



Annual Comprehensive Financial Report

Year Ending June 30, 2024

**TOWN OF PURCELLVILLE, VIRGINIA
ANNUAL COMPREHENSIVE FINANCIAL REPORT
FOR THE YEAR ENDED JUNE 30, 2024**

Prepared By:

Town of Purcellville
Finance Department

TOWN OF PURCELLVILLE, VIRGINIA
ANNUAL COMPREHENSIVE FINANCIAL REPORT
FOR THE YEAR ENDED JUNE 30, 2024

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TOWN OF PURCELLVILLE, VIRGINIA

DIRECTORY OF PRINCIPAL OFFICIALS

June 30, 2024

TOWN COUNCIL

Stanley J. Milan, Sr., Mayor

Christopher Bertaut
Carol Luke
Erin Rayner
Caleb Stought
Mary Jane Williams
Kevin Wright

OFFICIALS

Rick Bremseth	Town Manager
Diana Hays	Assistant Town Manager
Kimberly Bandy	Town Clerk
Elizabeth B. Krens	Director of Finance
Vadah McCann	Director of Administration
Andrea Broshkevitch	Director of Engineering and Capital Projects
Summer Wilkes	Director of Planning and Community Development
Jason Didawick	Director of Public Works
Barry Dufek	Chief of Police
LaDonna Snellbaker	Director of Human Resources
Shannon Bohince	Director of Information Technology



December 3, 2024

**Honorable Mayor, Members of Town Council and
Residents of the Town of Purcellville:**

I am pleased to present the Town of Purcellville's Annual Comprehensive Financial Report (ACFR) for the fiscal year ended June 30, 2024. These statements are presented in conformity with generally accepted accounting principles (GAAP) and audited in accordance with generally accepted auditing standards by a firm of licensed certified public accountants.

This report was prepared by the Town's Finance Department. Responsibility for both the accuracy of the presented data and the completeness and fairness of presentation, including all disclosures, rests with Town management. The report identifies the Town's financial position and results of operations as measured by the financial activity of its various funds over the past fiscal year. We believe the data contained in the report is accurate in all material aspects.

Town management is responsible for establishing and maintaining an internal control structure to ensure the protection of town assets. In developing and evaluating the Town's accounting system, consideration is given to the adequacy of internal accounting controls. Internal accounting controls are designed to provide reasonable, but not absolute, assurance regarding: (1) the safeguarding of assets against loss from unauthorized use or disposition; and (2) the reliability of financial records for preparing financial statements and maintaining accountability for assets. The concept of reasonable assurance recognizes that: (1) the cost of a control should not exceed the benefits likely to be derived; and (2) the evaluation of costs and benefits requires estimates and judgments by Town management. All internal control evaluations occur within the above framework. We believe that the Town's internal accounting controls adequately safeguard assets and provide reasonable assurance of proper recording of financial transactions.

The Town also maintains budgetary controls to ensure compliance with the annual appropriated budget approved by the Town Council no later than the close of the previous fiscal year. Activities of the general fund, the parks and recreation special revenue fund, the two utility enterprise funds and capital project funds are included in the Town's annual budget. The Town's accounting system incorporates encumbrance controls to avoid overspending. When necessary, the Town Council approves amendments to the adopted budget. Budgetary compliance is reported monthly and monitored at the departmental level.

The Town Charter and Code of Virginia §15.2-2511 requires an annual audit of the Town's financial affairs performed by independent certified public accountants. The Town has contracted with Robinson, Farmer, Cox Associates, PLLC, Certified Public Accountants to provide audit services. Robinson, Farmer, Cox Associates has issued an unmodified opinion on the Town's financial statements for the year ended June 30, 2024. The independent auditor's report begins on page 1 of this report.

Also included in this report is a section titled Management's Discussion and Analysis (MD&A) which begins on page 4a. The MD&A will provide additional analysis and overview of the financial statements contained in this report.

Profile of the Town:

Purcellville is located in western Loudoun County, Virginia, about 50 miles west of Washington, D.C. with a footprint of 3.42 square miles and a population of 8,924. Incorporated in 1908, Purcellville has retained its attractive small town and historic agrarian attributes, while being a home to many. It is the economic hub for western Loudoun and a popular tourist destination for antiquing, farmer's markets, wineries, breweries, distilleries, restaurants and recreation along the W&OD trail.

The Town is operated based on a Council-Manager form of government. It is governed by an elected body of representatives, including one Mayor, serving two-year terms, and six Council Members, serving four-year terms. The Council appoints a Town Manager to execute their policies and oversee the daily operations of the government. Purcellville delivers a full range of municipal services including police protection, refuse collection, construction and maintenance of streets and infrastructure, parks and recreational facilities and events, planning and zoning and general administrative services. The Town also operates two enterprise funds for the purpose of production, distribution and treatment of water and wastewater serving the residents of the Town.

Financial Condition and Economic Outlook:

The Town ended fiscal year 2024 with positive ending positions in all funds. The Town is also the beneficiary of \$10.6 million in federal stimulus from the American Rescue Plan's State and Local Fiscal Recovery Funds available for spending through December 2026. The Council approved spending plan will bolster the town's capital infrastructure, with over \$8 million directed to utility improvements.

At the end of fiscal year 2024, the Town's total net position increased by \$2,005,731 of which \$1,406,538 was from governmental activities and \$599,193 was from business-type or utility activities. The general fund ended fiscal year 2024 with a fund balance of \$11.5 million. Of this amount, \$10.83 million was unassigned and available for future spending, a \$663,626 increase over the prior year. This increase resulted from strong property tax revenue collections, investment earnings and strong expenditure controls in all departments. The utility funds benefited from an increase in user fees of \$403,326 and availability fees from new connections of \$402,509 which was offset by increases in personnel and capital outlay.

In 2024, the Town's assessed value of taxable real property totaled \$2.06 billion, an increase of 5.82%. Town Council maintained the real property tax rate of \$.205 per \$100 of assessed value in 2024. Modest assessment growth is expected to continue into 2025. The Fireman's Field Service tax rate of \$.030 and the personal property tax rate of \$1.05 for vehicles and \$0.55 for business property remained unchanged in 2024. The Town Council increased utility usage rates by 16% for water and 18% for sewer in July 2024 in preparation for rising debt service costs beginning in FY25. The Town will continue to work with our Utility Rate Consultant to ensure utility rates are sufficient to offset slowing availability revenue and increased annual debt service in the period post debt restructure.

In 2024, the Town maintained strong investment grade credit ratings with no change to the Standard and Poor's AAA and Moody's Aa2 ratings. In August 2024, Fitch upgraded the Town's AA+ rating to AAA based on their new U.S. Public Finance Local Government Rating Criteria. These strong ratings will benefit the Town if new debt is incurred over the next few years to support capital improvements for utility infrastructure.

Long-Term Financial Planning:

The Town Council has adopted Fiscal Policy Guidelines that provide accounting, budgeting and financial management directives. The reserve management policy requires the general fund's unassigned fund balance to exceed 30% of general fund revenues and utility enterprise fund unrestricted cash and equivalents to exceed 100% of total operating expenditure and debt service. The policy also indicates general fund debt service should not exceed 15% of expenditures and the total bonded debt of the Town should not exceed 2% of total assessed value of taxable property. At the end of FY24, the Town met or exceeded all policy guidelines.

Long-Term Financial Planning: (Continued)

The Town also works with a Financial Advisor, Davenport, and an Utility Rate Consultant, Stantec, to develop a multi-year fiscal plan as a component of the annual budget process. This plan is used to help identify fiscal challenges, set tax and utility rates and establish a financing plan for capital infrastructure needs.

Major Awards and Achievements:

The following is a partial listing of major awards and initiatives accomplished across all departments in fiscal year 2024:

- Received 16th consecutive Government Finance Officers Association (GFOA) Distinguished Budget Presentation Award for fiscal year 2025.
- Received 16th consecutive GFOA Certificate of Achievement for fiscal year 2023 Annual Comprehensive Financial Report.
- Maintained strong investment grade credit ratings from the three national credit rating agencies.
- Fitch credit rating upgrade from AA+ to AAA in August 2024.
- Resident Access Portals for utility customers offered in October 2024.
- Fully obligated the Town's \$10.6 million allocation of American Rescue Plan Act (ARPA) State and Local Fiscal Rescue Funds prior to the 12/31/24 statutory deadline and spent \$4.8 million as of 6/30/24.
- Received 17th Annual Tree City USA designation from the Arbor Day Foundation.
- Received the Tree City USA Growth Award, for the 14th year, from the Arbor Day Foundation for updating the approved tree species list, planting native trees on public land, and conducting outreach and education efforts about tree planting, tree care, and proper mulching.
- Awarded funding through the Loudoun Tourism Grant program for the Purcellville Music and Arts Festival.
- Won a grant from the Virginia Department of Forestry to establish a mini-forest on vacant Town property.
- Contracted with Loudoun Brewing Company for ABC Services for the Purcellville Wine and Food Festival, which saved the Town \$18,000.
- Completed 100% of the accreditation requirements for the third year of the four-year re-accreditation cycle for the Virginia Law Enforcement Professional Standards Commission (VALEAC).
- Purcellville Police Department Awards- FY24:
 - Christa Kermode completed the National Association of Government Archivist and Records Administrators certificate.
 - Officer St. Onge received the 2023 MADD Award for DUI enforcement.
 - Lt. Moskowitz, Retired Sgt. Bridge, Sgt. Camp, Officer St. Onge, Office Nett, and Officer Fernandez received a Meritorious Action Award from LCSO.
 - Retired Sgt. Wagner received the VFW regional award and the national award as well.
- Planner Jordan Andrews in the Planning Department received his CZO (Certified Zoning Official) certification.
- Top Ops Team: Bernie Snyder, Michael Costello, Kaylae Jodrie and Mike Lamb won the VA State American Water Works Association Top Ops competition for the third consecutive year.
- Water Department received the Virginia Department of Health's "Water Treatment Plant Performance Award for Excellence in Granular Media Filtration".
- Wastewater Facility received passing Whole Effluent Toxicity Testing results further demonstrating the high quality of the effluent being produced.

Awards and Acknowledgements:

The Town received the Certificate of Achievement for Excellence in Financial Reporting for its Annual Comprehensive Financial Report for the fiscal year ended June 30, 2023 from the GFOA. The Certificate of Achievement is the highest form of recognition in the area of governmental accounting and financial reporting, and its attainment represents a significant accomplishment by a government and its management.

In closing, we would like to thank the Mayor and Town Council for their fiduciary oversight. We would also like to recognize the entire Finance team for their work year-round to manage the Town's financial records and systems. In particular, we would like to acknowledge Paula Hicks, Accounting Manager, whose expertise and professionalism ensures this financial document is accurate, complete and timely in its release.

Sincerely,



Rick Bremseth
Town Manager



Elizabeth B. Krens
Director of Finance



Government Finance Officers Association

Certificate of
Achievement
for Excellence
in Financial
Reporting

Presented to

**Town of Purcellville
Virginia**

For its Annual Comprehensive
Financial Report
For the Fiscal Year Ended

June 30, 2023

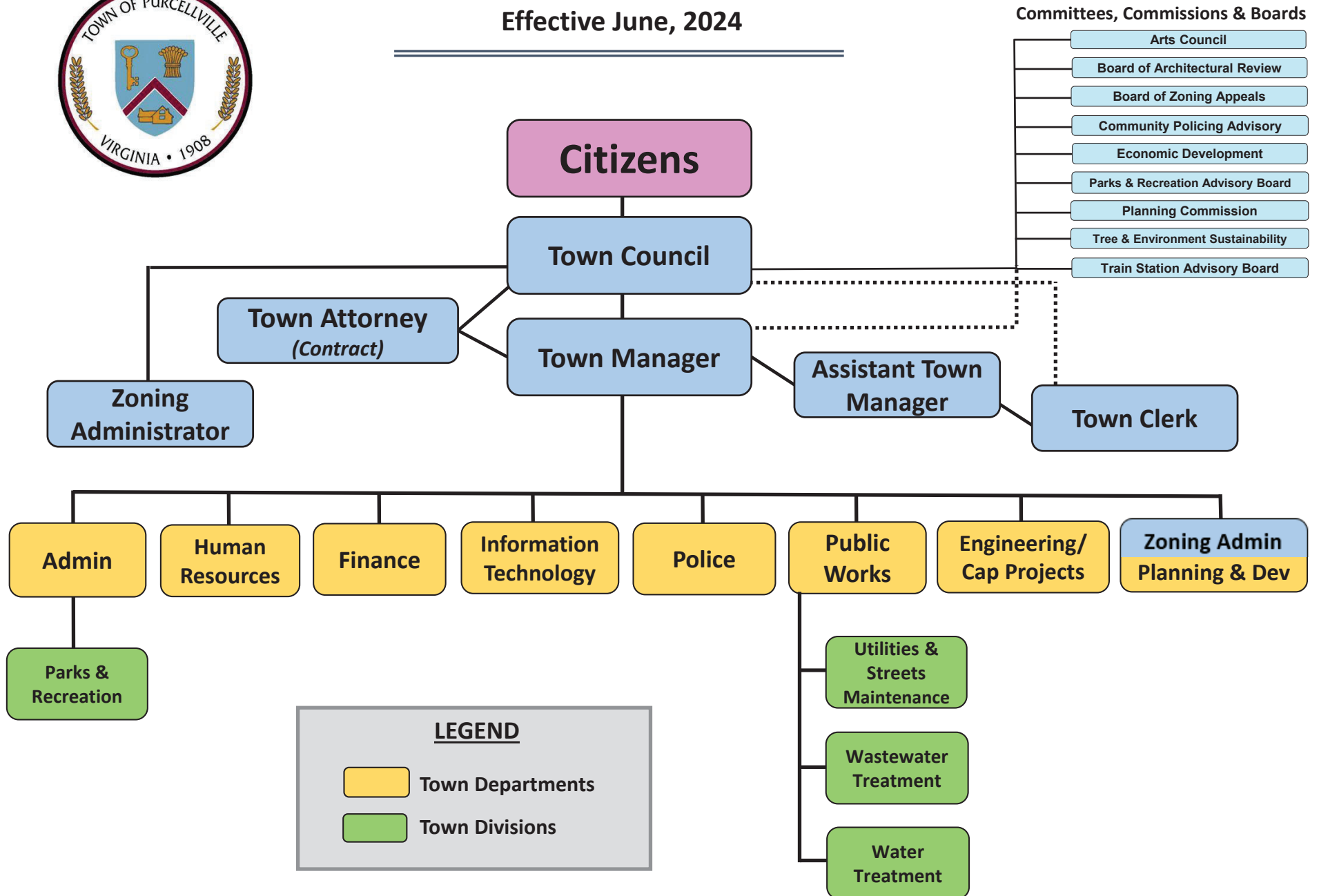
Christopher P. Morill

Executive Director/CEO



Town Organization Chart

Effective June, 2024





ROBINSON, FARMER, COX ASSOCIATES, PLLC

Certified Public Accountants

Independent Auditors' Report

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

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the governmental activities, the business-type activities, and each major fund of the Town of Purcellville Virginia, 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 financial position of the governmental activities, the business type activities, and each major fund of the Town of Purcellville, Virginia, as of and for the year ended June 30, 2024, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the *Specifications for Audits of Counties, Cities, and Towns*, issued by the Auditor of Public Accounts of the Commonwealth of Virginia. 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 Purcellville, 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 14 to the financial statements, in 2024, the Town restated beginning balances to correct an error by reflecting renewal terms previously excluded from lease asset and liability balances. 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 accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about Town of Purcellville, 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, *Government Auditing Standards*, and the *Specifications for Audits of Counties, Cities, and Towns* 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, *Government Auditing Standards*, and the *Specifications for Audits of Counties, Cities, and Towns*, 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 Purcellville, 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 Purcellville, Virginia's ability to continue as a going concern for a reasonable period of time.

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

Required Supplementary Information

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

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise Town of Purcellville, Virginia's basic financial statements. The accompanying supporting schedules and schedule of expenditures of federal awards, as required by Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, 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, the supporting schedules and the schedule of expenditures of federal awards 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 introductory and statistical sections 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 December 3, 2024, on our consideration of Town of Purcellville, Virginia's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of Town of Purcellville, Virginia's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Town of Purcellville, Virginia's internal control over financial reporting and compliance.

Robinson, Farmer, Cox Associates

Charlottesville, Virginia
December 3, 2024

Town of Purcellville, Virginia Management's Discussion and Analysis

As management of Town of Purcellville (the "Town"), we offer readers of the Town's financial statements this narrative overview and analysis of the financial activities of the Town for the fiscal year ended June 30, 2024. Please read it in conjunction with the Town's basic financial statements, which follow this section.

Financial Highlights

- The assets and deferred outflows of resources of the Town exceeded its liabilities and deferred inflows of resources at the close of the most recent fiscal year by \$89,844,890 (net position). Of this amount, \$19,981,942 (unrestricted net position) may be used to meet the Town's ongoing obligations to citizens and creditors.
- The Town's total net position increased \$1,406,538 from governmental activities and \$599,193 from business-type activities.
- The ending fund balance of the Town's general fund was \$11,463,115 an increase of \$652,934 from the prior year.
- At the end of the current fiscal year, unassigned fund balance for the General Fund was \$10,833,908 or 81% of the general fund expenditures.
- The Town's total long-term obligations decreased by \$1,472,980 during the current fiscal year.

Overview of the Financial Statements

This discussion and analysis is intended to serve as an introduction to the Town's basic financial statements. The Town's basic financial statements comprise three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. This report also contains required and other supplementary information in addition to the basic financial statements themselves.

Government-wide financial statements

The government-wide financial statements are designed to provide the readers with a broad overview of the Town's finances, in a manner similar to a private-sector business. The statement of net position presents information on all of the Town's assets/deferred outflows of resources and liabilities/deferred inflows of resources, with the difference between the two reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of how the financial position of the Town may be changing. Increases in net position may indicate an improved financial position; however, even decreases in net position may reflect a changing manner in which the Town may have used previously accumulated funds.

The statement of activities presents information showing how the Town's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods, (e.g., uncollected taxes and earned but unused vacation leave).

Overview of the Financial Statements (Continued)

Both of the government-wide financial statements distinguish functions of the Town that are principally supported by taxes and intergovernmental revenues (governmental activities) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (business-type activities). The governmental activities of the Town include general government administration, public safety, and public works. The business-type activities are for public utilities. The government-wide financial statements can be found on pages 28 through 30 of this report.

Fund financial statements

A *fund* is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The Town, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the Town can be divided into two categories: governmental funds and proprietary funds.

Governmental funds are used to account for essentially the same functions reported as *governmental activities* in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on *near-term inflows and outflows of spendable resources*, as well as on *balances of spendable resources* available at the end of the fiscal year. Such information may be useful in evaluating a government's near-term financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for *governmental activities* in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the Town's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between *governmental funds* and *governmental activities*.

The Town maintains three governmental funds, a General Fund, a Special Revenue Fund and a Capital Projects fund. The Town adopts an annual appropriated budget for its General Fund. A budgetary comparison statement has been provided for the General Fund to demonstrate compliance with this budget. The basic governmental fund financial statements can be found on pages 32 through 35 of this report.

The Town maintains one type of Proprietary Fund. The Town uses *enterprise funds*, which are used to report the same functions presented as *business-type activities* in the government-wide financial statements, to account for its public utilities. The basic proprietary fund financial statements can be found on pages 36 through 38 of this report.

Notes to the financial statements

The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 39 through 82 of this report.

Other information

In addition to the basic financial statements and accompanying notes, this report also presents *required supplementary information* concerning budgetary comparisons for the general fund and schedules of funding progress relating to the Town's participation in its pension plan and other postemployment benefits. Required supplementary information can be found on pages 84 through 94 of this report.

Overview of the Financial Statements (Continued)

Government-wide Financial Analysis

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. In the case of the Town, assets and deferred outflows exceeded liabilities and deferred inflows of resources by \$89,844,890 at the close of the most recent fiscal year. A large portion of the Town's net position (\$68,944,564 or 77% of total) reflects its investment in capital assets (e.g., land, buildings, improvements, infrastructure machinery and equipment, and vehicles), less any related debt used to acquire those assets that is still outstanding. The Town uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the Town's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities (i.e., the Town's investment in capital assets are of a permanent nature as assets acquired are generally not sold or otherwise disposed of during their useful life).

The following table summarizes the Town's Statement of Net Position:

Town of Purcellville, Virginia Summary of Net Position						
	Governmental Activities		Business-type Activities		Total	
	2024	2023	2024	2023	2024	2023
Capital assets, net	\$ 57,610,778	\$ 57,161,234	\$ 59,727,270	\$ 58,826,495	\$ 117,338,048	\$ 115,987,729
Other assets	25,048,071	25,648,784	14,553,233	15,117,055	39,601,304	40,765,839
Total assets	\$ 82,658,849	\$ 82,810,018	\$ 74,280,503	\$ 73,943,550	\$ 156,939,352	\$ 156,753,568
Deferred outflows of resources	\$ 2,235,367	\$ 1,857,084	\$ 2,659,854	\$ 2,711,957	\$ 4,895,221	\$ 4,569,041
Long-term liabilities, net	\$ 15,809,668	\$ 16,307,099	\$ 41,315,292	\$ 41,521,860	\$ 57,124,960	\$ 57,828,959
Other liabilities	7,562,354	8,493,798	1,370,804	1,564,983	8,933,158	10,058,781
Total liabilities	\$ 23,372,022	\$ 24,800,897	\$ 42,686,096	\$ 43,086,843	\$ 66,058,118	\$ 67,887,740
Deferred inflows of resources	\$ 5,005,818	\$ 4,721,311	\$ 925,747	\$ 839,343	\$ 5,931,565	\$ 5,560,654
Net position:						
Net investment in capital assets	\$ 46,427,118	\$ 46,069,149	\$ 21,886,900	\$ 20,865,804	\$ 68,314,018	\$ 66,934,953
Restricted	1,548,930	2,157,403	-	113,840	1,548,930	2,271,243
Unrestricted	8,540,328	6,918,342	11,441,614	11,749,677	19,981,942	18,668,019
Total net position	\$ 56,516,376	\$ 55,144,894	\$ 33,328,514	\$ 32,729,321	\$ 89,844,890	\$ 87,874,215

At the end of the current fiscal year, the Town is able to report positive balances in all three categories of net position, both for the Town as a whole, as well as for its separate governmental and business-type activities.

Government-wide Financial Analysis: (Continued)

As noted previously, the Town's overall (governmental and business-type activities) net position increased by \$2,005,731 during the current fiscal year. Of this total net position, the governmental activities reported an increase of \$1,406,538 and the business-type activities reported an increase of \$599,193.

The following table summarizes the Town's Statement of Activities:

Town of Purcellville, Virginia Changes in Net Position						
	Governmental Activities		Business-type Activities		Total	
	2024	2023	2024	2023	2024	2023
Revenues:						
Program revenues:						
Charges for services	\$ 500,909	\$ 421,029	\$ 6,275,167	\$ 5,709,474	\$ 6,776,076	\$ 6,130,503
Operating grants and contributions	1,227,615	2,982,712	1,472,564	1,465,961	2,700,179	4,448,673
Capital grants and contributions	948,090	1,091,659	402,509	25,784	1,350,599	1,117,443
General revenues:						
Property taxes	5,675,183	5,212,364	-	-	5,675,183	5,212,364
Other taxes	6,569,406	6,580,916	-	-	6,569,406	6,580,916
Unrestricted revenues from the use of property	-	57,113	-	290,913	-	348,026
Investment income (loss)	845,017	474,530	475,744	118,154	1,320,761	592,684
Miscellaneous	180,663	160,135	57,421	-	238,084	160,135
Grants not restricted to specific programs	313,581	-	-	-	313,581	-
Gain (loss) on sale of capital asset	-	-	11,831	28,485	11,831	28,485
Total revenues	\$ 16,260,464	\$ 16,980,458	\$ 8,695,236	\$ 7,638,771	\$ 24,955,700	\$ 24,619,229
Expenses:						
General government administration	\$ 3,969,267	\$ 5,994,296	\$ -	\$ -	\$ 3,969,267	\$ 5,994,296
Public safety	4,010,366	1,943,530	-	-	4,010,366	1,943,530
Public works	3,385,758	2,510,207	-	-	3,385,758	2,510,207
Parks, recreation and culture	413,536	515,616	-	-	413,536	515,616
Community development	2,623,133	2,447,168	-	-	2,623,133	2,447,168
Interest on long-term debt	268,866	225,125	-	-	268,866	225,125
Water	-	-	3,613,138	3,980,524	3,613,138	3,980,524
Sewer	-	-	4,665,905	4,455,582	4,665,905	4,455,582
Total expenses	\$ 14,670,926	\$ 13,635,942	\$ 8,279,043	\$ 8,436,106	\$ 22,949,969	\$ 22,072,048
Transfers	\$ (183,000)	\$ -	\$ 183,000	\$ -	\$ -	\$ -
Increase (decrease) in net position	\$ 1,406,538	\$ 3,344,516	\$ 599,193	\$ (797,335)	\$ 2,005,731	\$ 2,547,181
Beginning net position, as restated	\$ 55,109,838	\$ 51,800,378	\$ 32,729,321	\$ 33,526,686	\$ 87,839,159	\$ 85,327,064
Ending net position	\$ 56,516,376	\$ 55,144,894	\$ 33,328,514	\$ 32,729,351	\$ 89,844,890	\$ 87,874,245

Government-wide Financial Analysis: (Continued)

The Town reported an increase in net position of governmental activities by \$1,406,538 in 2024 as revenues and contributions exceeded expenditures. Governmental revenues decreased by \$719,994 compared to 2023 mainly due to a decrease in American Rescue Plan Act (ARPA) revenue offset by increases in operating revenue. Governmental expenses increased by \$1.05 million over 2023 with increases in highway maintenance spending and personnel costs.

Business-type activities, associated with the Town's water and sewer utilities, increased the overall net position by \$599,193 as revenue exceeded expenses. Public utilities tend to have a greater correlation of revenues generated relative to expenses incurred due to customer service demands. Business-type revenues increased by \$1.06 million over 2023 as a result of an increase in user fee revenue, investment income and contributions associated with new utility connections. Business-type expenses decreased by \$157,066 as compared to 2023 mainly due to a decrease in plant operations costs and capital outlay.

Financial Analysis of the Town's Funds

As noted earlier, the Town uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

Governmental funds: The focus of the Town's governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the Town's financing requirements. In particular unassigned fund balance may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year.

The Town's governmental funds include the general fund, the special revenue fund for parks and recreation activities and the capital projects fund.

General fund revenues totaled \$14,472,739, a \$705,486 decrease as compared to 2023. The change was driven by a decrease of \$1,526,755 in federal revenue. In 2024, the Town spent \$27,993 in ARPA funds out of the general fund, a decrease of \$1.52 million as compared to the prior year. Increases were seen in property tax of \$428,483 and net investment income of \$342,776. The property tax increase is related to continued appreciation in real and tangible property (vehicles) valuations. Furthermore, investment returns benefitted from the steep rise in interest rates as the Federal Reserve applied monetary policy tools to tame inflation. General fund expenditures, excluding principal payments, totaled \$11,792,371 a \$167,217 increase over 2023. This increase was mostly associated with an increase in Public Works related expense of \$969,004.

