



**Urbanna Town Council
Monthly Meeting
AGENDA
Town Council Chambers
390 Virginia St., Suite B
Thursday, September 12, 2024 6:00 PM**

1. Call to Order
2. Roll Call
3. Pledge of Allegiance
4. Approval of Agenda
5. Minutes
6. Reports
 - a. Town Administrator
 - b. Treasurer
 - c. Finance Committee
 - d. Water Committee
 - e. Museum
7. Public Comment
8. Council Comment
9. Old Business
 - a. Sidewalk Repair
10. New Business
 - a. 2023 Audit
 - b. 2024 Audit-letter of engagement
11. Public Comment
12. Announcements
13. Adjourn



Agenda Item Summary September 12, 2024

Agenda Item: 4-Approval of Agenda

Staff Recommendation: Approve

Council Action Requested: Yes

Sample Motion: Motion to approve agenda as presented.



**Agenda Item Summary
September 12, 2024**

Agenda Item: 5-Minutes

Background: Draft minutes attached

Fiscal Impact: NA

Staff Recommendation: Approve

Council Action Requested: Yes

Sample Motion(s): Motion to approve the minutes of the April 11, 2024 meeting and public hearings, and the April 25, 2024 work session as presented.

Note: If changes are requested at the meeting, approval of the minutes will be postponed to the next meeting.

**Town of Urbanna
Town Council
Public Hearing
Monthly Meeting
Council Chambers-390 Virginia St. Suite B
April 11, 2024**

CALL TO ORDER & ROLL CALL

Mayor Goldsmith called the meeting to order at 6:00pm

Present-Members of Council

Mayor Bill Goldsmith
Marjorie Austin
Larry Chowning
Alana Courtney
Merri Hanson (left meeting at 6:47pm)
Beth Justice
Sandy Sturgill

Other Attendees

Ted Costin-Town Administrator
Andrea Erard-Town Attorney
Michele Hutton-Town Treasurer
Martha Rodenburg-Town Clerk
Members of press and public

All stood for the Pledge of Allegiance.

APPROVAL OF AGENDA

Councilmember Austin made a motion to amend the agenda to include an authorizing resolution to designate the signer of the documents for the sale of the building [390 Virginia St].

Councilmember Sturgill seconded.

Austin, Chowning, Courtney, Hanson, Justice, Sturgill, and Goldsmith voted yes

Motion passed 7-0

The resolution will be added to the agenda as item 9d, under Old Business.

Councilmember Austin made a motion to approve the agenda as amended.

Councilmember Hanson seconded.

Austin, Chowning, Courtney, Hanson, Justice, Sturgill, and Goldsmith voted yes

Motion passed 7-0

PUBLIC HEARING

Ordinance No. 2024-02-Street Signs

Councilmember Austin made a motion to open the public hearing with regard to the street sign ordinance.

Councilmember Justice seconded.

Austin, Chowning, Courtney, Hanson, Justice, Sturgill, and Goldsmith voted yes

Motion passed 7-0

Mr. Costin gave the background on Ordinance Number 2024-ORD-02 which would be a complete rewrite of Chapter 19 in the Town Code, which addresses road names, street and road signs, and building numbers. This ordinance mirrors the Middlesex County sign ordinance, and will allow Middlesex County to replace the Town's Street signs using monies collected by the County's 911 taxes. Mr. Costin has discussed this with the County Administrator, and he is anticipating passage of the ordinance. The acceptance of the ordinance will save the Town of Urbanna \$20,000 in street sign replacement costs.

Public Comment

- Boyd Wiley-spoke regarding the uniqueness of the current signs
- Katie Wilson-asked what the street signs would look like
 - Mayor Goldsmith answered they would be the same, as they will be County signs, and gave the background on how the decision was made to go forward with the ordinance.

Councilmember Austin made a motion to close the public hearing.

Councilmember Sturgill seconded.

Austin, Chowning, Courtney, Hanson, Justice, Sturgill, and Goldsmith voted yes

Motion passed 7-0

Councilmember Chowning made a motion to approve Ordinance No. 2024-02 as presented.

Councilmember Austin seconded.

Councilmember Chowning expressed his support for the ordinance.

To a question posed by Councilmember Austin, Mayor Goldsmith responded the signs would not have an oyster logo on them, as had previously been explored.

Discussion took place as to options on what to do with the old signs, including auctioning old signs and selling the poles for scrap metal.

Austin, Chowning, Courtney, Hanson, Justice, Sturgill, and Goldsmith voted yes

Motion passed 7-0

ORDINANCE NO. 2024-02

ORDINANCE NO. 2024-02 AMENDS CHAPTER 19, "PROPERTY NUMBERING," OF THE URBANNA TOWN CODE BY COMPLETELY REWRITING IT. ORDINANCE NO. 2024-02 CONTAINS GENERAL REGULATIONS REGARDING THE NAMING OF STREETS AND STREET SIGNS; VIOLATIONS OF THE ORDINANCE ARE A CLASS 4 MISDEMEANOR. ORDINANCE NO. 2024-02 MIRRORS THE ORDINANCE ADOPTED BY MIDDLESEX COUNTY AND WILL ENABLE THE TOWN TO ACCESS FUNDING FOR STREET SIGNS FROM MIDDLESEX COUNTY.

BE IT ORDAINED BY the Urbanna Town Council that the Urbanna Town Code, Chapter 19, "Property Numbering," shall be amended to read in its entirety as follows:

"CHAPTER 19. ROAD NAMES, SIGNS AND BUILDING NUMBERS

Sec. 19-1. Road name index.

The Town road name index to be adopted and filed in the office of the Town Administrator shall be the official listing of names for streets and roads in the Town and such streets and roads are hereby assigned the names listed therein. As used in the article, the terms "street" and "road" shall have the same meaning and shall also include avenues, boulevards, highways, lanes, ways, and similar street type.

Sec. 19-2. Assignment of road and street names.

The Urbanna Town Council or its duly authorized agent as may be appointed, shall have the authority to assign names to any public or private road or street in the Town which provides access to three or more occupied buildings.

Sec. 19-3. Negotiating street name changes.

The Town Administrator, or his duly authorized agent, is hereby authorized to negotiate with residents along streets or roads bearing duplicate or confusingly similar names in the Town. The changing of the names of such roads or streets to eliminate such duplications shall reside with the Town Council or its duly authorized agent as may be appointed.

Sec. 19-4. Conditions for street name assignment.

No street or road within the Town shall be assigned a name on a subdivision plat or otherwise until such name is registered with the Town Administrator, or his duly authorized agent, approved, and added to the Town road name index. The Town Administrator, with the concurrence of the Town Council, shall have authority to refuse registration of any name already in use, confusingly similar to a name already registered, or deemed confusing for purposes of emergency response.

Sec. 19-5. Conditions for name implementation.

No street or road name currently shown on a subdivision plat filed with the Town or otherwise shall be implemented by a subdivision owner until such name has been registered with the Town Administrator or his duly authorized agent, approved and added to the Town road name index; provided, however, that this section shall not apply to any road or street presently constructed on which street signs have been placed prior to the effective date of the ordinance from which this article is derived. The Town Administrator, with the concurrence of the Town Council, shall have the right to refuse registration of any name already in use, confusingly similar to a name already registered, or deemed confusing for purposes of emergency response.

Sec. 19-6. Requirement for new street name signs.

- a) All new street signs erected within the Town shall be in conformance with the specifications of this section, unless a variance is granted by the Virginia Department of Transportation (VDOT) or the Town Council. Street name signs for use on primary routes and collector secondary roads shall have a minimum height of nine inches, a minimum width of 30 inches and a maximum width of 48 inches. Widths greater than 48 inches may be allowed in special cases upon approval of the VDOT district traffic engineer. The standard letter height shall be six-inch Series C letters for the street name. The standard letter height of the suffix and prefix (if any) shall be three-inch Series C letters. Non-standard letter height may be allowed in special cases upon approval of the VDOT district traffic engineer. A blank space at least 2.50 inches high and 12 inches wide shall be provided in the lower righthand corner of the sign to accommodate a decal containing the appropriate route number. VDOT shall be responsible for the fabrication and installation of the decal, which shall be white with a black legend consisting of two-inch letters/numerals and may be non-reflectORIZED.
- b) Name signs for use on local secondary roads, subdivision streets and private roads assigned names under this article shall have a minimum height of six inches, a minimum width of 24 inches and a maximum width of 42 inches. Widths greater than 42 inches may be allowed in special cases upon approval of the VDOT district traffic engineer. The standard letter height shall be four-inch Series C letters for the street name. The standard letter height of the suffix and prefix (if any) shall be two-inch Series C letters. Non-standard letter heights may be allowed in special cases upon approval from the VDOT district traffic engineer. A blank space at least 1.25 inches high and eight inches wide shall be provided in the lower right-hand corner of the sign to accommodate a decal containing the appropriate route number. VDOT shall be responsible for the fabrication and installation of the decal, which shall be white with a black legend consisting of one-inch letters/numerals and may be non-reflectORIZED.
- c) All street name signs in the Town shall be fabricated with high intensity reflectORIZED sign sheeting. All sign text and numerals shall be white and the background of all signs shall be green. Signs at intersections of all public and private roads assigned names under this article shall be mounted atop galvanized metal posts with the signs appearing at a height of not less than seven feet above grade.

Sec. 19-7. Placement of signs.

The Town Administrator for the Town of Urbanna is hereby authorized to direct the placement of street signs at intersections within the Town, the initial costs of such signs to be appropriated from 911 telephone taxes as approved by the Town Council.

Sec. 19-8. Requirements for subdivision owners.

The owner of any subdivision or other development shall erect or cause to be erected street signs in conformance with this article at any and all intersections within such subdivision or development upon the construction of any street on or after the effective date of the ordinance from which this article is derived. Where any subdivision owner is currently required to erect street signs but has failed to do so, the future erection of street signs shall be in conformance with this article.

Sec. 19-9. Reference to uniform numbering system.

All properties or parcels of land within the Town shall hereafter be identified by reference to a uniform numbering system, as shown on maps filed in the office of the Town Administrator. Said maps and the explanatory matter thereon are hereby adopted and made a part of this article.

Sec. 19-10. Numbers assigned to all houses and buildings.

A house or building number shall be assigned to each dwelling or other building in the Town. The combination of such numbers and the road or street name shall be the official address of such dwelling or building. Such location shall serve as the official mailing address for postal patrons receiving home or rural delivery.

Sec. 19-11 Placement of numbers on buildings.

- a) When each house or building has been assigned its respective numerical street address, the owner, occupant, or agent shall place or cause to be placed upon each house or building controlled by him the number or numbers assigned under the uniform numbering system. The number or numbers shall be placed in accordance with the provisions as are herein contained. Such numbers shall be placed on existing buildings within 60 days of notification of the assigned address.
- b) Numerical street addresses shall be placed on new buildings prior to the issuance of a certificate of occupancy for the structure by the building official. Such addresses shall be placed in accordance with the provisions as contained herein. The cost of posting the address shall be the responsibility of the property owner.

Sec. 19-12. Number requirements for residences.

Street address numbers for residences shall be at least three inches in height and shall be made of a durable and clearly visible material. The numbers shall be conspicuously placed on, above, or at the side of the main entrance so that the number is discernible from the street. Whenever a residence is more than 75 feet from the street, or when the entrance is not visible from the street, the number shall be placed along a walk, driveway, or other suitable location so that the address number is discernable from of street signs the street. Street address numbers shall be of a contrasting color to the background on which they are mounted.

Sec. 19-13. Numbers for commercial and industrial structures.

Street address numbers for commercial and industrial structures shall be at least four inches in height if located within 75 feet of a roadway or at least ten inches in height if located greater than 75 feet from the street. The number shall be placed above or on the main entrance to the structure when possible. If such number is not visible from the street, the number shall be placed along a driveway or on a sign visible from the street.

Sec. 19-14. Placement of address numbers.

Apartments and similar complexes assigned a single building number shall display address numbers on each assigned structure using numbers having a minimum height of eight inches. Trailer parks and similar complexes assigned a single building number shall display the assigned number at the main entranceway using numbers having a minimum height of eight inches. Numbers or letters for individual apartments, trailers, or units within these complexes shall be displayed on, above, or to the side of the main doorway of each apartment, trailer, or unit, and shall be at least three inches in height.

Sec. 19-15. Property owner duties.

Whenever any house, building, or structure shall be erected or located after the initial establishment of the uniform numbering system as provided herein, it shall be the duty of the property owner to procure the correct number or numbers for the said property and to affix said numbers to said building in accordance with this article. An application for a building permit for a new building shall be considered an application for an address assignment. The building official shall coordinate the application with the designated agent of the Town Administrator responsible for the assignment of addresses, and forward the assigned address to the applicant not later than 60 days following issuance of said permit. The applicant shall be required to furnish such measurements in relation to other properties or intersections as shall be deemed necessary for assignment of a valid address.

Sec. 19-16. Authority to make minor adjustments.

In applying the guidelines specified herein, the Town Administrator, or his authorized agent, shall have the authority to make minor adjustments and modifications to ensure a logical and efficient street address system.

Sec. 19-17. Notice of violation.

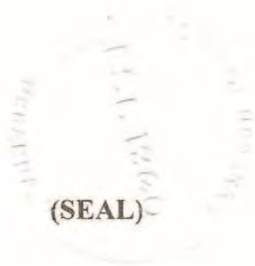
Whenever the Town Administrator, or his authorized agent, has reason to believe there has been or there exists a violation of this article, he shall give written notice of such violation to the person failing to comply, and order said person to take corrective measures within 30 days from the date of notification. If such person fails to comply with the duly issued order, the Town Administrator, or his agent, shall initiate necessary actions to terminate the violation through criminal or civil measures.

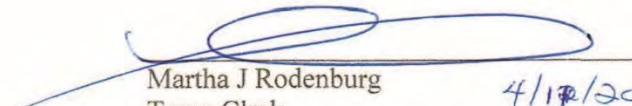
Sec. 19-18. Penalty.

Any violation of this article shall constitute a Class 4 misdemeanor. Subsequent to the 30-day period violation through criminal or civil measures.”

This Ordinance shall take effect upon adoption.

<u>Member</u>	<u>Attendance</u>	<u>Vote</u>
William Goldsmith, Mayor	Present	Yes
Marjorie Austin	Present	Yes
Larry Chowning	Present	Yes
Alana Courtney	Present	Yes
Merri Hanson	Absent	--
Beth Justice	Present	Yes
Sandy Sturgill	Present	Yes




Martha J Rodenburg
Town Clerk
4/17/2024

Ordinance No. 2024-03 regarding 2024-SUP-01

Councilmember Austin made a motion to enter public hearing to consider Ordinance No. 2024-03 regarding Special Use Permit Application 1-SUP-2024.

Councilmember Hanson seconded.

Austin, Chowning, Courtney, Hanson, Justice, Sturgill, and Goldsmith voted yes

Motion passed 7-0

Mr. Costin presented the staff report on the application by Shawn Pickett to allow for retail sales of food and drink together with an arcade and board game access permitted with a special use permit by and subsequently a restaurant permitted with a special use permit, to be located at 161 Cross Street. Retail sales of food and drink are permitted by right, it's the arcade and board games along with future restaurant that require the special use permit.

Discussion took place regarding the lot size, with a correction being made to the draft of the proposed ordinance included in the meeting packet. The lot size is +/- .171 acres.

Parking, traffic, and safety concerns were discussed.

The applicant, Shawn Pickett, presented his application to council, including his long-term goal of opening an oyster bar,

which would serve Virginia wines and beers. They will start with arcade and board games with pre-packaged food for sale. He addressed parking concerns, previously brought up at the Planning Commission hearing, including the offer to purchase reserved parking signs for the office building parking lot across the street.

In response to questions from council, Mr. Pickett explained the arcade games would include “old school” games like PacMan and Frogger. They would start out slow with arcade games and snacks, with plans to apply for an ABC license to serve Virginia wines and beer.

Public Comment

- Katie Wilson spoke in support of the application.
- Wanda Hollberg spoke to address her concerns regarding parking.
- Bill Breeden spoke to address his concerns with parking, noise, and who will oversee management of complaints at the property, since the owner does not live locally.
- Brenda Wiley spoke to address her concerns with parking, traffic sight lines, and trash.

Mr. Pickett responded he would be available to managed the concerns brought forth by the public.

Mr. Costin informed council after speaking with the Town Attorney, staff recommends they defer their decision until their next meeting in order to modify conditions as presented.

Mayor Goldsmith agreed council should be business friendly, but listen to public concerns in recrafting the conditions.

Ms. Erard informed council and the public, additional public input regarding the ordinance can be conveyed by contacting the Town Administrator.

Councilmember Austin made a motion to close the public hearing.

Councilmember Sturgill seconded.

Austin, Chowning, Courtney, Justice, Sturgill, and Goldsmith voted yes

Motion passed 6-0

Councilmember Austin made a motion to defer their decision until their next regular meeting.

Councilmember Justice seconded.

Councilmember Chowning spoke to the need for more parking in town.

Further discussion took place regarding the parking issue.

Austin, Chowning, Courtney, Justice, Sturgill, and Goldsmith voted yes

Motion passed 6-0

REPORTS

Town Administrator

Mr. Costin reported the following:

- Town Clerk, Martha Rodenburg, completed the course for Certified Planning Commissioners.
- Has met with Councilmember Chowning regarding public access for watermen.
- Fireworks will not be taking place due to insurance restrictions.
- Committee is planning other events for the Independence Day holiday.
- Met with Delegate Hodges to discuss current Short Term Rental legislation.
- Closing of sale of Town Hall should take place next week.
- Electrical service contract at pool.
- Cameras being installed at pool and Town Hall.
- Verizon project taking place to move lines in order to move forward with the project to remove old Dominion Electric poles.

- Has not heard from VCU regarding comprehensive plan, but has heard from ODU regarding a potential intern.
- Addressed water leaks that have taken place throughout the week due to weather changes and old pipes.
- Application for grants to address water system upgrades has been denied due to current water rates being too low.

Treasurer

Michele Hutton presented the Treasurer’s Report for February 2024.



Treasurer’s Report

The Balances Below, Reflect Bank Statements as of Month’s End.

Account Balance thru 2/29/2024	Prior Year 2/28/23	Prior Month 1/31/24	Statement Date 2/29/24
Primis Bank General Operating Bank Account	834,760.97	921,502.25	959,677.59
Renter Water Deposits	-19,451.66	-16,326.66	17,226.66
Net Operating General Bank Account	826,030.29	922,993.92	956,238.66
C&F Bank Historic Trust (new 3/1/2023)	(Trust) 32,285.77	47,295.41	48,262.05
C&F Bank - Water Fund Reserve (11 mo CD) 1/17/24	114,622.39	115,433.93	Interest 4/15/24
C&F Bank - General Fund Reserve (11 mo CD) 1/17/24	95,080.68	95,500.91	Interest 4/15/24
C&F Bank -Operating Reserve (11 mo CD) 1/17/24	n/a	400,000.00	Interest 4/15/24
Primis Bank Water Fund Reserve			Closed 1/17/24
Primis Bank General Fund Reserve			Closed 1/17/24
Primis Bank DMV	100.00	1,101.22	3,079.58
Primis Bank USDA Well Replacement-new 10/14/22	2,502.85	2,509.81	2,510.41
Taber Trust – Account Value	871,833.31	932,715.71	962,972.60
Taxes listed below are collected for prior month(s)	2/28/23	1/31/24	2/29/24
Meals Tax collected in February	2,294.10	21,041.61	10,765.55
Lodging Tax collected in February	2,851.18	4,112.77	681.66
Cigarette Tax collected in February	417.09	577.22	618.19

EXPENDITURES:

- \$

REVENUE as of 2/29/2024

- 2/5/24 Received \$100,000 from UBI for pool donations

Delinquent as of 3/11/2024:

Real estate - \$8,615.11

Personal Property - \$12,825.06

Comparison for 2023/2022

Collected Real Estate:

- 2023 - \$254,344.86
- 2022 - \$254,513.61

Delinquent RE:

- 2023 - \$5,875.70
- 2022 - \$3,573.10

Collected Personal Property:

- 2023 - \$10,069.78
- 2022 - \$13,835.06

Delinquent PPT:

- 2023 - \$488.51
- 2022 - \$264.21

Oyster Fest Meals Tax :

Every vendor paid - no outstanding

- 2023 - \$18,003.90
- 2022 \$16,860.21

March 7, 2024
11:02 AM

Lodging Tax

Town of Urbanna
2024 Revenue Summary by Month

Range of Accounts: 100-12100-0001 to 100-12100-0001 Start Month: July Start Year: 2023
Type: Revenue Activity Includes Accounts with Zero Activity: N Year To Date As Of: 03/07/24
Subtotal CAFR: No

Account No	Description	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar
100-12100-0001	Lodging Tax	4520.69	3970.51	3693.25	1955.01	2909.03	514.88	4112.77	681.66	0.00
22357.80										
Fund Total		4520.69	3970.51	3693.25	1955.01	2909.03	514.88	4112.77	681.66	0.00
Grand Total	Count: 1	4520.69	3970.51	3693.25	1955.01	2909.03	514.88	4112.77	681.66	0.00

March 7, 2024
11:01 AM

Town of Urbanna
2024 Revenue Summary by Month

Range of Accounts: 100-12110-0001 to 100-12110-0001 Start Month: July Start Year: 2023
Type: Revenue Activity Includes Accounts with Zero Activity: N Year To Date As Of: 03/07/24
Subtotal CAFR: No

Account No	Description	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar
100-12110-0001	Meals Tax - Local	25538.77	18916.41	17037.21	14135.62	15123.86	5777.51	21041.61	10765.55	0.00
128336.54										
Fund Total		25538.77	18916.41	17037.21	14135.62	15123.86	5777.51	21041.61	10765.55	0.00
Grand Total	Count: 1	25538.77	18916.41	17037.21	14135.62	15123.86	5777.51	21041.61	10765.55	0.00

Water Sales

March 7, 2024
10:56 AM

Town of Urbanna
2024 Revenue Summary by Month

Range of Accounts: 500-17010-0001 to 500-17010-0001 Start Month: July Start Year: 2023
Type: Revenue Activity Includes Accounts with Zero Activity: N Year To Date As Of: 03/07/24
Subtotal CAFR: No

Account No	Description	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr
500-17010-0001	Water Sales Charges	6051.18	54319.81	20768.56	52703.73	14894.81	46378.62	12287.71	52062.21	0.00	0.00
259466.63											
Fund Total		6051.18	54319.81	20768.56	52703.73	14894.81	46378.62	12287.71	52062.21	0.00	0.00
Grand Total	Count: 1	6051.18	54319.81	20768.56	52703.73	14894.81	46378.62	12287.71	52062.21	0.00	0.00

Water Committee

Mayor Goldsmith reported:

- In order to get grants needed for infrastructure upgrades, competitive water rates need to be in place, and the in-town versus out-of-town differential needs to be closed.
- Collection of delinquent accounts requires an updated ordinance, but the current state code can be used.

