

# **TOWN OF WAKEFIELD, VIRGINIA**

## **FINANCIAL REPORT**

**June 30, 2020**

## **TOWN COUNCIL**

Oscar E. Parker, III, President

James M. Long, Jr.

Brian K. Wills

Michael W. Kessinger

Wayne O. Jones

H. Lane Chambers, III

## **TOWN OFFICIALS**

Brian M. Laine, Mayor

Anne E. Monahan, Clerk of Council

Patricia B. Carroll, Treasurer

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## INDEPENDENT AUDITOR'S REPORT

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

### **Report on the Financial Statements**

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

### ***Management's Responsibility for the Financial Statements***

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes 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.

### ***Auditor's Responsibility***

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

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

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

### ***Opinions***

**In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Town of Wakefield, Virginia as of June 30, 2020, and the respective changes in financial position and cash flows, where applicable, thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.**

### ***Other Matters***

#### ***Required Supplementary Information***

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, budgetary comparisons, pension information and related notes be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers them to be essential parts 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.

#### ***Other Information***

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Town of Wakefield, Virginia's basic financial statements. The listing of Town Council members and officials and the statistical section are presented for purposes of additional analysis and are not a required part of the financial statements. The listing of Town Council members and officials and statistical section have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on them.

#### ***Other Reporting Required by Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated November 2, 2020, on our consideration of Town of Wakefield, 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 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 the Town of Wakefield, Virginia's internal control over financial reporting and compliance.

*Brown, Edwards & Company, L.L.P.*

CERTIFIED PUBLIC ACCOUNTANTS

Newport News, Virginia  
November 2, 2020

## **TOWN OF WAKEFIELD, VIRGINIA**

### **MANAGEMENT'S DISCUSSION AND ANALYSIS**

**June 30, 2020**

The Town of Wakefield, Virginia (Town) offers readers of the financial statements this narrative overview and analysis of the financial activities of the Town of Wakefield, Virginia for the fiscal year ended June 30, 2020. Please read it in conjunction with the Town's financial statements following this section.

#### **Overview of Financial Statements**

Our discussion and analysis is intended to serve as an introduction to the Town's basic financial statements. As of the year ended June 30, 2020, the Town's financial statements present two types of statements, each with a different snapshot of the Town's finances. The focus is on both the Town as a whole (government-wide) and the fund financial statements. The government-wide financial statements provide both short-term and long-term information about the Town's overall financial status. The fund financials focus on the individual part of Town government, reporting the Town's operations in more detail than the government-wide statements, which present a longer-term view. Presentation of both perspectives provides the user a broader overview, enhances of the basis for comparisons, and better reflects the Town's accountability.

#### **Government-Wide Financial Statements**

The government-wide financial statements include the *Statement of Net position* and the *Statement of Activities*. These statements provide information about the Town as a whole using the accrual basis of accounting, which is the method used by most private-sector enterprises. All current year revenues and expenses are reported in the Statement of Activities regardless of when cash is received or paid. These statements allow readers to answer the question, "Is the Town's position, as a whole, better or worse as a result of the year's activities?"

One of the main goals of these two statements is to report the Town's net position and changes that affected net position during the fiscal year. The change in the Town's net position, the difference between assets and deferred inflows of resources and liabilities and deferred outflows of resources, is one way to measure the Town's financial health, or financial position. Increases or decreases in net position are indicators of whether the Town's financial health is improving or deteriorating. Other nonfinancial factors, such as changes in the Town's property tax base and the condition of the Town's infrastructure should also be considered in assessing the overall financial health of the Town.

In the *Statement of Net position* and the *Statement of Activities*, the Town's activities are classified as follows:

#### **Governmental Activities**

Most of the Town's basic services are reported here, including general government, judicial administration, public safety, public works, health and welfare, and parks and recreation and cultural departments. Property taxes, other local taxes, and federal and state grants finance most of these activities.

#### **Business-Type Activities**

The Town's water, waste disposal and electrical services are reported here as the Town charges a fee to customers designed to cover all the cost of services it provides. Additionally, the Town's Airport Commission is reported here as the Town charges hangar rent to cover the cost of the Airport's operations.

(Continued)

## **TOWN OF WAKEFIELD, VIRGINIA**

### **MANAGEMENT'S DISCUSSION AND ANALYSIS**

**June 30, 2020**

#### **Component Unit**

The Town includes a blended component unit in this report, the Airport Commission of the Town of Wakefield. Although legally separate, the component unit is included because the Town of Wakefield is financially accountable for it and governs its operations.

#### **Fund Financial Statements**

Traditional users of governmental financial statements will find the fund financial statement presentation more familiar. However, the focus is now on the Town's most significant funds rather than fund types. The fund financial statements begin on page 9 and provide detailed information about the most significant funds, not the Town as a whole. The Town has two types of funds:

#### **Governmental Funds**

Most of the Town's basic services are accounted for in the governmental funds. Fund-based statements for these funds focus on how resources flow into and out of those funds and the balances at year-end that are available for future spending. These funds are reported on the modified accrual basis of accounting, which measures cash and other liquid assets that can readily be converted to cash. The governmental funds financial statements provide a detailed short-term overview that helps the reader determine the financial resources that can be spent in the near future to finance the Town's programs. The differences between governmental activities as reported in the government-wide and funds financial statements are reconciled on pages 10 and 12.

#### **Proprietary Funds**

When the Town charges customers for services it provides, whether to outside customers or to other units of the Town, these services are generally reported in proprietary funds. Proprietary funds, like the government-wide statements, utilize the accrual basis of accounting, and their statements provide both short and long-term financial information.

The Town's proprietary fund financial statements provide more detail and additional information, such as cash flows. The Town's proprietary funds are the Public Utilities and Airport Commission Funds.

#### **Financial Highlights and Analysis**

The staff includes six full-time employees and one part-time worker. Seasonal employees are also hired if needed for maintenance work or grass cutting. The Town owns its own electrical and water systems which serve approximately 650 residents. The Town owns a municipal airport and ballpark and owns the building that houses the Wakefield Volunteer Fire Department.

(Continued)



# TOWN OF WAKEFIELD, VIRGINIA

## MANAGEMENT'S DISCUSSION AND ANALYSIS

June 30, 2020

### Town of Wakefield, Virginia's Changes in Net Position

	<u>Governmental Activities</u>		<u>Business-type Activities</u>		<u>Totals</u>	
	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>
Revenues:						
Program revenues:						
Charges for services	\$ -	\$ -	\$ 1,517,588	\$ 1,723,060	\$ 1,517,588	\$ 1,723,060
Capital grants and contributions	-	-	312,457	97,713	312,457	97,713
Total program revenues	-	-	1,830,045	1,820,773	1,830,045	1,820,773
General revenues:						
General property taxes	77,330	84,243	-	-	77,330	84,243
Other local taxes	329,619	361,818	-	-	329,619	361,818
Other general revenues	28,665	13,900	-	-	28,665	13,900
Recovered costs	16,420	4,033	-	-	16,420	4,033
Miscellaneous	6,420	8,316	39,097	39,562	45,517	47,878
Intergovernmental						
Commonwealth of Virginia	62,965	59,466	-	-	62,965	59,466
Total general revenues	521,419	531,776	39,097	39,562	560,516	571,338
Total revenues	521,419	531,776	1,869,142	1,860,335	2,390,561	2,392,111
Expenses:						
General government administration	326,160	288,234	-	-	326,160	288,234
Public safety	129,857	123,416	-	-	129,857	123,416
Public works	77,468	183,967	-	-	77,468	183,967
Parks, recreation, and cultural	25,500	17,226	-	-	25,500	17,266
Airport	-	-	151,070	172,711	151,070	172,711
Public utilities	-	-	1,312,254	1,333,911	1,312,254	1,333,911
Total expenses	558,985	612,843	1,463,324	1,506,622	2,022,309	2,119,465
Change in net position before transfers	(37,566)	(81,067)	405,818	353,713	368,252	(81,067)
Transfers	60,784	132,576	(60,784)	(132,576)	-	-
Change in net position	23,218	51,509	345,034	221,137	368,252	272,646
Net position, beginning of year	1,659,303	1,607,794	2,521,455	2,300,318	4,180,758	3,908,112
Net position, end of year	\$ 1,682,521	\$ 1,659,303	\$ 2,866,489	\$ 2,521,455	\$ 4,549,010	\$ 4,180,758

Total revenues decreased from fiscal year 2019 - 2020 by \$1,550.

Total expenses decreased by \$97,156. This is primarily because of a decrease in public works expenses as a result of fewer costs and projects undertaken during the year.

(Continued)

# TOWN OF WAKEFIELD, VIRGINIA

## MANAGEMENT'S DISCUSSION AND ANALYSIS

June 30, 2020

### Town of Wakefield, Virginia's Net Position

	<u>Governmental Activities</u>		<u>Business-type Activities</u>		<u>Totals</u>	
	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>
Current and other assets	\$ 1,407,805	\$ 1,363,646	\$ 419,176	\$ 396,186	\$ 1,826,981	\$ 1,759,832
Capital assets	<u>280,071</u>	<u>324,333</u>	<u>2,839,052</u>	<u>2,531,021</u>	<u>3,119,123</u>	<u>2,855,354</u>
Total assets	<u>\$ 1,687,876</u>	<u>\$ 1,687,979</u>	<u>\$ 3,258,228</u>	<u>\$ 2,927,207</u>	<u>\$ 4,946,104</u>	<u>\$ 4,615,186</u>
Deferred outflows of resources	<u>\$ 41,576</u>	<u>\$ 9,909</u>	<u>\$ 20,020</u>	<u>\$ 2,647</u>	<u>\$ 61,596</u>	<u>\$ 12,556</u>
Current liabilities	\$ 23,312	\$ 23,991	\$ 236,398	\$ 188,438	\$ 259,710	\$ 212,429
Noncurrent liabilities	<u>8,477</u>	<u>11,318</u>	<u>168,070</u>	<u>219,086</u>	<u>176,547</u>	<u>230,404</u>
Total liabilities	<u>\$ 31,789</u>	<u>\$ 35,309</u>	<u>\$ 404,468</u>	<u>\$ 407,524</u>	<u>\$ 436,257</u>	<u>\$ 442,833</u>
Deferred inflows of resources	<u>\$ 15,142</u>	<u>\$ 3,276</u>	<u>\$ 7,291</u>	<u>\$ 875</u>	<u>\$ 22,433</u>	<u>\$ 4,151</u>
Net investment in capital assets	\$ 280,071	\$ 324,333	\$ 2,675,462	\$ 2,297,763	\$ 2,955,533	\$ 2,622,096
Restricted	58,072	43,659	7,619	405	25,691	44,064
Unrestricted	<u>1,344,378</u>	<u>1,291,311</u>	<u>183,408</u>	<u>223,287</u>	<u>1,567,786</u>	<u>1,514,598</u>
Net position	<u>\$ 1,682,521</u>	<u>\$ 1,659,303</u>	<u>\$ 2,866,489</u>	<u>\$ 2,521,455</u>	<u>\$ 4,549,010</u>	<u>\$ 4,180,758</u>

Net position may serve over time as a useful indicator of the Town's financial position. At the close of the most recent fiscal year, the Town's assets and deferred outflows of resources exceeded liabilities and deferred inflows by \$4,549,010 compared to the previous year in which assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by \$4,180,758.

A large portion of the Town's net position represents unrestricted net position of \$1,567,786, which may be used to meet the Town's ongoing obligations. In the previous year, unrestricted net position totaled \$1,514,598.

### Economic conditions

The Town operates under sound management. The Town continues to make every effort to keep the utility rates down for its customers.

Questions concerning this report or requests for additional information should be directed to the Mayor of the Town of Wakefield, Virginia.

Respectively submitted,

Brian Laine  
Mayor

## **GOVERNMENT-WIDE FINANCIAL STATEMENTS**

# TOWN OF WAKEFIELD, VIRGINIA

## STATEMENT OF NET POSITION

June 30, 2020

	Primary Government		
	Governmental Activities	Business-Type Activities	Total
<b>ASSETS</b>			
Cash and cash equivalents	\$ 1,360,289	\$ 86,882	\$ 1,447,171
Taxes receivable, net	23,271	-	23,271
Accounts receivable, net	-	224,244	224,244
Restricted cash	1,075	100,431	101,506
Note receivable	7,349	-	7,349
Net pension asset	15,821	7,619	23,440
Capital assets, net of accumulated depreciation	280,071	2,839,052	3,119,123
Total assets	<u>\$ 1,687,876</u>	<u>\$ 3,258,228</u>	<u>\$ 4,946,104</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>			
Pension deferrals	<u>\$ 41,576</u>	<u>\$ 20,020</u>	<u>\$ 61,596</u>
<b>LIABILITIES</b>			
Accounts payable and other current liabilities	\$ 22,237	\$ 132,887	\$ 155,124
Payable from restricted cash, deposits	1,075	100,431	101,506
Unearned revenue	-	3,080	3,080
Noncurrent liabilities:			
Due within one year	8,477	54,149	62,626
Due in more than one year	-	113,921	113,921
Total liabilities	<u>\$ 31,789</u>	<u>\$ 404,468</u>	<u>\$ 436,257</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Pension deferrals	<u>\$ 15,142</u>	<u>\$ 7,291</u>	<u>\$ 22,433</u>
<b>NET POSITION</b>			
Net investment in capital assets	\$ 280,071	\$ 2,675,462	\$ 2,955,533
Restricted for pension	15,821	7,619	23,440
Restricted for permanent fund	2,251	-	2,251
Unrestricted	1,384,378	183,408	1,567,786
Total net position	<u>\$ 1,682,521</u>	<u>\$ 2,866,489</u>	<u>\$ 4,549,010</u>

The Notes to Financial Statements are an integral part of this statement.

