St. Paul

-A MOVING RIVER EXPERIENCE-

TOWN OF SAINT PAUL, VIRGINIA

AUDITED FINANCIAL STATEMENTS

For The Year Ended June 30, 2024

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TOWN COUNCIL:

Kenneth Holbrook, Mayor
Matt Jordan, Vice-Mayor
Jeff Langley
Harry Kelly
Bob Salyers
Bill Wallace
Josh Sawyers

TOWN OFFICERS:

Chad Monday, Town Manager
Wendee Jones, Town Treasurer
Jonathan Johnson, Chief of Police

TOWN LEGAL COUNSEL:

Julie Hensley, Attorney at Law

LARRY D. STURGILL, P. C.

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INDEPENDENT AUDITORS' REPORT

The Honorable Members of Town Council
Town of St. Paul
St. Paul, Virginia 24283

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the governmental activities, the business-type activities and the discretely presented component unit of the Town of St. Paul, Virginia (the "Town"), as of and for the year ended June 30, 2024, and the related notes to the financial statements, which collectively comprise the Town's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities and the discretely presented component unit of the Town as of June 30, 2024, and the respective changes in financial position, and, where applicable, cash flows thereof for the yea 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 American 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 the Town of St. Paul, 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 the Town's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

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

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Town's internal control. Accordingly, no such opinion is expressed.

- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.

- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Town's ability to continue as a going concern for a reasonable period of time.

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the budgetary comparison information and other required supplementary information, as listed in the table of contents, be presented to supplement the basic financial statements. Such 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. 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.

Management has omitted the management's discussion and analysis that accounting principles generally accepted in the United States of America requires 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 Government 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 the Town's basic financial statements. The other supplemental information, as listed in the table of contents, is presented for purposes of additional analysis and are not a required part of the basic financial statements.

The other supplemental information, as listed in the table of contents, 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. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including preparing 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, these schedules are 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 roster of town officials 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 July 3, 2025, on our consideration of the Town's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Town's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Town internal control over financial reporting and compliance.

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

Larry D. Sturgill, P.C.
Wise, Virginia
July 3, 2025

TOWN OF SAINT PAUL, VIRGINIA
STATEMENT OF NET POSITION
June 30, 2024

	Primary Government			Component Unit
	Governmental Activities	Business Type Activities	Total Primary Government	Industrial Development Authority
ASSETS				
Cash and cash equivalents	$ 3,641,769	$ 1,004,323	$ 4,646,091	$ 91,878
Prepaid Expense	3,237	708	3,945	-
Receivables:				
Taxes	15,265	-	15,265	-
Accounts	56,760	145,321	202,081	4,798,158
Other	17,657	7,321	24,978	618
Internal Balances	563,878	(563,878)	-	-
Land and Improvements Held for Resale	-	-	-	273,174
Due from other governmental units	2,077,449	10,516	2,087,965	-
Restricted Assets:				
Cash	78,470	159,264	237,734	120,572
Capital assets, depreciable, net	7,708,302	15,582,155	23,290,457	128,661
Capital assets, non-depreciable	245,800	92,500	338,300	-
Right-to-use assets, net of amortization	4,290	-	4,290	-
TOTAL ASSETS	$ 14,412,877	$ 16,438,229	$ 30,851,106	$ 5,413,061
DEFERRED OUTFLOWS				
OPEB-Related Outflows	11,783	39,421	51,204	-
Pension-Related Outflows	139,764	3,227	142,991	-
Total Deferred Outflows	151,547	42,648	194,195	-
LIABILITIES				
Accounts payable	$ 92,626	$ 44,771	$ 137,397	$ 509
Accrued liabilities and wages	50,198	9,864	60,062	-
Due to Other Governments	-	-	-	-
Payable From Restricted Assets:				
Deposits	-	10,650	10,650	-
Matured revenue interest	13,326	12,582	25,908	1,889
OPEB Liability	453,727	10,976	464,703	-
Long-term liabilities				
Net Pension Liability	493,769	139,268	633,037	-
Due within one year	100,055	444,289	544,344	52,202
Due in more than one year	701,288	5,468,879	6,170,167	2,915,351
Lease liabilities				
Due within one year	1,879	-	1,879	-
Due in more than one year	3,435	-	3,435	-
Compensated absences				
Due within one year	21,420	13,065	34,485	-
Due in more than one year	32,129	19,598	51,727	-
Total Liabilities	1,963,852	6,173,942	8,137,794	2,969,951
DEFERRED INFLOWS				
Dominion Diffuser Agreement Advance	-	1,307,692	1,307,692	-
ARPA Grant Revenue	64,998		64,998	
OPEB-Related inflows	6,396	1,217	7,613	-
Pension-related inflows	132,698	37,428	170,126	-
Total Deferred Inflows	204,092	1,346,337	1,550,429	-
NET POSITION				
Net investment in capital assets	7,151,735	9,761,487	16,913,222	128,661
Restricted	498,371	-	498,371	-
Unrestricted	4,746,374	(800,888)	3,945,486	2,314,449
Total Net Position	$ 12,396,480	$ 8,960,598	$ 21,357,078	$ 2,443,110

The accompanying notes are an integral part of the financial statements

EXHIBIT 2

TOWN OF SAINT PAUL, VIRGINIA
STATEMENT OF ACTIVITIES
For The Year Ended June 30, 2024

FUNCTIONS/PROGRAMS:	Expenses	Program Revenues: Charges for Services	Program Revenues: Operating Grants and Contributions	Program Revenues: Capital Grants and Contributions	Net (Expense) Revenue and Changes in Net Position: Primary Government: Governmental Activities	Primary Government: Business-Type Activities	Primary Government: Total	Component Units: Industrial Development Authority
Governmental Activities:								
General government	$ 1,155,844	$ -	$ -	$ 246,590	$ (909,254)	$ -	$ (909,254)	
Public safety	1,016,418	-	44,612	24,064	(947,742)	-	(947,742)	
Public works	1,218,936	90,570	47,865	-	(1,080,501)	-	(1,080,501)	
Parks, recreation, and cultural	253,505	37,079	-	-	(216,426)	-	(216,426)	
Community development	514,834	-	-		(514,834)	-	(514,834)	
Non-Departmental	2,690	-	-	-	(2,690)	-	(2,690)	
Interest on long-term debt	55,965	-	-	-	(55,965)	-	(55,965)	
Total Governmental Activities	4,218,192	127,649	92,477	270,654	(3,727,412)	-	(3,727,412)	-
Business-Type Activities:								
Water and Sewer	1,464,098	1,259,907	-	494,764	-	290,573	290,573	
Total Business-Type Activities	1,464,098	1,259,907	-	494,764	-	290,573	290,573	-
TOTAL PRIMARY GOVERNMENT	$ 5,682,290	$ 1,387,556	$ 92,477	$ 765,418	$ (3,727,412)	$ 290,573	$ (3,436,839)	$ -
COMPONENT UNIT:								
Industrial Development Authority	838,822	-	-	770,572	-	-	-	(68,250)
General Revenues:								
Property taxes					2,378,631	-	2,378,631	-
Local sales & use tax					54,931	-	54,931	-
Utility tax					44,891	-	44,891	-
Business license tax					114,004	-	114,004	-
Lodging taxes					35,992	-	35,992	-
Motor vehicle license					160	-	160	-
Bank stock tax					41,608	-	41,608	-
Cigarette tax					17,952	-	17,952	-
Restaurant food tax					402,574	-	402,574	-
Coal road improvement tax					12,226	-	12,226	-
Unrestricted intergovernmental revenue					6,110	-	6,110	-
Historic Tax Credits					608,904	-	608,904	
Unrestricted investment earnings					61,544	22,314	83,858	79,954
Rental of Town property					5,527	-	5,527	-
Recovered Costs					40,223	-	40,223	-
Transfers-Primay Government					(60,729)	60,729	-	-
Other					40,264	5,540	45,804	-
Total general revenues and transfers					3,804,812	88,583	3,893,395	79,954
Change in net position					77,400	379,156	456,556	11,704
NET POSITION - JULY 1					12,319,080	8,581,442	20,900,522	2,431,406
NET POSITION - JUNE 30					$ 12,396,480	$ 8,960,598	$ 21,357,078	$ 2,443,110

The accompanying notes are an integral part of the financial statements

TOWN OF SAINT PAUL, VIRGINIA
BALANCE SHEET - GOVERNMENTAL FUNDS
June 30, 2024

	General Fund	Special Revenue Fund	Total
ASSETS			
Cash and cash equivalents	$ 3,639,051	$ 2,718	$ 3,641,769
Receivables:			
Taxes	15,265	-	15,265
Accounts	56,760	-	56,760
Other	17,657	-	17,657
Prepaid Expenses	3,237	-	3,237
Due From other funds	565,878	-	565,878
Due from other governmental units	21,270	-	21,270
Restricted Assets:			
Cash	78,470	-	78,470
Total Assets	$ 4,397,588	$ 2,718	$ 4,400,306
LIABILITIES			
Accounts payable	92,626	-	92,626
Accrued payroll and related liabilities	50,198	-	50,198
Due to Other Governments	-	-	-
Due to Other Funds	-	2,000	2,000
Total Liabilities	142,824	2,000	144,824
DEFERRED INFLOWS			
ARPA Grant Revenue	64,998	-	64,998
Deferred property taxes	11,211	-	11,211
Total Deferred Inflows	76,209	-	76,209
FUND BALANCES			
Non-Spendable	565,878	-	565,878
Restricted	78,470	-	78,470
Committed	19,991	718	20,709
Assigned	-	-	-
Unassigned	3,514,215	-	3,514,215
Total Fund Balances	4,178,554	718	4,179,272
Total Liabilities, Deferred Inflows, and Fund Balances	$ 4,397,588	$ 2,718	$ 4,400,306

The accompanying notes are an integral part of the financial statements

TOWN OF SAINT PAUL, VIRGINIA
RECONCILIATION OF THE BALANCE SHEET OF
GOVERNMENTAL FUNDS TO THE STATEMENT OF NET POSITION
June 30, 2024

Total Fund Balances per Exhibit 3-Balance Sheet-Governmental Funds	$ 4,179,272
Amounts reported for governmental activities in the statement of Net Position are different because:	
Capital assets used in governmental activities are not current financial resources and, therefore, are not reported in the governmental funds.	7,958,392
Other long-term assets are not available to pay for current-period expenditures and, therefore, are deferred in the funds.	2,056,179
Because the focus of governmental funds is on current resources, some inflows/outflows of resources are recognized in future periods and are not included in the governmental funds.	11,212
Long-term liabilities are not due and payable in the current period and, therefore, are not reported in the funds.	
Bonds payable, net of premiums and discounts	-
Notes payable	(801,343)
Accrued interest payable	(13,326)
Leases payable	(5,314)
Compensated absences	(53,549)
Financial statement elements related to other post employment benefits are applicable to future periods and, therefore, are not reported in the funds.	
Deferred outflows of resources for 2024 employer contributions	4,125
Deferred outflows of resources related to other postemployment benefits	7,658
Deferred inflows of resources related to other postemployment benefits	(6,396)
Net other postemployment benefit liablity	(453,727)
Financial statement elements related to pensions are applicable to future periods, and therefore, are not reported in the funds.	
Deferred outflows of resources for 2024 employer contributions	126,671
Deferred outflows of resources for the net difference between projected and actual earnings on pension plan investments	13,093
Deferred outflows (inflows) of resources for the net difference between projected and actual earnings on pension plan investments	(38,966)
Deferred outflows (inflows) of resources for the net difference between projected and actual experience	(93,732)
Net pension liability	(493,769)
Net Position of Governmental Activities	$ 12,396,480

The accompanying notes are an integral part of the financial statements

TOWN OF SAINT PAUL, VIRGINIA
STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
For The Year Ended June 30, 2024

	General Fund	Special Revenue Fund	Total
REVENUES:			
General property taxes	$ 2,396,041	$ -	$ 2,396,041
Other local taxes	724,338	-	724,338
Permits, privilege fees and regulatory licenses	3,380	-	3,380
Fines and forfeitures	5,861	-	5,861
Revenue from use of money and property	699,725	1	699,726
Charges for services	127,649	-	127,649
Miscellaneous	31,023	-	31,023
Recovered costs	40,223	-	40,223
Intergovernmental	375,617	-	375,617
Total Revenues	4,403,856	1	4,403,857
EXPENDITURES:			
Current:			
General government administration	957,723	-	957,723
Public safety	1,294,638	-	1,294,638
Public works	1,032,247	-	1,032,247
Parks, recreation and cultural	168,754	-	168,754
Community development	428,248	-	428,248
Non-Departmental	2,690	-	2,690
Debt Service:			
Principal retirement	552,955	-	552,955
Interest	48,563	-	48,563
Total Expenditures	4,485,819	-	4,485,819
Excess (Deficiency) of Revenues Over Expenditures	(81,963)	1	(81,962)
OTHER FINANCING SOURCES (USES):			
Sale of property	-	-	-
Insurance recoveries	-	-	-
Loan Proceeds	456,515	-	456,515
Transfers in (out)	(60,729)	-	(60,729)
Total Other Financing Sources (Uses)	395,786	-	395,786
Net Change in Fund Balance	313,823	1	313,824
FUND BALANCE AT JULY 1	3,864,731	717	3,865,448
FUND BALANCE AT JUNE 30	$ 4,178,554	$ 718	$ 4,179,272

The accompanying notes are an integral part of the financial statements

TOWN OF SAINT PAUL, VIRGINIA
RECONCILIATION OF THE REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES -
GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES
For the Year Ended June 30, 2024

	Governmental Fund
Net Change in Fund Balance Governmental Fund:	$ 313,824
Amounts reported for governmental activities in the statement of activities are different because:	
Governmental funds report capital outlays as expenditures. However, in the Statement of Activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense.	
Capital Outlay & right-to-use assets	622,772
Depreciation & amortization expense	(524,357)
	98,415
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.	(23,787)
The issuance of long-term debt (i.e. 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. Also governmental funds report the effect of issuance costs, premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the Statement of Activities.	
Principal repayments:	
General obligation debt and notes	554,498
Lease	1,460
Proceeds from debt	(456,515)
Proceeds from lease	-
	99,443
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.	
Accrued interest	(7,402)
Loan to St. Paul IDA	(23,750)
Compensated absences	354
Other post-employment benefits	(392,899)
	(423,697)
Governmental funds report pension contributions as expenditures. However, in the Statement of Activities, the cost of pension benefits earned net of employee contributions is reported as pension expense.	13,202
Prior Period Adjustment due to errors with accounts payable and capital outlays	-
Change in Net Position of Governmental Activities	$ 77,400

The accompanying notes are an integral part of the financial statements

TOWN OF SAINT PAUL, VIRGINIA
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
June 30, 2024

	Business-Type Activities Propietary Funds
	Water & Sewer Operation
ASSETS	
Cash and cash equivalents	$ 1,004,323
Receivables (Net of Allowance for Uncollectibles):	
Accounts	155,837
Accrued interest	7,321
Prepaid Insurance	708
Restricted Assets:	
Cash	159,264
Capital assets, non-depreciable	92,500
Capital assets, depreciable, net	15,582,155
Total Assets	17,002,108
DEFERRED OUTFLOWS OF RESOURCES	
Deferred Pension-Related Outflows	39,421
Deferred OPEB-Related Outflows	3,227
Total Deferred Outflows	42,648
LIABILITIES	
Current liabilities:	
Accounts payable	$ 44,771
Accrued wages and liabilities	9,864
Payable From Restricted Assets:	
Customer deposits	10,650
Accrued interest payable	12,582
Due to other funds	563,878
Revenue bond payable	444,289
Compensated absences	13,065
Total Current Liabilities	1,099,099
Noncurrent liabilities:	
Revenue bond payable	5,468,879
Net Pension Liability	139,268
OPEB Liability	10,976
Compensated absenses	19,598
Total Noncurrent Liabilities	5,638,721
Total Liabilities	6,737,820
DEFERRED INFLOWS	
Dominion Diffuser Agreement Advance	1,307,692
Pension-related inflows	37,428
OPEB-related inflows	1,217
Total Deferred Inflows	1,346,337
NET POSITION	
Net investment in capital assets	9,761,487
Restricted	-
Unrestricted	(800,888)
Total Net Position	$ 8,960,598

The accompanying notes are an integral part of the financial statements

EXHIBIT 8

TOWN OF SAINT PAUL, VIRGINIA
PROPRIETARY FUND
STATEMENT OF REVENUES, EXPENSES
AND CHANGES IN FUND NET POSITION
For the Year Ended June 30, 2024