Special parks and recreation fund revenues totaled \$718,018, an increase of \$103,814 over 2023. This increase is due to continued appreciation in property assessments and increased revenue from the use of property. Expenditures, excluding principal payments, totaled \$679,494, \$137,430 more than 2023 as a result of a \$62,874 increase in special programs and a \$76,416 increase in Fireman's Field related expenses.

Capital projects fund revenues totaled \$1,068,139, an increase of \$189,637 over 2023 largely due to increased intergovernmental grants. Expenditures totaled \$1,849,104, a decrease of \$522,622 due to major renovations of current police facility occurring mostly in 2023.

The town's total governmental fund balance was \$14,042,750 at the end of 2024, an increase of \$432,120 over 2023 as revenues exceeded expenditures. Of this amount, \$10,833,908 was unassigned and available for future spending, an increase of \$663,626 over 2023.

Financial Analysis of the Town's Funds: (Continued)

Proprietary Funds: The town's proprietary funds include the water fund and sewer fund and provide the same type of information found in the government-wide financial statements, but in more detail.

Water fund operating revenues totaled \$2,429,219, an increase of \$122,336 over 2023. This was driven by the 5% user fee rate increase adopted for 2024. Operating expenses totaled \$3,307,001, a decrease of \$364,843 as compared to 2023. This decrease was driven by a reduction in capital outlay for dredging at the Town's reservoir that occurred in 2023.

Non-operating revenues less expenses increased by \$155,028 primarily attributed to investment returns as interest rates rose significantly during the fiscal year. ARPA revenue of \$971,324 was recognized during 2024. Capital Contributions totaled \$218,909, an increase of \$193,155 over 2023 as more availability revenue was collected.

The water fund's ending net position for 2024 was \$15,862,561 of which \$4,883,344 was unrestricted. The 2024 decrease in unrestricted net position of \$384,553 is largely due to an increase in the water fund's net investment in capital assets.

Sewer Fund operating revenues totaled \$3,653,493, an increase of \$250,902 over 2023, primarily due to an increase in user fees. This was driven by the 7.5% user fee rate increase adopted for 2024. Operating expenses totaled \$3,698,752, an increase of \$205,214 over 2023, due to increased personnel costs, capital outlay and depreciation. Costs were offset by a reduction in plant operations expenses.

Non-operating revenues less expenses increased in 2024 by \$148,908 as a result of increased investment revenue. Capital Contributions, also known as availability revenue, totaled \$183,600 in 2024.

The sewer fund's ending net position for 2024 was \$17,465,953, of which \$6,558,270 was unrestricted. The 2024 increase in unrestricted net position of \$76,490 is primarily a result of a decrease in the sewer fund's net investment in capital assets as a result of annual depreciation.

The town's total net position at the end of 2023 for the two proprietary funds was \$33,328,514, of which \$11,441,614 was unrestricted.

General Fund Budgetary Highlights

The Town's General Fund saw an increase in fund balance of \$652,934, a strong ending position bolstered by positive revenue trends and effective managerial control of expenditures.

General fund revenue from local sources exceeded budget by \$1,174,800 in 2024. General property taxes exceeded budget by \$378,617 as assessed values continued to rise. Of that amount, \$271,721 is attributed to tax on vehicles due to strong valuations and the County's dedicated collections team. Investment revenue exceeded budget by \$678,614 as the Federal Reserve acted to increase rates in order to curb inflation that reached a 40-year high following the pandemic. Overall 2024 General Fund revenues exceeded budget by \$1,350,651.

The 2024 General Fund expenditures were favorable to budget by \$210,532. Operational savings were seen in all departments with the largest favorability seen in General Government Administration, Public Safety, and Community Development.

Capital Asset and Debt Administration

Capital assets: The Town's investment in capital assets for its governmental and business-type activities as of June 30, 2024, totaled \$117,338,048 (net of accumulated depreciation). This investment in capital assets includes land, buildings, improvements, and machinery and equipment as well as construction in progress.

Capital assets, net of accumulated depreciation, are illustrated in the following table:

Town of Purcellville, Virginia							
Capital Assets							
(net of depreciation)							
	Governmental Activities		Business-type Activities		Total		
	2024	2023	2024	2023	2024	2023	
Land	\$ 4,310,764	\$ 4,310,764	\$ 3,039,509	\$ 3,039,509	\$ 7,350,273	\$ 7,350,273	
Building	8,099,257	8,397,094	-	-	8,099,257	8,397,094	
Improvements other than buildings	3,772,361	2,201,911	-	-	3,772,361	2,201,911	
Machinery and equipment	366,588	246,595	1,129,490	694,166	1,496,078	940,761	
Vehicles	412,388	357,839	6,637	127,889	419,025	485,728	
Infrastructure	36,534,325	37,534,633	-	-	36,534,325	37,534,633	
Utility plant in service	-	-	52,717,951	53,436,964	52,717,951	53,436,964	
Lease assets	965,110	400,567	94	3,890	965,204	404,457	
Subscription Assets	183,074	293,771	3,577	-	186,651	293,771	
Construction in progress	2,966,911	3,418,060	2,830,012	1,524,077	5,796,923	4,942,137	
Total capital assets (net of accumulated depreciation)	\$ 57,610,778	\$ 57,161,234	\$ 59,727,270	\$ 58,826,495	\$ 117,338,048	\$ 115,987,729	

Additional information on the Town's capital assets can be found in Note 5 on pages 54 and 55 of this report.

Long-term obligations: At the end of the current fiscal year, the Town had total outstanding obligations of \$57,124,960 and details are summarized in the following table:

Town of Purcellville, Virginia							
Outstanding Obligations							
For the Year Ended June 30, 2024							
	Governmental Activities		Business-type Activities		Total		
	2024	2023	2024	2023	2024	2023	
General obligation bonds	\$ 9,111,838	\$ 10,271,051	\$ 39,920,818	\$ 40,256,470	\$ 49,032,656	\$ 50,527,521	
Notes payable	255,000	340,000	-	-	255,000	340,000	
Financed purchases	505,653	366,777	96,267	87,782	601,920	454,559	
Leases	1,033,477	1,186,175	-	3,851	1,033,477	1,190,026	
Subscriptions	171,189	279,174	3,649	-	174,838	279,174	
Net pension liability	524,208	-	147,597	-	671,805	-	
Net OPEB liability	273,648	261,117	72,234	68,927	345,882	330,044	
Total OPEB liability	3,419,958	3,808,040	962,918	1,005,208	4,382,876	4,813,248	
Compensated absences	514,697	563,746	111,809	99,622	626,506	663,368	
Total	\$ 15,809,668	\$ 17,076,080	\$ 41,315,292	\$ 41,521,860	\$ 57,124,960	\$ 58,597,940	

Capital Asset and Debt Administration: (Continued)

Obligations associated with governmental activities decreased by \$1,266,412 in 2024 with principal payments totaling \$1,747,251 offset by increases in the net pension and Other Post-Employment Benefits (OPEB) liabilities.

Obligations associated with business-type activities decreased by \$206,568 in 2024 with principal payments totaling \$368,979 offset by increases in the net pension and Other Post-Employment Benefits (OPEB) liabilities.

The Town is subject to a statutory debt limitation. The legal debt margin is limited to 10% of total assessed value. The margin is computed as all bonded debt and long-term notes except for enterprise indebtedness over total assessed value of taxed real property. The Town was compliant with Virginia debt limitation statutes as of June 30, 2024.

Additional information on the Town's outstanding debt obligations can be found in Note 6 and debt compliance is found in Table 12. Additional information on net pension can be found on Note 8 and OPEB on Notes 9, 10 and 11.

Economic Factors and Next Year's Budgets and Rates

The Town of Purcellville, population 8,924 is located in western Loudoun County at the base of the Blue Ridge Mountains approximately 50 miles west of Washington, DC. Once a stop along the W&OD rail line, now a multi-use trail from Alexandria, VA to Purcellville, the Town has maintained its historic old-town feel through the restoration and maintenance of its many downtown structures, reflecting the Victorian architecture popular during the early 1900s. Today, Purcellville is the economic hub of western Loudoun County and a popular weekend destination for antiquing, equestrian activities, farmer's markets, wineries, breweries, distilleries and restaurants.

The high rate of inflation experienced following the pandemic level out during FY24 to around 3%. This helped to stabilize the price of goods, services and labor as compared to FY22 and FY23. The local economy remains robust; however, growth is slowing as the Town reaches buildout. This slowing growth has resulted in a decline in Purcellville's percentage of school age children relative to overall county numbers. This demographic shift directly impacts our sales tax allocation, the 3rd largest revenue category in the General Fund, and resulted in a \$309,623 budgetary shortfall in FY24. We expect this trend to continue as Purcellville's numbers continue to decline relative to the county.

Purcellville's real property assessments increased by 5.82% in tax year 2024, made up of a 5.55% increase in existing property values and a 0.27% increase in new construction and growth. In 2025, growth in real estate valuation is expected to moderate yet remain positive. Opportunities for new development has slowed as the Town approaches build-out but there is continued interest in infill and redevelopment. The current residential/commercial tax base is split 83/17%. In tax year 2024, the Council maintained the real estate tax rate of \$0.205 resulting in a 6% increase in revenue in FY24 due to growth in assessed values. The Fireman's Field Service tax, a special assessment used to support recreational and cultural facilities and activities, remained unchanged at \$0.03 per \$100 of assessed value and is reported in the Parks and Recreation special revenue fund. No change was made to the personal property tax rates of \$1.05 for vehicles and \$0.55 for business property.

In FY24, the Town experienced continued growth in personal property tax (22%) and business license tax (11%). However, the town is seeing a decrease in sales tax revenue (-14%) and a slowing of growth in meals tax (4%). Investment income grew significantly (82%) over the prior year due as interest rates remained just over 5%. The town's General Fund continues to benefit from a diversified revenue stream. The largest categories are property tax (35%), meals tax (22%), sales tax (10%) and revenue from the Commonwealth (10%).

Economic Factors and Next Year's Budgets and Rates: (Continued)

In the Proprietary funds, the Town continues to work with our utility rate consultant, Stantec, to attain structural balance where recurring revenues are sufficient to support recurring expenses. This is necessary as availability revenue slows as the Town reaches build-out and annual debt service escalates beginning in FY25 following debt restructures in 2013, 2017 and 2021. In FY25, Council worked toward this goal by approving a water rate increase of 16% increase and a sewer rate increase of 18%.

The Town will continue to benefit from its \$10.6 million federal allocation of ARPA funds through the spending deadline of December 31, 2026. Town Council has allocated these funds to governmental services and capital infrastructure projects, with over \$8 million budgeted for utility improvements.

The Town has maintained strong investment grade credit ratings with all three national credit rating agencies. In August 2024, Fitch upgraded the Town of Purcellville's credit rating from AA+ to AAA based on their new U.S. Public Finance Local Government Rating Criteria.

- Standard and Poors (AAA)
- Fitch (AAA)
- Moody's (Aa2)

Requests for Information

This financial report is designed to provide a general overview of the Town's finances for all those with an interest in the government's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Town Manager, Town of Purcellville, 221 S. Nursery Ave., Purcellville, VA 20132.

BASIC FINANCIAL STATEMENTS

Government-wide Financial Statements

Statement of Net Position
As of June 30, 2024

	Primary Government		
	Governmental Activities	Business-type Activities	Total
ASSETS			
Cash and cash equivalents (Note 2)	\$ 5,580,359	\$ 12,815,069	\$ 18,395,428
Cash and cash equivalents, restricted (Note 2)	8,444,363	-	8,444,363
Investments (Note 2)	3,982,541	-	3,982,541
Receivables, net			
Taxes receivable	2,981,934	-	2,981,934
Accounts receivable	334,286	1,030,467	1,364,753
Leases receivable (Note 3)	193,425	479,857	673,282
Interest receivable	-	720	720
Public-private partnership receivable (Note 11)	326,631	-	326,631
Due from other governmental units (Note 4)	2,953,531	43,042	2,996,573
Inventories	114,842	145,845	260,687
Prepaid items	136,159	38,233	174,392
Capital assets (Note 5)			
Land	4,310,764	3,039,509	7,350,273
Buildings and system	8,099,257	-	8,099,257
Improvements other than buildings	3,772,361	-	3,772,361
Machinery and equipment	366,588	1,129,490	1,496,078
Vehicles	412,388	6,637	419,025
Infrastructure	36,534,325	-	36,534,325
Utility plant in service	-	52,717,951	52,717,951
Lease assets	965,110	94	965,204
Subscription assets	183,074	3,577	186,651
Construction in progress	2,966,911	2,830,012	5,796,923
Total assets	\$ 82,658,849	\$ 74,280,503	\$ 156,939,352
DEFERRED OUTFLOWS OF RESOURCES			
Deferred charge on refunding	\$ 515,736	\$ 2,180,364	\$ 2,696,100
Deferred outflows related to pensions (Note 8)	1,163,514	323,941	1,487,455
Deferred outflows related to other postemployment benefits (Notes 9 and 10)	556,117	155,549	711,666
Total deferred outflows of resources	\$ 2,235,367	\$ 2,659,854	\$ 4,895,221
LIABILITIES			
Accounts payable	\$ 993,366	\$ 195,072	\$ 1,188,438
Accrued liabilities	499,042	83,229	582,271
Customers' deposits	257,124	595,260	852,384
Unearned revenue	5,740,266	75,000	5,815,266
Accrued interest payable	72,556	422,243	494,799
Noncurrent liabilities due within one year:			
Due within one year (Note 6)	1,699,706	1,786,820	3,486,526
Noncurrent liabilities due in more than one year:			
Net pension liability (note 8)	524,208	147,597	671,805
Net other postemployment benefit liability (Notes 9 and 10)	273,648	72,234	345,882
Total other postemployment benefit liability (Notes 9 and 10)	3,419,958	962,918	4,382,876
Other non-current liabilities (Note 6)	9,892,148	38,345,723	48,237,871
Total liabilities	\$ 23,372,022	\$ 42,686,096	\$ 66,058,118
DEFERRED INFLOWS OF RESOURCES			
Deferred property taxes (Note 7)	\$ 2,857,155	\$ -	\$ 2,857,155
Deferred lease revenue (Note 3)	159,527	457,416	616,943
Deferred public-private partnership revenue (Note 11)	325,966	-	325,966
Deferred inflows related to pensions (Note 8)	308,437	87,605	396,042
Deferred inflows related to other postemployment benefits (Notes 9 and 10)	1,354,733	380,726	1,735,459
Total deferred inflows of resources	\$ 5,005,818	\$ 925,747	\$ 5,931,565
NET POSITION			
Net investment in capital assets	\$ 46,427,118	\$ 21,886,900	\$ 68,314,018
Restricted for:			
State highway maintenance	278,470	-	278,470
Proffers	711,443	-	711,443
Loudoun County transportation funded projects	559,017	-	559,017
Unrestricted	8,540,328	11,441,614	19,981,942
Total net position	\$ 56,516,376	\$ 33,328,514	\$ 89,844,890

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

Statement of Activities

For the Year Ended June 30, 2024

Functions/Programs	Expenses	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
PRIMARY GOVERNMENT:				
Governmental activities:				
General government administration	\$ 3,969,267	\$ 177,903	\$ 30,403	\$ -
Public safety	4,010,366	48,911	275,567	-
Public works	3,385,758	-	917,145	948,090
Parks, recreation, and cultural	413,536	92,428	4,500	-
Community development	2,623,133	181,667	-	-
Interest on long-term debt	268,866	-	-	-
Total governmental activities	\$ 14,670,926	\$ 500,909	\$ 1,227,615	\$ 948,090
Business-type activities:				
Water	\$ 3,613,137	\$ 2,645,663	\$ 1,029,166	\$ 218,909
Sewer	4,665,903	3,629,504	443,398	183,600
Total business-type activities	\$ 8,279,040	\$ 6,275,167	\$ 1,472,564	\$ 402,509
Total primary government	\$ 22,949,966	\$ 6,776,076	\$ 2,700,179	\$ 1,350,599

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

Statement of Activities

For the Year Ended June 30, 2024

Functions/Programs	Net (Expense) Revenue and Changes in Net Position		
	Primary Government		
	Governmental Activities	Business-type Activities	Total
PRIMARY GOVERNMENT:			
Governmental activities:			
General government administration	\$ (3,760,961)	\$ -	\$ (3,760,961)
Public safety	(3,685,888)	-	(3,685,888)
Public works	(1,520,523)	-	(1,520,523)
Parks, recreation, and cultural	(316,608)	-	(316,608)
Community development	(2,441,466)	-	(2,441,466)
Interest on long-term debt	(268,866)	-	(268,866)
Total governmental activities	\$ (11,994,312)	\$ -	\$ (11,994,312)
Business-type activities:			
Water	\$ -	\$ 280,601	\$ 280,601
Sewer	-	(409,401)	(409,401)
Total business-type activities	\$ -	\$ (128,800)	\$ (128,800)
Total primary government	\$ (11,994,312)	\$ (128,800)	\$ (12,123,112)
General revenues:			
Taxes:			
General property taxes	\$ 5,675,183	\$ -	\$ 5,675,183
Local sales and use tax	1,425,706	-	1,425,706
Business licenses	1,074,554	-	1,074,554
Utility license taxes	233,233	-	233,233
Meals taxes	3,230,017	-	3,230,017
Cigarette taxes	175,149	-	175,149
Franchise taxes	411,441	-	411,441
Other local taxes	19,306	-	19,306
Gain on disposal of capital asset	-	11,831	11,831
Investment income (loss)	845,017	475,744	1,320,761
Miscellaneous	180,663	57,418	238,081
Grants not restricted to specific programs	313,581	-	313,581
Transfers	(183,000)	183,000	-
Total general revenues and transfers	\$ 13,400,850	\$ 727,993	\$ 14,128,843
Change in net position	\$ 1,406,538	\$ 599,193	\$ 2,005,731
Net position at July 1, as previously reported	55,144,894	32,729,321	87,874,215
Restatements	(35,056)	-	(35,056)
Net position at July 1, as restated	55,109,838	32,729,321	87,839,159
Net position at June 30	\$ 56,516,376	\$ 33,328,514	\$ 89,844,890

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

Fund Financial Statements

Balance Sheet
Governmental Funds
As of June 30, 2024

	General	Special Revenue (Parks & Recreation)	Capital Projects	Total
ASSETS				
Cash and cash equivalents (Note 2)	\$ 4,696,222	\$ -	\$ 916,677	\$ 5,612,899
Cash and cash equivalents, restricted (Note 2)	7,173,903	-	1,270,460	8,444,363
Investments (Note 2)	3,982,541	-	-	3,982,541
Receivables, net				
Taxes receivable	2,672,270	309,664	-	2,981,934
Accounts receivable	310,996	15,300	7,990	334,286
Leases receivable (Note 3)	193,425	-	-	193,425
Public-private partnership receivable (Note 11)	-	326,631	-	326,631
Due from other governmental units (Note 4)	1,931,882	227,098	794,551	2,953,531
Inventories	114,842	-	-	114,842
Prepays	130,927	5,232	-	136,159
Total assets	<u>\$ 21,207,008</u>	<u>\$ 883,925</u>	<u>\$ 2,989,678</u>	<u>\$ 25,080,611</u>
LIABILITIES				
Accounts payable	\$ 471,321	\$ 10,089	\$ 511,956	\$ 993,366
Accrued liabilities	413,729	8,156	77,157	499,042
Reconciled overdraft	-	32,540	-	32,540
Customer deposits	257,124	-	-	257,124
Unearned revenue	5,723,066	17,200	-	5,740,266
Total liabilities	<u>6,865,240</u>	<u>67,985</u>	<u>589,113</u>	<u>7,522,338</u>
DEFERRED INFLOWS OF RESOURCES				
Deferred inflows related to leases (Note 3)	\$ 159,527	\$ -	\$ -	\$ 159,527
Deferred inflows related to public-private partnership (Note 11)	-	325,966	-	325,966
Deferred property taxes (Note 7)	2,719,126	310,904	-	3,030,030
Total deferred inflows of resources	<u>\$ 2,878,653</u>	<u>\$ 636,870</u>	<u>\$ -</u>	<u>\$ 3,515,523</u>
FUND BALANCES				
Nonspendable:				
Inventories	\$ 114,842	\$ -	\$ -	\$ 114,842
Prepays	130,927	5,232	-	136,159
Total nonspendable balance	<u>\$ 245,769</u>	<u>\$ 5,232</u>	<u>\$ -</u>	<u>\$ 251,001</u>
Restricted:				
State highway maintenance	\$ 278,470	\$ -	\$ -	\$ 278,470
Proffers	-	-	711,443	711,443
Loudoun County funded projects	-	-	559,017	559,017
Total restricted fund balance	<u>\$ 278,470</u>	<u>\$ -</u>	<u>\$ 1,270,460</u>	<u>\$ 1,548,930</u>
Committed for:				
Future capital outlay	\$ -	\$ -	\$ 13,920	\$ 13,920
Capital asset replacement	104,968	-	-	104,968
Parks and recreation	-	173,838	-	173,838
Total committed fund balance	<u>\$ 104,968</u>	<u>\$ 173,838</u>	<u>\$ 13,920</u>	<u>\$ 292,726</u>
Assigned:				
Capital projects	\$ -	\$ -	\$ 1,116,185	\$ 1,116,185
Unassigned	\$ 10,833,908	\$ -	\$ -	\$ 10,833,908
Total fund balances	<u>\$ 11,463,115</u>	<u>\$ 179,070</u>	<u>\$ 2,400,565</u>	<u>\$ 14,042,750</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 21,207,008</u>	<u>\$ 883,925</u>	<u>\$ 2,989,678</u>	<u>\$ 25,080,611</u>

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

Reconciliation of the Balance Sheet of Governmental Funds
to the Statement of Net Position
As of June 30, 2024

Ending fund balance - governmental funds		\$	14,042,750
Amounts reported for governmental activities in the statement of net position (Exhibit 1) are different because:			
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.			57,610,778
Certain receivables are not available to pay for current period expenditures and, therefore, are deferred in the funds.			172,875
Financial statement elements related to pensions are applicable to future periods and, therefore, are not reported in the funds.			
Pension related deferred outflows			1,163,514
Pension related deferred inflows			(308,437)
Net pension liability			(524,208)
Financial statement elements related to other postemployment benefits are applicable to future periods and, therefore, are not reported in the funds.			
Other postemployment benefit related deferred outflows			556,117
Other postemployment benefit related deferred inflows			(1,354,733)
Net other postemployment benefit liability			(273,648)
Total other postemployment benefit liability			(3,419,958)
Deferred refunding costs are not financial resources and, therefore, are not reported in the funds.			515,736
Long-term liabilities, including bonds payable, are not due and payable in the current period and, therefore, are not reported in the funds.			
Total long-term liabilities	(11,591,854)		
Accrued interest payable	(72,556)		
			(11,664,410)
Total net position - governmental activities		\$	<u>56,516,376</u>

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

Statement of Revenues, Expenditures, and Changes in Fund Balances
Governmental Funds
For the Year Ended June 30, 2024

	General	Special Revenue (Parks & Recreation)	Capital Projects	Total
REVENUES				
General property taxes	\$ 5,086,896	\$ 586,719	\$ -	\$ 5,673,615
Other local taxes	6,569,406	-	-	6,569,406
Permits, privilege fees, and regulatory licenses	359,570	-	-	359,570
Fines and forfeitures	48,911	-	-	48,911
Revenue from the use of property	29,524	62,904	-	92,428
Investment income	758,614	-	86,403	845,017
Proffers	-	-	25,656	25,656
Miscellaneous	78,622	68,395	7,990	155,007
Intergovernmental:				
Local government	-	-	353,015	353,015
Commonwealth	1,414,995	-	309,784	1,724,779
Federal	126,201	-	285,291	411,492
Total revenues	\$ 14,472,739	\$ 718,018	\$ 1,068,139	\$ 16,258,896
EXPENDITURES				
Current:				
General government administration	\$ 3,463,657	\$ -	\$ -	\$ 3,463,657
Public safety	3,538,831	-	-	3,538,831
Public works	3,102,389	-	-	3,102,389
Parks, recreation, and cultural	-	657,613	-	657,613
Community development	1,447,365	-	-	1,447,365
Capital outlay	-	-	1,849,104	1,849,104
Debt service:				
Principal retirement	1,616,294	87,744	-	1,704,038
Interest and other fiscal charges	240,129	21,881	-	262,010
Total expenditures	\$ 13,408,665	\$ 767,238	\$ 1,849,104	\$ 16,025,007
Excess (deficiency) of revenues over (under) expenditures	\$ 1,064,074	\$ (49,220)	\$ (780,965)	\$ 233,889
OTHER FINANCING SOURCES (USES)				
Transfers in (Note 1)	\$ -	\$ 15,901	\$ 699,645	\$ 715,546
Transfers out (Note 1)	(792,371)	(106,175)	-	(898,546)
Issuance of financed purchase	370,794	-	-	370,794
Issuance of subscription-based IT arrangements	10,437	-	-	10,437
Total other financing sources (uses)	\$ (411,140)	\$ (90,274)	\$ 699,645	\$ 198,231
Net change in fund balances	\$ 652,934	\$ (139,494)	\$ (81,320)	\$ 432,120
Fund balance at July 1	10,810,181	318,564	2,481,885	13,610,630
Fund balance at June 30	\$ 11,463,115	\$ 179,070	\$ 2,400,565	\$ 14,042,750

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

Reconciliation of Statement of Revenues,
Expenditures, and Changes in Fund Balances of Governmental Funds
to the Statement of Activities
For the Year Ended June 30, 2024

Net change in fund balance - total governmental funds \$ 432,120

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 and reported as depreciation expense.

Capital outlays	\$ 2,301,230	
Depreciation and amortization expense	<u>(2,585,611)</u>	(284,381)

Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.	1,568
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Governmental funds report employer contributions as expenditures. However, in the Statement of Activities the cost of pension benefits earned net of employee contributions is reported as pension expense.

Pension expense	(109,961)
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Governmental funds report employer other postemployment benefit contributions as expenditures. However, in the Statement of Activities the cost of these benefits earned, net of employee contributions, is reported as other postemployment benefit expense.

Other postemployment benefit expense	2,192
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The issuance of long-term debt (e.g. bonds, leases) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position. Also, governmental funds report the effect of premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the Statement of Activities. This amount is the net effect of these differences in the treatment of long-term debt and related items. Details supporting this adjustment are as follows:

Principal retired on long-term liabilities	1,704,038	
Issuance of SBITAs	(10,437)	
Issuance of financed purchase	(370,794)	
Amortization of deferred charge on refunding	(66,375)	
Amortization of premiums	<u>43,213</u>	1,299,645

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.

Change in compensated absences	49,049	
Change in accrued interest payable	<u>16,306</u>	
		<u>65,355</u>

Change in net position of governmental activities	\$ <u>1,406,538</u>
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The notes to the financial statements are an integral part of this statement.

