TOWN OF REMINGTON, VIRGINIA

FINANCIAL STATEMENTS – MODIFIED CASH BASIS

YEAR ENDED JUNE 30, 2022

TOWN OF REMINGTON, VIRGINIA

FINANCIAL STATEMENTS - MODIFIED CASH BASIS

YEAR ENDED JUNE 30, 2022

TOWN OF REMINGTON, VIRGINIA

June 30, 2022

MAYOR

William E. Polk, Jr.

TOWN COUNCIL

Richard Heflin, Vice Mayor
Lisa Schulz
Richard Moxley
Susan L. Tiffany
Van M. Loving
Zechariah Tiemens

TOWN OFFICIALS

Rachael R. Brinson
Town Administrator/DMV Manager

Desiree Ellis
Deputy Clerk

Charles T. Proffitt
Police Chief

Legacy Engineering
Zoning Administrator

James E. Steward
Superintendent

TABLE OF CONTENTS

		Page
Independent Auditors' Report		1-3
Financial Statements:		
Exhibit 1	Statement of Net Position - Modified Cash Basis	4
Exhibit 2	Statement of Activities - Modified Cash Basis	5-6
Exhibit 3	Balance Sheet - Governmental Funds - Modified Cash Basis	7
Exhibit 4	Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds - Modified Cash Basis	8
Exhibit 5	Statement of Revenues, Expenses and Changes in Net Position - Water Fund - Modified Cash Basis	9
Notes to Financial Statements		10-17
Supplementary Information:		
Exhibit 6	Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual - General Fund and Special Revenue Funds - Modified Cash Basis	18-19
Supporting Schedule:		
Schedule 1	Schedule of Revenues - Budget and Actual - Governmental Funds - Modified Cash Basis	20-22

ROBINSON, FARMER, COX ASSOCIATES, PLLC

Certified Public Accountants

CPAs | CONSULTANTS

Independent Auditors' Report

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

Opinions

We have audited the accompanying modified cash basis financial statements of the governmental activities, the business-type activities, and each major fund of the Town of Remington, Virginia, as of and for the year ended June 30, 2022, 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 modified cash basis financial position of the governmental activities, the business type activities, and each major fund of the Town of Remington, Virginia, as of and for the year ended ended June 30, 2022, and the respective changes in modified cash basis financial position, and, where applicable, cash flows thereof for the year then ended in accordance with the modified cash basis of accounting as described in Note 1.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Town of Remington, Virginia, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Restatement of Beginning Balances

As described in Note 6 to the financial statements, in 2022, the Town restated beginning balances to recognize unearned grant revenue. Our opinions are not modified with respect to this matter.

Emphasis of Matter—Basis of Accounting

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

Responsibilities of Management for the Financial Statements

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about Town of Remington, Virginia’s ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditors’ Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors’ report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards 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, we:

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

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

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

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

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

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

Supplementary Information

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

Robinson, Farmer, Cox Associates

Charlottesville, Virginia
January 26, 2026

- Financial Statements -

Statement of Net Position - Modified Cash Basis
At June 30, 2022

	Governmental Activities	Business-type Activities	Total
Assets			
Cash and cash equivalents	$ 586,089	$ 989,070	$ 1,575,159
Investments	407,383	-	407,383
Total assets	$ 993,472	$ 989,070	$ 1,982,542
Liabilities			
Accrued liabilities	$ 2,564	$ 1,409	$ 3,973
Refundable deposits	-	40,787	40,787
Unearned revenue	187,661	-	187,661
Total liabilities	$ 190,225	$ 42,196	$ 232,421
Net Position			
Unrestricted	$ 803,247	$ 946,874	$ 1,750,121
Total liabilities and net position	$ 993,472	$ 989,070	$ 1,982,542

