)</u> | <u>\$ 180,301</u>   |

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

Town of Crewe, Virginia  
Statement of Fiduciary Net Position  
Fiduciary Fund  
June 30, 2023

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|                                  | <u>Cemetery<br/>Private<br/>Purpose<br/>Trust Fund</u> |
|----------------------------------|--|
| <b>ASSETS</b>                    |  |
| Cash and cash equivalents        | \$ 221,165   |
| Total assets                     | <u>\$ 221,165</u>                                      |
| <b>LIABILITIES</b>               |  |
| Accounts payable                 | \$ 519   |
| Total liabilities                | <u>\$ 519</u>  |
| <b>NET POSITION</b>              |  |
| Restricted                       |  |
| Held for cemetery perpetual care | <u>\$ 220,646</u>                                      |

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

Town of Crewe, Virginia  
Statement of Changes in Fiduciary Net Position  
Fiduciary Fund  
For the Year Ended June 30, 2023

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|                          | <u>Cemetery<br/>Private<br/>Purpose<br/>Trust Fund</u> |
|--------------------------|--|
| <b>ADDITIONS</b>         |  |
| Contributions:           |  |
| Sale of cemetery lots    | \$ 7,965   |
| Total contributions      | <u>\$ 7,965</u>  |
| Investment income:       |  |
| Interest                 | \$ 360   |
| Total investment income  | <u>\$ 360</u>  |
| Total additions          | <u>\$ 8,325</u>  |
| <b>DEDUCTIONS</b>        |  |
| Site work at cemetery    | <u>\$ 7,604</u>  |
| Change in net position   | \$ 721   |
| Net position - beginning | 219,925  |
| Net position - ending    | <u><u>\$ 220,646</u></u>                               |

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

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## TOWN OF CREWE, VIRGINIA

### Notes to Financial Statements June 30, 2023

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#### ***Note 1—Summary of Significant Accounting Policies:***

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Town of Crewe, Virginia (the "Town") is governed by an elected eight-member Council. The Town provides a full range of services for its citizens. These services include general administration, police and fire protection, sanitation services and utilities, cultural enrichment, parks and recreation, library, and community development.

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

#### Financial Statement Presentation

Management's Discussion and Analysis - The Town has chosen not to present a Management's Discussion and Analysis.

#### Government-wide and Fund Financial Statements

Government-wide financial statements - The reporting model includes financial statements prepared using full accrual accounting for all of the Town's activities. This approach includes not just current assets and liabilities, but also capital assets and long-term liabilities (such as buildings and general obligation debt).

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the nonfiduciary activities of the primary government. For the most part, the effect of interfund activity has been removed from these statements. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support. Likewise, the primary government is reported separately from certain legally separate component units for which the primary government is financially accountable.

Statement of Net Position - The Statement of Net Position is designed to display financial position of the primary government (governmental and business-type activities). Governments will report all capital assets in the government-wide Statement of Net Position and will report depreciation expense - the cost of "using up" capital assets - in the Statement of Activities. The net position of a government will be broken down into three categories 1) net investment in capital assets; 2) restricted; and 3) unrestricted.

Statement of Activities - The government-wide statement of activities reports expenses and revenues in a format that focuses on the cost of each of the government's functions. The expense of individual functions is compared to the revenues generated directly by the function (for instance, through user charges or intergovernmental grants).

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenues include 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as general revenues.

***Note 1—Summary of Significant Accounting Policies: (Continued)***

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Separate financial statements are provided for governmental funds, proprietary funds, and fiduciary funds even though the latter are excluded from the government-wide financial statements. Major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statements.

Budgetary Comparison Schedules - Demonstrating compliance with the adopted budget is an important component of a government's accountability to the public. Many citizens participate in one way or another in the process of establishing the annual operating budgets of state and local governments and have a keen interest in following the actual financial progress of their governments over the course of the year. Many governments revise their original budgets over the course of the year for a variety of reasons. The budgetary comparison schedules present the original budget, the final budget, and the actual activity of the major governmental funds.

**A. Financial Reporting Entity**

The basic criterion for determining whether a governmental department, agency, institution, commission, public authority, or other governmental organization should be included in a primary governmental unit's reporting entity for the basic financial statements is financial accountability. Financial accountability includes the appointment of a voting majority of the organization's governing body and the ability of the primary government to impose its will on the organization or if there is a financial benefit/burden relationship. In addition, an organization which is fiscally dependent on the primary government should be included in its reporting entity. These financial statements present Town of Crewe (the primary government). Blended component units, although legally separate entities, are, in substance, part of the government's operations and so data from these units are combined with data of the primary government. Each discretely presented component unit, on the other hand, is reported in a separate column in the government-wide financial statements to emphasize that it is both legally and substantively separate from the government.

**B. Individual Component Unit Disclosures**

*Blended Component Units.* The Town has no blended component units at June 30, 2023.

*Discretely Presented Component Units.* The Town has no discretely presented component units at June 30, 2023.

**C. Measurement Focus, Basis of Accounting and Financial Statement Presentation**

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

The accounting and financial reporting treatment is determined by the applicable measurement focus and basis of accounting. Measurement focus indicates the type of resources being measured such as current financial resources or economic resources. The basis of accounting indicates the timing of recognition in the financial statements of various kinds of transactions or events.

**Note 1—Summary of Significant Accounting Policies: (Continued)**

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**C. Measurement Focus, Basis of Accounting and Financial Statement Presentation (Continued)**

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

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

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. This is the manner in which these funds are normally budgeted. Revenues are recognized when they have been earned and they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the government considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service principal and interest expenditures on general long-term debt, including lease liabilities, as well as expenditures related to compensated absences, claims and judgments, postemployment benefits, and environmental obligations are recognized later based on specific accounting rules applicable to each, generally when payment is due. General capital asset acquisitions, including entering into contracts giving the government the right to use lease assets, are reported as expenditures in the governmental funds. Issuance of long-term debt and financing through leases are reported as other financing sources.

The Town's fiduciary funds are presented in the fund financial statements by type. Since by definition these assets are being held for the benefit of a third party and cannot be used to address activities or obligations of the government, these funds are not incorporated into the government-wide statements.

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

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

**Note 1—Summary of Significant Accounting Policies: (Continued)**

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**C. Measurement Focus, Basis of Accounting and Financial Statement Presentation (Continued)**

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

**1. Governmental Funds**

Governmental Funds are those through which most governmental functions typically are financed. The Town reports the General Fund as a major governmental fund.

**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 service, and interest income.

**2. Proprietary Funds**

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

**a. Enterprise Funds**

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 consist of the Water Fund and Sewer Fund.

**3. Fiduciary Funds - (Trust)**

Fiduciary Funds (Trust Funds) account for assets held by the Town unit in a trustee capacity or as an agent or custodian for individuals, private organizations, other governmental units, or other funds. These funds include Trust Funds, which consists of the Cemetery Private Purpose Trust Fund. Fiduciary funds are not included in the government-wide financial statements.

**D. Cash and Cash Equivalents**

Cash and cash equivalents include cash on hand, demand deposits, and short-term investments with a maturity date within three months of the date acquired by the government. For purposes of the statement of cash flows, the Town's proprietary funds consider their demand deposits and all highly liquid investments with an original maturity of three months or less when purchased to be cash equivalents.

**Note 1—Summary of Significant Accounting Policies: (Continued)**

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**E. Investments**

State statutes authorize the Town to invest in obligations of the U.S. Treasury, commercial paper, corporate bonds and repurchase agreements.

Investments with a maturity of less than one year when purchased, non-negotiable certificates of deposit, and other nonparticipating investments, and external investment pools are stated at cost or amortized cost. Investments with a maturity greater than one year when purchased are stated at fair value. Fair value is the price that would be received to sell an investment in an orderly transaction at year end.

**F. Prepaid Items**

Certain payments to vendors represent costs applicable to future accounting periods and are recorded as prepaid items in both the government-wide and fund financial statements. The cost of prepaid items is recorded as expenditures/expenses when consumed rather than when purchased.

**G. Receivables and Payables**

Activity between funds that is representative of lending/borrowing arrangements outstanding at the end of the fiscal year is referred to as “due to/from other funds” (i.e. the current portion of interfund loans). All other outstanding balances between funds are reported as “advances to/from other funds” (i.e. the noncurrent portion of interfund loans). Any residual balances outstanding between the governmental activities and business-type activities are reported in the government-wide statements as “internal balances.”

All trade and property tax receivables are shown net of an allowance for uncollectible accounts. The Town calculates its allowance for uncollectible accounts using historical collection data and, in certain cases, specific account analysis. The allowance amounted to \$44,705 at June 30, 2023 and is comprised solely of property taxes.

**Real and Personal Property Tax Data:**

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

|           | <u>Real Property</u> | <u>Personal Property</u> |
|-----------|----------------------|--------------------------|
| Levy      | January 1            | January 1                |
| Due Date  | December 5           | December 5               |
| Lien Date | January 1            | January 1                |

The Town bills and collects its own property taxes.

**Note 1—Summary of Significant Accounting Policies: (Continued)**

**H. Capital Assets**

Capital assets, which include property, plant, equipment, and infrastructure assets are reported in the applicable governmental or business-type activities column in the government-wide financial statements. Capital assets are defined by the Town as land, buildings, and equipment with an initial individual cost of more than \$5,000 (with the exception of land values) and an estimated useful life in excess of two years. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at acquisition value at the date of donation.

As the Town constructs or acquires capital assets each period, including infrastructure assets, they are capitalized and reported at historical cost (except for intangible right-to-use lease assets (lease assets), the measurement of which is discussed in more detail below). The reported value excludes normal maintenance and repairs, which are amounts spent in relation to capital assets that do not increase the asset’s capacity or efficiency or increases its estimated useful life. Donated capital assets are recorded at acquisition value at the date of donation. Acquisition value is the price that would be paid to acquire an asset with equivalent service potential on the date of the donation. Intangible assets follow the same capitalization policies as tangible capital assets and are reported with tangible assets in the appropriate capital asset class.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend the asset’s life are not capitalized.

Land and construction in progress are not depreciated. The other tangible and intangible property, plant equipment, lease equipment, and infrastructure of the primary government, are depreciated/amortized using the straight-line method over the following estimated useful lives:

| Assets                     | Years |
|----------------------------|-------|
| Buildings and Improvements | 10-40 |
| Machinery and Equipment    | 5-10  |
| Lease Equipment            | 5     |
| Utility Plant in Service   | 20-40 |

**I. Leases**

The Town leases various assets requiring recognition. A lease is a contract that conveys control of the right to use another entity’s nonfinancial asset. Lease recognition does not apply to short-term leases, contracts that transfer ownership, leases of assets that are investments, or certain regulated leases.

*Lessee*

The Town recognizes lease liabilities and intangible right-to-use lease assets (lease equipment) with an initial value of \$5,000, individually or in the aggregate. At the commencement of the lease, the lease liability is measured at the present value of payments expected to be made during the lease term (less any lease incentives). The lease liability is reduced by the principal portion of payments made. The leased equipment is measured at the initial amount of the lease liability, plus any payments made to the lessor at or before the commencement of the lease term and certain direct costs. The lease asset is amortized over the shorter of the lease term or the useful life of the underlying asset.

**Note 1—Summary of Significant Accounting Policies: (Continued)**

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**I. Leases (Continued)**

*Key Estimates and Judgments*

Lease accounting includes estimates and judgments for determining the (1) rate used to discount the expected lease payments to present value, (2) lease term, and (3) lease payments.

- The Town uses the interest rate stated in lease contracts. When the interest rate is not provided or the implicit rate cannot be readily determined, the Town uses its estimated incremental borrowing rate as the discount rate for leases.
- The lease term includes the noncancellable period of the lease and certain periods covered by options to extend to reflect how long the lease is expected to be in effect, with terms and conditions varying by the type of underlying asset.
- Fixed and certain variable payments as well as lease incentives and certain other payments are included in the measurement of the lease liability.

The Town monitors changes in circumstances that would require a remeasurement or modification of its leases. The Town will remeasure the lease asset and liability if certain changes occur that are expected to significantly affect the amount of the lease liability or lease receivable.

**J. Compensated Absences**

Vested or accumulated vacation leave that is expected to be liquidated with expendable available financial resources is reported as an expenditure and a fund liability of the governmental fund that will pay it. Amounts of vested or accumulated vacation leave that are not expected to be liquidated with expendable available financial resources are reported as an expense in the Statement of Activities and a long-term obligation in the Statement of Net Position. No liability is recorded for nonvesting accumulating rights to receive sick pay benefits.

**K. Use of Estimates**

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

**L. 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/amortization 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.

**Note 1—Summary of Significant Accounting Policies: (Continued)**

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**L. Net Position (Continued)**

- 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 financial statements, a flow assumption must be made about the order in which the resources are considered to be applied. It is the Town policy to consider restricted net position to have been depleted before unrestricted net position is applied.

**M. Pensions**

For purposes of measuring the net pension liability (asset), 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 fiduciary net 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.

**N. Other Postemployment Benefits (OPEB)**

For purposes of measuring the net VRS related OPEB liabilities, deferred outflows of resources and deferred inflows of resources related to the OPEB, and OPEB expense, information about the fiduciary net position of the VRS GLI OPEB Plan and the additions to/deductions from the VRS OPEB Plan's fiduciary net 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.

**O. Long-term Obligations**

In the government-wide financial statements, long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund type statement of net position. Bonds payable are reported net of the applicable bond premium or discount.

In the fund financial statements, governmental fund types recognize bond premiums and discounts during the current period. The face amount of debt issued and premiums on issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses.

**Note 1—Summary of Significant Accounting Policies: (Continued)**

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**P. Fund Balance**

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

- Nonspendable fund balance - amounts that are either not in spendable form (such as inventory and prepaids) or are legally or contractually required to be maintained intact (corpus of a permanent fund);
- Restricted fund balance - amounts that can be spent 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 generally 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.

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 a 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, which does not lapse at year end, of the fund (such as for special incentives). Assigned fund balance is established by Town Council through adoption or amendment of the budget as intended for specific purpose (such as the purchase of capital assets, construction, debt service, or for other purposes).

**Q. Deferred Outflows/Inflows of Resources**

In addition to assets, the statement of financial position includes a separate section for deferred outflows of resources. Deferred outflows of resources represent a consumption of net assets that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. The Town has one item that qualifies for reporting in this category. It is comprised of certain items related to pension and OPEB. For more detailed information on these items, reference the related notes.

**Note 1—Summary of Significant Accounting Policies: (Continued)**

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**Q. Deferred Outflows/Inflows of Resources (Continued)**

In addition to liabilities, the statement of financial position includes a separate section for deferred inflows of resources. Deferred inflows of resources represent an acquisition of net assets that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The Town has two types of items that qualify for reporting in this category. Under a modified accrual basis of accounting, unavailable revenue representing property taxes receivable is reported in the governmental funds balance sheet. This amount is comprised of uncollected property taxes due prior to June 30 and amounts prepaid on future levies and is deferred and recognized as an inflow of resources in the period that the amount becomes available. Under the accrual basis, amounts prepaid on future levies are reported as deferred inflows of resources. In addition, certain items related to pension and OPEB are reported as deferred inflows of resources. For more detailed information on these items, reference the related notes.