Statement of Net Position
Proprietary Funds
As of June 30, 2024

	Water Fund	Sewer Fund	Total
ASSETS			
Current assets:			
Cash and cash equivalents (Note 2)	\$ 5,910,372	\$ 6,904,697	\$ 12,815,069
Accounts receivable, net	358,231	672,236	1,030,467
Due from other governments	43,042	-	43,042
Lease receivable (Note 3)	479,857	-	479,857
Interest receivable	720	-	720
Inventories	69,602	76,243	145,845
Prepaid items	16,924	21,309	38,233
Total current assets	\$ 6,878,748	\$ 7,674,485	\$ 14,553,233
Noncurrent assets:			
Capital assets (Note 5)			
Land	\$ 2,672,409	\$ 367,100	\$ 3,039,509
Utility plant in service	20,073,545	49,768,730	69,842,275
Improvements other than buildings	445,000	-	445,000
Vehicles	208,140	195,206	403,346
Machinery and equipment	887,663	1,535,050	2,422,713
Lease assets	4,635	6,846	11,481
Subscription assets	3,261	2,609	5,870
Construction in progress	1,951,525	878,487	2,830,012
Accumulated depreciation & amortization	(7,366,145)	(11,906,791)	(19,272,936)
Total capital assets	\$ 18,880,033	\$ 40,847,237	\$ 59,727,270
Total noncurrent assets	\$ 18,880,033	\$ 40,847,237	\$ 59,727,270
Total assets	\$ 25,758,781	\$ 48,521,722	\$ 74,280,503
DEFERRED OUTFLOWS OF RESOURCES			
Deferred charge on refunding	\$ 534,755	\$ 1,645,609	\$ 2,180,364
Deferred outflows related to pensions (Note 8)	164,597	159,344	323,941
Deferred outflows related to other postemployment benefits (Notes 9 and 10)	78,001	77,548	155,549
Total deferred outflows of resources	\$ 777,353	\$ 1,882,501	\$ 2,659,854
LIABILITIES			
Current liabilities:			
Accounts payable	\$ 87,814	\$ 107,258	\$ 195,072
Accrued liabilities	42,082	41,147	83,229
Customer deposits	595,260	-	595,260
Unearned revenue	75,000	-	75,000
Accrued interest payable	99,666	322,577	422,243
Bonds - current portion (Note 6)	294,000	1,443,044	1,737,044
Financing payable - current portion (Note 6)	27,068	9,723	36,791
Subscription liability - current portion (Note 6)	1,002	802	1,804
Compensated absences - current portion (Note 6)	4,642	6,539	11,181
Total current liabilities	\$ 1,226,534	\$ 1,931,090	\$ 3,157,624
Noncurrent liabilities:			
Bonds - net of current portion (Note 6)	\$ 8,053,000	\$ 30,130,774	\$ 38,183,774
Financing payable - net of current portion (Note 6)	59,476	-	59,476
Compensated absences - net of current portion (Note 6)	41,776	58,852	100,628
Net pension liability (Note 8)	74,907	72,690	147,597
Net other postemployment benefit liability (Notes 9 and 10)	32,257	39,977	72,234
Total other postemployment benefit liability (Notes 9 and 10)	488,691	474,227	962,918
Total noncurrent liabilities	\$ 8,751,132	\$ 30,777,340	\$ 39,528,472
Total liabilities	\$ 9,977,666	\$ 32,708,430	\$ 42,686,096
DEFERRED INFLOWS OF RESOURCES			
Deferred lease revenue (Note 3)	\$ 457,416	\$ -	\$ 457,416
Deferred inflows related to pension (Note 8)	45,919	41,686	87,605
Deferred inflows related to other postemployment benefits (Note 9 and 10)	192,572	188,154	380,726
Total deferred inflows of resources	\$ 695,907	\$ 229,840	\$ 925,747
NET POSITION			
Net investment in capital assets	\$ 10,979,217	\$ 10,907,683	\$ 21,886,900
Unrestricted	4,883,344	6,558,270	11,441,614
Total net position	\$ 15,862,561	\$ 17,465,953	\$ 33,328,514

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

Statement of Revenues, Expenses, and Changes in Net Position
 Proprietary Funds
 For the Year Ended June 30, 2024

	Enterprise Funds		
	Water Fund	Sewer Fund	Total
OPERATING REVENUES			
Charges for services:			
Charges for services and connection fees	\$ 2,367,077	\$ 3,600,800	\$ 5,967,877
Other revenues	28,713	28,704	57,417
Miscellaneous	33,429	23,989	57,418
Total operating revenues	\$ 2,429,219	\$ 3,653,493	\$ 6,082,712
OPERATING EXPENSES			
Personnel	\$ 1,905,544	\$ 1,693,285	\$ 3,598,829
Plant operations and meter reading	557,221	842,763	1,399,984
Well operations	263,660	-	263,660
Pump station operations	-	52,146	52,146
Depreciation and amortization	430,741	952,153	1,382,894
Capital outlay - non-capitalizable expenses	80,480	134,310	214,790
Other operating expenses	69,355	24,095	93,450
Total operating expenses	\$ 3,307,001	\$ 3,698,752	\$ 7,005,753
Operating income (loss)	\$ (877,782)	\$ (45,259)	\$ (923,041)
NONOPERATING REVENUES (EXPENSES)			
Intergovernmental revenue	\$ 1,029,166	\$ 443,398	\$ 1,472,564
Investment income	222,630	242,204	464,834
Cellular lease income	249,873	-	249,873
Lease interest income	10,910	-	10,910
Gain on disposal of capital assets	11,699	132	11,831
Interest expense	(306,136)	(967,151)	(1,273,287)
Total nonoperating revenues (expenses)	\$ 1,218,142	\$ (281,417)	\$ 936,725
Income (loss) before capital contributions and transfers	\$ 340,360	\$ (326,676)	\$ 13,684
CAPITAL CONTRIBUTIONS			
Availability fees	\$ 218,909	\$ 183,600	\$ 402,509
Transfers in (Note 1)	\$ 183,000	\$ -	\$ 183,000
Change in net position	\$ 742,269	\$ (143,076)	\$ 599,193
NET POSITION AT JULY 1	15,120,292	17,609,029	32,729,321
NET POSITION AT JUNE 30	\$ 15,862,561	\$ 17,465,953	\$ 33,328,514

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

Statement of Cash Flows
Proprietary Funds
For the Year Ended June 30, 2024

	Enterprise Funds		
	Water Fund	Sewer Fund	Total
OPERATING ACTIVITIES			
Receipts from customers and users	\$ 2,309,707	\$ 3,511,267	\$ 5,820,974
Payments to suppliers	(1,093,106)	(1,146,134)	(2,239,240)
Payments to and on behalf of employees	(1,776,014)	(1,708,566)	(3,484,580)
Other receipts (payments)	1,293,512	496,091	1,789,603
Net cash provided by operating activities	\$ 734,099	\$ 1,152,658	\$ 1,886,757
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES			
Transfers from other funds	\$ 183,000	-	\$ 183,000
Net cash provided by noncapital financing activities	\$ 183,000	-	\$ 183,000
CASH FLOWS AND RELATED FINANCING ACTIVITIES			
Purchase of property, plant, and equipment	\$ (1,369,888)	\$ (872,172)	\$ (2,242,060)
Proceeds from sale of capital assets	11,699	132	11,831
Availability fees	218,909	183,600	402,509
Retirements of long-term indebtedness	(306,067)	(61,259)	(367,326)
Interest expense	(250,545)	(818,570)	(1,069,115)
Net cash used in capital and related financing activities	\$ (1,695,892)	\$ (1,568,269)	\$ (3,264,161)
INVESTING ACTIVITIES			
Investment income	\$ 233,540	\$ 242,204	\$ 475,744
Proceeds for (purchase of) investments	2,289,860	3,330,262	5,620,122
Net cash provided by investing activities	\$ 2,523,400	\$ 3,572,466	\$ 6,095,866
Net increase in cash and cash equivalents	\$ 1,744,607	\$ 3,156,855	\$ 4,901,462
CASH AND CASH EQUIVALENTS			
Beginning at July 1	4,165,765	3,747,842	7,913,607
Ending at June 30	\$ 5,910,372	\$ 6,904,697	\$ 12,815,069
Reconciliation of operating income (loss) to net cash provided by (used for) operating activities:			
Operating income (loss)	\$ (877,782)	\$ (45,259)	\$ (923,041)
Adjustments to reconcile operating income (loss) to net cash provided by (used for) operating activities:			
Depreciation and amortization	430,741	952,153	1,382,894
Other non-operating revenues included in operating activities	1,279,039	443,398	1,722,437
(Increase) decrease in:			
Accounts receivable	(54,765)	(89,533)	(144,298)
Due from other governments	(43,042)	-	(43,042)
Lease receivable	(65,759)	-	(65,759)
Interest receivable	(720)	-	(720)
Inventories	(1,656)	(7,419)	(9,075)
Prepaid items	(2,101)	(3,680)	(5,781)
Deferred outflows related to pensions	(82,925)	(86,894)	(169,819)
Deferred outflows related to other postemployment benefits	(1,155)	16,029	14,874
Increase (decrease) in:			
Accounts payable	(118,633)	(81,721)	(200,354)
Accrued liabilities	4,797	4,484	9,281
Customer deposits	(1,885)	-	(1,885)
Compensated absences	4,727	7,460	12,187
Net pension liability	135,233	126,204	261,437
Net other postemployment benefit liability	1,477	1,830	3,307
Total other postemployment benefit liability	39,804	(82,094)	(42,290)
Deferred lease revenue	61,132	-	61,132
Deferred inflows related to pensions	(38,681)	(33,361)	(72,042)
Deferred inflows related to other postemployment benefits	66,253	31,061	97,314
Net cash provided by operating activities	\$ 734,099	\$ 1,152,658	\$ 1,886,757
NONCASH INVESTING, CAPITAL, AND FINANCING ACTIVITIES:			
Capital assets acquired through financed purchases	\$ 35,739	-	\$ 35,739
Capital assets acquired through subscriptions	5,871	-	5,871
Total noncash investing, capital, and financing activities	\$ 41,610	-	\$ 41,610

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

TOWN OF PURCELLVILLE, VIRGINIA

Notes to Financial Statements As of June 30, 2024

Note 1—Summary of Significant Accounting Policies:

A. Financial Reporting Entity

The basic criterion for determining whether a governmental department, agency, institution, commission, public authority, or other governmental organization should be included in a primary governmental unit's reporting entity for general purpose financial statements is financial accountability. Financial accountability includes the appointment of a voting majority of the organizations governing body and the ability of the primary government to impose its will on the organization or if there is a financial benefit/burden relationship. In addition, an organization which is fiscally dependent on the primary government should be included in its reporting entity. These financial statements present Town of Purcellville, Virginia, (the "Town").

B. Government-wide and Fund Financial Statements

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

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the activities of the primary government. The effect of interfund activity has been removed from these statements with the exception of the amounts related to interfund services provided and used. 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 to external customers for support. Likewise, the primary government is reported separately from certain legally separate component units for which the primary government is financially accountable.

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

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

TOWN OF PURCELLVILLE, VIRGINIA

Notes to Financial Statements
As of June 30, 2024 (Continued)

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

B. Government-wide and Fund Financial Statements (Continued)

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.

Separate financial statements are provided for governmental funds and proprietary funds. Major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statements.

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

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

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

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

TOWN OF PURCELLVILLE, VIRGINIA

Notes to Financial Statements
As of June 30, 2024 (Continued)

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

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

Property taxes, sales taxes, franchise taxes, licenses, and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. Entitlements are recorded as revenues when all eligibility requirements are met, including any time requirements, and the amount is received during the period or within the availability period for this revenue source (within 60 days of year end). Expenditure-driven grants are recognized as revenue when the qualifying expenditures have been incurred and all other eligibility requirements have been met, and the amount is received during the period or within the availability period for this revenue source (within 60 days of year end). All other revenue items are considered to be measurable and available only when cash is received by the Town.

1. Governmental Funds

Governmental Funds account for the expendable financial resources, other than those accounted for in Proprietary Funds. The Governmental Fund measurement focus is on determination of financial position and changes in financial position, rather than upon net income determination. The individual Governmental Funds are:

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 resources except those required to be accounted for and reported in another fund. Revenues are derived primarily from property and other local taxes, state and federal distributions, licenses, permits, charges for service, and interest income. The General Fund is considered a major fund for reporting purposes.

b. Special Revenue Fund

The special revenue fund accounts for and reports the proceeds of specific revenue sources that are restricted or committed to expenditure for specified purposes other than debt service or capital projects. The only special revenue fund is the Park and Recreation Fund, which is considered a major fund. The primary revenue source for this fund is the Fireman's Field Special Tax District and additional revenue is generated from contributions and users fees associated with special events. The Special Revenue Fund is considered a major fund.

c. Capital Projects Fund

The Capital Projects Fund accounts for and reports financial resources that are restricted, committed or assigned to expenditure for capital outlays, except for those financed by proprietary funds or for assets held in trust for individuals, private organizations, or other governments. The Capital Projects Fund is considered a major fund.

TOWN OF PURCELLVILLE, VIRGINIA

Notes to Financial Statements
As of June 30, 2024 (Continued)

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

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

2. Proprietary Funds account for activities similar to those found in the private business sector. The measurement focus is upon determination of net income, financial positions, and changes in financial position. Proprietary Funds consist of Enterprise Funds.

Enterprise Funds

Enterprise Funds account for the financing of services to the general public where all or most of the operating expenses involved are recorded in the form of charges to users of such services. Enterprise Funds consist of the Water Fund and the Sewer Fund.

D. Proprietary Funds Operating and Nonoperating Revenues and Expenses

Proprietary funds distinguish *operating* revenues and expenses from *nonoperating* items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the Town's enterprise funds are charges to customers for sales and services.

The enterprise fund also recognizes as operating revenue the portion of tap fees intended to recover the cost of connecting new customers to the system. Operating expenses for enterprise funds and internal service funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenue and expenses not meeting this definition are reported as nonoperating revenues and expenses.

E. Cash and Cash Equivalents

For the purposes of the Statement of Cash Flows, cash and cash equivalents are defined as short-term highly liquid investments that are both readily convertible to known amounts of cash and investments with original maturities of 90 days or less.

F. Receivables and Payables

All trade and property tax receivables are shown net of an allowance for uncollectibles. The Town calculates its allowance for uncollectible accounts using historical collection data and, in certain cases, specific account analysis. The allowance amounted to \$48,353 at June 30, 2024 and is comprised solely of property taxes.

G. Restricted Assets

The Town is obligated by various sources to restrict the availability of certain assets. Specifically, assets are restricted from external sources such as creditors, grantors, contributors, or laws or regulations of other governments. Assets are also subject to restriction through constitutional law provisions or enabling legislation.

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

H. Inventories and Prepaid Items

Inventories are valued at cost using the first-in/first-out (FIFO) method and consist of expendable supplies and vehicle repair parts. The cost of such inventories is recorded as expenditures/expense when consumed rather than when purchased.

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

I. Capital Assets

Capital assets are tangible and intangible assets, which include property, plant, equipment, lease, subscription and infrastructure assets (e.g., roads, bridges, sidewalks, and similar items), and are reported in the applicable governmental or business-type activities column in the government-wide financial statements. Capital assets, except for infrastructure assets, are defined by the Town as assets with an initial, individual cost of more than \$10,000 and an estimated useful life in excess of two years.

The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend the asset’s life is not included in the capital assets of the government-wide statements or capitalized in the proprietary funds.

Major outlays for capital assets and improvements are capitalized as projects are constructed.

Depreciation for capital assets is computed over the following useful lives using the straight-line method.

Buildings	15-40 Years
Utility Plant and Lines	25-75 Years
Vehicles	4-10 Years
Machinery and Equipment	3-20 Years
Infrastructure	20-75 Years
Lease Assets	3-10 Years
Subscription Assets	2-5 Years

Lease assets are amortized over the shorter of the lease term or useful life of the underlying asset.

Intangible assets include subscription right-to-use assets recorded under GASB Statement No. 96, Subscription-Based Information Technology Arrangements (SBITAs), net of accumulated amortization. SBITAs are amortized over the shorter of the subscription term or the useful life of the underlying IT asset.

TOWN OF PURCELLVILLE, VIRGINIA

Notes to Financial Statements
As of June 30, 2024 (Continued)

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

J. Compensated Absences

Vested or accumulated vacation leave is reported as an expense in the Statement of Activities and a long-term obligation in the Statement of Net Position. In accordance with the provisions of Governmental Accounting Standards Board Statement No. 16, Accounting for Compensated Absences, no liability is recorded for nonvesting accumulating rights to receive sick pay benefits. However, a liability is recognized for that portion of accumulating sick leave benefits that it is estimated will be taken as “terminal leave” prior to retirement.

K. Unearned Revenues

Unearned revenue represents amount for which asset recognition criteria have been met, but for which revenue recognition criteria have not been met. Unearned revenue consists of unspent federal awards.

L. Long-term Obligations

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

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

M. Property Taxes

Real property is assessed by Loudoun County, Virginia at its value on January 1 and is payable semi-annually on December 5th and June 5th. Personal property taxes are assessed by Loudoun County, Virginia as of January 1 and are payable semi-annually on October 5th and on May 5th. Taxes attach as an enforceable lien as of the date assessed. The County bills and collects property taxes on behalf of the Town, based on the assessed values provided by the County.

N. Use of Estimates

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

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

O. Deferred Outflows/Inflows of Resources

In addition to assets, the statement of financial position includes a separate section for deferred outflows of resources. Deferred outflows of resources represent a consumption of net assets that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. The Town has multiple items that qualify for reporting in this category. One item is the deferred charge on refunding reported in the government-wide statement of net position. A deferred charge on refunding resulted from the difference between the carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded or refunding debt. The other item is comprised of certain items related to pension and OPEB. For more detailed information on these items, reference the related notes.

In addition to liabilities, the statement of financial position includes a separate section for deferred inflows of resources. Deferred inflows of resources represent an acquisition of net assets that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The Town has multiple items that qualify for reporting in this category. Under a modified accrual basis of accounting, unavailable revenue representing property taxes receivable is reported in the governmental funds balance sheet. This amount is comprised of uncollected property taxes due prior to June 30, 2nd half installments levied during the fiscal year but due after June 30th, and amounts prepaid on the 2nd half installments and is deferred and recognized as an inflow of resources in the period that the amount becomes available. Under the accrual basis, 2nd half installments levied during the fiscal year but due after June 30th and amounts prepaid on the 2nd half installments are reported as deferred inflows of resources. In addition, certain items related to pension, OPEB, leases, and public-private partnership revenue are reported as deferred inflows of resources. For more detailed information on these items, reference the related notes.

P. Net Position

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

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

TOWN OF PURCELLVILLE, VIRGINIA

Notes to Financial Statements
As of June 30, 2024 (Continued)

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

P. Net Position: (Continued)

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.

Q. Fund Balance

In governmental fund types, the difference between assets and deferred outflows of resources less liabilities and deferred inflows of resources is called "fund balance." Town's governmental funds report the following categories of fund balance, based on the nature of any limitations requiring the use of resources for specific purposes:

- Nonspendable fund balance - amounts that are either not in spendable form (such as inventory and prepaids) or are legally or contractually required to be maintained intact (corpus of a permanent fund);
- Restricted fund balance - amounts that can be spent only for the specific purposes stipulated by external resource providers such as grantors or enabling federal, state, or local legislation. Restrictions may be changed or lifted only with the consent of the resource providers;
- Committed fund balance - amounts that can be used only for the specific purposes determined by the adoption of an ordinance committing fund balance for a specified purpose by the Town Council prior to the end of the fiscal year. Once adopted, the limitation imposed by the ordinance remains in place until the resources have been spent for the specified purpose or the Council adopts another ordinance to remove or revise the limitation;
- Assigned fund balance - amounts a government intends to use for a specific purpose but do not meet the criteria to be classified as committed; intent can be expressed by the governing body or by an official or body to which the governing body delegates the authority. Unlike commitments, assignments generally only exist temporarily. In other words, an additional action does not normally have to be taken for the removal of an assignment. Conversely, as discussed above, an additional action is essential to either remove or revise a commitment;
- Unassigned fund balance - amounts that are available for any purpose; positive amounts are only reported in the general fund. Additionally, any deficit fund balance within the other governmental fund types is reported as unassigned.

TOWN OF PURCELLVILLE, VIRGINIA

Notes to Financial Statements
As of June 30, 2024 (Continued)

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

Q. Fund Balance: (Continued)

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

Town Council establishes (and modifies or rescinds) fund balance commitments by passage of a 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). Assigned fund balance is established by Town Council through adoption or amendment of the budget as intended for specific purpose (such as the purchase of capital assets, construction, debt service, or for other purposes).

Appropriations lapse on June 30, for all Town departments. Encumbrances and committed fund balances outstanding at June 30 are reappropriated in the succeeding year on a case-by-case basis.

The Town's expenditures exceeded budget in some categories for the year ended June 30, 2024.

In the general fund, the Town strives to maintain an unassigned fund balance of \$3 million or 30% of the total General Fund revenues, whichever is greater.

R. Pensions

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

S. Other Postemployment Benefits (OPEB)

For purposes of measuring the net VRS GLI OPEB liability, deferred outflows of resources and deferred inflows of resources related to the OPEB, and OPEB expense, information about the fiduciary net position of the VRS GLI OPEB Plan and the additions to/deductions from the VRS OPEB Plan's fiduciary net position have been determined on the same basis as they were reported by VRS. In addition, benefit payments are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

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

T. Interfund Transfers

Transfers between funds included a transfer from the General fund totaling \$699,645 to the Capital Projects Fund for cash-funded construction in progress expenses, a transfer from the General Fund totaling \$183,000 to the Water fund for emergency water supply, a transfer from the Parks and Recreation fund to the Capital Projects Fund of \$106,175 for cash-funded construction in progress expenses and a transfer from the General Fund to the Parks and Recreation Fund of \$15,901 for capital expenses.

The composition of interfund transfers is as follows:

	<u>Transfers In</u>	<u>Transfers Out</u>
General fund	\$ -	\$ 792,371
Parks & Recreation	15,901	106,175
Capital Projects fund	699,645	-
Water fund	183,000	-
	<u>\$ 898,546</u>	<u>\$ 898,546</u>

U. Upcoming Pronouncements

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

Statement No. 102, *Certain Risk Disclosures*, provides users of government financial statements with essential information about risks related to a government’s vulnerabilities due to certain concentrations or constraints. The requirements of this Statement are effective for fiscal years beginning after June 15, 2024.

Statement No. 103, *Financial Reporting Model Improvements*, improves key components of the financial reporting model to enhance its effectiveness in providing information that is essential for decision making and assessing a government’s accountability. The requirements of this Statement are effective for fiscal years beginning after June 15, 2025.

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

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

V. Leases and Subscription-Based IT Arrangements

The Town has various lease assets and subscription-based IT arrangements (SBITAs) requiring recognition. A lease is a contract that conveys control of the right to use another entity's nonfinancial asset. Lease recognition does not apply to short-term leases, contracts that transfer ownership, leases of assets that are investments, or certain regulated leases. A SBITA is defined as a contract that conveys control of the right to use another party's (a SBITA vendor's) information technology (IT) software, alone or in combination with tangible capital assets (the underlying IT assets), as specified in the contract for a period of time in an exchange or exchange-like transaction.

Lessor

The Town recognizes leases receivable and deferred inflows of resources in the government-wide and governmental fund financial statements. At commencement of the lease, the lease receivable is measured at the present value of lease payments expected to be received during the lease term, reduced by any provision for estimated uncollectible amounts. Subsequently, the lease receivable is reduced by the principal portion of lease payments received. The deferred inflow of resources is measured at the initial amount of the lease receivable, less lease payments received from the lessee at or before the commencement of the lease term (less any lease incentives).

Lessee

The Town recognizes lease liabilities and intangible right-to-use lease assets (lease assets) with an initial value of \$10,000, individually or in the aggregate, in the government-wide financial statements. At the commencement of the lease, the lease liability is measured at the present value of payments expected to be made during the lease term (less any lease incentives). The lease liability is reduced by the principal portion of payments made. The lease asset is measured at the initial amount of the lease liability, plus any payments made to the lessor at or before the commencement of the lease term and certain direct costs. The lease asset is amortized over the shorter of the lease term or the useful life of the underlying asset.

Subscriptions

The Town recognizes intangible right-to-use subscription assets (subscription assets) and corresponding subscription liabilities with an initial value of \$10,000, in individually or in the aggregate, in the government-wide financial statements. At the commencement of the subscription, the subscription liability is measured at the present value of payments expected to be made during the subscription liability term (less any contract incentives). The subscription liability is reduced by the principal portion of payments made. The subscription asset is measured at the initial amount of the subscription liability payments made to the SBITA vendor before commencement of the subscription term, and capitalizable implementation costs, less any incentives received from the SBITA vendor at or before the commencement of the subscription term. The subscription asset is amortized over the shorter of the subscription term or the useful life of the underlying IT asset.

TOWN OF PURCELLVILLE, VIRGINIA

Notes to Financial Statements
As of June 30, 2024 (Continued)

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

V. Leases and Subscription-Based IT Arrangements (Continued)

Key Estimates and Judgments

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

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

The Town monitors changes in circumstances that would require a remeasurement or modification of its leases and subscriptions. The Town will remeasure the lease receivable and deferred inflows of resources (lessor), the lease asset and liability (lessee) or the subscription asset and liability if certain changes occur that are expected to significantly affect the amount of the lease receivable, lease liability or subscription liability.

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.

TOWN OF PURCELLVILLE, VIRGINIA

Notes to Financial Statements
As of June 30, 2024 (Continued)

Note 2—Deposits and Investments: (Continued)

Investments

Statutes authorize the Town to invest in obligations of the United States or agencies thereof, obligations of the Commonwealth of Virginia or political subdivisions thereof, obligations of the International Bank for Reconstruction and Development (World Bank), the Asian Development Bank, the African Development Bank, “prime quality” commercial paper that has received at least two of the following ratings: P-1 by Moody’s Investors Service, Inc.; A-1 by Standard & Poor’s; or F1 by Fitch Ratings, Inc. (Section 2.2-4502), banker’s acceptances, repurchase agreements, the Virginia Investment Pool (VIP), and the State Treasurer’s Local Government Investment Pool (LGIP). The VIP and LGIP are not registered with the SEC but are overseen by the Treasurer of Virginia and the State Treasury Board. The fair value of the Town’s position in the pools is the same as the value of the pool shares and is reported within the guidelines of GASB Statement No. 79.

The Town’s rated debt investments as of June 30, 2024 were rated by Standard & Poor’s and the ratings are presented below using the Standard & Poor’s rating scale.

Type	Fair Value	Credit Rating	Weighted Average Maturity*
	AAAm	AAf/S1	A
Demand Deposits	\$ 5,198,655	\$ N/A	\$ N/A
LGIP	1,194,110	AAAm	0.06
Virginia Investment Pool - NAV Liquidity Pool	20,446,426	AAAm	0.06
Virginia Investment Pool - 1-3 High Quality Bond Fund	3,982,541	AA+fS1	1.78
Cash on Hand	600	N/A	N/A
	<u>\$ 30,822,332</u>		

* Average maturity in years

Reconciliation of deposits and investments to Exhibit 1:

Cash and cash equivalents	\$ 18,395,428
Cash and cash equivalents, restricted	8,444,363
Investments	<u>3,982,541</u>
Total deposits and investments	<u>\$ 30,822,332</u>

Credit Risk

As required by state statute, commercial paper must have a short-term debt rating of no less than “A- 1” (or its equivalent) from at least two of the following; Moody’s Investors Service, Standard & Poor’s, and Fitch Investor’s Service, provided that the issuing corporation has a net worth of \$50 million and its long-term debt is rated A or better by Moody’s and Standard & Poor’s. Bankers’ acceptances and certificates of deposit maturing in less than one year must have a short-term debt rating of at least “A- 1” by Standard & Poor’s and “P-1” by Moody’s Investor Service. Open-end investment funds must be registered under the Securities Act of the Commonwealth or the Federal Investment Company Act of 1940, provided that they invest only in securities approved for investment herein. Commonwealth of Virginia and Virginia Local Government Obligations secured by debt service reserve funds not subject to annual appropriation must be rated AA or higher by Moody’s or Standard & Poor’s. Repurchase agreements require that the counterparty be rated “A” or better by Moody’s and Standard & Poor’s.

