

# TOWN OF MINERAL, VIRGINIA



## ANNUAL FINANCIAL REPORT

---

FOR THE FISCAL YEAR ENDED JUNE 30, 2022



**TOWN OF MINERAL, VIRGINIA**

**ANNUAL FINANCIAL REPORT**

**FOR THE YEAR ENDED JUNE 30, 2022**

---

THIS PAGE LEFT BLANK INTENTIONALLY



## TOWN OF MINERAL, VIRGINIA

---

### TOWN COUNCIL

---

Ronald Chapman, Vice-Mayor  
Olivia McCarthy  
Bernice Kube

Edward Jarvis, Mayor

Dave Hempstead  
Michelle Covert

### GENERAL TOWN GOVERNMENT

---

Town Manager  
Town Clerk  
Town Attorney

Nicole Washington  
Kelly Singletary  
Catherine Lea

THIS PAGE LEFT BLANK INTENTIONALLY

**TOWN OF MINERAL, VIRGINIA**  
**FINANCIAL REPORT**  
**FOR THE YEAR ENDED JUNE 30, 2022**

**TABLE OF CONTENTS**

---

	<u><b>Page</b></u>
Independent Auditors' Report	1-3
<u><b>Basic Financial Statements</b></u>	
<b>Government-wide Financial Statements</b>	
Exhibit 1 Statement of Net Position	4
Exhibit 2 Statement of Activities	5
<b>Fund Financial Statements</b>	
Exhibit 3 Balance Sheet—Governmental Funds	6
Exhibit 4 Reconciliation of the Balance Sheet of Governmental Funds to the Statement of Net Position	7
Exhibit 5 Statement of Revenues, Expenditures and Changes in Fund Balances—Governmental Funds	8
Exhibit 6 Reconciliation of Statement of Revenues, Expenditures and Changes in Fund Balances of the Governmental Funds to the Statement of Activities	9
Exhibit 7 Statement of Net Position — Proprietary Funds	10
Exhibit 8 Statement of Revenues, Expenses, and Changes in Net Position— Proprietary Funds	11
Exhibit 9 Statement of Cash Flows—Proprietary Funds	12
<b>Notes to Financial Statements</b>	13-41
<u><b>Required Supplementary Information:</b></u>	
Exhibit 10 Schedule of Revenues, Expenditures and Changes in Fund Balances—Budget and Actual—General Fund	42
Exhibit 11 Schedule of Changes in Net Pension Liability (Asset) and Related Ratios— Primary Government	43
Exhibit 12 Schedule of Employer Contributions — Pension Plan	44
Exhibit 13 Notes to Required Supplementary Information — Pension Plan	45

**TOWN OF MINERAL, VIRGINIA**  
**FINANCIAL REPORT**  
**FOR THE YEAR ENDED JUNE 30, 2022**

**TABLE OF CONTENTS**

---

	<u><b>Page</b></u>
 <b><u>Supporting Schedules:</u></b>	
Schedule 1 Schedule of Revenues—Budget and Actual—Governmental Funds	46-47
Schedule 2 Schedule of Expenditures—Budget and Actual—Governmental Funds	48
 <b><u>Other Statistical Information:</u></b>	
Table 1 Government-Wide Expenses by Function	49
Table 2 Government-Wide Revenues	50
Table 3 General Governmental Expenditures by Function	51
Table 4 General Governmental Revenues by Source	52
Table 5 Property Tax Levies and Collections	53
Table 6 Assessed Value of Taxable Property	54
Table 7 Property Tax Rates	55
Table 8 Ratio of Net General Obligation Bonded Debt to Assessed Value and Net	56
Table 9 Computation of Legal Debt Margin	57
 <b><u>Compliance:</u></b>	
Independent Auditors' Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with Government Auditing Standards	58-59
Schedule of Findings and Responses	60-65



ROBINSON, FARMER, COX ASSOCIATES, PLLC

*Certified Public Accountants*

---

**Independent Auditors' Report**

---

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

**Report on the Audit of the Financial Statements**

***Opinions***

We have audited the accompanying financial statements of the governmental activities, the business-type activities and each major fund of Town of Mineral, Virginia, as of and for the year ended June 30, 2022, and the related notes to the financial statements, which collectively comprise the Town's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the governmental activities, business-type activities and each major fund of Town of Mineral, Virginia, as of June 30, 2022, and the changes in financial position, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

***Basis for Opinions***

We conducted our audit in accordance with auditing standards generally accepted in the United States of America 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 Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Town of Mineral, 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 Town of Mineral, Virginia's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

## ***Auditors' Responsibilities for the Audit of the Financial Statements***

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of Town of Mineral, Virginia's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Town of Mineral, 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 budgetary comparison information and the schedules related to pension and OPEB funding as listed in the table of contents be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance. The budgetary comparison information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

### ***Required Supplementary Information (Continued)***

Management has omitted management's discussion and analysis that accounting principles generally accepted in the United States of America require to be presented to supplement the basic financial statements. Such missing information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. Our opinion on the basic financial statements is not affected by this missing information.

### ***Supplementary Information***

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise Town of Mineral, Virginia's basic financial statements. The other supplementary information is 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 other supplementary information is 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 April 1, 2025, on our consideration of Town of Mineral, Virginia's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of Town of Mineral, Virginia's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Town of Mineral, Virginia's internal control over financial reporting and compliance.

*Robinson, Farnum, Cox Associates*

Richmond, Virginia  
April 1, 2025

THIS PAGE LEFT BLANK INTENTIONALLY



## ***BASIC FINANCIAL STATEMENTS***

THIS PAGE LEFT BLANK INTENTIONALLY

## ***GOVERNMENT-WIDE FINANCIAL STATEMENTS***

THIS PAGE LEFT BLANK INTENTIONALLY

Town of Mineral, Virginia  
Statement of Net Position  
June 30, 2022

	Primary Government		
	Governmental Activities	Business-type Activities	Total
<b>ASSETS</b>			
Cash and cash equivalents	\$ 288,252	\$ 336,633	\$ 624,885
Receivables (net of allowance for uncollectibles):			
Taxes receivable	43,100	-	43,100
Accounts receivable	-	26,516	26,516
Due from other governmental units	9,389	-	9,389
Internal balances	2,086,877	(2,086,877)	-
Net pension asset	71,122	-	71,122
Capital assets (net of accumulated depreciation):			
Land	150,336	14,000	164,336
Buildings and improvements	573,609	-	573,609
Infrastructure	-	1,722,638	1,722,638
Total assets	\$ 3,222,685	\$ 12,910	\$ 3,235,595
<b>DEFERRED OUTFLOWS OF RESOURCES</b>			
Pension related items	\$ 6,573	\$ -	\$ 6,573
Total deferred outflows of resources	\$ 6,573	\$ -	\$ 6,573
<b>LIABILITIES</b>			
Accounts payable	\$ -	\$ 9,298	\$ 9,298
Unearned revenue	271,311	-	271,311
Long-term liabilities:			
Due within one year	5,956	19,250	25,206
Due in more than one year	307,511	723,357	1,030,868
Total liabilities	\$ 584,778	\$ 751,905	\$ 1,336,683
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Pension related items	\$ 31,337	\$ -	\$ 31,337
Total deferred inflows of resources	\$ 31,337	\$ -	\$ 31,337
<b>NET POSITION</b>			
Net investment in capital assets	\$ 410,608	\$ 994,031	\$ 1,404,639
Restricted - pension	71,122	-	71,122
Unrestricted (deficit)	2,131,413	(1,733,026)	398,387
Total net position (deficit)	\$ 2,613,143	\$ (738,995)	\$ 1,874,148

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

Town of Mineral, Virginia  
Statement of Activities  
For the Year Ended June 30, 2022

Functions/Programs	Program Revenues				Net (Expense) Revenue and Changes in Net Position			
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary Government			
					Governmental Activities	Business-type Activities	Total	
PRIMARY GOVERNMENT:								
Governmental activities:								
General government administration	\$ 536,264	\$ 387,583	\$ 9,659	\$ -	\$ (139,022)	\$ -	\$ (139,022)	
Public safety	-	-	15,000	-	15,000	-	15,000	
Public works	96,700	-	1,329	-	(95,371)	-	(95,371)	
Interest on long-term debt	11,868	-	-	-	(11,868)	-	(11,868)	
Total governmental activities	\$ 644,832	\$ 387,583	\$ 25,988	\$ -	\$ (231,261)	\$ -	\$ (231,261)	
Business-type activities:								
Water and Sewer	\$ 501,777	\$ 236,056	\$ -	\$ 23,000	\$ -	\$ (242,721)	\$ (242,721)	
Spring Grove Cemtery	1,135	64,514	-	-	-	63,379	63,379	
Total business-type activities	\$ 502,912	\$ 300,570	\$ -	\$ 23,000	\$ -	\$ (179,342)	\$ (179,342)	
Total primary government	\$ 1,147,744	\$ 688,153	\$ 25,988	\$ 23,000	\$ (231,261)	\$ (179,342)	\$ (410,603)	
General Revenues:								
General property taxes					\$ 157,956	\$ -	\$ 157,956	
Other local taxes:								
Local sales and use tax					47,562	-	47,562	
Business license tax					26,131	-	26,131	
Restaurant food tax					47,512	-	47,512	
Bank franchise taxes					49,065	-	49,065	
Other local taxes					2,182	-	2,182	
Unrestricted revenues from use of money and property					383	1,688	2,071	
Miscellaneous					428	-	428	
Grants and contributions not restricted to specific programs					8,956	-	8,956	
Transfers					50,000	(50,000)	-	
Total general revenues and transfers					\$ 390,175	\$ (48,312)	\$ 341,863	
Change in net position					\$ 158,914	\$ (227,654)	\$ (68,740)	
Net position - beginning					2,454,229	(511,341)	1,942,888	
Net position - ending					\$ 2,613,143	\$ (738,995)	\$ 1,874,148	