**R. Proprietary Funds Operating and Nonoperating Revenues and Expenses**

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

**Note 2—Stewardship, Compliance, and Accounting:**

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

1. Prior to March 30<sup>th</sup>, the Mayor submits to the Town Council a proposed operating and capital budget for the fiscal year commencing the following July 1. The operating and capital budget includes proposed expenditures and the means of financing them.
2. Public hearings are conducted to obtain citizen comments.
3. Prior to June 30, the budget is legally enacted through passage of an Appropriations Resolution.
4. The Appropriations Resolution places legal restrictions on expenditures at the fund level. The appropriation for each fund can be revised only by the Town Council.
5. All budgets are adopted on a basis consistent with generally accepted accounting principles (GAAP).
6. Appropriations lapse on June 30, for all Town units.
7. Expenditures and Appropriations  
No expenditures exceeded appropriations for the fiscal year ended June 30, 2023 at the fund level.

TOWN OF CREWE, VIRGINIA

Notes to Financial Statements (Continued)  
June 30, 2023

**Note 3—Deposits and Investments:**

**Deposits**

Deposits with banks are covered by the Federal Deposit Insurance Corporation (FDIC) and collateralized in accordance with the Virginia Security for Public Deposits Act (the “Act”), Section 2.2-4400 et. seq. of the Code of Virginia. Under the Act, banks and savings institutions holding public deposits in excess of the amounts insured by 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 Service, Inc.; A-1 by Standard & 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).

**Credit Risk of Debt Securities**

The Town’s rated debt investments as of June 30, 2023, were rated by Standard & Poor’s and the ratings are presented below using Standard & Poor’s rating scale.

| Rated Debt Investments             | Fair<br>Quality<br>Ratings |
|------------------------------------|----------------------------|
|                                    | AAAm                       |
| State Non-Arbitrage Program (SNAP) | \$ 651,701                 |

**Interest Rate Risk**

| Investment Maturities (in years)   |            |                     |
|------------------------------------|------------|---------------------|
| Investment Type                    | Fair Value | Less Than<br>1 Year |
| State Non-Arbitrage Program (SNAP) | \$ 651,701 | \$ 651,701          |

**External Investment Pool**

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

TOWN OF CREWE, VIRGINIA

Notes to Financial Statements (Continued)  
June 30, 2023

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*Note 4—Due from Other Governments:*

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At June 30, 2023, the Town has amounts due from other governments as follows:

|                                  | <u>Primary<br/>Government</u> |
|----------------------------------|-------------------------------|
| Other Local Governments:         |                               |
| County of Nottoway               | \$ 30,822                     |
| Commonwealth of Virginia:        |                               |
| Rolling stock tax                | 35,739                        |
| Communications tax               | <u>4,672</u>                  |
| Total due from other governments | <u><u>\$ 71,233</u></u>       |

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TOWN OF CREWE, VIRGINIA

Notes to Financial Statements (Continued)  
June 30, 2023

**Note 5—Capital Assets:**

The following is a summary of changes in capital assets for the fiscal year ended June 30, 2023:

|   | Balance<br>July 1, 2022 | Additions         | Deletions         | Balance<br>June 30, 2023 |
|---|-------------------------|-------------------|-------------------|--------------------------|
| <i>Primary Government:</i>                        |                         |                   |                   |                          |
| Governmental activities:                          |                         |                   |                   |                          |
| Capital assets not subject to depreciation:       |                         |                   |                   |                          |
| Land and land improvements                        | \$ 74,204               | \$ 7,127          | \$ -              | \$ 81,331                |
| Construction in progress                          | 143,639                 | -                 | 143,639           | -                        |
| Total capital assets not subject to depreciation  | <u>\$ 217,843</u>       | <u>\$ 7,127</u>   | <u>\$ 143,639</u> | <u>\$ 81,331</u>         |
| Capital assets subject to depreciation:           |                         |                   |                   |                          |
| Buildings and improvements                        | \$ 702,826              | \$ 143,639        | \$ -              | \$ 846,465               |
| Machinery and equipment                           | 1,516,693               | 108,037           | 24,742            | 1,599,988                |
| Lease equipment                                   | 10,371                  | 6,243             | -                 | 16,614                   |
| Total capital assets subject to depreciation      | <u>\$ 2,229,890</u>     | <u>\$ 257,919</u> | <u>\$ 24,742</u>  | <u>\$ 2,463,067</u>      |
| Accumulated depreciation:                         |                         |                   |                   |                          |
| Buildings and improvements                        | \$ 525,880              | \$ 25,235         | \$ -              | \$ 551,115               |
| Machinery and equipment                           | 1,198,627               | 79,867            | 24,742            | 1,253,752                |
| Lease equipment                                   | 2,393                   | 2,662             | -                 | 5,055                    |
| Total accumulated depreciation                    | <u>\$ 1,726,900</u>     | <u>\$ 107,764</u> | <u>\$ 24,742</u>  | <u>\$ 1,809,922</u>      |
| Total capital assets subject to depreciation, net | <u>\$ 502,990</u>       | <u>\$ 150,155</u> | <u>\$ -</u>       | <u>\$ 653,145</u>        |
| Governmental activities capital assets, net       | <u>\$ 720,833</u>       | <u>\$ 157,282</u> | <u>\$ 143,639</u> | <u>\$ 734,476</u>        |

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TOWN OF CREWE, VIRGINIA

Notes to Financial Statements (Continued)  
June 30, 2023

**Note 5—Capital Assets: (Continued)**

|   | Balance<br>July 1, 2022 | Additions    | Deletions | Balance<br>June 30, 2023 |
|---|-------------------------|--------------|-----------|--------------------------|
| Business-type activities:                         |                         |              |           |                          |
| Capital assets not subject to depreciation:       |                         |              |           |                          |
| Land and land improvements                        | \$ 3,678                | \$ -         | \$ -      | \$ 3,678                 |
| Construction in progress                          | -                       | 53,895       | -         | 53,895                   |
| Total capital assets not subject to depreciation  | \$ 3,678                | \$ 53,895    | \$ -      | \$ 57,573                |
| Capital assets subject to depreciation:           |                         |              |           |                          |
| Utility plant in service                          | \$ 12,298,889           | \$ -         | \$ -      | \$ 12,298,889            |
| Machinery and equipment                           | 587,901                 | -            | -         | 587,901                  |
| Total capital assets subject to depreciation      | \$ 12,886,790           | \$ -         | \$ -      | \$ 12,886,790            |
| Accumulated depreciation:                         |                         |              |           |                          |
| Utility plant in service                          | \$ 4,604,318            | \$ 308,678   | \$ -      | \$ 4,912,996             |
| Machinery and equipment                           | 455,242                 | 30,735       | -         | 485,977                  |
| Total accumulated depreciation                    | \$ 5,059,560            | \$ 339,413   | \$ -      | \$ 5,398,973             |
| Total capital assets subject to depreciation, net | \$ 7,827,230            | \$ (339,413) | \$ -      | \$ 7,487,817             |
| Business-type activities capital assets, net      | \$ 7,830,908            | \$ (285,518) | \$ -      | \$ 7,545,390             |

Depreciation expense was charged to functions/programs as follows:

|  |            |
|--|------------|
| Governmental activities:                             |            |
| General government administration                    | \$ 18,140  |
| Public safety  | 37,747     |
| Public works   | 33,097     |
| Parks, recreation and cultural                       | 18,780     |
| Total depreciation expense - governmental activities | \$ 107,764 |
| Business-type activities:                            |            |
| Water and Sewer fund                                 | \$ 339,413 |
| Total depreciation expense - primary government      | \$ 447,177 |

TOWN OF CREWE, VIRGINIA

Notes to Financial Statements (Continued)  
June 30, 2023

**Note 6—Long-term Obligations:**

The following is a summary of long-term debt transactions for the year ended June 30, 2023:

|  | Balance<br>July 1, 2022    | Increases                | Decreases               | Balance<br>June 30, 2023   | Amounts<br>Due Within<br>One Year |
|--|----------------------------|--------------------------|-------------------------|----------------------------|-----------------------------------|
| Primary Government Obligations:            |                            |                          |                         |                            |                                   |
| Governmental Activities Obligations:       |                            |                          |                         |                            |                                   |
| Compensated absences                       | \$ 60,340                  | \$ 12,024                | \$ 6,034                | \$ 66,330                  | \$ 6,633                          |
| Net OPEB liability                         | 40,750                     | 22,453                   | 30,470                  | 32,733                     | -                                 |
| Lease liability                            | 8,016                      | 6,243                    | 2,672                   | 11,587                     | 3,549                             |
| Direct borrowings and placements:          |                            |                          |                         |                            |                                   |
| Notes payable                              | 838,168                    | 68,200                   | 53,090                  | 853,278                    | 44,504                            |
| General obligation bonds payable           | 114,823                    | -                        | 10,753                  | 104,070                    | 10,945                            |
| Total Governmental Activities Obligations  | <u>\$ 1,062,097</u>        | <u>\$ 108,920</u>        | <u>\$103,019</u>        | <u>\$ 1,067,998</u>        | <u>\$ 65,631</u>                  |
| Business-type Activities Obligations:      |                            |                          |                         |                            |                                   |
| Compensated absences                       | \$ 16,459                  | \$ 3,482                 | \$ 1,646                | \$ 18,295                  | \$ 1,830                          |
| Net OPEB liability                         | 24,216                     | 22,534                   | 23,733                  | 23,017                     | -                                 |
| Direct borrowings and placements:          |                            |                          |                         |                            |                                   |
| General obligation bonds and loans         | 5,347,096                  | -                        | 319,987                 | 5,027,109                  | 325,957                           |
| Total Business-type Activities Obligations | <u>\$ 5,387,771</u>        | <u>\$ 26,016</u>         | <u>\$345,366</u>        | <u>\$ 5,068,421</u>        | <u>\$ 327,787</u>                 |
| Total Primary Government Obligations       | <u><u>\$ 6,449,868</u></u> | <u><u>\$ 134,936</u></u> | <u><u>\$448,385</u></u> | <u><u>\$ 6,136,419</u></u> | <u><u>\$ 393,418</u></u>          |

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TOWN OF CREWE, VIRGINIA

Notes to Financial Statements (Continued)  
June 30, 2023

**Note 6—Long-term Obligations: (Continued)**

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

| Year Ending<br>June 30, | Governmental Activities Obligations |               |                                  |                  |                                       |                  | Business-type Activities Obligations |                   |
|-------------------------|-------------------------------------|---------------|----------------------------------|------------------|---------------------------------------|------------------|--------------------------------------|-------------------|
|                         | Lease Liability                     |               | Direct Borrowings and Placements |                  |                                       |                  | General Obligation Bonds and Loans   |                   |
|                         | Principal                           | Interest      | Notes Payable<br>Principal       | Interest         | General Obligation Bonds<br>Principal | Interest         | Principal                            | Interest          |
| 2024                    | \$ 3,549                            | \$ 242        | \$ 44,504                        | \$ 9,607         | \$ 10,945                             | \$ 2,210         | \$ 325,957                           | \$ 66,195         |
| 2025                    | 3,618                               | 173           | 767,880                          | 4,951            | 11,329                                | 1,969            | 328,771                              | 62,801            |
| 2026                    | 2,048                               | 108           | 15,071                           | 755              | 11,521                                | 1,720            | 329,816                              | 59,348            |
| 2027                    | 1,275                               | 62            | 14,010                           | 438              | 11,713                                | 1,471            | 336,900                              | 55,800            |
| 2028                    | 1,097                               | 18            | 11,813                           | 122              | 11,905                                | 1,212            | 338,024                              | 52,113            |
| 2029-2033               | -                                   | -             | -                                | -                | 41,283                                | 2,359            | 1,652,643                            | 203,994           |
| 2034-2038               | -                                   | -             | -                                | -                | 5,374                                 | 211              | 845,943                              | 122,773           |
| 2039-2043               | -                                   | -             | -                                | -                | -                                     | -                | 237,372                              | 84,888            |
| 2044-2048               | -                                   | -             | -                                | -                | -                                     | -                | 265,608                              | 56,652            |
| 2049-2053               | -                                   | -             | -                                | -                | -                                     | -                | 297,204                              | 25,056            |
| 2054                    | -                                   | -             | -                                | -                | -                                     | -                | 68,871                               | 897               |
| <b>Total</b>            | <b>\$ 11,587</b>                    | <b>\$ 603</b> | <b>\$ 853,278</b>                | <b>\$ 15,873</b> | <b>\$ 104,070</b>                     | <b>\$ 11,152</b> | <b>\$ 5,027,109</b>                  | <b>\$ 790,517</b> |

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TOWN OF CREWE, VIRGINIA

Notes to Financial Statements (Continued)  
June 30, 2023

**Note 6—Long-term Obligations: (Continued)**

|   | Total<br>Amount |
|---|-----------------|
| <u>Details of Long-term Obligations:</u>  |                 |
| <u>Governmental Activities:</u>   |                 |
| <u>Direct borrowings and placements:</u>  |                 |
| <u>Notes Payable:</u>   |                 |
| \$20,428 Citizens Bank and Trust note payable issued July 11, 2019, secured by real estate and personal property of Town, due in monthly installments of combined principal and interest of \$372 through July 2024, interest at 3.50%. See Note A. | \$ 4,710        |
| \$131,105 Citizens Bank and Trust note issued April 26, 2019, secured by equipment, due in monthly installments of combined principal and interest of \$2,342 through April 26, 2024, interest at 2.75%. See Note A.                                | 22,976          |
| \$20,000 Rural Development note issued October 23, 2020, secured by equipment, due in monthly installments of combined principal and interest of \$352 starting November 28, 2020 through October 28, 2025, interest at 2.125%. See Note A.         | 9,579           |
| \$750,000 Zions Bank bond anticipation note issued October 28, 2021, due in semi-annual installments of interest of \$3,788 through December 1, 2024, interest at 1.01%. Balloon payment of \$750,000 due December 1, 2024. See Note B.             | 750,000         |
| \$68,200 Rural Development note issued April 11, 2023, secured by equipment, due in monthly installments of combined principal and interest of \$1,204 starting May 11, 2023 through May 11, 2028, interest at 2.25%. See Note A.                   | 66,013          |
| Total Notes Payable   | \$ 853,278      |
| <u>General Obligation Bond Payable:</u>   |                 |
| \$651,000 general obligation bonds issued November 24, 2020, due in varying semi-annual installments through January 15, 2036, interest at 2.18%. General Fund portion is 19.2%. See Note B.  | \$ 104,070      |
| <u>Other liabilities:</u>   |                 |
| <u>Lease Liabilities:</u>   |                 |
| \$10,371 lease liability issued July 1, 2021, due in monthly installments of combined principal and interest of \$204 through October 1, 2025, interest at 1%.  | \$ 5,644        |
| \$6,243 lease liability issued February 23, 2023, due in monthly installments of combined principal and interest of \$111 through April 1, 2028, interest at 2.9%.  | 5,943           |
| Total Lease Liabilities   | \$ 11,587       |
| Compensated Absences (payable from General Fund)  | \$ 66,330       |
| Net OPEB liability  | \$ 32,733       |
| Total Long-term Obligations, Governmental Activities  | \$ 1,067,998    |

Notes to Direct borrowings and placements, Governmental Activities:

- A. In the event of default, the lender may declare the entire unpaid principal balance under this Note and all accrued unpaid interest, together with all applicable fees and charges, if any, immediately due and payable.
- B. In the event of default for any general obligation bond, the Commonwealth of Virginia may withhold state aid from the locality until such time that the event of default is cured in accordance with Section 15.2-2659 of the Code of Virginia, 1950 as amended.