	PROPRIETARY FUNDS
	Water & Sewer Operation
OPERATING REVENUES:	
Water rents	778,982
Sewer rents	368,338
Penalties	15,252
Other income	97,336
Total Operating Revenues	1,259,907
OPERATING EXPENSES:	
Personnel services	251,676
Fringe benefits	55,057
Contractual services	15,226
Other charges	373,047
Depreciation and amortization	640,530
Total Operating Expenses	1,335,536
Operating Income (Loss)	(75,629)
NON-OPERATING REVENUES (EXPENSES) :	
Connection fees	5,540
Grant revenue	494,764
Interfund transfers	60,729
Interest income	22,314
Interest expense	(128,562)
Total Non-Operating Revenue (Expenses)	454,786
CHANGE IN NET POSITION	379,156
NET POSITION AT JULY 1	8,581,442
NET POSITION AT JUNE 30	$ 8,960,598

The accompanying notes are an integral part of the financial statements

TOWN OF SAINT PAUL, VIRGINIA
PROPRIETARY FUND
STATEMENT OF CASH FLOWS
For The Year Ended June 30, 2024

	PROPRIETARY FUNDS Water & Sewer Operation
CASH FLOWS FROM OPERATING ACTIVITIES:	
Cash received from customers	$ 1,197,975
Cash payments to suppliers for goods and services	(854,576)
Cash payments to employees for services	(403,677)
Other operating income	97,336
NET CASH PROVIDED BY OPERATING ACTIVITIES	37,058
CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES:	
Increase (decrease) in customer deposits	-
(Increase) decrease transfers from other funds	60,729
Increase (decrease) in due to other funds	-
NET CASH PROVIDED BY NON-CAPITAL FINANCING ACTIVITIES	60,729
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:	
(Increase) decrease in capital assets	(1,045,668)
(Increase) decrease in construction in progress	567,793
Principal paid on revenue bond maturities and equipment contracts	(429,193)
Principal advances from bond and note proceeds	365,143
Contributed capital - Grant revenue	484,248
Connection fees collected	5,540
Interest paid on revenue bonds and equipment contracts	(125,196)
NET CASH USED FOR CAPITAL AND RELATED FINANCING ACTIVITIES	(177,333)
CASH FLOWS FROM INVESTING ACTIVITIES	
Interest and dividends on investments	15,838
NET CASH PROVIDED BY INVESTING ACTIVITIES	15,838
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	(63,708)
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	1,227,295
Cash and Cash Equivalents at June 30, 2024	
Unrestricted	$ 1,004,323
Restricted	159,264
CASH AND CASH EQUIVALENTS AT END OF YEAR	$ 1,163,587
RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED BY OPERATING ACTIVITIES:	
Operating income (loss)	$ (75,629)
Adjustments to Reconcile Operating Income to Net Cash Provided by Operating Activities:	
Depreciation and amortization	640,530
Prior period adjustment	-
Provision for compensated absences	1,490
Change in Assets, Liabilities, Deferred Inflows/Outflows:	
(Increase) decrease in accounts receivable	68,096
(Increase) decrease in prepaid expenses	(708)
(Increase) decrease in deferred outflows of resources	30,031
Increase (decrease) in accounts payable	(465,595)
Increase (decrease) in OPEB liability	(21,524)
Increase (decrease) in Net Pension liability	(107,836)
Increase (decrease) in deferred inflows of resources	(32,838)
Increase (decrease) in wages payable and payroll liabilities	1,041
TOTAL ADJUSTMENTS	112,687
NET CASH PROVIDED BY OPERATING ACTIVITIES	$ 37,058

Disclosure of Accounting Policy - For purposes of the statement of cash flows, the water and sewer funds consider all highly liquid investments (including restricted maturity of three months or less) when purchased to be cash equivalents.

The accompanying notes are an integral part of the financial statements

TOWN OF SAINT PAUL, VIRGINIA
AGENCY FUNDS
STATEMENT OF FIDUCIARY NET POSITION
June 30, 2024

	Agency Fund
ASSETS	
Cash	$ 1,045
Capital asset, depreciable, net	2,137
TOTAL ASSETS	3,182
NET POSITION	
Funds held for Johnnie Ramey Memorial Fund	$ 3,182

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

TOWN OF SAINT PAUL, VIRGINIA
AGENCY FUNDS
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
For The Year Ended June 30, 2024

	Agency Fund
Additions	
Donations	$ 1
Interest income	3
Total additions	4
Deductions	
Operating deductions	-
Total deductions	-
Change in net position	4
Net position - beginning of year	3,178
Net position - end of year	$ 3,182

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

TOWN OF SAINT PAUL, VIRGINIA
INDUSTRIAL DEVELOPMENT AUTHORITY - COMPONENT UNIT
STATEMENT OF NET POSITION
June 30, 2024

ASSETS	
Cash and cash equivalents	$ 91,878
Prepaid Expense	-
Due from Others	618
Interest Receivable	596,942
Land and Improvements Held for Resale	273,174
Restricted Cash	120,572
Notes Receivable	4,201,216
Capital assets, net	128,661
Total Assets	$ 5,413,061
LIABILITIES	
Accounts payable	509
Interest Payable	1,889
Notes payable	2,967,553
Total Liabilities	2,969,951
NET POSITION	
Net investment in capital assets	128,661
Unrestricted	2,314,449
Total Net Position	2,443,110

The accompanying notes are an integral part of the financial statements

TOWN OF SAINT PAUL, VIRGINIA
INDUSTRIAL DEVELOPMENT AUTHORITY - COMPONENT UNIT
STATEMENT OF REVENUE, EXPENSES, AND CHANGES IN NET POSITION
For the Year Ended June 30, 2024

	Total
REVENUES	
Property sales	$ -
Cost of Property sold	-
Total Operating Revenues	-
EXPENDITURES:	
Lyric Theater Expense	127,569
Deen Building Expense	18,341
Bank Fees	294
Staff Expense	2,400
Contributions Expense	500
Board Expense	840
Insurance	3,592
Legal and Accounting	9,405
Forgiveness of Debt	57,399
Travel	195
Office Expense	811
Dues & Fees	125
Property Maintenance Expense	509
Supplies & Equipment Expense	1,880
Consulting Expense	1,271
Depreciation Expense	4,787
Total Expenditures	229,918
Operating Income (Loss)	(229,918)
NON-OPERATING REVENUES (EXPENSES) :	
Grant & Contribution Income	770,572
Historical Tax Credit Transfer to Town	(608,904)
Interest Income -Investments	79,954
Debt Forgivness	-
Total Non-Operating Revenue (Expenses)	241,622
CHANGE IN NET POSITION	11,704
NET POSITION AT JULY 1	2,431,406
NET POSITION AT JUNE 30	$ 2,443,110

The accompanying notes are an integral part of the financial statements

1. *SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES*

The financial statements of the Town have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to government units. The Governmental Accounting Standards Board (GASB) is the accepted standard setting body for establishing governmental accounting and financial reporting principles. The more significant of the government's accounting policies are described below.

Reporting Entity

The Town of Saint Paul, Virginia is a municipality governed by an elected seven-member council. The reporting entity of the Town has been determined in accordance with accounting principles generally accepted in the United States of America established by the Governmental Accounting Standards Board (GASB) and the specifications promulgated by the Auditor of Public Accounts (APA) of the Commonwealth of Virginia. In addition, the preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires the use of management's estimates. As required by those principles, these financial statements present the Town of Saint Paul, Virginia (the primary government).

Individual Component Unit Disclosures

Discretely Presented Component Unit

Component Units are legally separate organizations for which the elected or appointed officials of the primary government are financially accountable. The primary government is financially accountable if it appoints a voting majority of the organization's governing board and is able to impose its will on that organization.

Based on the foregoing criteria, the financial activities of the Industrial Development Authority of the Town of St. Paul, Virginia are included in these financial statements as a discretely presented Component Unit. The Industrial Development Authority's financial statements may be obtained by contacting the Authority at P.O. Box 1262 St. Paul, Virginia 24283.

Financial Reporting Model

GASB issued Statement No. 34, *Basic Financial Statements – and Management's Discussion and Analysis – for State and Local Governments* (Statement) which established new requirements and a new reporting model for the annual financial reports of state and local governments. The Statement was developed to make annual reports easier to understand and more useful to the people who use governmental financial information to make decisions. Because of the significant changes in financial reporting under the Statement, implementation was phased in (based on the size of the government) beginning with fiscal year ended 2002 (for larger governments). As part of the Statement, there is a new reporting requirement regarding the local government's infrastructure (roads, bridges, traffic signals, etc.) This requirement permits an optional delay for implementation to the fiscal year ending in 2008. The Town implemented the basic model in fiscal year 2004 and completed the implementation of the infrastructure-related portion of the Statement in fiscal year 2008. The Town has elected to omit the management's discussion and analysis that accounting principles generally accepted in the United States of America requires to be presented to supplement the basic financial statements.

Government-wide and Fund Financial Statements

The government-wide financial statements (i.e., the statement of net position and the statement of changes in net position) report information on all of the non-fiduciary activities of the primary government and its component units. 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.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment is 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*.

1. ***SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)***

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.

Measurement Focus, Basis of Accounting, and Financial Statement Presentation

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

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

Property taxes, franchise taxes, license, 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. Only the portion of special assessments receivable due within the current fiscal period is considered to be susceptible to accrual as revenue of the current period. All other revenue items are considered to be measurable and available only when cash is received by the government.

The Town reports the following major governmental funds:

The *general fund* is the Town's primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for 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.

The special revenue fund accounts for the operations of the Veteran's Memorial Wall Fund.

The Town reports the following major proprietary funds:

The *water and sewer operation fund* provides drinking water, maintains the facilities necessary to provide this service, and provides maintenance to the sewer lines and pump stations. Its primary revenue source is user charges and fees.

Fiduciary Funds account for assets held by a governmental unit in a trustee capacity or as an agent or custodian for individuals, private organizations, other governmental units, or other funds. These funds include Agency Funds.

Governmental Funds

Governmental Funds utilize the modified accrual basis of accounting under which revenues and related assets are recorded when measurable and available to finance operations during the year. Accordingly, real and personal property taxes are recorded as revenues and receivables when billed, net of allowances for uncollectible amounts, except that property taxes not collected within 45 days after year end are reflected as deferred revenues. Sales and utility taxes, which are collect 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 in the month preceding receipts 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.

1. ***SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)***

Expenditures, other than interest on long-term debt, are recorded as the related fund liabilities are incurred. Interest on long-term debt is recognized when due except for interest due on July 1, which is accrued.

Proprietary Funds
The accrual basis of accounting is used for the Water and Sewer Enterprise Fund and the discretely presented component unit, Industrial Development Authority. Under the accrual method, revenues are recognized in the accounting period in which they are earned, while expenses are recognized in the accounting period in which the related liability is incurred.

Fiduciary Funds
Agency Funds utilize the modified accrual basis of accounting.

As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements. Exceptions to this general rule are payments-in-lieu of taxes and other charges between the government's water and sewer function and various other functions of the government. Elimination of these charges would distort the direct costs and program revenues reported for the various functions concerned.

Proprietary funds distinguish *operating* revenues and expenses from *non-operating* items. When both restricted and unrestricted resources are available for use, it is the Town's policy to use unrestricted resources first, then restricted resources as they are needed.

Budgeting and Budgetary Accounting

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

1. The Town Treasurer 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 department level or category level. The appropriation for each department or category can be revised only by the Council.

5. Formal budgetary integration is employed as a management control device during the year for the General Fund.

6. All budgets are adopted on a cash basis, but variances from modified accrual basis budgets are not considered to be material.

7. Appropriations lapse on June 30 for all Town units.

8. All budget data presented in the accompanying financial statements is the revised budget as of June 30, 2024.

1. ***SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)***

Encumbrances and Commitments

Encumbrances are recognized as a valid and proper charge against a budget appropriation in the year in which a purchase order, contract, or other commitment is issued. Generally, all unencumbered appropriations lapse at year-end, except those for capital projects. Appropriations for capital projects are continued until completion of applicable projects, even when projects extend more than one fiscal year. Open encumbrances at fiscal year-end are included in restricted, committed, or assigned fund balance, as appropriate.

Deposits and Investments

Certificates of Deposit with maturities of three months or greater are recorded on Exhibit 1 under the title Cash and cash equivalents and treated as cash equivalents. No investments existed as of June 30, 2024.

Interfund Receivables and Payables

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

Fair Value Measurement

The Town categorized the fair value measurement of its investments based on the hierarchy established by generally accepted accounting principles. Investments are measured at fair value on a recurring basis. *Recurring* fair value measurements are those that Governmental Accounting Standards (GASB) Statements require or permit in the statement of net position at the end of each reporting period. The fair value hierarchy, which has three levels, is based on the valuation inputs used to measure an asset's fair value: Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs. The Town had no investments at June 30, 2024 that are measured using Level 1, 2, or 3 inputs.

Capital and Right-to-Use Assets

All capital assets are valued at cost or estimated cost if actual cost is not available. Donated assets are valued at their estimated fair value on the date donated. Repairs and maintenance are recorded as expenditures; renewals and betterments are capitalized. Depreciation for fixed assets has been provided over the following estimated useful lives using the Straight-Line Method:

	All Funds
Water/Sewer System	40
Buildings	30-40
Improvements other than buildings	30-40
Equipment	3-10

Cash Equivalents

For purposes of the statement of cash flows, the Water and Sewer Fund considers all highly liquid investments (including restricted assets) with a maturity of three months or less when purchased to be cash equivalents.

1. ***SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)***

Compensated Absences

The Town has a policy to allow the accumulation and vesting of limited amounts of paid leave and sick leave until termination or retirement. Amounts of such absences are accrued when incurred in the government-wide and proprietary fund financial statements. A liability for these amounts is reported in the governmental funds when amounts are due for payment.

Long-term Obligations

In the government-wide financial statements, and proprietary fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund statement of net position. Bond premiums and discounts are deferred and amortized over the life of the bonds using the effective interest method. Bonds payable are reported net of the applicable bond premium or discount.

In the fund financial statements, governmental funds recognize bond premiums and discounts, as well as bond issuance costs, during the period incurred. The face amount of debt issued is reported as other financing resources. Premiums received on debt issuances are reported as other financing sources, while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

Fund Balances

Beginning with the fiscal year ended June 30, 2011, the Town implemented GASB Statement No. 54, "Fund Balance Reporting and Governmental Fund Type Definitions." This Statement provides more clearly defined fund balance categories to make the nature and extent of the constraints placed on a government's fund balances more transparent. The following classifications describe the relative strength of the spending constraints:

- Non-spendable: This classification includes amounts that cannot be spent because they are either (a) not in spendable form or (b) are legally or contractually required to be maintained intact. The Town has classified Prepaid Items as being Non-spendable as these items are not expected to be converted to cash or are not expected to be converted to cash within the next year.

- Restricted: This classification includes amounts for which constraints have been placed on the use of the resources either (a) externally imposed by creditors (such as through a debt covenant), grantors, contributors, or laws or regulations of other governments, or (b) imposed by law through constitutional provisions or enabling legislation.

- Committed: This classification includes amounts that can be used only for specific purposes pursuant to constraints imposed by formal action of the Town Council. These amounts cannot be used for any other purpose unless the Town Council removes or changes the specified use by taking the same type of action (ordinance or resolution) that was employed when the funds were initially committed. This classification also includes contractual obligations to the extent that existing resources have been specifically committed for use in satisfying those contractual requirements.

- Assigned: This classification includes amounts that are constrained by the Town's intent to be used for a specific purpose but are neither restricted nor committed. This intent can be expressed by the Town Council or through the Town Council delegating this responsibility to the Town manager through the budgetary process.

- Unassigned: This classification includes the residual fund balance for the General Fund. The Unassigned classification amounts are available for any purpose. Positive Unassigned amounts are reported in the General Fund only. The Unassigned classification also includes negative residual fund balance of any other governmental fund that cannot be eliminated by offsetting of Assigned fund balance amounts.

1. ***SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)***

Fund Balances *(Continued)*

Minimum Unassigned Fund Balance Policy
The Town does not maintain an unassigned fund balance policy

Resource Flow Policy
The Town would typically use Restricted fund balances first, followed by Committed resources, and then Assigned resources, as appropriate opportunities arise, but reserves the right to selectively spend Unassigned resources first to defer the use of these other classified funds.

Net Position

Net position is the difference between assets, deferred outflows of resources, liabilities and deferred inflows of resources. Net position is divided into three components:

- Net investment in capital assets-consists of historical cost of capital assets, less accumulated depreciation and any outstanding debt related to the acquisition, constructions or improvement of those assets.
- Restricted-consists of assets that are restricted by the Town's creditors (for example, through debt covenants), by the state enabling legislation (through restrictions on share revenues), by grantors (both federal and state), and by other contributors.
- Unrestricted-all other net position is reported in this category.

