



URBANNA TOWN COUNCIL REGULAR MEETING AGENDA

Thursday, October 8, 2026 - 6:00 pm

Middlesex Volunteer Fire Department - 330 Virginia St., Meeting Room - Urbanna, VA

1. Call to Order
2. Approval of Electronic Participation by a Council Member (if needed)
3. Roll Call
4. Pledge of Allegiance
5. Review and Adoption of Meeting Agenda
6. Approval of Minutes
7. Public Comment 1 & Council Response to Public Comment 1
8. Reports
 - a. Marina Report
 - b. Museum Report
9. Old Business - Purchasing Policy
10. New Business
 - a. Audit
11. Public Comment 2 & Council Response to Public Comment 2
12. Council Announcements & Requests
13. Closed Meeting - Town Administrator hiring discussion
14. Adjourn or Recess



TOWN COUNCIL

Agenda Item Summaries – Opening the Meeting

OCTOBER 8, 2026 REGULAR MEETING

Agenda Item: 1 – CALL TO ORDER Mayor calls the meeting to order at 6:00 p.m. or as close thereto as possible, but not before.

Agenda Item: 2 – Approval of Electronic Participation by a Council Member (if needed) Councilmember _____ has requested to participate electronically in tonight's meeting due to [*state reason]. May I have a motion to approve?

Sample Motion: I move to approve Councilmember _____'s electronic participation in tonight's meeting due to [*state reason]. *Motion, Second, Discussion, Voice Vote (all in favor, any opposed)*

*Allowed reasons for electronic participation per § 2.2-3708.3 of the Code of Virginia:

1. Temporary disability or medical condition that prevents their physical attendance.
2. Must provide care to a family member due to a medical condition or to a person with a disability at the time the public meeting is being held thereby preventing their physical attendance.
3. Their principal residence is more than 60 miles from the meeting location identified in the required notice for such meeting.
4. Personal matter and identifies with specificity the nature of the personal matter (work, vacation, etc.). (This reason cannot be used more than six times per year.)

If participation is approved, the minutes must state the remote location from which the member participated.

Agenda Item: 3 – ROLL CALL Mayor determines a quorum then calls roll (or directs clerk to call roll) for attendance purposes.

Agenda Item: 4 – PLEDGE OF ALLEGIANCE Those able, stand for the Pledge of Allegiance led by the Mayor.

Agenda Item: 5 – REVIEW AND ADOPTION OF MEETING AGENDA Mayor calls for changes to or adoption of the agenda.

Sample Adoption Motion: I move to adopt the agenda as presented.

Sample Change Motion(s): I move to [add, remove, move] the discussion of _____ as/to Item _____ on this agenda.

Motion, Second, Discussion, Voice Vote (all in favor, any opposed)



TOWN COUNCIL

Agenda Item Summary

OCTOBER 8, 2026 REGULAR MEETING

Agenda Item: 6 – Approval of Minutes

Approval of Minutes

Fiscal Impact: None

Staff Recommendation: Review the draft minutes and offer any amendments. Amendments can be made by consensus of the Council. Then, approve the minutes, either as presented or with the amendments discussed.

Council Action Requested: Yes

Sample Adoption Motion: I move to approve the Minutes Date minutes as presented [or, with the discussed amendments made by consensus of the Council].

Motion, Second, Discussion, Voice Vote (all in favor, any opposed)

DRAFT — FOR CLERK REVIEW

TOWN OF URBANNA, VIRGINIA
Town Council — Regular Meeting
MINUTES
September 24, 2026 — 6:00 p.m.

A regularly scheduled meeting of the Town Council of the Town of Urbanna, Virginia, was held on the 24th day of September, 2026, beginning at 6:00 p.m. in the Meeting Room of the Middlesex Volunteer Fire Department located at 330 Virginia Street in Urbanna, VA.

1. Call to Order

The meeting was called to order at 6:00 p.m. by Mayor Robbie Wilson.

2. Approval of Electronic Participation by a Council Member

Councilmember Beth Justice requested to participate electronically from her home due to a medical condition (illness/fever) to avoid exposing others in attendance. A motion was made and seconded to allow Councilmember Justice to participate electronically from her home for this medical reason. The roll was called:

Marjorie Austin..... Aye
Larry Chowning..... Aye
Alana Courtney..... Aye
Beth Justice..... Abstain
Martha Lowe..... Aye
Bruce Murray..... Aye
Robbie Wilson..... Aye

The motion passed 6-0, with Ms. Justice abstaining.

3. Roll Call

Marjorie Austin..... Present
Larry Chowning..... Present
Alana Courtney..... Present
Beth Justice..... Present (participating electronically from her home for a medical reason, as approved under Item 2)
Martha Lowe..... Present
Bruce Murray..... Present
Robbie Wilson..... Present

A quorum was established.

Others Present: Andrea Erard, Town Attorney; Michele Hutton, Town Treasurer; Members of the public.

4. Pledge of Allegiance

The Pledge of Allegiance was recited by those present.

5. Review and Adoption of Meeting Agenda

Councilmember Austin made a motion to adopt the meeting agenda as presented. Councilmember Lowe seconded. The roll was called:

Marjorie Austin..... Aye
Larry Chowning..... Aye
Alana Courtney..... Aye
Beth Justice..... Aye
Martha Lowe..... Aye
Bruce Murray..... Aye
Robbie Wilson..... Aye

The motion passed 7-0.

6. Approval of Minutes

Councilmember Austin made a motion to approve the minutes of the previous meeting as presented. Councilmember Courtney seconded. The roll was called:

Marjorie Austin..... Aye
Larry Chowning..... Aye
Alana Courtney..... Aye
Beth Justice..... Aye
Martha Lowe..... Aye
Bruce Murray..... Aye
Robbie Wilson..... Aye

The motion passed 7-0.

7. Public Comment 1 & Council Response to Public Comment 1

No members of the public signed up to speak during Public Comment 1.

8. Reports

a. Treasurer Staff Report

The Treasurer presented the report for the month of August (the agenda cover sheet had referenced July figures in error; the report given was for August). Highlights:

1. August activity was routine, with no extraordinary or unusual expenses; only regular recurring bills were paid.
2. The Town received a personal property tax release payment of \$5,995 in August.

3. Balances in the Town's operating accounts are expected to rise in September as additional revenue is received.

Question: Councilmember Chowning asked whether there had been any trouble pulling money from the Taber Fund for the upcoming bridge payment. Response: The Treasurer stated that the funds had not yet been withdrawn because a bill had not yet been received, but that before the bridge contract was signed she had confirmed with the financial institution that the funds could be readily accessed. She explained that once a withdrawal request is submitted before approximately 2:00 p.m., payment can typically be issued the same day, and that the institution allows a cushion of about three days; a check would then be mailed.

b. Bridge and Well Updates

The Mayor gave a verbal update, illustrated with photographs of the completed bridge:

- The bridge is substantially complete; remaining work is limited to signage. A bill has not yet been received from the contractor.
- The bridge was load-tested using Tanker 1 from the fire department, fully loaded with water, corresponding to its 45,000-pound rating; Michele Hutton rode across during the test. The structure showed no deflection.
- Golf carts, personal vehicles with boat trailers, and Oyster Festival stakeholders have since crossed the bridge successfully and reported satisfaction with it.
- The engineer (Gary) had originally designed concrete-block barricading to create separate pedestrian lanes; given how well the bridge turned out as a walking surface, the plan is instead to allow pedestrians to use the main span rather than barricade the sides.
- The Town has obtained a letter from its insurance carrier confirming the bridge is insurable, based on the design being stamped by a professional engineer (PE) and confirmation that the bridge was built according to the stamped installation directions.
- A councilmember stated that he had personally used the bridge this week with a boat and trailer and found it to work very well; it was noted that the contractor was pleased with how the entrances turned out, having been concerned that the ramp approach would be too steep for trailers.
- A question was raised about a posted sign (referencing a weight or clearance figure) that needs to come down; in response, it was noted that the left-side railing will be cut down, and that the rail spacing does not meet an appropriate standard and will also be corrected. A cover over exposed plumbing will be repaired before winter using repurposed lumber. Steve has also provided crushed stone/gravel

("crush and run") to address potholes in the walking area near the bridge, and this cleanup work is planned before Oyster Festival.

- Regarding the well: repairs were originally scheduled to begin the day of the meeting but were delayed one day due to weather and will begin the following morning. Toano Well has been engaged and will have a welder on site to cut and re-splice the affected pipe before it is reinstalled. Steve, who was involved in the original well installation, will be on site all day to monitor the work on the Town's behalf. The Treasurer was asked to convey the Town's thanks to Steve for his time.
- Regarding the Hayes Landing property: plans have been received, and a community workday is being organized, tentatively for mid-November, to allow for cleanup ahead of colder weather. Recent flooding has left debris near the site that will need to be cleared beforehand.
- The Mayor thanked everyone who assisted with the bridge project.

9. New Business

a. Main St. Sign MOU

The Mayor introduced the item, explaining that Urbanna Main Street received a grant to install wayfinding signage in town and that a legal agreement (Memorandum of Understanding) between the Town and Urbanna Main Street was required before installation could proceed. He noted that the agreement had been finalized only that afternoon and that changes from the prior draft were primarily in phrasing, not substance.