TOWN OF CREWE, VIRGINIA

Notes to Financial Statements (Continued)  
June 30, 2023

**Note 6—Long-term Obligations: (Continued)**

Business-type Activities:

Direct borrowings and placements:

General Obligation Bonds and Loans:

\$1,668,000 FMHA general obligation and sewer revenue bond, issued September 30, 2014; monthly payments of \$5,371, including principal and interest, starting October 28, 2015 through September 2054, interest at 2.25%. See Notes A and B. \$ 1,440,208

\$327,900 FMHA general obligation sewer bond issued August 21, 1997; monthly payments of \$1,506, including principal and interest, starting September 21, 1999 through August 2037, interest at 4.5%. See Note B. 182,501

\$902,000 refunding general obligation bond issued July 19, 2016; bi-annual payments of varying amounts, including principal and interest, starting August 1, 2016 through August 2035, interest at 2.75%. See Note B. 633,000

\$3,889,118 VRA general obligation and water and sewer revenue bond issued September 30, 2014; semi-annual payments of \$97,228 through 2035, interest at 0%. See Notes A and B. 2,333,471

\$651,000 general obligation bonds issued November 24, 2020, due in varying semi-annual installments through January 15, 2036, interest at 2.18%. General Fund portion is 80.8%. See Note B. 437,929

Total General Obligation Bonds and Loans \$ 5,027,109

Compensated absences (payable from Enterprise Funds) \$ 18,295

Net OPEB liability \$ 23,017

Total Long-term Obligations, Business-type Activities \$ 5,068,421

Total Long-term Obligations, Primary Government \$ 6,136,419

Notes to Direct borrowings and placements, Business-type Activities:

A. The principal and interest on these bonds and notes are secured by a pledge of the Net Revenues of the System as provided for in the bond resolution. Rates or fees charged to users of the System are required to be maintained at a level that will produce sufficient revenue to pay all costs of operation of the System and the installments of principal and interest on these bonds and notes payable.

B. In the event of default for any general obligation bond, the Commonwealth of Virginia may withhold state aid from the locality until such time that the event of default is cured in accordance with Section 15.2-2659 of the Code of Virginia, 1950 as amended.

TOWN OF CREWE, VIRGINIA

Notes to Financial Statements (Continued)  
June 30, 2023

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**Note 7—Deferred/Unavailable Revenue:**

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Deferred/Unavailable revenue represents amounts for which asset recognition criteria have been met, but for which revenue recognition criteria have not been met. Under the modified accrual basis of accounting, such amounts are measurable, but not available. Under the accrual basis, assessments for future periods are deferred. Deferred/unavailable revenue totaling \$119,020 is comprised of the following:

Unavailable Property Tax Revenue - Unavailable revenue representing uncollected tax billings not available for funding of current expenditures totaled \$115,871 at June 30, 2023.

Prepaid Property Taxes - Property taxes due subsequent to June 30, 2023 but paid in advance by the taxpayers totaled \$3,149 at June 30, 2023.

**Note 8—Litigation:**

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

**Note 9—Line of Duty Act (LODA) (OPEB Benefits):**

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The Line of Duty Act (LODA) provides death and healthcare benefits to certain law enforcement and rescue personnel, and their beneficiaries, who were disabled or killed in the line of duty. Benefit provisions and eligibility requirements are established by title 9.1 Chapter 4 of the Code of Virginia. Funding of LODA benefits is provided by employers in one of two ways: (a) participation in the Line of Duty and Health Benefits Trust Fund (LODA Fund), administered by the Virginia Retirement System (VRS) or (b) self-funding by the employer or through an insurance company.

The Town has elected to provide LODA benefits through an insurance company. The obligation for the payment of benefits has been effectively transferred from the Town to VRSA. VRSA assumes all liability for the Town's LODA claims that are approved by VRS. The pool purchases reinsurance to protect the pool from extreme claims costs.

The current-year OPEB expense/expenditure for the insured benefits is defined as the amount of premiums or other payments required for the insured benefits for the reporting period in accordance with the agreement with the insurance company for LODA and a change in liability to the insurer equal to the difference between amounts recognized as OPEB expense and amounts paid by the employer to the insurer. The Town's LODA coverage is fully covered or "insured" through VRSA. This is built into the LODA coverage cost presented in the annual renewals. The Town's LODA premium for the year ended June 30, 2023, was \$12,217.

**Note 10—Risk Management:**

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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 participates with other localities in a public entity risk pool for their coverage of worker's compensation and public officials' liability. The Town pays an annual premium to the pools for its general insurance through member premiums. The Town continues to carry commercial insurance for all other risks of loss. Settled claims resulting from these risks have not exceeded commercial insurance coverage in any of the past three fiscal years.

**Note 11—Pension Plan:**

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***Plan Description***

All full-time, salaried permanent employees of the Town are automatically covered by a 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.

***Benefit Structures***

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, as detailed below.

- a. Employees with a membership date before July 1, 2010, vested as of January 1, 2013, and have not taken a refund, are covered under Plan 1, a defined benefit plan. Non-hazardous duty employees are eligible for an unreduced retirement benefit beginning at age 65 with at least 5 years of service credit or age 50 with at least 30 years of service credit. Non-hazardous duty employees may retire with a reduced benefit as early as age 55 with at least 5 years of service credit or age 50 with at least 10 years of service credit. Hazardous duty employees (law enforcement officers, firefighters, and sheriffs) are eligible for an unreduced benefit beginning at age 60 with at least 5 years of service credit or age 50 with at least 25 years of service credit. Hazardous duty employees may retire with a reduced benefit as early as age 50 with at least 5 years of service credit.
- b. Employees with a membership date from July 1, 2010 to December 31, 2013, that have not taken a refund or employees with a membership date prior to July 1, 2010 and not vested before January 1, 2013, are covered under Plan 2, a defined benefit plan. Non-hazardous duty employees are eligible for an unreduced benefit beginning at their normal social security retirement age with at least 5 years of service credit or when the sum of their age plus service credit equals 90. Non-hazardous duty employees may retire with a reduced benefit as early as age 60 with at least 5 years of service credit. Hazardous duty employees are eligible for an unreduced benefit beginning at age 60 with at least 5 years of service credit or age 50 with at least 25 years of service credit. Hazardous duty employees may retire with a reduced benefit as early as age 50 with at least 5 years of service credit.
- c. Non-hazardous duty employees with a membership date on or after January 1, 2014 are covered by the Hybrid Plan combining the features of a defined benefit plan and a defined contribution plan. Plan 1 and Plan 2 members also had the option of opting into this plan during the election window held January 1 - April 30, 2014 with an effective date of July 1, 2014. Employees covered by this plan are eligible for an unreduced benefit beginning at their normal social security retirement age with at least 5 years of service credit, or when the sum of their age plus service credit equals 90. Employees may retire with a reduced benefit as early as age 60 with at least 5 years of service credit. For the defined contribution component, members are eligible to receive distributions upon leaving employment, subject to restrictions.

**Note 11—Pension Plan: (Continued)****Average Final Compensation and Service Retirement Multiplier**

The VRS defined benefit is a lifetime monthly benefit based on a retirement multiplier as a percentage of the employee's average final compensation multiplied by the employee's total service credit. Under Plan 1, average final compensation is the average of the employee's 36 consecutive months of highest compensation and the multiplier is 1.70% for non-hazardous duty employees, 1.85% for sheriffs and regional jail superintendents, and 1.70% or 1.85% for hazardous duty employees as elected by the employer. Under Plan 2, average final compensation is the average of the employee's 60 consecutive months of highest compensation and the retirement multiplier is 1.65% for non-hazardous duty employees, 1.85% for sheriffs and regional jail superintendents, and 1.70% or 1.85% for hazardous duty employees as elected by the employer. Under the Hybrid Plan, average final compensation is the average of the employee's 60 consecutive months of highest compensation, and the multiplier is 1.00%. For members who opted into the Hybrid Retirement Plan from Plan 1 or Plan 2, the applicable multipliers for those plans will be used to calculate the retirement benefit for service credited in those plans.

**Cost-of-Living Adjustment (COLA) in Retirement and Death and Disability Benefits**

Retirees with an unreduced benefit or with a reduced benefit with at least 20 years of service credit are eligible for an annual COLA beginning July 1 after one full calendar year from the retirement date. Retirees with a reduced benefit and who have less than 20 years of service credit are eligible for an annual COLA beginning on July 1 after one calendar year following the unreduced retirement eligibility date. Under Plan 1, the COLA cannot exceed 5.00%. Under Plan 2 and the Hybrid Plan, the COLA cannot exceed 3.00%. The VRS also provides death and disability benefits. Title 51.1 of the Code of Virginia, as amended, assigns the authority to establish and amend benefit provisions to the General Assembly of Virginia.

**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:

|  | <b>Primary<br/>Government</b> |
|--|-------------------------------|
| Inactive members or their beneficiaries currently receiving benefits | 19                            |
| Inactive members:  |                               |
| Vested inactive members  | 8                             |
| Non-vested inactive members  | 24                            |
| Inactive members active elsewhere in VRS                             | 20                            |
| Total inactive members   | 52                            |
| Active members   | 23                            |
| Total covered employees  | 94                            |

TOWN OF CREWE, VIRGINIA

Notes to Financial Statements (Continued)  
June 30, 2023

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*Note 11—Pension Plan: (Continued)*

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**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, 2023 was 4.29% of covered employee compensation. This rate was based on an actuarially determined rate from an actuarial valuation as of June 30, 2021.

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 \$40,907 and \$22,042 for the years ended June 30, 2023 and June 30, 2022, respectively.

**Net Pension Liability (Asset)**

The net pension liability (asset) (NPL(A)) 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 (asset) was measured as of June 30, 2022. The total pension liability used to calculate the net pension liability (asset) was determined by an actuarial valuation performed as of June 30, 2021, and rolled forward to the measurement date of June 30, 2022.

**Actuarial Assumptions - General Employees**

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                             | 2.50%   |
| Salary increases, including inflation | 3.50% - 5.35%   |
| Investment rate of return             | 6.75%, net of pension plan investment expenses, including inflation |

**Mortality rates:**

All Others (Non-10 Largest) - Non-Hazardous Duty: 15% of deaths are assumed to be service-related

**Pre-Retirement:**

Pub-2010 Amount Weighted Safety Employee Rates projected generationally; 95% of rates for males; 105% of rates for females set forward 2 years

**Post-Retirement:**

Pub-2010 Amount Weighted Safety Healthy Retiree Rates projected generationally; 110% of rates for males; 105% of rates for females set forward 3 years

TOWN OF CREWE, VIRGINIA

Notes to Financial Statements (Continued)  
June 30, 2023

*Note 11—Pension Plan: (Continued)*

*Actuarial Assumptions - General Employees (Continued)*

Mortality rates: (Continued)

Post-Disablement:

Pub-2010 Amount Weighted General Disabled Rates projected generationally; 95% of rates for males set back 3 years; 90% of rates for females set back 3 years

Beneficiaries and Survivors:

Pub-2010 Amount Weighted Safety Contingent Annuitant Rates projected generationally; 110% of rates for males and females set forward 2 years

Mortality Improvement:

Rates projected generationally with Modified MP-2021 Improvement Scale that is 75% of the MP-2020 rates

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

|   |  |
|---|--|
| Mortality Rates (pre-retirement, post-retirement healthy, and disabled) | Update to Pub-2010 public sector mortality tables. For future mortality improvements, replace load with a modified Mortality Improvement Scale MP-2020 |
| Retirement Rates  | Adjusted rates to better fit experience for Plan 1; set separate rates based on experience for Plan 2/Hybrid; changed final retirement age             |
| Withdrawal Rates  | Adjusted rates to better fit experience at each age and service decrement through 9 years of service   |
| Disability Rates  | No change  |
| Salary Scale  | No change  |
| Line of Duty Disability   | No change  |
| Discount Rate   | No change  |

**Note 11—Pension Plan: (Continued)**

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**Actuarial Assumptions - Public Safety Employees with Hazardous Duty Benefits**

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                             | 2.50%   |
| Salary increases, including inflation | 3.50% - 4.75%   |
| Investment rate of return             | 6.75%, net of pension plan investment expenses, including inflation |

**Mortality rates:**

All Others (Non-10 Largest) - Hazardous Duty: 45% of deaths are assumed to be service-related

**Pre-Retirement:**

Pub-2010 Amount Weighted Safety Employee Rates projected generationally with a Modified MP-2020 Improvement Scale; 95% of rates for males; 105% of rates for females set forward 2 years

**Post-Retirement:**

Pub-2010 Amount Weighted Safety Healthy Retiree Rates projected generationally with a Modified MP-2020 Improvement Scale; 110% of rates for males; 105% of rates for females set forward 3 years

**Post-Disablement:**

Pub-2010 Amount Weighted General Disabled Rates projected generationally with a Modified MP-2020 Improvement Scale; 95% of rates for males set back 3 years; 90% of rates for females set back 3 years

**Beneficiaries and Survivors:**

Pub-2010 Amount Weighted Safety Contingent Annuitant Rates projected generationally with a Modified MP-2020 Improvement Scale; 110% of rates for males and females set forward 2 years

**Mortality Improvement:**

Rates projected generationally with Modified MP-2021 Improvement Scale that is 75% of the MP-2020 rates

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**Note 11—Pension Plan: (Continued)**

**Actuarial Assumptions - Public Safety Employees with Hazardous Duty Benefits (Continued)**

The actuarial assumptions used in the June 30, 2021 valuation were based on the results of an actuarial experience study for the period from July 1, 2016 through June 30, 2020, except the change in the discount rate, which was based on VRS Board action effective as of July 1, 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) - Hazardous Duty:

|   |  |
|---|--|
| Mortality Rates (pre-retirement, post-retirement healthy, and disabled) | Update to Pub-2010 public sector mortality tables. Increased disability life expectancy. For future mortality improvements, replace load with a modified Mortality Improvement Scale MP-2020 |
| Retirement Rates  | Adjusted rates to better fit experience and changed final retirement age from 65 to 70   |
| Withdrawal Rates  | Decreased rates and changed from rates based on age and service to rates based on service only to better fit experience and to be more consistent with Locals Largest 10 Hazardous Duty      |
| Disability Rates  | No change  |
| Salary Scale  | No change  |
| Line of Duty Disability   | No change  |
| Discount Rate   | No change  |

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TOWN OF CREWE, VIRGINIA

Notes to Financial Statements (Continued)  
June 30, 2023

**Note 11—Pension Plan: (Continued)**

**Long-Term Expected Rate of Return**

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

| Asset Class (Strategy)               | Long-Term<br>Target<br>Asset<br>Allocation | Arithmetic<br>Long-term<br>Expected<br>Rate of Return | Weighted<br>Average<br>Long-term<br>Expected<br>Rate of Return* |
|--------------------------------------|--|---|---|
| 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%                                     | 4.47%   | 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%   |
| Total                                | 100.00%                                    |   | 5.33%   |
|                                      |  | Inflation   | 2.50%   |
|                                      |  | Expected arithmetic nominal return**                  | 7.83%   |

\*The above allocation provides a one-year expected 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 projections are employed to model future returns under various economic conditions. These 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 return of 6.75% which was roughly at the 40<sup>th</sup> 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%.