TOWN OF PURCELLVILLE, VIRGINIA

Notes to Financial Statements
As of June 30, 2024 (Continued)

Note 2—Deposits and Investments: (Continued)

External Investment Pools

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

Redemption Restrictions

VML/VACO Virginia Investment Pool allows the Town to have the option to have access to withdrawal funds twice a month, with a five-day period notice. Additionally, funds are available to meet unexpected needs such as fluctuations in revenue sources, one-time outlays (disaster, immediate capital needs, state budget cuts, etc.).

Fair Value Measurements

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The Town has measured fair value of the above VML/VACO Investment Pool investment at the net asset value (NAV).

Concentration of Credit Risk

Although the intent of the Policy is for the Town to diversify its investment portfolio to avoid incurring unreasonable risks regarding (i) security type, (ii) individual financial institution or issuing entity, and (iii) maturity, the Policy places no limit on the amount the Town may invest in any one issuer.

Interest Rate Risk

In accordance with its investment policy, the Town manages its exposure to declines in fair values by limiting its investments to instruments maturing within one year at the time of purchase, with the exception of investments in the Virginia Investment Pool.

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, the Town has no investments subject to custodial credit risk.

Restricted Cash and Cash Equivalents

Restricted cash and cash equivalents in the general and capital funds are restricted for highway maintenance, unspent federal awards, and capital outlay.

TOWN OF PURCELLVILLE, VIRGINIA

Notes to Financial Statements
As of June 30, 2024 (Continued)

Note 3—Leases Receivable:

The general fund is the lessor of a right-of-way through May 14, 2026, with annual payments of \$56,157. Under this lease, the Town recognized \$101,701 of lease revenue and \$360 of interest revenue in FY2024.

The general fund is the lessor of a building through March 31, 2027, with monthly payments of \$2,250 increasing 3% annually. Under this lease, the Town recognized \$27,163 of lease revenue and \$2,002 of interest revenue in FY2024.

The water and sewer funds are the lessors of cell tower land usage leases with various cell phone carriers, through December 31, 2026. Monthly payments are \$23,499, increasing 4% annually. Under these leases, the Town recognized \$241,063 of lease revenue and \$10,792 of interest revenue in FY2024.

The sewer fund is the lessor of a cell tower land usage for forty years through 2062, having an annual fixed payment of \$20,000 that commences once the lessee receives a building permit and begins construction. As of June 30, 2024, the lessee has not received the building permit and has not began construction.

Future payments on these leases are as follows:

Fiscal Year	Governmental Activities		Business-Type Activities	
	Principal	Interest	Principal	Interest
2025	\$ 141,936	\$ 3,148	\$ 147,097	\$ 7,921
2026	28,900	825	156,051	5,166
2027	22,589	203	113,977	2,410
2028	-	-	62,732	702
Total	\$ <u>193,425</u>	\$ <u>4,176</u>	\$ <u>479,857</u>	\$ <u>16,199</u>

Note 4—Due from Other Governmental Units:

Amounts due from other governmental units are as follows:

Commonwealth:	
VDOT	\$ 495,898
Communications Tax	16,518
VDH grant	43,042
Federal:	
Police grant	59,000
Northern Virginia Transportation Authority-NVTA	298,653
County of Loudoun, Virginia	<u>2,083,462</u>
Total	\$ <u>2,996,573</u>

TOWN OF PURCELLVILLE, VIRGINIA

Notes to Financial Statements
As of June 30, 2024 (Continued)

Note 5—Capital Assets:

A summary of changes in capital assets for the year ended June 30, 2024 follows:

Governmental Activities	Restated Balance July 1, 2023	Increases	Decreases	Balance June 30, 2024
Capital assets not being depreciated:				
Land	\$ 4,310,764	\$ -	\$ -	\$ 4,310,764
Construction in progress	<u>3,418,060</u>	<u>1,843,188</u>	<u>2,294,337</u>	<u>2,966,911</u>
Total capital assets not being depreciated	<u>\$ 7,728,824</u>	<u>\$ 1,843,188</u>	<u>\$ 2,294,337</u>	<u>\$ 7,277,675</u>
Capital assets being depreciated:				
Buildings and system	\$ 11,913,487	\$ -	\$ -	\$ 11,913,487
Improvements other than buildings	4,848,462	2,295,976	43,322	7,101,116
Machinery and equipment	2,268,912	188,267	117,785	2,339,394
Vehicles	1,344,711	242,642	169,234	1,418,119
Infrastructure	71,849,338	15,057	-	71,864,395
Lease assets	1,473,256	-	-	1,473,256
Subscription assets	<u>364,732</u>	<u>10,437</u>	<u>-</u>	<u>375,169</u>
Total capital assets being depreciated	<u>\$ 94,062,898</u>	<u>\$ 2,752,379</u>	<u>\$ 330,341</u>	<u>\$ 96,484,936</u>
Less accumulated depreciation for:				
Buildings and system	\$ 3,516,393	\$ 297,837	\$ -	\$ 3,814,230
Improvements other than buildings	2,646,551	725,526	43,322	3,328,755
Machinery and equipment	2,022,317	68,274	117,785	1,972,806
Vehicles	986,872	188,093	169,234	1,005,731
Infrastructure	34,314,705	1,015,365	-	35,330,070
Lease assets	338,764	169,382	-	508,146
Subscription assets	<u>70,961</u>	<u>121,134</u>	<u>-</u>	<u>192,095</u>
Total accumulated depreciation	<u>\$ 43,896,563</u>	<u>\$ 2,585,611</u>	<u>\$ 330,341</u>	<u>\$ 46,151,833</u>
Total capital assets being depreciated, net	<u>\$ 50,166,335</u>	<u>\$ 166,768</u>	<u>\$ -</u>	<u>\$ 50,333,103</u>
Governmental activities capital assets, net	<u>\$ 57,895,159</u>	<u>\$ 2,009,956</u>	<u>\$ 2,294,337</u>	<u>\$ 57,610,778</u>

TOWN OF PURCELLVILLE, VIRGINIA

Notes to Financial Statements
As of June 30, 2024 (Continued)

Note 5—Capital Assets: (Continued)

Business-Type Activities	Balance July 1, 2023	Increases	Decreases	Balance June 30, 2024
Capital assets not being depreciated:				
Land	\$ 3,039,509	\$ -	\$ -	\$ 3,039,509
Construction in progress	<u>1,524,077</u>	<u>1,748,690</u>	<u>442,755</u>	<u>2,830,012</u>
Total capital assets not being depreciated	<u>\$ 4,563,586</u>	<u>\$ 1,748,690</u>	<u>\$ 442,755</u>	<u>\$ 5,869,521</u>
Capital assets being depreciated:				
Utility plant in service	\$ 69,374,820	\$ 467,455	\$ -	\$ 69,842,275
Improvements other than buildings	445,000	-	-	445,000
Vehicles	419,612	35,739	52,005	403,346
Machinery and equipment	1,954,043	468,670	-	2,422,713
Lease assets	11,481	-	-	11,481
Subscription assets	<u>-</u>	<u>5,870</u>	<u>-</u>	<u>5,870</u>
Total capital assets being depreciated	<u>\$ 72,204,956</u>	<u>\$ 977,734</u>	<u>\$ 52,005</u>	<u>\$ 73,130,685</u>
Less accumulated depreciation for:				
Utility plant in service	\$ 15,937,856	\$ 1,186,468	\$ -	\$ 17,124,324
Improvements other than buildings	445,000	-	-	445,000
Vehicles	291,723	156,991	52,005	396,709
Machinery and equipment	1,259,877	33,346	-	1,293,223
Lease assets	7,591	3,796	-	11,387
Subscription assets	<u>-</u>	<u>2,293</u>	<u>-</u>	<u>2,293</u>
Total accumulated depreciation	<u>\$ 17,942,047</u>	<u>\$ 1,382,894</u>	<u>\$ 52,005</u>	<u>\$ 19,272,936</u>
Total capital assets being depreciated, net	<u>\$ 54,262,909</u>	<u>\$ (405,160)</u>	<u>\$ -</u>	<u>\$ 53,857,749</u>
Business-type activities capital assets, net	<u>\$ 58,826,495</u>	<u>\$ 1,343,530</u>	<u>\$ 442,755</u>	<u>\$ 59,727,270</u>

Depreciation and amortization expense was charged to functions/programs of the Town as follows:

Governmental activities:	
General government administration	\$ 440,840
Public safety	744,696
Public works	216,608
Parks and recreation	19,040
Community development	<u>1,164,427</u>
Total depreciation and amortization expense - governmental activities	<u>\$ 2,585,611</u>
Business-type activities	
Water	\$ 430,741
Sewer	<u>952,153</u>
Total depreciation and amortization expense - business-type activities	<u>\$ 1,382,894</u>

TOWN OF PURCELLVILLE, VIRGINIA

Notes to Financial Statements
As of June 30, 2024 (Continued)

Note 6—Long-term Obligations:

The following is a summary of long-term obligation transactions of the Town for the year ended June 30, 2024:

	Restated Balance July 1, 2023	Increases	Decreases	Balance July 1, 2024	Due Within One Year
Governmental Activities					
General obligation bonds	\$ 10,199,000	\$ -	\$ 1,116,000	\$ 9,083,000	\$ 1,127,000
Notes payable	340,000	-	85,000	255,000	85,000
Issuance premiums	72,051	-	43,213	28,838	22,279
Financed purchases	366,777	370,794	231,918	505,653	197,519
Leases	1,186,175	-	152,698	1,033,477	129,826
Subscriptions	279,174	10,437	118,422	171,189	86,612
Net pension liability	-	2,701,064	2,176,856	524,208	-
Net OPEB liability	261,117	134,061	121,530	273,648	-
Total OPEB liability	3,808,040	287,803	675,885	3,419,958	-
Compensated absences	563,746	620,347	669,396	514,697	51,470
Total governmental activities, net	\$ <u>17,076,080</u>	\$ <u>4,124,506</u>	\$ <u>5,390,918</u>	\$ <u>15,809,668</u>	\$ <u>1,699,706</u>
Business-type activities					
General obligation bond	\$ 40,241,630	\$ -	\$ 334,000	\$ 39,907,630	\$ 1,735,352
Issuance premiums	14,840	-	1,652	13,188	1,692
Financed purchases	87,782	35,739	27,254	96,267	36,791
Leases	3,851	-	3,851	-	-
Subscriptions	-	5,870	2,221	3,649	1,804
Net pension liability	-	756,852	609,255	147,597	-
Net OPEB liability	68,927	42,874	39,567	72,234	-
Total OPEB liability	1,005,208	168,822	211,112	962,918	-
Compensated absences	99,622	141,934	129,747	111,809	11,181
Total business-type activities, net	\$ <u>41,521,860</u>	\$ <u>1,152,091</u>	\$ <u>1,358,659</u>	\$ <u>41,315,292</u>	\$ <u>1,786,820</u>

Governmental activities compensated absences, pension liabilities, and other post-employment benefits liabilities are generally liquidated by the general fund.

TOWN OF PURCELLVILLE, VIRGINIA

Notes to Financial Statements
As of June 30, 2024 (Continued)

Note 6—Long-term Obligations: (Continued)

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

Governmental Activities						
Fiscal Year	General Obligation Bond		Financed Purchases		Notes Payable	
	Principal	Interest	Principal	Interest	Principal	Interest
2025	\$ 1,127,000	\$ 174,136	\$ 197,519	\$ 31,369	\$ 85,000	\$ -
2026	1,164,000	133,539	86,791	21,638	85,000	-
2027	1,181,000	115,511	93,523	14,905	85,000	-
2028	1,260,000	97,217	92,586	7,690	-	-
2029	1,283,000	76,908	35,234	1,509	-	-
2030-2034	2,843,000	176,059	-	-	-	-
2035-2038	225,000	14,873	-	-	-	-
Total	\$ 9,083,000	\$ 788,243	\$ 505,653	\$ 77,111	\$ 255,000	\$ -

Governmental Activities				
Fiscal Year	Leases		Subscriptions	
	Principal	Interest	Principal	Interest
2025	\$ 129,826	\$ 9,550	\$ 86,612	\$ 4,422
2026	136,704	8,247	84,577	2,175
2027	143,874	6,875	-	-
2028	151,347	5,432	-	-
2029	159,136	3,914	-	-
2030-2031	312,590	2,972	-	-
Total	\$ 1,033,477	\$ 36,990	\$ 171,189	\$ 6,597

Business-Type Activities						
Fiscal Year	General Obligation Bond		Financed Purchases		Subscriptions	
	Principal	Interest	Principal	Interest	Principal	Interest
2025	\$ 1,735,352	\$ 1,048,971	\$ 36,791	\$ 5,138	\$ 1,804	\$ 84
2026	2,197,508	1,003,233	22,861	3,432	1,845	43
2027	2,267,556	949,972	23,987	2,307	-	-
2028	2,332,518	894,916	10,622	1,382	-	-
2029	2,394,417	836,771	2,006	280	-	-
2030-2034	12,865,279	3,330,500	-	-	-	-
2035-2039	13,766,000	1,496,674	-	-	-	-
2040	2,349,000	31,594	-	-	-	-
Total	\$ 39,907,630	\$ 9,592,631	\$ 96,267	\$ 12,539	\$ 3,649	\$ 127

TOWN OF PURCELLVILLE, VIRGINIA

Notes to Financial Statements
As of June 30, 2024 (Continued)

Note 6—Long-term Obligations: (Continued)

Details of general obligation and financed purchase long-term indebtedness are as follows:

	Interest Rates	Final Maturity Date	Amount Outstanding		
			Amount of Original Issue	Governmental Activities	Business-Type Activities
General Obligation Bonds:					
Series 2013A & 2013B	2.00-5.00%	2/1/2034	\$ 33,690,000	\$ 735,000	\$ -
Series 2017B	3.35%	2/1/2038	16,370,000	700,000	14,835,000
VRA Series 2008	2.77%	3/1/2030	14,449,513	-	8,863,630
Series 2020A GO	1.46%	2/1/2033	4,522,000	2,660,000	549,000
Series 2021 GO	2.69%	8/1/2031	12,265,000	-	9,306,000
Series 2023 GO	1.58%	2/1/2034	11,488,000	4,988,000	\$ 6,354,000
				<u>\$ 9,083,000</u>	<u>\$ 39,907,630</u>
Financed purchases:					
Pickup truck	8.28%	7/1/2024	\$ 25,431	\$ 5,459	\$ -
Sports utility vehicle	8.09%	7/1/2024	23,093	5,279	-
Sports utility vehicle	8.09%	7/1/2024	23,093	-	5,279
Pickup truck	7.55%	7/1/2024	55,349	5,029	-
Pickup truck	7.03%	7/1/2024	55,349	6,797	-
Sports utility vehicle	6.87%	9/1/2024	49,922	7,995	-
Sports utility vehicle	6.91%	10/1/2024	25,130	8,152	-
Sports utility vehicle	7.04%	11/1/2024	29,900	10,028	-
Police interceptor	7.39%	1/1/2025	35,643	8,231	-
Police interceptor	7.39%	1/1/2025	35,643	8,231	-
Pickup truck	7.68%	1/1/2025	27,747	10,115	-
Pickup truck	6.36%	3/1/2025	58,653	15,134	-
Police interceptor	6.06%	3/1/2025	51,102	13,215	-
Police interceptor	6.06%	3/1/2025	51,102	13,215	-
Pickup truck	7.73%	1/1/2025	26,622	-	9,723
Pickup truck	5.00%	8/1/2027	76,216	-	50,335
Police interceptor	5.00%	2/1/2028	71,379	54,050	-
Police interceptor	5.00%	4/1/2028	74,182	58,930	-
Sports utility vehicle	5.00%	9/1/2028	35,739	-	30,930
Pickup truck	10.60%	11/1/2028	90,564	80,433	-
Pickup truck	10.60%	11/1/2028	90,564	80,433	-
Police interceptor	11.44%	3/1/2029	61,515	57,808	-
AXON in-car camera system	2.33%	3/1/2029	128,152	57,119	-
				<u>\$ 505,653</u>	<u>\$ 96,267</u>
Notes Payable:					
Fireman's Field	0.00%	8/1/2026	1,700,000	<u>\$ 255,000</u>	<u>\$ -</u>
Leases:					
Building	4.98%	4/30/2031	\$ 1,385,566	<u>\$ 1,033,477</u>	<u>\$ -</u>

TOWN OF PURCELLVILLE, VIRGINIA

Notes to Financial Statements
As of June 30, 2024 (Continued)

Note 6—Long-term Obligations: (Continued)

Assets acquired through financed purchases have a carrying value of \$492,350 and \$78,053 for governmental and business-type activities, respectively, as of June 30, 2024. Depreciation expense for assets under financing payables was \$165,901 for governmental activities and \$28,546 for business-type activities.

Leases:

The Town entered into a lease agreement as lessee for the use of a building at 125 Hirst Road with a term of 118 months. Minimum payments are \$10,257 on a monthly basis. For the purpose of discounting future payments, the Town imputed an interest rate of 0.98%

Subscription-Based Information Technology Arrangements:

The Town entered into a subscription-based technology arrangement for debt and lease management software with a term of 24 months. Minimum payments are \$7,500 on an annual basis. For the purpose of discounting future payments, the Town imputed an interest rate of 1.89%.

The Town entered into a subscription-based technology arrangement for GoTo Connect application with a term of 22 months. Minimum payments are \$1,056 on a monthly basis. For the purpose of discounting future payments, the Town imputed an interest rate of 1.89%.

The Town entered into a subscription-based technology arrangement for Granicus Government Transparency Suite with a term of 36 months. Minimum payments are \$3,768 on an annual basis. For the purpose of discounting future payments, the Town imputed an interest rate of 2.58%.

The Town entered into a subscription-based technology arrangement for Tyler Detect Services with a term of 24 months. Minimum payments are \$15,000 on an annual basis. For the purpose of discounting future payments, the Town imputed an interest rate of 1.58%.

The Town entered into a subscription-based technology arrangement for Tyler ERP Software with a term of 42 months. Minimum payments are \$79,424 on an annual basis. For the purpose of discounting future payments, the Town imputed an interest rate of 2.58%.

The Town entered into a subscription-based technology arrangement for VelocityEHS HQ with a term of 36 months. Minimum payments are to be made on an annual basis and are to increase 3% each year. The minimum payments for 2024 and 2025 are \$3,745 and \$3,857, respectively. For the purpose of discounting future payments, the Town imputed an interest rate of 3.12%.

The Town entered into a subscription-based technology arrangement for Samsara Fleet Management software with a term of 36 months. Minimum payments are \$5,245 on an annual basis. For the purpose of discounting future payments, the Town imputed an interest rate of 2.31%.

TOWN OF PURCELLVILLE, VIRGINIA

Notes to Financial Statements
As of June 30, 2024 (Continued)

Note 6—Long-term Obligations: (Continued)

Defeased Bonds:

In prior years, the Town defeased certain outstanding bonds payable. The proceeds were placed in trust to fund all future debt service payments. Accordingly, the trust account assets and liabilities for the defeased bonds are not included in the Town's financial statements. At June 30, 2024, the following bonds are considered defeased:

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
VRA GO Bond, Series 2008	\$ 1,352,065	\$ -	\$ 1,352,065	\$ -
Totals	<u>\$ 1,352,065</u>	<u>\$ -</u>	<u>\$ 1,352,065</u>	<u>\$ -</u>

Note 7—Deferred Property Taxes:

Deferred property taxes represent amounts for which asset recognition criteria have been met, but revenue recognition criteria have not. Unavailable revenue is reported only on the governmental funds balance sheet, and represents receivables that were not collected within the availability period.

	<u>Governmental Activities</u>	<u>Governmental Funds</u>
Uncollected property tax billings that are unavailable for the funding of current expenditures	\$ -	\$ 172,875
Uncollected property tax billings for 2nd half assessment	2,740,493	2,740,493
Property tax billings collected in advance for 2nd half assessment	<u>116,662</u>	<u>116,662</u>
	<u>\$ 2,857,155</u>	<u>\$ 3,030,030</u>

Note 8—Pension Plan:

Plan Description

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

TOWN OF PURCELLVILLE, VIRGINIA

Notes to Financial Statements
As of June 30, 2024 (Continued)

Note 8—Pension Plan: (Continued)

Benefit Structures

The System administers three different benefit structures for covered employees - Plan 1, Plan 2 and Hybrid. Each of these benefit structures has different eligibility criteria, as detailed below.

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

Average Final Compensation and Service Retirement Multiplier

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

TOWN OF PURCELLVILLE, VIRGINIA

Notes to Financial Statements
As of June 30, 2024 (Continued)

Note 8—Pension Plan: (Continued)

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

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

Employees Covered by Benefit Terms

As of the June 30, 2022 actuarial valuation, the following employees were covered by the benefit terms of the pension plan:

	Number
Inactive members or their beneficiaries currently receiving benefits	59
Inactive members:	
Vested inactive members	17
Non-vested inactive members	14
Inactive members active elsewhere in VRS	32
Total inactive members	63
Active members	80
Total covered employees	202

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 9.18% of covered employee compensation. This rate was based on an actuarially determined rate from an actuarial valuation as of June 30, 2021.

This rate, when combined with employee contributions, was expected to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. Contributions to the pension plan from the Town were \$579,789 and \$567,668 for the years ended June 30, 2024 and June 30, 2023, respectively.

Note 8—Pension Plan: (Continued)

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

Mortality rates:

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

Pre-Retirement:

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

Post-Retirement:

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

Post-Disablement:

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

Beneficiaries and Survivors:

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

Mortality Improvement:

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

TOWN OF PURCELLVILLE, VIRGINIA

Notes to Financial Statements
As of June 30, 2024 (Continued)

Note 8—Pension Plan: (Continued)

Actuarial Assumptions - General Employees: (Continued)

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:

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

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

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

TOWN OF PURCELLVILLE, VIRGINIA

Notes to Financial Statements
As of June 30, 2024 (Continued)

Note 8—Pension Plan: (Continued)

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

Mortality rates:

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

Pre-Retirement:

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

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:

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

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

TOWN OF PURCELLVILLE, VIRGINIA

Notes to Financial Statements
As of June 30, 2024 (Continued)

Note 8—Pension Plan: (Continued)

Long-Term Expected Rate of Return

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

Asset Class (Strategy)	Long-Term Target Asset 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%
MAPS - Multi-Asset Public Strategies	4.00%	4.50%	0.18%
PIP - 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. These 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 return 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%.

TOWN OF PURCELLVILLE, VIRGINIA

Notes to Financial Statements
As of June 30, 2024 (Continued)

Note 8—Pension Plan: (Continued)

Discount Rate

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

Changes in Net Pension Liability

	Primary Government		
	Increase (Decrease)		
	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability (Asset)
	(a)	(b)	(a) - (b)
Balances at June 30, 2022	\$ 19,521,771	\$ 20,098,931	\$ (577,160)
Changes for the year:			
Service cost	\$ 830,671	\$ -	\$ 830,671
Interest	1,343,636	-	1,343,636
Differences between expected and actual experience	1,257,862	-	1,257,862
Contributions - employer	-	567,641	(567,641)
Contributions - employee	-	317,640	(317,640)
Net investment income	-	1,310,152	(1,310,152)
Benefit payments, including refunds	(893,450)	(893,450)	-
Administrative expenses	-	(12,759)	12,759
Other changes	-	530	(530)
Net changes	\$ 2,538,719	\$ 1,289,754	\$ 1,248,965
Balances at June 30, 2023	\$ 22,060,490	\$ 21,388,685	\$ 671,805

TOWN OF PURCELLVILLE, VIRGINIA

Notes to Financial Statements
As of June 30, 2024 (Continued)

Note 8—Pension Plan: (Continued)

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:

	Rate		
	1% Decrease (5.75%)	Current Discount (6.75%)	1% Increase (7.75%)
Town			
Net Pension Liability (Asset)	\$ 3,892,724	\$ 671,805	\$ (1,929,613)

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 \$709,292. At June 30, 2024, the Town reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Primary Government	
	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 862,306	\$ 84,533
Change in assumptions	35,620	-
Proportionate share	9,740	9,740
Net difference between projected and actual earnings on pension plan investments	-	301,769
Employer contributions subsequent to the measurement date	579,789	-
Total	\$ 1,487,455	\$ 396,042

TOWN OF PURCELLVILLE, VIRGINIA

Notes to Financial Statements
As of June 30, 2024 (Continued)

Note 8—Pension Plan: (Continued)

Pension Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (Continued)

\$579,789 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 fiscal year ending 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:

<u>Year Ended June 30</u>	
2025	\$ 130,235
2026	14,165
2027	358,065
2028	9,159
2029	-
Thereafter	-

Pension Plan Data

Information about the VRS Political Subdivision Retirement Plan is also 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 <https://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.

Note 9—Other Postemployment Benefits Programs:

Local Plan

Plan Description

In addition to the pension benefits described in Note 8, the Town administers a single-employer defined benefit healthcare plan. The plan provides postemployment health care benefits to all eligible permanent employees who meet the requirements under the Town’s pension plans. The plan does not issue a publicly available financial report. There are no assets accumulated in a GASB-compliant trust.

Benefits Provided

Participants who are eligible to retire as participants in the VRS pension plan are allowed access to the plan until they reach age 65. Retirees pay the blended (employees and retirees) published rate, however, as they are older than the typical employee (and thus more expensive) there is a cost to this right to purchase insurance at the blended rate.

VRS retirement eligibility is age 60 with 10 years of service for employees hired prior to July 1, 2010, who were vested in the plan prior to July 1, 2013. VRS retirement eligibility is the earlier of age 60 with 15 years of service or 90 combined age and service points for other employees.

TOWN OF PURCELLVILLE, VIRGINIA

Notes to Financial Statements
As of June 30, 2024 (Continued)

Note 9—Other Postemployment Benefits Programs: (Continued)

Local Plan: (Continued)

Employees Covered by Benefit Terms

At January 1, 2024 actuarial valuation, the following employees were covered by the benefit terms of the plan:

	<u>Members</u>
Inactive employees or beneficiaries:	
Currently receiving benefits	20
Entitled to but not yet receiving benefits	-
	<u>20</u>
Total inactive employees	20
Active plan members	79
Total	<u><u>99</u></u>

Total OPEB Liability

The Town’s total OPEB liability of \$4,382,876 was measured as of June 30, 2024, and was determined based on an actuarial valuation performed as of January 1, 2024.

Actuarial Assumptions and other inputs

The total OPEB liability was determined using the following actuarial assumptions, applied to all periods included in the measurement, unless otherwise specified:

Inflation	2.50%
Discount Rate	3.93%
Salary Increases, including inflation	4.75%-5.35%
Healthcare cost trend rates	3.90%-5.90% over 74 years

Mortality rates:

Pre-Retirement Mortality Rates:

General Employees: Pub-2010 Amount Weighted General Employee Rates projected generationally; females set forward 2 years. Base rates are projected generationally with a Modified MP-2020 Improvement Scale that is 75% of the MP-2020 rates. 25% of deaths are assumed to be service-related.