Megan Hall from Urbanna Main Street and Sarah Jane, also with Urbanna Main Street, presented to Council:

- Urbanna Main Street is a 501(c)(3) nonprofit and one of 27 Virginia Main Street communities in the national Main Street America network, which provides access to grant funding, training, and technical resources.
- The organization was formerly known as "UBI"; it has completed all legal steps with the IRS and the State Corporation Commission to formally become Urbanna Main Street, effective May 2025, and to absorb UBI's existing 501(c)(3) status.
- A \$15,000 Community Vitality Grant, received in March 2025, will fund the fabrication of wayfinding signage. The April 15 grant deadline was extended, but the organization is now working toward a completion deadline of December 31.
- Five initial sign locations have been identified for Phase 1, with additional phases to follow as further grants are pursued; locations remain subject to adjustment as agreements with individual property owners are finalized.

- Signage recommendations were derived from the Planning Commission's 2022 Tourism Action Plan.
- One sign near the kayak launch will include a QR code linking to Blue Water Trail information developed by Councilmember Chowning. In response to a question relayed by the Mayor on Councilmember Chowning's behalf about a second QR code referenced in the materials, representatives of Urbanna Main Street were unsure whether a second sign requirement exists and said they would follow up.
- At the request of the Urbanna Business Association, a separate business directory sign is planned to list town businesses; it will use an updatable overlay so listings can be revised at low cost, with Main Street responsible for keeping it current.
- A proposed directory sign location at the corner of Cross and Virginia Streets was found to obstruct sightlines; alternative locations on the Hall property and on property offered by Chris Hight are under consideration.
- Discussion also addressed the Town's museum kiosk, whose audio/video display is not currently functioning. The plan is to repair or replace the video content, post it to the Town's Facebook page and YouTube channel, and place new aluminum QR-code stickers over the existing museum kiosk codes rather than fabricate new signage.
- Urbanna Main Street reported that it has formed a beautification committee and is separately pursuing a \$75,000 DHCD planning grant (submitted through the Town's CAMS system). If awarded, the grant would go to the Town and fund a master planning process addressing blight and other improvements. A subsequent grant of approximately \$1 million to \$1.25 million could then be pursued to implement that plan. It was agreed that, if the \$75,000 grant is awarded, a work session would be scheduled to review its terms before any further action.
- Council members raised questions about the financial administration of grant funds. It was clarified that the current \$15,000 wayfinding grant was paid directly to Urbanna Main Street's bank account, as required for a grant to a 501(c)(3); by contrast, grants awarded to the municipality (such as the \$75,000 planning grant) would be received by the Town. It was noted that each project will be governed by a separate MOU rather than a single blanket agreement, allowing administration terms to be negotiated per project; the Mayor stated a goal of building grant administration costs into future large grants, potentially through a third-party grant administrator, to avoid burdening Town staff and to optimize grant administration.
- Councilmember Lowe raised two specific concerns about the draft MOU: (1) that the procurement-compliance provisions (Section F) provide the Town with copies of records only upon request, and

recommended that the Town instead receive such records automatically; and (2) that the Town should be automatically notified if Urbanna Main Street enters default or suspension status, rather than learning of it after the fact. Representatives of Urbanna Main Street agreed to maintain open communication on these points.

- Councilmember Lowe also questioned the MOU's reference to a "deed of gift" for the signs, noting that deeds legally convey only real property, not personal property. The Town Attorney explained that a "deed of gift" is nonetheless the correct legal term for a document transferring ownership of personal property without payment, functioning similarly to a bill of sale, and confirmed that it would not be recorded at the courthouse. It was further explained that the signs are being structured as Town property specifically to avoid additional VDOT permitting requirements.
- It was noted that the Mayor serves as an ex officio member of the Urbanna Main Street board and that the MOU designates a Town liaison. The draft required that any fabrication, installation, or modification of a sign receive formal email approval from the Mayor or the Town Administrator as an additional safeguard for the use of grant funds.
- Councilmember Austin, noting her role in advising the project, was invited to continue in that capacity.
- In response to a public question about whether the \$15,000 grant funds pass through the Town's accounts, it was clarified that the funds were deposited directly into Urbanna Main Street's bank account and do not pass through the Town's accounts.

Councilmember Chowning moved to approve the Memorandum of Understanding with Urbanna Main Street as presented. Councilmember Austin seconded. The roll was called:

Marjorie Austin..... Aye
Larry Chowning..... Aye
Alana Courtney..... Aye
Beth Justice..... Aye
Martha Lowe..... Aye
Bruce Murray..... Aye
Robbie Wilson..... Aye

The motion passed 7-0.

b. Oyster Festival Traffic and Parking Resolutions

The Mayor explained that, consistent with the previously approved Oyster Festival master plan, Council needed to formally adopt two resolutions for the Oyster Festival: Resolution 2026-019, confirming street closures and traffic restrictions, and Resolution 2026-020, designating no-parking areas.

He noted that in past years, without an adopted resolution, State Police had advised the Town that they could not enforce traffic and parking restrictions during the festival; adopting these resolutions provides the necessary legal basis for enforcement. The Treasurer was thanked for ensuring the resolutions were brought forward in time.

Question: A council member asked about handicapped parking signage near the marina, referencing a past conflict in which a festival tent was proposed for placement over a handicapped space. Response: It was clarified that handicapped parking spaces at the marina are being relocated, not eliminated, to accommodate festival needs, including space for a paramedic rescue unit staged on the waterfront. Affected patrons are being contacted in advance to coordinate alternate parking. It was also noted that some marina slip tenants may leave vehicles parked in the area during the festival because their boats remain in their slips during the event.

Councilmember Austin moved to adopt Resolutions 2026-019 and 2026-020 as presented. Councilmember Chowning seconded. The roll was called:

Marjorie Austin..... Aye
Larry Chowning..... Aye
Alana Courtney..... Aye
Beth Justice..... Aye
Martha Lowe..... Aye
Bruce Murray..... Aye
Robbie Wilson..... Aye

The motion passed 7-0.

c. Town Administrator Interview Meeting Motion

The Mayor explained that this motion would provide the affirmative vote required under the Virginia Code to permit Council to convene a closed meeting, at a location and time not fixed in advance, solely to interview candidates for the Town Administrator position, to protect the privacy of both candidates and Council.

Councilmember Austin moved to the motion to announce that within the next 15 days, the Urbanna Town Council will meet at an undisclosed location and enter a closed meeting solely to interview candidates for the Town Administrator position. An initial roll call was begun before it was determined that the motion had not been seconded. Following a discussion, and after Public Comment 2 had begun, Council returned to this item and took a corrected roll-call vote, with Councilmember Murray seconding the motion. The roll was called:

Marjorie Austin..... Aye
Larry Chowning..... Aye

Alana Courtney..... Aye
Beth Justice..... Aye
Martha Lowe..... Aye
Bruce Murray..... Aye
Robbie Wilson..... Aye

The motion passed 7-0.

10. Public Comment 2 & Council Response to Public Comment 2

Daniel Snead, of Urbanna, addressed Council:

Question: Mr. Snead asked whether the Blue Water Trail information needed to be updated, noting that conditions on the creek have changed.

Response: Councilmember Chowning noted this was a good question.

Discussion followed regarding navigational aids; it was noted that LORAN navigation systems, once used for boating on the creek, were discontinued approximately 20 years ago in favor of GPS. It was also noted that the Blue Water Trail's first phase is complete and functional, and that Councilmember Chowning has been in communication with Whitney Long of Explore Middlesex regarding how the Blue Water Trail is portrayed through the "Visit Widget" app used by Explore Middlesex, and a possibly separate app used by Virginia's River Realm. It was noted that additional phases of the Blue Water Trail project have not yet been completed.

Mr. Snead also commented that Founders Day was a success, with good attendance and speakers, but raised a concern regarding the lack of public restroom facilities in the vicinity of Virginia Street and Cross Street, noting that the gas station, drug store, and other formerly available facilities are closed to the public, and that a portable toilet located near the marina was in poor condition.

Question: Mr. Snead asked whether the Town could help address restroom availability for events such as Founders Day and for the regular arrival of tour groups (including senior visitors less able to walk to the marina or pool facilities). Response: The Mayor stated he has a good working relationship with the organizers of Founders Day (Friends of Urbanna), and that the Town helped by purchasing event insurance this year. He stated that, at a minimum, standard portable toilets, rather than more expensive "executive" restroom trailers, should be considered, and that he would take this on as an action item to research costs, funding sources, and an appropriate location, noting that funding for this purpose is not currently budgeted. Discussion included possible short-term options such as leasing restroom access from a private property owner (e.g., near the former drugstore or gas station) and a long-term goal of constructing a small permanent public restroom facility, potentially as part of a small downtown park, though it was noted this would require significant planning and permitting.

Additional public discussion addressed the need for advance notice from tour operators and event organizers so that the Town can arrange portable facilities in time; it was noted that regular tour bus groups (including groups associated with Westminster Canterbury) visit town without formal advance coordination with the Town office.

Ms. Powers, a member of the public, asked whether restroom facilities at Taylor Park (the pool house) could be made available to the public.

Response: It was explained that these facilities are kept locked most of the time and are only unlocked for specific scheduled uses, such as the farmer's market and the summer concert series, due to past incidents of vandalism at both the pool and marina restrooms, and that leaving the facility unlocked and unsupervised during the day was considered a potential liability.

Another member of the public noted that the marina restroom facilities were constructed with grant funding restricted to transient boaters, not the general public.

11. Council Announcements & Requests

Ms. Austin

Councilmember Austin reported that the Second Saturday event series has concluded for the season; the final event of the year was rained out and was expected to feature the Ray Pittman Band. She thanked everyone who participated in and supported Second Saturday events throughout the year, noting the series will resume in May 2027.