**TOWN OF WAKEFIELD, VIRGINIA**

**STATEMENT OF ACTIVITIES**

**Year Ended June 30, 2020**

Functions/Programs	Expenses	Program Revenues		Net (Expenses) Revenues and Changes in Net Position		
		Charges For Services	Operating Grants and Contributions	Primary Government		
				Governmental Activities	Business-Type Activities	Total
<b>PRIMARY GOVERNMENT</b>						
Governmental activities:						
General government administration	\$ 326,160	\$ -	\$ -	\$ (326,160)	\$ -	\$ (326,160)
Public safety	129,857	-	-	(129,857)	-	(129,857)
Public works	77,468	-	-	(77,468)	-	(77,468)
Parks, recreation and cultural	25,500	-	-	(25,500)	-	(25,500)
Total governmental activities	558,985	-	-	(558,985)	-	(558,985)
Business-type activities:						
Public utility	1,312,254	1,455,670	-	-	143,416	143,416
Airport Commission	151,070	61,918	312,457	-	223,305	223,305
Total business-type activities	1,463,324	1,517,588	312,457	-	366,721	366,721
Total primary government	\$ 2,022,309	\$ 1,517,588	\$ 312,457	(558,985)	366,721	(192,264)
<b>GENERAL REVENUES</b>						
General property taxes				77,330	-	77,330
Other local taxes				329,619	-	329,619
Revenues from use of money and property				15,181	-	15,181
Permits, privilege fees, and regulatory licenses				140	-	140
Fines and forfeitures				13,344	-	13,344
Recovered costs				16,420	-	16,420
Miscellaneous				6,420	39,097	45,517
Intergovernmental - Commonwealth of Virginia				62,965	-	62,965
Transfers, net				60,784	(60,784)	-
Total general revenues and transfers				582,203	(21,687)	560,516
Change in net position				23,218	345,034	368,252
Net position, beginning of year, as restated (Note 11)				1,659,303	2,521,455	4,180,758
Net position, end of year				\$ 1,682,521	\$ 2,866,489	\$ 4,549,010

The Notes to Financial Statements are an integral part of this statement.

## **GOVERNMENTAL FUND FINANCIAL STATEMENTS**

**TOWN OF WAKEFIELD, VIRGINIA**

**BALANCE SHEET - GOVERNMENTAL FUNDS**

**June 30, 2020**

	<b>General Fund</b>	<b>Non-Major Permanent Fund</b>	<b>Total Governmental Funds</b>
<b>ASSETS</b>			
<b>CURRENT ASSETS</b>			
Cash and cash equivalents	\$ 1,317,925	\$ 42,364	\$ 1,360,289
Taxes receivable, net	23,271	-	23,271
Restricted cash	1,075	-	1,075
	<hr/>	<hr/>	<hr/>
Total assets	\$ 1,342,271	\$ 42,364	\$ 1,384,635
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>
<b>LIABILITIES</b>			
<b>CURRENT LIABILITIES</b>			
Accounts payable and other current liabilities	\$ 22,124	\$ 113	\$ 22,237
Payable from restricted cash, deposits	1,075	-	1,075
	<hr/>	<hr/>	<hr/>
Total current liabilities	23,199	113	23,312
	<hr/>	<hr/>	<hr/>
<b>FUND BALANCES</b>			
Restricted	-	2,251	2,251
Committed	-	40,000	40,000
Unassigned	1,319,072	-	1,319,072
	<hr/>	<hr/>	<hr/>
Total fund balances	1,319,072	42,251	1,361,323
	<hr/>	<hr/>	<hr/>
Total liabilities and fund balances	\$ 1,342,271	\$ 42,364	\$ 1,384,635
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

The Notes to Financial Statements are an integral part of this statement.

**TOWN OF WAKEFIELD, VIRGINIA**

**RECONCILIATION OF GOVERNMENTAL FUNDS BALANCE SHEET  
TO THE STATEMENT OF NET POSITION  
June 30, 2020**

Total fund balances, governmental funds	\$ 1,361,323
Amounts reported for governmental activities in the statement of net position are different because:	
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds, net of accumulated depreciation.	<u>280,071</u>
Some receivables reported in the Statement of Net Position, such as notes receivable, do not provide current financial resources and therefore are not accrued as receivables in governmental funds.	<u>7,349</u>
Some assets and deferred outflows of resources reported in the statement of net position do not provide current financial resources and therefore are not accrued as assets or deferred in the governmental funds.	
Net pension asset	15,821
Deferred pension outflows	<u>41,576</u>
	<u>57,397</u>
Some liabilities and deferred inflows of resources reported in the statement of net position do not require the use of current financial resources and therefore are not accrued as liabilities or deferred in the governmental funds.	
Compensated absences	(8,477)
Deferred pension inflows	<u>(15,142)</u>
	<u>(23,619)</u>
Net position of governmental activities	<u><u>\$ 1,682,521</u></u>

The Notes to Financial Statements are an integral part of this statement.



**TOWN OF WAKEFIELD, VIRGINIA**

**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES -  
GOVERNMENTAL FUNDS  
Year Ended June 30, 2020**

	<u>General Fund</u>	<u>Non-Major Permanent Fund</u>	<u>Total Governmental Funds</u>
<b>OPERATING REVENUES</b>			
General property taxes	\$ 77,330	\$ -	\$ 77,330
Other local taxes	329,619	-	329,619
Revenues from use of money and property	14,980	201	15,181
Permits, privilege fees, and regulatory licenses	140	-	140
Fines and forfeitures	13,344	-	13,344
Recovered costs	16,420	-	16,420
Miscellaneous	4,320	2,100	6,420
Intergovernmental - Commonwealth of Virginia	62,965	-	62,965
	<u>519,118</u>	<u>2,301</u>	<u>521,419</u>
<b>OPERATING EXPENDITURES</b>			
Current:			
General government administration	345,903	-	345,903
Public safety	107,454	-	107,454
Public works	45,918	14,019	59,937
Parks, recreation and cultural	25,500	-	25,500
Capital projects	11,703	1,173	12,876
	<u>536,478</u>	<u>15,192</u>	<u>551,670</u>
Total expenditures	<u>536,478</u>	<u>15,192</u>	<u>551,670</u>
Deficiency of revenues under expenditures	<u>(17,360)</u>	<u>(12,891)</u>	<u>(30,251)</u>
<b>OTHER FINANCING SOURCES (USES)</b>			
Operating transfers in	60,784	12,999	73,783
Operating transfers out	(12,999)	-	(12,999)
Note receivable repayments	11,617	-	11,617
	<u>59,402</u>	<u>12,999</u>	<u>72,401</u>
Total other financing sources	<u>59,402</u>	<u>12,999</u>	<u>72,401</u>
Excess of revenues and other financing sources over expenditures and other financing uses	42,042	108	42,150
Fund balance, beginning of year	<u>1,277,030</u>	<u>42,143</u>	<u>1,319,173</u>
Fund balances, end of year	<u><u>\$ 1,319,072</u></u>	<u><u>\$ 42,251</u></u>	<u><u>\$ 1,361,323</u></u>

The Notes to Financial Statements are an integral part of this statement.

**TOWN OF WAKEFIELD, VIRGINIA**

**RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND  
CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS  
TO STATEMENT OF ACTIVITIES  
Year Ended June 30, 2020**

Net change in fund balances, total governmental funds	\$ 42,150
Amounts reported for governmental activities in the statement of activities are different because:	
Repayments on notes receivable to other entities are reported as revenues in the governmental fund statement of revenues, expenditures, and changes in fund balances. However, these are not reported on the Statement of Activities and are instead reported as receivable reduction on the Statement of Net Position.	<u>(11,617)</u>
Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of these assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which depreciation exceeded capital outlays.	<u>(44,262)</u>
Some expenses and expense recoveries 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	2,841
Change in pension and pension-related deferred amounts	<u>34,106</u>
	<u>36,947</u>
Change in net position of governmental activities	<u>\$ 23,218</u>

The Notes to Financial Statements are an integral part of this statement.

## **PROPRIETARY FUND FINANCIAL STATEMENTS**

# TOWN OF WAKEFIELD, VIRGINIA

## STATEMENT OF NET POSITION - PROPRIETARY FUNDS

June 30, 2020

	<u>Public Utilities</u>	<u>Airport Commission</u>	<u>Total</u>
<b>ASSETS</b>			
<b>CURRENT ASSETS</b>			
Cash and cash equivalents	\$ 86,882	\$ -	\$ 86,882
Accounts receivable, net	183,238	41,006	224,244
Total current assets	<u>270,120</u>	<u>41,006</u>	<u>311,126</u>
<b>NONCURRENT ASSETS</b>			
Restricted cash	100,431	-	100,431
Net pension asset	7,619	-	7,619
Capital assets, net of accumulated depreciation	1,399,150	1,439,902	2,839,052
Total noncurrent assets	<u>1,507,200</u>	<u>1,439,902</u>	<u>2,947,102</u>
Total assets	<u><u>\$ 1,777,320</u></u>	<u><u>\$ 1,480,908</u></u>	<u><u>\$ 3,258,228</u></u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>			
Pension deferrals	<u><u>\$ 20,020</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 20,020</u></u>
<b>LIABILITIES</b>			
<b>CURRENT LIABILITIES</b>			
Accounts payable and other current liabilities	\$ 80,991	\$ 51,896	\$ 132,887
Unearned revenue	-	3,080	3,080
Notes payable, current portion	49,669	-	49,669
Compensated absences	4,480	-	4,480
Total current liabilities	<u>135,140</u>	<u>54,976</u>	<u>190,116</u>
<b>NONCURRENT LIABILITIES</b>			
Payable from restricted cash, deposits	100,431	-	100,431
Notes payable, less current portion	113,921	-	113,921
Total noncurrent liabilities	<u>214,352</u>	<u>-</u>	<u>214,352</u>
Total liabilities	<u><u>\$ 349,492</u></u>	<u><u>\$ 54,976</u></u>	<u><u>\$ 404,468</u></u>
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Pension deferrals	<u><u>\$ 7,291</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 7,291</u></u>
<b>NET POSITION</b>			
Net investment in capital assets	\$ 1,235,560	\$ 1,439,902	\$ 2,675,462
Restricted for pension	7,619	-	7,619
Unrestricted	197,378	(13,970)	183,408
Total net position	<u><u>\$ 1,440,557</u></u>	<u><u>\$ 1,425,932</u></u>	<u><u>\$ 2,866,489</u></u>

The Notes to Financial Statements are an integral part of this statement.

**TOWN OF WAKEFIELD, VIRGINIA**

**STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET POSITION -  
PROPRIETARY FUNDS  
Year Ended June 30, 2020**

	<u>Public Utilities</u>	<u>Airport Commission</u>	<u>Total</u>
OPERATING REVENUES			
Charges for services	\$ 1,455,670	\$ 61,918	\$ 1,517,588
OPERATING EXPENSES, other than depreciation:			
Purchase of electricity	871,816	-	871,816
Other contractual services	102,741	-	102,741
Salaries	90,706	17,103	107,809
Maintenance and repairs	45,087	20,340	65,427
Benefits	26,329	8,608	34,937
Materials and supplies	17,879	667	18,546
Office expense	6,972	8,752	15,724
Fuel	5,551	20,371	25,922
Dues	2,711	-	2,711
Utilities	1,757	9,414	11,171
Professional services	11,030	-	11,030
Rent	225	-	225
Total operating expenses, other than depreciation	1,182,804	85,255	1,268,059
Operating income before depreciation	272,866	(23,337)	249,529
Depreciation	(121,128)	(65,815)	(186,943)
Operating income	151,738	(89,152)	62,586
NONOPERATING REVENUES (EXPENSES)			
Penalty charges	20,400	-	20,400
Miscellaneous revenues	13,810	-	13,810
State consumption and regulatory tax, net	3,911	-	3,911
Capital grants	-	312,457	312,457
Interest income	976	-	976
Interest expense	(8,322)	-	(8,322)
Total nonoperating revenues	30,775	312,457	343,232
Income before operating transfers	182,513	223,305	405,818
OPERATING TRANSFERS			
Transfers from other funds	-	123,752	123,752
Transfers to other funds	(184,536)	-	(184,536)
Change in net position	(2,023)	347,057	345,034
Net position, beginning of year	1,442,580	1,078,875	2,521,455
Net position, end of year	<u>\$ 1,440,557</u>	<u>\$ 1,425,932</u>	<u>\$ 2,866,489</u>

The Notes to Financial Statements are an integral part of this statement.