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

## *FUND FINANCIAL STATEMENTS*

THIS PAGE LEFT BLANK INTENTIONALLY



Town of Mineral, Virginia  
Balance Sheet  
Governmental Funds  
June 30, 2022

---

	<u>General</u>
<b>ASSETS</b>	
Cash and cash equivalents	\$ 288,252
Receivables (net of allowance for uncollectibles):	
Taxes receivable	43,100
Due from other funds	2,086,877
Due from other governmental units	9,389
Total assets	<u>\$ 2,427,618</u>
<b>LIABILITIES</b>	
Unearned revenue - ARPA federal funding	\$ 271,311
Total liabilities	<u>\$ 271,311</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>	
Unavailable revenue - property taxes	\$ 38,822
Total deferred inflows of resources	<u>\$ 38,822</u>
<b>FUND BALANCES</b>	
Unassigned	\$ 2,117,485
Total fund balances	<u>\$ 2,117,485</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 2,427,618</u>

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

Town of Mineral, Virginia  
Reconciliation of the Balance Sheet of Governmental Funds  
to the Statement of Net Position  
June 30, 2022

---

Amounts reported for governmental activities in the Statement of Net Position are different because:

Total fund balances per Exhibit 3 - Balance Sheet - Governmental Funds		\$ 2,117,485
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.		723,945
Other long-term assets are not available to pay for current-period expenditures and, therefore, are unavailable in the funds.		
Unavailable revenue - property taxes	\$ 38,822	
Net pension asset	<u>71,122</u>	109,944
Deferred outflows of resources are not available to pay for current-period expenditures and, therefore, are not reported in the funds.		
Pension related items		6,573
Long-term liabilities are not due and payable in the current period and, therefore, are not reported in the funds. The following is a summary of items supporting this adjustment:		
Compensated absences	\$ (130)	
General obligation bond	<u>(313,337)</u>	(313,467)
Deferred inflows of resources are not due and payable in the current period and, therefore, are not reported in the funds.		
Pension related items		(31,337)
Net position of governmental activities		<u><u>\$ 2,613,143</u></u>

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

Town of Mineral, Virginia  
Statement of Revenues, Expenditures, and Changes in Fund Balances  
Governmental Funds  
For the Year Ended June 30, 2022

---

	<u>General</u>
<b>REVENUES</b>	
General property taxes	\$ 147,521
Other local taxes	172,452
Permits, privilege fees, and regulatory licenses	33,750
Revenue from the use of money and property	383
Charges for services	353,833
Miscellaneous	428
Intergovernmental:	
Commonwealth	25,285
Federal	9,659
Total revenues	<u>\$ 743,311</u>
<b>EXPENDITURES</b>	
Current:	
General government administration	\$ 515,552
Public works	95,050
Debt service:	
Principal retirement	5,725
Interest and other fiscal charges	11,868
Total expenditures	<u>\$ 628,195</u>
Excess (deficiency) of revenues over (under) expenditures	<u>\$ 115,116</u>
<b>OTHER FINANCING SOURCES (USES)</b>	
Transfers in	\$ 50,000
Total other financing sources (uses)	<u>\$ 50,000</u>
Net change in fund balances	\$ 165,116
Fund balance - beginning	1,952,369
Fund balances - ending	<u><u>\$ 2,117,485</u></u>

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

Town of Mineral, Virginia  
Reconciliation of the Statement of Revenues,  
Expenditures, and Changes in Fund Balances of Governmental Funds  
to the Statement of Activities  
For the Year Ended June 30, 2022

---

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

Net change in fund balances - total governmental funds		\$ 165,116
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 depreciation exceeded capital outlays in the current period.		
Depreciation expense		(19,372)
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.		
Property taxes		10,435
The issuance of long-term debt (e.g. bonds, leases) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on Net Position. A summary of items supporting this adjustment is as follows:		
Principal retirement on general obligation bond		5,725
Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore are not reported as expenditures in governmental funds. The following is a summary of items supporting this adjustment:		
Change in compensated absences	\$ 4,243	
Change in pension related items	<u>(7,233)</u>	(2,990)
Change in net position of governmental activities		<u><u>\$ 158,914</u></u>

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

Town of Mineral, Virginia  
Statement of Net Position  
Proprietary Funds  
June 30, 2022

	Enterprise Funds		
	Water and Sewer	Spring Grove Cemetery	Total
<b>ASSETS</b>			
Current assets:			
Cash and cash equivalents	\$ -	\$ 336,633	\$ 336,633
Accounts receivable, net of allowance for uncollectibles	26,516	-	26,516
Total current assets	<u>\$ 26,516</u>	<u>\$ 336,633</u>	<u>\$ 363,149</u>
Noncurrent assets:			
Capital assets:			
Land	\$ -	\$ 14,000	\$ 14,000
Infrastructure	1,722,638	-	1,722,638
Net capital assets	<u>\$ 1,722,638</u>	<u>\$ 14,000</u>	<u>\$ 1,736,638</u>
Total noncurrent assets	<u>\$ 1,722,638</u>	<u>\$ 14,000</u>	<u>\$ 1,736,638</u>
Total assets	<u>\$ 1,749,154</u>	<u>\$ 350,633</u>	<u>\$ 2,099,787</u>
<b>LIABILITIES</b>			
Current liabilities:			
Accounts payable	\$ 9,298	\$ -	\$ 9,298
Due to other funds	2,086,877	-	2,086,877
Bonds payable - current portion	19,250	-	19,250
Total current liabilities	<u>\$ 2,115,425</u>	<u>\$ -</u>	<u>\$ 2,115,425</u>
Noncurrent liabilities:			
Bonds payable - net of current portion	\$ 723,357	\$ -	\$ 723,357
Total noncurrent liabilities	<u>\$ 723,357</u>	<u>\$ -</u>	<u>\$ 723,357</u>
Total liabilities	<u>\$ 2,838,782</u>	<u>\$ -</u>	<u>\$ 2,838,782</u>
<b>NET POSITION</b>			
Net investment in capital assets	\$ 980,031	\$ 14,000	\$ 994,031
Unrestricted (deficit)	(2,069,659)	336,633	(1,733,026)
Total net position (deficit)	<u>\$ (1,089,628)</u>	<u>\$ 350,633</u>	<u>\$ (738,995)</u>

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

Town of Mineral, Virginia  
Statement of Revenues, Expenses, and Changes in Net Position  
Proprietary Funds  
For the Year Ended June 30, 2022

	Enterprise Funds		
	<u>Water and Sewer</u>	<u>Spring Grove Cemetery</u>	<u>Total</u>
<b>OPERATING REVENUES</b>			
Charges for services:			
Water and sewer sales	\$ 236,056	\$ -	\$ 236,056
Sale of lots and permits	-	64,514	64,514
Total operating revenues	\$ 236,056	\$ 64,514	\$ 300,570
<b>OPERATING EXPENSES</b>			
County wastewater	\$ 105,540	\$ -	\$ 105,540
County water	104,208	-	104,208
Repairs and maintenance	126,670	-	126,670
Electricity	5,001	-	5,001
Water testing	10,535	-	10,535
Assessment management	15,860	-	15,860
Payments to Louisa Water Authority	26,496	-	26,496
Cemtery operating	-	727	727
Depreciation	71,715	408	72,123
Total operating expenses	\$ 466,025	\$ 1,135	\$ 467,160
Operating income (loss)	\$ (229,969)	\$ 63,379	\$ (166,590)
<b>NONOPERATING REVENUES (EXPENSES)</b>			
Connection fees	\$ 23,000	\$ -	\$ 23,000
Interest income	-	1,688	1,688
Interest expense	(35,752)	-	(35,752)
Total nonoperating revenues (expenses)	\$ (12,752)	\$ 1,688	\$ (11,064)
Income (loss) before transfers	\$ (242,721)	\$ 65,067	\$ (177,654)
Transfers out	\$ -	\$ (50,000)	\$ (50,000)
Change in net position	\$ (242,721)	\$ 15,067	\$ (227,654)
Total net position (deficit) - beginning	(846,907)	335,566	(511,341)
Total net position (deficit) - ending	\$ (1,089,628)	\$ 350,633	\$ (738,995)

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

Town of Mineral, Virginia  
Statement of Cash Flows  
Proprietary Funds  
For the Year Ended June 30, 2022

	Enterprise Funds		
	Water and Sewer	Spring Grove Cemetery	Total
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Receipts from customers and users	\$ 736,120	\$ 64,514	\$ 800,634
Payments for operating expenses	(394,193)	(727)	(394,920)
Net cash provided by (used for) operating activities	\$ 341,927	\$ 63,787	\$ 405,714
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>			
Transfers to other funds	\$ -	\$ (50,000)	\$ (50,000)
Net cash provided by (used for) noncapital financing activities	\$ -	\$ (50,000)	\$ (50,000)
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>			
Purchase of capital assets	\$ (310,818)	\$ -	\$ -
Principal payments on bonds	(18,357)	-	(18,357)
Connection and reconnection fees	23,000	-	23,000
Interest payments	(35,752)	-	(35,752)
Net cash provided by (used for) capital and related financing activities	\$ (341,927)	\$ -	\$ (31,109)
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Interest received	\$ -	\$ 1,688	\$ 1,688
Net cash provided by (used for) investing activities	\$ -	\$ 1,688	\$ 1,688
Net increase (decrease) in cash and cash equivalents	\$ -	\$ 15,475	\$ 326,293
Cash and cash equivalents - beginning	-	321,158	321,158
Cash and cash equivalents - ending	\$ -	\$ 336,633	\$ 647,451
<b>Reconciliation of operating income (loss) to net cash provided by (used for) operating activities:</b>			
Operating income (loss)	\$ (229,969)	\$ 63,379	\$ (166,590)
Adjustments to reconcile operating income (loss) to net cash provided by (used for) operating activities:			
Depreciation	\$ 71,715	\$ 408	\$ 72,123
(Increase) decrease in accounts receivable	2,268	-	2,268
(Increase) decrease in due from other funds	497,796	-	497,796
Increase (decrease) in accounts payable	117	-	117
Total adjustments	\$ 571,896	\$ 408	\$ 572,304
Net cash provided by (used for) operating activities	\$ 341,927	\$ 63,787	\$ 405,714

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

THIS PAGE LEFT BLANK INTENTIONALLY



## TOWN OF MINERAL, VIRGINIA

### NOTES TO FINANCIAL STATEMENTS JUNE 30, 2022

---

#### ***Note 1—Summary of Significant Accounting Policies:***

---

Town of Mineral, Virginia (the "Town") is governed by an elected six-member Council and an elected Mayor. The Town provides a full range of services for its citizens. These services include fire and rescue, public improvements, general administration services, sanitation services, and utilities.