Pensions

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

Deferred Outflows/Inflows of Resources

The Town reports deferred outflows of resources and deferred inflows of resources on its statement of net position. Deferred outflows of resources represent a consumption of net position that applies to a future period(s) and is not recognized as an outflow of resources (expense) until the applicable period. Deferred inflows of resources represent an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until a future period.

Employer pension contributions made after the net pension liability measurement date of June 30, 2023 and prior to the reporting date of June 30, 2024, have been reported as deferred outflows of resources in the Statement of Net Position as of June 30, 2024. This will be applied to the net pension liability in the next fiscal year.

Differences between the projected and actual pension earnings as of the actuarial measurement date of June 30, 2023 have been reported as a deferred inflow of resources. This difference will be recognized in pension expense over a closed five-year period.

The Town additionally reports unavailable/unearned revenue from property taxes and other receivables not collected within 45 days of year-end and property taxes levied to fund future years. Unavailable/unearned revenue may also represent revenue that has been received, but the earnings process is not year complete. These amounts are deferred and recognized as an inflow of resources in the period they become available.

1. ***SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)***

Other Post-Employment Benefits (OPEB)

Local Health
The Town's local health insurance OPEB plan is a single-employer defined benefit OPEB plan administered by the Town. No assets are accumulated in a trust that meets the criteria under the provisions of Governmental Accounting Standards Board (GASB) Statement 75.

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

Date of Management Review
Management has evaluated events and transactions occurring subsequent to the statement of net position date for items that should potentially be recognized or disclosed in these financial statements. The evaluation was conducted through the date of the report, which is the date these financial statements were available to be issued.

2. ***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 approximately $32,746 at June 30, 2024, and is composed of the following:

General Fund:	
Allowance for uncollectible property taxes	$ 1,696
Allownce for uncollectible garbage billings	4,013
Total General Fund	$ 5,709
Water and Sewer Fund:	
Allowance for uncollectible water and sewer fee billings	$ 27,037
Total Water and Sewer Fund	$ 27,037

3. ***DEPOSITS AND INVESTMENTS***

Deposits
All cash of the Town and its component units is maintained in accounts collateralized in accordance with the Virginia Security for Public Deposits Act, Section 2.2-4400 *et seq.* of the *Code of Virginia*, or covered by federal depository insurance.

Investments
Investment Policy: In accordance with the Code of Virginia and other applicable laws, including regulations, the Town permits investments in U. S. Treasury Securities, U. S. Agency Securities, prime quality commercial paper, non-negotiable certificates of deposit and time deposits of Virginia banks, negotiable certificates of deposit of domestic banks, banker's acceptances with domestic banks, Commonwealth of Virginia and Virginia Local Government Obligations, repurchase agreements collateralized by the U. S. Treasury/Agency Securities, the Virginia State Non-Arbitrage Program or other authorized Arbitrage Investment Management programs, and the State Treasurer's Local Government Pool (the Virginia LGIP, a 2a-7 like pool).

3. ***DEPOSITS AND INVESTMENTS (Continued)***

Concentration of Credit Risk:
Deposits and investments held by any single issuer that exceeded 5% are as follows:

Miner's Exchange	50%
First Bank & Trust	43%

Custodial Credit Risk:
As required by the *Code of Virginia*, all security holdings with maturities over 30 days may not be held in safekeeping with the "counterparty" to the investment transaction. As of June 30, 2024, all of the Town's investments are held in a bank's trust department in the Town's name.

The above items are reflected in the financial statements as follows:

Deposits and investments:	
Cash on hand	$ 498
Deposits	2,067,269
Investments	2,816,059
	$4,883,826
Statement of net position:	
Cash and cash equivalents	$4,646,092
Investments	-
Restricted cash and cash equivalents	237,734
	$4,883,826

Restricted cash and cash equivalents consist primarily of certificates of deposit.

4. ***DUE FROM OTHER GOVERNMENTAL UNITS***

Federal Government:		
Virginia Department of Transportation	$ 2,495	
Total Federal Government		$2,495
Commonwealth of Virginia:		
Virginia Department of Health	10,516	
Local Sales Tax	15,888	
Total Commonwealth of Virginia		26,404
St. Paul Industrial Development Authority	2,056,179	
Total St. Paul IDA		2,056,179
Wise & Russell Counties:		
Coal haul road taxes	2,517	
Court fines/transfer fees	370	
Total Wise & Russell Counties		2,887
Total Due From Other Governmental Units		$2,087,965

5. ***PROPERTY TAXES RECEIVABLE***

Property is assessed at its value on January 1st. Property taxes attach as an enforceable lien on property as of January 1st. Taxes are payable on December 5th. The Town of Saint Paul bills and collects its own property taxes.

6. ***INTERFUND OBLIGATIONS***

	Due From	Due To
General Fund:		
Water/Sewer Fund	$563,878	-
Veteran's Memorial Fund	2,000	-
Water/Sewer Fund:		
General Fund	-	563,878
Veteran's Memorial Fund		
General Fund	-	2,000
Totals	$565,878	$565,878

7. ***CAPITAL ASSETS***

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

Governmental activities:	
General government	$ 135,196
Public safety	89,158
Public works	99,551
Parks, recreation and cultural	84,751
Community development	113,985
Special Revenue Fund	-
Total depreciation expense – governmental activities	$ 522,641
Business-type activities:	
Water and sewer	$ 640,530
Total depreciation expense – business-type activity	$ 640,530

8. *CHANGES IN CAPITAL ASSETS*

The following is a summary of changes in depreciable capital assets:

Governmental Activities	Beginning Balance	Increases	Decreases	Ending Balance
Capital assets, depreciable				
Buildings and improvements	$8,661,314	$ 27,399	$ -	$8,688,713
Equipment	2,879,102	595,373	-	3,474,475
Special Revenue Fund	30,055	-	-	30,055
Total Capital Assets, depreciable	11,570,471	622,772	-	12,193,243
Less accumulated depreciation for				
Buildings and improvements	$1,844,446	$ 236,463	$ -	$2,080,909
Equipment	2,087,798	286,177	-	2,373,975
Special Revenue Fund	30,055	-	-	30,055
Total accumulated depreciation	3,962,299	522,640	-	4,484,939
Total Capital Assets, depreciable, net	$7,608,172	$ 100,132	$ -	$7,708,304
Right-to-use assets				
Right-to-use assets	$ 8,580	$ -	$ -	$ 8,580
Less accumulated amortization	(2,574)	(1,716)	-	(4,290)
Total Right-to-use assets, net	$ 6,006	$ (1,716)	$ -	$ 4,290

Business Type Activities	Beginning Balance	Increases	Decreases	Ending Balance
Capital assets, depreciable				
Buildings	$ 868,724	$ 16,995	$ -	$ 885,719
Improvements	21,149,542	963,938	-	22,113,480
Equipment	1,420,651	64,735	-	1,485,386
Total Capital Assets, depreciable	23,438,917	1,045,668	-	24,484,585
Less accumulated depreciation for				
Buildings	$ 855,948	$ 618	$ -	$ 856,566
Improvements	6,285,312	565,507	-	6,850,819
Equipment	1,120,641	74,405	-	1,195,046
Total accumulated depreciation	8,261,901	640,530	-	8,902,431
Total Capital Assets, depreciable, net	$15,177,016	$ 405,138	$ -	$15,582,154

The following is a summary of changes in non-depreciable capital assets:

Governmental Activities	Beginning Balance	Increases	Decreases	Ending Balance
Capital assets, non-depreciable				
Land	$ 245,800	$ -	$ -	$ 245,800
Construction in progress	-	-	-	-
Total Capital Assets, Non-depreciable	$ 245,800	$ -	$ -	$ 245,800

Business Type Activities	Beginning Balance	Increases	Decreases	Ending Balance
Capital assets, non-depreciable				
Land	$ 92,500	$ -	$ -	$ 92,500
Construction in progress	567,793	329,145	(896,938)	-
Total Capital Assets, Non-depreciable	$ 660,293	$ 329,145	$ (896,938)	$ 92,500

9. *LONG-TERM DEBT*

The annual requirements to amortize proprietary debt outstanding as of June 30, 2024, are as follows:

Business-Type Activities

Year Ending June 30,	Water & Sewer Bond Principal	Water & Sewer Bond Interest	Water & Sewer Bond Principal	Water & Sewer Bond Interest	Water & Sewer Bond Principal	Water & Sewer Bond Interest	Water & Sewer Loan Principal	Water & Sewer Loan Interest
2025	$ 12,309	$ -	$ 1,827	$ -	$ 192,596	$ 37,804	$ 6,651	$ -
2026	12,309	-	1,827	-	198,662	31,738	6,651	-
2027	12,309	-	1,827	-	204,920	25,480	6,651	-
2028	12,309	-	1,827	-	211,375	19,025	6,651	-
2029	12,309	-	1,827	-	218,033	12,366	6,651	-
2030-2034	43,082	-	7,307	-	174,553	5,498	33,256	-
2035-2039	-	-	-	-	-	-	33,256	-
2040-2044	-	-	-	-	-	-	9,978	-
2045-2049	-	-	-	-	-	-	-	-
2050-2054	-	-	-	-	-	-	-	-
2055-2059	-	-	-	-	-	-	-	-
2060-2064	-	-	-	-	-	-	-	-
Total	$ 104,627	$ -	$ 16,442	$ -	$ 1,200,139	$ 131,911	$ 109,745	$ -

Year Ending June 30,	Water & Sewer Loan Principal	Water & Sewer Loan Interest	Sewer Refunding Bond Principal	Sewer Refunding Bond Interest	Water Bond Principal	Water Bond Interest	Water Bond Principal	Water Bond Interest
2025	$ 74,861	$ 26,084	$ 100,192	$ -	$ 9,652	$ 3,293	$ 14,532	$ 10,683
2026	79,360	21,585	100,192	-	9,846	3,099	14,861	10,354
2027	84,129	16,816	100,192	-	10,044	2,901	15,197	10,018
2028	89,185	11,761	100,192	-	10,246	2,699	15,541	9,674
2029	94,544	6,401	100,192	-	10,452	2,493	15,892	9,322
2030-2034	54,132	1,132	500,960	-	55,497	9,228	85,021	41,052
2035-2039	-	-	450,871	-	56,832	3,422	95,085	30,988
2040-2044	-	-	-	-	-	-	106,340	19,733
2045-2049	-	-	-	-	-	-	116,572	7,145
2050-2054	-	-	-	-	-	-	-	-
2055-2059	-	-	-	-	-	-	-	-
2060-2064	-	-	-	-	-	-	-	-
Total	$ 476,211	$ 83,779	$ 1,452,791	$ -	$ 162,570	$ 27,135	$ 479,040	$ 148,968

Year Ending June 30,	General Obligation and Sewer Bond Principal	General Obligation and Sewer Bond Interest	Water & Sewer Bond Principal	Water & Sewer Bond Interest	Total Principal	Total Interest
2025	$ 25,157	$ 36,559	$ 6,512	$ 23,949	$ 444,289	$ 138,372
2026	26,422	35,294	13,239	11,595	463,369	113,665
2027	27,082	34,634	13,532	11,302	475,884	101,150
2028	27,760	33,956	13,831	11,003	488,917	88,118
2029	28,454	33,263	14,137	10,697	502,491	74,541
2030-2034	153,300	155,280	75,518	48,652	1,182,627	260,842
2035-2039	173,445	135,135	84,249	39,921	893,738	209,466
2040-2044	196,237	112,343	93,989	30,181	406,544	162,256
2045-2049	222,024	86,556	104,855	19,315	443,450	113,016
2050-2054	251,200	57,380	54,818	5,196	306,018	62,576
2055-2059	284,210	24,370	-	-	284,210	24,370
2060-2064	21,631	541	-	-	21,631	541
Total	$ 1,436,921	$ 745,311	$ 474,681	$ 211,809	$ 5,913,168	$ 1,348,913

9. ***LONG-TERM DEBT (continued)***

The annual requirements to amortize governmental debt outstanding as of June 30, 2024, are as follows:

	Governmental Activities					
Year Ending	General Obligation Bond		General Obligation Bond		Note Payable	
June 30,	Principal	Interest	Principal	Interest	Principal	Interest
2025	$ 40,971	$ 6,809	$ 19,802	$ 14,012	$ 17,428	$ 2,222
2026	41,849	5,931	21,913	11,901	9,499	313
2027	42,746	5,034	22,625	11,189	-	-
2028	43,663	4,117	23,360	10,454	-	-
2029	44,598	3,182	24,119	9,695	-	-
2030-2034	109,475	3,727	132,876	36,194	-	-
2035-2039	-	-	141,305	13,151	-	-
2040-2044	-	-	-	-	-	-
2045-2049	-	-	-	-	-	-
2050-2054	-	-	-	-	-	-
2055-2059	-	-	-	-	-	-
2060-2064	-	-	-	-	-	-
Total	$323,303	$ 28,799	$ 386,000	$106,596	$ 26,927	$ 2,535

Year Ending	Note Payable		Total	
June 30,	Principal	Interest	Principal	Interest
2025	$ 21,853	$ 3,874	$ 100,055	$ 26,917
2026	23,154	2,574	96,415	20,719
2027	20,106	1,196	85,477	17,419
2028	-	-	67,023	14,571
2029	-	-	68,718	12,876
2030-2034	-	-	242,351	39,921
2035-2039	-	-	141,305	13,151
2040-2044	-	-	-	-
2045-2049	-	-	-	-
2050-2054	-	-	-	-
2055-2059	-	-	-	-
2060-2064	-	-	-	-
Total	$ 65,113	$ 7,645	$ 801,343	$145,575

9. ***LONG-TERM DEBT (continued)***

Changes in Long-Term Debt and Obligations:

The following is a summary of long-term debt and obligations transactions of the Town of Saint Paul for the year ended June 30, 2024:

	Balance 7/1/2023	Additions/ Proceeds	Payments/ Reductions	Balance 6/30/2024
Business-Type Activities:				
Revenue bonds	$ 5,431,334	$ 365,143	$ (359,521)	$ 5,436,956
Notes payable	545,884	-	(69,672)	476,212
Net Pension Liability	247,102	-	(107,834)	139,268
OPEB	32,500	-	(21,524)	10,976
Accrued Compensated Absences	31,174	1,489	-	32,663
Total	$ 6,287,994	$ 366,632	$ (558,551)	$ 6,096,075

	Balance 7/1/2023	Additions/ Proceeds	Payments/ Reductions	Balance 6/30/2024
Governmental Activities:				
Revenue Bonds	$ 380,702	$ 386,000	$ (57,400)	$ 709,302
Notes payable	515,624	70,515	(494,098)	92,041
Lease Liability	6,771	-	(1,457)	5,314
Net Pension Liability	576,570	-	(82,801)	493,769
OPEB	60,358	393,369	-	453,727
Accrued Compensated Absences	53,903	-	(354)	53,549
Total	$ 1,593,928	$ 849,884	$ (636,110)	$ 1,807,702

Details of Long-Term Indebtedness:

Enterprise Fund:	Water & Sewer
Bonds and Obligations:	
$3,300,000 Bond Payable to Miners Exchange Bank, issued on January 11, 2010, payable in monthly installments of $20,909 at 4.5% interest. Final principal payment is due on January 15, 2030.	$ 1,200,139
$200,000 Bond Payable to Virginia Resources Authority, issued on June 23, 2010, at 0% interest. Final payment of principal is due September 1, 2040.	109,745
$373,157 Bond payable to Virginia Department of Health and Community Development, issued December 11, 2001, due in semi-annual installments of $6,155 at 0% interest rate. Final payment of principal is due October 1, 2032.	104,627
$54,845 Bond payable to Virginia Department of Health and Community Development, issued August 9, 2002, due in semi-annual installments of $920 at 0% interest rate. Final payment of principal is due May 1, 2033.	16,442
$1,200,000 Bond payable to First Bank & Trust, issued January 20, 2012, payable in monthly installments of $7,490.79 at interest varying from 3.45%-5.85%. Final payment of principal is due January 19, 2030.	476,211

9. ***LONG-TERM DEBT (continued)***

$2,003,849 Bond payable to Rural Development, issued May 23, 2014, payable in semi-annual installments of $50,096 at 0.0% interest. Final payment of principal is due October 2038.	1,452,791
$204,113 Bond payable to Virginia Resources Authority, issued November 20, 2018, payable in semi-annual installments of $6,473 at 2.0% interest. Final payment of principal is due March 2039.	162,570
$1,535,000 Bond payable to Rural Development, issued June 25, 2019, payable in monthly installments of $5,143 at 2.50% interest. Final payment of principal is due June 2059.	1,436,921
$536,840 Bond payable to Virginia Resources Authority, issued March 31, 2023, payable in semi-annual installments of $12,417 at 2.20% interest. Final payment is due January 2054.	474,681
$541,465 Bond payable to Virginia Resources Authority, issued December 18, 2018, payable in semi-annual installments of $12,607 at 2.25% interest. Final payment of principal is due June 1, 2049.	479,040
TOTAL ENTERPRISE FUNDS LONG-TERM DEBT	$ 5,913,168

Governmental Fund:
Bonds and Obligations:

$540,000 Bond Payable to Virginia Resources Authority, issued on November 29, 2017, payable in semi-annual installments of $23,890 at 2.63% interest. Final principal payment is due on January 1, 2032.	323,303
$50,000 commercial loan to First Bank and Trust, issued September 22, 2022, payable at 2.375% interest. Final payment of principal is due December 31, 2025.	26,927
$70,515 commercial loan to Miner's Exchange Bank, issued March 12, 2024, payable in monthly installments of $2,144 at 5.95% interest. Final payment of principal is due March 2027.	65,113
$386,000 bond payable to Rural Development, issued on November 13, 2023, payable in annual installments of $33,814 at 3.63% interest. Final principal payment is due in 2038.	$ 386,000
TOTAL GOVERNMENTAL FUNDS LONG-TERM DEBT	$ 801,343

10. *CLAIMS, JUDGEMENTS, AND COMPENSATED ABSENCES*

PRIMARY GOVERNMENT

Town employees earn general leave at the rate of 1 ¼ days to 2 ¼ day per month depending on length of service. The maximum leave carryover can be no more than 120 days. The Town has outstanding accrued vacation pay totaling $53,549 in the General Fund and $32,663 in the Water and Sewer Fund.