Public Safety Employees: Pub-2010 Amount Weighted Safety Employee Rates projected generationally; 95% of rates for males; 105% of rates for females set forward 2 years. Base rates are projected generationally with a Modified MP-2020 Improvement Scale that is 75% of the MP-2020 rates. 35% of deaths are assumed to be service-related.

TOWN OF PURCELLVILLE, VIRGINIA

Notes to Financial Statements
As of June 30, 2024 (Continued)

Note 9—Other Postemployment Benefits Programs: (Continued)

Local Plan: (Continued)

Actuarial Assumptions and other inputs: (Continued)

Mortality rates: (Continued)

Post-Retirement Mortality Rates:

General Employees: Pub-2010 Amount Weighted General Employee Rates projected generationally; 110% of rates for females. Base rates are projected generationally with a Modified MP-2020 Improvement Scale that is 75% of the MP-2020 rates.

Public Safety Employees: Pub-2010 Amount Weighted Safety Employee Rates projected generationally; 110% of rates for males; 105% of rates for females set forward 3 years. Base rates are projected generationally with a Modified MP-2020 Improvement Scale that is 75% of the MP-2020 rates.

Post-Disablement Mortality Rates:

General Employees: Pub-2010 Amount Weighted General Employee Rates projected generationally; males and females set forward 3 years. Base rates are projected generationally with a Modified MP-2020 Improvement Scale that is 75% of the MP-2020 rates.

Public Safety Employees: Pub-2010 Amount Weighted Safety Employee Rates projected generationally; 95% of rates for males set back 3 years; 90% of rates for females set back 3 years. Base rates are projected generationally with a Modified MP-2020 Improvement Scale that is 75% of the MP-2020 rates.

The actuarial assumptions used in the January 1, 2024 valuation were based on the results of an actuarial experience study covering the period from July 1, 2016 to June 30, 2020.

Changes in the Total OPEB Liability

Balances at June 30, 2023	\$	<u>4,813,249</u>
Changes for the year:		
Service cost		188,996
Interest		179,840
Difference between expected and actual experience		(131,419)
Assumption or other input changes		(516,190)
Benefit payments		<u>(151,600)</u>
Net changes	\$	<u>(430,373)</u>
Balances at June 30, 2024	\$	<u><u>4,382,876</u></u>

TOWN OF PURCELLVILLE, VIRGINIA

Notes to Financial Statements
As of June 30, 2024 (Continued)

Note 9—Other Postemployment Benefits Programs: (Continued)

Local Plan: (Continued)

Sensitivity of the Total OPEB Liability to Changes in the Discount Rate

The following presents the total OPEB liability of the Town, as well as what the Town's total OPEB liability would be if it was calculated using a discount rate that is one percentage point lower (2.93%) or one percentage point higher (4.93%) than the current discount rate:

	Rate		
	1% Decrease (2.93%)	Current Discount Rate (3.93%)	1% Increase (4.93%)
Total OPEB liability	\$ 5,141,060	\$ 4,382,876	\$ 3,779,079

Sensitivity of the Total OPEB Liability to Changes in the Healthcare Cost Trend Rates

The following presents the total OPEB liability of the Town, as well as what the Town's total OPEB liability would be if it were calculated using healthcare cost trend rates that are one percentage point lower or one percentage point higher than the current healthcare cost trend rates:

	Current Healthcare Cost Trend Rate		
	1.00% Decrease	1.00% Increase	
Total OPEB liability	\$ 3,689,475	\$ 4,382,876	\$ 5,286,816

OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources

For the year ended June 30, 2024, the Town recognized OPEB expense of \$239,719. At June 30, 2024, the Town reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Changes in assumptions	\$ 276,879	\$ 117,288
Differences between expected and actual experience	322,815	1,567,097
	\$ 599,694	\$ 1,684,385

TOWN OF PURCELLVILLE, VIRGINIA

Notes to Financial Statements
As of June 30, 2024 (Continued)

Note 9—Other Postemployment Benefits Programs: (Continued)

Local Plan: (Continued)

OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources: (Continued)

Amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Year Ended June 30	
2025	\$ (129,117)
2026	(129,117)
2027	(129,117)
2028	(129,972)
2029	(143,679)
Thereafter	(423,689)

Group Life Insurance (GLI) Plan

Plan Description

The Group Life Insurance (GLI) Plan was established pursuant to §51.1-500 et seq. of the Code of Virginia, as amended, and which provides the authority under which benefit terms are established or may be amended. All full-time, salaried permanent employees of the state agencies, teachers, and employees of participating political subdivisions are automatically covered by the VRS GLI Plan upon employment. This is a cost-sharing multiple-employer plan administered by the Virginia Retirement System (the System), along with pensions and other OPEB plans, for public employer groups in the Commonwealth of Virginia.

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

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

Eligible Employees

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

TOWN OF PURCELLVILLE, VIRGINIA

Notes to Financial Statements
As of June 30, 2024 (Continued)

Note 9—Other Postemployment Benefits Programs: (Continued)

Group Life Insurance (GLI) Plan: (Continued)

Benefit Amounts

The GLI Plan is a defined benefit plan with several components. The natural death benefit is equal to the employee's covered compensation rounded to the next highest thousand and then doubled. The accidental death benefit is double the natural death benefit. In addition to basic natural and accidental death benefits, the plan provides additional benefits provided under specific circumstances that include the following: accidental dismemberment benefit, seatbelt benefit, repatriation benefit, felonious assault benefit, and accelerated death benefit option. The benefit amounts are subject to a reduction factor. The benefit amount reduces by 25% on January 1 following one calendar year of separation. The benefit amount reduces by an additional 25% on each subsequent January 1 until it reaches 25% of its original value. For covered members with at least 30 years of service credit, the minimum benefit payable was set at \$8,000 by statute in 2015. This will be increased annually based on the VRS Plan 2 cost-of-living adjustment calculation. The minimum benefit adjusted for the COLA was \$9,254 as of June 30, 2024.

Contributions

The contribution requirements for the GLI Plan are governed by §51.1-506 and §51.1-508 of the Code of Virginia, as amended, but may be impacted as a result of funding provided to state agencies and school divisions by the Virginia General Assembly. The total rate for the GLI Plan was 1.34% of covered employee compensation. This was allocated into an employee and an employer component using a 60/40 split. The employee component was 0.80% (1.34% x 60%) and the employer component was 0.54% (1.34% x 40%). Employers may elect to pay all or part of the employee contribution; however, the employer must pay all of the employer contribution. Each employer's contractually required employer contribution rate for the year ended June 30, 2024, was 0.54% of covered employee compensation. This rate was the final approved General Assembly rate, which was based on an actuarially determined rate from an actuarial valuation as of June 30, 2021. The actuarially determined rate, when combined with employee contributions, was expected to finance the costs of benefits payable during the year, with an additional amount to finance any unfunded accrued liability. Contributions to the Group Life Insurance Plan from the entity were \$37,925 and \$36,683 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 Chapter 2 of the Acts 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. The entity's proportionate share is reflected in the expenses of the financial statements.

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

At June 30, 2024, the entity reported a liability of \$345,882 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 performed 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 GLI Plan 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 0.02884% as compared to 0.02741% at June 30, 2022.

TOWN OF PURCELLVILLE, VIRGINIA

Notes to Financial Statements
As of June 30, 2024 (Continued)

Note 9—Other Postemployment Benefits Programs: (Continued)

Group Life Insurance (GLI) Plan: (Continued)

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

For the year ended June 30, 2024, the participating employer recognized GLI OPEB expense of \$23,744. 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
Differences between expected and actual experience	\$ 34,545	\$ 10,499
Net difference between projected and actual earnings on GLI OPEB plan investments	-	13,900
Change in assumptions	7,393	23,964
Changes in proportionate share	32,109	2,711
Employer contributions subsequent to the measurement date	37,925	-
Total	\$ 111,972	\$ 51,074

\$37,925 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:

Year Ended June 30	
2025	\$ 6,812
2026	(5,960)
2027	10,548
2028	5,186
2029	6,387
Thereafter	-

Note 9—Other Postemployment Benefits Programs: (Continued)

Group Life Insurance (GLI) Plan: (Continued)

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

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

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

- Pre-Retirement:
 - Pub-2010 Amount Weighted Safety Employee Rates projected generationally; males set forward 2 years; 105% of rates for females set forward 3 years
- Post-Retirement:
 - Pub-2010 Amount Weighted Safety Healthy Retiree Rates projected generationally; 95% of rates for males set forward 2 years; 95% of rates for females set forward 1 year
- Post-Disablement:
 - Pub-2010 Amount Weighted General Disabled Rates projected generationally; 110% of rates for males set forward 3 years; 110% of rates for females set forward 2 years
- Beneficiaries and Survivors:
 - Pub-2010 Amount Weighted Safety Contingent Annuitant Rates projected generationally
- Mortality Improvement Scale:
 - Rates projected generationally with Modified MP-2020 Improvement Scale that is 75% of the MP-2020 rates

TOWN OF PURCELLVILLE, VIRGINIA

Notes to Financial Statements
As of June 30, 2024 (Continued)

Note 9—Other Postemployment Benefits Programs: (Continued)

Group Life Insurance (GLI) Plan: (Continued)

Actuarial Assumptions: (Continued)

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:

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

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

Pre-Retirement:

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

Post-Retirement:

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

Post-Disablement:

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

Beneficiaries and Survivors:

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

Mortality Improvement Scale:

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

TOWN OF PURCELLVILLE, VIRGINIA

Notes to Financial Statements
As of June 30, 2024 (Continued)

Note 9—Other Postemployment Benefits Programs: (Continued)

Group Life Insurance (GLI) Plan: (Continued)

Actuarial Assumptions: (Continued)

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:

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

NET GLI OPEB Liability

The net OPEB liability (NOL) for the GLI Plan represents the plan’s total OPEB liability determined in accordance with GASB Statement No. 74, less the associated fiduciary net position. As of the measurement date of June 30, 2023, NOL amounts for the GLI Plan are as follows (amounts expressed in thousands):

		GLI OPEB Plan
Total GLI OPEB Liability	\$	3,907,052
Plan Fiduciary Net Position		2,707,739
GLI Net 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.

TOWN OF PURCELLVILLE, VIRGINIA

Notes to Financial Statements
As of June 30, 2024 (Continued)

Note 9—Other Postemployment Benefits Programs: (Continued)

Group Life Insurance (GLI) Plan: (Continued)

Long-Term Expected Rate of Return

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

Asset Class (Strategy)	Long-Term Target Asset 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%
MAPS - Multi-Asset Public Strategies	4.00%	4.50%	0.18%
PIP - 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 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. These results provide a range of returns over various time periods that ultimately provide a median return of 6.72%, including expected inflation of 2.50%.

** On June 15, 2023, the VRS Board elected a long-term rate of return 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%.

TOWN OF PURCELLVILLE, VIRGINIA

Notes to Financial Statements
As of June 30, 2024 (Continued)

Note 9—Other Postemployment Benefits Programs: (Continued)

Group Life Insurance (GLI) Plan: (Continued)

Discount Rate

The discount rate used to measure the total GLI OPEB liability was 6.75%. The projection of cash flows used to determine the discount rate assumed that employer contributions will be made in accordance with the VRS funding policy and at rates equal to the actuarially determined contribution rates adopted by the VRS Board of Trustees. Through the fiscal year ended June 30, 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:

	Rate		
	1% Decrease	Current Discount	1% Increase
	(5.75%)	(6.75%)	(7.75%)
Town's proportionate share of the GLI Plan Net OPEB Liability	512,705	345,882	211,004

GLI Plan Fiduciary Net Position

Detailed information about the GLI Plan’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.

TOWN OF PURCELLVILLE, VIRGINIA

Notes to Financial Statements
As of June 30, 2024 (Continued)

Note 10—Summary of Other Postemployment Benefit Elements:

A summary of other postemployment benefits (“OPEB”) related financial statement elements is as follows:

	Primary Government			
	Deferred Outflows	Deferred Inflows	Total/ Net OPEB Liability	OPEB Expense
VRS OPEB Plan:				
Group Life Insurance Program	\$ 111,972	\$ 51,074	\$ 345,882	\$ 23,744
Town Stand-Alone Plan	599,694	1,684,385	4,382,876	239,719
Totals	<u>\$ 711,666</u>	<u>\$ 1,735,459</u>	<u>\$ 4,728,758</u>	<u>\$ 263,463</u>

Note 11—Public-Private Partnership and Service Concession Arrangement

The Town entered into a public-private partnership arrangement that meets the definition of a service concession arrangement with Purcellville Teen Center, Inc. (PTC) on January 24, 2024, for the operation and management of the Bush Tabernacle for the period April 1, 2024 through March 30, 2029. The agreement entitles PTC to all income, revenues, and receipts from the operation of the facility. The agreement states increases to rates and charges for use of the facility must be mutually agreed upon by both parties. Under the terms of the agreement, PTC is required to pay all costs of operating and maintaining the facility except for costs related to landscaping, parking, and servicing of heating and cooling equipment. In exchange, PTC shall pay the Town a basic monthly payment equal to \$6,100. The current agreement is effective through March 30, 2029, with options to renew for an additional one-year term on the anniversary of the commencement date up to a maximum of five optional renewal terms.

To account for this arrangement, the Town recorded an initial public-private partnership receivable of \$343,122, with a discount rate of 2.616%. As of June 30, 2024, the value of the public-private partnership receivable was \$326,631. The value of the deferred inflow of resources as of June 30, 2024 was \$325,966, and the Town recognized related revenue of \$17,156 during the fiscal year.

Note 12—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 joined together with other local governments in Virginia to form the Virginia Risk Sharing Association, a public entity risk pool currently operating as a common risk management and insurance program for participating local governments. The Town pays an annual premium to the association for its workers’ compensation insurance coverage. In the event of a loss deficit and depletion of all available excess insurance, the Association may assess all members in the proportion which the premium of each bears to the total premiums of all members in the year in which such deficit occurs.

TOWN OF PURCELLVILLE, VIRGINIA

Notes to Financial Statements
As of June 30, 2024 (Continued)

Note 13—Commitments and Contingencies:

Federal and State-Assisted Programs

The Town has received proceeds from several federal and state grant programs. Periodic audits of these grants are required, and certain costs may be questioned as not being appropriate expenditures under the grant agreements. Such audits could result in the refund of grant monies to the grantor agencies. Management believes any required refunds will be immaterial. Based on past experience, no provision has been made in the accompanying financial statements for the refund of grant monies.

Construction commitments

At June 30, 2024, the Town was contractually obligated for \$965,490 to complete various construction projects within the Town, \$749,245 in the capital projects fund and \$216,245 in the general fund. The funds for these improvements are expected to come from fund balance reserves, the issuance of debt, federal, and state funding.

Note 14—Restatement of Beginning Net Position:

The Town restated beginning net position to correct an error in lease calculations. The impact of the restatement is as follows:

		<u>Governmental Activities</u>
Net position at June 30, 2023, as originally reported	\$	55,144,894
Renewal term excluded from lease asset		754,678
Excluded lease asset depreciation from prior years		(20,753)
Renewal term excluded from lease liability		<u>(768,981)</u>
Net position at June 30, 2023, as restated	\$	<u><u>55,109,838</u></u>

REQUIRED SUPPLEMENTARY INFORMATION

Note to Required Supplementary Information:

Presented budgets were prepared in accordance with accounting principles generally accepted in the United States of America.

General Fund

Schedule of Revenues, Expenditures, and Change in Fund Balance - Budget and Actual
For the Year Ended June 30, 2024

	Budgeted Amounts			Variance with Final Budget - Positive (Negative)
	Original	Final	Actual	
REVENUES				
General property taxes	\$ 4,708,279	\$ 4,708,279	\$ 5,086,896	\$ 378,617
Other local taxes	6,505,757	6,505,757	6,569,406	63,649
Permits, privilege fees, and regulatory licenses	336,807	336,807	359,570	22,763
Fines and forfeitures	78,142	78,142	48,911	(29,231)
Revenue from the use of property	27,000	27,000	29,524	2,524
Investment income	80,000	80,000	758,614	678,614
Miscellaneous	20,760	20,758	78,622	57,864
Intergovernmental:				
Commonwealth	1,266,345	1,266,345	1,414,995	148,650
Federal	-	99,000	126,201	27,201
Total revenues	\$ 13,023,090	\$ 13,122,088	\$ 14,472,739	\$ 1,350,651
EXPENDITURES				
Current:				
General government administration	\$ 3,715,127	\$ 3,709,127	\$ 3,463,657	\$ 245,470
Public safety	3,465,850	3,722,954	3,538,831	184,123
Public works	2,894,180	3,245,824	3,102,389	143,435
Community development	1,638,967	1,632,326	1,447,365	184,961
Debt service:				
Principal retirement	1,116,000	1,116,000	1,616,294	(500,294)
Interest and other fiscal charges	192,966	192,966	240,129	(47,163)
Total expenditures	\$ 13,023,090	\$ 13,619,197	\$ 13,408,665	\$ 210,532
Excess (deficiency) of revenues over (under) expenditures	\$ -	\$ (497,109)	\$ 1,064,074	\$ 1,561,183
OTHER FINANCING SOURCES (USES)				
Transfers out	\$ (588,300)	\$ (792,371)	\$ (792,371)	\$ -
Issuance of financed purchase	-	-	370,794	370,794
Issuance of subscription-based IT arrangements	-	-	10,437	10,437
Total other financing sources (uses)	\$ (588,300)	\$ (792,371)	\$ (411,140)	\$ 381,231
Net change in fund balance	\$ (588,300)	\$ (1,289,480)	\$ 652,934	\$ 1,942,414

Parks and Recreation Fund

Schedule of Revenues, Expenditures, and Change in Fund Balance - Budget and Actual
For the Year Ended June 30, 2024

	Budgeted Amounts			Variance with Final Budget - Positive (Negative)
	Original	Final	Actual	
REVENUES				
General property taxes	\$ 570,252	\$ 570,252	\$ 586,719	\$ 16,467
Revenue from the use of property	53,880	53,880	62,904	9,024
Miscellaneous	66,449	85,384	68,395	(16,989)
Total revenues	\$ 690,581	\$ 709,516	\$ 718,018	\$ 8,502
EXPENDITURES				
Current:				
Parks, recreation, and cultural	\$ 681,391	\$ 794,227	\$ 657,613	\$ 136,614
Debt service:				
Principal retirement	85,000	85,000	87,744	(2,744)
Interest and other fiscal charges	21,866	21,866	21,881	(15)
Total expenditures	\$ 788,257	\$ 901,093	\$ 767,238	\$ 133,855
Excess (deficiency) of revenues over (under) expenditures	\$ (97,676)	\$ (191,577)	\$ (49,220)	\$ 142,357
OTHER FINANCING SOURCES (USES)				
Transfers in	\$ -	\$ 15,901	\$ 15,901	\$ -
Transfers out	(106,175)	(106,175)	(106,175)	-
Total other financing sources (uses)	\$ (106,175)	\$ (90,274)	\$ (90,274)	\$ -
Net change in fund balance	\$ (203,851)	\$ (281,851)	\$ (139,494)	\$ 142,357

Schedule of Changes in Net Pension Liability (Asset) and Related Ratios
Primary Government
For the Measurement Dates of June 30, 2014 through June 30, 2023

	2023	2022	2021	2020	2019
Total pension liability					
Service cost	\$ 830,671	\$ 670,048	\$ 649,905	\$ 645,719	\$ 539,913
Interest	1,343,636	1,272,386	1,138,401	1,081,157	1,011,938
Differences between expected and actual experience	1,257,862	(193,541)	(253,657)	(142,140)	187,582
Changes of assumptions	-	-	569,905	-	512,755
Benefit payments, including refunds of employee contributions	(893,450)	(814,464)	(764,837)	(708,504)	(674,107)
Net change in total pension liability	\$ 2,538,719	\$ 934,429	\$ 1,339,717	\$ 876,232	\$ 1,578,081
Total pension liability - beginning	19,521,771	18,587,342	17,247,625	16,371,393	14,793,312
Total pension liability - ending (a)	\$ 22,060,490	\$ 19,521,771	\$ 18,587,342	\$ 17,247,625	\$ 16,371,393
Plan fiduciary net position					
Contributions - employer	\$ 567,641	\$ 454,777	\$ 430,887	\$ 392,073	\$ 357,501
Contributions - employee	317,640	279,738	261,264	265,112	272,387
Net investment income	1,310,152	(26,884)	4,381,789	294,282	990,181
Benefit payments, including refunds of employee contributions	(893,450)	(814,464)	(764,837)	(708,504)	(674,107)
Administrator charges	(12,759)	(12,499)	(10,683)	(10,064)	(9,518)
Other	530	472	415	(359)	(626)
Net change in plan fiduciary net position	\$ 1,289,754	\$ (118,860)	\$ 4,298,835	\$ 232,540	\$ 935,818
Plan fiduciary net position - beginning	20,098,931	20,217,791	15,918,956	15,686,416	14,750,598
Plan fiduciary net position - ending (b)	\$ 21,388,685	\$ 20,098,931	\$ 20,217,791	\$ 15,918,956	\$ 15,686,416
Town's net pension liability (asset) - ending (a) - (b)	\$ 671,805	\$ (577,160)	\$ (1,630,449)	\$ 1,328,669	\$ 684,977
Plan fiduciary net position as a percentage of the total pension liability	96.95%	102.96%	108.77%	92.30%	95.82%
Covered payroll	\$ 6,796,972	\$ 5,957,860	\$ 5,717,892	\$ 5,155,135	\$ 5,167,111
Town's net pension liability (asset) as a percentage of covered payroll	9.88%	-9.69%	-28.51%	25.77%	13.26%

Schedule of Changes in Net Pension Liability (Asset) and Related Ratios
Primary Government
For the Measurement Dates of June 30, 2014 through June 30, 2023

	2018	2017	2016	2015	2014
Total pension liability					
Service cost	\$ 560,029	\$ 565,009	\$ 520,138	\$ 517,073	\$ 555,900
Interest	940,955	904,712	831,714	746,112	683,141
Differences between expected and actual experience	106,210	(223,270)	127,380	315,416	-
Changes of assumptions	-	(209,240)	-	-	-
Benefit payments, including refunds of employee contributions	(512,191)	(526,713)	(346,107)	(365,311)	(313,605)
Net change in total pension liability	\$ 1,095,003	\$ 510,498	\$ 1,133,125	\$ 1,213,290	\$ 925,436
Total pension liability - beginning	13,698,309	13,187,811	12,054,686	10,841,396	9,915,960
Total pension liability - ending (a)	\$ 14,793,312	\$ 13,698,309	\$ 13,187,811	\$ 12,054,686	\$ 10,841,396
Plan fiduciary net position					
Contributions - employer	\$ 354,829	\$ 363,393	\$ 445,991	\$ 427,672	\$ 520,781
Contributions - employee	228,399	232,553	224,263	216,720	210,587
Net investment income	1,015,636	1,486,189	216,458	503,837	1,444,988
Benefit payments, including refunds of employee contributions	(512,191)	(526,713)	(346,107)	(365,311)	(313,605)
Administrator charges	(8,531)	(8,346)	(6,926)	(6,523)	(7,349)
Other	(915)	(1,336)	(88)	(109)	76
Net change in plan fiduciary net position	\$ 1,077,227	\$ 1,545,740	\$ 533,591	\$ 776,286	\$ 1,855,478
Plan fiduciary net position - beginning	13,673,371	12,127,631	11,594,040	10,817,754	8,962,276
Plan fiduciary net position - ending (b)	\$ 14,750,598	\$ 13,673,371	\$ 12,127,631	\$ 11,594,040	\$ 10,817,754
Town's net pension liability (asset) - ending (a) - (b)	\$ 42,714	\$ 24,938	\$ 1,060,180	\$ 460,646	\$ 23,642
Plan fiduciary net position as a percentage of the total pension liability	99.71%	99.82%	91.96%	96.18%	99.78%
Covered payroll	\$ 4,673,958	\$ 4,707,039	\$ 4,524,808	\$ 4,309,958	\$ 4,785,081
Town's net pension liability (asset) as a percentage of covered payroll	0.91%	0.53%	23.43%	10.69%	0.49%

Schedule of Employer Contributions

Pension Plans

For the Years Ended June 30, 2015 through June 30, 2024

		Contributions in Relation to					Contributions as a % of
	Contractually Required Contribution	Contractually Required Contribution	Contribution Deficiency (Excess)		Employer's Covered Payroll	Covered Payroll	
Date	(1)*	(2)*	(3)		(4)	(5)	
Primary Government							
2024	\$ 579,789	\$ 579,789	\$ -	\$	7,023,153		8.26%
2023	567,668	567,668	-		6,796,972		8.35%
2022	454,401	454,401	-		5,957,860		7.63%
2021	430,887	430,887	-		5,717,892		7.54%
2020	392,073	392,073	-		5,155,135		7.61%
2019	357,501	357,501	-		5,167,111		6.92%
2018	354,829	354,829	-		4,673,958		7.59%
2017	363,393	363,393	-		4,707,039		7.72%
2016	445,991	445,991	-		4,527,808		9.85%
2015	427,672	427,672	-		4,309,958		9.92%

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

Notes to Required Supplementary Information
Pension Plans
For the Year Ended June 30, 2024

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

Changes of assumptions - The actuarial assumptions used in the June 30, 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:

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

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

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

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

Schedule of Changes in Total OPEB Liability and Related Ratios - Health Insurance Local Plan
For the Measurement Dates of June 30, 2018 through June 30, 2024

	2024	2023	2022	2021	2020	2019	2018
Total OPEB liability							
Service cost	\$ 188,996	\$ 199,429	\$ 306,783	\$ 279,511	\$ 229,310	\$ 191,276	\$ 204,974
Interest on total OPEB liability	179,840	167,930	123,351	119,115	160,700	155,405	140,295
Differences between expected and actual experience	(131,419)	-	308,259	-	132,605	-	-
Changes in assumptions	(516,190)	(23,173)	(1,443,151)	49,951	372,745	290,118	(273,794)
Benefit payments	(151,600)	(149,316)	(160,678)	(149,256)	(144,714)	(54,106)	(47,156)
Net change in total OPEB liability	\$ (430,373)	\$ 194,870	\$ (865,436)	\$ 299,321	\$ 750,646	\$ 582,693	\$ 24,319
Total OPEB liability - beginning	4,813,249	4,618,379	5,483,815	5,184,494	4,433,848	3,851,155	3,826,836
Total OPEB liability - ending	\$ 4,382,876	\$ 4,813,249	\$ 4,618,379	\$ 5,483,815	\$ 5,184,494	\$ 4,433,848	\$ 3,851,155
 Covered payroll	 \$ 7,114,530	 \$ 5,891,282	 \$ 5,891,292	 \$ 5,529,749	 \$ 5,529,749	 \$ 4,540,991	 \$ 4,540,991
 Total OPEB liability as a percentage of covered payroll	 61.60%	 81.70%	 78.39%	 99.17%	 93.76%	 97.64%	 84.81%

This schedule is intended to show information for 10 years. Additional years will be included as they become available.

Notes to Required Supplementary Information - OPEB - Health Insurance
For the Year Ended June 30, 2024

Valuation Date: January 1, 2024
Measurement Date: June 30, 2024

No assets are accumulated in a trust that meets the criteria in GASB 75 to pay related benefits.