Mr. Chowning

Councilmember Chowning reported that he had been contacted by Brian Miller, who had attended the VDOT meeting regarding the Robert O. Norris Bridge across the river, at which a proposal was discussed to lower the bridge's vertical clearance by 10 feet as a cost-saving measure. He expressed concern that reducing clearance from the current 110 feet to 100 feet could affect vessel traffic, citing the sailing vessel Lynx, with an air draft of approximately 94 feet, as a vessel that could be affected depending on conditions. Council discussed sending a formal letter expressing concern about any reduction in bridge clearance and coordinating with neighboring localities on the issue. The next VDOT meeting on the matter is scheduled for October 22.

Ms. Courtney

Councilmember Courtney reported that she had nothing further.

Mayor Wilson

The Mayor reported that he and a fellow planning commission member had attended the VCU Certified Planning Commissioners course, a two-day in-person training. He described it as an excellent program, noting sessions on zoning and comprehensive planning issues, including examples from Northern Virginia localities involving data centers proposed for sites approved for other uses decades earlier. He encouraged Council to pursue an update to the Town's comprehensive plan through an open public process, potentially engaging a third-party firm to conduct public meetings and surveys. He reminded members that training funds are available to anyone serving on a Town board or commission, encouraged them to take advantage of these opportunities, and urged Council members to attend the upcoming VML Annual Conference in October.

Ms. Justice

Councilmember Justice reported that she had nothing further.

Ms. Lowe

Councilmember Lowe reported that she had nothing further.

Mr. Murray

Councilmember Murray reported that he had nothing further.

12. Adjourn or Recess

Councilmember Austin made a motion to adjourn. Councilmember Courtney seconded. The roll was called:

Marjorie Austin..... Aye
Larry Chowning..... Aye
Alana Courtney..... Aye
Beth Justice..... Aye
Martha Lowe..... Aye
Bruce Murray..... Aye
Robbie Wilson..... Aye

The motion passed 7-0.

The meeting adjourned at approximately 8:30 p.m.

Respectfully submitted,

Preparer name and title

Approved: date of adoption



TOWN COUNCIL

Agenda Item Summary

OCTOBER 8, 2026 REGULAR MEETING

Agenda Item: 7 – PUBLIC COMMENT 1 & COUNCIL RESPONSE TO PUBLIC COMMENT 1

Mayor opens Public Comment Period and asks if all who desire to speak have had a chance to sign up.

NO SPEAKERS: Mayor closes Public Comment Period.

SPEAKERS: Mayor explains that each individual has five minutes to address Council on matters not scheduled for Public Hearing. Clerk will keep time.

After each speaker has been heard, Mayor asks for any council member response.

Council members may provide brief responses to issues such as clarifications of facts, answers to questions, etc. Council members shall limit their response to only those comments immediately preceding their response.



TOWN COUNCIL

Agenda Item Summary

OCTOBER 8, 2026 REGULAR MEETING

Agenda Item: 8 – Reports

Reports

Background: Updated monthly reports for the Marina and Museum for August and September operations are attached



TOWN COUNCIL

Agenda Item Summary

OCTOBER 8, 2026 REGULAR MEETING

Agenda Item: 8a – Marina Report

Marina Report

Background: The August 2026 marina report shows 35 boats stopped for lunch or shopping and 7 transient boats stayed overnight, along with 2 annual slip renters. Maintenance work included replacing 87 boards on the pier and ramps, replacing 9 cleats, ongoing railing repair and staining, and reorganizing both sheds.

Council Action Requested: Direct any questions to the Town Administrator

Urbanna Town Marina Monthly Report for August 2026

We had 35 boats arrive for lunch/shopping in town.

There were 7 boats for total revenue of \$914.00.

Monthly Slip Rental was \$2800

2 Annual income was \$6400

Extra Amenities Total \$297.00

Ice	\$89.00
Laundry	\$216.00
Ramp	\$10.00
Drink/Snack	-0-
Showers	\$50.00

Replaced 87 boards on pier and ramps

Replaced 9 cleats on pier

Repairing railing and staining still in process

Both sheds were reorganized



TOWN COUNCIL

Agenda Item Summary

OCTOBER 8, 2026 REGULAR MEETING

Agenda Item: 8b – Museum Report

Museum Report

Background: The Council received the corrected August 2026 and the September 2026 Museum Monthly Reports covering visitation, staffing, donations, and upcoming events. August saw 244 visitors, largely due to Founders Day, while September had 154 visitors including group visits from the Carter Family Society, Indian Creek Yacht Club, and Longwood University. Both reports note the museum's plans to participate in the Oyster Wine Stroll and Oyster Festival, ongoing efforts to hire a paid docent and recruit a volunteer docent, and preparations for the Great Scarecrow Showoff and a December Christmas Open House.

Fiscal Impact: The museum reported actual gift donations of about \$982 in August 2026 and \$322.50 in September 2026, generated through cash, credit card, and donation box contributions.

August 2026 Museum Monthly Report *edited

Visitors: 244 (156 Founders Day)

Total Gift Donations: \$1282.00 (*\$982 actual)

Credit Card- \$963.00 (*includes \$500 art sold- \$300 to owner, \$200 museum gift donation= \$663 actual)

Cash- \$319

Donations in Box: \$139.00

Staffing:

2 paid docents worked 63 total hours

1 volunteer worked a total of 25 hours (does not include FOU volunteer hours)

Upcoming Events:

Sunday August 6 at 4:00: Celebration of Life for long time employee Geri Reyes. The town office is organizing the effort to be held at the museum.

Saturday October 10, 2-5: Urbanna Oyster Wine Stroll. The museum plans to participate in the event as in past years. The Town Office will obtain the necessary ABC license. Friends of Urbanna volunteers will assist museum staff with wine serving. Snack type foods will be available to participants.

Past Events:

Founders Day was very well received with many engaged visitors. The Saluda Museum display, military encampment and map presentations were all well attended.

Current Museum Needs:

We are looking for a volunteer interested in serving as a docent from time to time when paid staff are unavailable.

Additionally, we are looking to hire one paid docent. A job description has been written- town office staff will oversee the process. Interested applicants should contact the town office directly.

As Oyster Festival approaches, the museum gift area will be restocked.

September 2026 Museum Monthly Report

Visitors: 154 (52- Carter Family Society; 7-Indian Creek Yacht Club, 10-Longwood Univ)

Total Gift Donations: \$322.50

Credit Card- \$88.50

Cash- \$234

Donations in Box: \$86.00 (additionally \$100 credit card from Longwood University)

Staffing:

1 paid docent worked 54 total hours

1 volunteer worked a total of 32 hours (does not include FOU volunteer hours)

Upcoming Events:

Month of October- UBA's Great Scarecrow Showoff - The museum plans to participate by having colonial scarecrow(s) displayed on the porch of the museum

Saturday October 10, 2-5: UBA's Urbanna Oyster Wine Stroll. The museum plans to participate in the event as in past years. The Town Office has obtained the necessary ABC license. Friends of Urbanna volunteers will assist museum staff with wine serving. Snack type foods will be available to participants.

Oyster Festival- Securing volunteers to assist museum staff both Saturday and Sunday of the festival is underway.

Christmas Open House- The museum plans to have a Christmas Open House as in years past. The event will be Saturday December 5 during regular hours. This coincides with the Christmas House Tour and refreshments will be available.

Past Events:

In September, there was one scheduled map presentation with Dr. Robusto. Longwood University had their annual visit to the area and museum. Ten faculty and students were in attendance and gave \$100 as a donation for their visit.

There were two unscheduled group visits. Ten members of the *Indian Creek Yacht Club* visited the museum along with a larger group visiting Urbanna, as they do each fall. Last year they did schedule a map presentation ahead of time. Members of *The Carter Family Society* visited the museum and the larger group spent the day touring Urbanna. This annual gathering of descendants of the Carter family meets annually. Museum staff offered to schedule a formal map presentation and museum tour for their entire group next year. Both of these groups pre-planned lunch with reservations in town (Urbanna NY Deli and Montague Kitchen).

Current Museum Needs:

We continue to look for a volunteer interested in serving as a docent from time to time when paid staff are unavailable.

Additionally, we continue to accept applications for the paid docent position. A job description has been written- town office staff will oversee the process. Interested applicants should contact the town office directly.

As the above events and the holidays approach, the museum gift area is being restocked.



TOWN COUNCIL

Agenda Item Summary

OCTOBER 8, 2026 REGULAR MEETING

Agenda Item: 9 – Old Business - Purchasing Policy

Old Business

Background: Work continues on a Purchasing Policy that sets clear procedures for how the Town buys goods, services, insurance, and construction. This is revision 2, and incorporates Council's direction from the July 23, 2026 Work Session. The Purchasing Officer may approve purchases up to \$1,000. Purchases from \$1,000.01 to \$4,999.99 require an attempt to obtain three quotes, and purchases of \$5,000 or more require three written bids and Council approval. Recurring payments under contracts already approved by Council are exempt from quoting, and all professional services require Council approval. This revision also adds Preferred Vendors. Once Council approves a vendor for a category of routine purchases, staff can buy from that vendor without getting quotes each time. The policy also covers emergency purchases, check-signing separation, and conflicts of interest. This item returns to Council as Old Business for review and possible adoption or further revision.

Fiscal Impact: The goal of this policy is to protect the taxpayers money by setting clear procedures for purchases while balancing the administrative burden on a small staff

Staff Recommendation: Review this policy; including the purchase thresholds, Preferred Vendor process, and approval procedures described therein.

Council Action Requested: Council is asked to review the revised Purchasing Policy (rev. 2) and determine whether to adopt it or suggest further revisions.