**TOWN OF WAKEFIELD, VIRGINIA**

**STATEMENT OF CASH FLOWS - PROPRIETARY FUNDS**

**Year Ended June 30, 2020**

	<b>Public Utilities</b>	<b>Airport Commission</b>	<b>Total</b>
<b>OPERATING ACTIVITIES</b>			
Received from customers and users	\$ 1,479,415	\$ 64,998	\$ 1,544,413
Payments to suppliers for goods and services	(1,108,253)	(33,584)	(1,141,837)
Payments to employees	(88,626)	(17,103)	(105,729)
	<u>282,536</u>	<u>14,311</u>	<u>296,847</u>
Net cash provided by operating activities			
<b>NONCAPITAL FINANCING ACTIVITIES</b>			
Transfers out to other funds	(184,536)	-	(184,536)
Transfers in from other funds	-	123,752	123,752
	<u>(184,536)</u>	<u>123,752</u>	<u>(60,784)</u>
Net cash used by noncapital financing activities			
<b>CAPITAL AND RELATED FINANCING ACTIVITIES</b>			
Acquisition and construction of capital assets	(72,203)	(422,771)	(494,974)
Payments on long-term debt	(53,096)	-	(53,096)
Interest expense	(8,322)	-	(8,322)
State grants	-	284,708	284,708
Penalty charges	20,400	-	20,400
Miscellaneous revenues	13,810	-	13,810
State consumption and regulatory tax, net	3,911	-	3,911
	<u>(95,500)</u>	<u>(138,063)</u>	<u>(233,563)</u>
Net cash used by capital and related financing activities			
<b>INVESTING ACTIVITIES</b>			
Interest income	976	-	976
	<u>976</u>	<u>-</u>	<u>976</u>
Net increase in cash and cash equivalents			
	3,476	-	3,476
<b>CASH AND CASH EQUIVALENTS</b>			
Beginning of year	183,837	-	183,837
	<u>183,837</u>	<u>-</u>	<u>183,837</u>
End of year	<u>\$ 187,313</u>	<u>\$ -</u>	<u>\$ 187,313</u>
<b>RECONCILIATION OF CASH AND CASH EQUIVALENTS TO THE STATEMENT OF NET POSITION</b>			
Cash and cash equivalents	\$ 86,882	\$ -	\$ 86,882
Restricted cash	100,431	-	100,431
	<u>\$ 187,313</u>	<u>\$ -</u>	<u>\$ 187,313</u>

The Notes to Financial Statements are an integral part of this statement.

**TOWN OF WAKEFIELD, VIRGINIA**

**STATEMENT OF CASH FLOWS - PROPRIETARY FUNDS**  
**Year Ended June 30, 2020**

**(Continued)**

	<b>Public Utilities</b>	<b>Airport Commission</b>	<b>Total</b>
<b>RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED BY OPERATING ACTIVITIES</b>			
Operating income	\$ 151,738	\$ (89,152)	\$ 62,586
Adjusting to reconcile operating income to net cash provided by operating activities:			
Depreciation	121,128	65,815	186,943
Pension expense net of employer contributions	(18,171)	-	(18,171)
Change in current assets and liabilities:			
Accounts receivable	15,449	-	15,449
Accounts payable and accrued liabilities	2,016	34,568	36,584
Payable from restricted cash, deposits	8,296	-	8,296
Unearned revenue	-	3,080	3,080
Compensated absences	2,080	-	2,080
	<u>\$ 282,536</u>	<u>\$ 14,311</u>	<u>\$ 296,847</u>
Net cash provided by operating activities	<u>\$ 282,536</u>	<u>\$ 14,311</u>	<u>\$ 296,847</u>
<b>SUPPLEMENTAL DISCLOSURES</b>			
Cash paid for interest	<u>\$ 8,322</u>	<u>\$ -</u>	<u>\$ 8,322</u>

The Notes to Financial Statements are an integral part of this statement.

**TOWN OF WAKEFIELD, VIRGINIA**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**June 30, 2020**

**1. Summary of Significant Accounting Policies**

Reporting entity

*Primary government*

The Town of Wakefield, Virginia (Town) is a political subdivision of the Commonwealth of Virginia (Commonwealth) governed by a six-member elected Town Council. The accompanying financial statements for the primary government and its component unit are prepared in accordance with the accounting principles generally accepted in the United States of America (GAAP) applicable to governmental units, as prescribed by the Governmental Accounting Standards Board (GASB).

Beginning July 1, 2003, the Town implemented GASB Statement No. 34, *Basic Financial Statements - and Management's Discussion and Analysis - for State and Local Governments*, GASB Statement No. 37, *Basic Financial Statements- and Management's Discussion and Analysis - for State and Local Governments: Omnibus*, and GASB Statement No. 38, *Certain Financial Statement Disclosures*. These statements were developed to make annual reports easier to understand and more useful to the people who use governmental financial information to make decisions and includes the following:

- Management's Discussion and Analysis (MD&A) - MD&A introduces the basic financial statements and provides an analytical overview of the primary government's financial activities. It describes the currently known facts, decisions or conditions that are expected to have a significant effect on financial position or results of operations.
- Basic Financial Statements - The basic financial statements include both government-wide and fund financial statements and notes. The notes are an integral part of the financial statements and communicate information not displayed on the face of the statements that is essential for their fair presentation.
- Required Supplementary Information (RSI) - RSI reports other types of data required by GASB. RSI for the Town consists of MD&A and budgetary comparison statements.

In accordance with GASB Statement No. 34, the basic financial statements are comprised of both government-wide and fund financial statements.

Fund balance

Beginning July 1, 2010, the Town has implemented GASB Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions* which redefined how fund balances of the governmental funds are presented in the financial statements. Fund balances are classified as follows:

*Nonspendable*

Amounts that cannot be spent either because they are not in a spendable form or because they are legally or contractually required to be maintained intact.

*Restricted*

Amounts that can be spent only for specific purposes because of the Town Charter, Town Code, state or federal laws, or externally imposed conditions by grantors or creditors.

*Committed*

Amounts that can be used only for specific purposes determined by a formal action by the Town Council ordinance or resolution.

(Continued)



**TOWN OF WAKEFIELD, VIRGINIA**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**June 30, 2020**

**1. Summary of Significant Accounting Policies (Continued)**

*Assigned*

Amounts that are designated by the Mayor for a specific purpose but are not spendable until a budget ordinance is passed by the Town Council.

*Unassigned*

All amounts not included in other spendable classifications.

The details of the fund balances are included in the Governmental Funds Balance Sheet (page 9). Restricted funds are used first as appropriate. Assigned Funds are reduced to the extent that expenditure Town has been budgeted by the Town Council or the Assignment has been changed by the Mayor. Decreases to fund balance first reduce Unassigned Fund balance; in the event that Unassigned Fund Balance becomes zero, the Assigned and Committed Fund Balances are used in that order.

General fund

The General Fund has Unassigned Fund Balance of \$1,319,072 at June 30, 2020.

Other major fund

The Permanent Fund has Restricted Funds of \$2,251 at June 30, 2020, consisting of funds donated by residents for the purpose of Cemetery repairs and maintenance. The Permanent Fund also has Committed Funds of \$40,000, which was set aside by the Council, the earnings on which are to be similarly used for Cemetery repairs and maintenance.

Blended component unit

For financial reporting purposes, in conformance with GASB Statement No. 61, *The Financial Reporting Entity: Omnibus an amendment of GASB Statement No. 14 and No. 34*, the Town includes all funds, agencies, boards, commissions and authorities for which the Town is financially accountable.

Financial accountability was determined on the basis of budget adoption, taxing Town, outstanding debt secured by revenues or general obligations of the Town, obligation of the Town to finance any deficits that may occur, or receipt of significant subsidies from the Town.

Based on the foregoing criteria, the Airport Commission is included in the accompanying financial statements. There are no other component units whose financial activities would appropriately be included in the accompanying financial statements.

Government-wide and fund financial statements

There are two basic government-wide statements, the statement of net position and the statement of activities, which report information on all of the nonfiduciary activities of the Town and its component unit. These two statements report governmental activities, which are normally supported by taxes and intergovernmental revenues, separately from business-type activities, which rely primarily on fees and charges for services. Fiduciary activities are not reported in the government-wide statements because the resources are not available to support government programs. In addition to separately presenting business-type activities and governmental activities, the government-wide financial statements present a consolidated total column for the primary government. The government-wide financial statements are consolidated; therefore, the effect of interfund activity has been removed from these statements.

(Continued)

## TOWN OF WAKEFIELD, VIRGINIA

### NOTES TO BASIC FINANCIAL STATEMENTS

June 30, 2020

#### 1. Summary of Significant Accounting Policies (Continued)

The statement of activities presents a comparison between direct expenses of a function and program revenues. Direct expenses are those that are specifically associated with a specific function or segment. Program revenues include a) fees, fines and charges paid by the recipients of goods or services offered by the function or segment and b) grants and contributions that are restricted to meet the operating or capital requirements of a particular function or segment. Revenues that are not classified as program revenues, including all taxes, are presented as general revenues.

The fund financial statements are provided to separately present governmental funds, proprietary funds and fiduciary funds (the latter being excluded from the government-wide financial statements). All individual governmental funds and the enterprise fund are reported separately in the fund financial statements.

#### Measurement focus, basis of accounting and financial statement presentation

The government-wide financial statements and the proprietary fund financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. This measurement focus attempts to match revenues and related costs. The accrual basis of accounting recognizes revenues as they are earned and expenses are recognized when a liability is incurred.

The governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. The current financial resources measurement focus does not attempt to match revenues and related costs; instead the focus is on increases and decreases in current financial resources. The modified accrual basis of accounting recognizes revenue when measurable and available. That is, revenues are recognized to the degree they are available to finance expenditures of the current fiscal period. Generally, revenues are considered available to be used to pay liabilities of the current period if they are collectible within the current period or within 45 days thereafter.

Accordingly, real and personal property taxes are recorded as revenues and receivables when billed and displayed at year end, net of an allowance for uncollectible amounts. Sales and utility taxes, which are collected by the Commonwealth or utilities and subsequently remitted to the Town, are recognized as revenues and receivables upon collection by the Commonwealth or utility, which is generally one month preceding receipt by the Town. Licenses, permits and fines are recorded as revenues when received by the Town. Intergovernmental revenues, consisting primarily of the Town's share of Alcohol and Beverage Control profits, are recognized when received. Revenues from general purpose grants are recognized in the period to which the grant applies. Expenditures are recorded as the related fund liabilities are incurred.

With the fund financial statements, two reconciliations are provided to explain the difference between the fund financial statements and the government-wide financial statements caused by these differences in measurement focus and basis of accounting.

The Town reports the following governmental funds:

#### *General fund*

The General Fund accounts for all revenues and expenditures applicable to the general operations of the Town which are not accounted for in other funds. Revenues are derived from general property taxes, other local taxes, licenses and permits and intergovernmental revenues. Primary expenditures are for public safety, public works, recreation and cultural, and the general administration of the Town.

(Continued)

**TOWN OF WAKEFIELD, VIRGINIA**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**June 30, 2020**

**1. Summary of Significant Accounting Policies (Continued)**

*Permanent fund*

The Permanent Fund accounts for assets held by a governmental unit in a trustee capacity or as an agent or custodian for individuals, private organizations, other governmental units, or other funds. The Cemetery Fund, a nonexpendable permanent fund, accounts for monies derived from the sale of cemetery lots.

The Town reports the following proprietary fund:

*Proprietary funds*

Proprietary funds account for the financing of services to the general public where all or most of the operating expenses involved are recovered in the form of charges to users of such services. The Town's enterprise fund accounts for the activities of the Airport and the operations of water, waste disposal, and electrical services. Operating revenues, such as charges for services, result from exchange transactions associated with the principal activity of the fund. Exchange transactions are those in which each party receives and gives up essentially equal values. Non-operating revenues, such as grants, contributions, and investment earnings, result from non-exchange transactions or ancillary activities.

Budget and budgetary accounting

The Town's annual operating budgets for the General and Proprietary Funds are adopted by ordinances and resolutions passed by Town Council. The budgets are prepared on the basis of accounting utilized in each fund type. All appropriations lapse at year-end to the extent that they have not been fully expended. Public hearings are conducted to obtain citizen comments. Prior to July 1, the General Fund budget is legally enacted through passage of an appropriations resolution. All General Fund budget data presented in the accompanying financial statements represents the revised budget as of June 30, 2020. The Proprietary Fund budget is not legally adopted but is used as a management tool to track the results of operations.