The financial statements of Town of Mineral, Virginia have been prepared in conformity with accounting principles generally accepted in the United States as specified by the Governmental Accounting Standards Board (GASB). The more significant of the Town's accounting policies are described below.

#### Financial Statement Presentation

##### Government-wide and Fund Financial Statements

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

The government-wide financial statements (i.e., the Statement of Net Position and the Statement of Activities) report information on all of the nonfiduciary activities of the primary government and its component units. For the most part, the effect of interfund activity has been removed from these statements. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support. Likewise, the primary government is reported separately from certain legally separate component units for which the primary government is financially accountable.

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

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

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenues include 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as general revenues.

## TOWN OF MINERAL, VIRGINIA

### NOTES TO FINANCIAL STATEMENTS (CONTINUED) JUNE 30, 2022

---

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

---

##### **Government-wide and Fund Financial Statements (Continued)**

Separate financial statements are provided for governmental funds, proprietary funds, and fiduciary funds, even though the latter are excluded from the government-wide financial statements. Major individual governmental 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 one way or another 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. Many governments revise their original budgets over the course of the year for a variety of reasons. The budgetary comparison schedules present the original budget, the final budget, and the actual activity of the major governmental funds.

##### **A. Financial Reporting Entity**

The basic criterion for determining whether a governmental department, agency, institution, commission, public authority, or other governmental organization should be included in a primary governmental unit's reporting entity for the basic financial statements is financial accountability. Financial accountability includes the appointment of a voting majority of the organization's governing body and the ability of the primary government to impose its will on the organization or if there is a financial benefit/burden relationship. In addition, an organization which is fiscally dependent on the primary government should be included in its reporting entity. These financial statements present Town of Mineral (the primary government) and its component units. 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. Each discretely presented component unit, on the other hand, is reported in a separate column in the combined financial statements to emphasize that it is legally separate from the government.

##### **B. Individual Component Unit Disclosures**

*Blended Component Units.* The Town has no blended component units at June 30, 2022.

*Discretely Presented Component Units.* The Town has no discretely presented component units at June 30, 2022.

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

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

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

## TOWN OF MINERAL, VIRGINIA

### NOTES TO FINANCIAL STATEMENTS (CONTINUED) JUNE 30, 2022

---

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

---

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

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

The government-wide statement of activities reflects both the gross and net cost per functional category (public safety, public works, health and welfare, etc.) which 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 revenues must be directly associated with the function (public safety, public works, etc.) or a business-type activity.

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

Property taxes, franchise taxes, licenses, and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. Accordingly, real and personal property taxes are recorded as revenues and receivables when billed, net of allowances for uncollectible amounts. Property taxes not collected within 60 days after year-end are reflected as unavailable revenues. Sales and utility taxes, which are collected by the state or utility and subsequently remitted to the Town, are recognized as revenues and receivables upon collection by the state or utility, which is generally within two months preceding receipt by the Town.

Licenses, permits, fines and rents are recorded as revenues when received. Intergovernmental revenues, consisting primarily of federal, state and other grants for the purpose of funding specific expenditures, are recognized when earned or at the time of the specific expenditure. Revenues from general purpose grants are recognized in the period to which the grant applies. All other revenue items are considered to be measurable and available only when cash is received by the government.

## TOWN OF MINERAL, VIRGINIA

### NOTES TO FINANCIAL STATEMENTS (CONTINUED) JUNE 30, 2022

---

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

---

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

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.

##### **1. Governmental Funds**

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

##### **a. General Fund**

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

##### **2. Proprietary Funds**

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

##### **a. Water and Sewer Fund**

The water and sewer fund accounts for the financing of water and sewer services to the general public where all or most of the operating expenses involved are intended to be recovered in the form of user charges.

##### **b. Spring Grove Cemetery**

The Spring Grove Cemetery operating account is used to account for the maintenance of the cemetery. It is the intent of the Town to transfer a portion of cemetery receipts to a separate perpetual care fund to guarantee future maintenance.

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues consist of charges to customers for sales and services. Operating expenses include the costs of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

## TOWN OF MINERAL, VIRGINIA

### NOTES TO FINANCIAL STATEMENTS (CONTINUED) JUNE 30, 2022

---

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

---

##### **D. Cash and Cash Equivalents**

Cash and cash equivalents include cash on hand, amounts in demand deposits, and short-term investments with a maturity date within three months of the date acquired by the government. For purposes of the statement of cash flows, the government's proprietary funds consider their demand deposits and all highly liquid investments with an original maturity of three months or less when purchased to be cash equivalents.

##### **E. Investments**

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

##### **F. Prepaid Items**

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

##### **G. Receivables and Payables**

Activity between funds that is representative of lending/borrowing arrangements outstanding at the end of the fiscal year is referred to as "due to/from other funds" (i.e. the current portions of the interfund loans). All other outstanding balances between funds are reported as "advances to/from other funds" (i.e. the noncurrent portion of interfund loans).

All trade and property tax receivables are shown net of an allowance for uncollectibles. The Town calculates its allowance for uncollectible accounts using historical collection data and, in certain cases, specific account analysis. The allowance amounted to \$18,451 for water and sewer billings at June 30, 2022. All property taxes are deemed collectible.

##### **Real and Personal Property Tax Data:**

The tax calendars for real and personal property taxes are summarized below.

	<u>Real Property</u>	<u>Personal Property</u>
Levy	August 14	August 14
Due Date	January 15	January 15
Lien Date	January 15	January 15

The Town bills and collects its own property taxes.

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

**H. Capital Assets**

Capital assets, which include property, plant, equipment, and infrastructure assets (e.g., roads, bridges, sidewalks, and similar items), and are reported in the applicable governmental or business-type activity column in the government-wide financial statements. Capital assets are defined by the Town as land, buildings, and equipment with an initial individual cost of more than \$5,000 (amount not rounded) and an estimated useful life in excess of two years. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at acquisition value at the date of donation.

As the Town constructs or acquires capital assets each period, including infrastructure assets, they are capitalized and reported at historical cost (except for intangible right-to-use lease assets (lease assets), the measurement of which is discussed in more detail below). The reported value excludes normal maintenance and repairs, which are amounts spent in relation to capital assets that do not increase the asset’s capacity or efficiency or increases its estimated useful life. Donated capital assets are recorded at acquisition value at the date of donation. Acquisition value is the price that would be paid to acquire an asset with equivalent service potential on the date of the donation. Intangible assets follow the same capitalization policies as tangible capital assets and are reported with tangible assets in the appropriate capital asset class.

Land and construction in progress are not depreciated. The other tangible and intangible property, plant equipment, lease assets, and infrastructure of the primary government, as well as the component unit, are depreciated/amortized using the straight-line method over the following estimated useful lives:

<u>Assets</u>	<u>Years</u>
Buildings and Improvements	15-40
Infrastructure	10-40
Machinery and Equipment	3-10

**I. Compensated Absences**

Vested or accumulated vacation and compensatory leave that is expected to be liquidated with expendable available financial resources is reported as an expenditure and a fund liability of the governmental fund that will pay it. Amounts of vested or accumulated vacation and compensatory leave that are not expected to be liquidated with expendable available financial resources are reported as an expense in the Statement of Activities and a long-term obligation in the Statement of Net Position. No liability is reported for nonvesting accumulating rights to receive sick pay benefits.

## TOWN OF MINERAL, VIRGINIA

### NOTES TO FINANCIAL STATEMENTS (CONTINUED) JUNE 30, 2022

---

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

---

##### **J. Use of Estimates**

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

##### **K. Net Position**

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

- Net investment in capital assets consists of capital assets, net of accumulated depreciation/amortization and reduced by outstanding balances of bonds, notes, and other debt that are attributable to the acquisition, construction, or improvement of those assets. Deferred outflows of resources and deferred inflows of resources that are attributable to the acquisition, construction, or improvement of those assets or related debt are included in this component of net position.
- Restricted net position consists of restricted assets reduced by liabilities and deferred inflows of resources related to those assets. Assets are reported as restricted when constraints are placed on asset use either by external parties or by law through constitutional provision or enabling legislation.
- Unrestricted net position is the net amount of the assets, deferred outflows of resources, liabilities, and deferred inflows of resources that does not meet the definition of the two preceding categories.

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

##### **L. Long-term Obligations**

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

In the fund financial statements, governmental fund types recognize bond premiums and discounts during the current period. The face amount of debt issued and premiums on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses.

## TOWN OF MINERAL, VIRGINIA

### NOTES TO FINANCIAL STATEMENTS (CONTINUED) JUNE 30, 2022

---

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

---

##### **M. Fund Balance**

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

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

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

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



TOWN OF MINERAL, VIRGINIA

NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
JUNE 30, 2022

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

**M. Fund Balance (Continued)**

The details of governmental fund balances, as presented in aggregate on Exhibit 3, are as follows:

	General
Fund balances:	
Unassigned	\$ 2,117,485
Total fund balances	<u>\$ 2,117,485</u>

**N. Deferred Outflows/Inflows of Resources**

In addition to assets, the statement of financial position includes a separate section for deferred outflows of resources. Deferred outflows of resources, represents a consumption of net assets that applies to future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. The Town has one item that qualifies for reporting in this category. It is comprised of certain items related to pension. For more detailed information on these items, reference the related notes.