11. *FUND BALANCES—GOVERNMENTAL FUNDS*

As of June 30, 2024, fund balances are composed of the following:

	General Fund	Nonmajor Governmental Funds	Total Governmental Funds
Non-Spendable:			
Due from Other Funds	$ 565,878	$ -	$ 565,878
Restricted:			
Parks & Recreation	13,472	-	13,472
ARPA Funds	64,998	-	64,998
Committed:			
Lake Estonoa	19,991	-	19,991
General Administrative	-	-	-
Community Development	-	718	718
Assigned:	-	-	-
Unassigned:	3,514,215	-	3,514,215
Total fund balances	$ 4,178,554	$ 718	$ 4,179,272

When an expenditure is incurred for purposes for which both restricted and unrestricted fund balance is available, the Town considers restricted funds to have been spent first. When an expenditure is incurred for which committed, assigned, or unassigned fund balances are available, the Town considers amounts to have been spent first out of committed funds, then assigned funds, and finally unassigned funds, as needed, unless Town Council or the finance committee has provided otherwise in its commitment or assignment actions.

12. *COMMITMENTS AND CONTINGENCIES*

Litigation
In regard to litigation involving the Town of Saint Paul, Virginia, we are not aware of any material contingent liabilities that could affect the financial statements.

13. *DEFERRED REVENUE*

Deferred 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. The Town has deferred inflows comprised of the following:

Deferred Property Tax Revenue:
Deferred revenue representing uncollected tax billings not available for funding of current expenditures totaled $11,211 at June 30, 2024.

Deferred Grant Revenue
Deferred revenue representing ARPA grant funds available but not expended during the fiscal year totaled $64,998 at June 30, 2024.

13. ***DEFERRED REVENUE (continued)***

Deferred Dominion Diffuser Agreement:
Deferred inflows comprised of an advance receipt in 2013 from Dominion Resources toward future use of a Diffuser. The prepayment is being amortized over a 51-year period (the length of the service period) at a rate of $32,692 per year. The total remaining unamortized at June 30, 2024 was $1,307,692.

14. ***PENSION PLAN-AGENT MULTIPLE-EMPLOYER***

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

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

RETIREMENT PLAN PROVISIONS		
PLAN 1	**PLAN 2**	**HYBRID RETIREMENT PLAN**
About Plan 1 Plan 1 is a defined benefit plan. The retirement benefit is based on a member's age, service credit and average final compensation at retirement using a formula.	**About Plan 2** Same as Plan 1.	**About the Hybrid Retirement Plan** The Hybrid Retirement Plan combines the features of a defined benefit plan and a defined contribution plan. • The defined benefit is based on a member's age, service credit and average final compensation at retirement using a formula. • The benefit from the defined contribution component of the plan depends on the member and employer contributions made to the plan and the investment performance of those contributions • In addition to the monthly benefit payment payable from the defined benefit plan at retirement, a member may start receiving distributions from the balance in the defined contribution account, reflecting the contributions, investment gains or losses, and any required fees.

14. ***PENSION PLAN-AGENT MULTIPLE-EMPLOYER (continued)***

Eligible Members Employees are in Plan 1 if their membership date is before July 1, 2010, and they were vested as of January 1, 2013, and they have not taken a refund. **Hybrid Opt-In Election** VRS non-hazardous duty covered Plan 1 members were allowed to make an irrevocable decision to opt into the Hybrid Retirement Plan during a special election window held January 1 through April 30, 2014. The Hybrid Retirement Plan's effective date for eligible Plan 1 members who opted in was July 1, 2014. If eligible deferred members returned to work during the election window, they were also eligible to opt into the Hybrid Retirement Plan. Members who were eligible for an optional retirement plan (ORP) and had prior service under Plan 1 were not eligible to elect the Hybrid Retirement Plan and remain as Plan 1 or ORP. **Retirement Contributions** Employees contribute 5% of their compensation each month to their member contribution account through a pre-tax salary reduction. Member contributions are tax-deferred until they are withdrawn as part of a retirement benefit or as a refund. The employer makes a separate actuarially determined contribution to VRS for all covered employees. VRS invests both member and employer contributions to provide funding for the future benefit payment.	**Eligible Members** Employees are in Plan 2 if their membership date is on or after July 1, 2010, or their membership date is before July 1, 2010, and they were not vested as of January 1, 2013. **Hybrid Opt-In Election** Eligible Plan 2 members were allowed to make an irrevocable decision to opt into the Hybrid Retirement Plan during a special election window held January 1 through April 30, 2014. The Hybrid Retirement Plan's effective date for eligible Plan 2 members who opted in was July 1, 2014. If eligible deferred members returned to work during the election window, they were also eligible to opt into the Hybrid Retirement Plan. Members who were eligible for an optional retirement plan (ORP) and have prior service under Plan 2 were not eligible to elect the Hybrid Retirement Plan and remain as Plan 2 or ORP. **Retirement Contributions** Same as Plan 1.	**Eligible Members** Employees are in the Hybrid Retirement Plan if their membership date is on or after January 1, 2014. This includes: • Town of St. Paul, Virginia employees • Members in Plan 1 or Plan 2 who elected to opt into the plan during the election window held January 1-April 30, 2014; the plan's effective date for opt-in members was July 1, 2014 ***Non-Eligible Members** Some employees are not eligible to participate in the Hybrid Retirement Plan. They include: • Political subdivision employees who are covered by enhanced benefits for hazardous duty employees Those employees eligible for an optional retirement plan (ORP) must elect the ORP plan or the Hybrid Retirement Plan. If these members have prior service under Plan 1 or Plan 2, they are not eligible to elect the Hybrid Retirement Plan and must select Plan 1 or Plan 2 (as applicable) or ORP. **Retirement Contributions** A member's retirement benefit is funded through mandatory and voluntary contributions made by the member and the employer to both the defined benefit and the defined contribution components of the plan. Mandatory contributions are based on a percentage of the employee's creditable compensation and are required from both the member and the employer. Additionally, members may choose to make voluntary contributions to the defined contribution component of the plan, and the employer is

14. ***PENSION PLAN-AGENT MULTIPLE-EMPLOYER (continued)***

		required to match those voluntary contributions according to specified percentages.
Service Credit Service credit includes active service. Members earn service credit for each month they are employed in a covered position. It also may include credit for prior service the member has purchased or additional service credit the member was granted. A member's total service credit is one of the factors used to determine their eligibility for retirement and to calculate their retirement benefit. It also may count toward eligibility for the health insurance credit in retirement, if the employer offers the health insurance credit.	**Service Credit** Same as Plan 1	**Service Credit** Defined Benefit Component: Under the defined benefit component of the plan, service credit includes active service. Members earn service credit for each month they are employed in a covered position. It also may include credit for prior service the member has purchased or additional service credit the member was granted. A member's total service credit is one of the factors used to determine their eligibility for retirement and to calculate their retirement benefit. It also may count toward eligibility for the health insurance credit in retirement, if the employer offers the health insurance credit. Defined Contributions Component: Under the defined contribution component, service credit is used to determine vesting for the employer contribution portion of the plan.
Vesting Vesting is the minimum length of service a member needs to qualify for a future retirement benefit. Members become vested when they have at least five years (60 months) of service credit. Vesting means members are eligible to qualify for retirement if they meet the age and service requirements for their plan. Members also must be vested to receive a full refund of their member contribution account balance if they leave employment and request a refund.	**Vesting** Same as Plan 1	**Vesting** Defined Benefit Component: Defined benefit vesting is the minimum length of service a member needs to qualify for a future retirement benefit. Members are vested under the defined benefit component of the Hybrid Retirement Plan when they reach five years (60 months) of service credit. Plan 1 or Plan 2 members with at least five years (60 months) of service credit who opted into the Hybrid Retirement Plan remain vested in the defined benefit component.

14. ***PENSION PLAN-AGENT MULTIPLE-EMPLOYER (continued)***

Members are always 100% vested in the contributions that they make.		Define Contributions Component: Defined contribution vesting refers to the minimum length of service a member needs to be eligible to withdraw the employer contributions from the defined contribution component of the plan. Members are always 100% vested in the contributions that they make. Upon retirement or leaving covered employment, a member is eligible to withdraw a percentage of employer contributions to the defined contribution component of the plan, based on service. • After two years, a member is 50% vested and may withdraw 50% of employer contributions. • After three years, a member is 75% vested and may withdraw 75% of employer contributions. • After four or more years, a member is 100% vested and may withdraw 100% of employer contributions. Distribution is not required, except as governed by law.
Calculating the Benefit The basic benefit is determined using the average final compensation, service credit and plan multiplier. An early retirement reduction is applied to this amount if the member is retiring with a reduced benefit. In cases where the member has elected an optional form of retirement payment, an option factor specific to the option chosen is then applied.	**Calculating the Benefit** See definition under Plan 1	**Calculating the Benefit** Defined Benefit Component: See definition under Plan 1 Defined Contribution component: The benefit is based on contributions made by the member and any matching contributions made by the employer, plus net investment earnings on those contributions.

14. ***PENSION PLAN-AGENT MULTIPLE-EMPLOYER (continued)***

Average Final Compensation A member's average final compensation is the average of the 36 consecutive months of highest compensation as a covered employee.	**Average Final Compensation** A member's average final compensation is the average of their 60 consecutive months of highest compensation as a covered employee.	**Average Final Compensation** Same as Plan 2. It is used in the retirement formula for the defined benefit component of the plan.
Service Retirement Multiplier **VRS:** The retirement multiplier is a factor used in the formula to determine a final retirement benefit. The retirement multiplier for non-hazardous duty members is 1.70%	**Service Retirement Multiplier** **VRS:** The same as Plan 1 for service earned, purchased or granted prior to January 1, 2013. For non-hazardous duty members the retirement multiplier is 1.65% for service credit earned, purchased or granted on or after January 1, 2013.	**Service Retirement Multiplier** **Defined Benefit Component:** **VRS:** The retirement multiplier for the defined benefit component 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.
Sheriffs and regional jail superintendents: Not Applicable	**Sheriffs and regional jail superintendents:** Not Applicable	**Sheriffs and regional jail superintendents:** Not Applicable
Political Subdivision hazardous duty employees: The retirement multiplier of eligible political subdivision hazardous duty employees other than sheriffs and regional jail superintendents is 1.70% or 1.85% as elected by the employer.	**Political Subdivision hazardous duty employees:** Same as Plan 1.	**Political Subdivision hazardous duty employees:** Not Applicable **Defined Contribution Component:** Not applicable
Normal Retirement Age **VRS**: Age 65	**Normal Retirement Age** **VRS:** Normal Social Security retirement age.	**Normal Retirement Age** **Defined Benefit Component:** **VRS:** Same as Plan 2.
Political subdivision hazardous duty employees: Age 60.	**Political subdivisions hazardous duty employees:** Same as Plan 1.	**Political subdivisions hazardous duty employees:** Not applicable **Defined Contribution Component:** Members are eligible to receive distributions upon leaving employment, subject to restrictions.

14. *PENSION PLAN-AGENT MULTIPLE-EMPLOYER (continued)*

Earliest Unreduced Retirement Eligibility **VRS:** Age 65 with at least five years (60 months) of service credit or at age 50 with at least 30 years of creditable service.	**Earliest Unreduced Retirement Eligibility** **VRS:** Normal Social Security retirement age with at least five years (60 months) of service credit or when their age plus service credit equals 90.	**Earliest Unreduced Retirement Eligibility** **Defined Benefit Component:** **VRS:** Normal Social Security retirement age and have at least five years (60 months) of service credit or when their age and service equal 90.
Political Subdivisions hazardous duty employees: Age 60 with at least five years of service credit or age 50 with at least 25 years of service credit.	**Political Subdivisions hazardous duty employees**: Same as Plan 1	**Political Subdivisions hazardous duty employees**: Not Applicable **Defined Contribution Component:** Members are eligible to receive distributions upon leaving employment, subject to restrictions.
Earliest Reduced Retirement Eligibility **VRS:** Age 55 with at least five years (60 months) of service credit or age 50 with at least 10 years of creditable service.	**Earliest Reduced Retirement Eligibility** **VRS:** Age 60 with at least five years (60 months) of service credit.	**Earliest Reduced Retirement Eligibility** **Defined Benefit Component:** **VRS:** Age 60 with at least five years (60 months) of service credit.
Political subdivisions hazardous duty employees: 50 with at least five years of service credit.	**Political subdivisions hazardous duty employees:** Same as Plan 1	**Political subdivisions hazardous duty employees:** Not Applicable **Defined Contribution Component:** Members are eligible to receive distributions upon leaving employment, subject to restrictions.
Cost-of-Living Adjustment (COLA) in Retirement The Cost-of-Living Adjustment (COLA) matches the first 3% increase in the Consumer Price Index for all Urban Consumers (CPI-U) and half of any additional increase (up to 4%) up to a maximum COLA of 5%.	**Cost-of-Living Adjustment (COLA) in Retirement** The Cost-of-Living Adjustment (COLA) matches the first 2% increase in the CPI-U and half of any additional increase (up to 2%), for a maximum COLA of 3%.	**Cost-of-Living Adjustment (COLA) in Retirement** **Defined Benefit Component:** Same as Plan 2 **DefinedContribution Component:** Not applicable

14. ***PENSION PLAN-AGENT MULTIPLE-EMPLOYER (continued)***

Eligibility: For members who retire with an unreduced benefit or with a reduced benefit with at least 20 years of service credit, the COLA will go into effect on July 1 after one full calendar year from the retirement date. For members who retire with a reduced benefit and who have less than 20 years of service credit, the COLA will go into effect on July 1 after one calendar year following the unreduced retirement eligibility date.	**Eligibility:** Same as Plan 1	**Eligibility:** Same as Plan 1 and Plan 2
Exceptions to COLA Effective Dates: The COLA is effective July 1 following one full calendar year (January 1 to December 31) under any of the following circumstances: • The member is within five years of qualifying for an unreduced retirement benefit as of January 1, 2013. • The member retires on disability. • The member retires directly from short-term or long-term disability. • The member is involuntarily separated from employment for causes other than job performance or misconduct and is eligible to retire under the Workforce Transition Act or the Transitional Benefits Program. • The member dies in service and the member's survivor or beneficiary is eligible for a monthly death-in-service benefit. The COLA will go into effect on July 1 following one full calendar year (January 1 to December 31) from the date the monthly benefit begins.	**Exceptions to COLA Effective Dates:** Same as Plan 1	**Exceptions to COLA Effective Dates:** Same as Plan 1 and Plan 2

14. ***PENSION PLAN-AGENT MULTIPLE-EMPLOYER (continued)***

Disability Coverage Members who are eligible to be considered for disability retirement and retire on disability, the retirement multiplier is 1.70% on all service, regardless of when it was earned, purchased or granted.	**Disability Coverage** Members who are eligible to be considered for disability retirement and retire on disability, the retirement multiplier is 1.65% on all service, regardless of when it was earned, purchased or granted.	**Disability Coverage** Employees of political subdivisions (Including Plan 1 and Plan 2 opt-ins) participate in the Virginia Local Disability Program (VLDP) unless their local governing body provides an employer-paid comparable program for its members. Hybrid members (including Plan 1 and Plan 2 opt-ins) covered under VLDP are subject to a one-year waiting period before becoming eligible for non-work related disability benefits.
Purchase of Prior Service Members may be eligible to purchase service from previous public employment, active duty military service, an eligible period of leave or VRS refunded service as service credit in their plan. Prior service credit counts toward vesting, eligibility for retirement and the health insurance credit. Only active members are eligible to purchase prior service. Members also may be eligible to purchase periods of leave without pay.	**Purchase of Prior Service** Same as Plan 1	**Purchase of Prior Service** **Defined Benefit Component:** Same as Plan 1, with the following exceptions: • Hybrid Retirement Plan members are ineligible for ported service. **Defined Contribution Component:** Not applicable

Employees Covered by Benefit Terms – As of June 30, 2022 actuarial valuation, the following employees were covered by the benefit terms of the pension plan:

	Number
Retirees and Beneficiaries	16
Inactive Vested Members	3
Inactive Nonvested Members	6
Long-Term Disability	0
Active Elsewhere in VRS	14
Active Employees	22
Total	61

14. ***PENSION PLAN-AGENT MULTIPLE-EMPLOYER (continued)***

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, 2024 was 16.58% 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 the 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 $162,399 and $161,353 for the years ended June 30, 2024 and June 30, 2023, respectively.