Budgetary comparisons

The General Fund Schedules of Revenues and Expenditures - Budget and Actual presented in Required Supplementary Information (RSI) - compares budget and actual data for all governmental funds for which a budget is adopted. A review of the budgetary comparison presented herein will disclose how accurately the governing body was able to forecast the revenues and expenditures of the Town.

Cash and cash equivalents

The Town's cash and cash equivalents consist principally of demand deposits and certificates of deposit. The *Code of Virginia (1950)*, as amended, considers all certificates of deposit to be cash. However, for the statement of cash flows, only demand deposits and certificates of deposit with an original maturity date at the time of purchase of three months or less are considered to be cash and cash equivalents.

Receivables

The Town recognizes receivables in its various funds based on the accounting basis required for that fund. Allowances are provided, as appropriate, for possible uncollectible accounts.

(Continued)

**TOWN OF WAKEFIELD, VIRGINIA**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**June 30, 2020**

**1. Summary of Significant Accounting Policies (Continued)**

Compensated absences

Employees of the Town are granted vacation pay in varying amounts as services are provided. Town employees may accumulate, subject to certain limitations, unused vacation, and upon separation of employment from the Town, may be compensated for certain amounts. The Town's cost of accumulated vacation pay expected to be paid in the future is accounted for as a noncurrent liability in the Statement of Net position.

Interfund transactions

Transactions that constitute reimbursement to a fund for expenditures/expenses initially made on behalf of another fund are recorded as expenditures/expenses in the reimbursing fund and as reductions of expenditures/expenses in the fund that is reimbursed. All other interfund transactions are recorded as operating transfers.

Credit risk

Financial instruments which potentially subject the Town to concentration of credit risk consist principally of temporary cash investments. The Town places its temporary cash investments with high credit quality financial institutions. At June 30, 2020, the Town's cash funds were located in two financial institutions. Concentrations of credit risk with respect to trade receivables are limited due to the large number of customers comprising the Town's customer base.

Allowance for uncollectible accounts

As a matter of policy, based on historical collection data and the relatively small sums involved, the Town establishes its allowance for uncollectible accounts based on delinquent real estate and personal property taxes receivable at June 30 of each year. The allowance was \$15,219 at June 30, 2020.

Estimates

The preparation of financial statements in accordance with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets, liabilities, revenues, and expenses and disclosure of contingent assets and liabilities for the reported periods. Actual results could differ from those estimates and assumptions.

Capital assets

Capital assets include land and land improvements and buildings and building improvements, equipment and vehicles. Any asset or group of assets acquired by the Town that has a useful life in excess of two years and an acquisition cost or fair market value (when received) of at least \$1,000 are reported in the applicable governmental or business-type activities column in the government-wide financial statements.

Such assets are recorded at historical, or estimated historical, cost if constructed or purchased. Donated capital assets are recorded at fair market value at the date of donation. Capital assets are depreciated over their estimated useful lives, ranging from 5 to 20 years, using the straight-line method as follows:

Land improvements	7 - 20 years
Equipment	5 - 15 years
Vehicles	5 - 15 years

(Continued)

**TOWN OF WAKEFIELD, VIRGINIA**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**June 30, 2020**

**1. Summary of Significant Accounting Policies (Continued)**

Capital assets (Continued)

When capital assets are disposed, the related costs and accumulated depreciation are removed from the respective accounts and any profit or loss on disposition is recognized in the current year's operations.

Maintenance and ordinary repairs are charged to expense as incurred. Expenditures which materially increase values, change capacities or extend useful lives are capitalized.

Certain capital items, including buildings, that would have been fully depreciated at the time the Town adopted GASB 34 are not being depreciated as described above (as they had no remaining book value at the time of adoption).

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.

**2. Cash and Cash Equivalents**

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.

At June 30, 2020, the carrying value of the Town's deposits with banks and savings institutions was \$1,548,677 and the bank balance was \$1,567,827. Cash and deposits consist of the following:

Total deposits	\$ 1,548,577
Total cash on hand	<u>100</u>
	<u>\$ 1,548,677</u>

The Town has no formal investment policy.

(Continued)

# TOWN OF WAKEFIELD, VIRGINIA

## NOTES TO BASIC FINANCIAL STATEMENTS

June 30, 2020

### 3. Property Taxes Receivable

The Town levies real estate taxes on all real property and mobile homes on a calendar year basis at the rate enacted by Town Council. The rate is applied to the assessed value of property as determined by the appraised value established by Sussex County. The taxes are billed by the Town on an annual basis and are due February 5, of the following year. The tax rate for the fiscal year ended June 30, 2020 was \$.093 per \$100 of assessed value. This rate also applied to public service corporations.

The Town levies personal property taxes on motor vehicles and tangible personal property used in a trade or business. Taxes are billed on an annual basis and are due February 5, of the following year. The tax rate for the fiscal year ended June 30, 2020 was \$.86, for both personal property and machinery and tools, per \$100 of assessed value, as determined by Sussex County.

Assessed values used for the fiscal year were as follows:

Real estate	\$ 52,641,112
Personal property	\$ 5,858,660
Public service corporations	\$ 4,209,997

### 4. Capital Assets

Capital assets activity for the year was as follows:

	<b>Beginning July 1 2019</b>	<b>Additions</b>	<b>Reductions</b>	<b>Ending June 30, 2020</b>
<b>Governmental activities</b>				
Capital assets not subject to depreciation:				
Land	\$ 71,483	\$ -	\$ -	\$ 71,483
Capital assets being depreciated:				
Land improvements	246,258	1,173	-	247,431
Equipment	194,612	11,703	-	206,315
Vehicles	426,969	-	-	426,969
Total capital assets being depreciated	867,839	12,876	-	880,715
Accumulated depreciation:				
Land improvements	(101,683)	(17,202)	-	(118,885)
Equipment	(127,556)	(17,532)	-	(145,088)
Vehicles	(385,750)	(22,404)	-	(408,154)
Total accumulated depreciation	(614,989)	(57,138)	-	(672,127)
Total capital assets being depreciated, net	252,850	(44,261)	-	208,588
Governmental activities capital assets, net	\$ 324,333	\$ (44,262)	\$ -	\$ 280,071

(Continued)

# TOWN OF WAKEFIELD, VIRGINIA

## NOTES TO BASIC FINANCIAL STATEMENTS

June 30, 2020

### 4. Capital Assets (Continued)

	<u>Beginning July 1 2019</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending June 30, 2020</u>
<b>Business-type activities - Public Utility Fund</b>				
Capital assets not subject to depreciation:				
Land	\$ 35,500	\$ -	\$ -	\$ 35,500
Capital assets being depreciated:				
Land improvements	1,320	29,891	-	31,211
Vehicles	24,930	-	-	24,930
Equipment	1,017,716	42,312	-	1,060,028
Infrastructure	<u>1,175,450</u>	<u>-</u>	<u>-</u>	<u>1,175,450</u>
Total capital assets being depreciated	<u>2,219,416</u>	<u>72,203</u>	<u>-</u>	<u>2,291,619</u>
Accumulated depreciation:				
Land improvements	(567)	(885)	-	(1,452)
Vehicles	(22,626)	-	-	(22,626)
Equipment	(347,980)	(47,870)	-	(395,850)
Infrastructure	<u>(435,668)</u>	<u>(72,373)</u>	<u>-</u>	<u>(508,041)</u>
Total accumulated depreciation	<u>(806,841)</u>	<u>(121,128)</u>	<u>-</u>	<u>(927,969)</u>
Total capital assets being depreciated, net	<u>1,412,575</u>	<u>(48,925)</u>	<u>-</u>	<u>1,363,650</u>
Public utilities fund capital assets, net	<u>\$ 1,448,075</u>	<u>\$ (48,925)</u>	<u>\$ -</u>	<u>\$ 1,399,150</u>
<b>Business-type activities - Airport Commission</b>				
Capital assets not subject to depreciation:				
Construction in progress	\$ 65,041	\$ 389,576	\$ -	\$ 454,617
Capital assets being depreciated:				
Hangers and building improvements	1,458,435	19,900	-	1,478,335
Runway improvements	352,462	-	-	352,462
Equipment	<u>57,664</u>	<u>13,295</u>	<u>-</u>	<u>70,959</u>
Total capital assets being depreciated	<u>1,868,561</u>	<u>33,195</u>	<u>-</u>	<u>1,901,756</u>
Accumulated depreciation:				
Hangers and buildings improvements	(480,268)	(55,724)	-	(535,992)
Runway improvements	(317,767)	(5,814)	-	(323,581)
Equipment	<u>(52,621)</u>	<u>(4,277)</u>	<u>-</u>	<u>(56,898)</u>
Total accumulated depreciation	<u>(850,656)</u>	<u>(65,815)</u>	<u>-</u>	<u>(916,471)</u>
Total capital assets being depreciated, net	<u>1,017,905</u>	<u>(32,620)</u>	<u>-</u>	<u>985,285</u>
Airport Commission capital assets, net	<u>\$ 1,082,946</u>	<u>\$ 356,956</u>	<u>\$ -</u>	<u>\$ 1,439,902</u>

In addition to the assets listed above, the Town owns several parcels of real estate, the original value of which is nominal and, as such, is not presented herein.

(Continued)

**TOWN OF WAKEFIELD, VIRGINIA**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**June 30, 2020**

**4. Capital Assets (Continued)**

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

**Government activities**

General government administration	\$ 17,204
Public works	17,531
Public safety	<u>22,403</u>
	<u>\$ 57,138</u>

**Business-type activities**

Public utility	\$ 121,128
Airport Commission	<u>65,815</u>
	<u>\$ 57,138</u>

Construction in process consists of the following:

	<b><u>Incurred through June 30, 2020</u></b>	<b><u>Committed at June 30, 2020</u></b>
Terminal Apron Rehab	\$ <u>454,617</u>	\$ <u>7,147</u>

**5. Note Receivable**

During FY 2011, the Town loaned \$104,000 to the Wakefield Volunteer Fire Department for the purpose of purchasing a new brush truck. The note is payable in ten annual installments of \$12,000, including interest at 2.0%. The outstanding balance of the note receivable was \$7,349 at June 30, 2020.

**6. Note Payable**

The Town obtained a \$350,000 loan from Farmer's Bank to fund the new substation project. The total loan amount was received in July 17, 2014, bears interest at a rate of 3.5% and is due in monthly installments through July 2019.

The Town obtained a \$250,000 loan from Farmer's Bank to fund an electrical line upgrade. The total loan amount was received in August 31, 2018, bears interest at a rate of 4% and is due in monthly installments through August 2023.

(Continued)



**TOWN OF WAKEFIELD, VIRGINIA**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**June 30, 2020**

**6. Note Payable (Continued)**

Total aggregate annual principal maturities for the years subsequent to June 30, 2020 are as follows:

<u>Year Ending June 30,</u>	
2021	\$ 49,669
2022	51,693
2023	53,799
2024	<u>8,429</u>
	<u>\$ 163,590</u>

**7. Noncurrent Liabilities**

	<u>Beginning Balance July 1, 2019</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending Balance June 30, 2020</u>	<u>Due Within One Year</u>
<b>Governmental Activities</b>					
Compensated absences	\$ 11,318	\$ -	\$ (2,841)	\$ 8,477	\$ 8,477
<b>Business-type Activities</b>					
Note payable	\$ 216,686	\$ -	\$ (53,096)	\$ 163,590	\$ 49,669
Compensated absences	<u>2,400</u>	<u>2,080</u>	<u>-</u>	<u>4,480</u>	<u>4,480</u>
Total business-type activities	<u>\$ 219,086</u>	<u>\$ 2,080</u>	<u>\$ (55,937)</u>	<u>\$ 168,070</u>	<u>\$ 54,149</u>

**8. Defined Benefit Pension Plan**

The Town contributes to the Virginia Retirement System (VRS), an agent, multiple-employer defined benefit pension plan administered by the VRS.

Plan description

All full-time, salaried permanent employees of the Town, (the "Political Subdivision") are automatically covered by the VRS Retirement Plan upon employment. This multi-employer agent plan is administered by the Virginia Retirement System (the System) along with plans for other employer groups in the Commonwealth of Virginia. Members earn one month of service credit for each month they are employed and for which they and their employer 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.

(Continued)

## TOWN OF WAKEFIELD, VIRGINIA

### NOTES TO BASIC FINANCIAL STATEMENTS

June 30, 2020

#### 8. Defined Benefit Pension Plan (Continued)

The System administers three different benefit structures for covered employees - Plan 1, Plan 2, and Hybrid. Each of these benefit structures has a different eligibility criteria. The specific information for each plan and the eligibility for covered groups within each plan are available at

- <https://www.varetire.org/members/benefits/defined-benefit/plan1.asp>,
- <https://www.varetire.org/members/benefits/defined-benefit/plan2.asp>,
- <https://www.varetirement.org/hybrid.html>.