**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; the Town was also provided with an opportunity to use an alternative 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

TOWN OF CREWE, VIRGINIA

Notes to Financial Statements (Continued)  
June 30, 2023

*Note 11—Pension Plan: (Continued)*

*Discount Rate (Continued)*

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.

*Changes in Net Pension Liability (Asset)*

|   | Primary Government                   |  |  |
|---|--------------------------------------|--|--|
|   | Increase (Decrease)                  |  |  |
|   | Total<br>Pension<br>Liability<br>(a) | Plan<br>Fiduciary<br>Net Position<br>(b) | Net<br>Pension<br>Liability (Asset)<br>(a) - (b) |
| Balances at June 30, 2021                             | \$ 3,736,881                         | \$ 4,479,137                             | \$ (742,256)                                     |
| Changes for the year:                                 |                                      |  |  |
| Service cost  | \$ 95,998                            | \$ -                                     | \$ 95,998  |
| Interest  | 252,416                              | -  | 252,416  |
| Differences between expected<br>and actual experience | 112,694                              | -  | 112,694  |
| Contributions - employer                              | -                                    | 22,343                                   | (22,343)   |
| Contributions - employee                              | -                                    | 47,873                                   | (47,873)   |
| Net investment income                                 | -                                    | (4,088)                                  | 4,088  |
| Benefit payments, including refunds                   | (186,763)                            | (186,763)                                | -  |
| Administrative expenses                               | -                                    | (2,797)                                  | 2,797  |
| Other changes   | -                                    | 102                                      | (102)  |
| Net changes   | \$ 274,345                           | \$ (123,330)                             | \$ 397,675                                       |
| Balances at June 30, 2022                             | \$ 4,011,226                         | \$ 4,355,807                             | \$ (344,581)                                     |

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TOWN OF CREWE, VIRGINIA

Notes to Financial Statements (Continued)  
June 30, 2023

*Note 11—Pension Plan: (Continued)*

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

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

|   | <b>Rate</b>        |                         |                    |
|---|--------------------|-------------------------|--------------------|
|   | <b>1% Decrease</b> | <b>Current Discount</b> | <b>1% Increase</b> |
|   | <b>(5.75%)</b>     | <b>(6.75%)</b>          | <b>(7.75%)</b>     |
| Town's<br>Net Pension Liability (Asset) | \$ 264,842         | \$ (344,581)            | \$ (831,569)       |

***Pension Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions***

For the year ended June 30, 2023, the Town recognized pension expense of \$76,091. At June 30, 2023, the Town reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

|  | <b>Primary Government</b>             |                                      |
|--|---------------------------------------|--------------------------------------|
|  | <b>Deferred Outflows of Resources</b> | <b>Deferred Inflows of Resources</b> |
| Differences between expected and actual experience                               | \$ 60,197                             | \$ -                                 |
| Change in assumptions  | 728                                   | -                                    |
| Net difference between projected and actual earnings on pension plan investments | -                                     | 129,219                              |
| Proportionate Share  | 56,886                                | 56,886                               |
| Employer contributions subsequent to the measurement date                        | 40,907                                | -                                    |
| <b>Total</b>   | <b>\$ 158,718</b>                     | <b>\$ 186,105</b>                    |

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TOWN OF CREWE, VIRGINIA

Notes to Financial Statements (Continued)  
June 30, 2023

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**Note 11—Pension Plan: (Continued)**

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***Pension Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions***

\$40,907 reported as deferred outflows of resources related to pensions resulting from the Town’s contributions, subsequent to the measurement date will be recognized as a reduction (increase) of the Net Pension Liability (Asset) in the fiscal year ending June 30, 2024. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense in future reporting periods as follows:

| <u>Year ended June 30</u> | <u>Primary<br/>Government</u> |
|---------------------------|-------------------------------|
| 2024                      | \$ 10,072                     |
| 2025                      | (52,625)                      |
| 2026                      | (86,223)                      |
| 2027                      | 60,482                        |
| 2028                      | -                             |
| Thereafter                | -                             |

***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.

**Note 12—Group Life Insurance (GLI) Plan (OPEB Plan):**

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***Plan Description***

The Group Life Insurance (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. All full-time, salaried permanent employees of the state agencies, teachers, and employees of participating political subdivisions are automatically covered by the VRS GLI 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 GLI benefit, members are also eligible to elect additional coverage for themselves as well as a spouse or dependent children through the Optional GLI 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 GLI Plan OPEB.

TOWN OF CREWE, VIRGINIA

Notes to Financial Statements (Continued)  
June 30, 2023

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**Note 12—Group Life Insurance (GLI) Plan (OPEB Plan): (Continued)**

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**Plan Description (Continued)**

The specific information for GLI OPEB Plan, including eligibility, coverage and benefits is described below:

**Eligible Employees**

The GLI Plan was established July 1, 1960, for state employees, teachers, and employees of political subdivisions that elect the plan. Basic GLI coverage is automatic upon employment. Coverage ends for employees who leave their position before retirement eligibility or who take a refund of their accumulated retirement member contributions and accrued interest.

**Benefit Amounts**

The GLI Plan is a defined benefit plan with several components. The natural death benefit is equal to the employee's covered compensation rounded to the next highest thousand and then doubled. The accidental death benefit is double the natural death benefit. In addition to basic natural and accidental death benefits, the plan provides additional benefits provided under specific circumstances that include the following: accidental dismemberment benefit, seatbelt benefit, repatriation benefit, felonious assault benefit, and accelerated death benefit option. The benefit amounts are subject to a reduction factor. The benefit amount reduces by 25% on January 1 following one calendar year of separation. The benefit amount reduces by an additional 25% on each subsequent January 1 until it reaches 25% of its original value. For covered members with at least 30 years of service credit, the minimum benefit payable was set at \$8,000 by statute in 2015. This will be increased annually based on VRS Plan 2 cost-of-living adjustment calculation. The minimum benefit adjusted for COLA was \$8,984 as of June 30, 2023.

**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 GLI Plan was 1.34% of covered employee compensation. This was allocated into an employee and an employer component using a 60/40 split. The employee component was 0.80% (1.34% x 60%) and the employer component was 0.54% (1.34% 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, 2023 was 0.54% of covered employee compensation. This rate was based on an actuarially determined rate from an actuarial valuation as of June 30, 2021. 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 GLI Plan from the entity were \$5,837 and \$5,437 for the years ended June 30, 2023 and June 30, 2022, respectively.

In June 2022, the Commonwealth made a special contribution of approximately \$30.4 million to the Group Life Insurance Plan. This special payment was authorized by a Budget Amendment included in Chapter 1 of the 2022 Appropriation Act, and is classified as a non-employer contribution.

TOWN OF CREWE, VIRGINIA

Notes to Financial Statements (Continued)  
June 30, 2023

*Note 12—Group Life Insurance (GLI) Plan (OPEB Plan): (Continued)*

***GLI OPEB Liabilities, GLI OPEB Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to the GLI Plan OPEB***

At June 30, 2023, the entity reported a liability of \$55,750 for its proportionate share of the Net GLI OPEB Liability. The Net GLI OPEB Liability was measured as of June 30, 2022 and the total GLI OPEB liability used to calculate the Net GLI OPEB Liability was determined by an actuarial valuation performed as of June 30, 2021, and rolled forward to the measurement date of June 30, 2022. The covered employer’s proportion 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, 2022 relative to the total of the actuarially determined employer contributions for all participating employers. At June 30, 2022, the participating employer’s proportion was 0.00460% as compared to 0.00560% at June 30, 2021.

For the year ended June 30, 2023, the participating employer recognized GLI OPEB expense of \$905. Since there was a change in proportionate share between measurement dates, a portion of the GLI OPEB expense was related to deferred amounts from changes in proportion.

At June 30, 2023, the employer reported deferred outflows of resources and deferred inflows of resources related to the GLI OPEB from the following sources:

|   | <u>Deferred Outflows<br/>of Resources</u> | <u>Deferred Inflows<br/>of Resources</u> |
|---|---|--|
| Differences between expected and actual experience                                | \$ 4,415                                  | \$ 2,237                                 |
| Net difference between projected and actual earnings on GLI OPEB plan investments | -   | 3,484                                    |
| Change in assumptions   | 2,079                                     | 5,430                                    |
| Changes in proportionate share  | 4,199                                     | 12,529                                   |
| Employer contributions subsequent to the measurement date                         | <u>5,837</u>                              | <u>-</u>                                 |
| Total   | <u>\$ 16,530</u>                          | <u>\$ 23,680</u>                         |

TOWN OF CREWE, VIRGINIA

Notes to Financial Statements (Continued)  
June 30, 2023

*Note 12—Group Life Insurance (GLI) Plan (OPEB Plan): (Continued)*

*GLI OPEB Liabilities, GLI OPEB Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to the GLI Plan OPEB (Continued)*

\$5,837 reported as deferred outflows of resources related to the GLI OPEB resulting from the employer’s contributions subsequent to the measurement date will be recognized as a reduction of the Net GLI OPEB Liability in the fiscal year ending June 30, 2024. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to the GLI OPEB will be recognized in the GLI OPEB expense in future reporting periods as follows:

| <u>Year Ended June 30</u> |            |
|---------------------------|------------|
| 2024                      | \$ (2,098) |
| 2025                      | (2,275)    |
| 2026                      | (4,648)    |
| 2027                      | (1,347)    |
| 2028                      | (2,619)    |
| Thereafter                | -          |

**Actuarial Assumptions**

The total GLI OPEB liability 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. The assumptions include several employer groups. Salary increases and mortality rates included herein are for relevant employer groups. Information for other groups can be referenced in the VRS Annual Report.

|  |   |
|--|---|
| Inflation                              | 2.50%   |
| Salary increases, including inflation: |   |
| Locality - General employees           | 3.50%-5.35%   |
| Locality - Hazardous Duty employees    | 3.50%-4.75%   |
| Investment rate of return              | 6.75%, net of investment expenses,<br>including inflation |

TOWN OF CREWE, VIRGINIA

Notes to Financial Statements (Continued)  
June 30, 2023

*Note 12—Group Life Insurance (GLI) Plan (OPEB Plan): (Continued)*

*Actuarial Assumptions (Continued)*

**Mortality Rates - Non-Largest Ten Locality Employers - General Employees**

Pre-Retirement:

Pub-2010 Amount Weighted Safety Employee Rates projected generationally; males set forward 2 years; 105% of rates for females set forward 3 years

Post-Retirement:

Pub-2010 Amount Weighted Safety Healthy Retiree Rates projected generationally; 95% of rates for males set forward 2 years; 95% of rates for females set forward 1 year

Post-Disablement:

Pub-2010 Amount Weighted General Disabled Rates projected generationally; 110% of rates for males set forward 3 years; 110% of rates for females set forward 2 years

Beneficiaries and Survivors:

Pub-2010 Amount Weighted Safety Contingent Annuitant Rates projected generationally

Mortality Improvement Scale:

Rates projected generationally with Modified MP-2021 Improvement Scale that is 75% of the MP-2020 rates

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

|   |  |
|---|--|
| Mortality Rates (pre-retirement, post-retirement healthy, and disabled) | Update to Pub-2010 public sector mortality tables. For future mortality improvements, replace load with a modified Mortality Improvement Scale MP-2020           |
| Retirement Rates  | Adjusted rates to better fit experience for Plan 1; set separate rates based on experience for Plan 2/Hybrid; changed final retirement age from 75 to 80 for all |
| Withdrawal Rates  | Adjusted rates to better fit experience at each age and service decrement through 9 years of service   |
| Disability Rates  | No change  |
| Salary Scale  | No change  |
| Line of Duty Disability   | No change  |
| Discount Rate   | No change  |

TOWN OF CREWE, VIRGINIA

Notes to Financial Statements (Continued)  
June 30, 2023

*Note 12—Group Life Insurance (GLI) Plan (OPEB Plan): (Continued)*

*Actuarial Assumptions (Continued)*

**Mortality Rates - Non-Largest Ten Locality Employers - Hazardous Duty Employees**

Pre-Retirement:

Pub-2010 Amount Weighted Safety Employee Rates projected generationally; 95% of rates for males; 105% of rates for females set forward 2 years

Post-Retirement:

Pub-2010 Amount Weighted Safety Healthy Retiree Rates projected generationally; 110% of rates for males; 105% of rates for females set forward 3 years

Post-Disablement:

Pub-2010 Amount Weighted General Disabled Rates projected generationally; 95% of rates for males set back 3 years; 90% of rates for females set back 3 years

Beneficiaries and Survivors:

Pub-2010 Amount Weighted Safety Contingent Annuitant Rates projected generationally; 110% of rates for males and females set forward 2 years

Mortality Improvement Scale:

Rates projected generationally with Modified MP-2021 Improvement Scale that is 75% of the MP-2020 rates

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

|   |  |
|---|--|
| Mortality Rates (pre-retirement, post-retirement healthy, and disabled) | Update to Pub-2010 public sector mortality tables. Increased disability life expectancy. For future mortality improvements, replace load with a modified Mortality Improvement Scale MP-2020 |
| Retirement Rates  | Adjusted rates to better fit experience and changed final retirement age from 65 to 70   |
| Withdrawal Rates  | Decreased rates and changed from rates based on age and service to rates based on service only to better fit experience and to be more consistent with Locals Top 10 Hazardous Duty          |
| Disability Rates  | No change  |
| Salary Scale  | No change  |
| Line of Duty Disability   | No change  |
| Discount Rate   | No change  |

TOWN OF CREWE, VIRGINIA

Notes to Financial Statements (Continued)  
June 30, 2023

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*Note 12—Group Life Insurance (GLI) Plan (OPEB Plan): (Continued)*

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**NET GLI OPEB Liability**

The net OPEB liability (NOL) for the GLI Plan represents the plan's total OPEB liability determined in accordance with GASB Statement No. 74, less the associated fiduciary net position. As of the measurement date of June 30, 2022, NOL amounts for the GLI Plan are as follows (amounts expressed in thousands):

|  |    | <b>GLI OPEB<br/>Plan</b> |
|--|----|--------------------------|
| Total GLI OPEB Liability   | \$ | 3,672,085                |
| Plan Fiduciary Net Position  |    | 2,467,989                |
| GLI Net OPEB Liability (Asset)   | \$ | <u>1,204,096</u>         |
| Plan Fiduciary Net Position as a Percentage<br>of the Total GLI OPEB Liability |    | 67.21%                   |

The total GLI OPEB liability is calculated by the System's actuary, and each plan's fiduciary net position is reported in the System's financial statements. The net GLI OPEB liability is disclosed in accordance with the requirements of GASB Statement No. 74 in the System's notes to the financial statements and required supplementary information.