Net Pension Liability – The net pension liability (NPL) is calculated separately for each employer and represents that particular employer's total pension liability determined in accordance with GASB Statement No. 68, less that employer's fiduciary net position. For the Town of St. Paul, Virginia, the net pension liability was measured as of June 30, 2023. The total pension liability used to calculate the net pension liability was determined by an actuarial valuation performed as of June 30, 2022, rolled forward to the measurement date of June 30, 2023.

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, 2022, 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, 2023.

Inflation	2.5 percent
Salary increases, including inflation	3.5 percent – 5.35 percent
Investment rate of return	6.75 percent, net of pension plan investment expense, including inflation

Mortality rates:

Largest 10 – Non-Hazardous Duty: 20% 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.

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 Contingent Annuitant Rates projected generationally; 110% of rates for males and females set forward 2 years.

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

14. ***PENSION PLAN-AGENT MULTIPLE-EMPLOYER (continued)***

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.

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 Contingent Annuitant Rates projected generationally; 110% of rates for males and females set forward 2 years.

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

The actuarial assumptions used in the June 30, 2022 valuation were based on the results of an actuarial experience study for the period from July 1, 2016 through June 30, 2020, except the change in the discount rate, which was based on VRS Board action effective as of July 1, 2021. Changes to the actuarial assumptions as a result of the experience study and VRS Board action are as follows:

Largest 10 – Non-Hazardous Duty

Mortality Rates (Pre-retirement, post-retirement healthy, and disabled	Update to PUB2010 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 year age and service through 9 years of service
Disability Rates	No change
Salary Scale	No change
Line of Duty Disability	No change
Discount Rate	No change

14. ***PENSION PLAN-AGENT MULTIPLE EMPLOYER (continued)***

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

Mortality Rates (Pre-retirement, post-retirement healthy, and disabled	Update to PUB2010 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 year age and service through 9 years of service
Disability Rates	No change
Salary Scale	No change
Line of Duty Disability	No change
Discount Rate	No change

Actuarial Assumptions – Public Safety Employees with Hazardous Duty Benefits

The total pension liability for Public Safety employees with Hazardous Duty Benefits in the Town's Retirement Plan was based on an actuarial valuation as of June 30, 2022, 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, 2023.

Inflation	2.5 percent
Salary increases, including inflation	3.5 percent – 4.75 percent
Investment rate of return	6.75 percent, net of pension plan investment expense, including inflation

Mortality rates:

Largest 10 – Hazardous Duty: 70% 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-2020 Improvement Scale that is 75% of the MP-2020 rates.

14. ***PENSION PLAN-AGENT MULTIPLE EMPLOYER (continued)***

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-2020 Improvement Sclae that is 75% of the MP-2020 rates.

The actuarial assumptions used in the June 30, 2022 valuation were based on the results of an actuarial experience study for the period from July 1, 2016 through June 30, 2020, except the change in the discount rate, which was based on VRS Board action effective as of July 1, 2021. Changes to the actuarial assumptions as a result of the experience study and VRS Board action are as follows:

Largest 10 – Hazardous Duty

Mortality Rates (Pre-retirement, post-retirement healthy, and disabled	Update to PUB2010 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	Decrease rates
Disability Rates	No change
Salary Scale	No change
Line of Duty Disability	No change
Discount Rate	No change

14. ***PENSION PLAN-AGENT MULTIPLE EMPLOYER (continued)***

All Others (Non 10 Largest) – Hazardous Duty

Mortality Rates (Pre-retirement, post-retirement healthy, and disabled	Update to PUB2010 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

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)	Target Allocation	Arithmetic Long-Term Expected Rate of Return	Weighted Average Long-Term Expected Rate of Return
Public Equity	34.00%	6.14%	2.09%
Fixed Income	15.00%	2.56%	0.38%
Credit Strategies	14.00%	5.60%	0.78%
Real Assets	14.00%	5.02%	0.70%
Private Equity	16.00%	9.17%	1.47%
Multi-Asset Public Strategies	4.00%	4.50%	0.18%
Private Investment Partnership	2.00%	7.18%	0.14%
Cash	1.00%	1.20%	0.01%
Total	100.00%		5.75%
		Inflation	2.50%
		*Expected Arithmetic Nominal Return	8.25%

*The above allocation provides a one-year expected return of 8.25%. 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. The results provide a range of returns over various time periods that ultimately provide a median return of 7.14%, including expected inflation of 2.50%. On June 15, 2023, the VRS Board elected a long-term rate of 6.75% which was roughly at the 45th percentile of expected long-term results of the VRS fund asset allocation at that time, providing a median return of 7.14%, including expected inflation of 2.50%.

14. ***PENSION PLAN-AGENT MULTIPLE EMPLOYER (continued)***

Discount Rate – The discount rate used to measure the total pension liability was 6.75%. The projection of cash flows used to determine the discount rate assumed that System member contributions will be made per the VRS Statutes and the employer contributions will be made in accordance with the VRS funding policy at rates equal to the difference between actuarially determined contribution rates adopted by the VRS Board of Trustees and the member rate. Consistent with the phased-in funding provided by the General Assembly for state and teacher employer contributions; political subdivisions were also provided with an opportunity to use an alternate employer contribution rate. For the year ended June 30, 2023, the alternate rate was the employer contribution rate used in FY2012 or 100% of the actuarially determined employer contribution rate from the June 30, 2022, actuarial valuations, whichever was greater. From July 1, 2023 on, participating employers are assumed to continue to contribution 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

	Increase (Decrease)		
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (a) – (b)
Balances at June 30, 2022	$4,187,111	$3,363,439	$823,672
Changes for the year:			
Service Cost	101,266		101,266
Interest	280,179		280,179
Changes in benefit terms	0		0
Changes of assumptions	0		0
Differences between expected and actual experience	(157,632)		(157,632)
Contributions – Employer		154,143	(154,143)
Contributions – Employee		45,785	(45,785)
Net Investment Income		216,615	(216,615)
Benefit payments, including refunds			
Refunds of employee contributions	(275,145)	(275,145)	0
Administrative Expenses		(2,182)	2,182
Other Changes	0	87	(87)
Net Changes	(51,332)	139,303	(190,635)
Balances at June 30, 2023	$4,135,779	$3,502,742	$633,037

Sensitivity of the Net Pension Liability to Changes in the Discount Rate – The following presents the net pension liability of the Town using the discount rate of 6.75% as well as what the Town's net pension 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.

	1% Decrease (5.75%)	Current Rate (6.75%)	1% Increase (7.75%)
Town of St. Paul, Virginia's Net Pension Liability	$1,209,296	$633,037	$167,982

14. ***PENSION PLAN-AGENT MULTIPLE EMPLOYER (continued)***

Pension Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions – For the year ended June 30, 2024, the Town recognized pension expense of $65,017. At June 30, 2024, the Town reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$ 2,428	$ 120,169
Changes in assumptions	14,357	0
Net differences between projected and actual earnings on plan investments	0	49,957
Employer contributions subsequent to the measurement date	162,399	0
Total	$ 179,184	$ 170,126

$162,399 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 of the Net Pension Liability in the year ended June 30, 2025. 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:

Year Ended June 30:	
2025	$ (79,361)
2026	(111,962)
2027	36,422
2028	1,560
2029	0
Thereafter	0
Total	$ (153,341)

Pension Plan Data

Information about the VRS Political Subdivision Retirement Plan is also available in the separately issued VRS 2023 Annual Report. A copy of the 2023 VRS Annual Report may be downloaded from the VRS website at http://www.varetire.org/pdf/publications/2023-annual-report.pdf, or by writing to the System's Chief Financial Officer at P.O. Box 2500, Richmond, VA, 23218-2500.

Payables to the Pension Plan

At June 30, 2024, the Town reported a payable of $15,529 for the outstanding amount of contributions to the pension plan required for the year ended June 30, 2024.

15. *OTHER POST-EMPLOYMENT BENEFITS LIABILITY (OPEB)-LOCALITY PLAN*

Plan Description

The Town provides post-employment medical coverage for retired employees through a single-employer defined benefit plan. The Town may change, add or delete coverage as they deem appropriate and with the approval of the Town Council. The plan does not grant retirees vested health benefits.

Benefits Provided

A retiree, eligible for post-retirement medical coverage, is defined as a full-time employee who retires directly from the Town and is eligible to receive an early or regular retirement benefit from the VRS. Employees applying for early or regular retirement are eligible to continue participation in the Retiree Health Plans sponsored by the Town. The Town pays 100% of the premium based on the following parameters:

1) Employees with 20 or more years of continuous service at retirement receive medical and dental insurance coverage for a maximum of three years.
2) There is no coverage for dependents.

Employees Covered by Benefit Terms

As of the June 30, 2024 actuarial valuation, the following employees were covered by the benefit terms of the pension plan:

	Number
Active members	20
Retired members	1
Total covered employees	21

Total OPEB Liability

The Town's Total OPEB Liability of $414,812 was measured as of June 30, 2024, and was determined by an actuarial valuation as of June 30, 2024.

There are no assets accumulated in a trust, therefore, the Net Fiduciary Position is $0, and the Net OPEB Liability is equal to the Total OPEB Liability.

Actuarial assumptions and other inputs. The total OPEB liability in the June 30, 2024 actuarial valuation was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

Amortization Period	20
Salary increases	3.00 percent per year
Discount rate	3.74 percent per year
Mortality Table	Pub-2010 Public Retirement Plans Mortality Tables with mortality Improvement projected for 10 years.
Retirees' share of benefit-Related costs	0% of projected health insurance premiums for retirees

15. ***OTHER POST-EMPLOYMENT BENEFITS LIABILITY (OPEB)-LOCALITY PLAN (Continued)***

Changes in Total OPEB Liability

Balance as of June 30, 2023	$ 52,844
Changes during Year:	
Service Cost	3,873
Interest	1,997
Changes of assumptions	8,066
Difference between expected and actual Experience	358,340
Benefit Payments, including refunds of Employer Contributions	(10,308)
Net changes	361,968
Balance as of June 30, 2024	$414,812

Sensitivity Analyses

The following presents the total OPEB liability of the Town's locality plan, calculated using the discount rate of 3.74%. It also presents what the Town's Total OPEB Liability would be if it were calculated using a discount rate one percentage point lower (2.74%) and one percentage point higher (4.74%) than the current rate.

	1% Decrease (2.74%)	Current Rate (3.74%)	1% Increase (4.74%)
Town of St. Paul, Virginia's Total OPEB Liability	$ 485,336	$414,812	$358,255

The following presents the total OPEB Liability of the Town's locality plan, calculated using the current healthcare cost trend rates. It also presents what the Town's Total OPEB Liability would be if it were calculated using healthcare trend rates that are one percentage point lower or one percentage point higher than the current rates.

	1% Decrease in Trend Rate	Current Trend Rate	1% Increase In Trend Rate
Town of St. Paul, Virginia's Total OPEB Liability	$346,105	$414,812	$502,431

16. *OTHER POST-EMPLOYMENT BENEFITS LIABILITY (OPEB)-VRS GROUP LIFE PLAN*

Plan Description

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

In addition to the Basic Group Life Insurance benefit, members are also eligible to elect additional coverage for themselves as well as a spouse or dependent children through the Optional Group Life Insurance Program. 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 program, it is not included as part of the Group Life Insurance Program OPEB.

The specific information for Group Life Insurance Program OPEB is available at https://www.varetire.org/members/benefits/life-insurance/basic-group-life-insurance.asp.

The GLI is administered by the VRS along with pensions and other OPEB plans, for public employer groups in the Commonwealth of Virginia. This plan is considered a multiple employer, cost-sharing plan.

Contributions

The contribution requirements for the Group Life Insurance Program are governed by §51.1-506 and §51.1-508 of the *Code of Virginia*, as amended, but may be impacted as a result of funding provided to state agencies and school divisions by the Virginia General Assembly. The total rate for the Group Life Insurance Program 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, 2024 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. Contribution to the Group Life Insurance Program from the entity were $5,289 and $5,286 for the years ended June 30, 2024 and June 30, 2023, respectively.

In June 2023, the Commonwealth made a special contribution of approximately $10.1 million to the Group Life Insurance plan. This special payment was authorized by a Chapter 2 of the Actos of Assembly of 2022, Special Session I, as amended by Chapter 769, 2023 Acts of Assembly Reconvened Session, and is classified as a special employer contribution. Our proportionate share is reflected in our financial statements.

GLI OPEB Liabilities, GLI OPEB Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to the Group Life Insurance Program OPEB

At June 30, 2024, the Town reported a liability of $49,891 for its proportionate share of the Net GLI OPEB Liability. The Net GLI OPEB Liability was measured as of June 30, 2023 and the total GLI OPEB liability used to calculate the Net GLI OPEB Liability was determined by an actuarial valuation as of June 30, 2022, and rolled forward to the measurement date of June 30, 2023. The covered employer's proportion of the Net GLI OPEB Liability was based on the covered employer's actuarially determined employer contributions to the Group Life Insurance Program for the year ended June 30, 2023, relative to the total of the actuarially determined employer contributions for all participating employers. At June 30, 2023, the participating employer's proportion was 0.00416% as compared to 0.00402% at June 30, 2022.

16. ***OTHER POST-EMPLOYMENT BENEFITS LIABILITY (OPEB)-VRS GROUP LIFE PLAN (continued)***

For the year ended June 30, 2024, the participating employer recognized GLI OPEB expense of $2,806. 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, 2024, the employer reported deferred outflows of resources and deferred inflows of resources related to the GLI OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and Actual experience	$ 4,983	$ 1,514
Net difference between projected and Actual earnings on GLI OPEB Program investments	0	2,005
Changes in assumptions	1,045	2,870
Changes in proportion	2,694	1,224
Employer contributions subsequent to the Measurement date	5,289	0
Total	$ 15,010	$ 7,613

$5,289 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, 2025. 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:

FY 2025	$ 206
FY 2026	(1,338)
FY 2027	1,779
FY 2028	620
FY 2029	786
Thereafter	(0)

Actuarial Assumptions

The total GLI OPEB liability was based on an actuarial valuation as of June 30, 2022, 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, 2023.

Inflation	2.5 percent
Salary increases, including inflation—	
General state employees	3.5 percent - 5.35 percent
Teachers	3.5 percent – 5.95 percent
SPORS employees	3.5 percent – 4.75 percent
VaLORS employees	3.5 percent – 4.75 percent
JRS employees	4.0 percent
Locality – General employees	3.5 percent – 5.35 percent
Locality – Hazardous Duty employees	3.5 percent – 4.75 percent
Investment rate of return	6.75 Percent, net of investment expenses, Including inflation

16. ***OTHER POST-EMPLOYMENT BENEFITS LIABILITY (OPEB)-VRS GROUP LIFE PLAN (continued)***

Mortality rates used for the various VRS OPEB plans are the same as those used for the actuarial valuations of the VRS pension plans. The mortality rates are discussed in detail at Note 14.

Net GLI OPEB Liability

The net OPEB liability (NOL) for the Group Life Insurance Program represents the program'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, 2023, NOL amounts for the Group Life Insurance Program are as follows (amounts expressed in thousands):

	Group Life Insurance OPEB Program
Total GLI OPEB Liability	$ 3,907,052
Plan Fiduciary Net Position	2,707,739
Employers' Net GLI OPEB Liability (Asset)	$ 1,199,313
Plan Fiduciary Net Position as a Percentage Of the Total GLI OPEB Liability	69.30%

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.