Sample Motions:

I moved to adopt the 2026 Revision 2 Purchasing Policy

or..

I move to table the 2026 Revision 2 Purchasing Policy and request the following changes:

Motion, Second, Discussion, Voice Vote (all in favor, any opposed)

Town of Urbanna, Virginia

Purchasing Policy

1. Purpose

This policy establishes procedures for the procurement of goods, services, insurance, and construction by the Town of Urbanna ("Town"). It is intended to:

- Ensure public funds are spent responsibly and obtain the best value for taxpayers
- Promote fair and open competition among vendors
- Provide clear authority and accountability for purchasing decisions

2. Purchasing Officer

The Town Administrator or designee shall serve as Purchasing Officer(s), responsible for:

- Overseeing all Town purchasing activity
- Approving purchases within the thresholds below
- Maintaining vendor and bid records

Town Employees may initiate purchases within the approved budget but may not obligate the Town beyond the thresholds in Section 4 without Purchasing Officer or Council approval.

3. General Requirements

- All purchases must be within an adopted budget line item or be approved via budget amendment.
- No purchase may be artificially divided into smaller purchases to avoid a competition threshold ("split purchasing" is prohibited).
- Town officials and employees may not have a personal or financial interest in a Town contract, per the State and Local Government Conflict of Interests Act (Va. Code § 2.2-3100 et seq.).
- Gifts or gratuities from vendors to Town officials/employees involved in purchasing decisions are prohibited.
- Recurring payments under obligations previously approved by Council — including utilities, postage, payroll and withholdings, debt service, and payments due under contracts previously awarded in accordance with this policy — may be processed without additional competition or approval, provided funds are available in the adopted budget.
- All Town checks require two authorized signatures. The official who approves a purchase or invoice may not serve as a check signer for the same disbursement.

4. Purchase Thresholds and Procedures

Purchase Amount	Method Required
Up to \$1,000	Purchasing Officer discretion ; obtain best price reasonably available. No formal quotes required, but price should be documented.
\$1,000.01 to \$4,999.99	Informal competition , <u>except for purchases from a Preferred Vendor as provided below</u> . Attempt to obtain a minimum of three (3) written or verbal quotes; document quotes obtained (or attempted) and basis for selection.
\$5,000 and above	Council approval <u>is required before award. This applies to Preferred Vendor purchases too, except in an emergency as provided in Section 6. Obtain at least three (3) informal written bids. Document the</u> required prior to award. Attempt to obtain a minimum of three (3) written or verbal quotes; document bids obtained and the basis for selection.
<u>Preferred Vendors. For recurring purchases of goods and routine services, the Town may designate a Preferred Vendor for a defined category (for example, fuel, supplies, hardware, or routine maintenance). Purchases within that category may be made from the Preferred Vendor without obtaining quotes for each purchase. Professional services, insurance, and construction are not eligible.</u>	
<u>Selection. The Purchasing Officer shall solicit written bids or proposals for the category from at least three (3) vendors where practicable, document the evaluation, and recommend a vendor to administrator. The administrator shall approve each Preferred Vendor and set a not-to-exceed amount for the term.</u>	
<u>Purchases. Purchases from a Preferred Vendor are made at the contract prices. They do not require additional quotes if they are within the approved category and the not-to-exceed amount. Purchases of \$5,000 or more still require Council approval under Section 5, except in an emergency as provided in Section 6. The Purchasing Officer must still approve each purchase, and the budget and split-purchasing rules in Section 3 still apply. A purchase must follow the thresholds in the table above if it is outside the category, would exceed the not-to-exceed amount, or cannot be supplied by the Preferred Vendor in a timely manner. A Preferred Vendor is not guaranteed any minimum volume of purchases.</u>	
<u>Term and rebid. Preferred Vendor status lasts two (2) years, after which the category shall be rebid under the selection process above. The incumbent may bid again. The Purchasing Officer may suspend a Preferred Vendor for poor performance or above-market pricing and shall report any suspension to Council.</u>	

5. Public Contract Award and Approval

- Purchases within the Purchasing Officer's threshold may be executed administratively.
- Purchases of \$5,000 or more, and any purchase not budgeted, require Town Council approval prior to award, including purchases from a Preferred Vendor, except in an emergency as provided in Section 6.
- All engagements of professional services — including attorneys, engineers, accountants, and consultants — require Town Council approval prior to engagement, regardless of the expected amount.
- All contracts must be in writing and signed by the Town Administrator/Mayor as authorized by Council and in accordance with this policy.

6. Emergency and Sole-Source Purchases

When an emergency threatens public health, safety, or the continuity of essential Town services, the Purchasing Officer may make the purchase necessary to address the emergency without competition or prior approval, and shall report the purchase, its cost, and the nature of the emergency to the Town Council at its next regular meeting. When only one vendor is practicably available, a purchase may be negotiated with that vendor, and a written sole-source justification shall be retained.

7. Recordkeeping

The Purchasing Officer will retain, per the Library of Virginia's records retention schedule:

- Quotes, bids, and proposals received
- Justification for sole-source and emergency purchases
- Signed contracts and purchase orders
- Documentation of Council approvals

8. Violations

Purchases made in violation of this policy may be ratified by Council on a case-by-case basis but do not obligate the Town absent such ratification. Repeated or willful violations by staff may result in disciplinary action.



TOWN COUNCIL

Agenda Item Summary

OCTOBER 8, 2026 REGULAR MEETING

Agenda Item: 10a – Audit

Audit

Background: Davis and Associates Certified Public Accountants, PLLC completed the independent audit of the Town of Urbanna's financial statements for the fiscal year ended June 30, 2025, and issued the report on July 24, 2026. The auditor gave an unmodified opinion, stating the financial statements present fairly the Town's financial position and results, and the accompanying compliance report found no material weaknesses in internal control and no instances of noncompliance. Net position at year end was \$2,706,933 for governmental activities and \$1,774,268 for business-type activities.

Fiscal Impact: Auditor's service has been rendered and paid for as budgeted.

Staff Recommendation: Accept the Fiscal Year Ended June 30, 2024 Audit as presented.

Sample Motions:

I move to accept the Fiscal Year 2024-2025 Audit as presented.

Motion, Second, Discussion, Voice Vote (all in favor, any opposed)

Town of Urbanna, Virginia

Annual Financial Report

For the Year Ended June 30,
2025

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Town of Urbanna, Virginia
Financial Report
Fiscal Year Ended June 30, 2025

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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

T. Ted Costin, 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, each major fund, and the aggregate remaining fund information of the Town of Urbanna, Virginia ("The Town"), as of and for the year ended June 30, 2025, 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, 2025, 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. 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 24, 2026, 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 24, 2026

Town of Urbanna, Virginia
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2025

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, 2025. 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, 2025, for the Governmental and Business Type activities, was \$2,706,933, and \$1,774,268 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 \$2,706,933 as of June 30, 2025. The Town's net position decreased by \$241,359 for the fiscal year ended June 30, 2025.

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. This was converted to a USDA loan.

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 – \$261,414.
 - Surplus in the Net Pension Liability - \$(528,530).
 - Meals tax of \$171,144 decreased by \$7,126 from the prior year.
 - Cost of garbage collection increased from \$85,160 to \$98,550.
 - The Pool offers season and day passes for both residents and visitors from out of town.
- The Town anticipates significant seasonal revenue from the Pool.

STATEMENT OF NET POSITION (Exhibit 1) – For the Fiscal Years Ended June 30, 2025 and 2024

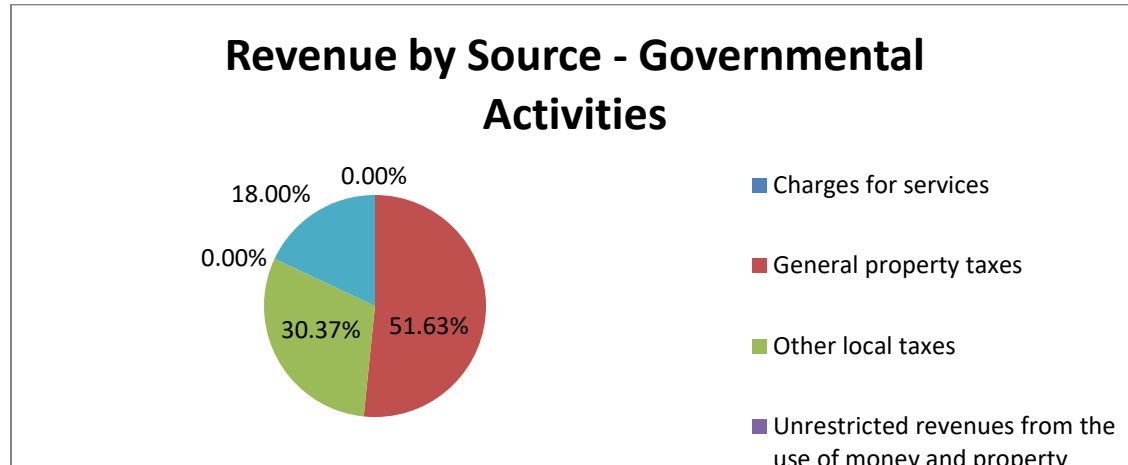
	2025			2024		
	Primary Government			Primary Government		
	Governmental Activities	Business - Type Activities	Total	Governmental Activities	Business - Type Activities	Total
ASSETS						
Cash and cash equivalents	\$ 744,896	\$ 1,416,518	\$ 2,161,414	933,917	\$ 1,231,874	\$ 2,165,791
Due to/from	99,860	96,171	196,031	-	96,171	96,171
Restricted assets:						
Temporarily restricted:						
Cash and cash equivalents	1,199,457	-	1,199,457	1,183,640	-	1,183,640
Capital assets (net of accumulated depreciation):						
Land	228,324	251,000	479,324	228,324	251,000	479,324
Other capital assets	202,097	1,146,901	1,348,998	202,097	8,875	210,972
Total assets	\$ 2,474,634	\$ 2,910,589	\$ 5,385,224	\$ 2,547,978	\$ 1,587,920	\$ 4,135,898
Deferred Outflow of Resources:						
Total Deferred Outflow of Resources	\$ -	-	-	-	-	-
Total Assets and Deferred Outflow of Resources	\$ 2,474,634	2,910,589	5,385,224	2,547,978	1,587,920	4,135,898
LIABILITIES						
Accounts payable and accrued liabilities	\$ 209,275	\$ 60,819	\$ 270,094	133,126	\$ 52,878	\$ 186,004
Unreconciled overdraft	86,959	-	86,959	-	17,327	17,327
Utility deposits	-	19,502	19,502	-	-	-
Long-term liabilities:						
Due in more than one year	-	1,056,000	1,056,000	-	1,056,000	1,056,000
Net Pension Liability	(528,530)	-	(528,530)	(484,930)	-	(484,930)
Total liabilities	\$ (232,297)	\$ 1,136,321	\$ 904,024	\$ (351,804)	\$ 1,126,205	\$ 774,401
Deferred Inflow of Resources:						
Total Deferred Inflow of Resources	\$ -	-	-	(48,510)	-	(48,510)
Total Liabilities and Deferred Inflow of Resources	\$ (232,297)	1,136,321	904,024	(400,314)	1,126,205	725,891
NET POSITION						
Net investment in capital assets	\$ 958,951	\$ 341,901	\$ 1,300,852	915,351	(796,125)	\$ 119,226
Unrestricted (deficit)	1,747,982	1,432,367	3,180,349	2,032,941	1,257,841	3,290,782
Total net position	\$ 2,706,933	\$ 1,774,268	\$ 4,481,201	\$ 2,948,292	\$ 461,716	\$ 3,410,008