#### Employees covered by benefit terms

As of the June 30, 2018, actuarial valuation, the following employees were covered by the benefit terms of the pension plan:

#### Employees covered by benefit terms (Continued)

	<u>Number</u>
Inactive members or their beneficiaries currently receiving benefits	<u>1</u>
Inactive members:	
Vested	0
Non-vested	0
Active elsewhere in VRS	<u>1</u>
Total inactive members	<u>1</u>
Active members	<u>3</u>
	<u>5</u>

#### Contributions

The contributions 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 political subdivision's contractually required contribution rate for the year ended June 30, 2020, was 8.62% of covered employee compensation. This rate was based on an actuarially determined rate from an actuarial valuation as of June 30, 2017.

This rate, when combined with employee contributions, was expected to finance the costs of benefits earned by employee during the year, with an additional amount to finance any unfunded accrued liability. Contributions to the pension plan from the Town were \$56,027 for the year ended June 30, 2020.

#### Net pension asset

The net pension asset is calculated separately for each employer and represents that particular employer's total pension liability determined in accordance with GASB Statement No. 68, less that employer's fiduciary net position. The Town's net pension asset was measured as of June 30, 2019. The total pension liability used to calculate the net pension asset was determined by an actuarial valuation performed as of June 30, 2018, rolled forward to the measurement date of June 30, 2019.

(Continued)

## TOWN OF WAKEFIELD, VIRGINIA

### NOTES TO BASIC FINANCIAL STATEMENTS

June 30, 2020

#### 8. Defined Benefit Pension Plan (Continued)

##### Actuarial assumptions

The total pension liability for General Employees in the Town's Retirement Plan was based on an actuarial valuation as of June 30, 2018, 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, 2019.

Inflation	2.5%
Salary increases, including inflation	3.5% - 5.35%
Investment rate of return	6.75%, net of pension plan investment expenses, including inflation*

##### Actuarial assumptions (Continued)

\* Administrative expenses as a percent of the market value of assets for the last experience study were found to be approximately 0.06% of the market assets for all of the VRS plans. This would provide an assumed investment return rate for GASB purposes of slightly more than the assumed 6.75%. However, since the difference was minimal, and a more conservative 6.75% investment return assumption provided a projected plan net position that exceeded the projected benefit payments, the long-term expected rate of return on investments was assumed to be 6.75% to simplify preparation of pension liabilities.

Mortality rates: General employees - 15 to 20% of deaths are assumed to be service related. Public Safety Employees - 45% to 70% of deaths are assumed to be service related. Mortality is projected using the applicable RP-2014 Mortality Table Projected to 2020 with various setbacks or set forwards for both males and females.

The actuarial assumptions used in the June 30, 2018, valuation were based on the results of an actuarial experience study for the period from July 1, 2012 through June 30, 2016, except the change in the discount rate, which was based on VRS Board action effective as of July 1, 2019. Changes to the actuarial assumptions as a result of the experience study are as follows:

General Employees - Largest 10 - Non-Hazardous Duty and All Others (Non 10 Largest): Update mortality table; lowered retirement rates at older ages, changed final retirement from 70 to 75; adjusted withdrawal rates to better fit experience at each year age and service through 9 years of service; lowered disability rates, no change to salary scale, increased rate of line of duty disability from 14% to 20% (Largest 10) or 15% (All Others), and decreased discount rate from 7.00% to 6.75%.

##### Long-term expected rate of return

The long-term expected rate of return on pension 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:

(Continued)

**TOWN OF WAKEFIELD, VIRGINIA**

**NOTES TO BASIC FINANCIAL STATEMENTS**

June 30, 2020

**8. Defined Benefit Pension Plan (Continued)**

<u>Asset Class (Strategy)</u>	<u>Target Allocation</u>	<u>Arithmetic Long-Term Expected Rate of Return</u>	<u>Weighted Average Long-Term Expected Rate of Return</u>
Public Equity	34.00%	5.61%	1.91%
Fixed Income	15.00%	0.88%	0.13%
Credit Strategies	14.00%	5.13%	0.72%
Real Assets	14.00%	5.27%	0.74%
Private Equity	14.00%	8.77%	1.23%
MAPS - Multi-Asset Public Strategies	6.00%	3.52%	0.21%
PIP - Private Investment Partnership	<u>3.00%</u>	<u>6.29%</u>	<u>0.19%</u>
	<u>100.00%</u>		5.13%
	Inflation		<u>2.50%</u>
	*Expected arithmetic nominal return		<u>7.63%</u>

\*The above allocation provides a one-year return of 7.63%. 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 projects are employed to model future returns under various economic conditions. The results provide a range of returns over various time periods that ultimately provide a median return of 7.11%, including expected inflation of 2.50%. The VRS Board elected a long-term rate of 6.75% which is roughly at the 40<sup>th</sup> percentile of expected long-term results of the VRS fund allocation.

**Discount rate**

The discount rate used to measure the total pension liability was 6.75%. The projection of cash flows used to determine the discount rate assumed that System member contributions will be made per the VRS Statutes and the employer contributions will be made in accordance with the VRS funding policy at rates equal to the difference between actuarially determined contribution rates adopted by the VRS Board of Trustees and the member rate. Consistent with the phased-in funding provided by the General Assembly for state and teacher employer contributions; political subdivisions were also provided with an opportunity to use an alternate employer contribution rate. For the year ended June 30, 2019, 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, 2017, actuarial valuations, whichever was greater. From July 1, 2019 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 (asset).

(Continued)

**TOWN OF WAKEFIELD, VIRGINIA**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**June 30, 2020**

**8. Defined Benefit Pension Plan (Continued)**

**Changes in net pension asset**

	<b>Total Pension Liability (a)</b>	<b>Plan Fiduciary Net Position (b)</b>	<b>Net Pension Liability (Asset) (b) - (a)</b>
Balances at June 30, 2018	\$ 486,802	\$ 488,723	\$ (1,921)
Changes for the year:			
Service cost	20,790	-	20,790
Interest	33,388	-	33,388
Changes of assumptions	10,926	-	10,926
Differences between expected and actual experience	(35,558)	-	(35,558)
Contributions, employer	-	11,718	(11,718)
Contributions, employee	-	6,797	(6,797)
Net investment income	-	32,889	(32,889)
Benefit payments, including refunds of employee contributions	(19,648)	(19,648)	-
Administrative expense	-	(318)	318
Other changes	-	(21)	21
Net changes	9,898	31,417	(21,519)
Balances at June 30, 2019	\$ 496,700	\$ 520,140	\$ (23,440)

**Sensitivity of the net pension asset to changes in the discount rate**

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

	<b>1% Decrease 5.75%</b>	<b>Current Discount Rate 6.75%</b>	<b>1% Increase 7.75%</b>
Net pension asset (liability)	\$ (12,695)	\$ 23,440	\$ 52,830

(Continued)

**TOWN OF WAKEFIELD, VIRGINIA**

**NOTES TO BASIC FINANCIAL STATEMENTS**

**June 30, 2020**

**8. Defined Benefit Pension Plan (Continued)**

**Pension expense and deferred outflows of resources and deferred inflows of resources related to pensions**

For the year ending June 30, 2020, the Town recognized pension expense of \$3,750. At June 30, 2020, the Town reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<b><u>Deferred Outflows of Resources</u></b>	<b><u>Deferred Inflows of Resources</u></b>
Differences between expected and actual experience	\$ -	\$ 18,128
Changes in assumptions	5,569	-
Employer contributions made subsequent to measurement date	56,027	-
Net difference between projected and actual earnings on plan investments	<u>-</u>	<u>4,305</u>
	<u>\$ 61,596</u>	<u>\$ 22,433</u>

Deferred outflows of resources of \$56,027 represent the Town's contributions subsequent to the measurement date and will be recognized as an increase to the net pension asset in the fiscal year ending June 30, 2020. Other amounts reported as deferred inflows of resources and deferred outflows of resources related to pensions as of June 30, 2020, will be recognized in pension expense in future reporting periods as follows:

<b><u>Year Ending June 30,</u></b>	
2021	\$ (12,207)
2022	(4,810)
2023	(100)
2024	<u>253</u>
	<u>\$ (16,864)</u>

**Pension plan data**

Information about the VRS Political Subdivision Retirement Plan is also available in the separately issued VRS 2019 Comprehensive Annual Financial Report (CAFR). A copy of the 2019 VRS CAFR may be downloaded from the VRS website at <http://www.varetire.org/Pdf/Publications/2019-annual-report.pdf>, or by writing to the System's Chief Financial Officer at P.O. Box 2500, Richmond, VA 23218-2500.

(Continued)

**TOWN OF WAKEFIELD, VIRGINIA**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**June 30, 2020**

**9. Commitments**

Law enforcement

The Town contracts with the County of Sussex to provide law enforcement services and equipment. The Town pays a monthly fee for all services and equipment; however, the agreement can be terminated upon 90 days written notice.

**10. COVID-19 Impact**

On January 30, 2020, the World Health Organization (“WHO”) announced a global health emergency because of a new strain of coronavirus (the “COVID-19 outbreak”) and the risks to the international community as the virus spreads globally beyond its point of origin. In March 2020, the WHO classified the COVID-19 outbreak as a pandemic, based on the rapid increase in exposure globally.

The Town’s operations are heavily dependent on the ability to raise taxes, assess fees, and access the capital markets. Additionally, access to grants and contracts from federal and state governments may decrease or may not be available depending on appropriations. The outbreak will have a continued material adverse impact on economic and market conditions, triggering a period of global economic slowdown. This situation has depressed the tax bases and other areas in which the Town received revenue during fiscal year 2020. As such, the Town’s financial condition and liquidity will be negatively impacted for the fiscal years 2020 and 2021.

The full impact of the COVID-19 outbreak continues to evolve as of the date of this report. As such, it is uncertain as to the full magnitude the pandemic will have on the Town’s financial condition, liquidity, and future results of operations. Management is actively monitoring the impact of the global situation on its financial condition, liquidity, operations, suppliers, industry, and workforce. Given the daily evolution of the COVID-19 outbreak and the global responses to curb its spread, the Town is not able to estimate the effects of the COVID-19 outbreak on its results of operations, financial condition, or liquidity for fiscal year 2020.

(Continued)

**TOWN OF WAKEFIELD, VIRGINIA**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**June 30, 2020**

**11. Restatement**

The financial statements as of and for the year ended June 30, 2019, reflected the Airport Commission as a discretely presented component unit. During 2020, the nature of the Town's relationship with the Airport Commission had changed such that this discrete presentation was no longer appropriate. As described in Note 1, the Airport Commission is presented in a blended format in the financial statements as of and for the year ended June 30, 2020. As a result of this change in presentation, the Town's business-type activities balances as of June 30, 2019, have been restated as follows:

	<b>As Previously Reported</b>	<b>Restatement</b>	<b>As Restated</b>
Current and other assets	\$ 382,929	\$ 13,257	\$ 396,186
Capital assets	<u>1,448,075</u>	<u>1,082,946</u>	<u>2,531,021</u>
Total assets	<u>1,831,004</u>	<u>1,096,203</u>	<u>2,927,207</u>
Deferred outflows of resources	<u>2,647</u>	<u>-</u>	<u>2,647</u>
Current liabilities	171,110	17,328	188,438
Noncurrent liabilities	<u>219,086</u>	<u>-</u>	<u>219,086</u>
Total liabilities	<u>390,196</u>	<u>17,328</u>	<u>407,524</u>
Deferred inflows of resources	<u>875</u>	<u>-</u>	<u>875</u>
Net investment in capital assets	1,231,389	1,066,374	2,297,763
Restricted	405	-	405
Unrestricted	<u>210,786</u>	<u>12,501</u>	<u>223,287</u>
Net position	<u>\$ 1,442,580</u>	<u>\$ 1,078,875</u>	<u>\$ 2,521,455</u>

There were no changes to the governmental activities balances as of June 30, 2019, as a result of this restatement.



**REQUIRED SUPPLEMENTARY INFORMATION (RSI)**

**TOWN OF WAKEFIELD, VIRGINIA**

**GENERAL FUND**  
**SCHEDULE OF REVENUES - BUDGET AND ACTUAL (CASH BASIS)**  
**Year Ended June 30, 2020**

	<b>Original Budget</b>	<b>Final Budget</b>	<b>Actual</b>	<b>Variance</b>
<b>REVENUE FROM LOCAL SOURCES</b>				
General property taxes:				
Personal property taxes	\$ 25,500	\$ 25,500	\$ 20,780	\$ (4,720)
Real property taxes	50,000	50,000	44,695	(5,305)
Machinery and tools taxes	7,250	7,250	7,085	(165)
Public service corporations (real and personal property taxes)	4,000	4,000	3,915	(85)
Penalties	850	850	752	(98)
Mobile home taxes	140	140	103	(37)
Total general property taxes	87,740	87,740	77,330	(10,410)
Other local taxes:				
Meals taxes, net of 3% reimbursement	243,500	243,500	191,287	(52,213)
Local sales and use taxes	56,000	56,000	54,005	(1,995)
Franchise license taxes	33,000	33,000	34,825	1,825
Communication taxes	15,400	15,400	14,701	(699)
Motor vehicle licenses	7,350	7,350	8,774	1,424
Cigarette tax	28,000	28,000	32,802	4,802
Total other local taxes	383,250	383,250	336,394	(46,856)
Revenue from use of money and property:				
Revenue from use of money	2,532	2,532	7,401	4,869
Revenue from use of property	5,266	5,266	7,196	1,930
Total revenue from use of money and property	7,798	7,798	14,597	6,799
Permits, privilege fees, and regulatory licenses:				
Trailer permits and golf cart licenses	130	130	140	10
Fines and forfeitures:				
Town fines	3,500	3,500	13,344	9,844

See Independent Auditor's Report and Notes to Required Supplementary Information.