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

**O. Pensions**

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

## TOWN OF MINERAL, VIRGINIA

### NOTES TO FINANCIAL STATEMENTS (CONTINUED) JUNE 30, 2022

---

#### ***Note 2—Stewardship, Compliance, and Accounting:***

---

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

1. Prior to June 30, the Town Manager 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 Ordinance.
4. The Appropriations Ordinance 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 Manager is authorized to transfer budgeted amounts within general government departments.
5. Formal budgetary integration is employed as a management control device during the year and budgets are legally adopted for the General Fund of the primary government.
6. All budgets are adopted on a basis consistent with generally accepted accounting principles (GAAP).
7. Appropriations lapse on June 30, every year.
8. All budgetary data presented in the accompanying financial statements is from the revised budget as of June 30, 2022, as adopted, appropriated and legally amended.
9. Expenditures and Appropriations  
Expenditures did not exceed appropriations at June 30, 2022.

#### ***Note 3—Deposits and Investments:***

---

##### Deposits

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

## TOWN OF MINERAL, VIRGINIA

### NOTES TO FINANCIAL STATEMENTS (CONTINUED) JUNE 30, 2022

#### *Note 3—Deposits and Investments: (Continued)*

##### Investments

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

##### Credit Risk of Debt Securities

The Town’s rated debt investments as of June 30, 2022 were rated by Standard and Poor’s and the ratings are presented below using Standard and Poor’s rating scale.

Town's Rated Debt Investments' Values	
<u>Rated Debt Investments</u>	<u>Fair Quality Ratings</u>
	<u>AAAm</u>
Local Government Investment Pool	<u>\$ 99,019</u>
Total	<u><u>\$ 99,019</u></u>

Investment Maturities (in years)		
<u>Investment Type</u>	<u>Fair Value</u>	<u>Less Than 1 Year</u>
Local Government Investment Pool	<u>\$ 99,019</u>	<u>\$ 99,019</u>
Total	<u><u>\$ 99,019</u></u>	<u><u>\$ 99,019</u></u>

##### External Investment Pool

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

# TOWN OF MINERAL, VIRGINIA

## NOTES TO FINANCIAL STATEMENTS (CONTINUED) JUNE 30, 2022

### **Note 4—Due from Other Governments:**

At June 30, 2022, the Town has receivables from other governments as follows:

	Governmental Activities
Commonwealth of Virginia:	
Local sales and use taxes	\$ 8,373
Auto rental tax	810
Communication tax	206
	<u>          </u>
Total due from other governments	<u><u>\$ 9,389</u></u>

### **Note 5—Capital Assets:**

The following is a summary of changes in capital assets for the fiscal year ended June 30, 2022:

	Balance July 1, 2021	Additions	Deletions	Balance June 30, 2022
<i>Governmental Activities:</i>				
Capital assets not subject to depreciation:				
Land	\$ 150,336	\$ -	\$ -	\$ 150,336
Capital assets subject to depreciation:				
Buildings and improvements	\$ 779,348	\$ -	\$ -	\$ 779,348
Machinery and equipment	94,191	-	-	94,191
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>
Total capital assets subject to depreciation	\$ 873,539	\$ -	\$ -	\$ 873,539
Accumulated depreciation:				
Buildings and improvements	\$ 186,367	\$ 19,372	\$ -	\$ 205,739
Machinery and equipment	94,191	-	-	94,191
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>
Total accumulated depreciation	\$ 280,558	\$ 19,372	\$ -	\$ 299,930
Total capital assets subject to depreciation, net	\$ 592,981	\$ (19,372)	\$ -	\$ 573,609
Governmental activities capital assets, net	<u><u>\$ 743,317</u></u>	<u><u>\$ (19,372)</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 723,945</u></u>

TOWN OF MINERAL, VIRGINIA

NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
JUNE 30, 2022

**Note 5—Capital Assets: (Continued)**

The following is a summary of changes in capital assets for the fiscal year ended June 30, 2022:

	Balance July 1, 2021	Additions	Deletions	Balance June 30, 2022
<i>Business-type Activities:</i>				
Capital assets not subject to depreciation:				
Land	\$ 14,000	\$ -	\$ -	\$ 14,000
Total capital assets not subject to depreciation	\$ 14,000	\$ -	\$ -	\$ 14,000
Capital assets subject to depreciation:				
Infrastructure	\$ 2,915,707	\$ 306,218	\$ -	\$ 3,221,925
Machinery and equipment	58,338	4,600	-	62,938
Total capital assets subject to depreciation	\$ 2,974,045	\$ 310,818	\$ -	\$ 3,284,863
Accumulated depreciation:				
Infrastructure	\$ 1,431,764	\$ 72,123	\$ -	\$ 1,503,887
Machinery and equipment	58,338	-	-	58,338
Total accumulated depreciation	\$ 1,490,102	\$ 72,123	\$ -	\$ 1,562,225
Total capital assets subject to depreciation, net	\$ 1,483,943	\$ 238,695	\$ -	\$ 1,722,638
Business-type activities capital assets, net	\$ 1,497,943	\$ 238,695	\$ -	\$ 1,736,638

Depreciation expense was charged to functions/programs as follows:

Governmental activities:	
General government administration	\$ 17,722
Public works	1,650
Total depreciation expense - governmental activities	\$ 19,372
Business-type activities:	
Water and sewer fund	\$ 71,715
Springe Grove Cemtery fund	408
Total depreciation expense - business-type activities	\$ 72,123
Total depreciation expense - primary government	\$ 91,495

TOWN OF MINERAL, VIRGINIA

NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
JUNE 30, 2022

**Note 6—Long-term Obligations:**

The following is a summary of changes in long-term obligations for the fiscal year-ended June 30, 2022:

	Balance at July 1, 2021	Issuances/ Increases	Retirements/ Decreases	Balance at June 30, 2022	Amounts Due Within One Year
Governmental Activities:					
General obligation bond	\$ 319,062	\$ -	\$ 5,725	\$ 313,337	\$ 5,943
Compensated absences	4,373	130	4,373	130	13
Total Governmental Activities	\$ 323,435	\$ 130	\$ 10,098	\$ 313,467	\$ 5,956
Business-type Activities:					
General obligation bond	\$ 760,964	\$ -	\$ 18,357	\$ 742,607	\$ 19,250
Total Business-type Activities	\$ 760,964	\$ -	\$ 18,357	\$ 742,607	\$ 19,250
Total Primary Government	\$ 1,084,399	\$ 130	\$ 28,455	\$ 1,056,074	\$ 25,206

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

Year Ending June 30	Governmental Activities	
	General Obligation Bond	
	Principal	Interest
2023	\$ 5,943	\$ 11,649
2024	6,170	11,422
2025	6,405	11,187
2026	6,650	10,942
2027-2031	37,254	50,706
2032-2036	44,924	43,036
2037-2041	54,173	33,787
2042-2046	65,326	22,634
2047-2051	86,492	9,157
Total	\$ 313,337	\$ 204,520

TOWN OF MINERAL, VIRGINIA

NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
JUNE 30, 2022

---

***Note 6—Long-term Obligations: (Continued)***

---

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

Year Ending June 30	Business-type Activities	
	General Obligation Bond	
	Principal	Interest
2023	\$ 19,250	\$ 34,858
2024	20,184	33,924
2025	21,164	32,944
2026	22,192	31,916
2027-2031	128,204	142,336
2032-2036	162,496	108,044
2037-2041	205,960	64,580
2042-2044	163,157	13,006
Total	<u>\$ 742,607</u>	<u>\$ 461,608</u>

*The remainder of this page left blank intentionally.*

TOWN OF MINERAL, VIRGINIA

NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
JUNE 30, 2022

**Note 6—Long-term Obligations: (Continued)**

Details of Long-term Obligations:

	Total Amount
<u>Governmental Activities:</u>	
<u>General Obligation Bond:</u>	
\$360,000 general obligation bond issued August 11, 2011, due in monthly installments of \$1,466 through May 2051 with interest due monthly at 3.75%	\$ 313,337
Compensated absences	130
Total Long-term Obligations, Governmental Activities	\$ 313,467
<u>Business-type Activities:</u>	
<u>General Obligation Bond:</u>	
\$959,200 general obligation bond issued March 11, 2002, due in monthly installments of \$4,509 through April 2044 with interest due monthly at 4.75%	\$ 742,607
Total Long-term Obligations, Business-type Activities	\$ 742,607
Total Long-term Obligations, Primary Government	\$ 1,056,074

**Note 7—Unavailable Revenue and Deferred Revenue:**

Deferred/unavailable revenue represent amounts for which asset recognition criteria have been met, but for which revenue recognition criteria have not been met. Under the modified accrual basis of accounting, such amounts are measurable, but not available. Under the accrual basis, assessments for future periods are deferred.

	Balance Sheet
	Governmental Funds
<b>Primary Government:</b>	
Unavailable property tax revenue representing uncollected property tax billings that are not available for the funding of current expenditures	\$ 38,822
Total deferred revenue/unavailable revenue	\$ 38,822



## TOWN OF MINERAL, VIRGINIA

### NOTES TO FINANCIAL STATEMENTS (CONTINUED) JUNE 30, 2022

---

#### ***Note 8—Litigation:***

---

At June 30, 2022, there were no matters of litigation involving the Town which would materially affect the Town's financial position should any court decisions on pending matters not be favorable to the Town.

#### ***Note 9—Risk Management:***

---

The Town is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; errors and omissions; injuries to employees; natural disasters; and employee dishonesty. To reduce insurance costs and the need for self-insurance, the Town has joined with other municipalities in the Commonwealth of Virginia in a public entity risk pool that operates as common risk management and insurance program for member municipalities. The Town is not self-insured.

The Town has insurance coverage with Virginia Risk Sharing Association. Each Association member jointly and severally agrees to assume, pay and discharge any liability. The Town pays contributions and assessments based upon classifications and rates into a designated cash reserve fund out of which expenses of the Association and claims and awards are to be paid. In the event of a loss deficit and depletion of all available excess insurance, the Association may assess all members in the proportion that the premium of each bears to the total premiums of all members in the year in which such deficit occurs. The Town's settled claims have not exceeded insurance coverage in any of the past three fiscal years.