STATEMENT OF ACTIVITIES (Exhibit 2) – For the Fiscal Years Ended June 30, 2025, and 2024

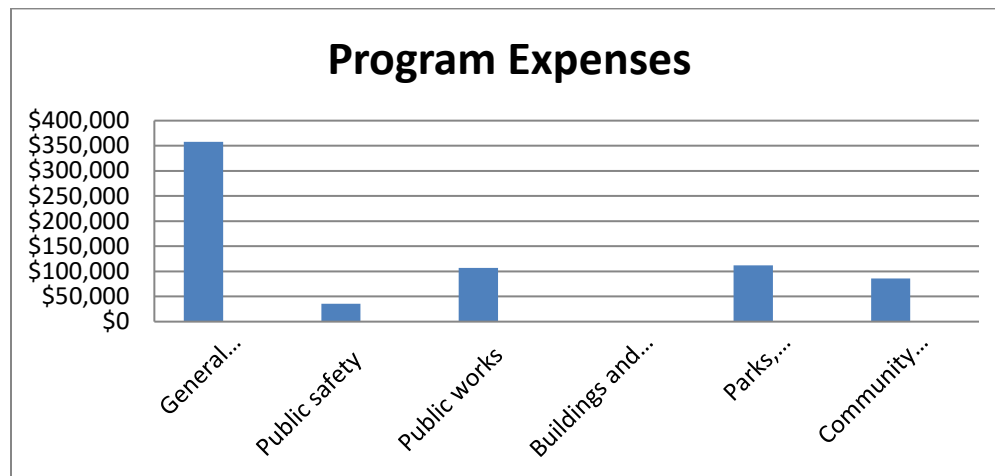
Change in Net Position For Fiscal Years Ending June 30, 2025 and 2024

	Governmental Activities		Business - Type Activities		Total Primary Government	
	2025	2024	2025	2024	2025	2024
Revenues:						
Program revenues:						
Charges for services	\$ -	\$ -	\$ 479,759	\$ 1,328,124	\$ 479,759	\$ 1,328,124
General revenues:						
General property taxes	279,874	280,200	-	-	279,874	280,200
Other local taxes	173,313	172,644	-	-	173,313	172,644
Restaurant and food taxes	171,144	181,730	-	-	171,144	181,730
Unrestricted revenues from the use of money and property	-	-	-	-	-	-
Miscellaneous	63,445	562,605	-	-	63,445	562,605
Total revenues	\$ 687,776	\$ 1,197,179	\$ 479,759	\$ 1,328,124	\$ 1,167,535	\$ 2,525,303
Expenses:						
General government	\$ 473,411	\$ 487,389	\$ -	\$ -	\$ 473,411	\$ 487,389
Public safety	35,000	15,000	-	-	35,000	15,000
Public works	171,190	140,539	-	-	171,190	140,539
Buildings and grounds	-	-	-	-	-	-
Parks, recreation and cultural	101,819	1,267,909	-	-	101,819	1,267,909
Community development	78,464	106,073	-	-	78,464	106,073
Enterprise funds	-	-	414,108	1,046,581	414,108	1,046,581
Total expenses	\$ 859,884	\$ 2,016,910	\$ 414,108	\$ 1,046,581	\$ 1,273,992	\$ 3,063,491
Increase (decrease) in net position before transfers	\$ (172,108)	\$ (819,731)	\$ 65,651	\$ 281,543	\$ (106,458)	\$ (538,188)
Transfers	-	-	-	-	-	-
Increase (decrease) in net position	\$ (172,108)	\$ (819,731)	\$ 65,651	\$ 281,543	\$ (106,458)	\$ (538,188)
Net position - beginning, as adjusted	2,879,040	2,662,666	1,708,617	180,173	4,587,657	2,842,839
Net position - ending	\$ 2,706,933	\$ 1,842,936	\$ 1,774,269	\$ 461,717	\$ 4,481,200	\$ 2,304,652

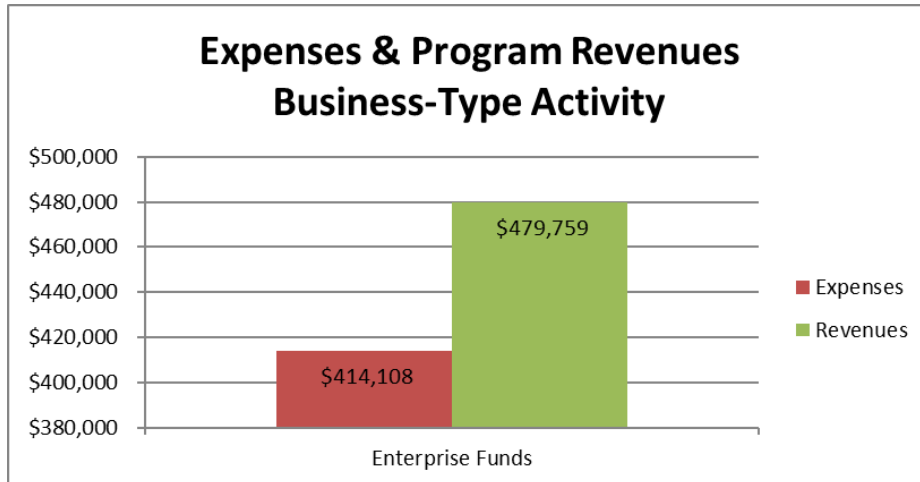
Primary Government Revenues



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, 2025

Statement of Net Position

	Primary Government		
	Governmental	Business -	
	Activities	Type	Total
	Activities	Activities	
ASSETS			
Cash and cash equivalents	\$ 744,896	\$ 1,416,518	\$ 2,161,414
Due to/from	99,860	96,171	196,031
Restricted assets:			
Temporarily restricted:			
Cash and cash equivalents	1,199,457	-	1,199,457
Capital assets (net of accumulated depreciation):			
Land	228,324	251,000	479,324
Other capital assets, including construction in progress	202,097	1,146,901	1,348,998
Total assets	\$ 2,474,634	\$ 2,910,589	\$ 5,385,224
Deferred Outflow of Resources:			
Total Deferred Outflow of Resources	\$ -	-	-
Total Assets and Deferred Outflow of Resources	\$ 2,474,634	2,910,589	5,385,224
LIABILITIES			
Accounts payable and accrued liabilities	\$ 209,275	\$ 60,819	\$ 270,094
Unreconciled overdraft	86,959	-	86,959
Utility deposits	-	19,502	19,502
Noncurrent liabilities:			
Due in more than one year	-	1,056,000	1,056,000
Net Pension Liability	(528,530)	-	(528,530)
Total liabilities	\$ (232,297)	\$ 1,136,321	\$ 904,024
Deferred Inflow of Resources:			
Total Deferred Inflow of Resources	\$ -	-	-
Total Liabilities and Deferred Inflow of Resources	\$ (232,297)	1,136,321	904,024
NET POSITION			
Net investment in capital assets	\$ 958,951	\$ 341,901	\$ 1,300,852
Unrestricted (deficit)	1,747,982	1,432,367	3,180,349
Total net position	\$ 2,706,933	\$ 1,774,268	\$ 4,481,201