Finance Committee

Mayor Goldsmith reported:

- Finalizing budget.
- Lowering real estate tax negatively affected the amount of bank franchise tax collected.
- Council work session being planned to discuss budget.

Planning Commission

Mr. Costin reported on the Planning Commission's April 9 meeting:

- Public hearing regarding 1-SUP-2024
- Discussion took place regarding Comprehensive Plan and Short-Term Rentals.

PUBLIC COMMENT

- Kristi Anzivino spoke regarding the important need for water and sewer upgrades and long-term solutions, including applying for grants from the Rural Water Authority.

COUNCIL/STAFF COMMENT

- Councilmember Chowning agreed with Mrs. Anzvinio's comments.

OLD BUSINESS

Wi-Fi Policy

Mayor Goldsmith and Ms. Hutton spoke to the proposed WiFi policy as presented to council on March 28, 2024.

Councilmember Austin made a motion to approve the WiFi Provided by the Town of Urbanna-Acceptable Use Policy. Councilmember Sturgill seconded.

Discussion took place to clarify there is no cost for this, but will protect the town from any possible litigation.

Austin, Chowning, Courtney, Justice, Sturgill, and Goldsmith voted yes

Motion passed 6-0

Wi-Fi Provided by The Town of Urbanna

This service enables people visiting the Urbanna Town Hall, the Urbanna Town Marina and the Urbanna Museum to access the Internet through their own wireless-enabled devices, such as laptops and PDAs. There is no charge for this service, however, customers must have their own equipment, wireless card, software and agree to the Acceptable Use Policy.

Citizens are discouraged from conducting confidential transactions (such as online banking, credit card transactions, etc.) over any public wireless network.

Acceptable Use Policy

I understand and agree to comply with all of the following conditions, without exception or right to appeal.

1. My use of the Town's wireless Internet access is a privilege. My failure to comply with these procedures in their entirety can result in revocation of these privileges from as little as one day to permanent loss, at the reasonable, legal discretion of any Urbanna Town staff member.
2. The Town may change these policies at any time and without notice. I agree to comply with such modified policies as an integral part of my conditions of use. My failure to read and/or understand these conditions in their entirety does not constitute an acceptable reason for my failure to comply with them. No Town staff member may alter or waive any condition of this Acceptable Use Policy.
3. I may not access sexually explicit sites or display sexually explicit materials on any device I connect to the WiFi. I agree to this condition, whether or not filters are effective in blocking such sites. I will cease my use of the WiFi and leave immediately if asked to do so for violating this condition.
4. I will not violate any local, state or federal statute regarding copyright, pornography or obscenity. My use of the WiFi and my use of my station to reproduce information or data files is my acknowledgement of my responsibility for compliance with all copyright laws.
5. I will comply with all other local, state and federal laws, as well as Town policies and procedures.
6. The Internet contains information, both written and pictorial, that may be offensive or harmful to me or to others. The Town does not supervise children's use of the Internet and such use is a parent/guardian's exclusive responsibility. I, therefore, release and hold harmless the Town of Urbanna from any and all liabilities whatsoever associated with my or my child's exposure to any information, machine-readable file, picture or graphical representation I may encounter while using Town WiFi, or while in the presence of others using it.
7. I create, store and use personal files/electronic documents at my own risk, whether created, accessed or stored locally or remotely. I agree that the Town is not responsible for the loss or

damage to such local or remote personal electronic documents, or the diskettes, files or any other media upon which they are stored. These conditions apply to all media that I bring into a WiFi access point or that I purchase from the Town.

8. WiFi is a public-use network. I am fully responsible and assume all risks for any breaches of security to, or violation of, my privacy that may arise from my use of the WiFi. In particular, I acknowledge and agree that my use of this network involves the transmission of radio signals from my device to the Town's wireless transceivers, during which time unauthorized parties may intercept such signals. I further acknowledge and agree that unauthorized third parties also may intercept my data stream at any other point along the Town's network, as well as on the Internet itself.

9. I agree to use the WiFi "as is." Town staff cannot provide assistance in configuring my equipment or diagnosing its performance other than furnishing current Town published documentation.

10. The Town may set reasonable limits on my use, including, but not limited to, bandwidth, session lengths and total usage time.

11. The Town's Web pages contain links to other Web pages. The Town does not control the content of such linked pages nor is the Town responsible for the accuracy of the information on such pages.

12. Users are responsible for running up-to-date anti-virus software on their wireless devices.

13. Users should be aware that connecting to the Internet by using the WiFi can expose their devices to worms, viruses, intrusions, packet-sniffing, and other abuses by third-party bad actors.

14. Connecting to "Peer to Peer" file sharing networks is prohibited.

15. Attempting to circumvent or subvert system security measures is prohibited. Running programs designed to find or create security loopholes, decrypt intentionally secured data, or gain unauthorized access to any system is prohibited.

16. Forging the identity of a user or machine in an electronic communication is prohibited.

17. Spamming or phishing or spoofing while using the WiFi is strictly prohibited. Attempting to decode or obtain restricted passwords is also prohibited.

Definitions:

Access (noun): The act of any user's displaying of, downloading through or uploading to the Town Wireless Network of any digital or analog data, as well as any willful attempt of any such activities.

Access (verb): To establish, or to attempt to establish, a connection to the Town Wireless Network.

Town Wireless Network (“WiFi”): The physical and logical components that constitute the Town furnished system that allows a user to connect to the Internet through wireless technology, currently WiFi, but including any future connection means.

Town Wireless Internet Access: Any willfully established connection to the Town Wireless Network, whether to access the Internet or to use any network asset.

Town Wireless Network (“WiFi”): A synonym for the Town Wireless Network Device: Any customer-operated hardware component that serves as a display or presentation fixture while using the Town Wireless Internet Access. “Devices” can include, but are not limited to, laptop and desktop computers, hand-held computing devices, such personal digital assistants and intelligent phones, audio devices such as MP3 players and iPods.

Use (noun): Same as “Access (noun)” above.

Use (verb): Same as “Access (verb)” above.

Trash Contract

Mr. Costin gave the background on how council had come to the determination to accept the contract from Laneview Environmental for trash collection.

- Contract would begin July 1, 2024.
- Annual fee of \$90,600.
- Twice a week pick-up from April 1-November 11, with once-a-week pick-up the remainder of the year.

Councilmember Austin questioned why the mayor would be authorized to execute the contract, rather than the Town Administrator.

Discussion took place regarding the matter.

Councilmember Austin made a motion to authorize the Town Administrator to execute the contract with Laneview Environmental for trash collection services.

Councilmember Sturgill seconded.

Austin, Chowning, Courtney, Justice, Sturgill, and Goldsmith voted yes

Motion passed 6-0

AGREEMENT FOR SOLID WASTE COLLECTION SERVICES

THIS AGREEMENT is dated as of the of 11th day of April 2024, by and between the Town of Urbanna, a municipal corporation of the Commonwealth of Virginia (the "Town") and Laneview Environmental, a Virginia corporation ("Laneview Environmental").

That in and for consideration of the mutual covenants hereinafter set forth, the receipt of which is acknowledged, the parties agree as follows:

SECTION I: WORK

Laneview Environmental shall complete all work as specified or indicated in the Contract Documents. The Work is generally described as follows:

- Laneview Environmental shall provide all labor and equipment to conduct twice weekly collection of residential solid waste within the corporate limits of the Town on Tuesdays and Fridays from July 1, 2024 to the November 8, 2024 of each year and weekly collection of residential solid waste within the corporate limits of the Town on Tuesdays from November 11, 2024 through March 31, 2025. In the event of an extreme weather event (including but not limited to snow and ice), Laneview Environmental will not provide refuse collection, but will use best efforts to resume refuse collection as soon as possible.
- Laneview Environmental shall collect at each collection all refuse acceptable for collection including but not limited to garbage, food containers, paper, cloth, floor covering, rubber, leather, toys, small appliances, newspapers, magazines, cardboard, yard, and bagged garden trimmings (including bagged leaves), and items of wood, metal and plastic that are placed in the garbage cans and located at the curb. There is a limit of two cans per residence with a maximum weight limit of 50 pounds.
- Refuse unacceptable for collection shall include building materials, brick, masonry, drywall, dirt, structural lumber, furniture, mattresses and bed springs, large appliances, tires, automotive batteries and parts, sheet metal, animal carcasses, human and animal waste, and hazardous substances such as poisons, acids, caustics, explosives, and containers of flammable liquids.
- Refuse collection shall be made between the hours of 8 a.m. and 5 p.m.

SECTION II: PERFORMANCE STANDARDS

- Laneview Environmental shall complete all collection activities in a prompt and courteous manner.
- Laneview Environmental shall complete all collection activities in a neat and orderly manner.

- Laneview Environmental shall generally begin collection during morning hours, but in no case shall collection begin prior to 8:00 a.m.
- Laneview Environmental shall collect from all trash cans owned by residents of the Town of Urbanna.
- In the event that Laneview Environmental fails to collect from any customer during the time of collection on a scheduled collection day, Laneview Environmental will return to make the collection provided that Laneview Environmental is notified by the Town by 4:00 pm. on that day. If Laneview Environmental fails to return on that day, or if notification of a missed collection is not provided by 4:00 pm., then Laneview Environmental will return and make the collection on the following business day.
- Laneview Environmental shall maintain collection vehicles in a safe and properly working manner so as to provide for safe and efficient operation and to avoid any leaks and spills of refuse or mechanical fluids. Laneview Environmental shall ensure that vehicles are maintained according to standards of cleanliness as may reasonably be required by the Town. Spills and leaks from collection vehicles shall be immediately cleaned from streets, alleys, and driveways. Vehicles shall at all times comply with applicable state and local inspection and licensing requirements.
- Laneview Environmental shall maintain adequate records indicating the time and date of collection operations, and the weight of refuse collected. Reasonable requests by Town to verify weight collected shall be honored by Laneview Environmental.

SECTION III: CONTRACT TERMS

- The term of this agreement shall be for a period of one year commencing on July 1, 2024 and concluding on June 30, 2025.

SECTION IV: CONTRACT PRICE

- In consideration of the services herein mentioned, Town agrees to pay Laneview Environmental the annual amount of at the rate of \$90,600.00, which will be invoiced monthly in the amount of \$7,550.00

SECTION V: PAYMENT PROCEDURES

- Payment shall be made in equal monthly installments upon presentation of a bill for services to the Town Treasurer. Bills should be presented on or before the 25th of every month for approval and payment on the first Friday of the next month.
- If during any month Laneview Environmental fails to provide work in accordance with this Agreement, the Town may reduce the amount of payment by an amount proportional to the reduction in work performed by Laneview Environmental, or by an amount equivalent to the actual cost of replacement collection service, whichever is greater.

ARTICLE VI: LANEVIEW ENVIRONMENTAL'S REPRESENTATIONS

- Laneview Environmental has examined and carefully studied the Contract Documents.
- Laneview Environmental has visited the Town and environs and become familiar with and is satisfied as to the general, local, and site conditions that may affect cost, progress, performance or furnishing of work.
- Laneview Environmental is familiar with and is satisfied as to all federal, state, and local laws and regulations that may affect cost, progress, performance and furnishing or the work.
- Laneview Environmental will comply with all federal, state, and local laws and regulations.

SECTION VII: CONTRACT DOCUMENTS

- The Contract Documents which comprise of the entire agreement between the Town and Laneview Environmental concerning the work of the following:
 - This Agreement;
 - Certificate of Insurance; and
 - Contractor's Proposal documents.

These documents are attached to this Agreement and specifically incorporated by reference. There are no other contract documents other than those listed above.

SECTION VIII: AMENDMENTS

- This Agreement may be amended to provide for additions, deletions and revisions in writing and signed by mutual consent of the parties.
- After the first 12 months either party to this Agreement may request to renegotiate the contract price and the other party shall not delay in accommodating a reasonable and justifiable amendment to the contract price in accordance with section 8.. Any amendments to contract price must be finalized by June 1 of each year for incorporation into the Town's next fiscal year budget.

SECTION IX: INSURANCE AND INDEMNIFICATION

- Laneview Environmental shall defend, indemnify, and hold harmless the Town from any claim, loss, liability, cost, or expense that results from Laneview Environmental's activities.

- Town shall hold harmless Laneview Environmental from any claim, loss, liability, cost, or expense that results from Town's activities if said claim, loss, liability, cost, or expense is the result of Town's grossly negligent acts and/or omissions.
- Laneview Environmental shall defend, indemnify, and hold harmless the Town from any claim, loss, liability, cost, or expense that results from Laneview Environmental's breach of this Agreement.
- Town shall hold harmless Laneview Environmental for any claim, loss, liability, cost, or expense that results from the Town's breach of this Agreement.
- Laneview Environmental shall carry general commercial liability insurance in an amount of not less than \$1,000,000.00, motor vehicle insurance and worker's compensation insurance in an amount mutually acceptable to the parties. Certificates of insurance shall be filed with the Town annually.

SECTION X: WARRANTY

- Laneview Environmental warrants that this work will be performed in accordance with the Contract documents and accepted industry standards.
- Whenever the Town believes that Laneview Environmental is not meeting the obligations of this Agreement, the Town will notify Laneview Environmental in writing. Laneview Environmental shall have five (5) days to respond to the Town's notice. The response shall be in writing and shall explain why Laneview Environmental disagrees with the Town or explain how the obligations of this Agreement will be met or how the complaint will be resolved.

SECTION XI: EQUAL OPPORTUNITY


- Laneview Environmental shall comply with all state and federal laws pertaining to nondiscrimination in employment and the workplace.

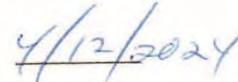
SECTION XII: MISCELLANEOUS

- The parties agree that there shall not be any third-party beneficiaries of this Agreement.
- If any provision of this Agreement is held to be invalid or unenforceable, such provision shall be modified consistent with the original intent of the parties to be enforceable, and the remainder of the Agreement shall remain in full force and effect.

[SIGNATURES APPEAR ON THE FOLLOWING PAGE]

IN WITNESS WHEREOF, the Town and Laneview Environmental have affixed the signatures of their duly authorized representatives. All portions of the Contract Documents have been identified and acknowledged by the Town and Laneview Environmental.


Town of Urbanna
P.S.T. (Ted) Costin, Town
Administrator


Date

Laneview Environmental, LLC
(James Boone)

Date

Fireworks-rescind contract with Francisco Display Fireworks, LLC

Mr. Costin gave the background regarding this issue. Due to the insurance provider for Rosegill not allowing fireworks to be launched from the property, Mr. Costin requested council to rescind their previous approval of the contract.

Councilmember Austin made a motion to rescind the contract with Francisco Display Fireworks, LLC as agreement could not be reached among all involved due to insurance concerns.

Councilmember Sturgill seconded.

Austin, Chowning, Courtney, Justice, Sturgill, and Goldsmith voted yes

Motion passed 6-0

Authorizing Resolution

Ms. Erard explained our settlement agent has specifically requested a specific name be authorized to sign settlement documents regarding the purchase of 390 Virginia Street.

Councilmember Austin made a motion to accept the authorizing resolution.

Councilmember Sturgill seconded.

Austin, Chowning, Courtney, Justice, Sturgill, and Goldsmith voted yes

Motion passed 6-0

Authorization Resolution

WHEREAS the Town of Urbanna seeks to purchase the property located at 390 Virginia Street.

NOW THEREFORE BE IT RESOLVED by the Urbanna Town Council at its regular meeting on April 11, 2024, that the Honorable William Goldsmith, Mayor of the Town of Urbanna, is authorized by the Urbanna Town Council to sign any and all documents related to the transfer and financing of the property located at 390 Virginia Street on behalf of the Town of Urbanna.

Vote:

Name	Yes	No	Abstain	Absent
Austin	x			
Courtney	x			
Chowning	x			
Hanson				x
Justice	x			
Sturgill	x			
Goldsmith	x			

Copy Teste:

Martha Rodenburg,
Clerk

NEW BUSINESS

There was no new business.

PUBLIC COMMENT

Katie Wilson spoke the positive impact a new business on Cross Street could have to other adjacent businesses.

ANNOUNCEMENTS

Michele Hutton announced it was the last day for military banner sales. There were only enough sold to place them on Virginia Street, not Cross Street.

Tickets for the circus are available for sale in Town Hall and online.

Councilmember Austin announced 2nd Saturdays would begin May 11th.

ADJOURN

Councilmember Austin made a motion to adjourn

Councilmember Sturgill seconded

Austin, Chowning, Courtney, Justice, Sturgill, and Goldsmith voted yes

Motion passed 6-0

Meeting adjourned at 7:32pm

Submitted by:

Martha J. Rodenburg

Town Clerk

Approved by Town Council xx/xx/xxxx

**Town of Urbanna
Town Council
Work Session
Council Chambers-390 Virginia St. Suite B
April 25, 2024**

CALL TO ORDER & ROLL CALL

Members of Council

Present

Mayor Bill Goldsmith
Marjorie Austin
Larry Chowning
Alana Courtney
Beth Justice
Sandy Sturgill

Absent

Merri Hanson

Others Present

Ted Costin-Town Administrator
Martha Rodenburg-Town Clerk
Michele Hutton-Town Treasurer
Members of the public and press

Mayor Goldsmith called the meeting to order at 6:00pm
All present said the Pledge of Allegiance

APPROVAL OF AGENDA

**Councilmember Austin made a motion to approve the agenda as presented
Councilmember Sturgill seconded
Austin, Chowning, Courtney, Justice, Sturgill, and Goldsmith voted yes
Motion passed 6-0**

PUBLIC COMMENT

- Sarah Jane Wyatt-spoke to support proposed signage at end of Virginia Street as recommended, improve the property as the former Waterfront Committee recommended, and commend Councilmember Chowning on his work on the kayak trail.
- Mike Sheffield-spoke to an interaction he had with a member of council on April 14th in regards to limiting access to the town property at the end of Virginia Street.
- Dan Snead-spoke regarding his concern regarding blocking emergency access to the town property at the end of Virginia Street and problems that may occur if a dock is built at that property. In favor of building a kayak launch at north end of marina.
- Mike Jolly-spoke to support proposed signage at end of Virginia Street as recommended. Recommends reviewing proposed improvements suggested by former Waterfront Committee.

COUNCIL COMMENT

Mayor Goldsmith stated the topics mentioned in public comment would be discussed later in the meeting.

ACTION ITEMS

There were no items on the agenda

PROJECT UPDATES/DISCUSSION

Friends of Urbanna-Memorandum of Understanding

Mr. Costin presented to council that the relationship with The Friends of Urbanna (FOU) as an advisory role pertaining to the Scottish Factor Store, serving as the Urbanna Museum and Visitor Center, has never been formally documented with a Memorandum of Understanding (MOU). Language has been provided by FOU as a basis for an MOU, and staff would like council to direct staff to development an MOU, including a requirement for quarterly reporting, for future approval by council.

Councilmember Austin asked for the MOU to include FOU should apprise council of changes to the building, prior being done. Mr. Costin responded affirmatively.

Discussion took place, and it was agreed reporting should be done, at a minimum, quarterly, and prior to any changes to be made to the interior or exterior of the building.

Town owned property on Virginia Street-access issues/Virginia Street Terminus

Before proceeding with his report, Mr. Costin clarified they were no plans to construct a pier/dock at the Virginia Street property.