**TOWN OF WAKEFIELD, VIRGINIA**

**GENERAL FUND**  
**SCHEDULE OF REVENUES - BUDGET AND ACTUAL (CASH BASIS) (Continued)**  
**Year Ended June 30, 2020**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance</u>
Recovered costs:				
Insurance recoveries	\$ 1,500	\$ 1,500	\$ 16,420	\$ 14,920
Miscellaneous revenue:				
Other	2,494	2,494	4,320	1,826
Total revenue from local sources	<u>486,412</u>	<u>486,412</u>	<u>462,545</u>	<u>(23,867)</u>
<b>REVENUE FROM THE COMMONWEALTH OF VIRGINIA</b>				
Categorical aid:				
Law enforcement grant	25,052	25,052	26,032	980
Fire program funds	10,000	10,000	10,000	-
Total categorical aid	<u>35,052</u>	<u>35,052</u>	<u>36,032</u>	<u>980</u>
Noncategorical aid:				
Personal Property Tax Relief Act	19,612	19,612	19,612	-
Rolling stock tax	4,800	4,800	4,796	(4)
Mobile home titling taxes	-	-	2,525	2,525
Total noncategorical aid	<u>24,412</u>	<u>24,412</u>	<u>26,933</u>	<u>2,521</u>
Total revenue from the Commonwealth of Virginia	<u>59,464</u>	<u>59,464</u>	<u>62,965</u>	<u>3,501</u>
	<u>\$ 545,876</u>	<u>\$ 545,876</u>	<u>\$ 525,510</u>	<u>\$ (20,366)</u>

See Independent Auditor's Report and Notes to Required Supplementary Information.

**TOWN OF WAKEFIELD, VIRGINIA**

**GENERAL FUND**

**SCHEDULE OF EXPENDITURES - BUDGET AND ACTUAL (CASH BASIS) (Continued)**  
**Year Ended June 30, 2020**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance</u>
<b>GENERAL GOVERNMENT ADMINISTRATION</b>				
Legislative - Town Council	\$ 10,205	\$ 10,205	\$ 10,824	\$ (619)
General and financial administration:				
Salaries and fringe benefits	180,637	180,637	213,922	(33,285)
Insurance and bonding	26,100	26,100	25,471	629
Office operations and utilities	37,950	37,950	52,075	(14,125)
Repairs and maintenance	18,000	18,000	16,458	1,542
Independent auditor	25,000	25,000	21,504	3,496
Legal services	50,000	50,000	6,892	43,108
Dues and subscriptions	3,025	3,025	3,177	(152)
Travel	1,420	1,420	2,436	(1,016)
Advertising	500	500	1,070	(570)
Miscellaneous	400	400	819	(419)
Total general and financial administration	<u>343,032</u>	<u>343,032</u>	<u>343,824</u>	<u>(792)</u>
Total general government administration	<u>353,237</u>	<u>353,237</u>	<u>354,648</u>	<u>(1,411)</u>
<b>PUBLIC SAFETY</b>				
Law enforcement and traffic control - police department	59,000	59,000	60,574	(1,574)
Fire and rescue services - volunteer fire and rescue squads	<u>53,095</u>	<u>53,095</u>	<u>45,756</u>	<u>7,339</u>
Total public safety	<u>112,095</u>	<u>112,095</u>	<u>106,330</u>	<u>5,765</u>
<b>PUBLIC WORKS</b>				
Maintenance of highways, streets, bridges and sidewalks:				
Highways, streets, bridges, and sidewalks	40,711	40,711	24,232	16,479
Street lights	<u>8,350</u>	<u>8,350</u>	<u>4,097</u>	<u>4,253</u>
Total maintenance of highways, streets, bridges and sidewalks	<u>49,061</u>	<u>49,061</u>	<u>28,329</u>	<u>20,732</u>

See Independent Auditor's Report and Notes to Required Supplementary Information.

**TOWN OF WAKEFIELD, VIRGINIA**

**GENERAL FUND**

**SCHEDULE OF EXPENDITURES - BUDGET AND ACTUAL (CASH BASIS) (Continued)**  
**Year Ended June 30, 2020**

	<u><b>Original Budget</b></u>	<u><b>Final Budget</b></u>	<u><b>Actual</b></u>	<u><b>Variance</b></u>
Maintenance of general buildings and grounds:				
General properties	\$ 48,124	\$ 48,124	\$ 25,537	\$ 22,587
General administration	3,800	3,800	2,319	1,481
Total maintenance of general buildings and grounds	<u>51,924</u>	<u>51,924</u>	<u>27,856</u>	<u>24,068</u>
Total public works	<u>100,985</u>	<u>100,985</u>	<u>56,185</u>	<u>44,800</u>
<b>PARKS, RECREATIONAL AND CULTURAL</b>				
Library	7,200	7,200	7,200	-
Ball park	<u>21,256</u>	<u>21,256</u>	<u>17,875</u>	<u>3,381</u>
Total parks, recreation and cultural	<u>28,456</u>	<u>28,456</u>	<u>25,075</u>	<u>3,381</u>
<b>CAPITAL OUTLAY</b>				
Public works	15,000	15,000	-	15,000
General and financial administration	<u>-</u>	<u>-</u>	<u>11,703</u>	<u>(11,703)</u>
Total capital outlay	<u>15,000</u>	<u>15,000</u>	<u>11,703</u>	<u>3,297</u>
	<u><u>\$ 609,773</u></u>	<u><u>\$ 609,773</u></u>	<u><u>\$ 553,941</u></u>	<u><u>\$ 55,832</u></u>

See Independent Auditor's Report and Notes to Required Supplementary Information.

**TOWN OF WAKEFIELD, VIRGINIA**

**SCHEDULE OF CHANGES IN NET PENSION LIABILITY (ASSET) AND RELATED RATIOS**

	Plan Year					
	2019	2018	2017	2016	2015	2014
<b>TOTAL PENSION LIABILITY</b>						
Service cost	\$ 20,790	\$ 21,167	\$ 21,697	\$ 20,780	\$ 20,253	\$ 18,924
Interest	33,388	30,990	29,121	27,217	25,347	23,901
Changes of assumptions	10,926	-	(723)	-	-	-
Benefit payments, including refunds of employee contributions	(19,648)	(19,538)	(22,710)	(22,682)	(22,321)	(21,999)
Difference between expected and actual experience	(35,558)	1,695	(2,272)	1,900	3,618	-
Net change in total pension liability	9,898	34,314	25,113	27,215	26,897	20,826
Total pension liability, beginning	486,802	452,488	427,375	400,160	373,263	352,437
Total pension liability, ending (a)	<u>\$ 496,700</u>	<u>\$ 486,802</u>	<u>\$ 452,488</u>	<u>\$ 427,375</u>	<u>\$ 400,160</u>	<u>\$ 373,263</u>
<b>PLAN FIDUCIARY NET POSITION</b>						
Contributions - employer	\$ 11,718	\$ 14,522	\$ 14,179	\$ 13,485	\$ 13,247	\$ 8,839
Contributions - employee	6,797	7,290	7,118	6,994	6,871	6,747
Net investment income	32,889	33,559	49,465	7,011	17,639	53,056
Benefit payments	(19,648)	(19,538)	(22,710)	(22,682)	(22,321)	(21,999)
Administrative expenses	(318)	(282)	(281)	(247)	(240)	(289)
Other changes	(21)	(30)	(44)	(3)	(4)	3
Net change in plan fiduciary net position	31,417	35,521	47,727	4,558	15,192	46,357
Plan fiduciary net position, beginning	488,723	453,202	405,475	400,917	385,725	339,368
Plan fiduciary net position, ending (b)	<u>\$ 520,140</u>	<u>\$ 488,723</u>	<u>\$ 453,202</u>	<u>\$ 405,475</u>	<u>\$ 400,917</u>	<u>\$ 385,725</u>
Town's net pension liability (asset), ending (a) - (b)	<u>\$ (23,440)</u>	<u>\$ (1,921)</u>	<u>\$ (714)</u>	<u>\$ 21,900</u>	<u>\$ (757)</u>	<u>\$ (12,462)</u>
Plan fiduciary net position as a percentage of the total pension liability	<u>104.7%</u>	<u>100.4%</u>	<u>100.2%</u>	<u>94.9%</u>	<u>100.2%</u>	<u>103.3%</u>
Covered payroll	<u>\$ 135,928</u>	<u>\$ 145,803</u>	<u>\$ 142,359</u>	<u>\$ 139,886</u>	<u>\$ 137,417</u>	<u>\$ 134,947</u>
Net pension liability (asset) as a percentage of covered payroll	<u>-17.2%</u>	<u>-1.3%</u>	<u>-0.5%</u>	<u>15.7%</u>	<u>-0.6%</u>	<u>-9.2%</u>

The plan years noted above are reported in the Town's financial statements in the fiscal year following the plan year - i.e., plan year 2019 information was presented in the Town's fiscal year 2020 financial report.

This schedule is intended to show information for 10 years. Since fiscal year 2015 (plan year 2014) was the first year for the presentation, no earlier data is available. Additional years will be included as they become available.

See Independent Auditor's Report and Notes to Required Supplementary Information.

**TOWN OF WAKEFIELD, VIRGINIA**

**SCHEDULE OF EMPLOYER CONTRIBUTIONS**

<b>Fiscal Year Ending June 30,</b>	<b>Contractually Required Contribution</b>	<b>Contributions in Relation to the Actuarially Determined Contribution</b>	<b>Contribution Deficiency (Excess)</b>	<b>Covered Payroll</b>	<b>Contributions as a Percentage of Covered Payroll</b>
2020	\$ 21,911	\$ 21,911	\$ -	\$ 254,188	8.62%
2019	\$ 11,717	\$ 11,717	\$ -	\$ 135,928	8.62%
2018	\$ 14,522	\$ 14,522	\$ -	\$ 145,803	9.96%
2017	\$ 14,179	\$ 14,179	\$ -	\$ 142,359	9.96%
2016	\$ 13,485	\$ 13,485	\$ -	\$ 139,886	9.64%
2015	\$ 13,247	\$ 13,247	\$ -	\$ 137,417	9.64%
2014	\$ 8,839	\$ 8,839	\$ -	\$ 134,947	6.55%

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

This schedule is intended to show information for 10 years. Since fiscal year 2015 (plan year 2014) was the first year for the presentation, no earlier data is available. Additional years will be included as they become available.

See Independent Auditor's Report and Notes to Required Supplementary Information.

## **TOWN OF WAKEFIELD, VIRGINIA**

### **NOTES TO REQUIRED SUPPLEMENTARY INFORMATION**

**June 30, 2020**

#### **1. Budgetary Appropriations**

The Town budget is prepared on a cash basis.

#### **2. Pension Plan**

##### 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, 2018, valuation were based on the results of an actuarial experience study for the period from July 1, 2012, through June 30, 2016, except the change in the discount rate, which was based on VRS Board action effective as of July 1, 2019. Changes to the actuarial assumptions as a result of the experience study and VRS Board action are as follows:

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

- Update mortality table to RP-2014 projected to 2020
- Lowered rates of retirement at older ages and changed final retirement from 70 to 75
- Update withdrawal rates to better fit experience at each age and service year
- Lowered disability rates
- No changes to salary rates
- Increased Line of Duty disability rate from 14% to 15%
- Decreased discount rate from 7.00% to 6.75%



## **COMPLIANCE SECTION**

**INDEPENDENT AUDITOR'S 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 Wakefield, Virginia  
Wakefield, Virginia

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the financial statements of the governmental activities, business-type activities, each major fund and the aggregate remaining fund information of the Town of Wakefield, Virginia, as of and for the year ended June 30, 2020, and the related notes to the financial statements, which collectively comprise the Town of Wakefield, Virginia's basic financial statements and have issued our report thereon dated November 2, 2020.

**Internal Control over Financial Reporting**

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

Our consideration of internal control was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control that might be significant deficiencies or material weaknesses and therefore, material weaknesses or significant deficiencies may exist that were not identified. However, as described in the accompanying schedule of findings and responses, we identified certain deficiencies in internal control that we consider to be material weaknesses and significant deficiencies.