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

Year Ended June 30, 2025
Statement of Activities

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Assets		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary Government		Total
					Governmental Activities	Business- Type Activities	
PRIMARY GOVERNMENT:							
Governmental activities:							
General government administration:	\$ 509,928	\$ 36,517	\$ -	\$ -	\$ (473,411)	\$ -	\$ (473,411)
Public safety	35,000	-	-	-	(35,000)	-	(35,000)
Public works	171,190	-	-	-	(171,190)	-	(171,190)
Buildings and grounds	-	-	-	-	-	-	-
Parks, recreation, and cultural	101,819	-	-	-	(101,819)	-	(101,819)
Community development	78,464	-	-	-	(78,464)	-	(78,464)
Total governmental activities	\$ 896,402	\$ 36,517	\$ -	\$ -	\$ (859,884)	\$ -	\$ (859,884)
Business-type activities:							
Water	\$ 290,253	\$ 394,628	\$ -	\$ -	\$ -	\$ 104,375	\$ 104,375
Uptons Point	123,855	85,131	-	-	-	(38,725)	(38,725)
Total business-type activities	\$ 414,108	\$ 479,759	\$ -	\$ -	\$ -	\$ 65,651	\$ 65,651
Total primary government	\$ 1,310,510	\$ 516,276	\$ -	\$ -	\$ (859,884)	\$ 65,651	\$ (794,233)
General revenues:							
General property taxes					\$ 279,874	\$ -	\$ 279,874
Other local taxes					344,457	-	344,457
Permits, privilege fees, and regulatory licenses					36,517	-	36,517
Miscellaneous					26,927	-	26,927
Bristow Pavilion					-	-	-
Pool					-	-	-
Total general revenues and transfers					\$ 687,776	\$ -	\$ 687,776
Changes in net position					(172,108)	65,651	(106,458)
Net position - beginning, as adjusted					2,879,040	1,708,617	4,587,657
Net position - ending					\$ 2,706,933	\$ 1,774,268	\$ 4,481,200

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

June 30, 2025
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	\$ 741,296	\$ -	\$ 3,600	\$ 744,896
Due to/From 100 Fund	99,860	-	-	99,860
Restricted Assets				
Cash and cash equivalents	<u>-</u>	<u>1,122,230</u>	<u>77,227</u>	<u>1,199,457</u>
Total assets	<u>\$ 841,157</u>	<u>\$ 1,122,230</u>	<u>\$ 80,827</u>	<u>\$ 2,044,214</u>
LIABILITIES AND FUND BALANCES				
Liabilities:				
Unreconciled overdraft	\$ -	\$ -	\$ 86,959	\$ 86,959
Accounts payable	\$ (18,341)	\$ 5,150	\$ 10,539	\$ (2,653)
Accrued liabilities	<u>211,927</u>	<u>-</u>	<u>-</u>	<u>211,927</u>
Total liabilities	<u>\$ 193,586</u>	<u>\$ 5,150</u>	<u>\$ 97,497</u>	<u>\$ 296,233</u>
Fund balances:				
Nonspendable:				
Corpus of historical trust fund	\$ -	\$ 1,122,230	\$ 77,227	\$ 1,199,457
Restricted:				
Residential benefit	-	-	-	-
Debt Service	-	-	-	-
Unassigned	<u>647,571</u>	<u>(5,150)</u>	<u>(93,897)</u>	<u>548,524</u>
Total fund balances	<u>\$ 647,571</u>	<u>\$ 1,117,080</u>	<u>\$ (16,670)</u>	<u>\$ 1,747,982</u>
Total liabilities and fund balances	<u>\$ 841,157</u>	<u>\$ 1,122,230</u>	<u>\$ 80,827</u>	<u>\$ 2,044,216</u>

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

June 30, 2025

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	\$	1,747,982
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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		202,097	
Total capital assets			<u>430,421</u>

Deferred outflows of resources

Deferred outflows of resources related to pensions are applicable to future periods and, are not reported in funds

-

Net Pension Liability

Net Pension Liability		<u>528,530</u>
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Net position of governmental activities	\$	<u>2,706,933</u>
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The accompanying notes to the financial statements are an integral part of this statement

Year Ended June 30, 2025

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	\$ 279,874	\$ -	\$ -	\$ 279,874
Other local taxes	344,457	-	-	344,457
Permits, privilege fees, and regulatory licenses	30,017	-	6,500	36,517
Miscellaneous	26,927	-	-	26,927
Bristow Pavilion	-	-	-	-
Pool	-	-	-	-
Total revenues	\$ 681,276	\$ -	\$ 6,500	\$ 687,776
EXPENDITURES				
Current:				
General government administration	\$ 509,928	\$ -	\$ -	\$ 509,928
Public safety	15,000	-	20,000	35,000
Public works	171,190	-	-	171,190
Buildings and grounds	-	-	-	-
Parks, recreation, and cultural	88,119	-	13,700	101,819
Community development	78,464	-	-	78,464
Total expenditures	\$ 862,702	\$ -	\$ 33,700	\$ 896,402
Excess (deficiency) of revenues over (under) expenditures	\$ (181,426)	\$ -	\$ (27,200)	\$ (208,626)
OTHER FINANCING SOURCES (USES)				
Proceeds from debt issuance	\$ -	\$ -	\$ -	\$ -
Transfers in	-	-	-	-
Transfers out	-	-	-	-
Total other financing sources (uses)	\$ -	\$ -	\$ -	\$ -
Net change in fund balances	\$ (181,426)	\$ -	\$ (27,200)	\$ (208,626)
Fund balances - beginning, as adjusted	828,997	1,117,080	10,530	1,956,607
Fund balances - ending	\$ 647,571	\$ 1,117,080	\$ (16,670)	\$ 1,747,982

Year Ended June 30, 2025

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)	\$	(208,626)
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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)
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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.	94,891
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Change in net position of governmental activities	\$	<u>(172,108)</u>
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June 30, 2025
Statement of Net Position
Proprietary Fund

	Business-Type Activities		
	Water Fund	Uptons Point Fund	Total Funds
ASSETS			
Current assets:			
Cash	\$ 1,394,264	\$ 22,253	\$ 1,416,518
Due To/From	27,953	68,218	96,171
Total current assets	\$ 1,422,217	\$ 90,471	\$ 1,512,688
Noncurrent assets:			
Capital assets:			
Land	\$ 251,000	\$ -	\$ 251,000
Construction in progress	1,138,026	-	1,138,026
Other capital assets	1,632,962	-	1,632,962
Less accumulated depreciation	(1,624,087)	-	(1,624,087)
Total capital assets	\$ 1,397,901	\$ -	\$ 1,397,901
Total noncurrent assets	\$ 1,397,901	\$ -	\$ 1,397,901
Total assets	\$ 2,820,118	\$ 90,471	\$ 2,910,589
Deferred Outflow of Resources:			
Total Deferred Outflow of Resources	\$ -	\$ -	\$ -
Total Assets and Deferred Outflow of Resources	\$ 2,820,118	\$ 90,471	\$ 2,910,589
LIABILITIES			
Current liabilities:			
Accounts payable	\$ 59,949	\$ 870	\$ 60,819
Utility deposits	19,502	-	19,502
Total current liabilities	\$ 79,451	\$ 870	\$ 80,321
Noncurrent liabilities:			
USDA note payable	\$ 1,056,000	\$ -	\$ 1,056,000
Total noncurrent liabilities	\$ 1,056,000	\$ -	\$ 1,056,000
Total liabilities	\$ 1,135,451	\$ 870	\$ 1,136,321
Deferred Inflow of Resources:			
Total Deferred Inflow of Resources	\$ -	\$ -	\$ -
Total Liabilities and Deferred Inflow of Resources	\$ 1,135,451	\$ 870	\$ 1,136,321
NET POSITION			
Net investment in capital assets	\$ 341,901	\$ -	\$ 341,901
Unrestricted	1,342,766	89,601	1,432,367
Total net position	\$ 1,684,667	\$ 89,601	\$ 1,774,268

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

Year Ended June 30, 2025
Statement of Revenues, Expenses and Changes in Net Position
Proprietary Fund

	Business-Type Activities		
	Water Fund	Uptons Point Fund	Total Funds
OPERATING REVENUES			
Charges for services	\$ 394,628	\$ 85,131	\$ 479,759
Total operating revenues	\$ 394,628	\$ 85,131	\$ 479,759
OPERATING EXPENSES			
Personnel services	\$ 82,714	\$ 28,588	\$ 111,303
Fringe benefits	27,007	-	27,007
Contractual services	35,803	2,519	38,323
Other charges	141,785	83,216	225,001
Materials and supplies	2,943	9,531	12,474
Depreciation	-	-	-
Total operating expenses	\$ 290,253	\$ 123,855	\$ 414,108
Operating income (loss)	\$ 104,375	\$ (38,725)	\$ 65,651
NONOPERATING REVENUES (EXPENSES)			
Total nonoperating revenues (expenses)	\$ 291,561	\$ -	\$ -
Income before contributions and transfers	\$ 395,936	\$ (38,725)	\$ 65,651
Transfers In	\$ -	\$ -	\$ -
Transfers Out	-	-	-
Change in net position	\$ 395,936	\$ (38,725)	\$ 65,651
Total net position - beginning	1,288,731	128,326	1,417,057
Total net position - ending	\$ 1,684,667	\$ 89,601	\$ 1,774,269

Year Ended June 30, 2025
Statement of Cash Flows
Proprietary Fund

	Business-Type Activities		
	Water Fund	Upton's Point Fund	Total Funds
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from customers	\$ 394,628	\$ 85,131	\$ 479,759
Payments to employees and on behalf of employees	(109,721)	(28,588)	(138,310)
Payments to suppliers	(180,532)	(95,267)	(275,799)
Net cash provided (used) by operating activities	\$ 104,375	\$ (38,725)	\$ 65,651
CASH FLOWS FROM NONCAPITAL AND RELATED FINANCING ACTIVITIES			
Net increase (decrease) in cash and cash equivalents	\$ 104,375	\$ (38,725)	\$ 65,651
Cash and cash equivalents - beginning	1,289,889	60,977	1,350,867
Cash and cash equivalents - ending	\$ 1,394,264	\$ 22,253	\$ 1,416,518
Reconciliation of operating income (loss) to net cash provided (used) by operating activities			
Operating income (loss)	\$ 104,375	\$ (38,725)	\$ 65,651
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:			
Total adjustments	\$ -	\$ -	\$ -
Net cash provided (used) by operating activities	\$ 104,375	\$ (38,725)	\$ 65,651

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 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 2025.