#### ***Note 10—Transfers:***

---

Interfund transfers for the year ended June 30, 2022, consisted of the following:

<u>Fund</u>	<u>Transfers In</u>	<u>Transfers Out</u>
Primary Government:		
General	\$ 50,000	\$ -
Spring Grove Cemetery	<u>-</u>	<u>50,000</u>
Total	<u>\$ 50,000</u>	<u>\$ 50,000</u>

Transfers are used to (1) move revenues from the fund that statute or budget requires to collect them to the fund that statute or budget requires to expend them and (2) use unrestricted revenues collected in the General Fund to finance various programs accounted for in other funds in accordance with budgeting authorization.

#### ***Note 11—Pension Plan:***

---

##### ***Plan Description***

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

## TOWN OF MINERAL, VIRGINIA

### NOTES TO FINANCIAL STATEMENTS (CONTINUED) JUNE 30, 2022

---

#### *Note 11—Pension Plan: (Continued)*

---

##### ***Benefit Structures***

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

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

## TOWN OF MINERAL, VIRGINIA

### NOTES TO FINANCIAL STATEMENTS (CONTINUED) JUNE 30, 2022

#### *Note 11—Pension Plan: (Continued)*

##### *Average Final Compensation and Service Retirement Multiplier*

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

##### *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, 2020 actuarial valuation, the following employees were covered by the benefit terms of the pension plan:

	<u>Primary Government</u>
Inactive members or their beneficiaries currently receiving benefits	2
Inactive members:	
Non-vested inactive members	6
Inactive members active elsewhere in VRS	1
Total inactive members	7
Active members	6
Total covered employees	15

TOWN OF MINERAL, VIRGINIA

NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
JUNE 30, 2022

---

*Note 11—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, 2022 was 1.68% of covered employee compensation. This rate was based on an actuarially determined rate from an actuarial valuation as of June 30, 2019.

This rate, when combined with employee contributions, was expected to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. Contributions to the pension plan from the Town were \$432 and \$168 for the years ended June 30, 2022 and June 30, 2021, respectively.

**Net Pension Asset**

The net pension asset is calculated separately for each employer and represents that particular employer’s total pension liability determined in accordance with GASB Statement No. 68, less that employer’s fiduciary net position. For the Town, the net pension asset was measured as of June 30, 2021. The total pension liability used to calculate the net pension liability was determined by an actuarial valuation performed as of June 30, 2020, rolled forward to the measurement date of June 30, 2021.

**Actuarial Assumptions - General Employees**

The total pension liability for General Employees in the Town’s Retirement Plan was based on an actuarial valuation as of June 30, 2020, 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, 2021.

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

## TOWN OF MINERAL, VIRGINIA

### NOTES TO FINANCIAL STATEMENTS (CONTINUED) JUNE 30, 2022

#### *Note 11—Pension Plan: (Continued)*

##### *Actuarial Assumptions - General Employees (Continued)*

###### Mortality rates:

###### Pre-Retirement:

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

###### Post-Retirement:

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

###### Post-Disablement:

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

###### Beneficiaries and Survivors:

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

###### Mortality Improvement:

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

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

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

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

TOWN OF MINERAL, VIRGINIA

NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
JUNE 30, 2022

---

*Note 11—Pension Plan: (Continued)*

---

*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, 2020, 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, 2021.

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

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

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

TOWN OF MINERAL, VIRGINIA

NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
JUNE 30, 2022

---

***Note 11—Pension Plan: (Continued)***

---

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

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

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

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

*Remainder of page left intentionally blank*

TOWN OF MINERAL, VIRGINIA

NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
JUNE 30, 2022

*Note 11—Pension Plan: (Continued)*

**Long-Term Expected Rate of Return**

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

Asset Class (Strategy)	Long-Term Target Asset Allocation	Arithmetic Long-term Expected Rate of Return	Weighted Average Long-term Expected Rate of Return*
Public Equity	34.00%	5.00%	1.70%
Fixed Income	15.00%	0.57%	0.09%
Credit Strategies	14.00%	4.49%	0.63%
Real Assets	14.00%	4.76%	0.67%
Private Equity	14.00%	9.94%	1.39%
MAPS - Multi-Asset Public Strategies	6.00%	3.29%	0.20%
PIP - Private Investment Partnership	3.00%	6.84%	0.21%
Total	100.00%		4.89%
		Inflation	2.50%
		Expected arithmetic nominal return*	7.39%

\*The above allocation provides a one-year expected return of 7.39%. However, one-year returns do not take into account the volatility present in each of the asset classes. In setting the long-term expected return for the System, stochastic projections are employed to model future returns under various economic conditions. These results provide a range of returns over various time periods that ultimately provide a median return of 6.94%, including expected inflation of 2.50%.

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



TOWN OF MINERAL, VIRGINIA

NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
JUNE 30, 2022

**Note 11—Pension Plan: (Continued)**

**Discount Rate**

The discount rate used to measure the total pension liability was 6.75%. The projection of cash flows used to determine the discount rate assumed that System member contributions will be made per the VRS Statutes and the employer contributions will be made in accordance with the VRS funding policy at rates equal to the difference between actuarially determined contribution rates adopted by the VRS Board of Trustees and the member rate. Consistent with the phased-in funding provided by the General Assembly for state and teacher employer contributions; the Town was also provided with an opportunity to use an alternative employer contribution rate. For the year ended June 30, 2021, the alternate rate was the employer contribution rate used in FY 2012 or 100% of the actuarially determined employer contribution rate from the June 30, 2017 actuarial valuations, whichever was greater. From July 1, 2021 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.

**Changes in Net Pension Asset**

	Primary Government		
	Increase (Decrease)		
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (Asset) (a) - (b)
Balances at June 30, 2021	\$ 200,207	\$ 228,288	\$ (28,081)
Changes for the year:			
Service cost	\$ 12,427	\$ -	\$ 12,427
Interest	13,107	-	13,107
Changes of assumptions	(820)	-	(820)
Differences between expected and actual experience	2,439	-	2,439
Contributions - employer	-	1,023	(1,023)
Contributions - employee	-	7,351	(7,351)
Net investment income	-	61,968	(61,968)
Benefit payments, including refunds			
Refunds of employee contributions	(12,050)	(12,050)	-
Administrative expenses	-	(154)	154
Other changes	-	6	(6)
Net changes	\$ 15,103	\$ 58,144	\$ (43,041)
Balances at June 30, 2022	\$ 215,310	\$ 286,432	\$ (71,122)

TOWN OF MINERAL, VIRGINIA

NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
JUNE 30, 2022

*Note 11—Pension Plan: (Continued)*

***Sensitivity of the Net Pension Liability (Asset) to Changes in the Discount Rate***

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

	Rate		
	1% Decrease	Current Discount	1% Increase
	(5.75%)	(6.75%)	(7.75%)
Town's			
Net Pension Liability (Asset)	\$ (27,940)	\$ (71,122)	\$ (103,949)

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

For the year ended June 30, 2022, the Town recognized pension expense of \$8,520. At June 30, 2022, the Town reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Primary Government	
	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 6,141	\$ -
Change of assumptions	-	535
Net difference between projected and actual earnings on pension plan investments	-	30,802
Employer contributions subsequent to the measurement date	432	-
Total	\$ 6,573	\$ 31,337

TOWN OF MINERAL, VIRGINIA

NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
JUNE 30, 2022

---

***Note 11—Pension Plan: (Continued)***

---

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

\$432 reported as deferred outflows of resources related to pensions resulting from the Town's contributions, subsequent to the measurement date will be recognized as a reduction of the Net Pension Liability (asset) in the fiscal year ending June 30, 2023. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense in future reporting periods as follows:

<u>Year ended June 30</u>	<u>Primary Government</u>
2023	\$ (2,115)
2024	(6,572)
2025	(7,173)
2026	(9,336)
2027	-
Thereafter	-

***Pension Plan Data***

Information about the VRS Political Subdivision Retirement Plan is also available in the separately issued VRS 2021 Annual Comprehensive Financial Report (Annual Report). A copy of the 2021 VRS Annual Report may be downloaded from the VRS website at <http://www.varetire.org/pdf/publications/2021-annual-report.pdf>, or by writing to the System's Chief Financial Officer at P.O. Box 2500, Richmond, VA 23218-2500.

***Note 12 - Interfund Obligations:***

---

Interfund obligations as of June 30, 2022 are as follows:

<u>Fund</u>	<u>Interfund Receivable</u>	<u>Interfund Payable</u>
General	\$ 2,086,877	\$ -
Water and Sewer	-	2,086,877
Total	<u>\$ 2,086,877</u>	<u>\$ 2,086,877</u>

## TOWN OF MINERAL, VIRGINIA

### NOTES TO FINANCIAL STATEMENTS (CONTINUED) JUNE 30, 2022

---

#### ***Note 13—Upcoming Pronouncements:***

---

Statement No. 91, *Conduit Debt Obligations*, provides a single method of reporting conduit debt obligations by issuers and eliminates diversity in practice associated with (1) commitments extended by issuers, (2) arrangements associated with conduit debt obligations, and (3) related note disclosures. The requirements of this Statement are effective for reporting periods beginning after December 15, 2021.

Statement No. 94, *Public-Private and Public-Public Partnerships and Availability of Payment Arrangements*, addresses issues related to public-private and public-public partnership arrangements. This Statement also provides guidance for accounting and financial reporting for availability payment arrangements. The requirements of this Statement are effective for fiscal years beginning after June 15, 2022.

Statement No. 96, *Subscription-Based Information Technology Arrangements (SBITAs)*, (1) defines a SBITA; (2) establishes that a SBITA results in a right-to-use subscription asset—an intangible asset—and a corresponding subscription liability; (3) provides the capitalization criteria for outlays other than subscription payments, including implementation costs of a SBITA; and (4) requires note disclosures regarding a SBITA. The requirements of this Statement are effective for fiscal years beginning after June 15, 2022.