Mr. Costin reported an inquiry had been received as to what were the limitations of use for the property regarding kayak launching and parking. A 20' emergency access easement exists on the property that should remain unobstructed. Staff is recommending signage be placed that indicates the following:

- Kayak/canoe drop-off at your own risk (due to potential presence of unknown commercial building parts)
- No parking

Discussion took place regarding the incident with the resident who said he was told he couldn't park nor launch a kayak from there. It was also mentioned the kayak rental kiosk had been down for one day, due to a dead battery, as well as moving the kiosk.

Mr. Costin then went back to the subject at hand, discussing signage at the property, asking council to consider directing staff to develop, procure, and place signage to address the initial inquiry about access to the property.

Mayor Goldsmith commented that while they try to not make certain decisions during work sessions, this is something to act on sooner rather than later.

Councilmember Courtney made a motion to direct staff to procure signage that's appropriate for 'No Parking' and for an appropriate risk statement at the end of Virginia Street.

Councilmember Justice seconded.

Discussion took place regarding where people using the property could park. While the Town Marina has public parking, Councilmember Austin commented all in-town property owners are guaranteed public water access and should be allowed to park at the marina, and spoke to a time she had been instructed to take their boat and trailer home. She added [the town] needs to provide parking for those using the Virginia Street property, commenting the sign should include options for places to park, such as the Town Marina or behind the museum.

Additional discussion took place regarding parking options and verbiage for the sign.

Councilmember Chowning added the kayak trail was designed to begin at the north end of the marina, and would like the kayak launch there.

Mr. Costin suggested a draft of the verbiage for the sign could be presented to council for approval, prior to production. Councilmember Sturgill requested a directional sign to the marina.

Austin, Chowning, Courtney, Justice, and Goldsmith voted yes

Sturgill abstained

Motion passed 5-0

July 4th Band Contract

Mr. Costin reported the contract for the Michael Clarke Band had been reviewed by the Town Attorney and was acceptable. The contract price is \$2,500.

Councilmember Austin made a motion for the Town Administrator to execute the contract authorizing the band for the 4th of July.

Councilmember Sturgill seconded

Austin, Chowning, Courtney, Justice, Sturgill, and Goldsmith voted yes

Motion passed 6-0

Pool Rules

Mr. Costin presented proposed pool rules, which had been developed using past rules and in consultation with the Town's insurance provider.

Discussion took place with council suggesting language be added to prohibit foul/offensive language.

The proposed rules will be revised and presented to council for vote at their next meeting.

Marshall Family Pool Opening Celebration

Mr. Costin presented the proposed program for the upcoming Marshall Family Pool Opening.

Discussion took place regarding having food vendors, printed programs, and who to invite as distinguished guests.

ANNOUNCEMENTS

- Councilmember Sturgill mentioned names would be going on the pool donor wall this week.
- Councilmember Austin announced VML will be having its first Small Town Conference June 10 & 11, in Abingdon, Virginia. She plans to attend.
- Additional conversation took place between council regarding pool furniture, cost of umbrellas, and signs advertising pool memberships.
- Ms. Hutton announced the military banners dedication would take place June 21.

ADJOURN

Councilmember Austin made a motion to adjourn

Councilmember Sturgill seconded

Austin, Chowning, Courtney, Justice, Sturgill, and Goldsmith voted yes

Motion passed 6-0

Meeting adjourned at 6:47pm

Submitted by:

Martha J. Rodenburg

Town Clerk

Approved by Town Council xx/xx/xxxx



**Agenda Item Summary
September 12, 2024**

Agenda Item: 6-Reports

Town Administrator-Ted Costin

Treasurer Report-Michele Hutton

Finance Committee-Mayor Goldsmith

Water Committee-Mayor Goldsmith

Museum-Ted Costin



TOWN OF URBANNA

390 VIRGINIA ST. SUITE B, PO BOX 179, URBANNA, VA 23175
PHONE: 804-758-2613, FAX: 804-758-0389

To: The Honorable Mayor and Members of the Town Council
From: P. S. T. (Ted) Costin, Administrator
Date: September 6, 2024
Subject: August Monthly Report given September 2024

Since my last report I met with citizens, council members, and professionals in various combinations regarding the pool operations, the well project, Hurricane Debby, and other topics.

As to the pool, a year end meeting was held with Signature after solicitation of input from the swim team and YMCA. Operationally, there were a few problems throughout the season, but all were quickly resolved and will form the basis of protocols for years to come. Some physical improvements were noted as possibilities most notably a cooling mechanism for the water temperature, protection of exposed piping, and a different solution for filter cleaning to avoid back wash. No significant complaints were received concerning the services of the staff and the staff found patrons to be respectful and cooperative all season long. The pool was used prior to closing for an Oyster Festival event and sidewalk install has been initiated.

Financing for well projects is progressing with the most important being the payoff of the interim financing by Huntington Bank.

Following a Finance Committee meeting, I delivered to county staff a proposal to partner and re-establish the DMV Select. A meeting with elected officials exploring this partnership is scheduled for next week.

For the reason of lack of response/service, the town has obtained a new vendor for port-a-johns at Taber Park and the marina.

There was a monitoring response to Hurricane Debby via Middlesex County, VDEM, and Dominion. Staff confirmed ample generator fuel and water level before the projected impact.

As to July 4th/6th events, a post event assessment is still desirable especially since the re-scheduled July 6 concert has been held. No progress on "No Wake" for Urbanna Creek, signage at the end of Virginia Street, or the Friends of Urbanna MOU. Although, I met with one member of the FoU concerning work at the museum and grant/funding status. Follow-up activity ongoing.

Progress continues to be made by Dominion Power with several poles removed or further prepared to be removed. Also, a meeting was held with a young man and his father concerning the kayak launch at the Marina. He is interested, but is unable to start until November.

As always, if you have any questions or concerns, please bring them forward.

Thank you.



Treasurer's Report

The Balances Below, Reflect Bank Statements as Of Month's End.

Account Balance thru 7/31/2024	Prior Year 7/31/23	Prior Month 6/30/24	Statement Date 7/31/24
Primis Bank General Operating Bank Account	1,073,536.14	1,043,187.19	996,082.41
Renter Water Deposits	-16,101.66	-17,101.66	-17,101.66
Net Operating General Bank Account	1,058,050.24	948,833.29	996,748.31
C&F Bank Historic Trust (new 3/1/2023)	37,006.93	51,395.80	52,553.97
C&F Bank - Water Fund Reserve (11 mo CD) 1/17/24	115,007.28	116,847.00	118,277.37
C&F Bank - General Fund Reserve (11 mo CD) 1/17/24	95,280.12	96,669.97	97,853.34
C&F Bank -Operating Reserve (11 mo CD) 1/17/24	N/A	404,896.55	409,853.04
Taber Trust – Account Value	877,052.37	972,184.46	
Taxes listed below are collected for prior month(s)	7/31/23	6/30/24	7/31/24
Meals Tax collected in July	26,380.45	15,582.43	14,797.23
Lodging Tax collected in July	4,520.69	1,946.95	2,610.92
Cigarette Tax collected in July	1,191.68	755.98	1,158.17

EXPENDITURES:
 7/10/24 Mulch Playground \$4,400.00

REVENUE:

- CD Interest 7/15/24 total \$7,570.23 (next int 10/15/24)
 - Water Reserve \$1,430.37 *General Fund \$1,183.37 *Operating Reserve \$4,956.49

Year-end totals for 2023/2024

- Real Estate: \$256,870.32 + \$5,875.70 (del) = \$262,746.02
- Personal Property: \$10,215.96 + \$662.15 (del) = \$10,878.11
- Meals Tax: \$166,147.32 + 1,144.93 (P/I) = \$167,292.25
- Lodging Tax: \$ 30,005.70 + \$235.55 (P/I) = \$30,241.25
- Business License: \$6,212.91
- Golf Carts apps 3/1/ 24 – 6/ 30/24 = 2,725.00 (109 carts)

August 2024 Museum Monthly Report

Visitors: 188 (Open Thursdays- Sundays 18 days total; Founders Day-59 visitors)

Total Gift Donations: \$133.50

Credit Card- \$133.50

Cash- 0

Donations in Box: \$191.00

Staffing:

2 paid docents worked 64 total hours

3 volunteers worked 38 hours total (does not include FOU volunteer hours)

Upcoming Events:

September 18: *Colonial Dames* historical group will be having a meeting at the museum followed by a scheduled museum tour and map presentation.

October 12: Wine/Oyster Stroll. Town Office is processing ABC license and will purchase wine.

November 2 and 3: Urbanna Oyster Festival- volunteers will be needed; In contact with Christchurch School to hopefully have students to assist as we have in years past.

December 7: Urbanna Christmas; Museum Open House. The museum will be decorated and open usual hours, Hot Chocolate and Cookies will be served.

Past Events: FOU fundraiser ("Frolic at the Tavern") event on the Friday evening before Founders Day was well attended. Museum and map brochures were available as well as Scottish Factor Store historical information was presented. The group was engaging and great conversation about the museum ensued.

There was an interest by reenactment groups in attendance to collaborate in future museum events.

Reenactors also attended Founders Day and had a presence at the museum, adding to the historical ambiance. Lemonade, water and cookies were available to visitors.

Current Museum Needs:

An additional volunteer is needed to assist periodically in the museum. There have been several health-related challenges to current staff and volunteers making scheduling inconsistent/difficult this month.

Continued from last month:

Map DVD's need to be replenished- 12 in stock at museum- Looking into how that can be accomplished/ cost etc. *Assistance is needed in how this can be done.

New (and ideally locally made) items to improve gift area- researching products and vendors.

*Postcards are an often-requested item from visitors

New shelving has been installed on wall behind Factor Store counter- working to obtain through donation and/or purchase appropriate items for display.

Agenda Item Summary
September 12, 2024

Agenda Item: 9a-Sidewalk Repair.

Background: Prior to my arrival, inquiry was made to Jackcrete of Virginia concerning sidewalk repair. An estimate was received which we have learned is still viable (see documentation attached). Over several years, sidewalk repair was budgeted, but not performed. This money was “carried over” in your budget adoption resolutions and thus is available in reserves. This year’s budget only budgeted for one half of the work’s cost. Jackcrete of Virginia has indicated they can have the work outlined performed before Oyster Festival if notice is given soon. This would be a phased effort with other repairs to follow.

Fiscal Impact: As presented. Approximately \$10,000, but with the potential to be higher if subsurface issues are encountered.

Staff Recommendation: Authorize Town Administrator to accept the attached proposal and utilize budgeted as well as reserve funds to complete the project as outlined.

Council Action Requested: Yes, in line with the Staff Recommendation.

Sample Motion: I move to authorize the Town Administrator to execute acceptance of the sidewalk repair proposal from Jackcrete of Virginia and utilize budgeted as well as reserve funds.



August 29, 2024

Dear Mr. Costin,

Thanks for giving me an opportunity to look at the sidewalk settling that has occurred on your property. Included in this mailing is the proposal and contract for your consideration.

I truly believe that our product can meet your needs. Please review the following documents, and when you are ready, return an initialed & signed copy of the contract pages so we can get you added to our schedule.

In the meantime, please don't hesitate to contact me with any additional questions or concerns that you may have.

Respectfully,

Hinton Huff
Solution Specialist
757-827-7822



"JACKCRETE sets the example of how all service companies should perform: responsive, professional, quality work and real value for the end results. We had a timely consult, quote and schedule within a few days. They arrived on time and we are happy to have removed the tripping hazards around our pool and a nice job on the driveway and sidewalks too!!"

- Joanne Pilcher on 3/26/21



5 Star Customer Rating



705 Industry Drive
Hampton, VA 23661

Office: 757-827-7822
Fax: 757-827-5069

www.JackcreteVA.com
info@JackcreteVA.com



Town of Urbanna
390 Virginia Street
Urbanna, VA 23175

August 29, 2024

Re: Concrete Lifting

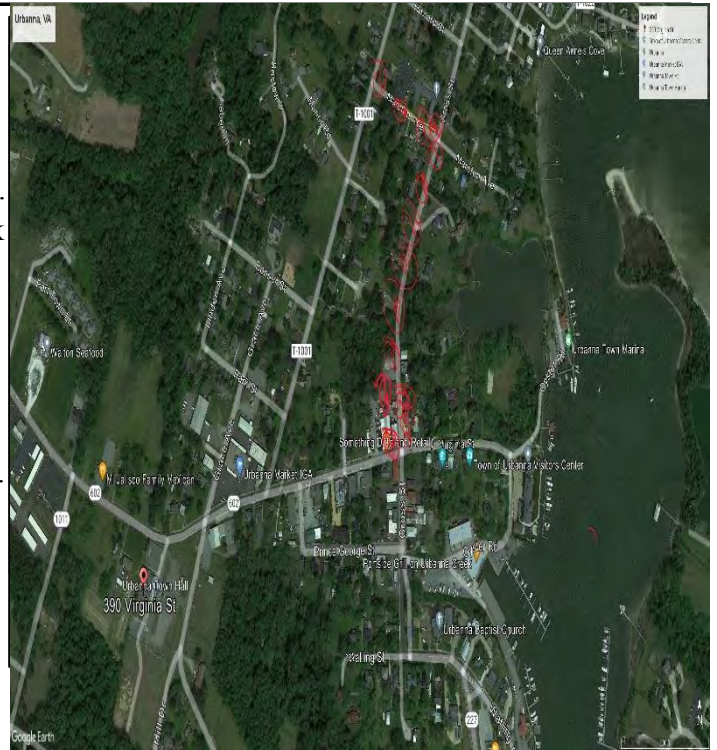
Mr. Costin,

JACKCRETE of Virginia is pleased to submit for your review the following proposal for the repairs to settled concrete slabs at the above-mentioned address to include all materials, labor, and supervision.

Scope of Work:

Area #1: Concrete Lifting: Sidewalk Settlement Issues

We propose to inject JACKCRETE 220-D high-density polyurethane foam beneath the arrow-indicated sections of concrete (1,720 s.f.) to lift them back up to level, remove the trip hazards, and stabilize the underlying soil.
*Area marked in blue to be patched with gray non-shrink mortar.
**The concrete will be adjusted as best as possible to accommodate the tree roots that are lifting the slabs. Grinding any remaining tripping hazards after the lifting is complete is included (if desired).
***Please see below for additional pictures of work area.



LUMP SUM QUOTATION \$ 9,998.00

*Includes 507.1 pounds of material. See below for additional material rates.

*For projects with multiple locations, please see below for additional project details.

WARRANTY:

Upon completion of the work, JACKCRETE of Virginia shall provide a 2 Year, Full-System Warranty from RPC Industries, Inc. stipulating that if the repaired areas drop more than 1/4 inch from its repaired height during the warranty period, JACKCRETE of Virginia will make repairs at no cost to you.

USE OF FACILITY:

While on the property, JACKCRETE of Virginia will supply their own water and power as needed for project completion. Parking might be restricted during our operations depending on conditions. Any items that may impede work must be moved prior to crew arrival.

COMMENCEMENT AND COMPLETION OF WORK:

Once the required prerequisites have been received, JACKCRETE of Virginia will schedule your project to commence using group-based scheduling that is contingent on the availability of nearby projects. Material will be ordered and the manufacturer will be on notice to release the order upon project commencement. Job longevity fluctuates based on the scope of the work, and is also contingent on the weather.

PAYMENT AND CHANGE ORDERS:

If applicable, pricing assumes all identified areas are selected for repair. If only portions of the project are completed, pricing will be increased 10% for those sections.

0% deposit of total proposed costs is required prior to project scheduling.

JACKCRETE of Virginia, based on past experience, is providing this proposal with the expected material expenses required based on known/visual conditions. During the project total material usage will be recorded. In cases of unforeseen issues in the subsoil, additional materials may be required and will be billed at the cost of \$14.75 per pound in excess of budgeted materials.

Payment in full is due within 30 days of project completion. Acceptable payments are cash, check, money order or credit card. Outstanding invoices older than 30 days are subject to additional charges up to 10% of the project price.

ABOUT JACKCRETE:

JACKCRETE of Virginia is a division of RPC Industries, Inc. which has over forty-one years of experience in the application of polyurethane foam systems for many uses including concrete lifting, roofing, insulation, and specialty applications. Our local polyurethane clients include the Norfolk Scope Arena, the U.S. Navy, NASA Langley Research Center, Jefferson National Laboratory, Dominion Virginia Power, Newport News Shipbuilding, Virginia Port Authority, the school systems of Norfolk and Hampton, general contractors SB Ballard, Whiting Turner, and WM Jordan, as well as many other industrial and commercial businesses, contractors, agencies plus thousands of homeowners.

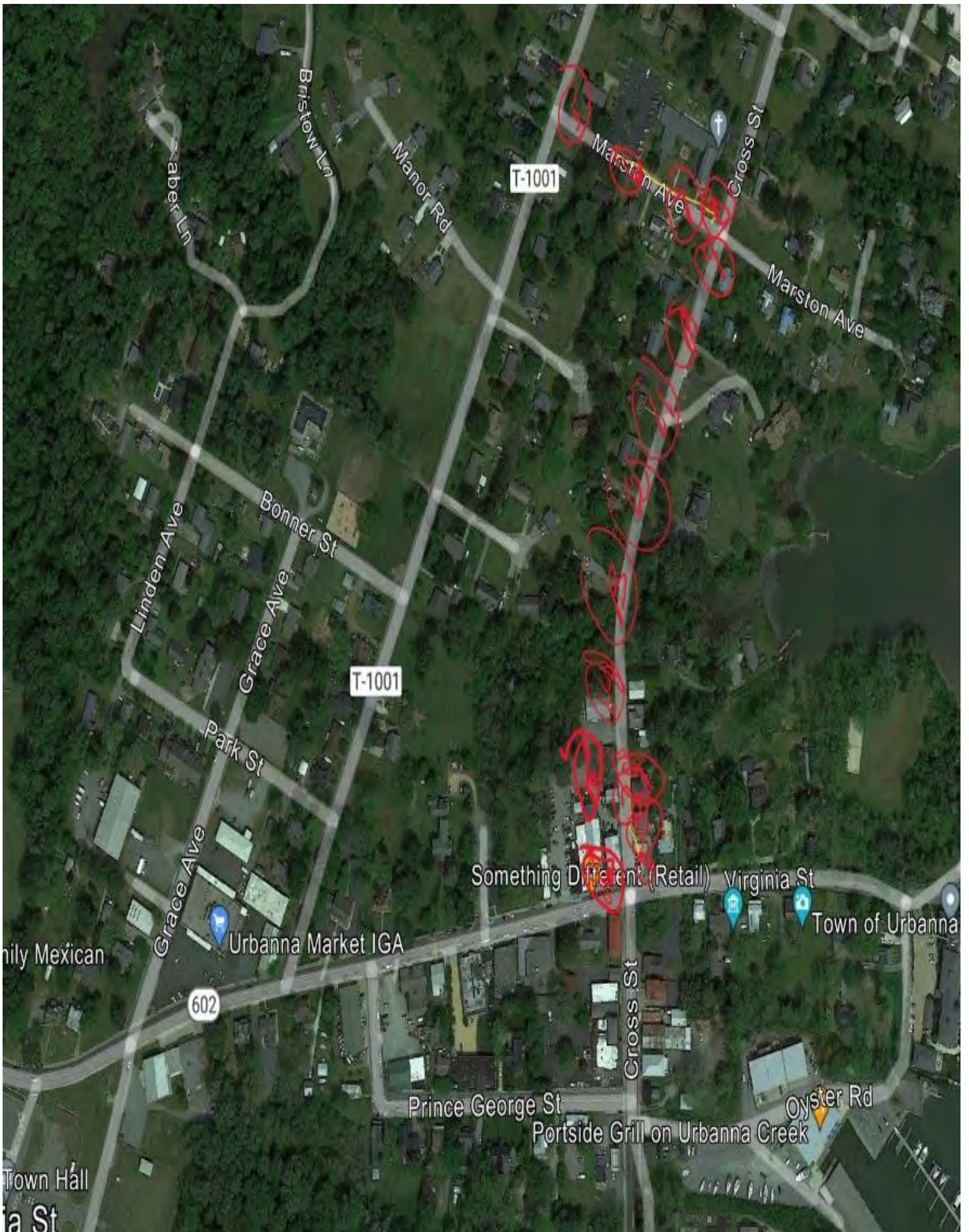
Thank you for allowing us to present this proposal. Should you have any other questions or need additional information, please feel free to contact me at my numbers below. Additional information about our qualifications and our lifting technology is available for your review at www.JackcreteVA.com.

Sincerely,



Hinton Huff
Solution Specialist
757-827-7822

Scope of Work Continued:





THIS AGREEMENT is made August 29, 2024, by and between **JACKCRETE of Virginia, a Division of RPC Industries, Inc.** (hereinafter referred to as the Contractor), a Virginia corporation having its principal office at 705 Industry Drive in Hampton, Virginia; and **Town of Urbanna** (hereinafter referred to as the Owners), located at 390 Virginia Street, Urbanna, VA 23175

WITNESSETH, that the Contractor in consideration of the sums to be paid to it by the Owners covenants and agrees to perform all work required by this Contract on the terms and conditions set forth herein:

1. **WORK TO BE PERFORMED:** The Contractor agrees to furnish all labor, materials, equipment and supervision for the scope of work described below for work at the address referenced above:

a. See attached proposal dated August 29, 2024

2. **PROJECT SCHEDULE:** The work is to be scheduled for completion depending on proximity of other projects. The Contractor shall coordinate his schedule with the Owners and notify the Owners as soon as possible of the intended start date and construction time expectations.