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.

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 \$2,465 at June 30, 2025.

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 INVESTMENTSDeposits

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, 2025.

NOTE 4 INTERFUND BALANCES AND ACTIVITY

There were no interfund receivables, payables or related activity as of June 30, 2025.

NOTE 5 DUE FROM OTHER GOVERNMENTAL UNITS

There were no amounts due from other governments at June 30, 2025.

NOTE 6 DEFERRED REVENUE

There were no deferred revenue amounts at June 30, 2025.

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	\$ 228,324	\$ -	\$ -	\$ 228,324
Capital assets being depreciated:				
Buildings and improvements	\$ 1,070,437	\$ -	\$ -	\$ 1,070,437
Office and other equipment	303,068	-	-	303,068
Total capital assets being depreciated	\$ 1,373,505	\$ -	\$ -	\$ 1,373,505
Less accumulated depreciation for:				
Buildings and improvements	\$ 860,263	\$ 52,120	\$ -	\$ 912,383
Office and other equipment	252,772	6,253	-	259,025
Total accumulated depreciation	\$ 1,113,035	\$ 58,373	\$ -	\$ 1,171,408
Total capital assets being depreciated, net	\$ 260,470	\$ (58,373)	\$ -	\$ 202,097
Governmental activities capital assets, net	\$ 488,794	\$ (58,373)	\$ -	\$ 430,421
Depreciation expense has been allocated as follows:				
General government administration	\$	15,120		
Public works		41,231		
Parks, recreation and cultural		2,023		
Total depreciation expense	\$	58,373		

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		

Construction in Progress

The Town has an ongoing construction project related to the water system. Until the project is fully completed – costs incurred will be recorded under “Construction in progress”. Depreciation expense is not applicable to Construction in progress until the asset is fully brought into service. GASB Statement 89 - Accounting for Interest Cost Incurred before the End of a Construction Period – requires that interest costs incurred before the asset is put in service is recognized as an expense and not included in the value of the asset when it is put in service. Consequently, the Town recognizes all interest paid on the loan as an expense in the period incurred.

NOTE 8 LONG-TERM OBLIGATIONS

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. This liability was rolled over into a USDA loan.

NOTE 9 CLAIMS, 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 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, 2024, actuarial valuation, the following employees were covered by the benefit terms of the pension plan:

	Town
Retirees and Beneficiaries	8
Inactive Vested Members	2
Inactive Nonvested Members	0
Long Term Disability	0
Active Elsewhere in VRS	3
Active Employees	3
Total	16

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, 2025, 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, 2024. The total pension liability used to calculate the net pension liability was determined by an actuarial valuation performed as of June 30, 2022, rolled forward to the measurement date of June 30, 2024.

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, 2022, using the Entry Age Normal actuarial cost method and the following assumptions, applied to all periods included in the measurement and rolled forward to the measurement date of June 30, 2024.

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

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

Mortality Rates (Pre-retirement, post-retirement healthy, and disabled)	Update to Pub-2010 public sector mortality tables. For future mortality improvements, replace load with a modified Mortality Improvement Scale MP-2020
Retirement Rates	Adjusted 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, 2024.

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

All Others (Non 10 Largest) – Hazardous Duty:

Mortality Rates (Pre-retirement, post-retirement healthy, and disabled)	Update 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:

NOTE 10**DEFINED BENEFIT PENSION PLAN – continued**

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%	6.14 %	2.09%
Fixed Income	15.00%	2.56%	0.38%
Credit Strategies	14.00%	5.60%	0.78%
Real Assets	14.00%	5.02%	0.70%
Private Equity	16.00%	9.17%	1.47%
MAPS - Multi-Asset Public Strategies	4.00%	4.50%	0.18%
PIP - Private Investment Partnership	2.00%	7.18%	0.14%
Cash	1.00%	1.20%	0.01%
Total	100.00%		5.75%
	Inflation		2.50%
	*Expected arithmetic nominal return		8.25%

* The above allocation provides a one-year expected return of 8.25%. However, one-year returns do not take into account the volatility present in each of the asset classes. In setting the long-term expected return for the System, stochastic projections are employed to model future returns under various economic conditions. The results provide a range of returns over various time periods that ultimately provide a median return of 7.14%, including expected inflation of 2.50%.

**On June 15, 2023, the VRS Board elected a long-term rate of return of 6.75% which was roughly at the 45th percentile of expected long-term results of the VRS fund asset allocation at that time, providing a median return of 7.14%, including expected inflation of 2.50%.

Discount Rate

The discount rate used to measure the total pension liability was 6.75%. The projection of cash flows used to determine the discount rate assumed that System member contributions will be made per the VRS Statutes and the employer contributions will be made in accordance with the VRS funding policy at rates equal to the difference between actuarially determined contribution rates adopted by the VRS Board of Trustees and the member rate. Consistent with the phased-in funding provided by the General Assembly for state and teacher employer contributions; the Town and Component Unit School Board (nonprofessional) was also provided with an opportunity to use an alternative employer contribution rate. For the year ended June 30, 2023, the alternate rate was the employer contribution rate used in FY 2012 or 100% of the actuarially determined employer contribution rate from the June 30, 2022 actuarial valuations, whichever was greater. Through the fiscal year ended June 30, 2023, the rate contributed by the school division for the VRS Teacher Retirement Plan was subject to the portion of the VRS Board-certified rates that are funded by the Virginia General Assembly, which was 112% of the actuarially determined contribution rate. From July 1, 2023 on, participating employers and school divisions are assumed to continue to contribute 100% of the actuarially determined contribution rates. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore,

the long-term expected rate of return was applied to all periods of projected benefit payments to determine the total pension liability.

NOTE 10 DEFINED BENEFIT PENSION PLAN – continued

Changes in Net Pension Liability

	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability/(Asset) (a) – (b)
Balance as of June 30, 2023	\$ 788,959	\$ 1,273,889	\$ (484,930)
Change for the year:			
Service cost	8,593		8,593
Interest	51,871		51,871
Change in Benefit Terms	0		0
Change in Assumptions	0		0
Difference Between Expected and Actual Experience	22,456		22,456
Contributions - Employer		0	0
Contributions - Employee		5,596	(5,596)
Net investment income		121,747	(121,747)
Benefit Payments, Including Refunds of Employee Contributions	(58,175)	(58,175)	0
Pension Plan Administrative Expense		(847)	847
Other changes	0	24	(24)
Net Change	24,745	68,345	(43,600)
Balance as of June 30, 2024	\$ 813,704	\$ 1,342,234	\$ (528,530)

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 net pension liability of the Town and Component Unit School Board (nonprofessional) using the discount rate of 6.75%, as well as what the Town's and Component Unit School Board's (nonprofessional) 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 Rate 6.75%	1% Increase 7.75%
Plan's Net Pension Liability	\$ (445,908)	\$ (528,530)	\$ (598,679)

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

For the year ended June 30, 2025, the Town recognized pension expense of \$3,592 at June 30, 2025, the Town's deferred outflows of resources were \$(26,799). At June 30, 2025, the Town reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

Reporting Date Ending June 30,		
2026	\$	(26,799)
2027		10,521
2028		(6,812)
2029		(7,513)
2030		0
Thereafter		0
Total	\$	(30,603)

NOTE 10 DEFINED BENEFIT PENSION PLAN – continued**Pension Plan Data**

Information about the VRS Political Subdivision Retirement Plan is also available in the separately issued VRS 2024 Annual Comprehensive Financial Report (Annual Report). A copy of the 2024 VRS Annual Report may be downloaded from the VRS website at <http://www.varetire.org/Pdf/Publications/2024-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, 2025, 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, 2025, no funds had a deficit balance.