Statement No. 99, *Omnibus 2022*, enhances the comparability in accounting and financial reporting and improves the consistency of authoritative literature by addressing (1) practice issues that have been identified during implementation and application of certain GASB Statements and (2) accounting and financial reporting for financial guarantees. The effective dates differ based on the requirements of the Statement, ranging from April 2022 to reporting periods beginning after June 15, 2023.

Statement No. 100, *Accounting Changes and Error Corrections* - an amendment of GASB Statement No. 62, enhances accounting and financial reporting requirements for accounting changes and error corrections to provide more understandable, reliable, relevant, consistent, and comparable information for making decisions or assessing accountability. The requirements of this Statement are effective for reporting periods beginning after June 15, 2023.

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

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

#### ***Note 14—COVID-19 Pandemic and Subsequent Events:***

---

The COVID-19 pandemic and its impact on operations continues to evolve. Specific to the Town, COVID-19 impacted various parts of its 2022 operations and financial results including, but not limited to, costs for emergency preparedness and shortages of personnel. Federal relief has been received through various programs. Management believes the Town is taking appropriate actions to mitigate the negative impact. The extent to which COVID-19 may impact operations in subsequent years remains uncertain, and management is unable to estimate the effects on future results of operations, financial condition, or liquidity.

TOWN OF MINERAL, VIRGINIA

NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
JUNE 30, 2022

---

*Note 14—COVID-19 Pandemic and Subsequent Events: (Continued)*

---

**ARPA Funding**

On March 11, 2022, the American Rescue Plan (ARPA) Act of 2022 was passed by the federal government. A primary component of the ARPA was the establishment of the Coronavirus State and Local Fiscal Recovery Fund (CSLFRF). Local governments are to receive funds in two tranches, with 50% provided beginning in May 2022 and the balance delivered approximately 12 months later.

On June 30, 2022, the Town received its share of the first half of the CSLFRF funds. As a condition of receiving CSLFRF funds, any funds unobligated by December 31, 2024, and unexpended by December 31, 2026, will be returned to the federal government. Unspent funds in the amount of \$271,311 from the initial allocation are reported as unearned revenue as of June 30.

On June 27, 2022, the Town received its share of the second half of the CSLFRF funds in the amount of \$271,311.

THIS PAGE LEFT BLANK INTENTIONALLY

*REQUIRED SUPPLEMENTARY INFORMATION*

THIS PAGE LEFT BLANK INTENTIONALLY



Town of Mineral, Virginia  
General Fund  
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual  
For the Year Ended June 30, 2022

	Budgeted Amounts		Actual	Variance with
	<u>Original</u>	<u>Final</u>	<u>Amounts</u>	<u>Final Budget -</u> <u>Positive</u> <u>(Negative)</u>
<b>REVENUES</b>				
General property taxes	\$ 122,400	\$ 122,400	\$ 147,521	\$ 25,121
Other local taxes	179,690	179,690	172,452	(7,238)
Permits, privilege fees, and regulatory licenses	2,250	2,250	33,750	31,500
Revenue from the use of money and property	8,000	8,000	383	(7,617)
Charges for services	336,000	336,000	353,833	17,833
Miscellaneous	49,536	49,536	428	(49,108)
Intergovernmental:				
Commonwealth	17,200	17,200	25,285	8,085
Federal	-	-	9,659	9,659
Total revenues	<u>\$ 715,076</u>	<u>\$ 715,076</u>	<u>\$ 743,311</u>	<u>\$ 28,235</u>
<b>EXPENDITURES</b>				
Current:				
General government administration	\$ 645,794	\$ 645,794	\$ 515,552	\$ 130,242
Public safety	15,000	15,000	-	15,000
Public works	75,525	75,525	95,050	(19,525)
Debt service:				
Principal retirement	5,724	5,724	5,725	(1)
Interest and other fiscal charges	11,748	11,748	11,868	(120)
Total expenditures	<u>\$ 753,791</u>	<u>\$ 753,791</u>	<u>\$ 628,195</u>	<u>\$ 125,596</u>
Excess (deficiency) of revenues over (under) expenditures	<u>\$ (38,715)</u>	<u>\$ (38,715)</u>	<u>\$ 115,116</u>	<u>\$ 153,831</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	\$ 38,715	\$ 38,715	\$ 50,000	\$ 11,285
Total other financing sources (uses)	<u>\$ 38,715</u>	<u>\$ 38,715</u>	<u>\$ 50,000</u>	<u>\$ 11,285</u>
Net change in fund balances	\$ -	\$ -	\$ 165,116	\$ 165,116
Fund balance - beginning	-	-	1,952,369	1,952,369
Fund balance - ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,117,485</u>	<u>\$ 2,117,485</u>

Town of Mineral, Virginia  
Schedule of Changes in Net Pension Liability (Asset) and Related Ratios  
Pension Plan  
For the Measurement Dates of June 30, 2015 through June 30, 2021

	2021	2020	2019	2018	2017	2016	2015
<b>Total pension liability</b>							
Service cost	\$ 12,427	\$ 9,233	\$ 6,126	\$ 4,871	\$ 9,528	\$ 15,457	\$ 14,797
Interest	13,107	10,442	9,979	9,538	9,679	8,322	7,473
Changes of assumptions	(820)	-	5,537	-	(3,826)	-	-
Differences between expected and actual experience	2,439	29,821	(1,570)	1,969	(7,660)	1,407	(5,738)
Benefit payments	(12,050)	(7,981)	(7,869)	(12,293)	(7,171)	(4,434)	(4,363)
<b>Net change in total pension liability</b>	\$ 15,103	\$ 41,515	\$ 12,203	\$ 4,085	\$ 550	\$ 20,752	\$ 12,169
<b>Total pension liability - beginning</b>	200,207	158,692	146,489	142,404	141,854	121,102	108,933
<b>Total pension liability - ending (a)</b>	\$ 215,310	\$ 200,207	\$ 158,692	\$ 146,489	\$ 142,404	\$ 141,854	\$ 121,102
<b>Plan fiduciary net position</b>							
Contributions - employer	\$ 1,023	\$ 543	\$ 1,581	\$ 4,142	\$ 3,901	\$ 5,073	\$ 5,866
Contributions - employee	7,351	7,351	6,930	4,480	4,278	5,453	6,284
Net investment income	61,968	4,309	14,143	14,579	21,669	3,150	7,209
Benefit payments	(12,050)	(7,981)	(7,869)	(12,293)	(7,171)	(4,434)	(4,363)
Refunds of contributions	-	-	-	-	-	-	-
Administrator charges	(154)	(143)	(136)	(126)	(122)	(99)	(89)
Other	6	(5)	(9)	(13)	(19)	(1)	(3)
<b>Net change in plan fiduciary net position</b>	\$ 58,144	\$ 4,074	\$ 14,640	\$ 10,769	\$ 22,536	\$ 9,142	\$ 14,904
<b>Plan fiduciary net position - beginning</b>	228,288	224,214	209,574	198,805	176,269	167,127	152,223
<b>Plan fiduciary net position - ending (b)</b>	\$ 286,432	\$ 228,288	\$ 224,214	\$ 209,574	\$ 198,805	\$ 176,269	\$ 167,127
<b>Town's net pension liability (asset) - ending (a) - (b)</b>	\$ (71,122)	\$ (28,081)	\$ (65,522)	\$ (63,085)	\$ (56,401)	\$ (34,415)	\$ (46,025)
<b>Plan fiduciary net position as a percentage of the total pension liability</b>	133.03%	114.03%	141.29%	143.06%	139.61%	124.26%	138.01%
<b>Covered payroll</b>	\$ 174,601	\$ 171,808	\$ 133,468	\$ 103,490	\$ 97,306	\$ 118,655	\$ 130,794
<b>Town's net pension liability (asset) as a percentage of covered payroll</b>	-40.73%	-16.34%	-49.09%	-60.96%	-57.96%	-29.00%	-35.19%

Town of Mineral, Virginia  
Schedule of Employer Contributions  
Pension Plan

For the Years Ended June 30, 2013 through June 30, 2022

Date	Contractually Required Contribution*	Contributions in Relation to Contractually Required Contribution*	Contribution Deficiency (Excess)	Employer's Covered Payroll	Contributions as a % of Covered Payroll
	(1)	(2)	(3)	(4)	(5)
<b>Primary Government</b>					
2022	\$ 432	\$ 432	\$ -	\$ 172,749	0.25%
2021	168	168	-	174,601	0.10%
2020	107	107	-	171,808	0.06%
2019	116	116	-	133,468	0.09%
2018	4,142	4,142	-	103,490	4.00%
2017	4,583	4,583	-	97,306	4.71%
2016	5,553	5,553	-	118,655	4.68%
2015	6,121	6,121	-	130,794	4.68%
2014	12,133	12,133	-	123,936	9.79%
2013	12,921	12,921	-	131,981	9.79%

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

Town of Mineral, Virginia  
Notes to Required Supplementary Information  
Pension Plan  
For the Year Ended June 30, 2022

---

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

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

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

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

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

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

## *SUPPORTING SCHEDULES*

THIS PAGE LEFT BLANK INTENTIONALLY

Town of Mineral, Virginia  
Schedule of Revenues - Budget and Actual  
Governmental Funds  
For the Year Ended June 30, 2022