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

Statement of Activities - Modified Cash Basis
Year Ended June 30, 2022

		Program Revenues		
Functions/Programs	**Expenses**	**Charges for Services**	**Operating Grants and Contributions**	**Capital Grants and Loans**
Governmental activities:				
Salaries and benefits	$ 219,982	$ 27,091	$ -	$ -
Repairs and maintenance	11,265	-	-	-
Utilities	2,634	585	-	-
General and administrative	95,303	-	-	-
Professional fees	15,525	-	-	-
Waste removal fees	8,655	-	-	-
Annexation and zoning	1,650	-	-	-
Community relations	2,069	-	-	-
Police department	54,886	4,515		-
Street, lights and sidewalks	8,922	-	-	-
Capital outlays	16,757	-	-	-
Cemetery	16,817	15,950	-	-
DMV	170,818	32,500	166,739	-
Cemetery Trust	7,354	3,200	-	-
Grants	15,000	-	189,355	-
Total governmental activities	$ 647,637	$ 83,841	$ 356,094	$ -
Business-type activities:				
Water	265,056	358,994	-	-
Total primary government	$ 912,693	$ 442,835	$ 356,094	$ -

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

Statement of Activities - Modified Cash Basis
Year Ended June 30, 2022 (Continued)

Functions/Programs		Net (Expense) Revenue and Changes in Net Position				
		Primary Government				
		Governmental Activities		Business-type Activities		Total
Governmental activities:						
Salaries and benefits	$	(192,891)	$	-	$	(192,891)
Repairs and maintenance		(11,265)		-		(11,265)
Utilities		(2,049)		-		(2,049)
General and administrative		(95,303)		-		(95,303)
Professional fees		(15,525)		-		(15,525)
Other fees		(8,655)		-		(8,655)
Annexation and zoning		(1,650)		-		(1,650)
Other expenses		(2,069)		-		(2,069)
Police department		(50,371)		-		(50,371)
Street, lights and sidewalks		(8,922)		-		(8,922)
Capital outlays		(16,757)		-		(16,757)
Cemetery		(867)		-		(867)
DMV		28,421		-		28,421
Cemetery Trust		(4,154)		-		(4,154)
Grants		174,355		-		174,355
Total governmental activities	$	(207,702)	$	-	$	(207,702)
Business-type activities:						
Water		-		93,938		93,938
Total primary government	$	(207,702)	$	93,938	$	(113,764)
General revenues:						
General property taxes	$	113,556	$	-	$	113,556
Sales taxes		58,612		-		58,612
Utility taxes		28,276		-		28,276
Unrestricted revenues from use of money		23,330		381		23,711
Miscellaneous		920		175		1,095
Grants and contributions not restriced to specific programs		568		-		568
Total general revenues	$	225,262	$	556	$	225,818
Change in net position	$	17,560	$	94,494	$	112,054
Net position at beginning of year, as originally reported		1,130,038		852,380		1,982,418
Restatement		(344,351)		-		(344,351)
Net position at beginning of year, as restated		785,687		852,380		1,638,067
Net position - ending	$	803,247	$	946,874	$	1,750,121

Balance Sheet - Governmental Funds - Modified Cash Basis
At June 30, 2022

	Governmental Funds					
	General Fund	Cemetery Fund	DMV Fund	Cemetery Trust Fund	Grants Fund	Totals
Assets						
Cash and cash equivalents	$ 226,222	$ 14,844	$ 131,936	$ 28,434	$ 184,653	$ 586,089
Investments	-	-	-	407,383	-	407,383
Total assets	$ 226,222	$ 14,844	$ 131,936	$ 435,817	$ 184,653	$ 993,472
Liabilities						
Accrued liabilities	$ 1,709	$ -	$ 855	$ -	$ -	$ 2,564
Unearned revenue	3,008	-	-	-	184,653	187,661
Total liabilities	$ 4,717	$ -	$ 855	$ -	$ 184,653	$ 190,225
Fund Balance						
Nonspendable:						
Permanent fund principal	$ -	$ -	$ -	$ 414,518	$ -	$ 414,518
Committed:						
Cemetery	-	14,844	-	21,299	-	36,143
DMV	-	-	131,081	-	-	131,081
Unassigned:						
General	221,505	-	-	-	-	221,505
Total fund balances	$ 221,505	$ 14,844	$ 131,081	$ 435,817	$ -	$ 803,247
Total liabilities and fund balances	$ 226,222	$ 14,844	$ 131,936	$ 435,817	$ 184,653	$ 993,472