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TOWN OF CREWE, VIRGINIA

Notes to Financial Statements (Continued)  
June 30, 2023

*Note 12—Group Life Insurance (GLI) Plan (OPEB Plan): (Continued)*

**Long-Term Expected Rate of Return**

The long-term expected rate of return on the System’s 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 System’s investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The target asset allocation and best estimate of arithmetic real rates of return for each major asset class are summarized in the following table:

| <u>Asset Class (Strategy)</u>        | <u>Long-Term Target Asset 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%                                   | 4.47%   | 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%  |
| Total                                | <u>100.00%</u>                           |   | <u>5.33%</u>   |
|                                      |  | 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 projections are employed to model future returns under various economic conditions. These 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 return of 6.75%, which was roughly at the 40<sup>th</sup> 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%.

**Discount Rate**

The discount rate used to measure the total GLI OPEB liability was 6.75%. The projection of cash flows used to determine the discount rate assumed that employer contributions will be made in accordance with the VRS funding policy and at rates equal to the actuarially determined contribution rates adopted by the VRS Board of Trustees. Through the fiscal year ended June 30, 2022, the rate contributed by the entity for the GLI OPEB will be subject to the portion of the VRS Board-certified rates that are funded by the Virginia General Assembly which was 100% of the actuarially determined contribution rate. From July 1, 2022 on, employers are assumed

TOWN OF CREWE, VIRGINIA

Notes to Financial Statements (Continued)  
June 30, 2023

**Note 12—Group Life Insurance (GLI) Plan (OPEB Plan): (Continued)**

**Discount Rate (Continued)**

to continue to contribute 100% of the actuarially determined contribution rates. Based on those assumptions, the GLI OPEB’s fiduciary net position was projected to be available to make all projected future benefit payments of eligible employees. Therefore, the long-term expected rate of return was applied to all periods of projected benefit payments to determine the total GLI OPEB liability.

**Sensitivity of the Employer’s Proportionate Share of the Net GLI OPEB Liability to Changes in the Discount Rate**

The following presents the employer’s proportionate share of the net GLI OPEB liability using the discount rate of 6.75%, as well as what the employer’s proportionate share of the net GLI OPEB liability would be if it were calculated using a discount rate that is one percentage point lower (5.75%) or one percentage point higher (7.75%) than the current rate:

|   | Rate                   |                             |                        |
|---|------------------------|-----------------------------|------------------------|
|   | 1% Decrease<br>(5.75%) | Current Discount<br>(6.75%) | 1% Increase<br>(7.75%) |
| Town's proportionate<br>share of the GLI Plan<br>Net OPEB Liability | \$ 81,122              | \$ 55,750                   | \$ 35,245              |

**GLI Plan Fiduciary Net Position**

Detailed information about the GLI Plan’s Fiduciary Net Position is 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.

**Note 13—Surety Bonds:**

|  | Amount     |
|--|------------|
| Virginia Risk Sharing Association (VRS):<br>Blanket Public Employees Dishonesty Coverage | \$ 100,000 |

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TOWN OF CREWE, VIRGINIA

Notes to Financial Statements (Continued)  
June 30, 2023

**Note 14—Interfund Transfers:**

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

| Fund                     | Transfers In | Transfers Out |
|--------------------------|--------------|---------------|
| General                  | \$ -         | \$ 479,574    |
| Total Governmental Funds | \$ -         | \$ 479,574    |
| Enterprise Funds:        |              |               |
| Water                    | \$ 16,488    | \$ -          |
| Sewer                    | 463,086      | -             |
| Total Enterprise Funds   | \$ 479,574   | \$ -          |
| Total - All Funds        | \$ 479,574   | \$ 479,574    |

Transfers are used to (1) move revenues from the fund that statute or budget requires to collect them to the fund that statute or budget requires to expend them and (2) use unrestricted revenues collected in the General Fund to finance various programs accounted for in other funds in accordance with budgeting authorization.

**Note 15—Upcoming Pronouncements:**

Statement No. 99, *Omnibus 2022*, addresses (1) practice issues that have been identified during implementation and application of certain GASB Statements and (2) accounting and financial reporting for financial guarantees. The effective dates differ based on the requirements of the Statement, ranging from April 2022 to for fiscal years beginning after June 15, 2023.

Statement No. 100, *Accounting Changes and Error Corrections - an amendment of GASB Statement No. 62*, provides more understandable, reliable, relevant, consistent, and comparable information for making decisions or assessing accountability for accounting changes and error corrections. The requirements of this Statement are effective for fiscal years beginning after June 15, 2023.

Statement No. 101, *Compensated Absences*, updates the recognition and measurement guidance for compensated absences. It aligns the recognition and measurement guidance under a unified model and amends certain previously required disclosures. The requirements of this Statement are effective for fiscal years beginning after December 15, 2023.

Implementation Guide No. 2021-1, *Implementation Guidance Update—2021*, with dates ranging from reporting periods beginning after June 15, 2022 to reporting periods beginning after June 15, 2023.

Implementation Guide No. 2023-1, *Implementation Guidance Update—2023*, effective for fiscal years beginning after June 15, 2023.

Management is currently evaluating the impact these standards will have on the financial statements when adopted.

*Note 16—Subsequent Events:*

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**ARPA Funding**

On March 11, 2022, the American Rescue Plan (ARPA) Act of 2022 was passed by the federal government. A primary component of the ARPA was the establishment of the Coronavirus State and Local Fiscal Recovery Fund (CSLFRF). Local governments were to receive funds in two tranches, with 50% provided beginning in June 2022 and the balance delivered approximately 12 months later.

On June 30, 2021, the Town received its share of the first half of the CSLFRF funds in the amount of \$1,104,436. On July 22, 2022, the Town received its share of the second half of the CSLFRF funds in the amount of \$1,104,436. As a condition of receiving CSLFRF funds, any funds unobligated by December 31, 2024, and unexpended by December 31, 2026, will be returned to the federal government. Unspent funds in the amount of \$2,002,459 from the initial allocation are reported as unearned revenue as of June 30.

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*REQUIRED SUPPLEMENTARY INFORMATION*

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Town of Crewe, Virginia  
 Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual  
 General Fund  
 For the Year Ended June 30, 2023

|   | <u>Budgeted Amounts</u> |                     | <u>Actual<br/>Amounts</u> | Variance with<br>Final Budget -<br>Positive<br><u>(Negative)</u> |
|---|-------------------------|---------------------|---------------------------|--|
|   | <u>Original</u>         | <u>Final</u>        |                           |  |
| <b>REVENUES</b>   |                         |                     |                           |  |
| General property taxes                                    | \$ 505,200              | \$ 505,200          | \$ 510,513                | \$ 5,313   |
| Other local taxes   | 856,000                 | 856,000             | 879,498                   | 23,498   |
| Permits, privilege fees, and regulatory licenses          | 2,000                   | 2,000               | 2,500                     | 500  |
| Fines and forfeitures                                     | 10,000                  | 10,000              | 5,299                     | (4,701)  |
| Revenue from the use of money and property                | 76,275                  | 76,275              | 98,553                    | 22,278   |
| Charges for services                                      | 446,000                 | 446,000             | 419,385                   | (26,615)   |
| Miscellaneous   | 92,500                  | 92,500              | 27,844                    | (64,656)   |
| Recovered costs   | 27,000                  | 27,000              | 700                       | (26,300)   |
| Intergovernmental:  |                         |                     |                           |  |
| Commonwealth  | 417,765                 | 417,765             | 284,764                   | (133,001)  |
| Federal   | 2,191,500               | 2,191,500           | 359,309                   | (1,832,191)  |
| Total revenues  | <u>\$ 4,624,240</u>     | <u>\$ 4,624,240</u> | <u>\$ 2,588,365</u>       | <u>\$ (2,035,875)</u>  |
| <b>EXPENDITURES</b>                                       |                         |                     |                           |  |
| Current:  |                         |                     |                           |  |
| General government administration                         | \$ 405,097              | \$ 405,097          | \$ 389,280                | \$ 15,817  |
| Public safety   | 851,792                 | 851,792             | 869,850                   | (18,058)   |
| Public works  | 769,437                 | 769,437             | 691,674                   | 77,763   |
| Parks, recreation, and cultural                           | 101,126                 | 101,126             | 51,299                    | 49,827   |
| Community development                                     | 260,050                 | 260,050             | 25,854                    | 234,196  |
| Nondepartmental   | 2,192,849               | 2,192,849           | 2,752                     | 2,190,097  |
| Debt service:   |                         |                     |                           |  |
| Principal retirement                                      | 99,298                  | 99,298              | 66,515                    | 32,783   |
| Interest and other fiscal charges                         | 12,091                  | 12,091              | 12,091                    | -  |
| Total expenditures  | <u>\$ 4,691,740</u>     | <u>\$ 4,691,740</u> | <u>\$ 2,109,315</u>       | <u>\$ 2,582,425</u>  |
| Excess (deficiency) of revenues over (under) expenditures | <u>\$ (67,500)</u>      | <u>\$ (67,500)</u>  | <u>\$ 479,050</u>         | <u>\$ 546,550</u>  |
| <b>OTHER FINANCING SOURCES (USES)</b>                     |                         |                     |                           |  |
| Transfers out   | \$ -                    | \$ -                | \$ (479,574)              | \$ (479,574)   |
| Issuance of note payable                                  | 67,500                  | 67,500              | 68,200                    | 700  |
| Lease issuance  | -                       | -                   | 6,243                     | 6,243  |
| Total other financing sources (uses)                      | <u>\$ 67,500</u>        | <u>\$ 67,500</u>    | <u>\$ (405,131)</u>       | <u>\$ (472,631)</u>  |
| Net change in fund balances                               | \$ -                    | \$ -                | \$ 73,919                 | \$ 73,919  |
| Fund balances - beginning                                 | -                       | -                   | 2,230,496                 | 2,230,496  |
| Fund balances - ending                                    | <u>\$ -</u>             | <u>\$ -</u>         | <u>\$ 2,304,415</u>       | <u>\$ 2,304,415</u>  |

Town of Crewe, Virginia  
Schedule of Changes in Net Pension Liability (Asset) and Related Ratios  
Pension Plan  
For the Measurement Dates of June 30, 2014 through June 30, 2022

|   | <u>2022</u>                | <u>2021</u>                | <u>2020</u>                | <u>2019</u>                |
|---|----------------------------|----------------------------|----------------------------|----------------------------|
| <b>Total pension liability</b>  |                            |                            |                            |                            |
| Service cost  | \$ 95,998                  | \$ 107,819                 | \$ 92,939                  | \$ 78,541                  |
| Interest  | 252,416                    | 229,325                    | 204,988                    | 189,702                    |
| Differences between expected and actual experience                                | 112,694                    | 49,416                     | 161,173                    | 40,596                     |
| Changes of assumptions  | -                          | 5,274                      | -                          | 99,535                     |
| Benefit payments  | (186,763)                  | (104,713)                  | (92,393)                   | (70,701)                   |
| <b>Net change in total pension liability</b>                                      | <u>\$ 274,345</u>          | <u>\$ 287,121</u>          | <u>\$ 366,707</u>          | <u>\$ 337,673</u>          |
| <b>Total pension liability - beginning</b>  | <u>3,736,881</u>           | <u>3,449,760</u>           | <u>3,083,053</u>           | <u>2,745,380</u>           |
| <b>Total pension liability - ending (a)</b>                                       | <u><u>\$ 4,011,226</u></u> | <u><u>\$ 3,736,881</u></u> | <u><u>\$ 3,449,760</u></u> | <u><u>\$ 3,083,053</u></u> |
| <b>Plan fiduciary net position</b>  |                            |                            |                            |                            |
| Contributions - employer  | \$ 22,343                  | \$ 25,404                  | \$ 3,571                   | \$ 2,794                   |
| Contributions - employee  | 47,873                     | 55,792                     | 53,017                     | 51,688                     |
| Net investment income   | (4,088)                    | 971,174                    | 67,282                     | 221,613                    |
| Benefit payments  | (186,763)                  | (104,713)                  | (92,393)                   | (70,701)                   |
| Administrator charges   | (2,797)                    | (2,375)                    | (2,267)                    | (2,146)                    |
| Other   | 102                        | 92                         | (80)                       | (140)                      |
| <b>Net change in plan fiduciary net position</b>                                  | <u>\$ (123,330)</u>        | <u>\$ 945,374</u>          | <u>\$ 29,130</u>           | <u>\$ 203,108</u>          |
| <b>Plan fiduciary net position - beginning</b>                                    | <u>4,479,137</u>           | <u>3,533,763</u>           | <u>3,504,633</u>           | <u>3,301,525</u>           |
| <b>Plan fiduciary net position - ending (b)</b>                                   | <u><u>\$ 4,355,807</u></u> | <u><u>\$ 4,479,137</u></u> | <u><u>\$ 3,533,763</u></u> | <u><u>\$ 3,504,633</u></u> |
| <b>Town's net pension liability (asset) - ending (a) - (b)</b>                    | <u>\$ (344,581)</u>        | <u>\$ (742,256)</u>        | <u>\$ (84,003)</u>         | <u>\$ (421,580)</u>        |
| <b>Plan fiduciary net position as a percentage of the total pension liability</b> | 108.59%                    | 119.86%                    | 102.44%                    | 113.67%                    |
| <b>Covered payroll</b>  | \$ 1,006,818               | \$ 1,152,162               | \$ 1,098,336               | \$ 1,080,008               |
| <b>Town's net pension liability (asset) as a percentage of covered payroll</b>    | -34.22%                    | -64.42%                    | -7.65%                     | -39.03%                    |

Schedule is intended to show information for 10 years. Information prior to the 2014 valuation is not available. However, additional years will be included as they become available.