Methods and assumptions used to determine OPEB liability:

Actuarial Cost Method	Entry Age Normal, Level Percentage of Pay.
Discount Rate	3.93%
Inflation	2.50%
Healthcare Trend Rates	The healthcare trend rate assumptions vary by year and range between 3.90% and 5.90%.
Salary Increase Rates	The salary increase rate starts at 5.35% salary increase for general employees and 4.75% for public safety employees with one year of service and gradually declines to 3.50% salary increase for twenty or more years of service.
Mortality Rates	The mortality rates for healthy participants were calculated using the MP-2020 Employee Rates. The mortality rates for disabled participants were calculated using the MP-2020 Disabled Mortality Rates.

Schedule of Town's Share of Net OPEB Liability

Group Life Insurance (GLI) Plan

For the Measurement Dates of June 30, 2017 through June 30, 2023

Date	Employer's Proportion of the Net GLI OPEB Liability (Asset)	Employer's Proportionate Share of the Net GLI OPEB Liability (Asset)	Employer's Covered Payroll	Employer's Proportionate Share of the Net GLI OPEB Liability (Asset) as a Percentage of Covered Payroll (3)/(4)	Plan Fiduciary Net Position as a Percentage of Total GLI OPEB Liability
(1)	(2)	(3)	(4)	(5)	(6)
2023	0.02884%	\$ 345,882	\$ 6,796,972	5.09%	69.30%
2022	0.02741%	330,043	5,957,860	5.54%	67.21%
2021	0.02684%	312,490	5,717,892	5.47%	67.45%
2020	0.02707%	451,754	5,155,135	8.76%	52.64%
2019	0.02568%	418,000	5,167,111	8.09%	52.00%
2018	0.02458%	373,000	4,673,958	7.98%	51.22%
2017	0.02552%	384,000	4,707,039	8.16%	48.86%

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

Schedule of Employer Contributions

Group Life Insurance (GLI) Plan

For the Years Ended June 30, 2018 through June 30, 2024

Date	Contractually Required Contribution (1)	Contributions in Relation to Contractually Required Contribution (2)	Contribution Deficiency (Excess) (3)	Employer's Covered Payroll (4)	Contributions as a % of Covered Payroll (5)
2024	\$ 37,925	\$ 37,925	\$ -	\$ 7,023,153	0.54%
2023	36,683	36,683	-	6,796,972	0.54%
2022	32,196	32,196	-	5,957,860	0.54%
2021	29,966	29,966	-	5,717,892	0.52%
2020	26,544	26,544	-	5,155,135	0.51%
2019	26,178	26,178	-	5,167,111	0.51%
2018	24,305	24,305	-	4,673,958	0.52%

Schedule is intended to show information for 10 years. Since 2018 was the first year for this presentation, no earlier data is available. However additional years will be included as they become available.

Notes to Required Supplementary Information
Group Life Insurance (GLI) Plan
For the Year Ended June 30, 2024

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

Changes of assumptions - The actuarial assumptions used in the June 30, 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:

Non-Largest Ten Locality Employers - General Employees

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

Non-Largest Ten Locality Employers - Hazardous Duty Employees

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

OTHER SUPPLEMENTARY INFORMATION

Supporting Schedules

Schedule of Revenues - Budget and Actual
Governmental Funds
For the Year Ended June 30, 2024

Fund, Major and Minor Revenue Source	Original Budget	Final Budget	Actual	Variance with Final Budget - Positive (Negative)
General Fund:				
Revenue from local sources:				
General property taxes:				
Real property taxes	\$ 3,896,937	\$ 3,896,937	\$ 3,979,177	\$ 82,240
Personal property taxes	770,142	770,142	1,041,863	271,721
Penalties and interest	41,200	41,200	65,856	24,656
Total general property taxes	\$ 4,708,279	\$ 4,708,279	\$ 5,086,896	\$ 378,617
Other local taxes:				
Local sales and use taxes	\$ 1,735,329	\$ 1,735,329	\$ 1,425,706	\$ (309,623)
Cigarette taxes	192,343	192,343	175,149	(17,194)
Business license taxes	998,068	998,068	1,074,554	76,486
Utility license taxes	218,746	218,746	233,233	14,487
Franchise taxes	395,000	395,000	411,441	16,441
Hotel and motel room taxes	1,132	1,132	11,994	10,862
Meals tax	2,959,139	2,959,139	3,230,017	270,878
Other local taxes	6,000	6,000	7,312	1,312
Total other local taxes	\$ 6,505,757	\$ 6,505,757	\$ 6,569,406	\$ 63,649
Permits, privilege fees, and regulatory licenses:				
Motor vehicle license fees	\$ 171,702	\$ 171,702	\$ 177,903	\$ 6,201
Zoning fees	63,709	63,709	70,545	6,836
Right-of-way usage fees	101,396	101,396	111,122	9,726
Total permits, privilege fees, and regulatory licenses	\$ 336,807	\$ 336,807	\$ 359,570	\$ 22,763
Fines and forfeitures:				
Police fines	\$ 78,142	\$ 78,142	\$ 48,911	\$ (29,231)
Total fines and forfeitures	\$ 78,142	\$ 78,142	\$ 48,911	\$ (29,231)
Revenue from use of property	\$ 27,000	\$ 27,000	\$ 29,524	\$ 2,524
Investment income	\$ 80,000	\$ 80,000	\$ 758,614	\$ 678,614
Miscellaneous:				
Insurance reimbursement	\$ -	\$ -	\$ 1,650	\$ 1,650
Proceeds from sales of property	-	-	31,073	31,073
Community events sign	340	340	505	165
Public works reimbursement from others	10,000	10,000	11,478	1,478
Miscellaneous	10,420	10,418	33,916	23,498
Total miscellaneous	\$ 20,760	\$ 20,758	\$ 78,622	\$ 57,864
Total revenue from local sources	\$ 11,756,745	\$ 11,756,743	\$ 12,931,543	\$ 1,174,800

Schedule of Revenues - Budget and Actual
Governmental Funds
For the Year Ended June 30, 2024

Fund, Major and Minor Revenue Source	Original Budget	Final Budget	Actual	Variance with Final Budget - Positive (Negative)
General Fund: (Continued)				
Revenue from the Commonwealth:				
Noncategorical aid:				
Communications tax	\$ 109,557	\$ 109,557	\$ 105,010	\$ (4,547)
Auto rental tax	9,745	9,745	6,818	(2,927)
Personal property tax relief funds	201,753	201,753	201,753	-
Total noncategorical aid	\$ 321,055	\$ 321,055	\$ 313,581	\$ (7,474)
Categorical aid:				
Shared expenses:				
Aid to Police	\$ 130,404	\$ 130,404	\$ 137,157	\$ 6,753
Total shared expenses	\$ 130,404	\$ 130,404	\$ 137,157	\$ 6,753
Other categorical aid:				
Arts grant	\$ 4,500	\$ 4,500	\$ 4,500	\$ -
Other categorical aid	-	-	2,410	2,410
Fire program funds	37,500	37,500	40,202	2,702
Highway maintenance funds	768,386	768,386	909,578	141,192
Litter control grant	4,500	4,500	7,567	3,067
Total other categorical aid	\$ 814,886	\$ 814,886	\$ 964,257	\$ 149,371
Total categorical aid	\$ 945,290	\$ 945,290	\$ 1,101,414	\$ 156,124
Total revenue from the Commonwealth	\$ 1,266,345	\$ 1,266,345	\$ 1,414,995	\$ 148,650
Revenue from the federal government:				
Categorical aid:				
Law enforcement funds	\$ -	\$ 99,000	\$ 98,208	\$ (792)
ARPA funding	-	-	27,993	27,993
Total categorical aid	\$ -	\$ 99,000	\$ 126,201	\$ 27,201
Total revenue from the federal government	\$ -	\$ 99,000	\$ 126,201	\$ 27,201
Total intergovernmental	\$ 1,266,345	\$ 1,365,345	\$ 1,541,196	\$ 175,851
Total General Fund	\$ 13,023,090	\$ 13,122,088	\$ 14,472,739	\$ 1,350,651

Schedule of Revenues - Budget and Actual
Governmental Funds
For the Year Ended June 30, 2024

Fund, Major and Minor Revenue Source	Original Budget	Final Budget	Actual	Variance with Final Budget - Positive (Negative)
Parks and Recreation Fund:				
Revenue from local sources:				
General property taxes:				
Real property - special tax district	\$ 569,634	\$ 569,634	\$ 583,955	\$ 14,321
Penalties and interest	618	618	2,764	2,146
Total general property taxes	<u>\$ 570,252</u>	<u>\$ 570,252</u>	<u>\$ 586,719</u>	<u>\$ 16,467</u>
Revenue from the use of property	<u>\$ 53,880</u>	<u>\$ 53,880</u>	<u>\$ 62,904</u>	<u>\$ 9,024</u>
Miscellaneous:				
Donations	\$ 5,000	\$ 5,000	\$ 10	\$ (4,990)
Events and miscellaneous	61,449	80,384	68,385	(11,999)
Total miscellaneous	<u>\$ 66,449</u>	<u>\$ 85,384</u>	<u>\$ 68,395</u>	<u>\$ (16,989)</u>
Total revenue from local sources	<u>\$ 690,581</u>	<u>\$ 709,516</u>	<u>\$ 718,018</u>	<u>\$ 8,502</u>
Total Parks and Recreation Fund	<u><u>\$ 690,581</u></u>	<u><u>\$ 709,516</u></u>	<u><u>\$ 718,018</u></u>	<u><u>\$ 8,502</u></u>
Capital Projects Fund:				
Revenue from local sources:				
Investment income	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 86,403</u>	<u>\$ 86,403</u>
Miscellaneous:				
Proffers	\$ 56,351	\$ 324,370	\$ 25,656	\$ (298,714)
Miscellaneous	50,000	64,076	7,990	(56,086)
Total miscellaneous	<u>\$ 106,351</u>	<u>\$ 388,446</u>	<u>\$ 33,646</u>	<u>\$ (354,800)</u>
Total revenue from local sources	<u>\$ 106,351</u>	<u>\$ 388,446</u>	<u>\$ 33,646</u>	<u>\$ (354,800)</u>
Intergovernmental:				
Revenue from local governments:				
Loudoun County contribution	\$ 783,281	\$ 1,208,761	\$ -	\$ (1,208,761)
NVTA	786,392	2,420,762	353,015	(2,067,747)
Total revenue from local governments	<u>\$ 1,569,673</u>	<u>\$ 3,629,523</u>	<u>\$ 353,015</u>	<u>\$ (3,276,508)</u>
Revenue from the Commonwealth:				
Categorical aid:				
Transportation grants	\$ 14,198	\$ 1,298,519	\$ 304,818	\$ (993,701)
Other grants	-	300,000	4,966	(295,034)
Total revenue from the Commonwealth	<u>\$ 14,198</u>	<u>\$ 1,598,519</u>	<u>\$ 309,784</u>	<u>\$ (1,288,735)</u>
Revenue from the federal government:				
Categorical aid:				
Highway planning and construction	\$ 274,958	\$ 535,793	\$ 285,291	\$ (250,502)
Total revenue from the federal government	<u>\$ 274,958</u>	<u>\$ 535,793</u>	<u>\$ 285,291</u>	<u>\$ (250,502)</u>
Total intergovernmental	<u>\$ 1,858,829</u>	<u>\$ 5,763,835</u>	<u>\$ 948,090</u>	<u>\$ (4,815,745)</u>
Total Capital Projects Fund	<u><u>\$ 1,965,180</u></u>	<u><u>\$ 6,152,281</u></u>	<u><u>\$ 1,068,139</u></u>	<u><u>\$ (5,084,142)</u></u>
Total Primary Government	<u><u>\$ 15,678,851</u></u>	<u><u>\$ 19,983,885</u></u>	<u><u>\$ 16,258,896</u></u>	<u><u>\$ (3,724,989)</u></u>

Schedule of Expenditures - Budget and Actual
Governmental Funds
For the Year Ended June 30, 2024

Fund, Function, Activity, and Elements	Original Budget	Final Budget	Actual	Variance with Final Budget - Positive (Negative)
General Fund:				
General government administration:				
Legislative:				
Town Council	\$ 80,377	\$ 80,377	\$ 68,981	\$ 11,396
General and financial administration:				
Administration	\$ 1,439,735	\$ 1,439,735	\$ 1,441,762	\$ (2,027)
Legal services	272,200	272,200	240,712	31,488
Financial administration	92,850	92,850	51,836	41,014
Information technology	780,015	780,015	648,941	131,074
Finance	978,140	978,140	946,253	31,887
Retiree benefits	60,644	60,644	65,172	(4,528)
Contingency-Operating Reserve	11,166	5,166	-	5,166
Total general and financial administration	\$ 3,634,750	\$ 3,628,750	\$ 3,394,676	\$ 234,074
Total general government administration*	\$ 3,715,127	\$ 3,709,127	\$ 3,463,657	\$ 245,470
Public safety:				
Law enforcement and traffic control:				
Police department	\$ 3,338,350	\$ 3,595,454	\$ 3,408,629	\$ 186,825
Fire and rescue services:				
Fire department	\$ 82,500	\$ 82,500	\$ 85,202	\$ (2,702)
Ambulance and rescue services	45,000	45,000	45,000	-
Total fire and rescue services	\$ 127,500	\$ 127,500	\$ 130,202	\$ (2,702)
Total public safety*	\$ 3,465,850	\$ 3,722,954	\$ 3,538,831	\$ 184,123
Public works:				
Highways, streets, bridges and sidewalks	\$ 764,700	\$ 1,080,439	\$ 877,025	\$ 203,414
Administration	991,298	991,298	1,006,570	(15,272)
General properties	378,850	414,755	493,397	(78,642)
Maintenance	159,332	159,332	125,210	34,122
Refuse	600,000	600,000	600,187	(187)
Total public works*	\$ 2,894,180	\$ 3,245,824	\$ 3,102,389	\$ 143,435
Community development:				
Planning and community development:				
Planning commission	\$ 13,577	\$ 13,577	\$ 13,934	\$ (357)
Board of zoning and appeals	600	600	-	600
Board of architectural review	3,359	3,359	2,687	672
Engineering Planning and Development	1,585,431	1,578,790	1,403,156	175,634
Total planning and community development	\$ 1,602,967	\$ 1,596,326	\$ 1,419,777	\$ 176,549
Environmental management	\$ 8,000	\$ 8,000	\$ 7,995	\$ 5
Economic development	\$ 8,000	\$ 8,000	\$ 1,252	\$ 6,748
Arts	\$ 20,000	\$ 20,000	\$ 18,341	\$ 1,659
Total community development	\$ 1,638,967	\$ 1,632,326	\$ 1,447,365	\$ 184,961

Schedule of Expenditures - Budget and Actual
Governmental Funds
For the Year Ended June 30, 2024

Fund, Function, Activity, and Elements	Original Budget	Final Budget	Actual	Variance with Final Budget - Positive (Negative)
General Fund: (Continued)				
Debt service:				
Principal retirement	\$ 1,116,000	\$ 1,116,000	\$ 1,616,294	\$ (500,294)
Interest and other fiscal charges	192,966	192,966	240,129	(47,163)
Total debt service	\$ 1,308,966	\$ 1,308,966	\$ 1,856,423	\$ (547,457)
Total General Fund	\$ 13,023,090	\$ 13,619,197	\$ 13,408,665	\$ 210,532
Parks and Recreation Fund:				
Parks, recreation, and cultural:				
Management	\$ 288,611	\$ 273,611	\$ 278,357	\$ (4,746)
Skating rink	66,300	66,300	62,998	3,302
Train station	36,330	36,330	20,515	15,815
Programs	97,000	203,195	154,200	48,995
Firemans Field	179,150	200,791	141,543	59,248
Contingency-Operating Reserve	14,000	14,000	-	14,000
Total parks, recreation, and cultural	\$ 681,391	\$ 794,227	\$ 657,613	\$ 136,614
Debt service:				
Principal retirement and interest	\$ 85,000	\$ 85,000	\$ 87,744	\$ (2,744)
Interest and other fiscal charges	21,866	21,866	21,881	(15)
Total debt service	\$ 106,866	\$ 106,866	\$ 109,625	\$ (2,759)
Total Parks and Recreation Fund	\$ 788,257	\$ 901,093	\$ 767,238	\$ 133,855
Capital Projects Fund:				
Capital projects expenditures:				
General capital projects	\$ -	\$ 7,123	\$ 4,050	\$ 3,073
Financial software upgrade	-	105,573	5,916	99,657
Hirst Farm pond	588,300	1,022,925	50,104	972,821
Main and Maple improvements	312,018	1,062,909	678,141	384,768
12th Street improvements	372,434	1,616,347	14,400	1,601,947
32nd and Main Street improvements	-	1,201,517	127,998	1,073,519
Bush Tabernacle	-	840	-	840
Police Facility	-	477,254	482,490	(5,236)
Outdoor Stage	156,175	220,000	10,658	209,342
Street Lighting - N. Maple	-	185,222	81,465	103,757
Sue Kane Nature Park Multi-use Trail	-	17,630	7,808	9,822
Adam's Bike Park	-	14,076	156	13,920
G Street Sidewalks	692,728	692,728	122,624	570,104
Hirst to W&OD Path	538,000	538,000	233,464	304,536
Berlin Turnpike	-	485,539	29,830	455,709
Total capital projects	\$ 2,659,655	\$ 7,647,683	\$ 1,849,104	\$ 5,798,579
Total Capital Projects Fund	\$ 2,659,655	\$ 7,647,683	\$ 1,849,104	\$ 5,798,579
Total Primary Government	\$ 16,471,002	\$ 22,167,973	\$ 16,025,007	\$ 6,142,966

*includes capital outlay items

Schedule of Revenues and Expenses - Budget and Actual

Water Fund

For the Year Ended June 30, 2024

Fund, Major and Minor Revenue Source	Original Budget	Final Budget	Actual	Variance with Final Budget - Positive (Negative)
Operating revenues:				
Water fees	\$ 2,361,353	\$ 2,361,353	\$ 2,365,876	\$ 4,523
Water meter fees	1,564	1,564	1,201	(363)
Miscellaneous income	6,993	6,993	33,429	26,436
Penalties and interest	26,000	26,000	28,713	2,713
Total operating revenues	\$ 2,395,910	\$ 2,395,910	\$ 2,429,219	\$ 33,309
Operating expenses:				
Personnel:				
Water staff	\$ 821,447	\$ 821,447	\$ 862,066	\$ (40,619)
Overtime	31,000	31,000	47,400	(16,400)
Health insurance	150,410	150,410	133,447	16,963
Retirement	70,706	70,706	192,145	(121,439)
Workers' compensation	21,070	21,070	16,938	4,132
Payroll taxes	62,793	62,793	68,054	(5,261)
Life insurance	10,779	10,779	10,496	283
Disability insurance	2,350	2,350	2,320	30
Deferred compensation match	3,120	3,120	3,080	40
Utility chargeback	549,088	549,088	549,088	-
Retiree Health Benefit	19,935	19,935	20,510	(575)
Plant operations and meter reading:				
Electricity	16,800	16,800	20,386	(3,586)
Communications	13,500	13,500	12,044	1,456
Plant supplies	16,500	16,500	9,758	6,742
Lab supplies	23,700	23,700	22,546	1,154
Contracts	66,000	66,000	72,305	(6,305)
Uniforms	10,250	10,250	10,684	(434)
Safety	7,150	7,150	2,099	5,051
Sludge disposal	7,500	7,500	10,610	(3,110)
Cross connections	1,000	1,000	-	1,000
Plant repairs	113,500	88,500	48,208	40,292
Water line repairs	30,000	30,000	27,415	2,585
Leak detection	2,000	2,000	-	2,000
Meter repairs and testing	30,000	30,000	5,014	24,986
New water meters	3,000	3,000	1,375	1,625
Hardware and computer supplies	4,500	4,500	991	3,509
Chemicals - plant	41,800	41,800	43,927	(2,127)
Permits	9,500	9,500	8,606	894
GIS layers	12,000	12,000	1,729	10,271
Advertisements	500	500	-	500
Water samples	32,000	32,000	21,995	10,005
Training	16,872	16,872	8,567	8,305
Dues and subscriptions	900	900	1,163	(263)
General expenses	500	500	1,030	(530)
Professional services	91,400	91,400	80,184	11,216
Watershed management	28,000	28,000	990	27,010
Grant Funded Expenditures	15,000	68,842	14,996	53,846
Software Maintenance Services	12,500	12,500	7,964	4,536
Forestry management	5,000	5,000	-	5,000
Environmental compliance	2,000	2,000	737	1,263
Administrative supplies	6,300	6,300	4,500	1,800

Schedule of Revenues and Expenses - Budget and Actual

Water Fund

For the Year Ended June 30, 2024

Fund, Major and Minor Revenue Source	Original Budget	Final Budget	Actual	Variance with Final Budget - Positive (Negative)
Operating expenses: (Continued)				
Plant operations and meter reading: (Continued)				
Water department emergency	250	250	-	250
Purchased water	65,000	65,000	41,785	23,215
New equipment and tools	35,500	35,500	30,297	5,203
Leased/rented equipment	3,200	3,200	1,403	1,797
Vehicle repairs and maintenance	9,000	9,000	6,547	2,453
Propane	20,000	20,000	12,215	7,785
Generator maintenance	12,000	12,000	8,550	3,450
Postage	4,000	4,000	2,827	1,173
Vehicle fuel	11,000	11,000	12,241	(1,241)
Public information/education	3,500	3,500	1,533	1,967
Well operations:				
Electricity	65,000	65,000	84,517	(19,517)
Telephone	3,500	3,500	2,538	962
Contracts	10,000	10,000	4,027	5,973
Plant repairs	25,800	25,800	3,948	21,852
Spare parts	31,500	31,500	24,726	6,774
Repairs	31,250	31,250	8,806	22,444
Chemicals	34,850	34,850	19,300	15,550
Carbon change-out	33,000	33,000	30,986	2,014
Water samples	8,000	8,000	11,046	(3,046)
New equipment and tools	28,000	28,000	38,269	(10,269)
Propane	-	-	1,462	(1,462)
Well rehabilitation	38,000	38,000	34,035	3,965
Depreciation/amortization	-	-	430,741	(430,741)
Capital outlay	632,727	1,808,696	80,480	1,728,216
Other operating expenses	38,050	38,050	69,355	(31,305)
Total operating expenses	\$ 3,505,497	\$ 4,710,308	\$ 3,307,001	\$ 1,403,307
Operating income (loss)	\$ (1,109,587)	\$ (2,314,398)	\$ (877,782)	\$ 1,436,616
Nonoperating revenues (expenses):				
Investment income	\$ 76,562	\$ 76,562	\$ 222,630	\$ 146,068
Intergovernmental	-	53,842	1,029,166	975,324
Cellular lease	265,807	265,807	249,873	(15,934)
Lease interest income	-	-	10,910	10,910
Gain (loss) on sale of capital assets	-	-	11,699	11,699
Retirement of debt	(280,000)	(280,000)	-	280,000
Interest expense	(245,131)	(245,131)	(306,136)	(61,005)
Total nonoperating revenues (expenses)	\$ (182,762)	\$ (128,920)	\$ 1,218,142	\$ 1,347,062
Income (loss) before operating transfers and contributions	\$ (1,292,349)	\$ (2,443,318)	\$ 340,360	\$ 2,783,678
Other financing sources (uses):				
Contributed capital - availability fees	\$ 405,626	\$ 405,626	\$ 218,909	\$ (186,717)
Transfers in	(405,626)	(555,012)	183,000	738,012
Total other financing sources (uses)	\$ -	\$ (149,386)	\$ 401,909	\$ 551,295
Change in net position	\$ (1,292,349)	\$ (2,592,704)	\$ 742,269	\$ 3,334,973

Schedule of Revenues and Expenses - Budget and Actual
Sewer Fund
For the Year Ended June 30, 2024

Fund, Major and Minor Revenue Source	Original Budget	Final Budget	Actual	Variance with Final Budget - Positive (Negative)
Operating revenues:				
Sewer fees	\$ 3,518,250	\$ 3,518,250	\$ 3,599,599	\$ 81,349
Sewer meter fees	1,564	1,564	1,201	(363)
Penalties and interest	26,000	26,000	28,704	2,704
Miscellaneous income	4,570	4,570	23,989	19,419
Total operating revenues	\$ 3,550,384	\$ 3,550,384	\$ 3,653,493	\$ 103,109
Operating expenses:				
Personnel:				
Sewer staff	\$ 772,180	\$ 772,180	\$ 818,535	\$ (46,355)
Overtime - Sewer	32,500	32,500	47,201	(14,701)
Health insurance	181,018	181,018	176,025	4,993
Retirement	66,527	66,527	42,763	23,764
Workers' compensation	7,749	7,749	6,843	906
Payroll taxes	59,075	59,075	64,025	(4,950)
Deferred compensation match	3,120	3,120	4,160	(1,040)
Life insurance	10,142	10,142	10,183	(41)
Disability insurance	2,023	2,023	2,043	(20)
Retiree Health Benefit	13,148	13,148	13,317	(169)
Utility chargeback	508,190	508,190	508,190	-
Plant operations:				
Electricity	156,000	156,000	183,522	(27,522)
Propane	-	-	2,598	(2,598)
Telephone	15,500	15,500	19,300	(3,800)
Plant supplies	25,000	25,000	25,135	(135)
Contracts	70,100	70,100	40,126	29,974
Permits	15,000	15,000	11,685	3,315
Uniforms	11,800	11,800	7,010	4,790
Plant repairs	100,769	100,769	114,534	(13,765)
Sewer line repairs	40,000	40,000	22,196	17,804
Safety	12,000	12,000	7,386	4,614
Lab supplies	46,185	46,185	52,602	(6,417)
New equipment and tools	43,000	116,150	111,435	4,715
Sludge removal	37,000	37,000	21,522	15,478
Chemicals	170,400	170,400	145,350	25,050
Lab certification	2,700	2,700	2,444	256
Sample analysis	8,813	8,813	6,427	2,386
Computer operations	18,000	18,000	10,990	7,010
GIS layers	12,000	12,000	1,729	10,271
Waste disposal	5,000	5,000	3,105	1,895
Meter repairs, tools, and equipment	30,000	30,000	5,014	24,986
New water meters	3,000	3,000	1,375	1,625
Vehicle repairs	3,000	3,000	1,660	1,340
Dues and subscriptions	2,000	2,000	1,561	439
Leased/Rented Equipment	6,000	6,000	437	5,563
Advertisements	1,000	1,000	-	1,000

Schedule of Revenues and Expenses - Budget and Actual
 Sewer Fund
 For the Year Ended June 30, 2024

Fund, Major and Minor Revenue Source	Original Budget	Final Budget	Actual	Variance with Final Budget - Positive (Negative)
Operating expenses: (Continued)				
Plant operations: (Continued)				
Training	15,867	15,867	4,599	11,268
Postage/mailings	1,050	1,050	2,423	(1,373)
Other expenses	2,500	2,500	141	2,359
Professional services	32,000	32,000	15,744	16,256
Mowing	1,000	1,000	223	777
Environmental compliance	4,000	4,000	-	4,000
Sewer department emergency	3,000	3,000	97	2,903
Administrative supplies	2,100	2,100	6,173	(4,073)
Generator maintenance	10,000	10,000	9,655	345
Long range planning	60,000	60,000	-	60,000
Vehicle fuel	6,000	6,000	4,565	1,435
Pump station operations:				
Electricity	15,500	15,500	18,895	(3,395)
Telephone	5,500	5,500	147	5,353
Repairs	10,000	10,000	2,935	7,065
Equipment	45,000	45,000	28,596	16,404
Propane	3,000	3,000	1,573	1,427
Depreciation/amortization	-	-	952,153	(952,153)
Capital outlay	1,047,394	1,713,871	134,310	1,579,561
Other operating expenses	34,600	34,600	24,095	10,505
Total operating expenses	\$ 3,788,450	\$ 4,528,077	\$ 3,698,752	\$ 829,325
Operating income (loss)	\$ (238,066)	\$ (977,693)	\$ (45,259)	\$ 932,434
Nonoperating revenues (expenses):				
Investment income	\$ 64,400	\$ 64,400	\$ 242,204	\$ 177,804
Intergovernmental	-	-	443,398	443,398
Gain on disposal of capital assets	-	-	132	132
Retirement of debt	(54,000)	(54,000)	-	54,000
Interest expense	(817,622)	(817,622)	(967,151)	(149,529)
Total nonoperating revenues (expenses)	\$ (807,222)	\$ (807,222)	\$ (281,417)	\$ 525,805
Income (loss) before transfers and contributions	\$ (1,045,288)	\$ (1,784,915)	\$ (326,676)	\$ 1,458,239
Other financing sources (uses):				
Contributed capital - availability fees	\$ 340,200	\$ 340,200	\$ 183,600	\$ (156,600)
Transfers out	(340,200)	(739,472)	-	739,472
Total other financing sources (uses)	\$ -	\$ (399,272)	\$ 183,600	\$ 582,872
Change in net position	\$ (1,045,288)	\$ (2,184,187)	\$ (143,076)	\$ 2,041,111

Schedule of Revenues and Expenditures, and Changes in Fund Balance - Budget and Actual
 Capital Projects Fund
 For the Year Ended June 30, 2024

Fund, Major and Minor Revenue Source	Original Budget	Final Budget	Actual	Variance with Final Budget - Positive (Negative)
Revenues:				
Investment income	\$ -	\$ -	\$ 86,403	\$ 86,403
Proffers	56,351	324,370	25,656	(298,714)
Miscellaneous	50,000	64,076	7,990	(56,086)
Intergovernmental:				
Local government	783,281	3,629,523	353,015	(3,276,508)
Commonwealth	14,198	1,598,519	309,784	(1,288,735)
Federal	274,958	535,793	285,291	(250,502)
Total revenues	\$ 1,178,788	\$ 6,152,281	\$ 1,068,139	\$ (5,084,142)
Expenditures:				
Capital outlay	\$ 2,659,655	\$ 7,647,683	\$ 1,849,104	\$ (5,798,579)
Excess (deficiency) of revenues over (under) expenditures	\$ (1,480,867)	\$ (1,495,402)	\$ (780,965)	\$ 714,437
Other Financing Sources:				
Transfers in	\$ 694,475	\$ 1,495,402	\$ 699,645	\$ (795,757)
Total other financing sources	\$ 694,475	\$ 1,495,402	\$ 699,645	\$ (795,757)
Net change in fund balance	\$ (786,392)	\$ -	\$ (81,320)	\$ (81,320)

Statistical Section

This part of the Town of Purcellville's annual comprehensive financial report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about the Town's overall financial health.