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:

Asset Class (Strategy)	Target Allocation	Arithmetic Long-Term Expected Rate of Return	Weighted Average Long-Term Expected Rate of Return
Public Equity	34.00%	6.14%	2.09%
Fixed Income	15.00%	2.56%	0.38%
Credit Strategies	14.00%	5.60%	0.78%
Real Assets	14.00%	5.02%	0.70%
Private Equity	16.00%	9.17%	1.47%
Multi-Asset Public Strategies	4.00%	4.50%	0.18%
Private Investment Partnership	2.00%	7.18%	0.14%
Cash	1.00%	1.20%	0.01%
Total	100.00%		5.75%
	Inflation		2.50%
	*Expected Arithmetic Nominal Return		8.25%

16. ***OTHER POST-EMPLOYMENT BENEFITS LIABILITY (OPEB)-VRS GROUP LIFE PLAN (continued)***

The above allocation provides a one-year return of 8.25%. 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. The results provide a range of returns over various time periods that ultimately provide a median return of 7.14%, including expected inflation of 2.50%. On June 15, 2023, the VRS Board elected a long-term rate of 6.75%, which was roughly at the 45th percentile of expected long-term results of the VRS fund asset allocation, providing a median return of 7.14%, 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 member contributions will be made per the VRS guidance 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. Through the fiscal year ending June 30, 2023, 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 113% of the actuarially determined contribution rate. From July 1, 2023 on, employers are assumed 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:

	1% Decrease (5.75%)	Current Rate (6.75%)	1% Increase (7.75%)
Town of St. Paul, Virginia's proportionate Share of the Group Life Insurance Program Net OPEB Liability	$ 73,955	$ 49,891	$ 30,436

Group Life Insurance Program Fiduciary Net Position

Detailed information about the Group Life Insurance Program's Fiduciary Net Position is available in the separately issued VRS 2023 *Annual Comprehensive Financial Report* (Annual Report). A copy of the 2023 VRS Annual Report may be downloaded from the VRS website at http://www.varetire.org/pdf/publications/2023-annual-report.pdf, or by writing to the System's Chief Financial Officer at P.O. Box 2500, Richmond, VA 23218-2500.

Payables to the VRS Group Life Insurance OPEB Plan

As of June 30, 2024, the Town reported a payable of $1,037 for the outstanding amount of contributions to the group life insurance OPEB plan required for the year ended June 30, 2024.

17. *SUMMARY OF PENSION AND OTHER POSTEMPLOYMENT BENEFIT ELEMENTS*

A summary of pension and other postemployment benefit (OPEB) related financial statement elements is as follows:

	Governmental Activities	Business-Type Activities	Total Primary Government
Deferred ouflows of resources-Related to Pensions			
Deferred outflow-Differences in expected/actual and assumptions			
VRS-Defined Benefit Pension Plan	$ 45,323	$ 19,424	$ 64,747
Deferred outflow-Contributions after the measurement date			
VRS-Defined Benefit Pension Plan	112,947	48,406	161,353
Total deferred outflow of resources-Pensions	$ 158,270	$ 67,830	$ 226,100
Deferred outflows of resources-OPEB			
Deferred outflow-Differences in expected/actual and assumptions			
VRS-GLI-OPEB Program	$ 5,570	$ 2,999	$ 8,569
Deferred outflow-Contributions after the measurement date			
VRS-GLI-OPEB Program	3,436	1,850	5,286
Total deferred outflow of resources-OPEB	$ 9,006	$ 4,849	$ 13,855
Net pension liability			
VRS-Defined Benefit Pension Plan	$ 576,570	$ 247,102	$ 823,672
Total net pension liability	$ 576,570	$ 247,102	$ 823,672
Net OPEB liability			
Local Health	$ 28,894	$ 15,559	$ 44,453
VRS-GLI	31,463	16,942	48,405
Total net OPEB liability	$ 60,357	$ 32,501	$ 92,858
Deferred inflows of resources-Related to Pensions			
Deferred inflow-Differences in expected/actual and assumptions			
VRS-Defined Benefit Pension Plan	$ 81,605	$ 34,974	$ 116,579
Total deferred inflow of resources-Pensions	$ 81,605	$ 34,974	$ 116,579
Deferred inflows of resources-OPEB			
Deferred inflows-Difference in expected/actual and assumptions			
VRS-GLI-Cost Sharing-Multiple-Employer	$ 7,089	$ 3,817	$ 10,906
Total deferred inflow of resources-OPEB	$ 7,089	$ 3,817	$ 10,906

18. *SURETY BONDS*

The Town of St. Paul has a blanket bond with Virginia Municipal Liability Pool covering general liability, public officials, and law enforcement with a $1,000,000 occurrence limit. The Town has an additional $100,000 crime and bond coverage for the Town's treasurer functions.

19. ***LEASE LIABILITY***

A lease is defined as a contractual agreement that conveys control of the right to use another entity's nonfinancial asset, for a minimum contractual period of greater than one year, in an exchange or exchange-like transaction. A lessee is required to recognize a lease liability and an intangible right-to-use lease asset, and a lessor is required to recognize a lease receivable and a deferred inflow of resources.

The Town leases a copier under a long-term lease agreement for a period of five years. The interest rate on the agreement is 8.729%. The related obligation is presented in an amount equal to the present value of lease payments, payable during the remaining lease term. The Town recognizes the lease liability, and the associated right-to-use lease asset, on the government-wide Statement of Net Position. The Town did not incur expenses related to its leasing activities related to residual value guarantees, lease termination penalties or losses due to impairment. As the lessee, the Town has no agreements that include sale-leaseback and lease-leaseback transactions.

Governmental Activities

	Balance June 30, 2023	Additions	Deletions	Balance June 30, 2024
Right-to-Use Assets:				
Equipment	8,580.00	-	-	8,580.00
Total Right-to-Use Assets	8,580.00	-	-	8,580.00
Less Accumulated Amortization for:				
Equipment	(2,574.00)	(1,716.00)	-	(4,290.00)
Total Net of Accumulated Amortization	(2,574.00)	(1,716.00)	-	(4,290.00)
Total Net of Amortization	6,006.00	(1,716.00)	-	4,290.00

Principal and Interest Requirements to Maturity

Years	Principal	Interest	Total
2025	$ 1,879	$ 422	$ 2,301
2026	1,899	225	2,124
2027	1,536	56	1,592
2028	-	-	-
2029	-	-	-
	$ 5,314	$ 703	$ 6,017

20. ***CONTRACTUAL AGREEMENTS***

The Town of St. Paul, Virginia (landlord) entered into an agreement with the Industrial Development Authority of the Town of St. Paul, Virginia (tenant) on September 29, 2021 to rent out the property known as the Lyric Theater for a term of 65 years at $1.00 per year for a total of $65 to be paid in advance upon the commencement date. GASB defines leases, in part, as an exchange or exchange-like transaction. This is not considered to be an exchange-like transaction as $1 is not an approximation of the true value of the right to use the property for a year; therefore, the GASB 87 definition of a lease isn't met.

20. ***CONTRACTUAL AGREEMENTS (continued)***

The Town of St. Paul, Virginia entered into an agreement with the Industrial Development Authority of the Town of St. Paul, Virginia (IDA) on June 28, 2023 to loan an amount of $2,079,929 for the purpose of paying off a loan to Virginia Community Capital Bank (VCC). There currently are no required minimal payments that must be made, and there is no maturity date of the loan. The balance due from the Industrial Development Authority as of June 30, 2024 was $2,056,179.

TOWN OF SAINT PAUL, VIRGINIA
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES-BUDGET AND ACTUAL
GENERAL FUND
For The Year Ended June 30, 2024

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
REVENUES:				
General property taxes	$ 2,494,884	$ 2,494,884	$ 2,396,041	$ (98,843)
Other local taxes	707,170	707,170	724,338	17,168
Permits, privilege fees and regulatory licenses	2,290	2,290	3,380	1,090
Fines and forfeitures	3,600	3,600	5,861	2,261
Revenue from use of money and property	49,800	49,800	699,725	649,925
Charges for services	103,800	103,800	127,649	23,849
Miscellaneous	11,010	11,010	31,022	20,012
Recovered costs	38,000	38,000	40,223	2,223
Intergovernmental	1,102,827	1,102,827	375,617	(727,210)
Total revenue	4,513,381	4,513,381	4,403,856	(109,525)
EXPENDITURES:				
General government administration	652,649	1,049,510	957,723	(91,787)
Public safety	811,811	811,811	1,294,638	482,827
Public works	967,255	967,255	1,032,247	64,992
Parks, recreation, and cultural	219,513	219,513	168,754	(50,759)
Community development	1,152,100	1,152,100	428,248	(723,852)
Non-departmental	595,347	198,486	2,688	(195,798)
Debt Service	127,706	127,706	601,519	473,813
Total Expenditures	4,526,381	4,526,381	4,485,817	(40,564)
OTHER FINANCING SOURCES (USES):				
Sale of property	-	-	-	-
Insurance recoveries	-	-	-	-
Loan proceeds	48,000	48,000	456,515	408,515
Transfers in (out)	(35,000)	(35,000)	(60,729)	(25,729)
Prior Year Surplus	-	-	-	-
Total Other Financing Sources (Uses)	13,000	13,000	395,786	382,786
Net Change in Fund Balance	$ -	$ -	$ 313,825	$ 313,825

The accompanying notes are an integral part of the financial statements

TOWN OF SAINT PAUL, VIRGINIA
SCHEDULE OF CHANGES IN THE NET PENSION LIABILITY AND RELATED RATIOS
GOVERNMENTAL AND BUSINESS-TYPE ACTIVITIES
JUNE 30, 2024

	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Total pension liability										
Service cost	$ 101,266	$ 85,937	$ 83,500	$ 58,446	$ 62,641	$ 60,591	$ 72,197	$ 73,571	$ 65,738	$ 63,895
Interest	280,179	271,756	233,367	225,393	215,127	190,357	185,150	174,959	156,525	145,707
Changes of benefit terms	-	-	157,434	-	-	-	-	-	-	-
Differences between expected and actual experience	(157,632)	(31,535)	23,245	(31,589)	12,838	210,840	(7,902)	7,440	98,257	-
Changes in assumptions	-	-	137,426	-	95,845	-	(49,108)	-	-	-
Benefit payments, including refunds of employee contributions	(275,145)	(158,251)	(146,115)	(122,105)	(118,997)	(96,843)	(155,076)	(65,698)	(48,629)	(61,492)
Net change in total pension liability	(51,332)	167,907	488,857	130,145	267,454	364,945	45,261	190,272	271,891	148,110
Total pension liability-beginning	4,187,111	4,019,204	3,530,347	3,400,202	3,132,748	2,767,803	2,722,542	2,532,270	2,260,379	2,112,269
Total pension liability-ending	$ 4,135,779	$4,187,111	$ 4,019,204	$3,530,347	$3,400,202	$ 3,132,748	$2,767,803	$ 2,722,542	$2,532,270	$ 2,260,379
Plan fiduciary net position										
Contributions-employer	$ 154,143	$ 113,705	$ 110,853	$ 94,457	$ 77,130	$ 70,074	$ 67,751	$ 65,638	$ 66,048	$ 58,312
Contributions-employee	45,785	42,025	39,794	37,875	36,341	36,259	35,123	35,856	36,118	34,450
Net investment income	216,615	(5,144)	730,259	49,676	163,183	166,947	247,294	36,222	86,356	251,190
Benefit payments, including refunds of employee contributions	(275,145)	(158,251)	(146,115)	(122,105)	(118,997)	(96,843)	(155,076)	(65,698)	(48,629)	(61,492)
Administrative expense	(2,182)	(2,072)	(1,766)	(1,633)	(1,575)	(1,403)	(1,445)	(1,201)	(1,111)	(1,314)
Other	87	79	69	(59)	(103)	(151)	(220)	(15)	(19)	13
Net change in total pension liability	139,303	(9,658)	733,094	58,211	155,979	174,883	193,427	70,802	138,763	281,159
Total pension liability-beginning	3,363,439	3,373,097	2,640,003	2,581,792	2,425,813	2,250,930	2,057,503	1,986,701	1,847,938	1,566,779
Total pension liability-ending	$ 3,502,742	$3,363,439	$ 3,373,097	$2,640,003	$2,581,792	$ 2,425,813	$2,250,930	$ 2,057,503	$1,986,701	$ 1,847,938
Political subdivision's net pension liability-ending	$ 633,037	$ 823,672	$ 646,107	$ 890,344	$ 818,410	$ 706,935	$ 516,873	$ 665,039	$ 545,569	$ 412,441
Plan fiduciary net position as a percentage of the total pension liability	84.69%	80.33%	83.92%	74.78%	75.93%	77.43%	81.33%	75.57%	78.46%	81.75%
Covered-employee payroll	$ 973,177	$ 821,911	$ 797,317	$ 769,697	$ 748,810	$ 745,374	$ 724,574	$ 735,332	$ 732,836	$ 674,349
Political subdivision's net pension liability as a percentage of covered-employee payroll	65.05%	100.21%	81.04%	115.67%	109.29%	94.84%	71.33%	90.44%	74.45%	61.16%

TOWN OF SAINT PAUL, VIRGINIA
SCHEDULE OF EMPLOYER CONTRIBUTIONS
GOVERNMENTAL AND BUSINESS-TYPE ACTIVITIES
JUNE 30, 2024

Date	Contractually Required Contribution	Contributions In Relation to Contractually Required Contribution	Contribution Deficiency (Excess)	Employer's Covered Employee Payroll	Contributions as a % of Covered Employee Payroll
2024	$ 162,399	$ 162,399	$ -	$ 979,489	16.58%
2023	161,353	161,353	-	978,931	16.48%
2022	117,698	117,698	-	874,289	13.46%
2021	114,176	114,176	-	797,317	14.32%
2020	96,627	96,627	-	769,697	12.55%
2019	78,775	78,775	-	748,810	10.52%
2018	70,068	70,068	-	745,374	9.40%
2017	67,792	67,792	-	724,574	9.36%
2016	65,638	65,638	-	735,332	8.93%
2015	66,232	66,232	-	732,836	9.04%

The accompanying notes are an integral part of the financial statements

TOWN OF SAINT PAUL, VIRGINIA
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF CHANGES IN THE NET OPEB LIABILITY AND RELATED RATIOS
GOVERNMENTAL AND BUSINESS-TYPE ACTIVITIES
JUNE 30, 2024

	2024	2023	2022	2021	2020	2019	2018
Total OPEB Liability							
Service cost	3,873	4,241	3,749	4,374	4,374	4,374	24,420
Interest	1,997	2,527	2,527	2,389	2,389	2,812	3,325
Changes of benefit terms	-	-	-	-	-	-	-
Differences between expected and actual experience	358,340	9,543	(37,392)	407	407	6,976	(69,652)
Changes in assumptions	8,066	(3,598)	-	-	-	(410)	(9,926)
Benefit payments, including refunds of employee contributions	(10,308)	(4,322)	-	(7,170)	(14,711)	(13,752)	(13,752)
Net change in total OPEB liability	361,968	8,391	(31,116)	-	(7,541)	-	(65,585)
Total OPEB liability-beginning	52,844	44,453	75,569	75,569	83,110	83,110	148,695
Total OPEB liability-ending	$ 414,812	$ 52,844	$ 44,453	$ 75,569	$ 75,569	$ 83,110	$ 83,110
Covered-employee payroll	979,489	978,931	874,289	797,317	769,697	748,810	745,374
Political subdivision's net OPEB liability as a percentage of covered-employee payroll	42.35%	5.40%	5.08%	9.48%	9.82%	11.10%	11.15%

1) Fiscal year 2018 was the first year of GASB 75 implementation; therefore, only six years are shown herein.

Notes to Schedule:

Changes to assumptions: Changes to assumptions and other inputs reflect the effects of changes in the discount rate each period. The following are the discount rates used in each period:

2024	3.870%
2023	3.870%
2022	3.870%
2021	2.660%
2020	2.660%
2019	2.980%
2018	2.980%
2017	2.000%

The accompanying notes are an integral part of the financial statements

TOWN OF SAINT PAUL, VIRGINIA
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF EMPLOYER'S SHARE OF NET OPEB LIABILITY
GOVERNMENTAL AND BUSINESS-TYPE ACTIVITIES
JUNE 30, 2024

* Fiscal Year Ended 30-Jun	Employer's Portion of the Net OPEB Liability (Asset)	Employer's Proportionate Share of the Net OPEB Liability (Asset)	Employer's Covered Payroll	Employer's Proportionate Share of the Net OPEB Liability (Asset) as % of its Covered Payroll	Plan Fiduciary Net Postion as a % of the Total OPEB Liability
VRS-Group Life Insurance-General Employees					
2023	0.40200%	49,891	978,931	5.10%	69.30%
2022	0.39300%	45,756	874,289	5.23%	67.21%
2021	0.37400%	62,414	797,317	7.83%	67.45%
2020	0.38200%	62,161	769,697	8.08%	52.64%
2019	0.39200%	59,000	748,810	7.88%	52.00%
2018	0.38700%	58,000	745,374	7.78%	51.22%

*The amounts presented have a measurement date of the previous fiscal year end.