Exhibit 13

|      | <u>2018</u>             | <u>2017</u>             | <u>2016</u>             | <u>2015</u>             | <u>2014</u>             |
|------|-------------------------|-------------------------|-------------------------|-------------------------|-------------------------|
| \$   | 81,240                  | \$ 73,326               | \$ 70,432               | \$ 68,414               | \$ 67,842               |
|      | 202,246                 | 189,804                 | 180,707                 | 167,106                 | 156,608                 |
|      | (394,281)               | 88,852                  | (39,712)                | 40,939                  | -                       |
|      | -                       | (103,346)               | -                       | -                       | -                       |
|      | (66,121)                | (75,661)                | (87,279)                | (77,043)                | (71,898)                |
| \$   | <u>(176,916)</u>        | <u>\$ 172,975</u>       | <u>\$ 124,148</u>       | <u>\$ 199,416</u>       | <u>\$ 152,552</u>       |
|      | 2,922,296               | 2,749,321               | 2,625,173               | 2,425,757               | 2,273,205               |
| \$   | <u><u>2,745,380</u></u> | <u><u>2,922,296</u></u> | <u><u>2,749,321</u></u> | <u><u>2,625,173</u></u> | <u><u>2,425,757</u></u> |
| <br> |                         |                         |                         |                         |                         |
| \$   | 21,627                  | \$ 21,105               | \$ 45,135               | \$ 44,174               | \$ 56,108               |
|      | 48,061                  | 45,584                  | 42,844                  | 41,935                  | 39,963                  |
|      | 228,303                 | 335,505                 | 47,810                  | 118,722                 | 350,271                 |
|      | (66,121)                | (75,661)                | (87,279)                | (77,043)                | (71,898)                |
|      | (1,929)                 | (1,905)                 | (1,659)                 | (1,591)                 | (1,849)                 |
|      | (205)                   | (300)                   | (20)                    | (27)                    | 19                      |
| \$   | <u>229,736</u>          | <u>\$ 324,328</u>       | <u>\$ 46,831</u>        | <u>\$ 126,170</u>       | <u>\$ 372,614</u>       |
|      | 3,071,789               | 2,747,461               | 2,700,630               | 2,574,460               | 2,201,846               |
| \$   | <u><u>3,301,525</u></u> | <u><u>3,071,789</u></u> | <u><u>2,747,461</u></u> | <u><u>2,700,630</u></u> | <u><u>2,574,460</u></u> |
| <br> |                         |                         |                         |                         |                         |
| \$   | (556,145)               | \$ (149,493)            | \$ 1,860                | \$ (75,457)             | \$ (148,703)            |
| <br> |                         |                         |                         |                         |                         |
|      | 120.26%                 | 105.12%                 | 99.93%                  | 102.87%                 | 106.13%                 |
| <br> |                         |                         |                         |                         |                         |
| \$   | 995,124                 | \$ 943,001              | \$ 879,247              | \$ 860,940              | \$ 799,253              |
| <br> |                         |                         |                         |                         |                         |
|      | -55.89%                 | -15.85%                 | 0.21%                   | -8.76%                  | -18.61%                 |

Town of Crewe, Virginia  
 Schedule of Employer Contributions  
 Pension Plan  
 For the Years Ended June 30, 2014 through June 30, 2023

| Date | Contractually<br>Required<br>Contribution<br>(1)* | Contributions in<br>Relation to<br>Contractually<br>Required<br>Contribution<br>(2)* | Contribution<br>Deficiency<br>(Excess)<br>(3) | Employer's<br>Covered<br>Payroll<br>(4) | Contributions<br>as a % of<br>Covered<br>Payroll<br>(5) |
|------|---|--|---|---|---|
| 2023 | \$ 40,907   | \$ 40,907  | \$ -  | \$ 1,080,864                            | 3.78%   |
| 2022 | 22,042  | 22,042   | -   | 1,006,818                               | 2.19%   |
| 2021 | 26,834  | 26,834   | -   | 1,152,162                               | 2.33%   |
| 2020 | 2,447   | 2,447  | -   | 1,098,336                               | 0.22%   |
| 2019 | 2,447   | 2,447  | -   | 1,080,008                               | 0.23%   |
| 2018 | 21,627  | 21,627   | -   | 995,124                                 | 2.17%   |
| 2017 | 21,105  | 21,105   | -   | 943,001                                 | 2.24%   |
| 2016 | 45,135  | 45,135   | -   | 879,247                                 | 5.13%   |
| 2015 | 44,174  | 44,174   | -   | 860,940                                 | 5.13%   |
| 2014 | 56,108  | 56,108   | -   | 799,253                                 | 7.02%   |

\*Excludes contributions (mandatory and match on voluntary) to the defined contribution portion of the Hybrid plan.

Town of Crewe, Virginia  
 Notes to Required Supplementary Information  
 Pension Plan  
 For the Year Ended June 30, 2023

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**Changes of benefit terms** - There have been no actuarially material changes to the System benefit provisions since the prior actuarial valuation.

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

|   |  |
|---|--|
| Mortality Rates (pre-retirement, post-retirement healthy, and disabled) | Update to Pub-2010 public sector mortality tables. For future mortality improvements, replace load with a modified Mortality Improvement Scale MP-2020 |
| Retirement Rates  | Adjusted rates to better fit experience for Plan 1; set separate rates based on experience for Plan 2/Hybrid; changed final retirement age             |
| Withdrawal Rates  | Adjusted rates to better fit experience at each age and service decrement through 9 years of service   |
| Disability Rates  | No change  |
| Salary Scale  | No change  |
| Line of Duty Disability   | No change  |
| Discount Rate   | No change  |

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

|   |  |
|---|--|
| Mortality Rates (pre-retirement, post-retirement healthy, and disabled) | Update to Pub-2010 public sector mortality tables. Increased disability life expectancy. For future mortality improvements, replace load with a modified Mortality Improvement Scale MP-2020 |
| Retirement Rates  | Adjusted rates to better fit experience and changed final retirement age from 65 to 70   |
| Withdrawal Rates  | Decreased rates and changed from rates based on age and service to rates based on service only to better fit experience and to be more consistent with Locals Largest 10 Hazardous Duty      |
| Disability Rates  | No change  |
| Salary Scale  | No change  |
| Line of Duty Disability   | No change  |
| Discount Rate   | No change  |

Town of Crewe, Virginia  
 Schedule of Town's Share of Net OPEB Liability  
 Group Life Insurance (GLI) Plan  
 For the Measurement Dates of June 30, 2017 through 2022

| Date<br>(1) | Employer's<br>Proportion of the<br>Net GLI OPEB<br>Liability (Asset)<br>(2) | Employer's<br>Proportionate<br>Share of the<br>Net GLI OPEB<br>Liability (Asset)<br>(3) | Employer's<br>Covered<br>Payroll<br>(4) | Employer's<br>Proportionate Share<br>of the Net GLI OPEB<br>Liability (Asset)<br>as a Percentage of<br>Covered Payroll<br>(3)/(4)<br>(5) | Plan Fiduciary<br>Net Position as a<br>Percentage of Total<br>GLI OPEB Liability<br>(6) |
|-------------|---|---|---|--|---|
| 2022        | 0.00460% \$   | 55,750 \$   | 1,006,818                               | 5.54%  | 67.21%  |
| 2021        | 0.00560%  | 64,966  | 1,152,162                               | 5.64%  | 67.45%  |
| 2020        | 0.00530%  | 89,116  | 1,098,336                               | 8.11%  | 52.64%  |
| 2019        | 0.00551%  | 89,662  | 1,080,008                               | 8.30%  | 52.00%  |
| 2018        | 0.00523%  | 80,000  | 995,124                                 | 8.04%  | 51.22%  |
| 2017        | 0.00511%  | 77,000  | 943,001                                 | 8.17%  | 48.86%  |

Schedule is intended to show information for 10 years. Information prior to the 2017 valuation is not available. However, additional years will be included as they become available.

Town of Crewe, Virginia  
 Schedule of Employer Contributions  
 Group Life Insurance (GLI) Plan  
 For the Years Ended June 30, 2014 through June 30, 2023

| Date | Contractually<br>Required<br>Contribution<br>(1) | Contributions in<br>Relation to<br>Contractually<br>Required<br>Contribution<br>(2) | Contribution<br>Deficiency<br>(Excess)<br>(3) | Employer's<br>Covered<br>Payroll<br>(4) | Contributions<br>as a % of<br>Covered<br>Payroll<br>(5) |
|------|--|---|---|---|---|
| 2023 | \$ 5,837   | \$ 5,837  | \$ -  | \$ 1,080,864                            | 0.54%   |
| 2022 | 5,437  | 5,437   | -   | 1,006,818                               | 0.54%   |
| 2021 | 6,222  | 6,222   | -   | 1,152,162                               | 0.54%   |
| 2020 | 5,711  | 5,711   | -   | 1,098,336                               | 0.52%   |
| 2019 | 5,616  | 5,616   | -   | 1,080,008                               | 0.52%   |
| 2018 | 5,175  | 5,175   | -   | 995,124                                 | 0.52%   |
| 2017 | 4,904  | 4,904   | -   | 943,001                                 | 0.52%   |
| 2016 | 4,220  | 4,220   | -   | 879,247                                 | 0.48%   |
| 2015 | 4,133  | 4,133   | -   | 860,940                                 | 0.48%   |
| 2014 | 3,836  | 3,836   | -   | 799,253                                 | 0.48%   |

Town of Crewe, Virginia  
Notes to Required Supplementary Information  
Group Life Insurance (GLI) Plan  
For the Year Ended June 30, 2023

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**Changes of benefit terms** - There have been no actuarially material changes to the System benefit provisions since the prior actuarial valuation.

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

**Non-Largest Ten Locality Employers - General Employees**

|   |  |
|---|--|
| Mortality Rates (pre-retirement, post-retirement healthy, and disabled) | Update to Pub-2010 public sector mortality tables. For future mortality improvements, replace load with a modified Mortality Improvement Scale MP-2020           |
| Retirement Rates  | Adjusted rates to better fit experience for Plan 1; set separate rates based on experience for Plan 2/Hybrid; changed final retirement age from 75 to 80 for all |
| Withdrawal Rates  | Adjusted rates to better fit experience at each age and service decrement through 9 years of service   |
| Disability Rates  | No change  |
| Salary Scale  | No change  |
| Line of Duty Disability   | No change  |
| Discount Rate   | No change  |

**Non-Largest Ten Locality Employers - Hazardous Duty Employees**

|   |  |
|---|--|
| Mortality Rates (pre-retirement, post-retirement healthy, and disabled) | Update to Pub-2010 public sector mortality tables. Increased disability life expectancy. For future mortality improvements, replace load with a modified Mortality Improvement Scale MP-2020 |
| Retirement Rates  | Adjusted rates to better fit experience and changed final retirement age from 65 to 70   |
| Withdrawal Rates  | Decreased rates and changed from rates based on age and service to rates based on service only to better fit experience and to be more consistent with Locals Top 10 Hazardous Duty          |
| Disability Rates  | No change  |
| Salary Scale  | No change  |
| Line of Duty Disability   | No change  |
| Discount Rate   | No change  |

*OTHER SUPPLEMENTARY INFORMATION*

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## *SUPPORTING SCHEDULES*

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Town of Crewe, Virginia  
 Schedule of Revenues - Budget and Actual  
 Governmental Funds  
 For the Year Ended June 30, 2023

Schedule 1  
 Page 1 of 2

| <u>Fund, Major and Minor Revenue Source</u>            | <u>Original<br/>Budget</u> | <u>Final<br/>Budget</u> | <u>Actual</u>       | <u>Variance with<br/>Final Budget -<br/>Positive<br/>(Negative)</u> |
|--|----------------------------|-------------------------|---------------------|---|
| <b>General Fund:</b>                                   |                            |                         |                     |   |
| Revenue from local sources:                            |                            |                         |                     |   |
| General property taxes:                                |                            |                         |                     |   |
| Real property taxes                                    | \$ 325,000                 | \$ 325,000              | \$ 339,600          | \$ 14,600   |
| Real and personal public service corporation taxes     | 77,500                     | 77,500                  | 67,543              | (9,957)   |
| Personal property taxes                                | 95,000                     | 95,000                  | 96,598              | 1,598   |
| Penalties and interest                                 | 7,700                      | 7,700                   | 6,772               | (928)   |
| Total general property taxes                           | <u>\$ 505,200</u>          | <u>\$ 505,200</u>       | <u>\$ 510,513</u>   | <u>\$ 5,313</u>   |
| Other local taxes:                                     |                            |                         |                     |   |
| Local sales and use taxes                              | \$ 190,000                 | \$ 190,000              | \$ 183,417          | \$ (6,583)  |
| Consumers' utility taxes                               | 71,000                     | 71,000                  | 59,525              | (11,475)  |
| Consumption tax  | 7,000                      | 7,000                   | 6,733               | (267)   |
| Business license taxes                                 | 52,000                     | 52,000                  | 51,341              | (659)   |
| Cigarette tax  | 100,000                    | 100,000                 | 83,426              | (16,574)  |
| Motor vehicle licenses                                 | 28,000                     | 28,000                  | 35,884              | 7,884   |
| Bank stock taxes                                       | 73,000                     | 73,000                  | 84,555              | 11,555  |
| Hotel and motel room taxes                             | 10,000                     | 10,000                  | 605                 | (9,395)   |
| Restaurant food taxes                                  | 325,000                    | 325,000                 | 374,012             | 49,012  |
| Total other local taxes                                | <u>\$ 856,000</u>          | <u>\$ 856,000</u>       | <u>\$ 879,498</u>   | <u>\$ 23,498</u>  |
| Permits, privilege fees, and regulatory licenses:      |                            |                         |                     |   |
| Permits and other licenses                             | \$ 2,000                   | \$ 2,000                | \$ 2,500            | \$ 500  |
| Total permits, privilege fees, and regulatory licenses | <u>\$ 2,000</u>            | <u>\$ 2,000</u>         | <u>\$ 2,500</u>     | <u>\$ 500</u>   |
| Fines and forfeitures:                                 |                            |                         |                     |   |
| Court fines and forfeitures                            | \$ 10,000                  | \$ 10,000               | \$ 5,299            | \$ (4,701)  |
| Revenue from use of money and property:                |                            |                         |                     |   |
| Revenue from use of money                              | \$ 1,000                   | \$ 1,000                | \$ 24,406           | \$ 23,406   |
| Revenue from use of property                           | 75,275                     | 75,275                  | 74,147              | (1,128)   |
| Total revenue from use of money and property           | <u>\$ 76,275</u>           | <u>\$ 76,275</u>        | <u>\$ 98,553</u>    | <u>\$ 22,278</u>  |
| Charges for services:                                  |                            |                         |                     |   |
| Charges for sanitation and waste removal               | \$ 446,000                 | \$ 446,000              | \$ 419,004          | \$ (26,996)   |
| Charges for landfill                                   | -                          | -                       | 381                 | 381   |
| Total charges for services                             | <u>\$ 446,000</u>          | <u>\$ 446,000</u>       | <u>\$ 419,385</u>   | <u>\$ (26,615)</u>  |
| Miscellaneous:   |                            |                         |                     |   |
| Miscellaneous  | \$ 92,500                  | \$ 92,500               | \$ 27,844           | \$ (64,656)   |
| Recovered costs:                                       |                            |                         |                     |   |
| VRSA risk management                                   | \$ 2,000                   | \$ 2,000                | \$ -                | \$ (2,000)  |
| VDOT snow removal                                      | 25,000                     | 25,000                  | 700                 | (24,300)  |
| Total recovered costs                                  | <u>\$ 27,000</u>           | <u>\$ 27,000</u>        | <u>\$ 700</u>       | <u>\$ (26,300)</u>  |
| Total revenue from local sources                       | <u>\$ 2,014,975</u>        | <u>\$ 2,014,975</u>     | <u>\$ 1,944,292</u> | <u>\$ (70,683)</u>  |