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. We consider the deficiency described in the accompanying schedule of findings and responses to be a material weakness in internal control over financial reporting (see 2020-01).

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. We consider the deficiency described in the accompanying schedule of findings and responses to be a significant deficiency in internal control over financial reporting (see 2020-02).

### **Compliance and Other Matters**

As part of obtaining reasonable assurance about whether Town of Wakefield, Virginia's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. 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*.

### **Town of Wakefield, Virginia's Response to Findings**

The Town of Wakefield, Virginia's responses to the findings identified in our audit are described in the accompanying schedule of findings and responses. The Town of Wakefield, Virginia's responses were not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

### **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 the 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 purposes.

*Brown, Edwards & Company, L.L.P.*

CERTIFIED PUBLIC ACCOUNTANTS

Newport News, Virginia  
November 2, 2020

**TOWN OF WAKEFIELD, VIRGINIA**  
**SCHEDULE OF FINDINGS AND RESPONSES**  
**June 30, 2020**

**Finding 2020-01: Segregation of Duties (Material Weakness)**

Criteria

Duties within the accounting system should be properly segregated.

Condition

A lack of segregation of duties within the accounting function was noted.

Cause

This is due to the limited number of office personnel employed by the Town.

Effect

This situation may result in defalcation or errors being undetected.

Recommendation

Due to the small size of the Town, we do not consider the hiring of additional employees to be cost effective. While complete segregation of duties is not practical, we recommend strong management supervision and review over the accounting system.

Management Response

Management (Town Council and Town Officials) will continue to strongly supervise and review the accounting system through monthly review of detailed financial information.

**Finding 2020-02: Audit Adjustments (Significant Deficiency)**

Criteria

The Town does not prepare financial statements and footnotes in compliance with Generally Accepted Accounting Principles (GAAP) and Governmental Accounting Standards Board (GASB).

Condition

As part of our audit, we proposed multiple significant adjustments related to pensions, capital assets, accounts payable, and accounts receivable. These are reviewed and approved by management; however, auditors feel that this review would only detect material misstatements, and that a misstatement that is more than inconsequential may not be prevented or detected.

Cause

Due to the small size of the Town, there is a limited accounting staff, which does not allow for the hiring of an accountant with the background needed to prepare GAAP financial statements and related disclosures.

Effect

Financial statements and related disclosures may be misstated by an amount that is more than inconsequential.

Recommendation

Management will meet regularly with the auditors to keep up to date on changes in GAAP and GASB and continue to review the draft GAAP and GASB financial statements and related disclosures prior to issuance.

Management Response

Recommendations made by auditors will be implemented.

**TOWN OF WAKEFIELD, VIRGINIA**

**SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS**

**June 30, 2020**

**2019-01: Segregation of Duties**

Condition

A lack of segregation of duties within the accounting function was noted.

Recommendation

Due to the small size of the Town, we do not consider the hiring of additional employees to be cost effective. While complete segregation of duties is not practical, we recommend strong management supervision and review over the accounting system.

Current Status

See current year Finding 2020-01.

**2019-02: Audit Adjustments**

Condition

As part of our audit, we proposed multiple significant adjustments related to pensions, capital assets, accounts payable, and accounts receivable. These are reviewed and approved by management; however, auditors feel that this review would only detect material misstatements, and that a misstatement that is more than inconsequential may not be prevented or detected.

Recommendation

Management will meet regularly with the auditors to keep up to date on changes in GAAP and GASB and continue to review the draft GAAP and GASB financial statements and related disclosures prior to issuance.

Current Status

See current year Finding 2020-02.

## **STATISTICAL SECTION**

**TOWN OF WAKEFIELD, VIRGINIA**

**NET POSITION BY COMPONENT - LAST TEN FISCAL YEARS**

	Fiscal Year									
	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011
<b>GOVERNMENTAL ACTIVITIES</b>										
Net investment in capital assets	\$ 280,071	\$ 324,333	\$ 270,909	\$ 193,628	\$ 225,577	\$ 226,040	\$ 270,094	\$ 311,563	\$ 323,278	\$ 334,920
Restricted for permanent fund	2,251	42,143	41,884	41,302	41,921	41,876	42,023	42,003	42,003	42,003
Restricted for pensions	15,821	1,516	-	-	586	11,042	-	-	-	-
Unrestricted	1,384,378	1,291,311	1,295,001	1,123,448	1,221,506	1,099,404	874,513	849,799	751,867	646,339
Total governmental activities net position	<u>\$ 1,682,521</u>	<u>\$ 1,659,303</u>	<u>\$ 1,607,794</u>	<u>\$ 1,358,378</u>	<u>\$ 1,489,590</u>	<u>\$ 1,378,362</u>	<u>\$ 1,186,630</u>	<u>\$ 1,203,365</u>	<u>\$ 1,117,148</u>	<u>\$ 1,023,262</u>
<b>BUSINESS-TYPE ACTIVITIES</b>										
Net investment in capital assets	\$ 2,675,462	\$ 2,297,763	\$ 2,106,108	\$ 2,136,580	\$ 1,870,693	\$ 1,388,348	\$ 1,347,998	\$ 1,236,985	\$ 1,242,375	\$ 1,251,771
Restricted for pensions	7,619	405	-	-	171	1,420	-	-	-	-
Unrestricted	183,408	223,287	194,210	184,687	207,107	145,083	62,339	149,216	133,513	118,133
Total business-type activities net position	<u>\$ 2,866,489</u>	<u>\$ 2,521,455</u>	<u>\$ 2,300,318</u>	<u>\$ 2,321,267</u>	<u>\$ 2,077,971</u>	<u>\$ 1,534,851</u>	<u>\$ 1,410,337</u>	<u>\$ 1,386,201</u>	<u>\$ 1,375,888</u>	<u>\$ 1,369,904</u>
<b>PRIMARY GOVERNMENT</b>										
Net investment in capital assets	\$ 2,955,533	\$ 2,622,096	\$ 2,377,017	\$ 2,330,208	\$ 2,096,270	\$ 1,614,388	\$ 1,618,092	\$ 1,548,548	\$ 1,565,653	\$ 1,586,691
Restricted for permanent fund	2,251	42,143	41,884	41,302	41,921	41,876	42,023	42,003	42,003	42,003
Restricted for pensions	23,440	1,921	-	-	757	12,462	-	-	-	-
Unrestricted	1,567,786	1,514,598	1,489,211	1,308,135	1,428,613	1,244,487	936,852	999,015	885,380	764,472
Total primary government net position	<u>\$ 4,549,010</u>	<u>\$ 4,180,758</u>	<u>\$ 3,908,112</u>	<u>\$ 3,679,645</u>	<u>\$ 3,567,561</u>	<u>\$ 2,913,213</u>	<u>\$ 2,596,967</u>	<u>\$ 2,589,566</u>	<u>\$ 2,493,036</u>	<u>\$ 2,393,166</u>

See Independent Auditor's Report.

**TOWN OF WAKEFIELD, VIRGINIA**

**CHANGES IN NET POSITION - LAST TEN FISCAL YEARS**

	Fiscal Year									
	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011
<b>EXPENSES</b>										
Governmental activities:										
General government administration	\$ 326,160	\$ 288,234	\$ 287,102	\$ 275,860	\$ 252,234	\$ 280,136	\$ 299,223	\$ 296,466	\$ 249,519	\$ 259,302
Public safety	129,857	123,416	117,530	124,539	130,871	104,626	107,198	108,549	105,662	98,281
Public works	77,468	183,967	172,367	175,765	169,621	182,088	130,457	138,490	114,674	124,058
Parks, recreation and cultural	25,500	26,266	30,314	16,081	22,192	26,170	11,190	16,747	28,862	26,470
Community development	-	-	-	-	124,776	-	15,818	7,126	-	-
Total governmental activities expenses	558,985	621,883	607,313	592,245	699,694	593,020	563,886	567,378	498,717	508,111
Business-type activities:										
Public utility	1,312,254	1,333,911	1,260,827	1,289,260	1,233,896	1,394,066	1,323,717	1,277,649	1,230,369	1,158,871
Airport Commission expenses	151,070	172,711	198,148	277,501	166,660	207,804	174,207	121,081	109,899	88,917
Total business-type activities expenses	1,463,324	1,506,622	1,458,975	1,566,761	1,400,556	1,601,870	1,497,924	1,398,730	1,340,268	1,247,788
Total primary government expenses	<u>\$ 2,022,309</u>	<u>\$ 2,128,505</u>	<u>\$ 2,066,288</u>	<u>\$ 2,159,006</u>	<u>\$ 2,100,250</u>	<u>\$ 2,194,890</u>	<u>\$ 2,061,810</u>	<u>\$ 1,966,108</u>	<u>\$ 1,838,985</u>	<u>\$ 1,755,899</u>
<b>PROGRAM REVENUES</b>										
Business-type activities:										
Charges for services	\$ 1,517,588	\$ 1,723,060	\$ 1,710,057	\$ 1,629,148	\$ 1,671,992	\$ 1,818,629	\$ 1,589,137	\$ 1,504,625	\$ 1,394,814	\$ 1,298,924
Operating grants and contributions	312,457	97,713	-	33,986	420,637	174,663	5,451	6,611	-	-
Total business-type activities program revenues	<u>\$ 1,830,045</u>	<u>\$ 1,820,773</u>	<u>\$ 1,710,057</u>	<u>\$ 1,663,134</u>	<u>\$ 2,092,629</u>	<u>\$ 1,993,292</u>	<u>\$ 1,594,588</u>	<u>\$ 1,511,236</u>	<u>\$ 1,394,814</u>	<u>\$ 1,298,924</u>
<b>NET (EXPENSE) REVENUE</b>										
Governmental activities	\$ (558,985)	\$ (621,883)	\$ (607,313)	\$ (592,245)	\$ (699,694)	\$ (593,020)	\$ (563,886)	\$ (567,378)	\$ (498,717)	\$ (508,111)
Business-type activities	366,721	314,151	251,082	96,373	692,073	391,422	96,664	112,506	54,546	51,136
Total primary government net expense	<u>\$ (192,264)</u>	<u>\$ (307,732)</u>	<u>\$ (356,231)</u>	<u>\$ (495,872)</u>	<u>\$ (7,621)</u>	<u>\$ (201,598)</u>	<u>\$ (467,222)</u>	<u>\$ (454,872)</u>	<u>\$ (444,171)</u>	<u>\$ (456,975)</u>

See Independent Auditor's Report.



**TOWN OF WAKEFIELD, VIRGINIA**

**CHANGES IN NET POSITION - LAST TEN FISCAL YEARS**

**(Continued)**

	<b>Fiscal Year</b>									
	<b>2020</b>	<b>2019</b>	<b>2018</b>	<b>2017</b>	<b>2016</b>	<b>2015</b>	<b>2014</b>	<b>2013</b>	<b>2012</b>	<b>2011</b>
<b>GENERAL REVENUES AND OTHER</b>										
<b>CHANGES IN NET POSITION</b>										
Governmental activities:										
General property taxes	\$ 77,330	\$ 84,243	\$ 81,548	\$ 84,724	\$ 84,301	\$ 81,945	\$ 83,582	\$ 78,603	\$ 80,516	\$ 84,813
Other local taxes	329,619	361,818	390,657	330,233	322,934	314,816	272,261	270,203	279,699	240,796
Revenues from use of money and property	15,181	8,216	9,062	9,157	8,795	8,486	9,384	9,108	9,925	10,123
Permits, privilege fees, and regulatory licenses	140	90	248	170	450	100	40	20	50	250
Fines and forfeitures	13,344	5,594	1,939	772	180	1,140	390	747	1,788	3,710
Recovered costs	16,420	4,033	3,695	16,968	8,834	11,662	10,942	17,465	22,245	5,212
Revenues from other sources	6,420	8,316	3,938	29,984	21,912	9,289	965	35,621	69,256	21,411
Intergovernmental - Commonwealth	62,965	59,466	57,573	59,599	58,422	58,341	58,604	57,558	56,382	76,356
Transfers	60,784	141,616	308,069	(70,574)	305,094	298,973	122,563	184,270	72,742	67,629
Total governmental activities	582,203	673,392	856,729	461,033	810,922	784,752	558,731	653,595	592,603	510,300
Business-type activities:										
Revenues from other sources	39,097	39,562	32,547	38,211	31,365	32,065	35,706	74,951	34,817	42,314
Payments from (to) the Town	-	9,040	3,491	(11,862)	124,776	-	15,818	7,126	(10,637)	(12,522)
Transfers	(60,784)	(141,616)	(308,069)	70,574	(305,094)	(298,973)	(122,563)	(184,270)	(72,742)	(67,629)
Total business-type activities	(21,687)	(93,014)	(272,031)	96,923	(148,953)	(266,908)	(71,039)	(102,193)	(48,562)	(37,837)
Total primary government	<u>\$ 560,516</u>	<u>\$ 580,378</u>	<u>\$ 584,698</u>	<u>\$ 557,956</u>	<u>\$ 661,969</u>	<u>\$ 517,844</u>	<u>\$ 487,692</u>	<u>\$ 551,402</u>	<u>\$ 544,041</u>	<u>\$ 472,463</u>
<b>CHANGE IN NET POSITION</b>										
Governmental activities	\$ 23,218	\$ 51,509	\$ 249,416	\$ (131,212)	\$ 111,228	\$ 191,732	\$ (5,155)	\$ 86,217	\$ 93,886	\$ 2,189
Business-type activities	345,034	221,137	(20,949)	193,296	543,120	124,514	25,625	10,313	5,984	13,299
Total primary government	<u>\$ 368,252</u>	<u>\$ 272,646</u>	<u>\$ 228,467</u>	<u>\$ 62,084</u>	<u>\$ 654,348</u>	<u>\$ 316,246</u>	<u>\$ 20,470</u>	<u>\$ 96,530</u>	<u>\$ 99,870</u>	<u>\$ 15,488</u>

See Independent Auditor's Report.