Schedule is intended to show information for 10 years. Since 2018 was the first year for this presentation, only seven years of data are available. Additional years will be included as they become available.

The covered payroll amounts above are for the measurement period, which is the twelve months prior to the entity's fiscal year.

TOWN OF SAINT PAUL, VIRGINIA
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF EMPLOYER OPEB CONTRIBUTIONS
GOVERNMENTAL AND BUSINESS-TYPE ACTIVITIES
JUNE 30, 2024

Fiscal Year	Contractually Required Contribution	Contributions Related to Contractually Required Contribution	Contribution Deficiency (Excess)	Employer's Covered Employee Payroll	Contributions as a % of Covered Employee Payroll
VRS-Group Life Insurance-General Employees					
2024	$ 5,289	$ 5,289	$ -	$ 979,489	0.54%
2023	5,286	5,286	-	978,931	0.54%
2022	4,721	4,721	-	874,289	0.54%
2021	4,376	4,376	-	797,317	0.55%
2020	4,002	4,002	-	769,697	0.52%
2019	3,894	3,894	-	748,810	0.52%
2018	3,906	3,906	-	745,374	0.52%

Schedule is intended to show information for 10 years. Since 2018 was the first year for this presentation, only seven years of data are available. Additional years will be included as they become available.

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

Note 1. Changes of benefit terms-- There have been no actuarially material changes to the System benefit provisions since the prior actuarial valuation.

Note 2. Changes of assumptions-- The following changes in actuarial assumptions were made effective June 30, 2022, valuation were based on results of an actuarial experience study for the period from July 1, 2016, through June 30, 2020, except the change in the discount rate, which was based on VRS Board action effective as of July 1, 2021. Changes to the actuarial assumptions as a result of the experience study and VRS Board action are as follows:

Largest 10 – Non-Hazardous Duty

Mortality Rates (Pre-retirement, post-retirement healthy, and disabled	Update to PUB2010 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 year age and service 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) – Non-Hazardous Duty

Mortality Rates (Pre-retirement, post-retirement healthy, and disabled	Update to PUB2010 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 year age and service through 9 years of service
Disability Rates	No change
Salary Scale	No change
Line of Duty Disability	No change
Discount Rate	No change

Largest 10 – Hazardous Duty

Mortality Rates (Pre-retirement, post-retirement healthy, and disabled	Update to PUB2010 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
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 PUB2010 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	Rates Decreased rates and changed from rates based on age and service to rates base 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 SAINT PAUL, VIRGINIA
GOVERNMENTAL FUND REVENUES
BUDGETARY COMPARISON SCHEDULE
For The Year Ended June 30, 2024

	Original Budget	Budget as Amended	Actual	Variance with Final Budget Positive (Negative)
PRIMARY GOVERNMENT				
GENERAL FUND:				
Revenue from Local Sources:				
General Property Taxes:				
Real property taxes	$ 2,450,000	$ 2,450,000	$ 2,336,775	$ (113,225)
Real and personal public service corporation property taxes	-	-	-	-
Personal property taxes	42,884	42,884	57,332	14,448
Penalties and interest	2,000	2,000	1,934	(66)
Total General Property Taxes	2,494,884	2,494,884	2,396,041	(98,843)
Other Local Taxes:				
Local sales and use taxes	54,000	54,000	54,931	931
Cigarette taxes	19,000	19,000	17,952	(1,048)
Utility taxes	48,000	48,000	44,891	(3,109)
Business licenses taxes	111,150	111,150	114,004	2,854
Motor vehicle licenses	20	20	160	140
Bank stock taxes	41,000	41,000	41,608	608
Hotel and motel room taxes	34,000	34,000	35,992	1,992
Restaurant food taxes	375,000	375,000	402,574	27,574
Coal road improvement taxes	25,000	25,000	12,226	(12,774)
Total Other Local Taxes	707,170	707,170	724,338	17,168
Permits, Privilege Fees, And Regulatory Licenses	2,290	2,290	3,380	1,090
Fines and Forfeitures	3,600	3,600	5,861	2,261
Revenue From Use Of Money and Property:				
Revenue from use of money	45,000	45,000	85,294	40,294
Revenue from use of property	4,800	4,800	5,527	727
Historic Tax Credits	-	-	608,904	608,904
Total Revenue From Use of Money and Property	49,800	49,800	699,725	649,925
Charges For Services:				
Charges for sanitation and waste removal	88,300	88,300	90,570	2,270
Charges for parks and recreation	500	500	750	250
Swimming pool	15,000	15,000	36,329	21,329
Total Charges For Services	103,800	103,800	127,649	23,849
Miscellaneous Revenue	11,010	11,010	31,023	20,013
Recovered Costs	38,000	38,000	40,223	2,223
Total Revenue From Local Sources	$ 3,410,554	$ 3,410,554	$ 4,028,240	$ 617,686

The accompanying notes are an integral part of the financial statements

TOWN OF SAINT PAUL, VIRGINIA
GOVERNMENTAL FUND REVENUES
BUDGETARY COMPARISON SCHEDULE
For The Year Ended June 30, 2024

	Budget	Budget as Amended	Actual	Variance with Final Budget Positive (Negative)
Revenue From The Commonwealth:				
Non-Categorical Aid:				
Mobile home titling taxes	$ 100	$ 100	$ 75	$ (25)
Rolling stock taxes	5,575	5,575	6,035	460
VDOT-Snow Removal	18,000	18,000	44,280	26,280
Assistance to localities with police departments	28,152	28,152	29,612	1,460
Total Non-Categorical Aid	51,827	51,827	80,002	28,175
Other Categorical Aid:				
Litter control	2,500	2,500	3,585	1,085
VA Commission for the Arts	4,500	4,500	-	(4,500)
Fire programs fund	15,000	15,000	15,000	-
Total Other Categorical Aid	22,000	22,000	18,585	(3,415)
Total Revenue From The Commonwealth	73,827	73,827	98,587	24,760
Revenue From The Federal Government:				
Payment In Lieu of Taxes:				
Payment in lieu of property taxes	5,500	5,500	6,377	877
Total Payment in Lieu of Taxes	5,500	5,500	6,377	877
Categorical Aid:				
Department of Justice Grant	13,000	13,000	14,319	1,319
ARPA grant	-	-	28,219	28,219
IRF-ARPA Grant Revenue	990,000	990,000	218,371	(771,629)
DMV grant	14,000	14,000	9,745	(4,255)
Department of Forestry	2,200	2,200	-	(2,200)
LLEBG-Block Grant	4,300	4,300	-	(4,300)
Total Categorical Aid	1,023,500	1,023,500	270,654	(752,846)
Total Revenue From The Federal Government	1,029,000	1,029,000	277,030	(751,970)
Prior Years Surplus	-	-	-	-
TOTAL GENERAL FUND	4,513,381	4,513,381	4,403,856	(109,525)
SPECIAL REVENUE FUNDS:				
Veteran's Memorial Wall				
Revenue From Local Sources:				
Revenue from Use of Money and Property:	200	200	1	(199)
Transfers in (out)	-	-	-	-
Total Revenue Veteran's Memorial Wall	200	200	1	(199)
Prior Years Surplus	-	-	-	-
Total Special Revenue Funds	200	200	1	(199)
GRAND TOTALS - REVENUES - GOVERNMENTAL FUNDS	$ 4,513,581	$ 4,513,581	$ 4,403,857	$ (109,724)

The accompanying notes are an integral part of the financial statements

TOWN OF SAINT PAUL, VIRGINIA
GOVERNMENTAL FUND EXPENDITURES
BUDGETARY COMPARISON SCHEDULE
For The Year Ended June 30, 2024

	Original Budget	Budget as Amended	Actual	Variance with Final Budget Positive (Negative)
PRIMARY GOVERNMENT				
GENERAL FUND:				
General Government Administration:				
Legislative:				
Mayor	$ 4,800	$ 4,800	$ 4,800	$ -
Total Legislative	4,800	4,800	4,800	-
General and Financial Administration:				
Salaries and Wages	212,928	212,928	218,321	(5,393)
Payroll taxes	15,764	15,764	15,299	465
Health insurance	68,000	68,000	72,807	(4,807)
Retirement	50,613	50,613	53,166	(2,553)
Insurance-Worker's Compensation	493	493	492	1
Other Employee Benefits	3,664	3,664	3,759	(95)
Legal fees	15,000	15,000	12,154	2,846
Contract Labor	38,000	38,000	10,986	27,014
Accounting	12,000	12,000	12,000	-
Audit expense	16,140	16,140	16,555	(415)
Dues, Licenses & Fees	4,100	4,100	4,601	(501)
Advertising	1,500	1,500	808	692
Computer expense	30,400	30,400	26,186	4,214
Insurance-General Liability	9,359	9,359	9,359	0
Insurance-Bond Coverage	308	308	308	-
Miscellaneous	14,780	14,780	9,011	5,769
Supplies & Equipment	16,400	16,400	18,246	(1,846)
Telephone	5,800	5,800	5,727	73
Utilities	4,000	4,000	2,902	1,098
Travel, Lodging & Entertainment	6,000	6,000	5,602	398
Tax Ticket Preparation	600	600	496	104
Tax Credits	47,000	443,861	443,844	17
Cigarette Tax Costs	5,000	5,000	2,665	2,335
Capital Outlay	70,000	70,000	7,627	62,373
Total General and Financial Administration	647,849	1,044,710	952,923	91,787
Total General Government Administration	652,649	1,049,510	957,723	91,787
Public Safety:				
Law Enforcement and Traffic Control:				
Salaries and Wages	341,000	341,000	371,131	(30,131)
Payroll taxes	26,473	26,473	28,030	(1,557)
Health insurance	105,700	105,700	126,227	(20,527)
Retirement	51,000	51,000	45,912	5,088
Insurance-Worker's Compensation	22,156	22,156	22,156	0
Employee Medical	-	-	448	(448)
Other Employee benefits	4,200	4,200	5,100	(900)
Uniforms	6,500	6,500	9,817	(3,317)
Legal Fees	1,000	1,000	-	1,000
Dues, Licenses & Fees	3,500	3,500	-	3,500
Liability Insurance	4,060	4,060	4,060	-
Materials and Supplies	24,000	24,000	35,093	(11,093)
Materials and Supplies-Christmas Toy Drive	7,000	7,000	11,828	(4,828)
Training and Education	5,000	5,000	1,200	3,800
Telephone	10,000	10,000	8,658	1,342
Utilities	4,000	4,000	3,504	496
Miscellaneous	28,540	28,540	15,036	13,504
Vehicle Expense	40,223	40,223	55,041	(14,818)
Line of Duty expense	44,092	44,092	41,816	2,276
Capital Outlay	49,000	49,000	95,515	(46,515)
Total Law Enforcement and Traffic Control	777,444	777,444	880,571	(103,127)

The accompanying notes are an integral part of the financial statements

TOWN OF SAINT PAUL, VIRGINIA
GOVERNMENTAL FUND EXPENDITURES
BUDGETARY COMPARISON SCHEDULE
For The Year Ended June 30, 2024

	Budget	Budget as Amended	Actual	Variance with Final Budget Positive (Negative)
Fire and Rescue Services:				
Compensation of Firemen	-	-	-	-
Vehicle expense	5,000	5,000	393,401	(388,401)
Insurance	6,167	6,167	16,530	(10,363)
Fire programs	15,000	15,000	-	15,000
Supplies	5,000	5,000	1,669	3,331
Utilities	-	-	232	(232)
Miscellaneous	3,200	3,200	2,235	965
Total Fire and Rescue Services	34,367	34,367	414,067	(379,700)
Total Public Safety	811,811	811,811	1,294,638	(482,827)
Public Works:				
Maintenance of Highways, Streets, Bridges and Sidewalks:				
Salaries and Wages	342,000	342,000	420,620	(78,620)
Payroll taxes	27,258	27,258	31,355	(4,097)
Health insurance	178,900	178,900	174,845	4,055
Retirement	51,368	51,368	48,856	2,512
Insurance-Worker's Compensation	15,264	15,264	15,263	1
Other employee benefits	5,736	5,736	7,283	(1,547)
Uniforms	15,900	15,900	19,529	(3,629)
Miscellaneous	584	584	310	274
Inmate Expense	1,000	1,000	36	964
Litter Control	1,000	1,000	2,208	(1,208)
Materials & Supplies	46,000	46,000	27,942	18,058
Telephone	1,500	1,500	1,477	23
Utilities	37,000	37,000	34,077	2,923
Vehicle expense	86,223	86,223	65,106	21,117
Capital Outlay	112,000	112,000	105,404	6,596
Total Maintenance of Highways, Streets, Bridges, and Sidewalks	921,733	921,733	954,311	(32,578)
Maintenance of General Buildings and Grounds:				
Wages-Custodial	15,080	15,080	10,353	4,727
Materials & Supplies	18,000	18,000	56,750	(38,750)
Insurance-Buildings & Property	12,442	12,442	10,832	1,610
Capital Outlay	-	-	-	-
Total Maintenance of General Buildings and Grounds	45,522	45,522	77,936	(32,414)
Total Public Works	967,255	967,255	1,032,247	(64,992)
Parks, Recreation and Cultural:				
Salaries and Wages	34,000	34,000	43,842	(9,842)
Payroll Taxes	3,045	3,045	3,386	(341)
Insurance-Worker's Compensation	1,970	1,970	1,969	1
Miscellaneous	33,498	33,498	20,053	13,445
Concessions	7,000	7,000	12,772	(5,772)
Maintenance & Repairs	60,000	60,000	22,350	37,650
Materials & supplies	37,000	37,000	18,667	18,333
Telephone	-	-	-	-
Utilities	11,500	11,500	11,051	449
Capital Outlay	-	-	-	-
Total Parks and Recreation	188,013	188,013	134,091	53,922

The accompanying notes are an integral part of the financial statements

TOWN OF SAINT PAUL, VIRGINIA
GOVERNMENTAL FUND EXPENDITURES
BUDGETARY COMPARISON SCHEDULE
For The Year Ended June 30, 2024

	Budget	Budget as Amended	Actual	Variance with Final Budget Positive (Negative)
Cultural Enrichment:				
Pro-Art	9,000	9,000	9,000	-
Fourth of July Celebration	9,000	9,000	11,973	(2,973)
Civic-Little League	5,000	5,000	6,034	(1,034)
Miscellaneous	3,500	3,500	2,273	1,227
Total Cultural Enrichment	26,500	26,500	29,280	(2,780)
Library:				
Payments to regional library	5,000	5,000	5,383	(383)
Total Parks, Recreation and Cultural	219,513	219,513	168,754	50,759
Community Development:				
Lake Estonoa Learning Center	16,500	16,500	23,156	(6,656)
Lyric Theater Expense	18,000	18,000	49,654	(31,654)
Farmers' Market expense	5,000	5,000	5,065	(65)
Deen Building Project Expense	990,000	990,000	218,371	771,629
Community development	122,600	122,600	132,002	(9,402)
Total Planning and Community Development	1,152,100	1,152,100	428,248	723,852
Total Community Development	1,152,100	1,152,100	428,248	723,852
Non-Departmental				
Contingency	569,347	172,486	1,973	170,513
Other	26,000	26,000	715	25,285
Total Non-Departmental	595,347	198,486	2,688	195,798
Debt Service:				
Principal retirement	127,706	127,706	552,955	$ (425,249)
Interest	-	-	48,563	(48,563)
Total Debt Service	127,706	127,706	601,519	(473,813)
TOTAL GENERAL FUND	4,526,381	4,526,381	4,485,817	6,596
GRAND TOTAL - EXPENDITURES - PRIMARY GOVERNMENT FUNDS	$ 4,526,381	$ 4,526,381	$ 4,485,817	$ 97,353
OTHER FINANCING RESOURCES (USES):				
Sale of property	-	-	-	-
Insurance recoveries	-	-	-	-
Loan Proceeds	48,000	48,000	456,515	408,515
Transfers in (out)	(35,000)	(35,000)	(60,729)	(25,729)
Total Other Financing Sources (Uses)	13,000	13,000	395,786	382,786
Net Increase (Decrease) in General Fund Balance	$ -	$ -	$ 313,825	$ 313,825
SPECIAL REVENUE FUNDS:				
Veteran's Memorial Wall				
Miscellaneous	200	200	-	(200)
Total Expenses Veteran's Memorial Wall	200	200	-	(200)
OTHER FINANCING RESOURCES (USES):				
Transfers in (out)	-	-	-	-
Total Other Financing Sources (Uses)	-	-	-	-
Total Special Revenue Funds Expenditures	200	200	-	(200)
Grand Total Expenditures-Governmental Funds	**4,539,581**	**4,539,581**	**4,881,603**	**479,939**
Net Increase (Decrease) in Governmental Fund Balance	**$ -**	**$ -**	**$ 313,826**	**$ 313,826**