Town of Crewe, Virginia  
 Schedule of Revenues - Budget and Actual  
 Governmental Funds  
 For the Year Ended June 30, 2023

| <u>Fund, Major and Minor Revenue Source</u> | <u>Original<br/>Budget</u> | <u>Final<br/>Budget</u>    | <u>Actual</u>              | <u>Variance with<br/>Final Budget -<br/>Positive<br/>(Negative)</u> |
|---|----------------------------|----------------------------|----------------------------|---|
| <b>General Fund: (Continued)</b>            |                            |                            |                            |   |
| Intergovernmental:                          |                            |                            |                            |   |
| Revenue from the Commonwealth:              |                            |                            |                            |   |
| Noncategorical aid:                         |                            |                            |                            |   |
| Communications tax                          | \$ 30,000                  | \$ 30,000                  | \$ 29,422                  | \$ (578)  |
| Rolling stock tax                           | 35,000                     | 35,000                     | 35,775                     | 775   |
| Animal friendly plates                      | -                          | -                          | 16                         | 16  |
| Games of skill tax                          | 2,000                      | 2,000                      | -                          | (2,000)   |
| Personal property tax relief funds          | 53,465                     | 53,465                     | 53,465                     | -   |
| Total noncategorical aid                    | <u>\$ 120,465</u>          | <u>\$ 120,465</u>          | <u>\$ 118,678</u>          | <u>\$ (1,787)</u>   |
| Categorical aid:                            |                            |                            |                            |   |
| Other categorical aid:                      |                            |                            |                            |   |
| Aviation grants                             | \$ 209,000                 | \$ 209,000                 | \$ 3,420                   | \$ (205,580)  |
| Brownsfield grant                           | -                          | -                          | 74,600                     | 74,600  |
| Police grant                                | 61,300                     | 61,300                     | 67,401                     | 6,101   |
| Fire programs                               | 15,000                     | 15,000                     | 15,000                     | -   |
| Highway safety                              | 12,000                     | 12,000                     | -                          | (12,000)  |
| Disaster assistance                         | -                          | -                          | 5,665                      | 5,665   |
| Total other categorical aid                 | <u>\$ 297,300</u>          | <u>\$ 297,300</u>          | <u>\$ 166,086</u>          | <u>\$ (131,214)</u>   |
| Total categorical aid                       | <u>\$ 297,300</u>          | <u>\$ 297,300</u>          | <u>\$ 166,086</u>          | <u>\$ (131,214)</u>   |
| Total revenue from the Commonwealth         | <u>\$ 417,765</u>          | <u>\$ 417,765</u>          | <u>\$ 284,764</u>          | <u>\$ (133,001)</u>   |
| Revenue from the federal government:        |                            |                            |                            |   |
| Categorical aid:                            |                            |                            |                            |   |
| ARPA grant                                  | \$ 2,100,000               | \$ 2,100,000               | \$ 206,413                 | \$ (1,893,587)  |
| Coronavirus emergency supplemental funding  | 9,000                      | 9,000                      | 16,744                     | 7,744   |
| FEMA disaster funding                       | -                          | -                          | 50,985                     | 50,985  |
| Justice assistance grant                    | -                          | -                          | 18,597                     | 18,597  |
| USDA equipment grant                        | 82,500                     | 82,500                     | 66,570                     | (15,930)  |
| Total other categorical aid                 | <u>\$ 2,191,500</u>        | <u>\$ 2,191,500</u>        | <u>\$ 359,309</u>          | <u>\$ (1,832,191)</u>   |
| Total categorical aid                       | <u>\$ 2,191,500</u>        | <u>\$ 2,191,500</u>        | <u>\$ 359,309</u>          | <u>\$ (1,832,191)</u>   |
| Total revenue from the federal government   | <u>\$ 2,191,500</u>        | <u>\$ 2,191,500</u>        | <u>\$ 359,309</u>          | <u>\$ (1,832,191)</u>   |
| Total General Fund                          | <u>\$ 4,624,240</u>        | <u>\$ 4,624,240</u>        | <u>\$ 2,588,365</u>        | <u>\$ (2,035,875)</u>   |
| <b>Total Revenues -- Governmental Funds</b> | <u><u>\$ 4,624,240</u></u> | <u><u>\$ 4,624,240</u></u> | <u><u>\$ 2,588,365</u></u> | <u><u>\$ (2,035,875)</u></u>  |

Town of Crewe, Virginia  
Schedule of Expenditures - Budget and Actual  
Governmental Funds  
For the Year Ended June 30, 2023

| <u>Fund, Function, Activity and Element</u>                   | <u>Original<br/>Budget</u> | <u>Final<br/>Budget</u> | <u>Actual</u>     | <u>Variance with<br/>Final Budget -<br/>Positive<br/>(Negative)</u> |
|---|----------------------------|-------------------------|-------------------|---|
| <b>General Fund:</b>  |                            |                         |                   |   |
| General government administration:                            |                            |                         |                   |   |
| Legislative:  |                            |                         |                   |   |
| Town Council  | \$ 14,910                  | \$ 14,910               | \$ 7,982          | \$ 6,928  |
| General and financial administration:                         |                            |                         |                   |   |
| Town administration   | \$ 244,469                 | \$ 244,469              | \$ 249,665        | \$ (5,196)  |
| Finance/Treasurer   | 122,918                    | 122,918                 | 93,383            | 29,535  |
| Legal services  | 22,800                     | 22,800                  | 38,250            | (15,450)  |
| Total general and financial administration                    | <u>\$ 390,187</u>          | <u>\$ 390,187</u>       | <u>\$ 381,298</u> | <u>\$ 8,889</u>   |
| Total general government administration                       | <u>\$ 405,097</u>          | <u>\$ 405,097</u>       | <u>\$ 389,280</u> | <u>\$ 15,817</u>  |
| Public safety:  |                            |                         |                   |   |
| Law enforcement and traffic control:                          |                            |                         |                   |   |
| Police  | \$ 733,492                 | \$ 733,492              | \$ 741,209        | \$ (7,717)  |
| Total law enforcement and traffic control                     | <u>\$ 733,492</u>          | <u>\$ 733,492</u>       | <u>\$ 741,209</u> | <u>\$ (7,717)</u>   |
| Fire and rescue services:                                     |                            |                         |                   |   |
| Fire department   | \$ 118,300                 | \$ 118,300              | \$ 128,641        | \$ (10,341)   |
| Total public safety   | <u>\$ 851,792</u>          | <u>\$ 851,792</u>       | <u>\$ 869,850</u> | <u>\$ (18,058)</u>  |
| Public works:   |                            |                         |                   |   |
| Maintenance of highways, streets, bridges and sidewalks:      |                            |                         |                   |   |
| Snow removal  | \$ 11,100                  | \$ 11,100               | \$ -              | \$ 11,100   |
| Street lights   | 39,000                     | 39,000                  | 36,952            | 2,048   |
| Total maintenance of highways, streets, bridges and sidewalks | <u>\$ 50,100</u>           | <u>\$ 50,100</u>        | <u>\$ 36,952</u>  | <u>\$ 13,148</u>  |
| Sanitation and waste removal:                                 |                            |                         |                   |   |
| Public works  | \$ 313,041                 | \$ 313,041              | \$ 321,362        | \$ (8,321)  |
| Refuse collection   | 406,296                    | 406,296                 | 333,360           | 72,936  |
| Total sanitation and waste removal                            | <u>\$ 719,337</u>          | <u>\$ 719,337</u>       | <u>\$ 654,722</u> | <u>\$ 64,615</u>  |
| Total public works  | <u>\$ 769,437</u>          | <u>\$ 769,437</u>       | <u>\$ 691,674</u> | <u>\$ 77,763</u>  |
| Parks, recreation, and cultural:                              |                            |                         |                   |   |
| Parks and recreation:   |                            |                         |                   |   |
| Community Center  | \$ 87,226                  | \$ 87,226               | \$ 31,179         | \$ 56,047   |

Town of Crewe, Virginia  
Schedule of Expenditures - Budget and Actual  
Governmental Funds  
For the Year Ended June 30, 2023

| <u>Fund, Function, Activity and Element</u>     | <u>Original<br/>Budget</u> | <u>Final<br/>Budget</u>    | <u>Actual</u>              | <u>Variance with<br/>Final Budget -<br/>Positive<br/>(Negative)</u> |
|---|----------------------------|----------------------------|----------------------------|---|
| <b>General Fund: (Continued)</b>                |                            |                            |                            |   |
| Parks, recreation, and cultural: (Continued)    |                            |                            |                            |   |
| Cultural enrichment:                            |                            |                            |                            |   |
| Christmas parade                                | \$ 1,500                   | \$ 1,500                   | \$ 616                     | \$ 884  |
| Homecoming celebration                          | 2,500                      | 2,500                      | 2,398                      | 102   |
| Total cultural enrichment                       | <u>\$ 4,000</u>            | <u>\$ 4,000</u>            | <u>\$ 3,014</u>            | <u>\$ 986</u>   |
| Library:  |                            |                            |                            |   |
| Library administration                          | <u>\$ 9,900</u>            | <u>\$ 9,900</u>            | <u>\$ 17,106</u>           | <u>\$ (7,206)</u>   |
| Total parks, recreation, and cultural           | <u>\$ 101,126</u>          | <u>\$ 101,126</u>          | <u>\$ 51,299</u>           | <u>\$ 49,827</u>  |
| Community development:                          |                            |                            |                            |   |
| Planning and community development:             |                            |                            |                            |   |
| Airport   | \$ 240,050                 | \$ 240,050                 | \$ 20,004                  | \$ 220,046  |
| Community center                                | 20,000                     | 20,000                     | 5,850                      | 14,150  |
| Total planning and community development        | <u>\$ 260,050</u>          | <u>\$ 260,050</u>          | <u>\$ 25,854</u>           | <u>\$ 234,196</u>   |
| Total community development                     | <u>\$ 260,050</u>          | <u>\$ 260,050</u>          | <u>\$ 25,854</u>           | <u>\$ 234,196</u>   |
| Nondepartmental:                                |                            |                            |                            |   |
| Miscellaneous                                   | <u>\$ 2,192,849</u>        | <u>\$ 2,192,849</u>        | <u>\$ 2,752</u>            | <u>\$ 2,190,097</u>   |
| Total nondepartmental                           | <u>\$ 2,192,849</u>        | <u>\$ 2,192,849</u>        | <u>\$ 2,752</u>            | <u>\$ 2,190,097</u>   |
| Debt service:                                   |                            |                            |                            |   |
| Principal retirement                            | \$ 99,298                  | \$ 99,298                  | \$ 66,515                  | \$ 32,783   |
| Interest and other fiscal charges               | 12,091                     | 12,091                     | 12,091                     | -   |
| Total debt service                              | <u>\$ 111,389</u>          | <u>\$ 111,389</u>          | <u>\$ 78,606</u>           | <u>\$ 32,783</u>  |
| Total General Fund                              | <u>\$ 4,691,740</u>        | <u>\$ 4,691,740</u>        | <u>\$ 2,109,315</u>        | <u>\$ 2,582,425</u>   |
| <b>Total Expenditures -- Governmental Funds</b> | <u><u>\$ 4,691,740</u></u> | <u><u>\$ 4,691,740</u></u> | <u><u>\$ 2,109,315</u></u> | <u><u>\$ 2,582,425</u></u>  |

*OTHER STATISTICAL INFORMATION*

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Table 1

**Town of Crewe, Virginia**  
**Government-wide Expenses by Function**  
**Last Ten Fiscal Years**

| Fiscal Year | General Government Administration | Public Safety | Public Works | Health and Welfare | Parks, Recreation, and Cultural | Community Development | Interest on Long-term Debt | Enterprise Funds | Total        |
|-------------|-----------------------------------|---------------|--------------|--------------------|---------------------------------|-----------------------|----------------------------|------------------|--------------|
|             |                                   |               |              |                    |                                 |                       |                            |                  |              |
| 2014        | \$ 298,892                        | \$ 501,204    | \$ 539,272   | \$ 2,052           | \$ 65,027                       | \$ 20,025             | \$ 4,163                   | \$ 1,546,562     | \$ 2,977,197 |
| 2015        | 321,509                           | 492,182       | 574,441      | 1,309              | 77,231                          | 29,329                | 3,674                      | 1,441,629        | 2,941,304    |
| 2016        | 535,113                           | 487,712       | 523,457      | 824                | 56,203                          | 20,278                | 4,712                      | 1,521,263        | 3,149,562    |
| 2017        | 603,054                           | 539,402       | 654,351      | -                  | 37,913                          | 14,053                | 4,232                      | 1,730,805        | 3,583,810    |
| 2018        | 626,319                           | 544,345       | 631,258      | -                  | 54,872                          | 46,701                | 5,308                      | 1,825,796        | 3,734,599    |
| 2019        | 316,423                           | 539,238       | 626,537      | -                  | 33,512                          | 16,795                | 3,996                      | 1,739,657        | 3,276,158    |
| 2020        | 310,091                           | 598,758       | 689,266      | -                  | 43,963                          | 23,868                | 6,829                      | 1,728,416        | 3,401,191    |
| 2021        | 280,773                           | 676,061       | 712,323      | -                  | 130,253                         | 68,080                | 5,244                      | 2,282,173        | 4,154,907    |
| 2022        | 399,595                           | 619,461       | 600,822      | -                  | 37,064                          | 124,465               | 41,976                     | 1,933,438        | 3,756,821    |
| 2023        | 399,697                           | 822,546       | 722,393      | -                  | 71,272                          | 25,854                | 12,091                     | 2,142,704        | 4,196,557    |