3. **PRICE AND PAYMENT:** The Owners shall pay the Contractor for the materials to be supplied and the labor to be performed in accordance with this Agreement, the sum of

Nine Thousand Nine Hundred Ninety Eight Dollars and No Cents \$ **9,998.00**

The Contractor shall be paid in accordance with the following schedule:

a. 0% will be due at contract signing

b. The final balance, together with any approved contract additions or deductions, shall be due in full upon project completion.

No payment made under the terms of this Agreement (except the final payment) shall be evidence of performance of this Agreement in whole or in part, or constitute acceptance of defective or improper materials or workmanship by the Owners.

All payments shall be made by the Owners to the Contractor within thirty (30) days of the due date in accordance with the above payment schedule. Late payments are subject to late fees which the Contractor shall promptly invoice. The Contractor reserves the right to employ all legal remedies to collect past due unpaid invoices together with reasonable legal fees.

4. **CHANGES IN THE WORK:** The Owners may make changes in the scope of work. The Contractor shall be reimbursed for changes in the work as agreed to in advance by both parties. The Contractor shall not make changes in the work unless the Owners authorize said changes in advance. If the Contractor discovers differing conditions at the site that involve extra cost under this Agreement; it shall give the Owners prompt notice thereof and obtain authorization prior to the initiation of work with the exception of additional material usage. (See Section 6)

5. USE OF SITE: The Owners agree to provide access to normal utilities such as electricity and water as may be required by the Contractor in connection with the Contractor's timely performance of the Work under this Agreement if access is requested by the Contractor before project commencement. Contractor will supply its own power for larger equipment. Parking might be restricted during our operations depending on conditions.

6. ADDITIONAL MATERIAL USAGE: The Contractor, based on past experience, entered into this contract with the expected material expenses required based on known/visual conditions. During the project we monitor and record total material usage. In cases of any unforeseen issues in the subsoil (large voids, water channels, or other underlying soil conditions) additional materials may be required and will be billed at the cost of \$14.75 per pound of material. Additional material usage does not constitute a change in work and by entering into this agreement, you agree to pay for additional material at the above mentioned rate.

INITIALS: _____

7. EXPECTATIONS: Projects are deemed successful if the change in elevation along the joint or crack is reduced to within a nominal +/- 1/4" variance. If the Contractor is unsuccessful in completing a portion of the job, the final invoice will be calculated on a percent completed basis with a maximum deduction of 40%. The Contractor is not responsible for damages such as cracks in concrete being repaired, damage to adjacent plumbing or electrical, cracks in floors or walls or any damage which has occurred or might occur as a result of settlement, void filling, raising, or associated tasks such as drilling holes or sawing joints. The Contractor will leave work areas broom and/or blower clean. Any further cleaning is the responsibility of the owner. No caulking (including where saw cuts are completed) or expansion joint replacement is included unless specifically quoted on the proposal document. Proposal does not include any repairs to landscaping (grading of soil, adding seed or straw, etc.) deemed necessary as a result of the Contractor performing this contract or transportation of equipment to areas to be repaired.

INITIALS: _____

8. WARRANTY: JACKCRETE, a Division of RPC Industries, Inc., warrants that the repaired areas will not resettle more than 1/4" during the warranty period stated on the proposal document. If they do, repairs will be made at no cost to you for the first occurrence, at which time any remaining warranty would elapse. THIS WARRANTY covers only materials supplied and installed by JACKCRETE under this contract, and does not cover any subsequent personal injury or damage to the property or contents thereof, or any other direct or consequential damage from any cause whatsoever. This warranty does not include any areas of concrete patching and is void if settling occurs as a result of tree root upheaval, animal burrowing, flooding to include utility breaches or any other acts of nature or if customer fails to maintain backfill along repaired areas or payments are not received as per contract terms.

THIS WARRANTY IS IN LIEU OF ALL OTHER WRITTEN OR ORAL, EXPRESS OR IMPLIED WARRANTIES AND RPC INDUSTRIES AND JACKCRETE EXPRESSLY DISCLAIM ANY WARRANTY OF MERCHANT OR FITNESS FOR PURPOSE.

INITIALS: _____

9. NO LIENS: When any payment is to be made under this Agreement, the Owners may, at their discretion, require evidence that payment, or satisfactory arrangements for payment, have been made with any party who could, through services or materials supplied to the Contractor, make a claim or demand against the work.

10. TERMINATION: Should the Contractor at any time fail to proceed with promptness and diligence in the prosecution of the work, or fail in the performance of any of the covenants and agreements herein contained, the Owners shall be at liberty to terminate this Agreement. Should the Owners fail to pay sums due under this agreement, or fail in the performance of any of the covenants and agreements herein contained, or should other conditions arise which make it advisable for the parties to mutually agree to cease work under this Agreement; the Contractor may terminate this Agreement. If the termination clause is evoked by either party, the Contractor shall be entitled to payment for the portion of the contract already performed, in accordance with the terms of this agreement.

11. ASSIGNMENT: This Agreement shall not be assigned or sublet, in whole or in part, without the written consent of the Owners. No money due or to become due under this agreement may be assigned without the written consent of the Owners.

IN WITNESS WHEREOF, the parties have caused these presents to be executed by their respective officers on their behalf first duly authorized the day and year first above written. The signing of this agreement below by the Contractor and the Owners represents consideration and acceptance by both parties of all terms and conditions hitherto listed.



JACKCRETE
Hinton Huff
Solution Specialist

Ted Costin
Authorized Agent

Date



Mr. Ted Costin
390 Virginia Street
Urbanna, VA 23175

August 29, 2024

Re: Concrete Lifting...
at: 390 Virginia Street-See map of Town
Urbanna, VA 23175

Job #: JC-TBD-Town of Urbanna
Invoice #: JC-TBD-Town of Urbanna -1
Terms: Due at contract signing

NO DEPOSIT

Original Contract Price: = \$9,998.00

Contract Deposit Required: 0% - \$0.00

AMOUNT CURRENTLY DUE: = \$0.00

Thank you for considering JACKCRETE of Virginia for your concrete leveling needs.

Need to make a payment?
www.JackcreteVA.com/pay



QUALIFICATIONS APPENDIX




About Us

JACKCRETE of Virginia, specializes in commercial, municipal and residential polyurethane foam concrete lifting, leveling and stabilization. Our parent company, RPC Industries, Inc., has been a pioneer in a wide-spectrum of applications of sprayed polyurethane foam since 1979 making us one of the oldest spray foam contracting companies in the country. We are expert industrial, commercial, and residential contractors who believe a client's positive experience with a project matters just as much as the end result. Our commitment to safety and quality has made us the chosen contractor for some of the most demanding corporate clients in America and at some of the most secure government facilities as well as thousands of homeowners too.


Qualifications

- ▲ Our Virginia Class-A Contractor's License # is 2701019530. ▲ Our VA Asbestos Contractor's License # is 3306000010.
- ▲ Our Virginia Lead Contractor's License # is 3358000031. ▲ Our Dunn and Bradstreet DUNS number is 11-297-9190.
- ▲ We are registered with the DOD Central Contractor Registration.
- ▲ We are registered with the Defense Logistics Information Service Joint Certification Program.
- ▲ We are SWAM certified as a Small Business within the SBA size standard.
- ▲ We provide all standard contractor insurance with total liability coverage of \$7 million.
- ▲ We can furnish performance and payment bonds written by a Treasury listed company.



PLEASE POST FOR PUBLIC VIEW

City of Hampton
 ROSS A. MUGLER
 Commissioner of the Revenue
 P.O. BOX 636, HAMPTON, VIRGINIA 23669
 (757) 727-6700
BUSINESS LICENSE



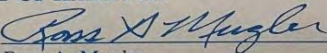
R P C INDUSTRIES INC
 R P C INDUSTRIES
 P O BOX 9328
 HAMPTON, VA 23670

(757) 827-9625
 (757) 827-9625
 705 INDUSTRY DR

PERIOD BEGINNING	PERIOD ENDING	DATE BUSINESS BEGAN	LICENSE NUMBER
1/1/2022	12/31/2022	01/30/1987	62816
CATEGORY		DESCRIPTION	
11600	CONTRACTORS, GENERALLY / \$ 0.16 PER \$ 100 ON ALL GROSS RECEIPTS		

PAID
 MAR 10 2022
 CITY OF HAMPTON

IMPORTANT: LICENSE NOT VALID UNTIL STAMPED PAID BY TREASURER OF THE CITY OF HAMPTON
 I do find the foregoing application in due form. Therefore, Licenses are this day severally granted the applicant named in the application to prosecute the businesses, employment's or professions covered by the application as indicated hereon, at the definite house or place in my city described in the application.


 Ross A. Mugler
 Commissioner of the Revenue

* We hold business licenses in over 25 municipalities.

** Need a copy of one in particular? Request it from info@JackcreteVA.com

COMMONWEALTH of VIRGINIA

Department of Professional and Occupational Regulation

9960 Mayland Drive, Suite 400, Richmond, VA 23233

Telephone: (804) 367-8500

EXPIRES ON

10-31-2023

NUMBER

2701019530

BOARD FOR CONTRACTORS
CLASS A CONTRACTOR
CLASSIFICATIONS ASB CIC HIC LAC



RPC INDUSTRIES INC
705 INDUSTRY DR
HAMPTON, VA 23661-0000



Mary Broz-Vaughan
Mary Broz-Vaughan, Director

Status can be verified at <http://www.dpor.virginia.gov>

(SEE REVERSE SIDE FOR PRIVILEGES AND INSTRUCTIONS)

DPOR-LIC (02/2017)

COMMONWEALTH of VIRGINIA

Department of Professional and Occupational Regulation

9960 Mayland Drive, Suite 400, Richmond, VA 23233

Telephone: (804) 367-8500

EXPIRES ON

03-31-2024

NUMBER

3358000031

BOARD FOR ASBESTOS, LEAD, AND HOME INSPECTORS
LEAD ABATEMENT CONTRACTOR LICENSE



RPC INDUSTRIES INC
705 INDUSTRY DR
HAMPTON, VA 23661-0000



Demetria J. Melis
Demetria J. Melis, Director

Status can be verified at <http://www.dpor.virginia.gov>

(SEE REVERSE SIDE FOR PRIVILEGES AND INSTRUCTIONS)

DPOR-LIC (02/2017)

COMMONWEALTH of VIRGINIA

Department of Professional and Occupational Regulation

9960 Mayland Drive, Suite 400, Richmond, VA 23233

Telephone: (804) 367-8500

EXPIRES ON

07-31-2023

NUMBER

3306000010

BOARD FOR ASBESTOS, LEAD, AND HOME INSPECTORS
ASBESTOS CONTRACTOR LICENSE



RPC INDUSTRIES INC
705 INDUSTRY DR
HAMPTON, VA 23661-0000



Demetria J. Melis
Demetria J. Melis, Director

Status can be verified at <http://www.dpor.virginia.gov>

(SEE REVERSE SIDE FOR PRIVILEGES AND INSTRUCTIONS)

DPOR-LIC (02/2017)



RPCINDU-01

CHEARNE

CERTIFICATE OF LIABILITY INSURANCE

DATE (MM/DD/YYYY)
4/5/2023

THIS CERTIFICATE IS ISSUED AS A MATTER OF INFORMATION ONLY AND CONFERS NO RIGHTS UPON THE CERTIFICATE HOLDER. THIS CERTIFICATE DOES NOT AFFIRMATIVELY OR NEGATIVELY AMEND, EXTEND OR ALTER THE COVERAGE AFFORDED BY THE POLICIES BELOW. THIS CERTIFICATE OF INSURANCE DOES NOT CONSTITUTE A CONTRACT BETWEEN THE ISSUING INSURER(S), AUTHORIZED REPRESENTATIVE OR PRODUCER, AND THE CERTIFICATE HOLDER.

IMPORTANT: If the certificate holder is an ADDITIONAL INSURED, the policy(ies) must have ADDITIONAL INSURED provisions or be endorsed. If SUBROGATION IS WAIVED, subject to the terms and conditions of the policy, certain policies may require an endorsement. A statement on this certificate does not confer rights to the certificate holder in lieu of such endorsement(s).

PRODUCER Towne Insurance Agency, LLC 5235 Monticello Avenue Williamsburg, VA 23188		CONTACT NAME: PHONE (A/C, No, Ext): (757) 229-0841 FAX (A/C, No): (757) 229-5479 E-MAIL ADDRESS: Info@towneinsurance.com															
INSURED RPC Industries, Inc. 705 Industry Drive Hampton, VA 23661		<table border="1"> <thead> <tr> <th>INSURER(S) AFFORDING COVERAGE</th> <th>NAIC #</th> </tr> </thead> <tbody> <tr> <td>INSURER A : Evanston Insurance Company</td> <td>35378</td> </tr> <tr> <td>INSURER B : Pennsylvania National Mutual Casualty Insurance Company</td> <td>14990</td> </tr> <tr> <td>INSURER C : Builders Premier Insurance Company</td> <td>13036</td> </tr> <tr> <td>INSURER D :</td> <td></td> </tr> <tr> <td>INSURER E :</td> <td></td> </tr> <tr> <td>INSURER F :</td> <td></td> </tr> </tbody> </table>		INSURER(S) AFFORDING COVERAGE	NAIC #	INSURER A : Evanston Insurance Company	35378	INSURER B : Pennsylvania National Mutual Casualty Insurance Company	14990	INSURER C : Builders Premier Insurance Company	13036	INSURER D :		INSURER E :		INSURER F :	
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INSURER D :																	
INSURER E :																	
INSURER F :																	


COVERAGES **CERTIFICATE NUMBER:** **REVISION NUMBER:**

THIS IS TO CERTIFY THAT THE POLICIES OF INSURANCE LISTED BELOW HAVE BEEN ISSUED TO THE INSURED NAMED ABOVE FOR THE POLICY PERIOD INDICATED. NOTWITHSTANDING ANY REQUIREMENT, TERM OR CONDITION OF ANY CONTRACT OR OTHER DOCUMENT WITH RESPECT TO WHICH THIS CERTIFICATE MAY BE ISSUED OR MAY PERTAIN, THE INSURANCE AFFORDED BY THE POLICIES DESCRIBED HEREIN IS SUBJECT TO ALL THE TERMS, EXCLUSIONS AND CONDITIONS OF SUCH POLICIES. LIMITS SHOWN MAY HAVE BEEN REDUCED BY PAID CLAIMS.

INSR LTR	TYPE OF INSURANCE	ADDL INSD	SUBR WVD	POLICY NUMBER	POLICY EFF (MM/DD/YYYY)	POLICY EXP (MM/DD/YYYY)	LIMITS
A X	COMMERCIAL GENERAL LIABILITY CLAIMS-MADE <input checked="" type="checkbox"/> OCCUR X Contractual Liab GEN'L AGGREGATE LIMIT APPLIES PER: <input type="checkbox"/> POLICY <input checked="" type="checkbox"/> PROJECT <input type="checkbox"/> LOC OTHER:	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	MKLV7ENV104498	4/1/2023	4/1/2024	EACH OCCURRENCE \$ 1,000,000 DAMAGE TO RENTED PREMISES (Ea occurrence) \$ 100,000 MED EXP (Any one person) \$ 10,000 PERSONAL & ADV INJURY \$ 1,000,000 GENERAL AGGREGATE \$ 2,000,000 PRODUCTS - COMP/OP AGG \$ 2,000,000 \$
B	AUTOMOBILE LIABILITY <input checked="" type="checkbox"/> ANY AUTO OWNED AUTOS ONLY <input type="checkbox"/> SCHEDULED AUTOS <input type="checkbox"/> HIRED AUTOS ONLY <input type="checkbox"/> NON-OWNED AUTOS ONLY	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	AU90770864	4/1/2023	4/1/2024	COMBINED SINGLE LIMIT (Ea accident) \$ 1,000,000 BODILY INJURY (Per person) \$ BODILY INJURY (Per accident) \$ PROPERTY DAMAGE (Per accident) \$ \$
A X	UMBRELLA LIAB <input checked="" type="checkbox"/> OCCUR EXCESS LIAB <input checked="" type="checkbox"/> CLAIMS-MADE DED RETENTION \$		<input checked="" type="checkbox"/>	MKLV7EFX101116	4/1/2023	4/1/2024	EACH OCCURRENCE \$ 5,000,000 AGGREGATE \$ 5,000,000 \$
C	WORKERS COMPENSATION AND EMPLOYERS' LIABILITY ANY PROPRIETOR/PARTNER/EXECUTIVE OFFICER/MEMBER EXCLUDED? (Mandatory in RI) <input type="checkbox"/> Y <input type="checkbox"/> N <input type="checkbox"/> N/A If yes, describe under DESCRIPTION OF OPERATIONS below			PWC101529803	4/1/2023	4/1/2024	<input checked="" type="checkbox"/> PER STATUTE <input type="checkbox"/> OTH-ER E.L. EACH ACCIDENT \$ 1,000,000 E.L. DISEASE - EA EMPLOYEE \$ 1,000,000 E.L. DISEASE - POLICY LIMIT \$ 1,000,000
A	General Liability			MKLV7ENV104498	4/1/2023	4/1/2024	See Desc. of Ops. 1,000,000

DESCRIPTION OF OPERATIONS / LOCATIONS / VEHICLES (ACORD 101, Additional Remarks Schedule, may be attached if more space is required)

Being added to our policy as a Certificate Holder or Additional Named Insured is included in this proposal. Requests to add clauses to our policy, such as Waivers of Subrogation, are gladly accepted but will incur a change order of \$300 per request.

CERTIFICATE HOLDER	CANCELLATION
	SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, NOTICE WILL BE DELIVERED IN ACCORDANCE WITH THE POLICY PROVISIONS.
	AUTHORIZED REPRESENTATIVE 

Request for Taxpayer Identification Number and Certification

**Give Form to the
requester. Do not
send to the IRS.**

▶ Go to www.irs.gov/FormW9 for instructions and the latest information.

Print or type.
See Specific instructions on page 3.

1 Name (as shown on your income tax return). Name is required on this line; do not leave this line blank. RPC Industries, Inc.	
2 Business name/disregarded entity name, if different from above _____	
3 Check appropriate box for federal tax classification of the person whose name is entered on line 1. Check only one of the following seven boxes. <input type="checkbox"/> Individual/sole proprietor or single-member LLC <input checked="" type="checkbox"/> C Corporation <input type="checkbox"/> S Corporation <input type="checkbox"/> Partnership <input type="checkbox"/> Trust/estate <input type="checkbox"/> Limited liability company. Enter the tax classification (C=C corporation, S=S corporation, P=Partnership) ▶ _____ Note: Check the appropriate box in the line above for the tax classification of the single-member owner. Do not check LLC if the LLC is classified as a single-member LLC that is disregarded from the owner unless the owner of the LLC is another LLC that is not disregarded from the owner for U.S. federal tax purposes. Otherwise, a single-member LLC that is disregarded from the owner should check the appropriate box for the tax classification of its owner. <input type="checkbox"/> Other (see instructions) ▶ _____	4 Exemptions (codes apply only to certain entities, not individuals; see instructions on page 3): Exempt payee code (if any) <u>5</u> Exemption from FATCA reporting code (if any) _____ <i>(Applies to accounts maintained outside the U.S.)</i>
5 Address (number, street, and apt. or suite no.) See instructions. 705 Industry Drive	Requester's name and address (optional)
6 City, state, and ZIP code Hampton, VA 23661	
7 List account number(s) here (optional)	

Part I Taxpayer Identification Number (TIN)																							
Enter your TIN in the appropriate box. The TIN provided must match the name given on line 1 to avoid backup withholding. For individuals, this is generally your social security number (SSN). However, for a resident alien, sole proprietor, or disregarded entity, see the instructions for Part I, later. For other entities, it is your employer identification number (EIN). If you do not have a number, see <i>How to get a TIN</i> , later.																							
Note: If the account is in more than one name, see the instructions for line 1. Also see <i>What Name and Number To Give the Requester</i> for guidelines on whose number to enter.																							
Social security number <table border="1" style="width: 100%; height: 20px; border-collapse: collapse;"> <tr> <td style="width: 30px;"> </td> <td style="width: 30px;"> </td> <td style="width: 30px;"> </td> <td style="width: 30px;"> </td> <td style="width: 30px;"> </td> <td style="width: 30px;"> </td> <td style="width: 30px;"> </td> <td style="width: 30px;"> </td> <td style="width: 30px;"> </td> <td style="width: 30px;"> </td> <td style="width: 30px;"> </td> <td style="width: 30px;"> </td> </tr> </table>													or Employer identification number <table border="1" style="width: 100%; height: 20px; border-collapse: collapse;"> <tr> <td style="width: 30px;">5</td> <td style="width: 30px;">4</td> <td style="width: 30px;">-</td> <td style="width: 30px;">1</td> <td style="width: 30px;">1</td> <td style="width: 30px;">2</td> <td style="width: 30px;">6</td> <td style="width: 30px;">2</td> <td style="width: 30px;">8</td> <td style="width: 30px;">9</td> </tr> </table>	5	4	-	1	1	2	6	2	8	9
5	4	-	1	1	2	6	2	8	9														

Part II Certification	
Under penalties of perjury, I certify that:	
1. The number shown on this form is my correct taxpayer identification number (or I am waiting for a number to be issued to me); and	
2. I am not subject to backup withholding because: (a) I am exempt from backup withholding, or (b) I have not been notified by the Internal Revenue Service (IRS) that I am subject to backup withholding as a result of a failure to report all interest or dividends, or (c) the IRS has notified me that I am no longer subject to backup withholding; and	
3. I am a U.S. citizen or other U.S. person (defined below); and	
4. The FATCA code(s) entered on this form (if any) indicating that I am exempt from FATCA reporting is correct.	
Certification instructions. You must cross out item 2 above if you have been notified by the IRS that you are currently subject to backup withholding because you have failed to report all interest and dividends on your tax return. For real estate transactions, item 2 does not apply. For mortgage interest paid, acquisition or abandonment of secured property, cancellation of debt, contributions to an individual retirement arrangement (IRA), and generally, payments other than interest and dividends, you are not required to sign the certification, but you must provide your correct TIN. See the instructions for Part II, later.	