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

Statement of Revenues, Expenditures and Changes in Fund Balances
Governmental Funds - Modified Cash Basis
Year Ended June 30, 2022

	Governmental Funds					
	General Fund	Cemetery Fund	DMV Fund	Cemetery Trust Fund	Grants Fund	Totals
Revenues:						
General property taxes	$ 113,556	$ -	$ -	$ -	$ -	$ 113,556
Other local taxes	86,888	-	-	-	-	86,888
Permits, privilege fees and regulatory licenses	27,676	-	-	-	-	27,676
Fines and forfeitures	4,515	-	-	-	-	4,515
Revenue from use of money and property	32,500	2,892	-	20,438	-	55,830
Charges for services	-	15,950	-	3,200	-	19,150
Miscellaneous	242	-	-	678	-	920
Intergovernmental:						
Commonwealth	568	-	166,739	-	15,000	182,307
Federal	174,355	-	-	-	-	174,355
Total revenues	$ 440,300	$ 18,842	$ 166,739	$ 24,316	$ 15,000	$ 665,197
Expenditures:						
Salaries and benefits	$ 219,982	$ -	$ -	$ -	$ -	$ 219,982
Repairs and maintenance	11,265	-	-	-	-	11,265
Utilities	2,634	-	-	-	-	2,634
General and administrative	95,303	-	-	-	-	95,303
Professional fees	15,525	-	-	-	-	15,525
Waste removal fees	8,655	-	-	-	-	8,655
Annexation and zoning	1,650	-	-	-	-	1,650
Community relations	2,069	-	-	-	-	2,069
Police department	54,886	-	-	-	-	54,886
Street, lights and sidewalks	8,922	-	-	-	-	8,922
Capital outlays	16,757	-	-	-	-	16,757
Cemetery	-	16,817	-	-	-	16,817
DMV	-	-	170,818	-	-	170,818
Cemetery Trust	-	-	-	7,354	-	7,354
Grants	-	-	-	-	15,000	15,000
Total expenditures	$ 437,648	$ 16,817	$ 170,818	$ 7,354	$ 15,000	$ 647,637
Net change in fund balances	$ 2,652	$ 2,025	$ (4,079)	$ 16,962	$ -	$ 17,560
Fund balances at beginning of year, as originally reported	563,204	12,819	135,160	418,855	-	1,130,038
Restatement	(344,351)	-	-	-	-	(344,351)
Fund balances at beginning of year, as restated	218,853	12,819	135,160	418,855	-	785,687
Fund balances at end of year	$ 221,505	$ 14,844	$ 131,081	$ 435,817	$ -	$ 803,247

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

Statement of Revenues, Expenses and Changes in Net Position -
Water Fund - Modified Cash Basis
Year Ended June 30, 2022

		Proprietary Funds
		Enterprise
Revenues:		
Water fees	$	337,045
Service fees		14,449
Tap fees		7,500
Interest		381
Miscellaneous		175
Total revenues	$	359,550
Expenses:		
Salaries and benefits	$	124,804
Water		16,976
Repairs and maintenance		25,759
Utilities		13,275
General and administrative		14,682
Professional fees		13,025
Capital outlays		56,535
Total expenses	$	265,056
Change in net position	$	94,494
Net position at beginning of year		852,380
Net position at end of year	$	946,874

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

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:

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

A. Financial Reporting Entity

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

B. Financial Statement Presentation

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

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

1. Governmental Funds:

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

   a. General Fund:

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

   b. Special Revenue Funds:

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

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

B. Financial Statement Presentation (Continued)

1. Governmental Funds: (Continued)

    c. Permanent Funds:

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

2. Proprietary Funds:

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

    Enterprise Fund:

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

C. Budgets and Budgetary Accounting

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

1. Prior to year-end, the Town Council prepares a proposed operating budget for the fiscal year commencing the following July 1. The operating budget includes proposed expenditures and the means of financing them.

2. Public hearings are conducted to obtain citizen comments.

3. Prior to June 30, the budget is legally adopted by Town Council.

4. All budgets are adopted on a cash basis of accounting.

5. All budgetary data presented in the accompanying financial statements is the original budget as adopted.

6. The Town Council may legally amend the budget only by following procedures used in the adoption of the original budget.