Contents

Tables

Financial Trends

These tables contain trend information to help the reader understand how the the Town's financial performance and well-being have changed over time.

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Revenue Capacity

These tables contain information to help the reader assess the factors affecting the Town's ability to generate its property and sales taxes.

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Debt Capacity

These tables present information to help the reader assess the affordability of the Town's current levels of outstanding debt and the Town's ability to issue debt in the future.

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Demographic and Economic Information

These tables offer demographic and economic indicators to help the reader understand the environment within which the Town's financial activities take place and to help make comparisons over time and with other governments.

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Operating Information

These tables contain information about the Town's operations and resources to help the reader understand how the Town's financial information relates to the services the Town provides and the activities it performs.

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Sources: Unless otherwise noted, the information in these tables is derived from the annual comprehensive financial reports for the relevant year.

Net Position by Component
Last Ten Fiscal Years
(accrual basis of accounting)

	2015	2016	2017	2018	2019
Governmental activities					
Net investment in capital assets	\$ 35,096,434	\$ 35,336,103	\$ 34,948,299	\$ 36,103,203	\$ 36,541,656
Restricted	989,533	548,493	723,338	1,701,564	2,608,858
Unrestricted	3,890,599	4,480,445	5,909,479	3,153,671	2,916,735
Total governmental activities net position	<u>\$ 39,976,566</u>	<u>\$ 40,365,041</u>	<u>\$ 41,581,116</u>	<u>\$ 40,958,438</u>	<u>\$ 42,067,249</u>
Business-type activities					
Net investment in capital assets	\$ 12,826,291	\$ 12,328,265	\$ 11,835,787	\$ 14,617,526	\$ 13,968,289
Restricted	-	-	-	-	-
Unrestricted	5,718,797	6,525,057	10,910,592	11,562,432	13,248,155
Total business-type activities net position	<u>\$ 18,545,088</u>	<u>\$ 18,853,322</u>	<u>\$ 22,746,379</u>	<u>\$ 26,179,958</u>	<u>\$ 27,216,444</u>
Primary government					
Net investment in capital assets	\$ 47,922,725	\$ 47,664,368	\$ 46,784,086	\$ 50,720,729	\$ 50,509,945
Restricted	989,533	548,493	723,338	1,701,564	2,608,858
Unrestricted	9,609,396	11,005,502	16,820,071	14,716,103	16,164,890
Total primary government net position	<u>\$ 58,521,654</u>	<u>\$ 59,218,363</u>	<u>\$ 64,327,495</u>	<u>\$ 67,138,396</u>	<u>\$ 69,283,693</u>

Note: GASB Statement No. 68 and 75 were adopted in fiscal year 2015 and 2018, respectively. Prior years were not restated for the impact of these statements.

Net Position by Component
Last Ten Fiscal Years
(accrual basis of accounting)

	2020	2021	2022	2023	2024
Governmental activities					
Net investment in capital assets	\$ 38,353,880	\$ 43,165,963	\$ 44,203,955	\$ 46,069,149	\$ 46,427,118
Restricted	1,959,705	1,519,909	3,342,323	2,157,403	1,548,930
Unrestricted	2,966,569	4,647,148	4,254,100	6,918,342	8,540,328
Total governmental activities net position	<u>\$ 43,280,154</u>	<u>\$ 49,333,020</u>	<u>\$ 51,800,378</u>	<u>\$ 55,144,894</u>	<u>\$ 56,516,376</u>
Business-type activities					
Net investment in capital assets	\$ 14,060,553	\$ 21,367,837	\$ 20,805,629	\$ 20,865,804	\$ 21,886,900
Restricted	-	-	325,583	113,840	-
Unrestricted	12,924,392	11,219,975	12,395,474	11,749,677	11,441,614
Total business-type activities net position	<u>\$ 26,984,945</u>	<u>\$ 32,587,812</u>	<u>\$ 33,526,686</u>	<u>\$ 32,729,321</u>	<u>\$ 33,328,514</u>
Primary government					
Net investment in capital assets	\$ 52,414,433	\$ 64,533,800	\$ 65,009,584	\$ 66,934,953	\$ 68,314,018
Restricted	1,959,705	1,519,909	3,667,906	2,271,243	1,548,930
Unrestricted	15,890,961	15,867,123	16,649,574	18,668,019	19,981,942
Total primary government net position	<u>\$ 70,265,099</u>	<u>\$ 81,920,832</u>	<u>\$ 85,327,064</u>	<u>\$ 87,874,215</u>	<u>\$ 89,844,890</u>

Note: GASB Statement No. 68 and 75 were adopted in fiscal year 2015 and 2018, respectively. Prior years were not restated for the impact of these statements.

Changes in Net Position
Last Ten Fiscal Years
(accrual basis of accounting)

	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Expenses										
Governmental activities:										
General government	\$ 2,763,529	\$ 2,815,863	\$ 2,942,494	\$ 3,437,040	\$ 3,378,091	\$ 4,083,075	\$ 5,409,541	\$ 3,988,687	\$ 5,994,296	\$ 3,969,267
Public safety	1,947,552	2,122,003	2,238,136	2,302,104	2,584,402	2,643,488	2,098,663	2,767,984	1,943,530	4,010,366
Public works	2,978,601	3,537,166	3,240,338	2,227,327	2,525,765	2,868,524	2,224,500	1,838,414	2,510,207	3,385,758
Parks, recreation and cultural	341,526	284,991	288,865	422,519	279,894	312,666	373,998	345,846	515,616	413,536
Community development	1,957,359	1,993,482	2,085,427	2,015,654	1,297,069	1,399,905	2,143,612	2,405,597	2,447,168	2,623,133
Interest on long-term debt	652,262	624,740	599,827	643,001	470,275	468,726	309,239	307,996	225,125	268,866
Total governmental activities expenses	\$ 10,640,829	\$ 11,378,245	\$ 11,395,087	\$ 11,047,645	\$ 10,535,496	\$ 11,776,384	\$ 12,559,553	\$ 11,654,524	\$ 13,635,942	\$ 14,670,926
Business-type activities:										
Water	\$ 2,536,825	\$ 2,213,759	\$ 2,173,568	\$ 3,008,206	\$ 2,894,441	\$ 2,973,565	\$ 3,314,617	\$ 2,946,777	\$ 3,980,524	\$ 3,613,137
Sewer	3,105,398	3,246,210	3,310,332	3,856,998	3,690,481	3,845,912	4,429,197	3,947,299	4,455,582	4,665,903
Total business-type activities expenses	\$ 5,642,223	\$ 5,459,969	\$ 5,483,900	\$ 6,865,204	\$ 6,584,922	\$ 6,819,477	\$ 7,743,814	\$ 6,894,076	\$ 8,436,106	\$ 8,279,040
Total primary government expenses	\$ 16,283,052	\$ 16,838,214	\$ 16,878,987	\$ 17,912,849	\$ 17,120,418	\$ 18,595,861	\$ 20,303,367	\$ 18,548,600	\$ 22,072,048	\$ 22,949,966
Program Revenues										
Governmental activities:										
Charges for services:										
General government	\$ 145,791	\$ 146,961	\$ 154,425	\$ 167,457	\$ 181,409	\$ 176,334	\$ 178,255	\$ 195,693	\$ 180,082	\$ 177,903
Public safety	57,326	42,844	61,696	58,302	50,466	45,866	63,386	102,158	65,907	48,911
Parks, recreation and cultural	-	-	-	-	-	-	300	1,200	900	92,428
Community development	161,370	143,284	158,169	127,221	91,765	113,099	88,630	149,091	174,140	181,667
Operating grants and contributions	798,187	812,838	957,708	825,145	1,229,911	1,210,658	1,208,177	1,584,918	2,982,712	1,227,615
Capital grants and contributions	755,462	1,277,717	1,181,722	1,642,735	368,774	1,866,644	3,869,206	1,389,360	1,091,659	948,090
Total governmental activities program revenues	\$ 1,918,136	\$ 2,423,644	\$ 2,513,720	\$ 2,820,860	\$ 1,922,325	\$ 3,412,601	\$ 5,407,954	\$ 3,422,420	\$ 4,495,400	\$ 2,676,614
Business-type activities:										
Charges for services:										
Water	\$ 2,085,958	\$ 2,072,275	\$ 2,135,053	\$ 2,179,702	\$ 2,195,929	\$ 2,336,437	\$ 2,391,149	\$ 2,446,556	\$ 2,306,883	\$ 2,645,663
Sewer	2,603,688	2,716,078	2,918,681	3,022,056	3,073,423	3,191,709	3,080,112	3,557,778	3,402,591	3,629,504
Operating grants and contributions	28,287	27,041	25,902	12,164	-	-	-	923,829	1,465,961	1,472,564
Capital grants and contributions	2,325,382	1,752,098	4,851,708	5,114,232	1,894,160	639,279	5,028,229	894,604	25,754	402,509
Total business-type activities program revenues	\$ 7,043,315	\$ 6,567,492	\$ 9,931,344	\$ 10,328,154	\$ 7,163,512	\$ 6,167,425	\$ 10,499,490	\$ 7,822,767	\$ 7,201,189	\$ 8,150,240
Total primary government program revenues	\$ 8,961,451	\$ 8,991,136	\$ 12,445,064	\$ 13,149,014	\$ 9,085,837	\$ 9,580,026	\$ 15,907,444	\$ 11,245,187	\$ 11,696,589	\$ 10,826,854
Net (expense) / revenue										
Governmental activities	\$ (8,722,693)	\$ (8,954,601)	\$ (8,881,367)	\$ (8,226,785)	\$ (8,613,171)	\$ (8,363,783)	\$ (7,151,599)	\$ (8,232,104)	\$ (9,140,542)	\$ (11,994,312)
Business-type activities	1,401,092	1,107,523	4,447,444	3,462,950	578,590	(652,052)	2,755,676	928,691	(1,234,917)	(128,800)
Total primary government net expense	\$ (7,321,601)	\$ (7,847,078)	\$ (4,433,923)	\$ (4,763,835)	\$ (8,034,581)	\$ (9,015,835)	\$ (4,395,923)	\$ (7,303,413)	\$ (10,375,459)	\$ (12,123,112)

Changes in Net Position
Last Ten Fiscal Years
(accrual basis of accounting)

	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
General Revenues and Other Changes in Net Position										
Governmental activities:										
Taxes:										
Property taxes	\$ 3,344,853	\$ 3,395,079	\$ 3,690,806	\$ 3,889,211	\$ 4,220,164	\$ 4,356,659	\$ 4,545,865	\$ 4,466,337	\$ 5,212,364	\$ 5,675,183
Local sales and use taxes	998,571	1,110,071	1,164,728	1,136,133	1,225,507	1,315,764	1,425,820	1,615,994	1,667,288	1,425,706
Meals taxes	1,607,222	1,786,932	1,910,552	2,047,316	2,206,283	1,906,056	2,429,322	2,751,798	3,101,223	3,230,017
Utility license taxes	222,625	220,033	220,180	222,488	222,898	219,145	216,085	216,334	225,592	233,233
Business licenses taxes	677,503	765,285	765,041	790,617	888,515	854,839	847,344	949,542	968,501	1,074,554
Other local taxes	535,057	537,536	547,485	570,898	579,098	517,500	598,057	605,518	618,312	605,896
Coronavirus Aid, Relief, and Security Act Funding										
	-	-	-	-	-	85,331	1,704,154	-	-	-
Unrestricted grants and contributions	391,107	385,727	381,086	362,408	-	-	-	-	-	-
Unrestricted revenues from use of property	40,442	39,846	49,464	75,600	44,680	68,890	27,180	80,514	57,113	-
Investment income (loss)	-	-	-	21,713	149,046	139,166	8,127	(147,784)	474,530	845,017
Miscellaneous	112,530	89,326	210,938	173,981	185,791	113,338	55,950	161,209	160,135	180,663
Grants not restricted to specific programs	-	-	-	-	-	-	-	-	-	313,581
Gain (loss) on sale of capital asset	(9,735)	-	-	(14,987)	-	-	-	-	-	-
Transfers	1,050,904	1,013,241	1,157,162	-	-	-	-	-	-	(183,000)
Total governmental activities	\$ 8,971,079	\$ 9,343,076	\$ 10,097,442	\$ 9,275,378	\$ 9,721,982	\$ 9,576,688	\$ 11,857,904	\$ 10,699,462	\$ 12,485,058	\$ 13,400,850
Business-type activities:										
Miscellaneous	\$ 20,995	\$ 35,130	\$ 322,784	\$ 20,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 57,418
Gain (loss) on sale of capital asset	35,000	-	-	-	-	-	27,180	-	28,485	11,831
Investment income (loss)	1,030	667	20,429	38,860	247,014	227,236	14,574	(257,962)	118,154	475,744
Unrestricted revenues from use of property	153,812	178,155	259,562	444,277	210,882	193,317	247,833	268,145	290,913	-
Transfers	(1,050,904)	(1,013,241)	(1,157,162)	-	-	-	-	-	-	183,000
Total business-type activities	\$ (840,067)	\$ (799,289)	\$ (554,387)	\$ 503,137	\$ 457,896	\$ 420,553	\$ 289,587	\$ 10,183	\$ 437,552	\$ 727,993
Total primary government	\$ 8,131,012	\$ 8,543,787	\$ 9,543,055	\$ 9,778,515	\$ 10,179,878	\$ 9,997,241	\$ 12,147,491	\$ 10,709,645	\$ 12,922,610	\$ 14,128,843
Change in Net Position										
Governmental activities	\$ 248,386	\$ 388,475	\$ 1,216,075	\$ 1,048,593	\$ 1,108,811	\$ 1,212,905	\$ 4,706,305	\$ 2,467,358	\$ 3,344,516	\$ 1,406,538
Business-type activities	561,025	308,234	3,893,057	3,966,087	1,036,486	(231,499)	3,045,263	938,874	(797,365)	599,193
Total primary government	\$ 809,411	\$ 696,709	\$ 5,109,132	\$ 5,014,680	\$ 2,145,297	\$ 981,406	\$ 7,751,568	\$ 3,406,232	\$ 2,547,151	\$ 2,005,731

Governmental Activities Tax Revenues by Source

Last Ten Fiscal Years

(accrual basis of accounting)

Fiscal Year	Property Taxes	Local Sales and Use Tax	Business Licenses	Utility License Taxes	Meals Taxes	Other Local Taxes	Total
2024	\$ 5,675,183	\$ 1,425,706	\$ 1,074,554	\$ 233,233	\$ 3,230,017	\$ 605,896	\$ 12,244,589
2023	5,212,364	1,667,288	968,501	225,592	3,101,223	618,312	11,793,280
2022	4,466,337	1,615,994	949,542	216,334	2,751,798	605,518	10,605,523
2021	4,545,865	1,425,820	847,344	216,085	2,429,322	598,057	10,062,493
2020	4,356,659	1,315,764	854,839	219,145	1,906,056	517,500	9,169,963
2019	4,220,164	1,225,507	888,515	222,898	2,206,283	579,098	9,342,465
2018	3,889,211	1,136,133	790,617	222,488	2,047,316	570,898	8,656,663
2017	3,690,806	1,164,728	765,041	220,180	1,910,552	547,485	8,298,792
2016	3,395,079	1,110,071	765,285	220,033	1,786,932	537,536	7,814,936
2015	3,344,853	998,571	677,503	222,625	1,607,222	535,057	7,385,831

Fund Balances of Governmental Funds
 Last Ten Fiscal Years
(modified accrual basis of accounting)

	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>
General fund:					
Nonspendable	\$ 61,630	\$ -	\$ 1,256	\$ 1,758	\$ 61,838
Restricted	131,454	58,377	260,205	364,998	371,240
Committed	590,155	479,261	373,852	271,475	178,523
Unassigned	<u>5,049,286</u>	<u>5,617,146</u>	<u>6,685,555</u>	<u>5,176,351</u>	<u>6,299,036</u>
Total general fund	<u>\$ 5,832,525</u>	<u>\$ 6,154,784</u>	<u>\$ 7,320,868</u>	<u>\$ 5,814,582</u>	<u>\$ 6,910,637</u>
Governmental funds:					
Nonspendable	\$ -	\$ -	\$ -	\$ 18,440	\$ -
Restricted	858,079	490,116	1,130,669	2,228,746	2,237,618
Committed	-	-	151,588	285,266	319,400
Assigned	-	220,199	183,142	443,537	198,018
Unassigned (deficit)	<u>(18,120)</u>	<u>59,281</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total all other governmental funds	<u>\$ 839,959</u>	<u>\$ 769,596</u>	<u>\$ 1,465,399</u>	<u>\$ 2,975,989</u>	<u>\$ 2,755,036</u>

Fund Balances of Governmental Funds
 Last Ten Fiscal Years
(modified accrual basis of accounting)

	2020	2021	2022	2023	2024
General fund:					
Nonspendable	\$ 165,926	\$ 168,316	\$ 202,859	\$ 208,927	\$ 245,769
Restricted	434,922	21,836	265,872	327,771	278,470
Committed	142,780	140,342	208,797	103,201	104,968
Unassigned	6,064,206	7,943,340	8,863,651	10,170,282	10,833,908
Total general fund	<u>\$ 6,807,834</u>	<u>\$ 8,273,834</u>	<u>\$ 9,541,179</u>	<u>\$ 10,810,181</u>	<u>\$ 11,463,115</u>
Governmental funds:					
Nonspendable	\$ 2,203	\$ 2,182	\$ 4,736	\$ 4,954	\$ 5,232
Restricted	1,524,783	1,498,073	1,771,585	1,366,312	1,270,460
Committed	404,852	397,291	508,546	327,686	187,758
Assigned	667,721	798,991	624,327	1,101,497	1,116,185
Unassigned (deficit)	-	-	-	-	-
Total all other governmental funds	<u>\$ 2,599,559</u>	<u>\$ 2,696,537</u>	<u>\$ 2,909,194</u>	<u>\$ 2,800,449</u>	<u>\$ 2,579,635</u>

Changes in Fund Balances of Governmental Funds
Last Ten Fiscal Years
(modified accrual basis of accounting)

	2015	2016	2017	2018	2019
Revenues					
General property taxes	\$ 3,239,133	\$ 3,472,962	\$ 3,648,248	\$ 3,874,778	\$ 4,188,212
Other local taxes	4,040,978	4,419,857	4,607,986	4,767,452	5,122,301
Permits, privilege fees and regulatory licenses	307,161	290,245	312,594	294,678	273,174
Fines and forfeitures	57,326	42,844	61,696	58,302	50,466
Revenue from use of property	39,315	36,590	36,540	82,880	44,680
Investment income	1,127	3,256	12,924	21,713	149,046
Miscellaneous	112,530	89,327	210,938	166,701	185,791
Intergovernmental:					
Local government	253,365	223,147	773,558	1,393,377	223,579
Commonwealth	1,623,099	1,415,501	1,331,322	1,414,125	1,294,819
Federal	68,292	837,634	415,637	22,785	80,287
Total revenues	\$ 9,742,326	\$ 10,831,363	\$ 11,411,443	\$ 12,096,791	\$ 11,612,355
Expenditures					
General government administration	\$ 2,471,121	\$ 2,611,773	\$ 2,679,550	\$ 3,205,477	\$ 2,974,232
Public safety	1,968,590	2,068,546	2,103,905	2,243,805	2,506,891
Public works	2,729,601	3,387,426	3,014,297	2,045,628	2,329,499
Parks, recreation and cultural	227,434	169,803	174,316	289,565	279,696
Community development	431,276	495,504	537,634	477,634	459,406
Capital outlay	2,046,356	1,323,834	652,204	373,089	1,027,782
Debt service					
Principal	756,531	833,543	864,121	3,154,872	742,353
Interest and other fiscal charges	725,508	702,279	680,691	706,928	558,819
Bond issue costs	-	-	-	20,312	-
Total expenditures	\$ 11,356,417	\$ 11,592,708	\$ 10,706,718	\$ 12,517,310	\$ 10,878,678
Excess of revenues over (under) expenditures	\$ (1,614,091)	\$ (761,345)	\$ 704,725	\$ (420,519)	\$ 733,677
Other financing sources (uses)					
Investment loss	\$ -	\$ -	\$ -	\$ -	\$ -
Transfers in	1,259,361	1,174,741	1,337,162	2,284,248	50,000
Transfers out	(208,457)	(161,500)	(180,000)	(2,284,248)	(50,000)
Refunding bonds issued (including bond premiums)	-	-	-	700,000	-
Issuance of debt	215,000	-	-	-	-
Financed purchase	-	-	-	-	141,425
Subscription-Based IT Arrangements	-	-	-	-	-
Payments to refunded bond escrow agent	-	-	-	(275,177)	-
Total other financing sources (uses)	\$ 1,265,904	\$ 1,013,241	\$ 1,157,162	\$ 424,823	\$ 141,425
Net change in fund balances	\$ (348,187)	\$ 251,896	\$ 1,861,887	\$ 4,304	\$ 875,102
Debt service as a percentage of noncapital expenditures	15.94%	15.09%	15.50%	31.97%	13.05%

Changes in Fund Balances of Governmental Funds
Last Ten Fiscal Years
(modified accrual basis of accounting)

	2020	2021	2022	2023	2024
Revenues					
General property taxes	\$ 4,327,765	\$ 4,544,608	\$ 4,493,217	\$ 5,204,686	\$ 5,673,615
Other local taxes	4,813,304	5,516,628	6,139,186	6,580,917	6,569,406
Permits, privilege fees and regulatory licenses	289,433	267,185	345,984	355,122	359,570
Fines and forfeitures	45,866	63,386	102,158	65,907	48,911
Revenue from use of property	68,890	27,000	80,514	57,113	92,428
Investment income	139,166	8,127	41,640	543,918	845,017
Miscellaneous	113,338	55,950	161,209	160,135	180,663
Intergovernmental:					
Local government	597,146	1,029,136	581,225	343,824	353,015
Commonwealth	2,195,217	1,921,243	1,791,344	1,719,119	1,724,779
Federal	370,270	1,786,613	601,709	1,709,578	411,492
Total revenues	\$ 12,960,395	\$ 15,219,876	\$ 14,338,186	\$ 16,740,319	\$ 16,258,896
Expenditures					
General government administration	\$ 3,578,864	\$ 4,972,625	\$ 3,749,614	\$ 5,650,806	\$ 3,463,657
Public safety	2,430,628	1,946,893	2,521,745	1,657,424	3,538,831
Public works	2,607,051	1,987,882	1,603,313	2,133,385	3,102,389
Parks, recreation and cultural	341,714	365,640	338,553	520,168	657,613
Community development	501,453	1,123,139	1,275,561	1,381,028	1,447,365
Capital outlay	2,795,634	1,858,178	1,495,207	2,885,956	1,849,104
Debt service					
Principal	4,522,053	1,054,174	1,336,132	6,577,598	1,704,038
Interest and other fiscal charges	609,393	348,367	348,635	301,773	262,010
Bond issue costs	47,019	-	-	8,404	-
Total expenditures	\$ 17,433,809	\$ 13,656,898	\$ 12,668,760	\$ 21,116,542	\$ 16,025,007
Excess of revenues over (under) expenditures	\$ (4,473,414)	\$ 1,562,978	\$ 1,669,426	\$ (4,376,223)	\$ 233,889
Other financing sources (uses)					
Investment loss	\$ -	\$ -	\$ (189,424)	\$ (69,388)	\$ -
Transfers in	207,000	-	95,200	1,564,184	715,546
Transfers out	(207,000)	-	(95,200)	(1,564,184)	(898,546)
Refunding bonds issued (including bond premiums)	9,119,000	-	-	5,095,000	-
Issuance of debt	-	-	-	-	-
Financed purchase	420,190	-	-	146,136	370,794
Subscription-Based IT Arrangements	-	-	-	364,732	10,437
Payments to refunded bond escrow agent	(5,324,056)	-	-	-	-
Total other financing sources (uses)	\$ 4,215,134	\$ -	\$ (189,424)	\$ 5,536,480	\$ 198,231
Net change in fund balances	\$ (258,280)	\$ 1,562,978	\$ 1,480,002	\$ 1,160,257	\$ 432,120
Debt service as a percentage of noncapital expenditures	35.16%	11.91%	15.12%	37.02%	14.33%

General Governmental Tax Revenues by Source
 Last Ten Fiscal Years
(modified accrual basis of accounting)

Fiscal Year	Property Tax	Local Sales and Use Tax	Business Licenses	Utility License Taxes	Meals Taxes	Other Local Taxes	Total
2024	\$ 5,673,615	\$ 1,425,706	\$ 1,074,554	\$ 233,233	\$ 3,230,017	\$ 605,896	\$ 12,243,021
2023	5,204,686	1,667,288	968,501	225,592	3,101,223	618,312	11,785,602
2022	4,493,217	1,615,994	949,542	216,334	2,751,798	605,518	10,632,403
2021	4,544,608	1,425,819	847,344	216,085	2,429,322	598,057	10,061,235
2020	4,327,765	1,315,763	854,839	219,145	1,906,056	517,500	9,141,068
2019	4,188,214	1,225,507	888,515	222,898	2,206,283	579,098	9,310,515
2018	3,874,778	1,136,133	790,617	222,488	2,047,316	570,898	8,642,230
2017	3,648,248	1,164,728	765,041	220,180	1,910,552	547,485	8,256,234
2016	3,472,962	1,110,071	765,285	220,033	1,786,932	537,536	7,892,819
2015	3,239,133	998,571	677,503	222,625	1,607,222	535,057	7,280,111

Assessed Value and Estimated Actual Value of Taxable Property
Last Ten Fiscal Years

Fiscal Year	Real Estate	Personal Property	Public Service	Total Taxable Assessed Value	Estimated Actual Taxable Value	Assessed Value as a Percentage of Actual Value
2024	2,006,247,615	107,923,650	23,941,931	2,138,113,196	2,138,113,196	100.00%
2023	1,866,583,585	103,483,211	22,492,319	1,992,559,115	1,992,559,115	100.00%
2022	1,679,091,663 *	49,862,129	21,793,092	1,750,746,884	1,750,746,884 ^	100.00%
2021	1,550,692,153	94,964,157	21,647,914	1,667,304,224	1,667,304,224	100.00%
2020	1,485,999,930	88,518,762	21,769,718	1,596,288,410	1,596,288,410	100.00%
2019	1,404,879,395	84,880,781	21,168,842	1,510,929,018	1,510,929,018	100.00%
2018	1,325,967,550	79,726,603	21,440,870	1,427,135,023	1,427,135,023	100.00%
2017	1,252,549,625	70,990,468	21,708,974	1,345,249,067	1,345,249,067	100.00%
2016	1,202,445,320	63,071,081	21,747,771	1,287,264,172	1,287,264,172	100.00%
2015	1,140,041,935	65,961,448	21,628,009	1,227,631,392	1,227,631,392	100.00%

Source: Loudoun County Commissioner of Revenue and Assessor of Real Estate - County Wide Assessment Summary Report

* In fiscal year 2022 Loudoun County assumed responsibility for tax billing.