Sign Here	Signature of U.S. person ▶ <i>Bryan T. Heldreth</i>	Bryan T. Heldreth, President	Date ▶ 9/14/2021
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General Instructions

Section references are to the Internal Revenue Code unless otherwise noted.

Future developments. For the latest information about developments related to Form W-9 and its instructions, such as legislation enacted after they were published, go to www.irs.gov/FormW9.

Purpose of Form

An individual or entity (Form W-9 requester) who is required to file an information return with the IRS must obtain your correct taxpayer identification number (TIN) which may be your social security number (SSN), individual taxpayer identification number (ITIN), adoption taxpayer identification number (ATIN), or employer identification number (EIN), to report on an information return the amount paid to you, or other amount reportable on an information return. Examples of information returns include, but are not limited to, the following.

- Form 1099-DIV (dividends, including those from stocks or mutual funds)
- Form 1099-MISC (various types of income, prizes, awards, or gross proceeds)
- Form 1099-B (stock or mutual fund sales and certain other transactions by brokers)
- Form 1099-S (proceeds from real estate transactions)
- Form 1099-K (merchant card and third party network transactions)
- Form 1098 (home mortgage interest), 1098-E (student loan interest), 1098-T (tuition)
- Form 1099-C (canceled debt)
- Form 1099-A (acquisition or abandonment of secured property)

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- Form 1099-C (canceled debt)
- Form 1099-A (acquisition or abandonment of secured property)

Use Form W-9 only if you are a U.S. person (including a resident alien), to provide your correct TIN.

If you do not return Form W-9 to the requester with a TIN, you might be subject to backup withholding. See What is backup withholding, later.



COMMONWEALTH of VIRGINIA
Department of Small Business and Supplier Diversity

Company Name: RPC Industries, Inc.
SWaM Certification Number: 660301
Certification Approved Date: Jul 12, 2017
Certification Expiration Date: Jul 12, 2022

Dear Applicant,

We are pleased to inform you that your request for certification has been approved. Your company has been approved for the following designations:

Small

Your certification is valid for a term of five years from the date of your approval; re-certification is required at the end of that term.

You may log into your account to download a copy of your company's SWaM certificate as well as the SWaM-certified logo to use on marketing materials.

You will see your company listed as a certified SWaM vendor in our directory at http://egov1.virginia.gov/swam_reports/all.html

It is very important that you keep your contact information up to date. Submit your changes electronically by logging into your account and updating the necessary information.

To do business with the Commonwealth of Virginia, you need to register your company with the eVA system, the state's online procurement system at <https://eva.virginia.gov/pages/eva-overview.htm> . All state solicitations are conducted on this site.

To check Procurement and Business Opportunities with state agencies, local governments, and others, please visit: <https://evafutureprocurements.dgs.virginia.gov/defaultpublic.aspx>

If you need assistance to operate your business, please visit this site: <http://www.bos.virginia.gov/running.shtml>

Agenda Item Summary
September 12, 2024

Agenda Item: 10a-Fiscal Year 2022-23 Audit.

Background: In working the financial issues to extend the USDA loan for Phase II of the well replacement project, it was determined that the audit for Fiscal Year 2022-23 was not engaged thus started. That issue was resolved and a draft was presented to the Finance Committee after review by staff. Revisions have been made and the Final Audit for FY 22-23 follows.

Fiscal Impact: The Town of Urbanna is in sound financial condition. Specifically for this project, settlement of an invoice will be necessary – approximately \$2,000 based on previous billings.

Staff Recommendation: Accept the Fiscal Year 22-23 Audit as presented.

Council Action Requested: Yes, accept the Fiscal Year 22-23 1-22 Audit as presented.

Sample Motion:

I move to accept Fiscal Year 22-23 Audit as it was prepared by Davis Associates – CPA as presented.

Town of Urbanna, Virginia

Annual Financial Report

For the Year Ended June 30,
2023

Davis and Associates Certified Public Accountants, PLLC
10440 Little Patuxent Parkway
Suite 500
Columbia, Maryland 21044

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Town of Urbanna, Virginia
Financial Report
Fiscal Year Ended June 30, 2023

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Town of Urbanna, Virginia
Financial Report
Year Ended June 30, 2023

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TOWN OF URBANNA, VIRGINIA
DIRECTORY OF PRINCIPAL OFFICIALS

Town Council

William “Bill” Goldsmith, Mayor

Marjorie Austin

Larry Chowning

Alana Courtney

Merri Hanson

Beth Justice

Sandy Sturgill

Official

Garth Wheeler, Administrator

Independent Auditor's Report

**The Honorable Governing Body
Town of Urbanna, Virginia**

Opinions

We have audited the accompanying financial statements of the governmental activities and business-type activities of the Town of Urbanna, Virginia ("The Town"), as of and for the year ended June 30, 2023, and the related notes to the financial statements which collectively comprise The Town's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities of the Town of Urbanna, Virginia, as of June 30, 2023, and the respective changes in financial position and cash flows thereof and the respective budgetary comparison for the General Fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States and the *Specifications for Audits of Counties, Cities, and Towns*, issued by the Auditor of Public Accounts of the Commonwealth of Virginia. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Town of Urbanna, Virginia, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

In performing an audit in accordance with generally accepted auditing standards, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Town of Urbanna, Virginia's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Town of Urbanna, Virginia's ability to continue as a going concern for a reasonable period of time.

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

Required Supplementary Information

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

Supplementary Information

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

Other Information

Management is responsible for the other information included in the annual report. The other information comprises the statistical information but does not include the basic financial statements and our auditors' report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon. In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated July 29, 2024, on our consideration of the Town of Urbanna, Virginia's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Town of Urbanna, Virginia's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Town of Urbanna, Virginia's internal control over financial reporting and compliance.

Davis & Associates

Columbia, Maryland
July 29, 2024

Town of Urbanna, Virginia
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2023

The Management's Discussion and Analysis of the financial performance of the Town of Urbanna, Virginia (the "Town") provides an overall review of the Town's financial activities for the fiscal year ended June 30, 2023. The intent of this discussion and analysis is to look at the Town's financial performance as a whole. Readers should also review the notes to the basic financial statements and financial statements to enhance their understanding of the Town's financial performance.

Financial Highlights

Net position at June 30, 2023, for the Governmental and Business Type activities, was \$2,629,325 and \$64,739 respectively.

Overview of the Financial Statements

This annual report consists of two parts – management's discussion and analysis and the basic financial statements consisting of a *Statement of Net Position*; *Statement of Revenues, Expenses, and Changes in Net Position*; *Statement of Cash Flows*; and related footnotes. The Statement of Net Position represents the financial position of the Town and provides information about the activities of the Town, including all short-term and long-term financial resources and obligations. The Town's financial statements present two kinds of statements, each with a different snapshot of the Town's finances. The government-wide financial statements provide both long-term and short-term information about the Town's overall financial status. Both perspectives allow the user to address relevant questions, broaden the basis of comparison and enhance the Town's accountability.

Government-Wide Financial Statements

Government-wide financial statements are designed to provide readers with a broad overview of the Town's finances in a manner similar to a private-sector business. The *Statement of Net Position* (Exhibit 1) presents information on all Town assets and liabilities with the difference between the two reported as *net position*. Over time increases or decreases in net position may serve as a useful indicator of whether the financial position of the Town is improving or deteriorating. However, other non-financial factors will need to be considered, such as changes in the Town's property tax base and condition of the Town's infrastructure. The *Statement of Activities* (Exhibit 2) presents information identifying how net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of when cash is received or paid.

In the ***Statement of Net Position*** (Exhibit 1) and the ***Statement of Activities*** (Exhibit 2), the Town is divided into the following:

Governmental activities - The Town's basic municipal services are reported here and include general government, public safety, building and grounds, highways and streets, community development, public health, and cultural and recreation. These activities are mainly supported by taxes and intergovernmental revenue.

Business-type activities - The Town charges user fees to customers to help offset all or most of the cost of the services provided. The business-type activities of the Town reported in this section include Water and Sewer Utility.

Fund Financial Statements

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

- Governmental Funds

Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on near-term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. Such information may be useful in assessing a government's near-term financing requirements. Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

The Town maintains ten individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the general fund and the Taber Trust fund which are considered to be major funds. Data from the other governmental funds, the Historical Trust fund and the Grant's fund are combined into a single aggregated presentation. Individual fund data for each of these nonmajor governmental funds is provided in the form of combining statements in the combining and individual fund statements and schedules section of this report. The Town adopts an annual appropriated budget for its general fund. A budgetary comparison statement has been provided for the general fund to demonstrate compliance with this budget.

- Proprietary Funds

Proprietary Funds – The Town maintains proprietary funds to account for enterprise fund operations that report the same functions as business-type activities in the government-wide financial statements. The Town uses enterprise funds to account for its water and sewer operations. Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail. The proprietary fund financial statements provide separate information for the fund.

Notes to the Financial Statements

The notes provide additional information that is necessary to acquire a full understanding of the data provided in the government-wide and fund financial statements.

Other Information

In addition to the basic financial statements and accompanying notes, this report also presents required supplementary information concerning the Town's progress in funding its obligations to provide pension benefits to its employees.

Government-Wide Financial Statements Analysis

Net position may serve over time as one useful indicator of a government's financial condition. The assets and deferred outflows of the Town of Urbanna exceeded liabilities and deferred inflows by \$2,694,064 as of June 30, 2023. The Town's net position decreased by \$849,714 for the fiscal year ended June 30, 2023.

On January 23, 2023, the Town obtained a Revenue Bond Note from Huntington Public Capital Corporation in the amount of \$1,056,000. The funds from this loan were placed in a SNAP (Virginia State Non-Arbitrage Program) account. These funds were for drilling a new well to supply the town with water. Funds are drawn down as expenses are incurred.

Several particular aspects of the Town's financial operations positively influenced the total unrestricted governmental net position:

- Continued diligence in the collection of property taxes – \$273,666.
- Surplus in the Net Pension Liability - \$(414,936).
- Meals tax of \$134,130 held steady from the prior year.
- Cost of garbage collection increased by 22 % to \$110,467.
- The Town is not carrying any long-term debt.

STATEMENT OF NET POSITION (Exhibit 1) – For the Fiscal Years Ended June 30, 2023 and 2022

	2023			2022		
	Primary Government			Primary Government		
	Governmental Activities	Business - Type Activities	Total	Governmental Activities	Business - Type Activities	Total
ASSETS						
Cash and cash equivalents	\$ 644,256	\$ 1,291,291	\$ 1,935,548	599,578	\$ 673,542	\$ 1,273,120
Due to/from	-	96,171	96,171	-	96,171	96,171
Restricted assets:						
Temporarily restricted:						
Cash and cash equivalents	1,795,921	-	1,795,921	1,152,430	-	1,152,430
Capital assets (net of accumulated depreciation):						
Land	228,324	251,000	479,324	228,324	251,000	479,324
Other capital assets	260,470	8,875	269,345	318,843	10,802	329,645
Total assets	\$ 2,928,971	\$ 1,647,337	\$ 4,576,308	\$ 2,299,175	\$ 1,031,515	\$ 3,330,690
Deferred Outflow of Resources:						
Total Deferred Outflow of Resources	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Total Assets and Deferred Outflow of Resources	\$ 2,928,971	\$ 1,647,337	\$ 4,576,308	\$ 2,299,175	\$ 1,031,515	\$ 3,330,690
LIABILITIES						
Accounts payable and accrued liabilities	\$ 657,997	\$ 61,521	\$ 719,518	(46,867)	\$ 50,536	\$ 3,669
Utility deposits	-	15,427	15,427	-	16,102	16,102
Long-term liabilities:						
Due in more than one year	-	1,056,000	1,056,000	-	-	-
Net Pension Liability	(414,936)	-	(414,936)	(319,655)	-	(319,655)
Total liabilities	\$ 243,061	\$ 1,132,948	\$ 1,376,009	\$ (366,522)	\$ 66,638	\$ (299,884)
Deferred Inflow of Resources:						
Total Deferred Inflow of Resources	\$ 56,585	\$ 449,650	\$ 506,235	\$ 86,797	\$ -	\$ 86,797
Total Liabilities and Deferred Inflow of Resources	\$ 299,646	\$ 1,582,598	\$ 1,882,244	\$ (279,725)	\$ 66,638	\$ (213,087)
NET POSITION						
Net investment in capital assets	\$ 903,730	\$ (796,125)	\$ 107,605	\$ 866,872	\$ 261,802	\$ 1,128,624
Unrestricted (deficit)	1,725,595	860,864	2,586,459	1,712,079	703,075	2,415,154
Total net position	\$ 2,629,325	\$ 64,739	\$ 2,694,064	\$ 2,578,951	\$ 964,877	\$ 3,543,778

STATEMENT OF ACTIVITIES (Exhibit 2) – For the Fiscal Years Ended June 30, 2023, and 2022

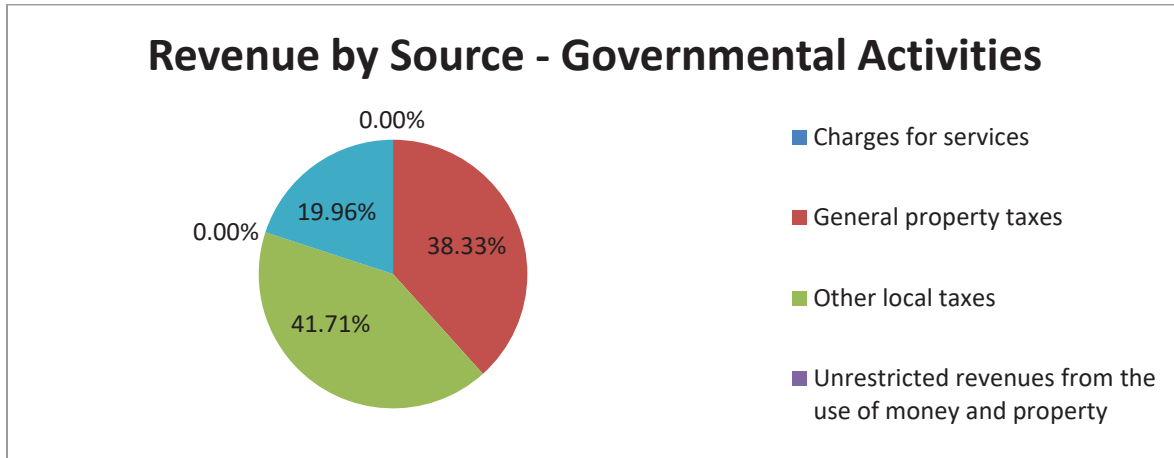
Statement of Activities

Change in Net Position

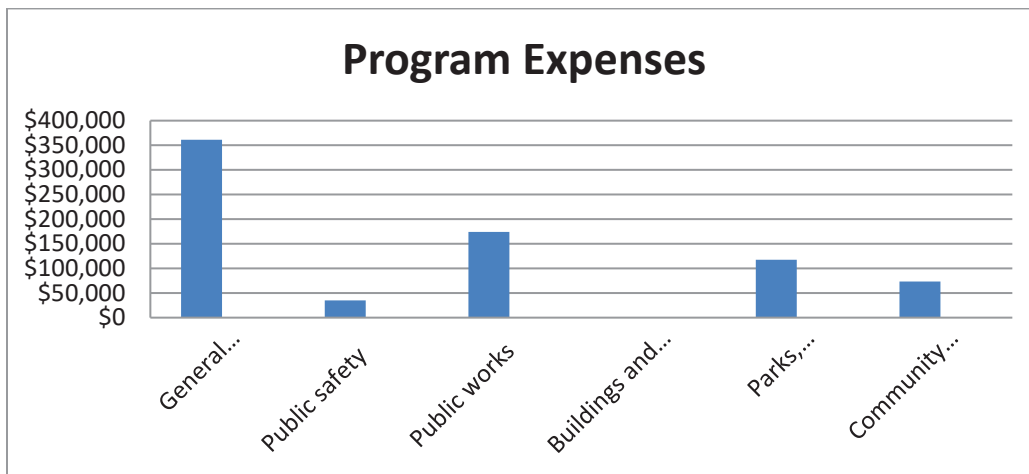
For Fiscal Years Ending June 30, 2023 and 2022

	<u>Governmental Activities</u>		<u>Business - Type Activities</u>		<u>Total Primary Government</u>	
	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>
Revenues:						
Program revenues:						
Charges for services	\$ -	\$ -	\$ 477,341	\$ 426,027	\$ 477,341	\$ 426,027
General revenues:						
General property taxes	273,666	265,383	-	-	273,666	265,383
Other local taxes	297,786	158,198	-	-	297,786	158,198
Restaurant and food taxes	134,130	144,225	-	-	134,130	144,225
Unrestricted revenues from the use of money and property	-	-	-	-	-	-
Miscellaneous	142,534	75,190	-	-	142,534	75,190
Total revenues	<u>\$ 848,115</u>	<u>\$ 642,996</u>	<u>\$ 477,341</u>	<u>\$ 426,027</u>	<u>\$ 1,325,456</u>	<u>\$ 1,069,023</u>
Expenses:						
General government	\$ 361,352	\$ 401,296	\$ -	\$ -	\$ 361,352	\$ 401,296
Public safety	35,200	20,200	-	-	35,200	20,200
Public works	174,125	100,892	-	-	174,125	100,892
Buildings and grounds	-	75,465	-	-	-	75,465
Parks, recreation and cultural	117,329	13,296	-	-	117,329	13,296
Community development	73,547	68,636	-	-	73,547	68,636
Enterprise funds	-	-	319,552	279,872	319,552	279,872
Total expenses	<u>\$ 761,554</u>	<u>\$ 679,785</u>	<u>\$ 319,552</u>	<u>\$ 279,872</u>	<u>\$ 1,081,105</u>	<u>\$ 959,657</u>
Increase (decrease) in net position before transfers	\$ 86,562	\$ (36,789)	\$ 157,789	\$ 146,155	\$ 244,351	\$ 109,366
Transfers	-	-	-	-	-	-
Increase (decrease) in net position	\$ 86,562	\$ (36,789)	\$ 157,789	\$ 146,155	\$ 244,351	\$ 109,366
Net position - beginning, as adjusted	<u>2,542,762</u>	<u>2,615,689</u>	<u>(93,050)</u>	<u>818,722</u>	<u>2,449,712</u>	<u>3,434,411</u>
Net position - ending	<u>\$ 2,629,325</u>	<u>\$ 2,578,901</u>	<u>\$ 64,740</u>	<u>\$ 964,878</u>	<u>\$ 2,694,064</u>	<u>\$ 3,543,778</u>

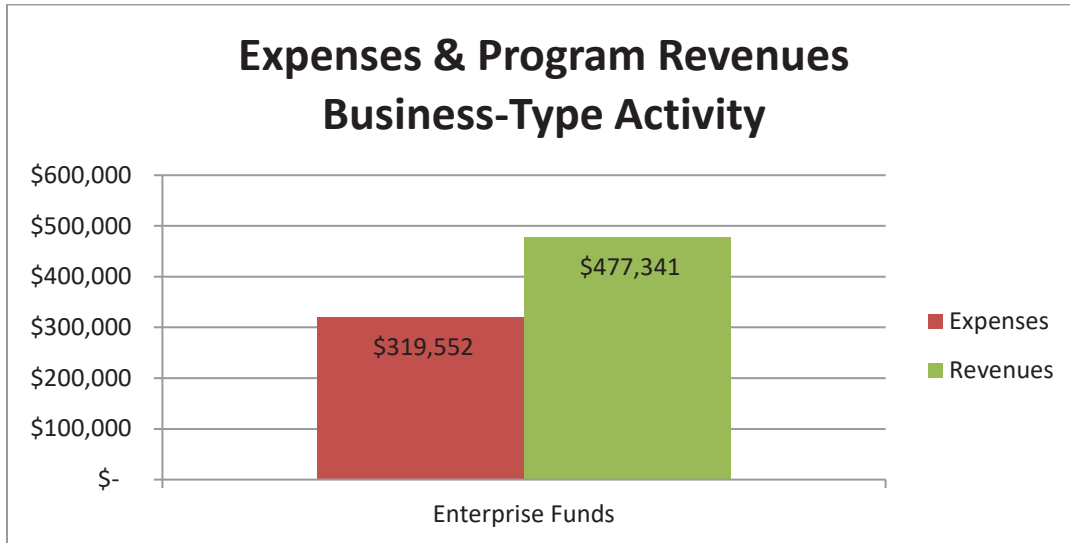
Primary Government Revenues



Primary Government Expenses



Business Type Activities - Revenues and Expenses



Economic Factors and Future Outlook

Presently, the Town is not aware of any significant changes in conditions that would have a significant effect on administrative expenses in the near future.