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

D. Cash and Cash Equivalents

Cash and cash equivalents include cash on hand, demand deposits, and short-term investments with original maturities of three months or less from the date of acquisition.

E. Investments

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

F. Retirement Plan

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

G. Property Taxes

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

H. Fund Balance

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

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

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

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

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

H. Fund Balance (Continued)

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

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

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

Town Council establishes (and modifies or rescinds) fund balance commitments by passage of an ordinance or resolution. This is typically done through adoption and amendment of the budget. A fund balance commitment, which does not lapse at year-end, is further indicated in the budget document as a designation or commitment of the fund (such as for special incentives).

I. Net Position

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

- Net investment in capital assets consists of capital assets, net of accumulated depreciation and reduced by outstanding balances of bonds, notes, and other debt that are attributable to the acquisition, construction, or improvement of those assets. Deferred outflows of resources and deferred inflows of resources that are attributable to the acquisition, construction, or improvement of those assets or related debt are included in this component of net position.

- Restricted net position consists of restricted assets reduced by liabilities and deferred inflows of resources related to those assets. Assets are reported as restricted when constraints are placed on asset use either by external parties or by law through constitutional provision or enabling legislation.

- Unrestricted net position is the net amount of the assets, deferred outflows of resources, liabilities, and deferred inflows of resources that does not meet the definition of the two preceding categories.

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

NOTE 2 - DEPOSITS AND INVESTMENTS:

Deposits:

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

Investments:

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

The Town has several unrated investments which are illegal in accordance with investment laws of the Code of Virginia. These unrated investments are disclosed below.

Credit Risk of Debt Securities:

The Town’s rated debt investments as of June 30, 2022 were rated by Standard & Poor’s and/or an equivalent national rating organization and the ratings are presented below using the Standard & Poor’s rating scale.

Rated Debt Investments' Values

Rated Debt Investments Value	**Fair Quality Ratings**	
Rated Debt Investments	**AAAm**	**Unrated**
Local Government Investment Pool	$ 5,905	$ -
Equities	-	247,187
Fixed income and other	-	160,196
Total	$ 5,905	$ 407,383

External Investment Pools:

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

NOTE 2 - DEPOSITS AND INVESTMENTS: (CONTINUED)

Interest Rate Risk:

The following is a summary of interest rate risk disclosure:

Investment Maturities (in years)		
Investment Type	**Fair Value**	**Less Than 1 Year**
Local Government Investment Pool	$ 5,905	$ 5,905
Total	$ 5,905	$ 5,905

NOTE 3 - PENSION PLAN:

All full-time, salaried permanent employees of the Town are automatically covered by VRS Retirement Plan upon employment. This is an agent multiple-employer plan administered by the Virginia Retirement System (the System) along with plans for other employer groups in the Commonwealth of Virginia. Members earn one month of service credit for each month they are employed and for which they and their employer pay contributions to VRS. Members are eligible to purchase prior service, based on specific criteria as defined in the Code of Virginia, as amended. Eligible prior service that may be purchased includes prior public service, active military service, certain periods of leave, and previously refunded service. The System administers three different benefit structures for covered employees – Plan 1, Plan 2, and Hybrid. Each of these benefit structures has different eligibility criteria.

Contributions

The contribution requirement for active employees is governed by §51.1-145 of the Code of Virginia, as amended, but may be impacted as a result of funding options provided to political subdivisions by the Virginia General Assembly. Employees are required to contribute 5.00% of their compensation toward their retirement.

The Town's contractually required employer contribution rate for the year ended June 30, 2022 was 10.71% of covered employee compensation. This rate was based on an actuarially determined rate from an actuarial valuation as of June 30, 2019.

This rate, when combined with employee contributions, was expected to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. Contributions to the pension plan from the Town were $16,763 and $16,777 for the years ended June 30, 2022 and June 30, 2021, respectively.

Net Pension Liability

The Town's net pension liability of $8,123 was measured as of June 30, 2021. The total pension liability used to calculate the net pension liability was determined by an actuarial valuation performed as of June 30, 2020, rolled forward to the measurement date of June 30, 2021.