2022 Personal Property tax billed over two cycles (May 2022-FY22 & October 2022-FY23), therefore assessment value half of prior year. Previously Personal Property billed one cycle in June of fiscal year.

Note^: This schedule % of assessment reflects that Loudoun Co. tax bill is based on 100% of assessment.

FY22 Personal Property Vehicles were taxed on 80% of assessed value.

Property Tax Rates (1)
 Direct and Overlapping Governments
 Last Ten Fiscal Years

Fiscal Years	Direct Rates						Overlapping Rates County of Loudoun, Virginia		
	Real Estate	FF Service Tax District	Personal Property	Volunteers	Machinery and Tools	Merchants' Capital	Real Estate	Personal Property	Machinery and Tools
2024	.205/.205	.03/.03	1.05	0.01	0.55	N/A	0.865	4.15	2.75
2023	.21/.205	.03/.03	1.05	0.01	0.55	N/A	0.875	4.15	2.75
2022	.22/.21	.03/.03	1.05	0.01	0.55	N/A	0.890	4.20	2.75
2021	.22/.22	.03/.03	1.05	0.01	0.55	N/A	0.980	4.20	2.75
2020	.22/.22	.03/.03	1.05	0.01	0.55	N/A	1.035	4.20	2.75
2019	.22/.22	.03/.03	1.05	0.01	0.55	N/A	1.045	4.20	2.75
2018	.22/.22	.03/.03	1.05	0.01	0.55	N/A	1.085	4.20	2.75
2017	.22/.22	.035/.035	1.05	0.01	0.55	N/A	1.125	4.20	2.75
2016	.22/.22	.035/.035	1.05	0.01	0.55	N/A	1.145	4.20	2.75
2015	.21/.22	.035/.035	1.05	0.01	0.55	N/A	1.135	4.20	2.75

(1) Per \$100 of assessed value

Source: Town Finance Department and Treasurer of Loudoun County

Principal Real Property Taxpayers
Current Year and Nine Years Ago

Taxpayer	Type Business	Fiscal Year 2024		Fiscal Year 2015	
		2024 Assessed Valuation	% of Total Assessed Valuation	2015 Assessed Valuation	% of Total Assessed Valuation
Main St. Station LLC	Shopping Center (1000 E Main St)	\$ 27,601,320	1.34%	\$ 17,175,320	1.47%
Echo Purcellville LLC	Shopping Ctr (105 Purcellville Gateway)	22,970,730	1.11%	22,040,870	1.89%
Purcellville Shopping Center LLC	Shopping Center (609 E Main St)	11,801,960	0.57%	11,297,420	0.97%
S R B Enterprises LLC	Shopping Center (711 E Main St)	11,791,960	0.57%	9,718,070	0.83%
Purcellville Development LLC	Shopping Center (1231 Wolf Rock Rd)	9,184,690	0.45%	3,863,380	0.33%
Valley Medical Center LLC	Medical Center (205 Hirst Road)	8,944,040	0.43%	10,840,710	0.93%
Maple Avenue Apartments LP	Apartments (610-650 Dominion TE)	7,566,040	0.37%	5,214,210	0.45%
VA7 Main Street Commons LLC	Apartments (123 16th St)	6,116,980	0.30%	4,233,320	0.36%
LRG-125 Hirst Road LLC	Office Building (125 Hirst Road)	5,401,710	0.26%	2,440,240	0.21%
Castle Storage LLC	Storage Facility (113 N Bailey)	5,294,300	0.26%	2,585,290	0.22%
		<u>\$ 116,673,730</u>	<u>5.65%</u>	<u>\$ 89,408,830</u>	<u>7.66%</u>

Source: Loudoun County Assessor of Real Estate taxable data

Note: Total Assessed Value excludes exempt parcel value.

Property Tax Levies and Collections
Last Ten Fiscal Years

Fiscal Year	RE Tax Levy for Fiscal Year	PP Tax Levy for Fiscal Year	Total Tax Levy for Fiscal Year	Collected within the Fiscal Year of the Levy		Collections in Subsequent Years	Total Collections to Date	
				Amount	Percentage of Levy		Amount	Percentage of Levy
2024	4,595,233	986,636	5,581,869	5,401,082	96.76%	N/A	5,401,082	96.76%
2023	4,308,798	910,457	5,219,255	5,058,374	96.92%	143,321	5,201,695	99.66%
2022	4,070,780 *	409,302	4,480,082	4,367,936	97.50%	105,695	4,473,631	99.86%
2021	3,887,315	733,461	4,620,776	4,388,330	94.97%	218,563	4,606,893	99.70%
2020	3,670,994	656,460	4,327,454	4,097,076	94.68%	219,830	4,316,906	99.76%
2019	3,444,525	617,998	4,062,523	3,854,265	94.87%	199,190	4,053,455	99.78%
2018	3,309,611	579,342	3,888,953	3,689,674	94.88%	193,614	3,883,288	99.85%
2017	3,191,567	489,048	3,680,615	3,528,421	95.86%	142,411	3,670,832	99.73%
2016	3,006,627	427,528	3,434,155	3,320,031	96.68%	108,280	3,428,311	99.83%
2015	2,833,250	438,636	3,271,886	3,099,061	94.72%	164,667	3,263,728	99.75%

Source: Town Finance Department and Loudoun County Commissioner of Revenue

* In fiscal year 2022 Loudoun County assumed responsibility for tax billing.

2022 Personal Property tax billed over two cycles (May 2022-FY22 & October 2022-FY23), therefore tax value half of prior year. Previously Personal Property billed one cycle in June of fiscal year.

Ratios of Outstanding Debt by Type
Last Ten Fiscal Years

Fiscal Years	Governmental Activities				Business-type Activities			Total Primary Government	Percentage of Personal Income (1)	Per Capita (2)
	General Obligation Bonds	Financed Purchases	Other Notes/ Bonds	Leases & Subscriptions	General Obligation Bonds	Financed Purchases	Leases & Subscriptions			
2024	\$ 9,111,838	\$ 505,653	\$ 255,000	\$ 1,204,666	\$ 39,920,818	\$ 96,267	\$ 3,649	\$ 51,097,891	5.56%	\$ 5,726
2023	10,271,051	366,777	340,000	696,368	40,256,470	87,782	3,851	52,022,299	5.82%	5,829
2022	11,387,925	325,070	425,000	570,805	40,534,368	30,616	7,676	53,281,460	6.18%	5,937
2021	12,481,066	416,429	510,000	-	40,623,257	91,810	-	54,122,562	6.65%	6,000
2020	13,459,980	501,603	595,000	-	40,663,000	150,748	-	55,370,331	7.25%	6,201
2019	13,900,005	135,983	680,000	-	40,605,881	179,596	-	55,501,465	7.60%	6,285
2018	14,657,946	-	765,000	-	40,921,224	206,671	-	56,550,841	8.34%	6,596
2017	17,374,221	-	850,000	-	42,595,476	254,291	-	61,073,988	9.60%	7,309
2016	18,251,388	-	935,000	-	43,033,090	300,393	-	62,519,871	10.31%	7,672
2015	19,094,249	-	1,020,000	-	43,475,334	345,026	-	63,934,609	11.08%	7,918

Notes: Details regarding the Town's outstanding debt can be found in the notes to the financial statements.

(1) - Personal income figures are derived from the Loudoun County Department of Management and Financial Services.

(2) - As the current year population is not yet available (see Table 15), the prior year population was used in the current year calculation.

Legal Debt Margin Information

Last Ten Fiscal Years

	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>
Debt limit	\$ 116,163,432	\$ 122,419,309	\$ 127,425,860	\$ 134,740,842	\$ 142,604,824	\$ 150,776,965
Total net debt applicable to limit	<u>63,934,609</u>	<u>62,519,871</u>	<u>61,073,988</u>	<u>56,550,841</u>	<u>55,501,465</u>	<u>55,370,331</u>
Legal debt margin	\$ <u>52,228,823</u>	\$ <u>59,899,438</u>	\$ <u>66,351,872</u>	\$ <u>78,190,001</u>	\$ <u>87,103,359</u>	\$ <u>95,406,634</u>
Total net debt applicable to the limit as a percentage of debt limit	55.04%	51.07%	47.93%	41.97%	38.92%	36.72%

Legal Debt Margin Information
Last Ten Fiscal Years

	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>
Debt limit	\$ 157,234,007	\$ 170,081,276	\$ 188,907,590	\$ 200,624,762
Total net debt applicable to limit	<u>54,122,562</u>	<u>53,281,460</u>	<u>52,022,299</u>	<u>49,287,656</u>
Legal debt margin	<u>\$ 103,111,445</u>	<u>\$ 116,799,816</u>	<u>\$ 136,885,291</u>	<u>\$ 151,337,106</u>
Total net debt applicable to the limit as a percentage of debt limit	34.42%	31.33%	27.54%	24.57%

Legal Debt Margin Calculation for Fiscal Year 2024

Total assessed value of real estate	\$ 2,006,247,615
Debt limit (10% of total assessed value)	200,624,762
Net debt applicable to limit	<u>49,287,656</u>
Legal debt margin	<u>\$ 151,337,106</u>

Direct and Overlapping Governmental Activities Debt
Year Ended June 30, 2024

<u>Governmental Unit</u>	<u>Debt Outstanding</u>	<u>Estimated Percentage Applicable (1)</u>	<u>Estimated Share of Overlapping Debt</u>
Debt repaid with property taxes: County of Loudoun	\$ 1,488,304,386	\$ 1.95%	\$ 29,026,226
Subtotal, overlapping debt			
Town of Purcellville, direct debt (2)			\$ 11,080,724
Total direct and overlapping debt			\$ 40,106,950

Note: Overlapping governments are those that coincide, at least in part, with the geographic boundaries of the Town. This table estimates the portion of the outstanding debt of those overlapping government's that is borne by the residents and businesses of the Town. This process recognized that, when considering the Town's ability to issue and repay long-term debt, the entire debt burden borne by the residents and businesses should be taken into account. However, this does not imply that every taxpayer is a resident and, therefore, responsible for repaying the debt of each overlapping government.

(1) The percentage of overlapping debt applicable is estimated using taxable assessed property values. Applicable percentages were estimated by determining the portion of the Town's taxable assessed value that is within the County government's boundaries and dividing it by the County's total taxable assessed value.

(2) Excludes debt related to business-type activities.

Ratio of Net General Bonded Debt to
Assessed Value and Net Bonded Debt Per Capita
Last Ten Fiscal Years

Fiscal Year	Gross Bonded Debt	Less: Amounts Reserved for Debt Service	Net Bonded Debt (1) (2)	Ratio of Net General Obligation Debt to Assessed Value (3)	Net Bonded Debt per Capita (4)
2024	\$ 49,032,656	\$ -	49,032,656	2.29%	\$ 5,494
2023	50,527,521	-	50,527,521	2.54%	5,662
2022	51,922,293	-	51,922,293	2.97%	5,786
2021	53,104,323	-	53,104,323	3.19%	5,887
2020	54,122,981	-	54,122,981	3.39%	6,061
2019	54,505,886	-	54,505,886	3.61%	6,172
2018	55,579,170	-	55,579,170	3.89%	6,483
2017	59,969,697	-	59,969,697	4.46%	7,177
2016	61,284,478	-	61,284,478	4.76%	7,520
2015	62,569,583	-	62,569,583	5.10%	7,749

(1) Includes all long-term general obligation bonded debt paid from tax revenues.

(2) Net bonded debt includes (a) general obligation debt that is tax supported and (b) general obligation debt that is supported by revenues of the Town's water and sewer system.

(3) See the Schedule of Assessed Value and Estimated Actual Value of Taxable Property - Table 7

Demographic and Economic Statistics
Last Ten Fiscal Years

Fiscal Year	Purcellville Population (1)	Loudoun County Per Capita Income (2)	Purcellville Median Age (3)	Purcellville School Age Population (4)	Loudoun County Unemployment Rate (5)
2024	N/A	103,005	35.5	2,214	2.8
2023	8,924	100,143	35.5	2,192	2.6
2022	8,974	96,862	35.5	2,299	2.5
2021	9,020	92,163	35.3	2,550	3.7
2020	8,929	85,393	35.5	2,874	9.0
2019	8,831	81,966	35.2	2,913	2.4
2018	8,573	78,609	35.5	2,838	2.6
2017	8,356	75,632	34.4	2,842	3.1
2016	8,149	73,857	33.8	2,608	3.3
2015	8,075	71,069	32.8	2,563	3.7

Sources:

- (1) 2015-2023: US Census Bureau, 2020 Decennial Census. 2024 update not yet available.
- (2) 2015-2022: Bureau of Economic Analysis, US Department of Commerce
2023-2024: Loudoun County Department of Finance and Budget estimates.
- (3) US Census Bureau American Community Survey 5-year estimates, 2022 Table S0101 through 2022.
2023 and 2024 updates not yet available (2022 value is shown for 2023 and 2024).
- (4) 2015-2023: Weldon Cooper Center for Public Service School-Age Population Estimates for July 1 of the year indicated.
2024 is a Loudoun County Office of Management and Budget estimate.
- (5) Local Area Unemployment Statistics, Virginia Employment Commission, Month of June each year.
Values for 2019 and 2023 were revised.

Note: Loudoun County data was used for items 2 and 5 as no specific data is available for Purcellville. The Town of Purcellville is an incorporated town located in Loudoun County, Virginia.

Principal Employers

Current Year and Nine Years Ago

Employer	Fiscal Year 2024		Fiscal Year 2015	
	Employees	Rank	Employees	Rank
Loudoun County Schools	632	1	562	1
Harris Teeter	165	2	125	3
Giant	158	3	85	8
Home School Legal Defense Association	126	4	100	4
Blue Ridge Veterinary Assoc., Inc.	107	5	125	2
Chick-Fil-A Purcellville FSU	105	6	n/a	n/a
Wholesale Screening Solutions	94	7	100	5
Patrick Henry College	89	8	78	9
Town of Purcellville	88	9	78	10
Magnolia's at the Mill	87	10	89	7

Source: Town Business License Renewal
Loudoun County Public Schools

Full-Time Equivalent Town Government Employees by Function
Last Ten Fiscal Years

Function	2015	2016	2017	2018	2019	2020*	2021	2022	2023	2024
Administration	9.00	10.00	9.50	10.20	11.20	11.20	11.20	10.25	9.25	10.15
Finance Administration	7.50	8.00	8.60	8.60	9.30	9.90	9.90	9.60	9.60	9.60
Public Safety/Police	17.00	16.00	17.00	18.00	19.60	18.00	17.00	19.00	18.00	17.00
Public Works	7.00	6.75	6.00	9.00	8.00	7.00	2.00	2.00	2.00	2.00
General Maintenance	9.00	9.60	10.60	10.60	9.60	11.00	10.00	10.00	10.00	10.00
Planning & Zoning	4.00	4.00	4.00	4.00	4.00	3.00	-	-	-	-
Engineering Planning & Development	-	-	-	-	-	-	9.00	10.00	9.00	10.60
Parks & Recreation	1.00	1.00	1.20	1.20	1.20	2.00	2.00	2.00	2.00	2.00
Water Treatment	9.00	9.00	9.00	9.00	9.00	9.00	8.00	9.00	9.00	10.00
Wastewater Treatment	9.50	9.00	9.00	9.00	9.00	9.00	9.00	9.00	9.00	10.00
Totals	<u>73.00</u>	<u>73.35</u>	<u>74.90</u>	<u>79.60</u>	<u>80.90</u>	<u>80.10</u>	<u>78.10</u>	<u>80.85</u>	<u>77.85</u>	<u>81.35</u>

*Although some departmental changes were undertaken during FY20, the Town retained the old departmental structure for its accounting records through the end of the fiscal year.

Source: IRS Form 941s

Amounts are actual based on number of employees paid on final payroll of FY24.

Operating Indicators by Function
Last Ten Fiscal Years

Function	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
<u>Administration</u>										
Special Events	27	27	20	19	10	9	7	11	12	19
FOIA Requests Processed	137	135	85	116	85	79	51	42	81	66
<u>Finance</u>										
Utility Bills Processed	15,787	15,949	16,303	16,941	17,484	17,779	17,983	18,106	18,116	18,108
Tax Bills Processed	12,923	12,220	12,812	14,971	14,349	15,122	15,522	14,394	17,800	17,637
Accounts Payable Transactions	6,291	6,449	6,815	8,361	8,474	8,500	6,293	6,377	6,799	7,893
<u>Public Safety</u>										
Parking Violations	270	79	142	221	136	197	57	18	31	64
Traffic violations	834	624	1,038	915	1,072	851	926	1,065	994	659
Incident Reports	756	632	755	814	823	754	680	703	694	668
Warning Tickets		524	588	1258	911	1102	346	742	1056	1029
<u>Public Works</u>										
<u>Maintenance Dept.</u>										
Work Orders, number of	1,753	1,395	2,154	1,979	1,961	2,343	2,251	1,990	2,037	1,185
New Meters Installed	24	38	93	99	77	14	29	2	2	2
Miss Utility's Processed	988	1,372	1,523	1,475	1,659	1,236	1,459	1,176	964	1,286
<u>Water Dept.</u>										
Total Gallons Treated (millions)	201	200	198	210	202.5	203	215	212	205	217
Samples in Compliance, % of	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
Violations, number of	0	0	0	0	0	0	0	0	0	0
<u>Wastewater Dept.</u>										
Daily average of gallons treated	549,400	661,400	589,800	576,000	684,200	664,892	656,800	596,017	619,450	622,500
Complaints, number of	1	1	0	2	0	0	0	0	0	0
Sample Analysis Passing Quality Assurance, % of						98.9%	98.8%	99.4%	99.5%	99.5%
<u>Planning and Zoning</u>										
Occupancy Permits Issued	93	81	129	192	117	60	82	69	71	40
Permits Issued	202	259	306	386	268	270	281	262	327	267
Development Plans Processed	11	7	10	19	14	15	14	32	35	21

Source: Individual town departments.

Capital Asset Statistics by Function
Last Ten Fiscal Years

Function	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Administration										
Administration Buildings	1	1	1	1	1	1	1	1	1	1
Bus Stops for Public Transportation	6	6	6	6	6	6	6	6	6	6
Public Parking Lots	4	4	4	4	4	4	4	4	4	4
Vehicles	1	1	1	1	1	1	-	-	-	-
Finance										
Vehicles	-	-	-	-	-	-	-	-	-	-
Parks and Recreation										
Recreation Facilities - Buildings	2	2	2	2	2	2	2	2	2	2
Recreation Facilities - Fields, Parks, Trails	5	5	5	5	5	5	5	5	5	6
Public safety										
Administration Buildings	-	-	-	-	-	-	-	-	-	-
Radar Smart Trailers	-	-	-	-	1	1	1	1	-	-
Vehicles	12	12	13	12	13	15	15	15	16	16
Planning and Zoning										
Vehicles	1	1	1	1	1	1	-	-	-	-
Engineering Planning and Development										
Vehicles	-	-	-	-	-	-	5	5	5	5
Public works										
Maintenance Dept.										
Heavy Equipment (Backhoes, etc)	12	12	12	12	12	12	12	12	12	12
Maintenance Facility	2	2	1	1	1	1	1	1	1	1
Message Boards	3	3	3	3	2	2	4	3	3	3
Traffic Signals	2	2	2	2	2	2	2	2	2	2
Vehicles	20	20	20	18	20	23	19	19	16	16
Water Dept.										
Chlorine Facility	1	1	1	1	1	1	1	1	1	1
Elevated Water Tanks	1	1	1	1	1	1	1	1	1	1
Filter Buildings	4	4	4	4	4	4	4	4	4	5
Vehicles	5	5	5	5	5	5	5	5	5	5
Water Reservoir(s)	1	1	1	1	1	1	1	1	1	1
Water Treatment Plant	1	1	1	1	1	1	1	1	1	1
Modular Bldg @ Plant	1	1	1	1	1	1	1	1	1	1
Wells/Well Houses	9	9	9	9	9	9	9	9	9	11
Wastewater Dept.										
Pump Stations	6	6	6	6	6	6	6	6	6	6
Vehicles	5	5	5	5	5	5	4	4	4	4
Wastewater Treatment Plant	1	1	1	1	1	1	1	1	1	1

Source: Town depreciation schedule.



**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***

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

We have audited, in accordance with the 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 *Specifications for Audits of Counties, Cities, and Towns*, issued by the Auditor of Public Accounts of the Commonwealth of Virginia, the financial statements of the governmental activities, the business-type activities, and each major fund of the Town of Purcellville, Virginia, as of and for the year ended June 30, 2024, and the related notes to the financial statements, which collectively comprise the Town of Purcellville, Virginia's basic financial statements, and have issued our report thereon dated December 3, 2024.

Report on Internal Control over Financial Reporting

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

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

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

Report on Compliance and Other Matter

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

Purpose of This Report

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

Robinson, Farmer, Cox Associates

Charlottesville, Virginia
December 3, 2024



**Independent Auditors' Report on Compliance for Each Major Program and on
Internal Control over Compliance Required by the Uniform Guidance**

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

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

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

In our opinion, Town of Purcellville, Virginia complied, in all material respects, with the 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 Town of Purcellville, 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 Town of Purcellville, 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 Town of Purcellville, 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 Town of Purcellville, Virginia's compliance based on our audit. 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, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when 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 Town of Purcellville, 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 Town of Purcellville, 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 Town of Purcellville, 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 Town of Purcellville, 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 corrected, on a timely basis. A *significant deficiency in internal control over compliance* is a deficiency, or a 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.

Report on Internal Control over Compliance (Continued)

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.

Robinson, Farmer, Cox Associates

Charlottesville, Virginia
December 3, 2024

TOWN OF PURCELLVILLE, VIRGINIA

Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2024

Federal Grantor/State Pass - Through Grantor/ Program or Cluster Title	Federal Assistance Listing Number	Pass-Through Entity Identifying Number	Amounts Passed Thru to Sub-recipients	Cluster Amounts	Federal Expenditures
U.S. Department of Transportation:					
Pass Through Payments:					
Virginia Department of Transportation					
Highway Planning and Construction	20.205	Unavailable	N/A	N/A	\$ 285,291
Total Department of Transportation					\$ 285,291
U.S. Department of the Treasury:					
Virginia Department of Accounts					
COVID-19 - Coronavirus State and Local Fiscal Recovery Funds	21.027	Unavailable	N/A	N/A	\$ 1,501,714
Total Department of the Treasury					\$ 1,501,714
U.S. Department of Justice:					
Pass Through Payments:					
Virginia Department of Criminal Justice Services					
Edward Byrne Memorial Justice Assistance Grant Program	16.738	Unavailable	N/A	N/A	\$ 3,208
Body Worn Camera Policy and Implementation	16.835	Unavailable	N/A	N/A	36,000
Total Department of Justice					\$ 39,208
Total Expenditures of Federal Awards					\$ 1,826,213

NOTE 1 - BASIS OF PRESENTATION:

The accompanying schedule of federal expenditures includes the activity of all federally assisted programs of the Town of Purcellville, Virginia and is presented on the modified accrual basis of accounting, as described in Note 1 to the Town's basic financial statements. All federal awards received directly from federal agencies, as well as federal awards passed through other government agencies, are included on this schedule.

NOTE 2 - DE MINIMIS INDIRECT COST RATE:

The entity did not elect to use the 10% de minimis indirect cost rate.

NOTE 3 - SUBRECIPIENT MONITORING:

Of the federal expenditures presented in the schedule, the Town did not provide any federal awards to subrecipients.

NOTE 4 - OUTSTANDING LOAN BALANCES:

At June 30, 2024, the Town of Purcellville had no outstanding loan balances requiring continuing disclosure.

TOWN OF PURCELLVILLE, VIRGINIA

Schedule of Findings and Questioned Costs
For the Year Ended June 30, 2024

Section I - Summary of Auditors' Results

Financial Statements

Type of auditors' report issued:	Unmodified
Internal control over financial reporting:	
Material weakness(es) identified?	No
Significant deficiency(ies) identified?	None reported
Noncompliance material to financial statements noted?	No

Federal Awards

Internal control over major programs:	
Material weakness(es) identified?	No
Significant deficiency(ies) identified?	None reported
Type of auditors' report issued on compliance for major programs:	Unmodified
Any audit findings disclosed that are required to be reported in accordance with 2 CFR section 200.516(a)?	No

Identification of major programs:

<u>Assistance Listing Number</u>	<u>Name of Federal Program or Cluster</u>	
21.027	Coronavirus State and Local Fiscal Recovery Funds	
Dollar threshold used to distinguish between Type A and Type B programs.		\$750,000
Auditee qualified as low-risk auditee?		No

Section II - Financial Statement Findings

There are no financial statement findings to report.

Section III - Federal Award Findings and Questioned Costs

There are no federal award findings and questioned costs to report.

Section IV - Prior Year Findings

There were no prior year findings.