**TOWN OF WAKEFIELD, VIRGINIA**

**FUND BALANCES - GOVERNMENTAL FUNDS - LAST TEN FISCAL YEARS**

		Fiscal Year									
		2020	2019	2018	2017	2016	2015	2014	2013	2012	2011
GENERAL FUND											
Unassigned		\$ 1,319,072	\$ 1,277,030	\$ 1,271,688	\$ 1,090,629	\$ 1,174,692	\$ 1,054,079	\$ 810,297	\$ 769,581	\$ 685,933	\$ 620,962
Total general fund		<u>\$ 1,319,072</u>	<u>\$ 1,277,030</u>	<u>\$ 1,271,688</u>	<u>\$ 1,090,629</u>	<u>\$ 1,174,692</u>	<u>\$ 1,054,079</u>	<u>\$ 810,297</u>	<u>\$ 769,581</u>	<u>\$ 685,933</u>	<u>\$ 620,962</u>
ALL OTHER GOVERNMENT FUNDS											
Committed		\$ 40,000	\$ 40,000	\$ 40,000	\$ 40,000	\$ 40,000	\$ 40,000	\$ 40,000	\$ 40,000	\$ 40,000	\$ 40,000
Restricted		2,251	2,143	1,884	1,302	1,921	1,876	1,973	2,003	2,003	2,003
Total all other governmental funds		<u>\$ 42,251</u>	<u>\$ 42,143</u>	<u>\$ 41,884</u>	<u>\$ 41,302</u>	<u>\$ 41,921</u>	<u>\$ 41,876</u>	<u>\$ 41,973</u>	<u>\$ 42,003</u>	<u>\$ 42,003</u>	<u>\$ 42,003</u>

See Independent Auditor's Report.

**TOWN OF WAKEFIELD, VIRGINIA**

**CHANGES IN FUND BALANCES - GOVERNMENTAL FUNDS - LAST TEN FISCAL YEARS**

	Fiscal Year									
	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011
<b>REVENUES</b>										
General property taxes	\$ 77,330	\$ 84,243	\$ 81,548	\$ 84,724	\$ 84,301	\$ 81,945	\$ 83,582	\$ 78,603	\$ 80,516	\$ 84,920
Other local taxes	329,619	361,818	390,657	330,233	322,934	314,816	272,261	270,203	279,699	240,796
Revenue from use of money and property	15,181	8,216	9,062	9,157	8,795	8,486	9,384	9,108	9,925	10,123
Permits, privilege fees, and regulatory licenses	140	90	248	170	450	100	40	20	50	250
Fines and forfeitures	13,344	5,594	1,939	772	180	1,140	390	747	1,788	3,710
Recovered costs	16,420	4,033	3,695	16,968	8,834	11,662	10,942	17,465	22,245	5,212
Miscellaneous	6,420	8,316	3,938	18,122	21,912	9,289	965	11,463	10,940	9,244
Intergovernmental - Commonwealth of Virginia	62,965	59,466	57,573	59,599	58,422	58,341	58,604	57,558	56,382	76,356
Total revenues	521,419	531,776	548,660	519,745	505,828	485,779	436,168	445,167	461,545	430,611
<b>EXPENDITURES</b>										
General government administration	345,903	279,623	278,492	262,688	243,908	231,254	252,987	244,624	202,512	210,399
Public safety	107,454	95,419	91,807	101,093	107,425	104,626	107,198	108,549	105,662	202,281
Public works	59,937	166,239	157,086	164,246	156,744	184,416	133,717	138,490	114,674	124,058
Parks, recreation and cultural	25,500	26,266	30,314	16,081	22,318	26,284	11,350	16,747	28,862	26,470
Community development	-	-	-	-	124,776	-	-	-	-	-
Capital projects	12,876	111,631	128,551	12,548	45,818	5,000	7,280	40,353	38,144	15,227
Total expenditures	551,670	679,178	686,250	556,656	700,989	551,580	512,532	548,763	489,854	578,435
Deficiency of revenues under expenditures	(30,251)	(147,402)	(137,590)	(36,911)	(195,161)	(65,801)	(76,364)	(103,596)	(28,309)	(147,824)
<b>OTHER FINANCING SOURCES (USES)</b>										
Operating transfers in	73,783	162,990	322,402	153,352	525,090	507,462	236,761	312,530	216,819	316,880
Operating transfers out	(12,999)	(21,374)	(14,333)	(212,064)	(219,996)	(208,489)	(114,198)	(135,386)	(133,440)	(236,729)
Note receivable repayments	11,617	11,387	11,162	10,941	10,725	10,513	10,305	10,100	9,901	-
Total other financing sources (uses)	72,401	153,003	319,231	(47,771)	315,819	309,486	132,868	187,244	93,280	80,151
Net change in fund balances	\$ 42,150	\$ 5,601	\$ 181,641	\$ (84,682)	\$ 120,658	\$ 243,685	\$ 56,504	\$ 83,648	\$ 64,971	\$ (67,673)

See Independent Auditor's Report.

## TOWN OF WAKEFIELD, VIRGINIA

### ASSESSED VALUE OF TAXABLE PROPERTY - LAST TEN FISCAL YEARS

<b>Fiscal Year Ended June 30,</b>	<b>Real Estate</b>	<b>Personal Property</b>	<b>Public Service Corporations</b>	<b>Total Taxable Assessed Value</b>
2020	\$ 52,641,112	\$ 5,858,660	\$ 4,209,997	\$ 62,709,769
2019	\$ 52,194,712	\$ 5,803,895	\$ 4,313,933	\$ 62,312,540
2018	\$ 49,054,871	\$ 6,271,633	\$ 3,175,615	\$ 58,502,119
2017	\$ 48,831,653	\$ 5,892,730	\$ 4,373,220	\$ 59,097,603
2016	\$ 49,163,113	\$ 6,402,419	\$ 4,136,636	\$ 59,702,168
2015	\$ 49,177,913	\$ 6,463,406	\$ 3,741,551	\$ 59,382,870
2014	\$ 48,321,013	\$ 6,086,074	\$ 4,032,988	\$ 58,440,075
2013	\$ 47,988,713	\$ 5,797,851	\$ 3,763,689	\$ 57,550,253
2012	\$ 47,730,201	\$ 6,003,296	\$ 3,108,227	\$ 56,841,724
2011	\$ 47,515,501	\$ 6,127,949	\$ 2,664,836	\$ 56,308,286

Source: Commissioner of Revenue, Sussex County

**TOWN OF WAKEFIELD, VIRGINIA**

**PROPERTY TAX RATES - LAST TEN FISCAL YEARS  
(PER \$100 OF ASSESSED VALUES)**

<b>Fiscal Year Ended June 30,</b>	<b>Real Estate</b>	<b>Personal Property</b>	<b>Public Service Corporations</b>	<b>Machinery and Tools</b>	<b>Mobile Homes</b>
2020	\$ 0.093	\$ 0.860	\$ 0.093	\$ 0.860	\$ 0.093
2019	\$ 0.093	\$ 0.860	\$ 0.093	\$ 0.860	\$ 0.093
2018	\$ 0.093	\$ 0.860	\$ 0.093	\$ 0.860	\$ 0.093
2017	\$ 0.093	\$ 0.860	\$ 0.093	\$ 0.860	\$ 0.093
2016	\$ 0.093	\$ 0.860	\$ 0.093	\$ 0.860	\$ 0.093
2015	\$ 0.093	\$ 0.860	\$ 0.093	\$ 0.860	\$ 0.093
2014	\$ 0.093	\$ 0.860	\$ 0.093	\$ 0.860	\$ 0.093
2013	\$ 0.093	\$ 0.860	\$ 0.093	\$ 0.860	\$ 0.093
2012	\$ 0.093	\$ 0.860	\$ 0.093	\$ 0.860	\$ 0.093
2011	\$ 0.093	\$ 0.860	\$ 0.093	\$ 0.860	\$ 0.093

Source: Commissioner of Revenue, Sussex County

**TOWN OF WAKEFIELD, VIRGINIA**

**PRINCIPAL TAX PAYERS  
CURRENT YEAR AND NINE YEARS AGO**

<b>Taxpayer</b>	<b>2020</b>			<b>2011</b>		
	<b>Total Taxes Paid</b>	<b>Rank</b>	<b>Percentage of Total Town Tax Revenue</b>	<b>Total Taxes Paid</b>	<b>Rank</b>	<b>Percentage of Total Town Tax Revenue</b>
Virginia Diner	\$ 10,441	1	2.57%	\$ 11,131	1	3.42%
Wakefield Farm Service	5,665	2	1.39%	3,462	2	1.06%
Indmar Coatings/Wilmer Rowe	1,638	3	0.40%	n/a	n/a	n/a
Norfolk & Western Railroad	1,281	4	0.31%	n/a	n/a	n/a
7-Eleven	1,239	5	0.30%	n/a	n/a	n/a
Virginia Electric & Power Co.	1,166	6	0.29%	n/a	n/a	n/a
Richard E. and Sandra P. Rickmond	867	7	0.21%	1,208	5	0.37%
Charter Communications	867	8	0.21%	719	7	0.22%
Jenkins Properties	736	9	0.18%	n/a	n/a	n/a
Mac's / Uppy's	669	10	0.16%	1,014	6	0.31%
Golden Peanut	n/a	n/a	n/a	2,282	3	0.70%
Southland Corporation	n/a	n/a	n/a	1,943	4	0.60%
Bank of Southside Virginia	n/a	n/a	n/a	709	8	0.22%
Parker, Oscar and Glenice	n/a	n/a	n/a	704	9	0.22%
Wakefield IGA	n/a	n/a	n/a	629	10	0.19%
	<u>\$ 24,569</u>		<u>6.04%</u>	<u>\$ 23,801</u>		<u>7.31%</u>

Source: Town of Wakefield Office

# TOWN OF WAKEFIELD, VIRGINIA

## PROPERTY TAX LEVIES AND COLLECTIONS - LAST TEN FISCAL YEARS

Fiscal Year Ended June 30,	Taxes Levied for the Fiscal Year	Collected within the Fiscal Year of the Levy		Collections in Subsequent Years (a)	Total Collections to Date	
		Amount	Percentage of Levy		Amount	Percentage of Levy
2020	\$ 82,091	\$ 82,091	100.00%	-	\$ 82,091	100.00%
2019	\$ 83,103	\$ 79,183	95.28%	-	\$ 79,183	95.28%
2018	\$ 81,055	\$ 76,736	94.67%	-	\$ 76,736	94.67%
2017	\$ 83,889	\$ 79,983	95.34%	-	\$ 79,983	95.34%
2016	\$ 84,383	\$ 81,243	96.28%	-	\$ 81,243	96.28%
2015	\$ 82,962	\$ 79,860	96.26%	-	\$ 79,860	96.26%
2014	\$ 81,883	\$ 80,489	98.30%	-	\$ 80,489	98.30%
2013	\$ 78,749	\$ 76,922	97.68%	-	\$ 76,922	97.68%
2012	\$ 78,439	\$ 77,024	98.20%	-	\$ 77,024	98.20%
2011	\$ 82,255	\$ 80,081	97.36%	-	\$ 80,081	97.36%

Note (a): Town does not maintain detailed records of subsequent collections.

Source: Town of Wakefield Office

See Independent Auditor's Report.

## **TOWN OF WAKEFIELD, VIRGINIA**

### **FULL-TIME EQUIVALENT CITY GOVERNMENT EMPLOYEES BY FUNCTION/PROGRAM**

Due to the small number of employees, such statistical data is not maintained by the Town.

### **OPERATING INDICATORS BY FUNCTION/PROGRAM**

Due to the small size of the Town, such statistical numbers are not maintained, nor will they be maintained in the future due to the small amount of activity within the Town.

### **CAPITAL ASSET STATISTICS BY FUNCTION/PROGRAM**

See Note 4 to the Financial Statements. The Town also has assets that are not listed on the depreciation Schedule. However, these assets were considered during the GASB 34 conversion and were deemed fully depreciated.