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

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

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

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

Contributions

The contribution requirements for the GLI Plan are governed by §51.1-506 and §51.1-508 of the Code of Virginia, as amended, but may be impacted as a result of funding provided to state agencies and school divisions by the Virginia General Assembly. The total rate for the Group Life Insurance Plan was 1.34% 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, 2022 was 0.54% of covered employee compensation. This rate was based on an actuarially determined rate from an actuarial valuation as of June 30, 2019. The actuarially determined rate, when combined with employee contributions, was expected to finance the costs of benefits payable during the year, with an additional amount to finance any unfunded accrued liability. Contributions to the Group Life Insurance Plan from the entity were $1,130 and $1,113 for the years ended June 30, 2022 and June 30, 2021, respectively.

NOTE 4 – GROUP LIFE INSURANCE (GLI PLAN) (OPEB PLAN): (CONTINUED)

Net GLI OPEB Liability

At June 30, 2022, the Town reported a liability of $11,642 for its proportionate share of the Net GLI OPEB Liability, The Net GLI OPEB Liability was determined by an actuarial valuation as of that date. The covered employer's portion of the Net GLI OPEB Liability was based on the covered employer's actuarially determined employer determined employer contributions to the GLI Plan for the year ended June 30, 2020 relative to the total of the actuarially determined employer contributions for all participating employers. At June 30, 2021, the participating employer's proportion was 0.001%.

NOTE 5 - RISK MANAGEMENT:

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

NOTE 6 - RESTATEMENT OF BEGINNING BALANCES:

Fund balances and net position were adjusted as of June 30, 2022 as follows:

		General Fund
Fund balance, as previously reported	$	563,204
ARPA unearned revenue unrecognized in prior year		(344,351)
Fund balance, as restated	$	218,853

		Governmental Activities
Net position, as previously reported	$	1,130,038
ARPA unearned revenue unrecognized in prior year		(344,351)
Net position, as restated	$	785,687

- Supplementary Information -

Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual
General Fund and Special Revenue Funds - Modified Cash Basis
Year Ended June 30, 2022

	General Fund			Cemetery Fund		
	Budget	**Actual**	**Variance Positive (Negative)**	**Budget**	**Actual**	**Variance Positive (Negative)**
Revenues:						
General property taxes	$ 106,025	$ 113,556	$ 7,531	$ -	$ -	$ -
Other local taxes	75,972	86,888	10,916	-	-	-
Permits, privilege fees and regulatory licenses	29,540	27,676	(1,864)	-	-	-
Fines and forfeitures	5,050	4,515	(535)	-	-	-
Revenue from use of money and property	32,500	32,500	-	3,500	2,892	(608)
Charges for services	-	-	-	12,650	15,950	3,300
Miscellaneous	1,000	242	(758)	-	-	-
Intergovernmental:						
Commonwealth	30,104	568	(29,536)	-	-	-
Federal	341,343	174,355	(166,988)	-	-	-
Total revenues	$ 621,534	$ 440,300	$ (181,234)	$ 16,150	$ 18,842	$ 2,692
Expenditures:						
Salaries and benefits	$ 131,446	219,982	$ (88,536)	$ -	$ -	$ -
Repairs and maintenance	18,500	11,265	7,235	-	-	-
Utilities	2,600	2,634	(34)	-	-	-
General and administrative	399,386	95,303	304,083	-	-	-
Professional fees	15,200	15,525	(325)	-	-	-
Waste removal fees	4,500	8,655	(4,155)	-	-	-
Annexation / zoning	1,650	1,650	-	-	-	-
Community relations	11,500	2,069	9,431	-	-	-
Police department	65,254	54,886	10,368	-	-	-
Street, lights and sidewalks	15,500	8,922	6,578	-	-	-
Capital Outlays	15,000	16,757	(1,757)	-	-	-
Cemetery	-	-	-	20,260	16,817	3,443
DMV	-	-	-	-	-	-
Grants	-	-	-	-	-	-
Total expenditures	$ 680,536	$ 437,648	$ 242,888	$ 20,260	$ 16,817	$ 3,443
Net change in fund balances	$ (59,002)	$ 2,652	$ 61,654	$ (4,110)	$ 2,025	$ 6,135
Fund balance at beginning of year, as originally reported	59,002	563,204	504,202	4,110	12,819	8,709
Restatement	-	(344,351)	(344,351)	-	-	-
Fund balance at the beginning of year, as restated	$ 59,002	$ 218,853	$ 159,851	$ 4,110	$ 12,819	$ 8,709
Fund balance at end of year	$ -	$ 221,505	$ 221,505	$ -	$ 14,844	$ 14,844

Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual
General Fund and Special Revenue Funds - Modified Cash Basis
Year Ended June 30, 2022

	DMV Fund			Grants Fund		
	Budget	**Actual**	**Variance Positive (Negative)**	**Budget**	**Actual**	**Variance Positive (Negative)**
Revenues:						
General property taxes	$ -	$ -	$ -	$ -	$ -	$ -
Other local taxes	-	-	-	-	-	-
Permits, privilege fees and regulatory licenses	-	-	-	-	-	-
Fines and forfeitures	-	-	-	-	-	-
Revenue from use of money and property	-	-	-	-	-	-
Charges for services	-	-	-	-	-	-
Miscellaneous	-	-	-	-	-	-
Intergovernmental:						
Commonwealth	150,000	166,739	16,739	-	15,000	15,000
Federal	-	-	-	-	-	-
Total revenues	$ 150,000	$ 166,739	$ 16,739	$ -	$ 15,000	$ 15,000
Expenditures:						
Salaries and benefits	$ -	$ -	$ -	$ -	$ -	$ -
Repairs and maintenance	-	-	-	-	-	-
Utilities	-	-	-	-	-	-
General and administrative	-	-	-	-	-	-
Professional fees	-	-	-	-	-	-
Other fees	-	-	-	-	-	-
Annexation / zoning	-	-	-	-	-	-
Other expenses	-	-	-	-	-	-
Police department	-	-	-	-	-	-
Street, lights and sidewalks	-	-	-	-	-	-
Capital Outlays	-	-	-	-	-	-
Cemetery	-	-	-	-	-	-
DMV	182,287	170,818	11,469	-	-	-
Grants	-	-	-	-	15,000	(15,000)
Total expenditures	$ 182,287	$ 170,818	$ 11,469	$ -	$ 15,000	$ (15,000)
Net change in fund balances	$ (32,287)	$ (4,079)	$ 28,208	$ -	$ -	$ -
Fund balance at beginning of year, as originally reported	32,287	135,160	102,873	-	-	-
Restatement	-	-	-	-	-	-
Fund balance at the beginning of year, as restated	$ 32,287	$ 135,160	$ 102,873	$ -	$ -	$ -
Fund balance at end of year	$ -	$ 131,081	$ 131,081	$ -	$ -	$ -

- Supporting Schedule -

Schedule of Revenues - Budget and Actual - Governmental Funds - Modified Cash Basis
Year Ended June 30, 2022

Fund, Major and Minor Revenue Source	Budget	Actual	Variance Positive (Negative)
General Fund:			
Revenue from local sources:			
General property taxes:			
Real property taxes	$ 63,600	$ 61,538	$ (2,062)
Personal property taxes	41,125	49,457	8,332
Penalties and interest	1,300	2,561	1,261
Total general property taxes	$ 106,025	$ 113,556	$ 7,531
Other local taxes:			
Sales taxes	$ 45,972	$ 58,612	$ 12,640
Utility taxes	30,000	28,276	(1,724)
Total other local taxes	$ 75,972	$ 86,888	$ 10,916
Permits, privilege fees and regulatory licenses:			
Business licenses	$ 19,000	$ 20,188	$ 1,188
Vehicle decals	8,000	5,728	(2,272)
Refuse tipping fees	540	585	45
Zoning permits	2,000	1,175	(825)
Total permits, privilege fees and regulatory licenses	$ 29,540	$ 27,676	$ (1,864)
Fines and Forfeitures:			
Police fines	$ 5,050	$ 4,515	$ (535)
Total fines and forfeitures	$ 5,050	$ 4,515	$ (535)
Revenue from use of money and property:			
Revenue from use of property	$ 32,500	$ 32,500	$ -
Total revenue from use of money and property	$ 32,500	$ 32,500	$ -
Miscellaneous:			
Copier income	$ 300	$ 24	$ (276)
Miscellaneous income	700	218	(482)
Total miscellaneous	$ 1,000	$ 242	$ (758)
Total revenue from local sources	$ 250,087	$ 265,377	$ 15,290