Town of Crewe, Virginia  
Government-wide Revenues  
Last Ten Fiscal Years

| Fiscal Year | PROGRAM REVENUES     |                                    |                                  |                        |                   | GENERAL REVENUES                                     |               |  |              |  | Total |
|-------------|----------------------|------------------------------------|----------------------------------|------------------------|-------------------|--|---------------|--|--------------|--|-------|
|             | Charges for Services | Operating Grants and Contributions | Capital Grants and Contributions | General Property Taxes | Other Local Taxes | Unrestricted Revenues from Use of Money and Property | Miscellaneous | Grants and Contributions Not Restricted to Specific Programs |              |  |       |
| 2014        | \$ 1,734,455         | \$ 133,575                         | \$ -                             | \$ 472,761             | \$ 571,724        | \$ 15,492  | \$ 43,264     | \$ 134,050   | \$ 3,105,321 |  |       |
| 2015        | 1,988,282            | 1,061,741                          | -                                | 457,342                | 581,800           | 18,965   | 25,662        | 135,211  | 4,269,003    |  |       |
| 2016        | 1,859,167            | 2,049,867                          | -                                | 461,717                | 614,403           | 23,845   | 59,710        | 130,360  | 5,199,069    |  |       |
| 2017        | 1,921,409            | 439,242                            | 28,397                           | 476,105                | 672,662           | 18,042   | 14,085        | 128,348  | 3,698,290    |  |       |
| 2018        | 1,979,799            | 449,013                            | 71,043                           | 467,720                | 676,021           | 83,472   | 63,930        | 126,459  | 3,917,457    |  |       |
| 2019        | 2,068,654            | 80,574                             | 23,179                           | 485,543                | 697,402           | 65,361   | 61,268        | 124,182  | 3,606,163    |  |       |
| 2020        | 1,969,855            | 117,192                            | 101,993                          | 509,832                | 709,099           | 21,990   | 38,048        | 123,702  | 3,591,711    |  |       |
| 2021        | 1,996,189            | 285,156                            | -                                | 503,379                | 776,607           | 20,896   | 62,302        | 139,834  | 3,784,363    |  |       |
| 2022        | 2,313,014            | 223,579                            | -                                | 506,615                | 906,486           | 26,524   | 30,444        | 116,572  | 4,123,234    |  |       |
| 2023        | 2,326,670            | 525,395                            | 7,114                            | 521,941                | 879,498           | 102,765  | 27,844        | 118,678  | 4,509,905    |  |       |

**Town of Crewe, Virginia  
General Governmental Expenditures by Function (1)  
Last Ten Fiscal Years**

| Fiscal Year | General Government Administration | Public Safety | Public Works | Health and Welfare | Parks, Recreation, and Cultural | Community Development | Debt Service | Non-departmental | Total        |
|-------------|-----------------------------------|---------------|--------------|--------------------|---------------------------------|-----------------------|--------------|------------------|--------------|
|             |                                   |               |              |                    |                                 |                       |              |                  |              |
| 2014        | \$ 301,497                        | \$ 486,028    | \$ 588,554   | \$ 2,052           | \$ 33,517                       | \$ 20,025             | \$ 27,438    | \$ -             | \$ 1,459,111 |
| 2015        | 322,668                           | 520,799       | 640,749      | 1,309              | 26,362                          | 29,329                | 33,112       | 169              | 1,574,497    |
| 2016        | 537,601                           | 535,583       | 545,215      | 824                | 19,333                          | 20,278                | 47,368       | -                | 1,706,202    |
| 2017        | 600,964                           | 521,065       | 677,914      | -                  | 21,133                          | 14,053                | 37,789       | 621              | 1,873,539    |
| 2018        | 648,678                           | 552,596       | 755,339      | -                  | 36,092                          | 46,701                | 40,964       | 12               | 2,080,382    |
| 2019        | 323,879                           | 550,817       | 791,788      | -                  | 18,732                          | 16,795                | 39,547       | 2,400            | 1,743,958    |
| 2020        | 320,614                           | 611,414       | 686,102      | -                  | 27,183                          | 23,868                | 65,123       | 3,254            | 1,737,558    |
| 2021        | 403,574                           | 781,466       | 724,098      | -                  | 129,002                         | 68,080                | 64,392       | 4,239            | 2,174,851    |
| 2022        | 393,290                           | 621,259       | 593,765      | -                  | 20,417                          | 252,575               | 116,831      | 2,716            | 2,000,853    |
| 2023        | 389,280                           | 869,850       | 691,674      | -                  | 51,299                          | 25,854                | 78,606       | 2,752            | 2,109,315    |

(1) Includes General Fund.

**Town of Crewe, Virginia**  
**General Governmental Revenues by Source (1)**  
**Last Ten Fiscal Years**

| Fiscal Year | General Property Taxes | Other Local Taxes | Permits, Privilege Fees, Regulatory Licenses | Fines and Forfeitures | Revenue from the Use of Money and Property | Charges for Services | Miscellaneous | Recovered Costs | Inter-governmental | Total        |
|-------------|------------------------|-------------------|--|-----------------------|--|----------------------|---------------|-----------------|--------------------|--------------|
|             |                        |                   |  |                       |  |                      |               |                 |                    |              |
| 2014        | \$ 473,761             | \$ 571,724        | \$ -   | \$ 13,901             | \$ 15,333                                  | \$ 275,183           | \$ 32,127     | \$ 53,469       | \$ 267,625         | \$ 1,703,123 |
| 2015        | 453,068                | 581,800           | -  | 21,799                | 18,730                                     | 281,214              | 21,462        | 31,050          | 355,608            | 1,764,731    |
| 2016        | 467,150                | 614,403           | -  | 22,411                | 23,518                                     | 285,564              | 21,119        | 43,395          | 451,854            | 1,929,414    |
| 2017        | 454,590                | 672,662           | -  | 14,332                | 17,426                                     | 288,327              | 14,085        | 26,735          | 523,489            | 2,011,646    |
| 2018        | 471,748                | 676,021           | -  | 14,516                | 82,693                                     | 314,541              | 63,930        | 57,833          | 568,557            | 2,249,839    |
| 2019        | 488,609                | 697,402           | -  | 11,256                | 63,930                                     | 340,874              | 61,268        | 48,278          | 191,846            | 1,903,463    |
| 2020        | 509,519                | 709,099           | -  | 10,843                | 19,261                                     | 287,863              | 38,048        | 4,360           | 235,160            | 1,814,153    |
| 2021        | 476,171                | 776,607           | -  | 13,367                | 18,502                                     | 284,114              | 62,302        | 62,630          | 422,400            | 2,116,093    |
| 2022        | 501,168                | 906,486           | 1,900  | 5,343                 | 25,116                                     | 446,415              | 30,444        | 29,860          | 340,151            | 2,286,883    |
| 2023        | 510,513                | 879,498           | 2,500  | 5,299                 | 98,553                                     | 419,385              | 27,844        | 700             | 644,073            | 2,588,365    |

(1) Includes General Fund.

Table 5

**Town of Crewe, Virginia**  
**Property Tax Levies and Collections**  
**Last Ten Fiscal Years**

| Fiscal Year | Total Tax Levy (1,2) |    | Current Tax Collections (1,2) | Percent of Levy Collected | Delinquent Tax Collections (1) |                           | Total Tax Collections | Percent of Total Tax Collections to Tax Levy |  | Outstanding Delinquent Taxes (1) |   | Percent of Delinquent Taxes to Tax Levy |
|-------------|----------------------|----|-------------------------------|---------------------------|--------------------------------|---------------------------|-----------------------|--|--|----------------------------------|---|---|
|             | Levy (1,2)           | \$ |                               |                           | Delinquent Tax Collections (1) | Percent of Levy Collected |                       | Total Tax Collections                        | Percent of Total Tax Collections to Tax Levy | Outstanding Delinquent Taxes (1) | Percent of Outstanding Delinquent Taxes to Tax Levy |   |
| 2014        | \$ 516,887           | \$ | 490,021                       | 94.80%                    | \$ 26,084                      | \$                        | 516,105               | 99.85%                                       | \$   | 80,221                           | \$  | 15.52%                                  |
| 2015        | 497,331              |    | 465,315                       | 93.56%                    | 20,909                         |                           | 486,224               | 97.77%                                       |  | 83,798                           |   | 16.85%                                  |
| 2016        | 509,089              |    | 491,703                       | 96.58%                    | 19,368                         |                           | 511,071               | 100.39%                                      |  | 71,189                           |   | 13.98%                                  |
| 2017        | 523,575              |    | 486,618                       | 92.94%                    | 15,705                         |                           | 502,323               | 95.94%                                       |  | 92,764                           |   | 17.72%                                  |
| 2018        | 523,051              |    | 497,261                       | 95.07%                    | 18,498                         |                           | 515,759               | 98.61%                                       |  | 88,712                           |   | 16.96%                                  |
| 2019        | 545,469              |    | 518,969                       | 95.14%                    | 13,653                         |                           | 532,622               | 97.64%                                       |  | 110,935                          |   | 20.34%                                  |
| 2020        | 559,355              |    | 527,153                       | 94.24%                    | 25,555                         |                           | 552,708               | 98.81%                                       |  | 112,279                          |   | 20.07%                                  |
| 2021        | 553,469              |    | 497,855                       | 89.95%                    | 23,789                         |                           | 521,644               | 94.25%                                       |  | 135,730                          |   | 24.52%                                  |
| 2022        | 573,448              |    | 532,201                       | 92.81%                    | 17,289                         |                           | 549,490               | 95.82%                                       |  | 150,552                          |   | 26.25%                                  |
| 2023        | 575,419              |    | 532,602                       | 92.56%                    | 26,894                         |                           | 559,496               | 97.23%                                       |  | 176,962                          |   | 30.75%                                  |

(1) Exclusive of penalties and interest

(2) Tax levy and collections include the Commonwealth's personal property tax relief revenues.

Table 6

Town of Crewe, Virginia  
Assessed Value of Taxable Property  
Last Ten Fiscal Years

| Fiscal Year | Real Estate (1) | Personal Property | Machinery and Tools | Mobile Homes | Public Utility (2) |                   | Total          |
|-------------|-----------------|-------------------|---------------------|--------------|--------------------|-------------------|----------------|
|             |                 |                   |                     |              | Real Estate        | Personal Property |                |
| 2014        | \$ 103,476,887  | \$ 9,927,569      | \$ 790,286          | \$ 27,683    | \$ 24,569,145      | \$ 337,645        | \$ 139,129,215 |
| 2015        | 103,401,526     | 9,627,084         | 683,218             | 17,387       | 19,910,266         | 301,646           | 133,941,127    |
| 2016        | 105,858,306     | 9,695,554         | 635,614             | 12,971       | 20,424,235         | 519,005           | 137,145,685    |
| 2017        | 106,162,458     | 10,527,964        | 685,538             | 10,703       | 21,534,417         | 490,806           | 139,411,886    |
| 2018        | 106,468,093     | 10,716,211        | 466,261             | 16,751       | 21,202,076         | 483,302           | 139,352,694    |
| 2019        | 108,181,525     | 10,959,437        | 428,845             | 10,894       | 25,939,835         | 534,369           | 146,054,905    |
| 2020        | 108,365,445     | 11,777,283        | 324,975             | 14,320       | 24,038,984         | 1,405,969         | 145,926,976    |
| 2021        | 108,896,367     | 11,907,933        | 567,778             | 6,547        | 21,071,583         | 1,153,084         | 143,603,292    |
| 2022        | 109,560,704     | 13,330,043        | 576,220             | 3,990        | 20,002,592         | 1,489,257         | 144,962,806    |
| 2023        | 109,497,486     | 18,264,410        | 656,948             | 3,990        | 18,904,870         | 1,203,211         | 148,530,915    |

(1) Real estate is assessed at 100% of fair market value.

(2) Assessed values for public utility are established by the State Corporation Commission.

Table 7

Town of Crewe, Virginia  
 Property Tax Rates (1)  
 Last Ten Fiscal Years

| Fiscal Year | Real Estate |             | Personal Property | Machinery and Tools | Mobile Homes | Public Utility |                   |      |
|-------------|-------------|-------------|-------------------|---------------------|--------------|----------------|-------------------|------|
|             | Real Estate | Real Estate |                   |                     |              | Real Estate    | Personal Property |      |
| 2014        | \$          | 0.30        | \$                | 1.20                | \$           | 0.30           | \$                | 1.20 |
| 2015        |             | 0.30        |                   | 1.20                |              | 0.30           |                   | 1.20 |
| 2016        |             | 0.30        |                   | 1.20                |              | 0.30           |                   | 1.20 |
| 2017        |             | 0.30        |                   | 1.20                |              | 0.30           |                   | 1.20 |
| 2018        |             | 0.30        |                   | 1.20                |              | 0.30           |                   | 1.20 |
| 2019        |             | 0.30        |                   | 1.20                |              | 0.30           |                   | 1.20 |
| 2020        |             | 0.30        |                   | 1.20                |              | 0.30           |                   | 1.20 |
| 2021        |             | 0.30        |                   | 1.20                |              | 0.30           |                   | 1.20 |
| 2022        |             | 0.30        |                   | 1.20                |              | 0.30           |                   | 1.20 |
| 2023        |             | 0.30        | 0.90              | 1.20                | 0.30         | 0.30           | 0.30              | 0.90 |

(1) Per \$100 of assessed value.

Table 8

**Town of Crewe, Virginia**  
**Ratio of Net General Bonded Debt to**  
**Assessed Value and Net Bonded Debt Per Capita**  
**Last Ten Fiscal Years**

| Fiscal<br>Year | Population (1) | Assessed<br>Value (2) | Net<br>Bonded<br>Debt (3) | Net<br>Bonded<br>Debt (3) | Ratio of<br>Net Bonded<br>Debt to<br>Assessed<br>Value | Net<br>Bonded<br>Debt per<br>Capita |
|----------------|----------------|-----------------------|---------------------------|---------------------------|--|-------------------------------------|
| 2014           | 2,326          | \$ 139,129,215        | \$ 4,276,852              | \$ 4,276,852              | 3.07%  | \$ 1,839                            |
| 2015           | 2,326          | 133,941,127           | 5,786,363                 | 5,786,363                 | 4.32%  | 2,488                               |
| 2016           | 2,326          | 137,145,685           | 6,557,264                 | 6,557,264                 | 4.78%  | 2,819                               |
| 2017           | 2,326          | 139,411,886           | 6,340,919                 | 6,340,919                 | 4.55%  | 2,726                               |
| 2018           | 2,326          | 139,352,694           | 6,051,656                 | 6,051,656                 | 4.34%  | 2,602                               |
| 2019           | 2,326          | 146,054,905           | 5,702,941                 | 5,702,941                 | 3.90%  | 2,452                               |
| 2020           | 2,129          | 145,926,976           | 5,426,918                 | 5,426,918                 | 3.72%  | 2,549                               |
| 2021           | 2,129          | 143,603,292           | 5,796,669                 | 5,796,669                 | 4.04%  | 2,723                               |
| 2022           | 2,129          | 144,962,806           | 5,461,919                 | 5,461,919                 | 3.77%  | 2,565                               |
| 2023           | 2,129          | 148,530,915           | 5,131,179                 | 5,131,179                 | 3.45%  | 2,410                               |

(1) Bureau of Census.

(2) From Table 6.

(3) Includes all long-term general obligation bonded debt and bond anticipation notes.  
Excludes revenue bonds, leases, notes payable and compensated absences.



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**Independent Auditors' 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***

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**To the Honorable Members of the Town Council  
Town of Crewe  
Crewe, Virginia**

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of Town of Crewe Virginia, as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise Town of Crewe, Virginia's basic financial statements, and have issued our report thereon dated March 13, 2024.

**Report on Internal Control over Financial Reporting**

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

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

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

**Report on Compliance and Other Matters**

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

## Purpose of This Report

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

*Robinson, Farrow, Cox Associates*

Richmond, Virginia  
March 13, 2024