Contacting Town's Financial Management

This financial report is designed to provide citizens, taxpayers, investors, and creditors with a general overview of the Town's finances and to reflect the Town's accountability for the monies it receives. The Town may be contacted at Town of Urbanna, Virginia - P.O. Box 179, Urbanna, Virginia 23175.

June 30, 2023

Statement of Net Position

	Primary Government		Total
	Governmental Activities	Type Activities	
ASSETS			
Cash and cash equivalents	\$ 644,256	\$ 1,291,291	\$ 1,935,548
Due to/from	-	96,171	96,171
Restricted assets:			
Temporarily restricted:			
Cash and cash equivalents	1,795,921	-	1,795,921
Capital assets (net of accumulated depreciation):			
Land	228,324	251,000	479,324
Other capital assets	260,470	8,875	269,345
Total assets	\$ 2,928,971	\$ 1,647,337	\$ 4,576,308
Deferred Outflow of Resources:			
Total Deferred Outflow of Resources	\$ -	-	-
Total Assets and Deferred Outflow of Resources	\$ 2,928,971	1,647,337	4,576,308
LIABILITIES			
Accounts payable and accrued liabilities	\$ 657,997	\$ 61,521	\$ 719,518
Unreconciled overdraft	-	-	-
Utility deposits	-	15,427	15,427
Noncurrent liabilities:			
Due in more than one year	-	1,056,000	1,056,000
Net Pension Liability	(414,936)	-	(414,936)
Total liabilities	\$ 243,061	\$ 1,132,948	\$ 1,376,009
Deferred Inflow of Resources:			
Total Deferred Inflow of Resources	\$ 56,585	449,650	506,235
Total Liabilities and Deferred Inflow of Resources	\$ 299,646	1,582,598	1,882,244
NET POSITION			
Net investment in capital assets	\$ 903,730	\$ (796,125)	\$ 107,605
Unrestricted (deficit)	1,725,595	860,864	2,586,459
Total net position	\$ 2,629,325	\$ 64,739	\$ 2,694,064

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

Year Ended June 30, 2023
Statement of Activities

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Primary Government		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-Type Activities	Total
PRIMARY GOVERNMENT:							
Governmental activities:							
General government							
administration:	\$ 367,987	\$ 6,635	\$ -	\$ -	\$(361,352)	\$ -	\$(361,352)
Public safety	35,200	-	-	-	(35,200)	-	(35,200)
Public works	174,125	-	-	-	(174,125)	-	(174,125)
Buildings and grounds	-	-	-	-	-	-	-
Parks, recreation, and cultural	117,329	-	-	-	(117,329)	-	(117,329)
Community development	73,547	-	-	-	(73,547)	-	(73,547)
Total governmental activities	\$ 768,188	\$ 6,635	\$ -	\$ -	\$(761,554)	\$ -	\$(761,554)
Business-type activities:							
Water	\$ 262,840	\$ 391,123	\$ -	\$ -	\$ -	\$ 128,283	\$ 128,283
Uptons Point	56,711	86,218	-	-	-	29,506	29,506
Total business-type activities	\$ 319,552	\$ 477,341	\$ -	\$ -	\$ -	\$ 157,789	\$ 157,789
Total primary government	\$ 1,087,740	\$ 483,976	\$ -	\$ -	\$(761,554)	\$ 157,789	\$(603,764)
General revenues:							
					\$ 273,666	\$ -	\$ 273,666
					431,915	-	431,915
					6,635	-	6,635
					135,899	-	135,899
					\$ 848,115	\$ -	\$ 848,115
					86,562	157,789	244,351
					2,542,762	(93,050)	2,449,712
					\$ 2,629,325	\$ 64,739	\$ 2,694,064

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

June 30, 2023
 Balance Sheet
 Governmental Funds

	<u>General</u>	<u>Permanent Fund Taber Trust Fund</u>	<u>Other Governmental Funds</u>	<u>Total</u>
ASSETS				
Cash and cash equivalents	\$ 469,462	\$ -	\$ 174,795	\$ 644,256
Due to/From 100 Fund	(2,843)	-	9,375	6,532
Restricted Assets				
Cash and cash equivalents	<u>579,491</u>	<u>1,210,430</u>	<u>6,000</u>	<u>1,795,921</u>
Total assets	<u>\$ 1,046,110</u>	<u>\$ 1,210,430</u>	<u>\$ 190,170</u>	<u>\$ 2,446,709</u>
LIABILITIES AND FUND BALANCES				
Liabilities:				
Accounts payable	\$ (41,830)	\$ 5,150	\$ 5,999	\$ (30,681)
Accrued liabilities	<u>688,678</u>	<u>88,200</u>	<u>(25,083)</u>	<u>751,796</u>
Total liabilities	<u>\$ 646,848</u>	<u>\$ 93,350</u>	<u>\$ (19,084)</u>	<u>\$ 721,115</u>
Fund balances:				
Nonspendable:				
Corpus of historical trust fund	\$ -	\$ 1,210,430	\$ 6,000	\$ 1,216,430
Restricted:				
Residential benefit	-	-	-	-
Debt Service	-	-	-	-
Unassigned	<u>399,261</u>	<u>(93,350)</u>	<u>203,253</u>	<u>509,164</u>
Total fund balances	<u>\$ 399,261</u>	<u>\$ 1,117,080</u>	<u>\$ 209,253</u>	<u>\$ 1,725,595</u>
Total liabilities and fund balances	<u>\$ 1,046,110</u>	<u>\$ 1,210,430</u>	<u>\$ 190,169</u>	<u>\$ 2,446,710</u>

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

June 30, 2023

Reconciliation of the Governmental Funds Balance Sheet to the Statement of Net Position

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

Total fund balances per Exhibit 3 – Balance Sheet – Governmental Funds	\$		1,725,595
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds. Those assets consist of:			
Land	\$	228,324	
Depreciable capital assets, net of accumulated depreciation		260,470	
Total capital assets			<u>488,794</u>
Deferred outflows of resources			
Deferred outflows of resources related to pensions are applicable to future periods and, are not reported in funds			<u>-</u>
Net Pension Liability			
Net Pension Liability			<u>414,936</u>
Net position of governmental activities	\$		<u>2,629,325</u>

Year Ended June 30, 2023
Statement of Revenues, Expenditures and Changes in Fund Balances
Governmental Funds

	General	Permanent Fund Taber Trust Fund	Other Governmental Funds	Total
REVENUES				
General property taxes	\$ 273,666	\$ -	\$ -	\$ 273,666
Other local taxes	431,915	-	-	431,915
Permits, privilege fees, and regulatory licenses	6,635	-	-	6,635
Miscellaneous	36,419	30,200	69,281	135,899
Total revenues	<u>\$ 748,635</u>	<u>\$ 30,200</u>	<u>\$ 69,281</u>	<u>\$ 848,115</u>
EXPENDITURES				
Current:				
General government administration	\$ 367,987	\$ -	\$ -	\$ 367,987
Public safety	15,000	20,200	-	35,200
Public works	174,125	-	-	174,125
Buildings and grounds	-	-	-	-
Parks, recreation, and cultural	39,622	10,000	67,708	117,329
Community development	73,547	-	-	73,547
Total expenditures	<u>\$ 670,281</u>	<u>\$ 30,200</u>	<u>\$ 67,708</u>	<u>\$ 768,188</u>
Excess (deficiency) of revenues over (under) expenditures	<u>\$ 78,354</u>	<u>\$ -</u>	<u>\$ 1,573</u>	<u>\$ 79,927</u>
OTHER FINANCING SOURCES (USES)				
Proceeds from debt issuance	\$ -	\$ -	\$ -	-
Transfers in	-	-	-	-
Transfers out	-	-	-	-
Total other financing sources (uses)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Net change in fund balances	\$ 78,354	\$ -	\$ 1,573	\$ 79,927
Fund balances - beginning, as adjusted	<u>320,907</u>	<u>\$ 1,117,080</u>	<u>\$ 207,680</u>	<u>\$ 1,645,667</u>
Fund balances - ending	<u>\$ 399,261</u>	<u>\$ 1,117,080</u>	<u>\$ 209,253</u>	<u>\$ 1,725,595</u>

Year Ended June 30, 2023

Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds to the Statement of Activities

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

Net change in fund balances – total governmental funds (Exhibit 5)	\$	79,927
Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which the capital outlays exceeded depreciation in the current period.		(58,373)
Some expenses and other adjustments reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in the governmental funds.		65,008
		<hr/>
Change in net position of governmental activities	\$	<u>86,562</u>

June 30, 2023
Statement of Net Position
Proprietary Fund

	Business-Type Activities		
	Water Fund	Uptons Point Fund	Total Funds
ASSETS			
Current assets:			
Cash	\$ 1,130,060	\$ 161,232	\$ 1,291,291
Due To/From	27,953	68,218	96,171
Total current assets	\$ 1,158,012	\$ 229,450	\$ 1,387,462
Noncurrent assets:			
Capital assets:			
Land	\$ 251,000	\$ -	\$ 251,000
Other capital assets	1,632,962	-	1,632,962
Less accumulated depreciation	(1,624,087)	-	(1,624,087)
Total capital assets	\$ 259,875	\$ -	\$ 259,875
Total noncurrent assets	\$ 259,875	\$ -	\$ 259,875
Total assets	\$ 1,417,887	\$ 229,450	\$ 1,647,337
Deferred Outflow of Resources:			
Total Deferred Outflow of Resources	\$ -	\$ -	\$ -
Total Assets and Deferred Outflow of Resources	\$ 1,417,887	\$ 229,450	\$ 1,647,337
LIABILITIES			
Current liabilities:			
Accounts payable	\$ 59,846	\$ 1,675	\$ 61,521
Utility deposits	15,427	-	15,427
Total current liabilities	\$ 75,272	\$ 1,675	\$ 76,948
Noncurrent liabilities:			
Bond anticipation note payable	\$ 1,056,000	\$ -	\$ 1,056,000
Total noncurrent liabilities	\$ 1,056,000	\$ -	\$ 1,056,000
Total liabilities	\$ 1,131,272	\$ 1,675	\$ 1,132,948
Deferred Inflow of Resources:			
Total Deferred Inflow of Resources	\$ 320,400	\$ 129,250	\$ 449,650
Total Liabilities and Deferred Inflow of Resources	\$ 1,451,672	\$ 130,925	\$ 1,582,598
NET POSITION			
Net investment in capital assets	\$ (796,125)	\$ -	\$ (796,125)
Unrestricted	762,340	98,524	860,864
Total net position	\$ (33,785)	\$ 98,524	\$ 64,739

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

Year Ended June 30, 2023
Statement of Revenues, Expenses and Changes in Net Position
Proprietary Fund

	Business-Type Activities		
	Uptons Point		Total Funds
	Water Fund	Fund	
OPERATING REVENUES			
Charges for services	\$ 391,123	\$ 86,218	\$ 477,341
Total operating revenues	\$ 391,123	\$ 86,218	\$ 477,341
OPERATING EXPENSES			
Personnel services	\$ -	\$ -	\$ -
Fringe benefits	-	-	-
Contractual services	-	-	-
Other charges	262,840	56,711	319,552
Materials and supplies	-	-	-
Depreciation	-	-	-
Total operating expenses	\$ 262,840	\$ 56,711	\$ 319,552
Operating income (loss)	\$ 128,283	\$ 29,506	\$ 157,789
NONOPERATING REVENUES (EXPENSES)			
Total nonoperating revenues (expenses)	\$ -	\$ -	\$ -
Income before contributions and transfers	\$ 128,283	\$ 29,506	\$ 157,789
Transfers In	\$ -	\$ -	\$ -
Transfers Out	-	-	-
Change in net position	\$ 128,283	\$ 29,506	\$ 157,789
Total net position - beginning	(162,068)	69,018	(93,050)
Total net position - ending	\$ (33,785)	\$ 98,524	\$ 64,739

Year Ended June 30, 2023
Statement of Cash Flows
Proprietary Fund

	<u>Business-Type Activities</u>		
	<u>Water Fund</u>	<u>Upton's Point Fund</u>	<u>Total Funds</u>
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from customers	\$ 391,123	\$ 86,218	\$ 477,341
Payments to employees and on behalf of employees	-	-	-
Payments to suppliers	<u>(262,840)</u>	<u>(56,711)</u>	<u>(319,552)</u>
Net cash provided (used) by operating activities	<u>\$ 128,283</u>	<u>\$ 29,506</u>	<u>\$ 157,789</u>
CASH FLOWS FROM NONCAPITAL AND RELATED FINANCING ACTIVITIES			
Increase (decrease) in due to other funds	\$ -	\$ -	\$ -
Adjustments to Capital Assets	-	-	-
Net cash provided (used) by noncapital and related financing activities	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES			
Principal payments on debt	\$ -	\$ -	\$ -
Net cash provided (used) by capital and related financing activities	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Net increase (decrease) in cash and cash equivalents	\$ 128,283	\$ 29,506	\$ 157,789
Cash and cash equivalents - beginning	<u>1,001,777</u>	<u>131,724</u>	<u>1,133,502</u>
Cash and cash equivalents - ending	<u>\$ 1,130,060</u>	<u>\$ 161,231</u>	<u>\$ 1,291,291</u>
Reconciliation of operating income (loss) to net cash provided (used) by operating activities			
Operating income (loss)	\$ <u>128,283</u>	\$ <u>29,506</u>	\$ <u>157,789</u>
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:			
Depreciation	\$ -	\$ -	\$ -
Changes in operating accounts			
Accounts receivable	-	-	-
Accounts payable and accrued liabilities	-	-	-
Customer deposits	-	-	-
Total adjustments	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Net cash provided (used) by operating activities	<u>\$ 128,283</u>	<u>\$ 29,506</u>	<u>\$ 157,789</u>

NOTES TO THE PRINCIPAL FINANCIAL STATEMENTS

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Narrative Profile

The Town of Urbanna (the “Town”), located in Middlesex County, Virginia, approximately 45 miles from Williamsburg, Virginia, was incorporated in 1902. The town has a population of 476 and a land area of .42 square miles.

The Town is governed under the Council-Manager form of government. The Town government engages in wide ranges of municipal services including general government administration, public safety, public works, park and recreation, cultural and community development. Judicial administration, education, fire, library, health and welfare services are provided by Middlesex County.

The financial statements of the Town of Urbanna, Virginia have been prepared in conformity with accounting principles generally accepted in the United States of America (GAAP) as applied to government units promulgated by the Governmental Accounting Standards Board (GASB). The more significant of the government’s accounting policies are described below.

A. Financial Reporting Entity

Management’s Discussion and Analysis: GASB Statement No. 34 requires that financial statements be accompanied by a narrative introduction and analytical overview of the government’s financial activities in the form of “Management’s Discussion and Analysis” (MD&A). This analysis is similar to the analysis the private sector provides in their annual reports.

Government-Wide Financial Statements: The reporting model includes financial statements prepared using full accrual accounting for all of the government’s activities. This approach includes not just current assets and liabilities (such as cash and accounts payable) but also capital assets and long-term liabilities (such as buildings and infrastructure, including bridges and roads, and general obligation debt). Accrual accounting also reports all of the revenues and costs of providing services each year, not just those received or paid in the current year or soon thereafter.

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

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

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

Budgetary Comparison Schedules: Demonstrating compliance with the adopted budget is an important component of a government’s accountability to the public. Many citizens participate in the process of establishing the annual operating budgets of state and local governments, and have a keen interest in following the actual financial progress of their governments over the course of the year. The Town and many other governments revise their original budgets over the course of the year for a variety of reasons. The budgetary comparison schedules present the government’s original budget to the current comparison of final budget and actual results for its major funds.

A. Financial Reporting Entity (continued)

Accounting principles generally accepted in the United States require financial statements to present the primary government and its component units, entities for which the government is considered to be financially accountable. Blended component units, although legally separate entities, are, in substance, part of the government's operations and so data from these units are combined with data of the primary government. The Town has no component units that meet the requirements for blending. Discretely presented component units, on the other hand, are reported in a separate column in the government-wide statements to emphasize they are legally separate from the primary government. The Town does not have any discretely presented component units.

B. Government-Wide and Fund Financial Statements

The basic financial statements include both government-wide and fund financial statements. The focus is on both the Town as a whole and the fund financial statements, including the major individual funds of the governmental and business-type categories, as well as fiduciary funds (by category) and the component units, if applicable. Both the government-wide and fund financial statements (within the basic financial statements) categorize primary activities as either governmental or business type. In the government-wide Statement of Net Position, both the governmental and business-type activities columns (a) are presented on a consolidated basis by column, and (b) are reflected on a full accrual, economic resource basis, which incorporates long-term assets and receivables as well as long-term debt and obligations. Each presentation provides valuable information that can be analyzed and compared (between years and between governments) to enhance the usefulness of the information. The Town generally first uses restricted assets for expenses incurred for which both restricted and unrestricted assets are available. The Town may defer the use of restricted assets based on a review of the specific transaction.

The government-wide Statement of Activities reflects both the gross and net cost per functional category (public safety, public works, community development, etc.) that are otherwise being supported by general government revenues (property, sales and use taxes, certain intergovernmental revenues, fines, permits and charges, etc.). The Statement of Activities reduces gross expenses (including depreciation) by related program revenues, operating and capital grants, and contributions. The program and revenues must be directly associated with the function (public safety, public works, community development, etc.) or a business-type activity. Program revenues include: 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function, and 2) grants and contributions that are restricted to meeting the operation or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported as general revenues. The Town does not allocate indirect expenses. The operating grants include operating-specific and discretionary (either operating or capital) grants while the capital grants column reflects capital-specific grants. Internal service charges, if applicable, are eliminated and the net income or loss from internal service activities is allocated to the various functional expense categories based on the internal charges to each function. In the fund financial statements, financial transactions and accounts of the Town are organized on the basis of funds. The operation of each fund is considered to be an independent fiscal and separate accounting entity, with a self-balancing set of accounts recording cash and/or other financial resources together with all related liabilities and residual equities or balances, and changes therein, which are segregated for the purpose of carrying on specific activities or attaining certain objectives in accordance with special regulations, restrictions, or limitations. The fund statements are presented on a current financial resource measurement focus and modified accrual basis of accounting. This is the manner in which these funds are normally budgeted.

B. Government-Wide and Fund Financial Statements (continued)

Since the governmental fund statements are presented on a different measurement focus and basis of accounting than the government-wide statements' governmental column, a reconciliation is presented that briefly explains the adjustment necessary to reconcile the fund financial statements to the governmental column of the government-wide financial statements.

Proprietary fund operating revenues consist of charges for services and related revenues. Non-operating revenues consist of contributions, grants, investment earnings and other revenues not directly derived from the providing of services.

The Town applies all GASB pronouncements as well as the Financial Accounting Standards Board (FASB) pronouncements issued on or before November 30, 1989, unless these pronouncements conflict with or contradict GASB pronouncements.

The following is a brief description of the specific funds used by the Town in FY 2023.

1. *Governmental Funds* – Governmental Funds account for and report the expendable financial resources, other than those accounted for and reported in Proprietary and Fiduciary Funds. The Governmental Funds utilize the modified accrual basis of accounting where the measurement focus is upon determination of financial position and changes in financial position, rather than upon net income determination as would apply to a commercial enterprise. The individual Governmental Funds are:

General Fund – The General Fund accounts for and reports all revenues and expenditures of the Town which are not accounted for and reported in the other funds. Revenues are primarily derived from general property taxes, other local taxes, licenses and permits, and revenues from other governmental units. The General Fund is considered a major fund for financial reporting purposes.

Permanent Funds – Permanent Funds are used to account for resources that are legally restricted to the extent that only the earnings, and not principal, may be used for purposes that support the reporting government's programs, that is, for the benefit of the government of its citizenry. Permanent Funds include the following funds:

Taber Trust Fund – The income generated from this fund can only be used for recreational and charitable purposes. To date the funds are primarily used to cover expenses of the pool and contributions to the library, fire and rescue squads. This fund is reported as a major fund of the Town.

Historic Trust Fund – The income generated from this fund is used to promote, enhance or maintain the historic character of the Town. This fund is reported as a non-major fund of the Town.

2. *Enterprise Funds* – Enterprise Funds account for the financing of services to the general public where all or most of the operating expenses involved are recorded in the form of charges to users of such services. Enterprise Funds consist of the Water Fund and the Upton's Point Fund.

C. Basis of Accounting

The accounting and financial reporting treatment applied to a fund is determined by its measurement focus. All Governmental Funds are accounted for using a current financial resources measurement focus. With this measurement focus, only current assets and current liabilities generally are included on the balance sheet. Operating statements of these funds present increases (i.e., revenues and other financing sources) and decreases (i.e., expenditures and other financing uses) in net current assets.

All proprietary funds are accounted for on a flow of economic resources measurement focus. With this measurement focus, all assets and all liabilities associated with the operation of these funds are included on the statement of net position. Proprietary fund-type operating statements present increases (e.g., revenues) and decreases (e.g., expenses) in net total position.