Schedule of Revenues - Budget and Actual - Governmental Funds - Modified Cash Basis
Year Ended June 30, 2022 (Continued)

Fund, Major and Minor Revenue Source	Budget	Actual	Variance Positive (Negative)
General Fund: (continued)			
Intergovernmental:			
Revenue from the Commonwealth:			
Noncategorical aid:			
Rolling rail tax	$ 440	$ 424	$ (16)
Skill games	2,000	144	(1,856)
Total noncategorical aid	$ 2,440	$ 568	$ (1,872)
Categorical aid:			
Law enforcement assistance	$ 17,664	$ -	$ (17,664)
Fire and rescue assistance	10,000	-	(10,000)
Total categorical aid	$ 27,664	$ -	$ (27,664)
Total revenue from the Commonwealth	$ 30,104	$ 568	$ (29,536)
Revenue from the Federal Government:			
Categorical aid:			
ARPA	$ 341,343	$ 174,355	$ (166,988)
Total revenue from the Federal Government	$ 341,343	$ 174,355	$ (166,988)
Total General Fund	$ 621,534	$ 440,300	$ (181,234)
Special Revenue Funds:			
Cemetery Fund:			
Revenue from local sources:			
Revenue from use of money and property:			
Income distributions	$ 3,500	$ 2,892	$ (608)
Total revenue from use of money and property	$ 3,500	$ 2,892	$ (608)
Charges for services:			
Lot sales	$ 6,000	$ 6,000	$ -
Marker fees	250	400	150
Other fees	1,400	1,250	(150)
Burial fees	5,000	8,300	3,300
Total charges for services	$ 12,650	$ 15,950	$ 3,300
Total revenue from local sources	$ 16,150	$ 18,842	$ 2,692
Total Cemetery Fund	$ 16,150	$ 18,842	$ 2,692

Schedule of Revenues - Budget and Actual - Governmental Funds - Modified Cash Basis
Year Ended June 30, 2022 (Continued)

Fund, Major and Minor Revenue Source	Budget	Actual	Variance Positive (Negative)
Special Revenue Funds (Continued):			
DMV Fund:			
Intergovernmental:			
Revenue from the Commonwealth:			
Categorical aid:			
Commissions from DMV	$ 150,000	$ 166,707	$ 16,707
Postage reimbursement	-	32	32
Total revenue from the Commonwealth	$ 150,000	$ 166,739	$ 16,739
Total DMV Fund	$ 150,000	$ 166,739	$ 16,739
Grants Fund:			
Intergovernmental:			
Revenue from the Commonwealth:			
Categorical aid:			
Fire & Rescue assistance	$ -	$ 15,000	$ 15,000
Total revenue from the Commonwealth	$ -	$ 15,000	$ 15,000
Total Grants Fund	$ -	$ 15,000	$ 15,000
Permanent Fund:			
Cemetery Trust Fund:			
Revenue from local sources:			
Revenue from use of money and property:			
Revenue from use of money	$ 20,810	$ 20,438	$ (372)
Total revenue from use of money and property	$ 20,810	$ 20,438	$ (372)
Charges for services:			
80% Lot sales	$ 4,800	$ 3,200	$ (1,600)
Total charges for services	$ 4,800	$ 3,200	$ (1,600)
Miscellaneous revenue:			
Miscellaneous income	$ -	$ 678	678
Total miscellaneous revenue	$ -	$ 678	$ 678
Total revenue from local sources	$ 25,610	$ 24,316	$ (1,294)
Total Cemetery Trust Fund	$ 25,610	$ 24,316	$ (1,294)
Total Governmental Funds	$ 813,294	$ 665,197	$ (148,097)