NOTE 15 ADJUSTMENTS TO BEGINNING BALANCES

<u>Fund</u>	<u>Net Position Governmental Activities</u>	<u>Net Position Business Type Activities</u>
Beginning net position/fund balances as previously reported, 6/30/24	\$ 1,842,936	\$ 461,717
Correction of capital assets and depreciation	<u>1,036,104</u>	<u>1,246,900</u>
Beginning net position/fund balances as restated, 7/1/24	\$ <u>2,879,040</u>	\$ <u>1,708,617</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 24, 2026, 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, 2025

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

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance</u>
	<u>Original</u>	<u>Final</u>	<u>Amounts</u>	<u>with Final Budget - Positive (Negative)</u>
REVENUES				
General property taxes	\$ 261,000	\$ 261,000	\$ 279,874	\$ 18,874
Other local taxes	353,232	353,232	344,457	(8,775)
Permits, privilege fees, and regulatory licenses	60,100	60,100	30,017	(30,083)
Miscellaneous	25,600	25,600	26,927	1,327
Total revenues	<u>\$ 699,932</u>	<u>\$ 699,932</u>	<u>\$ 681,276</u>	<u>\$ (18,657)</u>
EXPENDITURES				
Current:				
General government administration	\$ 447,787	\$ 447,787	\$ 509,928	\$ (62,141)
Public safety	17,000	17,000	15,000	2,000
Public works	153,960	153,960	171,190	(17,230)
Parks, recreation, and cultural	72,600	72,600	88,119	(15,519)
Community development	81,185	81,185	78,464	2,721
Total expenditures	<u>\$ 772,532</u>	<u>\$ 772,532</u>	<u>\$ 862,702</u>	<u>\$ (90,169)</u>
Excess (deficiency) of revenues over (under) expenditures	<u>\$ (72,600)</u>	<u>\$ (72,600)</u>	<u>\$ (181,426)</u>	<u>\$ (108,826)</u>
OTHER FINANCING SOURCES (USES)				
Total other financing sources and uses	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Net change in fund balances	\$ (72,600)	\$ (72,600)	\$ (181,426)	\$ (108,826)
Fund balances - beginning	72,600	72,600	828,997	756,397
Fund balances - ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 647,571</u>	<u>\$ 647,571</u>

Year Ended June 30, 2025
Schedule of Revenues – Budget and Actual
General Fund

<u>Fund, Major and Minor Revenue Source</u>	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget - Positive (Negative)</u>
Real property taxes	\$ 246,000	\$ 246,000	\$ 261,414	\$ 15,414
Real property taxes - delinquent	2,000	2,000	3,370	1,370
Public service corporation taxes	3,200	3,200	2,595	(605)
Personal property taxes	9,000	9,000	10,453	1,453
Personal property taxes - delinquent	100	100	166	66
Penalties	200	200	668	468
Interest	500	500	1,207	707
Total general property taxes	\$ 261,000	\$ 261,000	\$ 279,874	\$ 18,874
State sales tax	\$ 26,032	\$ 26,032	\$ 33,103	\$ 7,071
Consumer utility tax	2,500	2,500	7,217	4,717
Business license tax	10,000	10,000	12,271	2,271
Cigarette tax	6,000	6,000	-	(6,000)
Motor vehicle license tax	10,000	10,000	9,920	(80)
Bank franchise tax	55,000	55,000	37,529	(17,471)
Lodging tax	35,000	35,000	33,436	(1,564)
Lodging - Occupancy Tax Escrow	-	-	-	-
Meals tax	165,000	165,000	171,144	6,144
Meals tax penalty	500	500	851	351
Oyster Festival meals tax	18,000	18,000	15,890	(2,110)
Oyster Festival meals tax penalty	-	-	-	-
Oyster Festival business licenses	23,200	23,200	20,750	(2,450)
Communication sales tax	2,000	2,000	2,348	348
Total other local taxes	\$ 353,232	\$ 353,232	\$ 344,457	\$ (8,775)
Total tax	\$ 614,232	\$ 614,232	\$ 624,331	\$ 10,099
Permits, privilege fees, and regulatory licenses:				
Zoning and subdivision permits	\$ 1,400	\$ 1,400	\$ 2,976	\$ 1,576
Golf carts	1,000	1,000	3,100	2,100
Interest earned from banks	500	500	23,941	23,441
Rental of property	57,200	57,200	-	(57,200)
Total permits, privilege fees, and regulatory licenses	\$ 60,100	\$ 60,100	\$ 30,017	\$ (57,200)
Charges for Services:				
Daily Pool Fees	\$ 72,600	\$ 72,600	\$ 15,901	\$ (56,699)
Total Charges for Services	\$ 72,600	\$ 72,600	\$ 15,901	\$ (56,699)
Miscellaneous Revenue:				
Visitor Center donations	\$ 900	\$ 900	\$ 679	\$ (221)
Visitor Center merchandise donations	1,000	1,000	2,608	1,608
Miscellaneous revenue	500	500	2,271	1,771
Cats Meow	200	200	374	174
PPTRA (Tax Relief)	6,000	6,000	5,995	(5)
Litter control grant	2,000	2,000	-	(2,000)
Fire program funds	15,000	15,000	15,000	-
Cares fund	-	-	-	-
Total Miscellaneous	\$ 25,600	\$ 25,600	\$ 26,927	\$ -
Total other fees	\$ 158,300	\$ 158,300	\$ 72,846	\$ (113,899)
Miscellaneous income	\$ -	\$ -	\$ -	\$ -
Total miscellaneous revenue	\$ -	\$ -	\$ -	\$ -
Total revenue from local sources	\$ 772,532	\$ 772,532	\$ 697,177	\$ (75,356)
Total General Fund	\$ 772,532	\$ 772,532	\$ 697,177	\$ (75,356)

Year Ended June 30, 2025
 Schedule of Expenditures – Budget and Actual
 General Fund

<u>Fund, Major and Minor Revenue Source</u>	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget - Positive (Negative)</u>
General Fund:				
General government administration:				
Town Council	\$ 16,360	\$ 16,360	\$ 25,045	\$ (8,685)
Town Treasurer	55,215	55,215	95,110	(39,895)
Town Clerk	60,992	60,992	43,459	17,533
Town Administrator	137,520	137,520	110,708	26,812
Professional services	62,000	62,000	35,400	26,600
General administration	115,700	115,700	200,206	(84,506)
Total general government administration	<u>\$ 447,787</u>	<u>\$ 447,787</u>	<u>\$ 509,928</u>	<u>\$ (62,141)</u>
Public safety:				
Public safety:	\$ 17,000	\$ 17,000	\$ 15,000	\$ 2,000
Total public safety	<u>\$ 17,000</u>	<u>\$ 17,000</u>	<u>\$ 15,000</u>	<u>\$ 2,000</u>
Public works:				
Refuse collection	\$ 90,600	\$ 90,600	\$ 98,550	\$ (7,950)
Maintenance and grounds	63,360	63,360	72,640	(9,280)
Total public works	<u>\$ 153,960</u>	<u>\$ 153,960</u>	<u>\$ 171,190</u>	<u>\$ (17,230)</u>
Parks, recreation and cultural:				
Regional Pool	\$ 72,600	\$ 72,600	\$ 88,119	\$ (15,519)
Total parks, recreation and cultural	<u>\$ 72,600</u>	<u>\$ 72,600</u>	<u>\$ 88,119</u>	<u>\$ (15,519)</u>
Community development:				
Planning and community development	\$ 24,000	\$ 24,000	\$ 26,954	\$ (2,954)
Oyster fest	23,950	23,950	21,079	2,871
Trolley	8,600	8,600	8,500	100
Visitor's center	24,635	24,635	21,931	2,704
Total planning and community development	<u>\$ 81,185</u>	<u>\$ 81,185</u>	<u>\$ 78,464</u>	<u>\$ 2,721</u>
 Total General Fund	 <u>\$ 772,532</u>	 <u>\$ 772,532</u>	 <u>\$ 862,702</u>	 <u>\$ (90,169)</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, 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, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Town of Urbanna, Virginia, as of and for the year ended June 30, 2025, and the related notes to the financial statements, which collectively comprise the Town of Urbanna, Virginia's basic financial statements and have issued our report thereon dated July 24, 2026.

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 24, 2026



TOWN COUNCIL

Agenda Item Summary

OCTOBER 8, 2026 REGULAR MEETING

Agenda Item: 11 – PUBLIC COMMENT 2 & COUNCIL RESPONSE TO PUBLIC COMMENT 2

Mayor opens Public Comment Period and asks if all who desire to speak have had a chance to sign up.

NO SPEAKERS: Mayor closes Public Comment Period.

SPEAKERS: Mayor explains that each individual has five minutes to address Council on matters not scheduled for Public Hearing. Clerk will keep time.

After each speaker has been heard, Mayor asks for any council member response.

Council members may provide brief responses to issues such as clarifications of facts, answers to questions, etc. Council members shall limit their response to only those comments immediately preceding their response.



TOWN COUNCIL

Agenda Item Summary

OCTOBER 8, 2026 REGULAR MEETING

Agenda Item: 12 – COUNCIL ANNOUNCEMENTS & REQUESTS

Mayor calls on each council member by name to share any announcements or requests.

This time is generally used for individual council members to share information with other council members and the public and to make any announcements of interest to citizens. Council members may also request information from staff and/or items requiring action for inclusion on a future agenda during this time. This time should not be used to respond to Public Comment issues.



TOWN COUNCIL

Agenda Item Summary

OCTOBER 8, 2026 REGULAR MEETING

Agenda Item: 13 – CLOSED MEETING - TOWN ADMINISTRATOR HIRING DISCUSSION

13a - Motion to Convene Closed Meeting

Motion: I move that the Town of Urbanna Town Council convene in Closed Meeting in accordance with Section 2.2-3711 (A)(1) of the Code of Virginia to discuss or consider discussion, consideration, or interviews of prospective candidates for employment.

Motion, Second, Discussion, Roll Call by Clerk

13b – Motion to Reconvene in Open Session

Motion: I move that the Town of Urbanna Town Council reconvene in open session.

Motion, Second, Discussion, Voice Vote

13c – Certification of Closed Meeting

Motion: I move that the Town Council of the Town of Urbanna approve Standing Resolution 1 (SR-1) in accordance with Section 2.2-3712 (D) of the Code of Virginia, 1950, as amended, certifying that the Closed Meeting was conducted in conformity with the requirements of the Virginia Freedom of Information Act.

Motion, Second

Discussion - If any councilmember disagrees, they must so state at this time.

Roll Call by Clerk



**TOWN
COUNCIL**

Agenda Item Summary

OCTOBER 8, 2026 REGULAR MEETING

Agenda Item: 14 – ADJOURN OR RECESS

Motion to adjourn. No second needed. Voice Vote (all in favor, any opposed)