1. *Governmental Funds* – Governmental funds utilize the modified accrual basis of accounting under which revenues and related assets are recorded when measurable and available to finance operations during the year. Accordingly, real and personal property taxes are recorded as revenues and receivables when billed, net of allowances for uncollectible amounts, except that property taxes not collected within 45 days after year-end are reflected as deferred revenues. Sales and utility taxes, which are collected by the State or utilities and subsequently remitted to the Town, are recognized as revenues and receivables upon collection by the State or utility, which is generally in the month preceding receipt by the Town. Licenses, permits, fines and rents are recorded as revenues when received. Intergovernmental revenues, consisting primarily of State and other grants for the purpose of funding specific expenditures, are recognized when measurable and available or at the time of the specific expenditure.

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

2. *Proprietary Funds* – The accrual basis of accounting is used for the Enterprise Fund. Under the accrual method, revenues are recognized in the accounting period in which they are earned, while expenses are recognized in the accounting period in which the related liability is incurred.

D. Budgets and Budgetary Accounting

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

1. Prior to May 1, the Town Administrator submits to the Town Council a proposed operating and capital budget for the fiscal year commencing the following July 1. The operating and capital budget includes proposed expenditures and the means of financing them.
2. Public hearings are conducted to obtain citizen comments.
3. Prior to June 30, the budget is legally enacted through passage of an Appropriations Resolution.
4. The Appropriations Resolution places legal restrictions on expenditures at the department or category level. The appropriation for each department or category can be revised only by the Town Council. The Town Administrator is authorized to transfer budgeted amounts within departments.
5. Formal budgetary integration is employed as a management control device during the year for all funds.
6. All budgets are adopted on a basis consistent with generally accepted accounting principles (GAAP).

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES continued

D. Budgets and Budgetary Accounting (continued)

- 7. Appropriations lapse on June 30 for all Town funds unless they are carried forward by a resolution of Town Council.
- 8. All budgetary data presented in the accompanying financial statements reflect budget reviews as of June 30.

E. Cash and Cash Equivalents

For purposes of the Statement of Cash Flows, cash and cash equivalents include all cash on hand and in banks, certificates of deposit, and highly liquid investments with maturities of three months or less.

F. Receivables and Payables

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

Advances between funds, as reported in the fund financial statements, are offset by a fund balance reserve account in applicable governmental funds to indicate that they are not available for appropriation and are not expendable available financial resources.

G. Capital Assets

Capital outlays are recorded as expenditures of the governmental funds of the Town, and as assets in the government-wide financial statements.

Property, plant and equipment purchases are stated at cost or estimated cost. Donated property is recorded at the prevailing market value at date of donation. Depreciation is recorded on capital assets on a government-wide basis or in the Proprietary Funds using the straight-line method and the following estimated useful lives:

Buildings and improvements	33.5 years
Water system	25 years
Office and other equipment	5–25 years
Vehicles	5 years

H. Use of Estimates

The preparation of financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES continued

I. Allowance for Uncollectible Amounts

The Town calculates its allowance for uncollectible accounts using historical collection data and, in certain cases, specific account analysis. The allowance for uncollectible taxes is \$1,122 at June 30, 2023.

J. Compensated Absences

The Town accrues compensated absences (annual and sick leave benefits) when vested. The amounts include all balances earned by employees, which would be paid upon employee terminations, resignations or retirements.

An estimate of ten percent of the liability has been classified as current in the government-wide financial statements.

K. Fund Equity

Beginning with fiscal year 2011, the Town implemented GASB Statement 54, *Fund Balance Reporting and Governmental Fund Type Definitions*. This Statement provides more clearly defined fund balance categories to make the nature and extent of the constraints placed on a government's fund balance more transparent. The following classifications describe the relative strength of the spending constraints placed on the purposes for which resources can be used:

- *Nonspendable fund balance* – amounts that are not in spendable form (such as inventory and prepaids) or are required to be maintained intact (corpus of a permanent fund);
- *Restricted fund balance* – amounts constrained to specific purposes by their providers (such as grantors, bondholders, and higher levels of government) through constitutional provisions or by enabling legislation;
- *Committed fund balance* – amounts constrained to specific purposes by a government itself, using its highest level of decision-making authority; to be reported as committed, amounts cannot be used for any other purpose unless the government takes the same highest level action to remove or change the constraint;
- *Assigned fund balance* – amounts a government intends to use for a specific purpose; intent can be expressed by the governing body or by an official or body to which the governing body delegates the authority;
- *Unassigned fund balance* – amounts that are available for any purpose; positive amounts are only reported in the general fund.

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

Town Council establishes (and modifies or rescinds) fund balance commitments by passage of a resolution. This is typically done through adoption and amendment of the budget. A fund balance commitment is further indicated in the budget document as a designation or commitment of the fund (such as for special incentives). Assigned fund balance is established by Town Council through adoption or amendment of the budget as intended for specific purpose (such as the purchase of capital assets, construction, debt service, or for other purposes).

NOTE 2 PROPERTY TAXES RECEIVABLE

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

NOTE 3 DEPOSITS AND INVESTMENTS

Deposits

Deposits with banks are covered by the Federal Deposit Insurance Corporation (FDIC) and collateralized in accordance with the Virginia Security for Public Deposits Act (the “Act”) Section 2.2-4400 et. seq. of the Code of Virginia. Under the Act, banks and savings institutions holding public deposits in excess of the 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 amounts from 50% to 130% of excess deposits. Accordingly, all deposits are considered fully collateralized.

Investments

Statutes authorize the Town to invest in obligations of the United States or agencies thereof, obligations of the Commonwealth of Virginia or political subdivisions thereof, obligations of the International Bank for Reconstruction and Development (World Bank), the Asian Development Bank, the African Development Bank, “prime quality” commercial paper and certain corporate notes, banker’s acceptances, repurchase agreements and the State Treasurer’s Local Government Investment Pool (LGIP). The Town had no investments at June 30, 2023.

NOTE 4 INTERFUND BALANCES AND ACTIVITY

There were no interfund receivables, payables or related activity as of June 30, 2023.

NOTE 5 DUE FROM OTHER GOVERNMENTAL UNITS

There were no amounts due from other governments at June 30, 2023.

NOTE 6 DEFERRED REVENUE

There were no deferred revenue amounts at June 30, 2023.

NOTE 7 CAPITAL ASSETS

The following is a summary of changes in capital assets during the fiscal year:

	<u>Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
Governmental activities:				
Capital assets not being depreciated:				
Land	\$ 228,324	\$ -	\$ -	\$ 228,324
Total capital assets not being depreciated	<u>\$ 228,324</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 228,324</u>
Capital assets being depreciated:				
Buildings and improvements	\$ 1,070,437	\$ -	\$ -	\$ 1,070,437
Office and other equipment	<u>303,068</u>	<u>-</u>	<u>-</u>	<u>303,068</u>
Total capital assets being depreciated	<u>\$ 1,373,505</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,373,505</u>
Less accumulated depreciation for:				
Buildings and improvements	\$ 808,143	\$ 52,120	\$ -	\$ 860,263
Office and other equipment	<u>246,519</u>	<u>6,253</u>	<u>-</u>	<u>252,772</u>
Total accumulated depreciation	<u>\$ 1,054,662</u>	<u>\$ 58,373</u>	<u>\$ -</u>	<u>\$ 1,113,035</u>
Total capital assets being depreciated, net	<u>\$ 318,843</u>	<u>\$ (58,373)</u>	<u>\$ -</u>	<u>\$ 260,470</u>
Governmental activities capital assets, net	<u>\$ 547,167</u>	<u>\$ (58,373)</u>	<u>\$ -</u>	<u>\$ 488,794</u>
Depreciation expense has been allocated as follows:				
General government administration		\$ 15,120		
Public works		41,231		
Parks, recreation and cultural		<u>2,023</u>		
Total depreciation expense		<u>\$ 58,373</u>		

NOTE 7 CAPITAL ASSETS continued

	<u>Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
Business-type activities:				
Capital assets not being depreciated:				
Land	\$ 251,000	\$ -	\$ -	\$ 251,000
Total capital assets not being depreciated	\$ 251,000	\$ -	\$ -	\$ 251,000
Capital assets being depreciated:				
Water system	\$ 1,493,801	\$ -	\$ -	\$ 1,493,801
Vehicles	25,865	-	-	25,865
Office and other equipment	113,296	-	-	113,296
Total capital assets being depreciated	\$ 1,632,962	\$ -	\$ -	\$ 1,632,962
Less accumulated depreciation for:				
Water system	\$ 1,493,801	\$ -	\$ -	\$ 1,493,801
Vehicles	25,865	-	-	25,865
Office and other equipment	102,494	1,927	-	104,421
Total accumulated depreciation	\$ 1,622,160	\$ 1,927	\$ -	\$ 1,624,087
Total capital assets being depreciated, net	\$ 10,802	\$ (1,927)	\$ -	\$ 8,875
Business-type activities capital assets, net	\$ 261,802	\$ (1,927)	\$ -	\$ 259,875
Depreciation expense has been allocated as follows:				
Total depreciation expense		\$ 1,927		

NOTE 8 LONG-TERM OBLIGATIONS

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

Incurred by Town

Net pension liability	\$ <u>(414,936)</u>
Total governmental obligations	\$ <u>(414,936)</u>

On January 23, 2023, the Town obtained a Revenue Bond Note from Huntington Public Capital Corporation in the amount of \$1,056,000. The funds from this loan were placed in a SNAP (Virginia State Non-Arbitrage Program) account. These funds were for drilling a new well to supply the town with water. Funds are drawn down as expenses are incurred.

Principal payments are due at final maturity. Interest accrues as follows:

- Option 1 – Final Maturity – 3/1/2024 – 5.25%
- Option 2 – Final Maturity – 9/1/2024 – 4.81%

NOTE 9 CLAIMS, JUDGMENTS, AND COMPENSATED ABSENCES

In accordance with GASB Statement 16, *Accounting and Financial Reporting for Claims, Judgments and Compensated Absences*, the Town has accrued the liability arising from outstanding claims and judgments and compensated absences. Town employees earn vacation and sick leave based upon length of service. The Town has no outstanding accrued vacation pay.

NOTE 10 DEFINED BENEFIT PENSION PLAN

Plan Description

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

Benefit Structures

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

a. Employees with a membership date before July 1, 2010, vested as of January 1, 2013, and have not taken a refund, are covered under Plan 1, a defined benefit plan. Non-hazardous duty employees are eligible for an unreduced retirement benefit beginning at age 65 with at least 5 years of service credit or age 50 with at least 30 years of service credit. Non-hazardous duty employees may retire with a reduced benefit as early as age 55 with at least 5 years of service credit or age 50 with at least 10 years of service credit. Hazardous duty employees (law enforcement officers, firefighters, and sheriffs) are eligible for an unreduced benefit beginning at age 60 with at least 5 years of service credit or age 50 with at least 25 years of service credit. Hazardous duty employees may retire with a reduced benefit as early as age 50 with at least 5 years of service credit.

b. Employees with a membership date from July 1, 2010 to December 31, 2013, that have not taken a refund or employees with a membership date prior to July 1, 2010 and not vested before January 1, 2013, are covered under Plan 2, a defined benefit plan. Non-hazardous duty employees are eligible for an unreduced benefit beginning at their normal social security retirement age with at least 5 years of service credit or when the sum of their age plus service credit equals 90. Non-hazardous duty

NOTE 10 DEFINED BENEFIT PENSION PLAN - continued

employees may retire with a reduced benefit as early as age 60 with at least 5 years of service credit. Hazardous duty employees are eligible for an unreduced benefit beginning at age 60 with at least 5 years of service credit or age 50 with at least 25 years of service credit. Hazardous duty employees may retire with a reduced benefit as early as age 50 with at least 5 years of service credit.

c. Non-hazardous duty employees with a membership date on or after January 1, 2014 are covered by the Hybrid Plan combining the features of a defined benefit plan and a defined contribution plan. Plan 1 and Plan 2 members also had the option of opting into this plan during the election window held January 1 – April 30, 2014 with an effective date of July 1, 2014. Employees covered by this plan are eligible for an unreduced benefit beginning at their normal social security retirement age with at least 5 years of service credit, or when the sum of their age plus service credit equals 90. Employees may retire with a reduced benefit as early as age 60 with at least 5 years of service credit. For the defined contribution component, members are eligible to receive distributions upon leaving employment, subject to restrictions.

Average Final Compensation and Service Retirement Multiplier

The VRS defined benefit is a lifetime monthly benefit based on a retirement multiplier as a percentage of the employee’s average final compensation multiplied by the employee’s total service credit. Under Plan 1, average final compensation is the average of the employee’s 36 consecutive months of highest compensation and the multiplier is 1.70% for non-hazardous duty employees, 1.85% for sheriffs and regional jail superintendents, and 1.7% or 1.85% for hazardous duty employees as elected by the employer. Under Plan 2, average final compensation is the average of the employee’s 60 consecutive months of highest compensation and the retirement multiplier is 1.65% for non-hazardous duty employees, 1.85% for sheriffs and regional jail superintendents, and 1.70% or 1.85% for hazardous duty employees as elected by the employer. Under the Hybrid Plan, average final compensation is the average of the employee’s 60 consecutive months of highest compensation and the multiplier is 1.00%. For members who opted into the Hybrid Retirement Plan from Plan 1 or Plan 2, the applicable multipliers for those plans will be used to calculate the retirement benefit for service credited in those plans.

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

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

Employees Covered by Benefit Terms

As of the June 30, 2021, actuarial valuation, the following employees were covered by the benefit terms of the pension plan:

	<u>Town</u>
Retirees and Beneficiaries	7
Inactive Vested Members	3
Inactive Nonvested Members	3
Long Term Disability	0
Active Elsewhere in VRS	3
Active Employees	<u>1</u>
Total	17

NOTE 10 DEFINED BENEFIT PENSION PLAN - continued

Contributions

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

The Town's contractually required employer contribution rate for the year ended June 30, 2023, was 9.99% of covered employee compensation. This rate was based on an actuarially determined rate from an actuarial valuation as of June 30, 2021.

This rate, when combined with employee contributions, was expected to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability.

Net Pension Liability (Asset)

The net pension liability is calculated separately for each employer and represents that particular employer's total pension liability determined in accordance with GASB Statement No. 68, less that employer's fiduciary net position. For political subdivisions, the net pension liability was measured as of June 30, 2022. The total pension liability used to calculate the net pension liability was determined by an actuarial valuation performed as of June 30, 2020, rolled forward to the measurement date of June 30, 2022.

Actuarial Assumptions

The total pension liability for General Employees in the Town's (nonprofessional) Retirement Plan was based on an actuarial valuation as of June 30, 2021, using the Entry Age Normal actuarial cost method and the following assumptions, applied to all periods included in the measurement and rolled forward to the measurement date of June 30, 2022.

Inflation	2.50%
General Employees – Salary increases, including inflation	3.50 – 5.35%
Investment rate of return	6.75%, net of pension plan investment expense, including inflation*

Mortality rates:

Largest 10 – (Non 10 Largest) – Hazardous Duty; 15% of deaths are assumed to be service related.

Pre-Retirement:

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

Post-Retirement:

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

Post-Disablement:

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

Beneficiaries and Survivors:

Pub-2010 Amount Weighted Safety Contingent Annuitant Rates projected generationally; 110% of

NOTE 10 DEFINED BENEFIT PENSION PLAN - continued

rates for males and females set forward 2 years

Mortality Improvement:

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

Mortality rates: (Continued)

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

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

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

Actuarial Assumptions – Public Safety Employees with Hazardous Duty Benefits

The total pension liability for Public Safety employees with Hazardous Duty Benefits in the Town’s Retirement Plan was based on an actuarial valuation as of June 30, 2021, using the Entry Age Normal actuarial cost method and the following assumptions, applied to all periods included in the measurement and rolled forward to the measurement date of June 30, 2022.

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

Mortality rates:

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

Pre-Retirement:

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

Post-Retirement:

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

NOTE 10 DEFINED BENEFIT PENSION PLAN - continued

Post-Disablement:

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

Beneficiaries and Survivors:

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

Mortality Improvement:

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

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

All Others (Non 10 Largest) – Hazardous Duty:

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

Long-Term Expected Rate of Return

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

Asset Class (Strategy)	Target Allocation	Arithmetic Long- Term Expected Real Rate of Return	Weighted Average Long-Term Expected Real Rate of Return
Public Equity	34.00%	5.71 %	1.94 %
Fixed Income	15.00%	2.04 %	0.31 %
Credit Strategies	14.00%	4.78 %	0.67 %
Real Assets	14.00%	4.47 %	0.63 %
Private Equity	14.00%	9.73 %	1.36 %

MAPS - Multi-Asset Public Strategies	6.00%	3.73 %	0.22 %
PIP - Private Investment Partnership	3.00%	6.55 %	0.20 %
Total	<u>100.00%</u>		<u>5.33%</u>
	Inflation		<u>2.50%</u>
*Expected arithmetic nominal return			<u>7.83%</u>

* The above allocation provides a one-year expected return of 7.83%. However, one-year returns do not take into account the volatility present in each of the asset classes. In setting the long-term expected return for the System, stochastic projections are employed to model future returns under various economic conditions. The results provide a range of returns over various time periods that ultimately provide a median return of 6.72%, including expected inflation of 2.50%.

**On October 10, 2019, the VRS Board elected a long-term rate of return of 6.75% which was roughly at the 40th percentile of expected long-term results of the VRS fund asset allocation at that time, providing a median return of 7.11%, including expected inflation of 2.50%.

Discount Rate

The discount rate used to measure the total pension liability was 6.75%. The projection of cash flows used to determine the discount rate assumed that System member contributions will be made per the VRS Statutes and the employer contributions will be made in accordance with the VRS funding policy at rates equal to the difference between actuarially determined contribution rates adopted by the VRS Board of Trustees and the member rate. Consistent with the phased-in funding provided by the General Assembly for state and teacher employer contributions; political subdivisions were also provided with an opportunity to use an alternate employer contribution rate. For the year ended June 30, 2023, the alternate rate was the employer contribution rate used in FY 2012 or 100% of the actuarially determined employer contribution rate from the June 30, 2021 actuarial valuations, whichever was greater.

Changes in Net Pension Liability

	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (Asset) (a) - (b)
Total pension liability	\$ 808,578	\$ 1,093,819	\$ (285,241)
Service cost	15,460	-	15,460
Interest	52,873	-	52,873
Changes in benefit terms	-	-	-
Changes in assumptions	41,512	-	41,512
Difference between expected and actual experience	5,537	-	5,537
Contributions - employer	-	717	(717)
Contributions - employee	-	5,756	(5,756)
Net investment income	-	20,691	(20,691)
Benefit payments, including refunds of employee contributions	(50,537)	(47,366)	(3,171)
Administrative expense	-	(727)	727
Other changes	-	(24)	24
Net change in total pension liability	64,845	(20,953)	85,798
Balance at June 30, 2022	\$ 873,423	\$ 1,072,866	\$ (199,443)

NOTE 10 DEFINED BENEFIT PENSION PLAN - continued

Sensitivity of the Political Subdivision’s Proportionate Share of the Net Pension Liability to Changes in the Changes in the Discount Rate

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

	1% Decrease (5.75%)	Current Discount (6.75%)	1% Increase (7.75%)
Net Pension Liability (Asset)	\$ <u>(324,678)</u>	\$ <u>(414,936)</u>	\$ <u>(490,973)</u>

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

For the year ended June 30, 2023, the Town recognized pension expense of \$3,592 at June 30, 2023, the Town’s deferred outflows of resources were \$(40,147).

Deferred outflows of resources related to pensions resulting from contributions, subsequent to the measurement date will be recognized as a reduction of the Net Pension Liability in the fiscal year ending June 30, 2023. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense in future reporting periods as follows:

<u>Year Ended June 30</u>	
2024	\$ (15,247)
2025	(15,941)
2026	(26,290)
2027	17,331
2028	-
Thereafter	-
Total	\$ <u>(40,147)</u>

Pension Plan Data

Information about the VRS Political Subdivision Retirement Plan is also available in the separately issued VRS 2022 Annual Comprehensive Financial Report (Annual Report). A copy of the 2022 VRS Annual Report may be downloaded from the VRS website at <http://www.varetire.org/Pdf/Publications/2022-annual-report.pdf>, or by writing to the System’s Chief Financial Officer at P.O. Box 2500, Richmond, VA 23218-2500.

NOTE 11 CONTINGENT LIABILITIES

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

NOTE 12 SURETY BONDS

	<u>Amount</u>
Virginia Department of Risk Management:	
Town Administrator	\$ 50,000
Blanket bond - all employees	50,000

NOTE 13 EXPENDITURES IN EXCESS OF APPROPRIATIONS

There were no expenditures in excess of appropriations.

NOTE 14 DEFICIT NET POSITION

At June 30, 2023, no funds had a deficit balance.