The accompanying notes are an integral part of the financial statements

TOWN OF SAINT PAUL, VIRGINIA
ENTERPRISE REVENUES AND EXPENSES
BUDGETARY COMPARISON SCHEDULE
For The Year Ended June 30, 2024

	Original Budget	Budget as Amended	Actual	Variance Favorable (Unfavorable)
OPERATING REVENUES:				
Charges for Services:				
Water Services	770,569	770,569	778,982	$ 8,413
Sewer Services	343,020	343,020	368,338	25,318
Penalties	12,000	12,000	15,252	3,252
Other Income	59,357	59,357	97,336	37,979
TOTAL OPERATING REVENUES	1,184,946	1,184,946	1,259,907	74,961
OPERATING EXPENSES:				
Water Department:				
Salaries & Wages	165,800	165,800	155,452	10,348
Payroll Taxes	12,699	12,699	11,765	934
Retirement & Life	32,508	32,508	(35,495)	68,003
Insurance - Health	48,017	48,017	45,700	2,317
Insurance - Workmens Compensation	6,893	6,893	6,893	0
Contract Labor	-	-	-	-
Audit & Accounting Fees	1,000	1,000	-	1,000
Chemicals	48,000	48,000	59,112	(11,112)
Miscellaneous	14,300	14,300	7,656	6,644
Fuel, Oil & Gas	1,200	1,200	1,410	(210)
Insurance-Buildings & Property	9,492	9,492	9,491	1
Insurance-Vehicles	2,556	2,556	2,056	500
Licenses, Permits & Fees	10,900	10,900	4,306	6,594
Office Equipment & Supplies	30,333	30,333	32,724	(2,391)
Postage	3,800	3,800	4,711	(911)
Repairs & Maintenance	84,000	84,000	44,522	39,478
Utilities	74,800	74,800	68,629	6,171
Uniforms	1,700	1,700	1,835	(135)
Capital Outlay	672,017	672,017	-	672,017
TOTAL WATER DEPARTMENT	1,220,015	1,220,015	420,766	799,249
Sewer Department:				
Salaries & Wages	100,000	100,000	96,224	3,776
Payroll Taxes	8,021	8,021	7,191	830
Retirement & Life	15,700	15,700	(26,098)	41,798
Insurance - Health	38,200	38,200	37,171	1,029
Insurance - Property	7,932	7,932	8,947	(1,015)
Contract Labor	-	-	-	-
Audit & Accounting Fees	-	-	-	-
Chemical Testing	2,000	2,000	2,210	(210)

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

TOWN OF SAINT PAUL, VIRGINIA
ENTERPRISE REVENUES AND EXPENSES
BUDGETARY COMPARISON SCHEDULE
For The Year Ended June 30, 2024

	Original Budget	Budget as Amended	Actual	Variance Favorable (Unfavorable)
Sewer Department: (Cont.)				
Fuel, Oil & Gas	2,000	2,000	1,764	236
Licenses, Permits & Fees	3,000	3,000	4,146	(1,146)
Materials & Supplies	19,923	19,923	13,265	6,658
Repairs & Maintenance	15,000	15,000	58,496	(43,496)
Utilities	50,000	50,000	61,577	(11,577)
Miscellaneous	10,500	10,500	9,346	1,154
Capital Outlay	-	-	-	-
TOTAL SEWER DEPARTMENT	272,276	272,276	274,240	(1,964)
TOTAL OPERATING EXPENSES BEFORE DEPRECIATION	1,492,291	1,492,291	695,006	797,285
Depreciation Expense & Amortization	-	-	640,530	(640,530)
TOTAL OPERATING EXPENSES	1,492,291	1,492,291	1,335,536	156,755
OPERATING INCOME (LOSS)	(307,345)	(307,345)	(75,629)	231,716
NON-OPERATING REVENUES (EXPENSES):				
Interest Income	17,000	17,000	22,314	5,314
Interest Expense	-	-	(128,562)	(128,562)
Connection Fees	1,400	1,400	5,540	4,140
Gain/(Loss) from Asset Disposal	-	-	-	-
Loan Proceeds	438,900	438,900	-	(438,900)
Grant Revenue	345,994	345,994	494,764	148,770
TOTAL NON-OPERATING REVENUES (EXPE	803,294	803,294	394,056	(409,238)
INCOME (LOSS) BEFORE OPERATING TRANS	495,949	495,949	318,427	(177,522)
Operating Transfer In (Out)	35,000	35,000	60,729	25,729
Debt Service	(530,949)	(530,949)	-	530,949
Reappropriation of Retained Earnings	-	-	-	-
TOTAL OPERATING TRANSFERS	(495,949)	(495,949)	60,729	556,678
NET INCOME (LOSS)	-	-	379,156	379,156

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

TOWN OF SAINT PAUL, VIRGINIA

STATEMENT OF ASSESSED VALUES AND PROPERTY TAX LEVIES

For the Year Ended June 30, 2024

SCHEDULE 4

PROPERTY TAX LEVIES AND COLLECTIONS

FISCAL YEAR	TOTAL (1) TAX LEVY	CURRENT TAX (1) COLLECTIONS	PERCENT OF LEVY COLLECTED	DELINQUENT (1) TAX (2) COLLECTIONS	TOTAL TAX COLLECTIONS	PERCENT OF TOTAL TAX COLLECTIONS OF TAX LEVY	OUTSTANDING (1) DELINQUENT TAXES	PERCENT OF DELINQUENT TAXES TO TAX LEVY
2024	2,378,589	2,372,714	99.75%	29,703	2,402,417	101.00%	16,519	0.69%
2023	2,530,803	2,481,533	98.05%	23,764	2,505,297	98.99%	32,298	1.28%
2022	2,522,216	2,506,594	99.38%	5,579	2,512,173	99.60%	50,577	2.01%
2021	2,480,547	2,463,235	99.30%	12,031	2,475,266	99.79%	41,389	1.67%
2020	2,402,279	2,398,420	99.84%	3,859	2,402,279	100.00%	33,256	1.38%
2019	2,499,534	2,493,455	99.76%	6,079	2,499,534	100.00%	21,138	0.85%
2018	2,519,484	2,512,442	99.72%	7,042	2,519,484	100.00%	16,433	0.65%
2017	2,521,737	2,512,814	99.65%	8,923	2,521,737	100.00%	23,855	0.95%
2016	2,566,017	2,564,152	99.93%	6,756	2,570,908	100.19%	16,553	0.65%
2015	2,399,713	2,392,871	99.71%	5,783	2,398,654	99.96%	21,926	0.91%

ASSESSED VALUE OF TAXABLE PROPERTY

	REAL ESTATE TAX RATE: .18 PER $100			PERSONAL PROPERTY TAX RATE: .31 PER $100		
FISCAL YEAR	WISE COUNTY	RUSSELL COUNTY	TOTAL REAL ESTATE	WISE COUNTY	RUSSELL COUNTY	TOTAL PERSONAL PROPERTY
2024	1,284,349,802	13,614,436	1,297,964,238	11,227,625	2,396,384	13,624,009
2023	1,343,332,074	17,389,686	1,360,721,760	11,925,338	2,692,683	14,618,021
2022	1,355,835,617	13,090,954	1,368,926,571	11,134,586	2,114,488	13,249,074
2021	1,334,156,930	16,873,434	1,351,030,364	14,827,059	2,015,428	16,842,487
2020	1,289,149,645	16,946,234	1,306,095,879	14,235,795	2,207,997	16,443,792
2019	1,353,241,353	16,406,722	1,369,648,075	8,872,510	2,043,714	10,916,224
2018	1,341,081,192	16,390,887	1,357,472,079	22,290,807	2,236,010	24,526,817
2017	1,365,402,143	16,449,009	1,381,851,152	12,198,866	2,314,548	14,513,414
2016	1,382,650,906	27,036,223	1,409,687,129	15,893,002	2,432,132	18,325,134
2015	1,285,537,984	15,771,000	1,301,308,984	18,334,975	2,124,626	20,459,601

THE ACCOMPANYING NOTES ARE AN INTEGRAL PART OF THESE FINANCIAL STATEMENTS

SCHEDULE 5

TOWN OF SAINT PAUL, VIRGINIA
RATIO OF NET GENERAL BONDED DEBT
TO ASSESSED VALUE AND NET BONDED DEBT PER CAPITA
For the Year Ended June 30, 2024

FISCAL YEAR	POPULATION (1)	ASSESSED VALUE (IN THOUSANDS)	GROSS BONDED DEBT (2)	LESS: DEBT SERVICE MONIES AVAILABLE	LESS: DEBT PAYABLE FROM ENTERPRISE REVENUES	NET BONDED DEBT	RATIO OF NET BONDED DEBT TO ASSESSED VALUE	NET BONDED DEBT PER CAPITA
2024	1,046	$ 1,297,964	$ 6,719,825	$ -	$ 5,913,167	806,658	0.0006	$ 771
2023	1,000	1,360,722	6,880,316	-	5,977,218	903,098	0.0007	903
2022	1,000	1,368,927	7,233,052	-	6,294,577	938,475	0.0007	938
2021	1,000	1,351,030	7,291,673	-	6,715,331	576,342	0.0004	576.34
2020	1,000	1,306,096	7,734,502	-	7,092,658	641,844	0.0005	641.84
2019	1,000	1,369,648	7,960,289	-	7,222,947	737,342	0.0005	737.34
2018	1,000	1,357,472	6,724,827	-	6,184,827	540,000	0.0004	540.00
2017	1,000	1,381,851	5,730,410	-	5,730,410	-	-	-
2016	1,000	1,409,687	5,989,787	-	5,989,787	-	-	-
2015	1,000	1,301,309	5,960,624	-	5,960,624	-	-	-

Notes:

(1) Bureau of Census.

(2) Includes all long-term general obligation debt.

The accompanying notes are an integral part of the financial statements

TOWN OF SAINT PAUL, VIRGINIA
COMPUTATION OF LEGAL DEBT MARGIN
For The Year Ended June 30, 2024

The Charter of the Town of Saint Paul limits the Legal Debt Margin to 10% of the assessed value of real estate within the Town limits.

Assessed value of real estate		$ 1,297,964,238
Legal debt limit, 10% of assessed value		129,796,424
Total bonded debt:	$ 6,719,825	
Less: Water and Sewer revenue bonds	(5,913,167)	
Net bonded debt		806,658
Legal Debt Margin		$ 128,989,766

The accompanying notes are an integral part of the financial statements

LARRY D. STURGILL, P. C.

LARRY D. STURGILL

CERTIFIED PUBLIC ACCOUNTANT

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CERTIFIED PUBLIC ACCOUNTANTS

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*

The Honorable Council Members of the
Town of St. Paul
St. Paul, VA 24283

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities and the discretely presented component units of the Town of St. Paul, Virginia (the "Town"), as of and for the year ended June 30, 2024, and the related notes to the financial statements, which collectively comprise the Town's basic financial statements, and have issued our report thereon dated July 3, 2025.

Report on Internal Control Over Financial Reporting

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

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or, significant deficiencies. 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 the Town'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 determination of 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.

Larry D. Sturgill, P.C.
Wise, VA
July 3, 2025

LARRY D. STURGILL, P. C.

LARRY D. STURGILL

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CERTIFIED PUBLIC ACCOUNTANTS

INDEPENDENT AUDITORS' REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE

The Honorable Members of Town Council
Town of St. Paul
St. Paul, Virginia 24283

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited The Town of St. Paul, Virginia's compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of the Town's major federal programs for the year ended June 30, 2024. The Town's major federal program is identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

In our opinion, the Town of St. Paul, Virginia complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2024.

Basis for Opinion on Each Major Federal Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards,* issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditors' Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of the Town of St. Paul, Virginia and to meet our other ethical responsibilities, in accordance with 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 opinion on compliance for each major federal program. Our audit does not provide a legal determination of the Town of St. Paul, Virginia's compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules, and provisions of contracts or grant agreements applicable to the Town of S. Paul, Virginia's federal programs.

Auditors' Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the Town of St. Paul, Virginia's compliance based on our audit. Reasonable assurance is a high level of assurance but it is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards, *Government Auditing Standards,* and the Uniform Guidance will always detect material noncompliance with it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the Town of St. Paul, Virginia's compliance with the requirements of each major federal program as a whole.

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, 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 Town of St. Paul, Virginia's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of the Town of St. Paul, Virginia's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of the Town of St. Paul, Virginia's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

Report on Internal Control over Compliance

A *deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A *material weakness in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and correction, on a timely basis. A *significant deficiency in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the Auditors' Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

Larry D. Sturgill, P.C.
Wise, Virginia
July 3, 2025

TOWN OF SAINT PAUL, VIRGINIA
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For The Year Ended June 30, 2024

FEDERAL GRANTING AGENCY/ RECIPIENT STATE AGENCY/ GRANT PROGRAM	ASSISTANCE LISTING NUMBER		FEDERAL EXPENDITURES
DEPARTMENT OF AGRICULTURE			
Direct Payments:			
Community Facilities Direct Loan and Grant Program (Loan)	10.766		$ 386,000
DEPARTMENT OF TREASURY *			
Pass-Through Payments:			
VA Deparment of Criminal Justice Services			
COVID-19 Coronavirus State and Local Fiscal Recovery Fund	21.027	10,000	
VA Department of Housing & Community Development			
COVID-19 Coronavirus State and Local Fiscal Recovery Fund	21.027	218,371	
Direct Payments:			
COVID-19 Coronavirus State and Local Fiscal Recovery Fund	21.027	419,935	648,306
DEPARTMENT OF CRIMINAL JUSTICE			
Justice Assistance Act Grant	16.738		4,319
DEPARTMENT OF TRANSPORTATION			
Alcohol Open Container Requirements	20.607		4,226
State and Community Highway Safety	20.600		5,519
TOTAL EXPENDITURES OF FEDERAL AWARDS			$ 1,048,370

*Major program
See accompanying notes to schedule of expenditures of federal awards
See accompanying independent auditors' report.

TOWN OF ST. PAUL, VA
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2024

1. GENERAL

The accompanying Schedule of Expenditures of Federal Awards (the Schedule of SEFA) includes all federal grant activity of the Town of St. Paul, VA. The Town of St. Paul, VA's reporting entity is defined in Note 1 of the Town of St. Paul, VA's basic financial statements. All federal financial assistance that passed through other government agencies or not-for-profit organizations is included on the Schedule.

2. BASIS OF ACCOUNTING

The Schedule is presented in the accrual basis of accounting for the proprietary funds, as described in Note 1 to the Town of St. Paul, VA's basic financial statements. The information in this Schedule is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance). Therefore, some amounts presented in the Schedule may differ from amounts presented in, or used in the preparation of, the basic financial statements. For the year ended June 30, 2024, the Town of St. Paul did not participate in any federal programs in which non-cash benefits were provided through the State to eligible participants.

3. RELATIONSHIP TO THE FINANCIAL STATEMENTS

Federal expenditures are reported in the reporting entity financial statements as follows:

Revenue from the Federal government – financial statements	$	662,370
Loan Proceeds from the Federal government – financial statements		386,000
Add (subtract) Federal Awards revenue recognized:		
In prior fiscal years, spent this fiscal year		-0-
In current fiscal years, but not spent		-0-
Expenditures of Federal awards	$	1,048,370

4. SUB-RECIPIENT PAYMENTS

The Town of St. Paul did not expend any funds to a subrecipient during the fiscal year ended June 30, 2024.

5. INDIRECT COST RATE

The Town of St. Paul has not elected to use the 10% de minimus indirect cost rate discussed in UG Section 200.414.

TOWN OF ST. PAUL, VA
Schedule of Findings and Questioned Costs
For the Fiscal Year Ended June 30, 2024

A. Summary of Auditors' Results

1. The type of report issued on whether the financial statements were prepared in accordance with generally accepted accounting principles. **UNMODIFIED**

2. Internal control deficiencies over financial reporting disclosed by the audit of the financial statements:

   - Material weaknesses: **NO**
   - Significant deficiencies: **NONE REPORTED**

3. Noncompliance, which is material to the financial statements: **NO**

4. Internal control deficiencies over major programs disclosed by the audit:
   - Material weaknesses: **NO**
   - Significant deficiencies: **NONE REPORTED**

5. The type of report issued on compliance for major programs: **UNMODIFIED**

6. Audit findings that are required to be reported in accordance with 2 CFR 200.516(a): **NO**

7. Major program:
   - DEPARTMENT OF THE TREASURY: Coronavirus State and Local Fiscal Recovery Funds—CFDA No. 21.027

8. Dollar threshold to distinguish between Type A and B Programs: **$750,000**

9. Auditee qualified as a low-risk auditee: **NO**

B. Findings Relating to the Financial Statements Reported in Accordance with *Government Auditing Standards*

NONE

C. Findings and Questioned Costs Relating to Federal Awards

NONE

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