Schedule 1  
Page 1 of 2

<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>
<b>General Fund:</b>				
Revenue from local sources:				
General property taxes:				
Real property taxes	\$ 97,374	\$ 97,374	\$ 114,627	\$ 17,253
Real and personal public service corporation taxes	8,500	8,500	-	(8,500)
Personal property taxes	15,526	15,526	32,367	16,841
Penalties and interest	1,000	1,000	527	(473)
Total general property taxes	<u>\$ 122,400</u>	<u>\$ 122,400</u>	<u>\$ 147,521</u>	<u>\$ 25,121</u>
Other local taxes:				
Local sales and use taxes	\$ 35,000	\$ 35,000	\$ 47,562	\$ 12,562
Bank franchise taxes	45,000	45,000	49,065	4,065
Business license taxes	35,000	35,000	26,131	(8,869)
Motor vehicle licenses	6,690	6,690	460	(6,230)
Transient occupancy taxes	2,000	2,000	1,722	(278)
Restaurant food taxes	56,000	56,000	47,512	(8,488)
Total other local taxes	<u>\$ 179,690</u>	<u>\$ 179,690</u>	<u>\$ 172,452</u>	<u>\$ (7,238)</u>
Permits, privilege fees, and regulatory licenses:				
Zoning application	\$ 2,250	\$ 2,250	\$ 33,750	\$ 31,500
Total permits, privilege fees, and regulatory licenses	<u>\$ 2,250</u>	<u>\$ 2,250</u>	<u>\$ 33,750</u>	<u>\$ 31,500</u>
Revenue from use of money and property:				
Revenue from use of money	\$ 3,500	\$ 3,500	\$ 383	\$ (3,117)
Revenue from use of property	4,500	4,500	-	(4,500)
Total revenue from use of money and property	<u>\$ 8,000</u>	<u>\$ 8,000</u>	<u>\$ 383</u>	<u>\$ (7,617)</u>
Charges for services:				
DMV agency fees	\$ 336,000	\$ 336,000	\$ 353,141	\$ 17,141
Trash service out of town	-	-	692	692
Total charges for services	<u>\$ 336,000</u>	<u>\$ 336,000</u>	<u>\$ 353,833</u>	<u>\$ 17,833</u>
Miscellaneous:				
Miscellaneous	\$ 49,536	\$ 49,536	\$ 428	\$ (49,108)
Total revenue from local sources	<u>\$ 697,876</u>	<u>\$ 697,876</u>	<u>\$ 708,367</u>	<u>\$ 10,491</u>
<b>Intergovernmental:</b>				
Revenue from the Commonwealth:				
Noncategorical aid:				
Rolling stock tax	\$ 1,200	\$ 1,200	\$ -	\$ (1,200)
Auto rental tax	-	-	2,678	2,678
Communications tax	-	-	1,286	1,286
Games of skill tax	-	-	576	576
Personal property tax relief funds	-	-	4,416	4,416
Total noncategorical aid	<u>\$ 1,200</u>	<u>\$ 1,200</u>	<u>\$ 8,956</u>	<u>\$ 7,756</u>

Town of Mineral, Virginia  
Schedule of Revenues - Budget and Actual  
Governmental Funds  
For the Year Ended June 30, 2022

Schedule 1  
Page 2 of 2

<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>
<b>General Fund: (Continued)</b>				
Intergovernmental: (Continued)				
Revenue from the Commonwealth: (Continued)				
Categorical aid:				
Other categorical aid:				
Litter control	\$ 1,000	\$ 1,000	\$ 1,329	\$ 329
Fire programs	15,000	15,000	15,000	-
Total other categorical aid	<u>\$ 16,000</u>	<u>\$ 16,000</u>	<u>\$ 16,329</u>	<u>\$ 329</u>
Total categorical aid	<u>\$ 16,000</u>	<u>\$ 16,000</u>	<u>\$ 16,329</u>	<u>\$ 329</u>
Total revenue from the Commonwealth	<u>\$ 17,200</u>	<u>\$ 17,200</u>	<u>\$ 25,285</u>	<u>\$ 8,085</u>
Revenue from the federal government:				
Noncategorical aid:				
COVID utility relief	\$ -	\$ -	\$ 9,659	\$ 9,659
Total noncategorical aid	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 9,659</u>	<u>\$ 9,659</u>
Total revenue from the federal government	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 9,659</u>	<u>\$ 9,659</u>
Total General Fund	<u><u>\$ 715,076</u></u>	<u><u>\$ 715,076</u></u>	<u><u>\$ 743,311</u></u>	<u><u>\$ 28,235</u></u>



Town of Mineral, Virginia  
Schedule of Expenditures - Budget and Actual  
Governmental Funds  
For the Year Ended June 30, 2022

<u>Fund, Function, Activity and Element</u>	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget - Positive (Negative)</u>
<b>General Fund:</b>				
General government administration:				
General and financial administration:				
Salaries	\$ 381,488	\$ 381,488	\$ 296,839	\$ 84,649
Salaries, Council and Mayor	6,000	6,000	4,500	1,500
Payroll taxes	21,000	21,000	26,205	(5,205)
Virginia Retirement System	17,000	17,000	1,766	15,234
Office supplies	20,000	20,000	33,575	(13,575)
Heating	1,500	1,500	-	1,500
Telephone	6,800	6,800	7,237	(437)
Insurance, VML	14,200	14,200	776	13,424
Insurance, Health	65,556	65,556	43,733	21,823
Insurance, Aflac	7,000	7,000	1,811	5,189
Electricity	13,000	13,000	16,439	(3,439)
Web page	2,000	2,000	4,648	(2,648)
Advertising	3,000	3,000	3,408	(408)
Audit	14,000	14,000	3,500	10,500
Dues, permits, licenses	3,500	3,500	1,526	1,974
Legal	20,000	20,000	15,000	5,000
Internet	4,200	4,200	2,460	1,740
Office cleaning	9,000	9,000	7,800	1,200
IT support	4,000	4,000	6,800	(2,800)
Postage	2,200	2,200	711	1,489
Training, conferences, mileage	4,500	4,500	988	3,512
Bank charges	50	50	-	50
Capital	22,800	22,800	12,152	10,648
Software	2,000	2,000	-	2,000
Sales tax	-	-	15,547	(15,547)
Election	-	-	1,196	(1,196)
Other general and financial administration	1,000	1,000	6,935	(5,935)
Total general government administration	\$ 645,794	\$ 645,794	\$ 515,552	\$ 130,242
Public safety:				
Fire and rescue services:				
Fire department	\$ 15,000	\$ 15,000	\$ -	\$ 15,000
Total public safety	\$ 15,000	\$ 15,000	\$ -	\$ 15,000
Public works:				
Maintenance of highways, streets, bridges and sidewalks:				
Uniforms	\$ 1,000	\$ 1,000	\$ -	\$ 1,000
Repairs	22,625	22,625	48,597	(25,972)
Gasoline, oil	2,500	2,500	5,164	(2,664)
Beautification	3,000	3,000	233	2,767
Total maintenance of highways, streets, bridges & sidewalks	\$ 29,125	\$ 29,125	\$ 53,994	\$ (24,869)
Sanitation and waste removal:				
Louisa County landfill	\$ 14,400	\$ 14,400	\$ 11,625	\$ 2,775
Trash service	32,000	32,000	29,431	2,569
Total sanitation and waste removal	\$ 46,400	\$ 46,400	\$ 41,056	\$ 5,344
Total public works	\$ 75,525	\$ 75,525	\$ 95,050	\$ (19,525)
Debt service:				
Principal retirement	\$ 5,724	\$ 5,724	\$ 5,725	\$ (1)
Interest and other fiscal charges	11,748	11,748	11,868	(120)
Total debt service	\$ 17,472	\$ 17,472	\$ 17,593	\$ (121)
Total General Fund	\$ 753,791	\$ 753,791	\$ 628,195	\$ 125,596

THIS PAGE LEFT BLANK INTENTIONALLY

## *OTHER STATISTICAL INFORMATION*

THIS PAGE LEFT BLANK INTENTIONALLY

Table 1

**Town of Mineral, Virginia**  
**Government-wide Expenses by Function**  
**Last Ten Fiscal Years**

Fiscal Year	General Government Administration	Public Safety	Public Works	Interest on Long- term Debt	Enterprise Funds	Total
2020	\$ 425,426	\$ 10,000	\$ 52,532	\$ 9,567	\$ 312,088	\$ 809,613
2021	596,536	15,000	64,944	14,793	470,460	1,161,733
2022	536,264	-	96,700	11,868	502,912	1,147,744

Table 2

Town of Mineral, Virginia  
Government-wide Revenues  
Last Ten Fiscal Years

Fiscal Year	PROGRAM REVENUES			GENERAL REVENUES					Total
	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	General Property Taxes	Miscellaneous and Other Local Taxes	Unrestricted Investment Earnings	Grants and Contributions Not Restricted to Specific Programs		
2020	\$ 471,966	\$ 10,814	\$ -	\$ 103,798	\$ 166,289	\$ 11,492	\$ 54,181	\$ 818,540	
2021	639,850	73,518	42,000	133,049	168,920	6,011	11,495	1,074,843	
2022	688,153	25,988	23,000	157,956	172,880	2,071	8,956	1,079,004	

Table 3

**Town of Mineral, Virginia**  
**General Governmental Expenditures by Function (1)**  
**Last Ten Fiscal Years**

<u>Fiscal Year</u>		<u>General Government Administration</u>	<u>Public Safety</u>	<u>Public Works</u>	<u>Debt Service</u>	<u>Total</u>
2020	\$	415,757	\$ 10,000	\$ 47,867	\$ 17,592	\$ 491,216
2021		565,743	15,000	63,294	17,592	661,629
2022		515,552	-	95,050	17,593	628,195

Table 4

Town of Mineral, Virginia  
General Governmental Revenues by Source  
Last Ten Fiscal Years

Fiscal Year	General Property Taxes		Other Local Taxes		Permits, Privilege Fees, Regulatory Licenses		Revenue from the Use of Money and Property		Charges for Services		Miscellaneous		Inter- governmental		Total
	\$		\$		\$		\$		\$		\$		\$		
2020	\$	115,073	\$	163,800	\$	1,100	\$	6,360	\$	157,742	\$	2,489	\$	64,995	511,559
2021		127,546		165,180		1,300		4,963		368,812		3,740		71,926	743,467
2022		147,521		172,452		33,750		383		353,833		428		34,944	743,311



Table 5

**Town of Mineral, Virginia**  
**Property Tax Levies and Collections**  
**Last Ten Fiscal Years**

Fiscal Year	Total Tax Levy (1,2)	Current Tax Collections (1,2)	Percent of Levy Collected	Delinquent Tax Collections (1)	Total Tax Collections	Percent of Total Tax Collections to Tax Levy	Outstanding Delinquent Taxes (1)	Percent of Delinquent Taxes to Tax Levy
2020	\$ 118,598	\$ 118,099	99.58%	\$ -	\$ 118,099	99.58%	\$ 31,535	26.59%
2021	124,874	129,032	103.33%	-	129,032	103.33%	31,392	25.14%
2022	134,454	151,410	112.61%	-	151,410	112.61%	43,100	32.06%