NOTE 15 ADJUSTMENTS TO BEGINNING BALANCES

Fund	Governmental Activities	Business Type Activities
Beginning net position/fund balances as previously reported, 6/30/22	\$ 2,615,689	\$ 818,722
Correction of capital assets and depreciation	<u>(72,927)</u>	<u>-911,772</u>
Beginning net position/fund balances as restated, 7/1/22	\$ <u>2,542,762</u>	\$ <u>(93,050)</u>

NOTE 16 SUBSEQUENT EVENTS

Events or transactions sometimes occur subsequent to the balance-sheet date, but prior to the issuance of the financial statement that have a material effect on the financial statements and therefore require adjustment or disclosure in the statements. In accordance with AU Section 560 – the entity is required to disclose those events – that if not disclosed – would cause the financial statements to be misleading. Subsequent events are evaluated through July 29, 2024, the date which the financial statements were available.

REQUIRED SUPPLEMENTARY INFORMATION

NOTE TO REQUIRED SUPPLEMENTARY INFORMATION

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

Year Ended June 30, 2023

Schedule of Revenues, Expenditures, and Changes in Fund Balances – Budget and Actual
General Fund

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
REVENUES				
General property taxes	\$ 290,800	\$ 290,800	\$ 273,666	\$ (17,134)
Other local taxes	247,950	247,950	431,915	183,965
Permits, privilege fees, and regulatory licenses	2,400	2,400	6,635	4,235
Miscellaneous	24,096	24,096	36,419	12,323
Intergovernmental revenues	-	-	-	-
Total revenues	<u>\$ 565,246</u>	<u>\$ 565,246</u>	<u>\$ 748,635</u>	<u>\$ 183,389</u>
EXPENDITURES				
Current:				
General government administration	\$ 329,287	\$ 329,287	\$ 367,987	\$ (38,700)
Public safety	17,200	17,200	15,000	2,200
Public works	153,672	153,672	174,125	(20,453)
Buildings and grounds	-	-	-	-
Parks, recreation, and cultural	12,235	12,235	39,622	(27,387)
Community development	67,097	67,097	73,547	(6,450)
Total expenditures	<u>\$ 579,491</u>	<u>\$ 579,491</u>	<u>\$ 670,281</u>	<u>\$ (90,790)</u>
Excess (deficiency) of revenues over (under) expenditures	<u>\$ (14,245)</u>	<u>\$ (14,245)</u>	<u>\$ 78,354</u>	<u>\$ 92,599</u>
OTHER FINANCING SOURCES (USES)				
Transfers out	\$ -	\$ -	\$ -	\$ -
Transfers in	-	-	-	-
Total other financing sources and uses	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Net change in fund balances	\$ (14,245)	\$ (14,245)	\$ 78,354	\$ 92,599
Fund balances - beginning	-	-	320,907	320,907
Fund balances - ending	<u>\$ (14,245)</u>	<u>\$ (14,245)</u>	<u>\$ 399,261</u>	<u>\$ 413,506</u>

Year Ended June 30, 2023
 Schedule of Revenues – Budget and Actual
 General Fund

Fund, Major and Minor Revenue Source	Original Budget	Final Budget	Actual	Variance with Final Budget - Positive (Negative)
Real property taxes	\$ 277,000	\$ 277,000	\$ 254,514	\$ (22,486)
Real property taxes - delinquent	1,500	1,500	3,573	2,073
Public service corporation taxes	3,200	3,200	-	(3,200)
Personal property taxes	8,500	8,500	13,835	5,335
Personal property taxes - delinquent	100	100	264	164
Penalties	250	250	535	285
Interest	250	250	944	694
Total general property taxes	<u>\$ 290,800</u>	<u>\$ 290,800</u>	<u>\$ 273,666</u>	<u>\$ (17,134)</u>
State sales tax	\$ 25,000	\$ 25,000	\$ 37,003	\$ 12,003
Consumer utility tax	2,800	2,800	2,794	(6)
Business license tax	7,500	7,500	10,302	2,802
Cigarette tax	-	-	-	-
Motor vehicle license tax	7,500	7,500	10,356	2,856
Bank franchise tax	45,000	45,000	161,958	116,958
Lodging tax	10,000	10,000	34,207	24,207
Lodging - Occupancy Tax Escrow	-	-	1,735	1,735
Meals tax	120,000	120,000	134,130	14,130
Meals tax penalty	100	100	242	142
Oyster Festival meals tax	10,000	10,000	16,860	6,860
Oyster Festival meals tax penalty	50	50	-	(50)
Oyster Festival business licenses	17,500	17,500	19,800	2,300
Communication sales tax	2,500	2,500	2,529	29
Total other local taxes	<u>\$ 247,950</u>	<u>\$ 247,950</u>	<u>\$ 431,915</u>	<u>\$ 183,965</u>
Total tax	<u>\$ 538,750</u>	<u>\$ 538,750</u>	<u>\$ 705,581</u>	<u>\$ 166,831</u>
Permits, privilege fees, and regulatory licenses:				
Zoning and subdivision permits	\$ 500	\$ 500	\$ 1,685	\$ 1,185
Golf carts	500	500	2,775	2,275
Interest earned from banks	200	200	975	775
Rental of property	1,200	1,200	1,200	-
Total permits, privilege fees, and regulatory licenses	<u>\$ 2,400</u>	<u>\$ 2,400</u>	<u>\$ 6,635</u>	<u>\$ -</u>
Miscellaneous Revenue:				
Visitor Center donations	\$ 600	\$ 600	\$ 1,046	\$ 446
Visitor Center merchandise donations	500	500	1,346	846
Miscellaneous revenue	500	500	7,026	6,526
Cats Meow	500	500	492	(8)
PPTRA (Tax Relief)	5,996	5,996	9,915	3,919
Litter control grant	1,000	1,000	1,595	595
Fire program funds	15,000	15,000	15,000	-
Total Miscellaneous	<u>\$ 24,096</u>	<u>\$ 24,096</u>	<u>\$ 36,419</u>	<u>\$ -</u>
Total other fees	<u>\$ 26,496</u>	<u>\$ 26,496</u>	<u>\$ 43,054</u>	<u>\$ -</u>
Total revenue from local sources	<u>\$ 565,246</u>	<u>\$ 565,246</u>	<u>\$ 748,635</u>	<u>\$ 183,389</u>
Total General Fund	<u>\$ 565,246</u>	<u>\$ 565,246</u>	<u>\$ 748,635</u>	<u>\$ 183,389</u>

Year Ended June 30, 2023
 Schedule of Expenditures – Budget and Actual
 General Fund

Fund, Major and Minor Revenue Source	Original Budget	Final Budget	Actual	Variance with Final Budget - Positive (Negative)
General Fund:				
General government administration:				
Town Council	\$ 11,000	\$ 11,000	\$ 8,321	\$ 2,680
Town Treasurer	58,488	58,488	101,428	(42,940)
Town Administrator	25,383	25,383	58,127	(32,744)
Professional services	58,104	58,104	60,401	(2,297)
General administration	176,312	176,312	139,710	36,602
Total general government administration	<u>\$ 329,287</u>	<u>\$ 329,287</u>	<u>\$ 367,987</u>	<u>\$ (38,700)</u>
Public safety:				
Public safety:	\$ 17,200	\$ 17,200	\$ 15,000	\$ 2,200
Total public safety	<u>\$ 17,200</u>	<u>\$ 17,200</u>	<u>\$ 15,000</u>	<u>\$ 2,200</u>
Public works:				
Refuse collection	\$ 110,500	\$ 110,500	\$ 110,467	\$ 33
Maintenance and grounds	43,172	43,172	63,658	(20,487)
Total public works	<u>\$ 153,672</u>	<u>\$ 153,672</u>	<u>\$ 174,125</u>	<u>\$ (20,453)</u>
Buildings and grounds:				
Administration	\$ -	\$ -	\$ -	\$ -
Buildings and grounds	-	-	-	-
Total building and grounds	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Parks, recreation and cultural:				
Administration	\$ -	\$ -	\$ -	\$ -
Regional Pool	12,235	12,235	39,622	(27,387)
Total parks, recreation and cultural	<u>\$ 12,235</u>	<u>\$ 12,235</u>	<u>\$ 39,622</u>	<u>\$ (27,387)</u>
Community development:				
Planning and community development	\$ 23,150	\$ 23,150	\$ 28,905	\$ (5,755)
Oyster fest	18,150	18,150	20,278	(2,128)
Trolley	-	-	-	-
Visitor's center	25,797	25,797	24,364	1,433
Total planning and community development	<u>\$ 67,097</u>	<u>\$ 67,097</u>	<u>\$ 73,547</u>	<u>\$ (6,450)</u>
Funds Transfers				
Transfer to Marina	\$ -	\$ -	\$ -	\$ -
Total Transfers	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Total General Fund	<u>\$ 579,491</u>	<u>\$ 579,491</u>	<u>\$ 670,281</u>	<u>\$ (90,790)</u>

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 Governing Body
Town of Urbanna, Virginia**

We have audited the accompanying financial statements of the Town of Urbanna, Virginia, as of and for the year ended June 30, 2023, and have issued our report thereon dated July 29, 2024. 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 and the *Specifications for Audits of Counties, Cities, and Towns*, issued by the Auditor of Public Accounts of the Commonwealth of Virginia, and have issued our report thereon dated July 29, 2024.

Report on Internal Control over Financial Reporting

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

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

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

Report on Compliance and Other Matters

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

Purpose of This Report

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

Davis & Associates

Columbia, Maryland
July 29, 2024

Agenda Item Summary
September 12, 2024

Agenda Item: Fiscal Year 2023-24 Audit.

Background: For public confidence and working knowledge of elected and appointed leadership, an audit of finances on the fiscal year completed is appropriate for any locality. Often, funding agencies require the document as part of an application or in consideration of an award. Starting an audit begins with an Engagement Letter that sets out the parameters of the audit by a competent professional. The Letter of Engagement before you meets those standards and is offered by a firm familiar with the town's structure and operation. Following that action, staff will be conveying documents and records as needed by the Auditor. A Draft presented, then the final Audit. Staff is hopeful this will be available as the budget process for Fiscal Year 25-26 commences

Fiscal Impact: The Town of Urbanna has thus far been shown to be in sound financial condition. Specifically for this project, anticipate an invoice of approximately \$2,000 based on previous billings. Some inquiry has been made of other firms and the provider proposed offers very favorable terms.

Staff Recommendation: Authorize the Town Administrator to execute the Auditor's Letter of Engagement as presented.

Council Action Requested: Yes, authorize the Town Administrator to execute the Auditor's Letter of Engagement as presented.

Sample Motion:

I move to authorize the Town Administrator to execute the Auditor's Letter of Engagement as presented.

September 9, 2024

The Town of Urbanna, Virginia

We are pleased to confirm our understanding of the services we are to provide the Town of Urbanna, Virginia (“the Town”) for the period ended June 30, 2024.

Audit Scope and Objectives

We will audit the financial statements of governmental activities, business-type activities, major funds and other fund information, which collectively comprise the basic financial statements of the Town as of and for the period ended June 30, 2024. Accounting standards generally accepted in the United States of America (GAAP) provide for certain required supplementary information (RSI), such as management’s discussion and analysis (MD&A), to supplement the Town’s basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. As part of our engagement, we will apply certain limited procedures to the Town’s RSI in accordance with U.S. generally accepted auditing standards (GAAS). These limited procedures will consist of inquiries of management regarding 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 will not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance. The following RSI is required by GAAP and will be subjected to certain limited procedures, but will not be audited:

1) Management’s Discussion and Analysis

The objectives of our audit is to obtain reasonable assurance as to whether the financial statements as a whole are free from material misstatement, whether due to fraud or error; issue an auditor’s report that includes our opinion about whether your financial statements are fairly presented, in all material respects, in conformity with GAAP; and report on the fairness of the supplementary information referred to in the second paragraph when considered in relation to the financial statements as a whole. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS will always detect a material misstatement when it exists. Misstatements, including omissions, can arise from fraud or error and are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment of a reasonable user made based on the financial statements.

We will also provide a report (that does not include an opinion) on internal control related to the financial statements and compliance with the provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a material effect on the financial statements as required by *Government Auditing Standards*. The report on internal control and on compliance and other matters will include a paragraph that states (1) that the purpose of the report is solely to describe the scope of testing of internal control and compliance, and the results of that testing, and not to provide an opinion on the effectiveness of the entity’s internal control on compliance, and (2) that the report is an integral part of an

audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. The paragraph will also state that the report is not suitable for any other purpose. If during our audit we become aware that the Town is subject to an audit requirement that is not encompassed in the terms of this engagement, we will communicate to management and those charged with governance that an audit in accordance with U.S. generally accepted auditing standards; the *Specifications for Audits of Counties, Cities, and Towns* issued by the Auditor of Public Accounts of the Commonwealth of Virginia; and the standards for financial audits contained in *Government Auditing Standards* may not satisfy the relevant legal, regulatory, or contractual requirements.

Auditor's Responsibilities for the Audit of the Financial Statements

Our audit will be conducted in accordance with auditing standards generally accepted in the United States of America; the *Specifications for Audits of Counties, Cities, and Towns* issued by the Auditor of Public Accounts of the Commonwealth of Virginia; and the standards for financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States and will include tests of your accounting records and other procedures we consider necessary to enable us to express such opinions. As part of an audit in accordance with GAAS, we exercise professional judgment and maintain professional skepticism throughout the audit.

We will evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management. We will also evaluate the overall presentation of the financial statements, including the disclosures, and determine whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation. We will plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement, whether from (1) errors, (2) fraudulent financial reporting, (3) misappropriation of assets, or (4) violations of laws or governmental regulations that are attributable to the government or to acts by management or employees acting on behalf of the government.

Because of the inherent limitations of an audit, combined with the inherent limitations of internal control, and because we will not perform a detailed examination of all transactions, there is an unavoidable risk that some material misstatements may not be detected by us, even though the audit is properly planned and performed in accordance with GAAS. In addition, an audit is not designed to detect immaterial misstatements or violations of laws or governmental regulations that do not have a direct and material effect on the financial statements. However, we will inform the appropriate level of management of any material errors, fraudulent financial reporting, or misappropriation of assets that comes to our attention. We will also inform the appropriate level of management of any violations of laws or governmental regulations that come to our attention, unless clearly inconsequential. Our responsibility as auditors is limited to the period covered by our audit and does not extend to any later periods for which we are not engaged as auditors.

We will also conclude, based on the audit evidence obtained, whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the government's ability to continue as a going concern for a reasonable period of time.

Our procedures will include tests of documentary evidence supporting the transactions recorded in the accounts and may include tests of the physical existence of inventories, and direct confirmation of receivables and certain other assets and liabilities by correspondence with selected individuals, funding sources, creditors, and financial institutions. We will request written representations from your attorneys as part of the engagement, and they may bill you for responding to this inquiry. At the conclusion of our audit, we will require certain written representations from you about your responsibilities for the financial

statements; compliance with laws, regulations, contracts, and grant agreements; and other responsibilities required by generally accepted auditing standards.

Audit Procedures—Internal Control

We will obtain an understanding of the government and its environment, including internal control relevant to the audit, sufficient to identify and assess the risks of material misstatement of the financial statements, whether due to error or fraud, and to design and perform audit procedures responsive to those risks and obtain evidence that is sufficient and appropriate to provide a basis for our opinions. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentation, or the override of internal control. An audit is not designed to provide assurance on internal control or to identify deficiencies in internal control. Accordingly, we will express no such opinion. However, during the audit, we will communicate to management and those charged with governance internal control related matters that are required to be communicated under AICPA professional standards.

We have identified the following significant risk(s) of material misstatement as part of our audit planning:

- Potential negative impact of reduction of COVID-19 upon the Town

Audit Procedures—Compliance

As part of obtaining reasonable assurance about whether the financial statements are free of material misstatement, we will perform tests of the Town's compliance with the provisions of applicable laws, regulations, contracts, and agreements. However, the objective of our audit will not be to provide an opinion on overall compliance, and we will not express such an opinion.

Responsibilities of Management for the Financial Statements

Our audit will be conducted on the basis that you acknowledge and understand your responsibility for designing, implementing, and maintaining internal controls relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error, including monitoring ongoing activities; for the selection and application of accounting principles; and for the preparation and fair presentation of the financial statements in conformity with accounting principles generally accepted in the United States of America.

Management is responsible for making drafts of financial statements, all financial records, and related information available to us and for the accuracy and completeness of that information (including information from outside of the general and subsidiary ledgers). You are also responsible for providing us with (1) access to all information of which you are aware that is relevant to the preparation and fair presentation of the financial statements, such as records, documentation, identification of all related parties and all related-party relationships and transactions, and other matters; (2) additional information that we may request for the purpose of the audit; and (3) unrestricted access to persons within the government from whom we determine it necessary to obtain audit evidence. At the conclusion of our audit, we will require certain written representations from you about the financial statements and related matters.

Your responsibilities include adjusting the financial statements to correct material misstatements and confirming to us in the management representation letter that the effects of any uncorrected misstatements aggregated by us during the current engagement and pertaining to the latest period presented are immaterial, both individually and in the aggregate, to the financial statements of each opinion unit taken as a whole.

You are responsible for the design and implementation of programs and controls to prevent and detect fraud, and for informing us about all known or suspected fraud affecting the government involving (1) management, (2) employees who have significant roles in internal control, and (3) others where the fraud could have a material effect on the financial statements. Your responsibilities include informing us of your knowledge of any allegations of fraud or suspected fraud affecting the government received in communications from employees, former employees, grantors, regulators, or others. In addition, you are responsible for identifying and ensuring that the government complies with applicable laws and regulations.

You are responsible for the preparation of the supplementary information in conformity with accounting principles generally accepted in the United States of America. You agree to include our report on the supplementary information in any document that contains, and indicates that we have reported on, the supplementary information. You also agree to include the audited financial statements with any presentation of the supplementary information that includes our report thereon OR make the audited financial statements readily available to users of the supplementary information no later than the date the supplementary information is issued with our report thereon. Your responsibilities include acknowledging to us in the representation letter that (1) you are responsible for presentation of the supplementary information in accordance with GAAP; (2) you believe the supplementary information, including its form and content, is fairly presented in accordance with GAAP; (3) the methods of measurement or presentation have not changed from those used in the prior period (or, if they have changed, the reasons for such changes); and (4) you have disclosed to us any significant assumptions or interpretations underlying the measurement or presentation of the supplementary information.

In connection with this engagement, we may communicate with you or others via email transmission. As emails can be intercepted and read, disclosed, or otherwise used or communicated by an unintended third party, or may not be delivered to each of the parties to whom they are directed and only to such parties, we cannot guarantee or warrant that emails from us will be properly delivered and read only by the addressee. Therefore, we specifically disclaim and waive any liability or responsibility whatsoever for interception or unintentional disclosure of emails transmitted by us in connection with the performance of this engagement. In that regard, you agree that we shall have no liability for any loss or damage to any person or entity resulting from the use of email transmissions, including any consequential, incidental, direct, indirect, or special damages, such as loss of revenues or anticipated profits, or disclosure or communication of confidential or proprietary information.

Engagement Administration, Fees, and Other

The Town will prepare all cash, accounts receivable, or other confirmations we request and will locate any documents selected by us for testing. The audit documentation for this engagement is the property of Davis and Associates Certified Public Accountants, PLLC and constitutes confidential information. However, pursuant to authority given by law or regulation, we may be requested to make certain audit documentation available to regulatory agencies or its designee, a federal agency providing direct or indirect funding, or the U.S. Government Accountability Office for purposes of a quality review of the audit, to resolve audit findings, or to carry out oversight responsibilities. We will notify you of any such request. If requested, access to such audit documentation will be provided under the supervision of Davis and Associates Certified Public Accountants, PLLC personnel. Furthermore, upon request, we may provide copies of selected audit documentation to the aforementioned parties. These parties may intend, or decide, to distribute the copies or information contained therein to others, including other governmental agencies.

The audit documentation for this engagement will be retained for a minimum of five years after the report release or for any additional period requested by the granting agencies. If we are aware that a federal awarding agency, pass-through entity, or auditee is contesting an audit finding, we will contact the party(ies) contesting the audit finding for guidance prior to destroying the audit documentation.

We expect to begin our substantive testing as soon as the records are available and to issue a preliminary draft report no later than 60 days after the beginning of fieldwork. Our fee for these services will be a Firm Fixed Price Not to Exceed amount of **\$2,000**.

Reporting

We will issue a written report upon completion of our audit of the Town's financial statements. Our report will be addressed to the Governing Body of the Town. Circumstances may arise in which our report may differ from its expected form and content based on the results of our audit. Depending on the nature of these circumstances, it may be necessary for us to modify our opinions, add a separate section, or add an emphasis-of-matter or other-matter paragraph to our auditor's report, or if necessary, withdraw from this engagement. If our opinions are other than unmodified, we will discuss the reasons with you in advance. If, for any reason, we are unable to complete the audit or are unable to form or have not formed opinions, we may decline to express opinions or withdraw from this engagement.

We appreciate the opportunity to be of service to the Town of Urbanna, Virginia and believe this letter accurately summarizes the significant terms of our engagement. If you have any questions, please let us know.

If you agree with the terms of our engagement as described in this letter, please sign and return via email – adavis@davisassociates-cpa.com.

Sincerely,

Davis and Associates Certified Public Accountants, PLLC



Audrey R. Davis
Certified Public Accountant
Managing Director

This letter correctly sets forth the understanding of the audit of the Town.

By: _____

Title: _____

Date: _____