Table 6

**Town of Mineral, Virginia  
Assessed Value of Taxable Property  
Last Ten Fiscal Years**

Fiscal Year	Real Estate (1)	Personal Property	Machinery and Tools	Mobile Homes	Public Service (2)	Total
2020	\$ 39,000,400	\$ 3,137,855	\$ 1,990	\$ -	\$ 3,169,206	\$ 45,309,451
2021	41,148,800	3,233,960	560	-	3,483,654	47,866,974
2022	43,505,300	3,936,080	560	-	3,571,269	51,013,209

Table 7

**Town of Mineral, Virginia  
Property Tax Rates (1)  
Last Ten Fiscal Years**

Fiscal Year	Real Estate		Personal Property		Machinery and Tools		Public Utility	
							Real Estate	Personal Property
2020	\$	0.24	\$	0.48	\$	0.48	\$ 0.24	\$ 0.48
2021		0.24		0.48		0.48	0.24	0.48
2022		0.24		0.48		0.48	0.24	0.48

Table 8

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

Fiscal Year	Population (1)	Assessed Value (2)	Gross Bonded Debt (3)	Less:		Net Bonded Debt	Ratio of Net Bonded Debt to Assessed Value	Net Bonded Debt per Capita
				Debt Payable from Enterprise Revenue				
2020	572	\$ 45,309,451	\$ 1,093,229	\$ 771,368	\$	321,861	0.71%	\$ 563
2021	572	47,866,974	1,080,025	760,964		319,061	0.67%	558
2021	572	51,013,209	1,055,944	742,607		313,337	0.61%	548

Table 9

Town of Mineral, Virginia  
Computation of Legal Debt Margin  
June 30, 2022

Assessed value of real property, January 1, 2022 (1)	\$ 43,505,300
Debt limit: 10% of assessed value	\$ 4,350,530
Amount of debt applicable to debt limit:	
Gross debt (2)	\$ 1,055,944
Less: Revenue bonds	-
Net general obligation bonds and loans	\$ 1,055,944
Legal debt limit	\$ 3,294,586

THIS PAGE LEFT BLANK INTENTIONALLY

*COMPLIANCE*

THIS PAGE LEFT BLANK INTENTIONALLY





ROBINSON, FARMER, COX ASSOCIATES, PLLC

*Certified Public Accountants*

**Independent Auditors' Report on Internal Control over Financial Reporting and on  
Compliance and Other Matters Based on an Audit of Financial Statements  
Performed in Accordance with *Government Auditing Standards***

---

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

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, and each major fund of Town of Mineral, Virginia, as of and for the year ended June 30, 2022, and the related notes to the financial statements, which collectively comprise Town of Mineral, Virginia's basic financial statements and have issued our report thereon dated April 1, 2025.

**Report on Internal Control over Financial Reporting**

In planning and performing our audit of the financial statements, we considered Town of Mineral, 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 Mineral, Virginia's internal control. Accordingly, we do not express an opinion on the effectiveness of Town of Mineral, 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 and therefore, material weaknesses or significant deficiencies may exist that have not been identified. We did identify certain deficiencies in internal control described in the accompanying schedule of findings and responses as items 2022-001, 2022-002, 2022-003 and 2022-004 that we consider to be material weaknesses.

## Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether Town of Mineral, 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*.

## Town of Mineral, Virginia's Response to Findings

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

## Purpose of This Report

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

*Robinson, Farnum, Cox Associates*

Richmond, Virginia  
April 1, 2025

Town of Mineral, Virginia  
Schedule of Findings and Responses  
For the Year Ended June 30, 2022

---

**Section I-Summary of Auditors' Results****Financial Statements**

Type of auditors' report issued:

unmodified

Internal control over financial reporting:

Material weakness(es) identified?

✓

yes

no

Significant deficiency(ies) identified?

yes✓

none reported

Noncompliance material to financial statements noted?

yes✓

no

**Section II-Financial Statement Findings****Finding 2022-001: Financial Reporting***Criteria:*

An auditee should have sufficient controls in place to produce financial statements in accordance with applicable standards.

*Condition:*

The financial statements as presented for audit did not contain all necessary material adjustments to ensure such statements complied with generally accepted accounting principles (GAAP). As such, we proposed adjustments that were material to the financial statements.

*Cause:*

The Town failed to identify all year end material accounting adjustments necessary for the books to be maintained in accordance with current reporting standards. Management does not have the proper controls in place to detect and correct adjustments in closing their year end financial statements.

*Effect:*

There is a reasonable possibility that a material misstatement of the financial statements will not be prevented or detected by the Town's internal controls over financial reporting.

*Recommendation:*

Procedures should be implemented for the posting of all year-end entries to maintain the records in accordance with GAAP. This would include making entries to post current year receivables and payables, accrued leave liabilities, principal payments on debt, and capital assets transactions, including depreciation.

*Management's Response:*

The Town is considering corrective action for FY23.

Town of Mineral, Virginia  
Schedule of Findings and Responses  
For the Year Ended June 30, 2022 (Continued)

---

**Section II-Financial Statement Findings (Continued)**

**Finding 2022-002: Segregation of Duties**

*Criteria:*

A key concept of internal controls is the segregation of duties. No one employee should have access to both accounting records and related assets.

*Condition:*

The Town lacks proper segregation of duties - One employee has access to both the accounting records and related assets.

*Cause:*

The Town's limited number of staff does not allow them to properly segregate duties.

*Effect:*

There is a reasonable possibility that a material misstatement of the financial statements will not be prevented or detected and corrected by the entity's internal controls over financial reporting.

*Recommendation:*

Management should try to further segregate duties amongst current staff and/or establish compensating controls to alleviate risk created by improper segregation of duties.

*Management's Response:*

The Town is considering corrective action for FY23.

Town of Mineral, Virginia  
Schedule of Findings and Responses  
For the Year Ended June 30, 2022 (Continued)

---

**Section II-Financial Statement Findings (Continued)**

**Finding 2022-003: Balance Sheet Account Reconciliations**

*Criteria:*

Internal controls should be in place to provide reasonable assurance that the system will prevent, detect, and correct potential misstatements in the financial statements and disclosures.

*Condition:*

Management did not reconcile the balance sheet accounts to subsidiary ledgers and/or client prepared reconciliations.

*Cause:*

Management does not have proper controls in place to ensure that material balance sheet accounts are properly reconciled.

*Effect:*

Many balance sheet accounts were not reconciled resulting in balance sheet accounts being materially misstated prior to auditor-proposed adjustments.

*Recommendation:*

Management should ensure that account reconciliations are timely prepared and agree with the related general ledger account balance. On a monthly basis, the Town Manager should review both prepared reconciliations and the related account balances in the accounting system to verify that they agree/reconcile.

*Management's Response:*

The Town is considering corrective action for FY23.

Town of Mineral, Virginia  
Schedule of Findings and Responses  
For the Year Ended June 30, 2022 (Continued)

---

**Section II-Financial Statement Findings (Continued)**

**Finding 2022-004: Accounting System**

*Criteria:*

The Town should maintain an accounting system that can account for all assets, liabilities, revenues, and expenditures for all funds.

*Condition:*

The Town does not utilize a comprehensive integrated accounting system that accounts for all assets, liabilities, revenues, expenditures and payroll.

*Cause:*

Management has purchased a new accounting system, but had not yet implemented the system.

*Effect:*

There are many assets and liabilities other than cash that are not recorded properly. Additionally, there is no separation of the different funds of the Town.

*Recommendation:*

The Town should implement a comprehensive integrated accounting system that accounts for all assets, liabilities, revenues, expenditures and payroll.

*Management's Response:*

The Town is considering corrective action for FY23.

**Town of Mineral, Virginia  
Schedule of Findings and Responses  
For the Year Ended June 30, 2022 (Continued)**

---

**Section III-Status of Prior Year Findings**

**2021-001:**

*Condition:*

The financial statements as presented for audit did not contain all necessary adjustments to ensure such statements complied with generally accepted accounting principles (GAAP). As such, we proposed adjustments that were material to the financial statements.

*Recommendation:*

Procedures should be implemented for the posting of all year-end entries to maintain the records in accordance with GAAP. This would include making entries to post current year receivables and payables, accrued leave liabilities, principal payments on debt, and capital assets transactions, including depreciation.

*Current Status:*

Finding 2021-001 is repeated in the current year as 2022-001.

**2021-002:**

*Condition:*

The Town lacks proper segregation of duties - One employee has access to both the accounting records and related assets.

*Recommendation:*

Management should try to further segregate duties amongst current staff and/or establish compensating controls to alleviate risk created by improper segregation of duties.

*Current Status:*

Finding 2021-002 is repeated in the current year as 2022-002.

**2021-003:**

*Condition:*

Management did not reconcile the balance sheet accounts to subsidiary ledgers and/or client prepared reconciliations.

*Recommendation:*

Management should ensure that account reconciliations are timely prepared and agree with the related general ledger account balance. On a monthly basis, the Town Manager should review both prepared reconciliations and the related account balances in the accounting system to verify that they agree/reconcile.

*Current Status:*

Finding 2021-003 is repeated in the current year as 2022-003.

Town of Mineral, Virginia  
Schedule of Findings and Responses  
For the Year Ended June 30, 2022 (Continued)

---

**Section III-Status of Prior Year Findings**

**2021-004:**

*Condition:*

The Town does not utilize a comprehensive integrated accounting system that accounts for all assets, liabilities, revenues, expenditures and payroll.

*Recommendation:*

The Town should implement a comprehensive integrated accounting system that accounts for all assets, liabilities, revenues, expenditures and payroll.

*Current Status:*

Finding 2021-004 is repeated in the current year as 2022-004.