



AUDIT SUMMARY 2019

TOWN OF CHRISTIANSBURG AUDIT SUMMARY 2019

- Presentation of Annual Report and Audit Results
 - Scott Wickham, audit partner with our audit firm will be presenting the Audit opinions to you as he is now required to do so by APA (Auditor of Public Accounts)
 - After Scott's presentation we will look at
 - How did we do with Revenues and Expenditures
 - Where did our money go
 - How did we do relative to the budget
 - Where are we with respect to the fund balance policy

TOWN OF CHRISTIANSBURG AUDIT SUMMARY 2019

- Audit Opinion on the financial statement is on page 14
 - The opinion is unqualified
 - The supplementary information is fairly presented
- Report on Internal Control and Compliance with GAS reports are on page 137
 - No internal control weaknesses or compliance issues were identified.
- Report on Compliance for Each Major Program and on Internal Control and Compliance on page 139
 - No internal control weaknesses or compliance issues were identified
- Auditors letter to Town Council
 - Provides communication to Council regarding work and interaction with management and the financial statements.

TOWN OF CHRISTIANSBURG AUDIT SUMMARY 2019

- Audit Recommendations:
 - One accounting software encompassing all the Town functions that can automate many of the current processes which would eliminate many manual entries and workarounds, creating efficiency and improving accuracy within the Finance office. Particularly the software utilized for tax collections needs improvement.

TOWN OF CHRISTIANSBURG AUDIT SUMMARY 2019

- Letter of Transmittal page 1 to 11
- MD&A or Management Discussion and Analysis page 17 to 25
- Government Wide Financial Statements page 26-27 GASB 34 statements
- Fund Financial Statements page 28-34
- Notes to the Financial Statements page 35-85
- Supplementary Information page 86-143
 - lots of trend data, functional data and schedules

TOWN OF CHRISTIANSBURG AUDIT

SUMMARY 2019

- Government wide financial statements vs fund balance statements
 - Government Wide financial statements Pg. 26-27 present all the capital assets and depreciation of the government as well as the long term debt and long term pension liabilities that are not reflected in the fund level financial statements. (economic resources measurement focus and full accrual basis.)
 - Fund level financial statements report on a shorter time horizon and do not reflect these long term assets and debt the same way but account for assets as they are purchased and debt as the payments are made. (Current financial resources measurement and modified accrual basis)
 - You will see a reconciliation of these statements on pages 29 and 31.
 - From either perspective the Town has a strong fund balance and a good outlook.

TOWN OF CHRISTIANSBURG AUDIT SUMMARY 2019

REVENUES AS COMPARED TO PRIOR YEARS

Revenues	2016	2017	2018	2019	Increase (decrease) over 2018
GENERAL FUND	28,254,547	28,891,636	29,224,918	30,557,111	1,332,193
SPEC REV FUNDNS	2,040,846	2,913,936	1,522,629	1,577,449	54,820
CEMETERY	103,383	103,107	110,202	107,239	(2,963)
GF Capital Projects	150,625	1,558,528	1,483,271	3,608,916	2,125,645
ENTERPRISE W&S	8,824,901	8,913,642	10,792,784	10,989,344	196,560
STORM WATER		1,397,976	2,042,427	2,421,103	378,676

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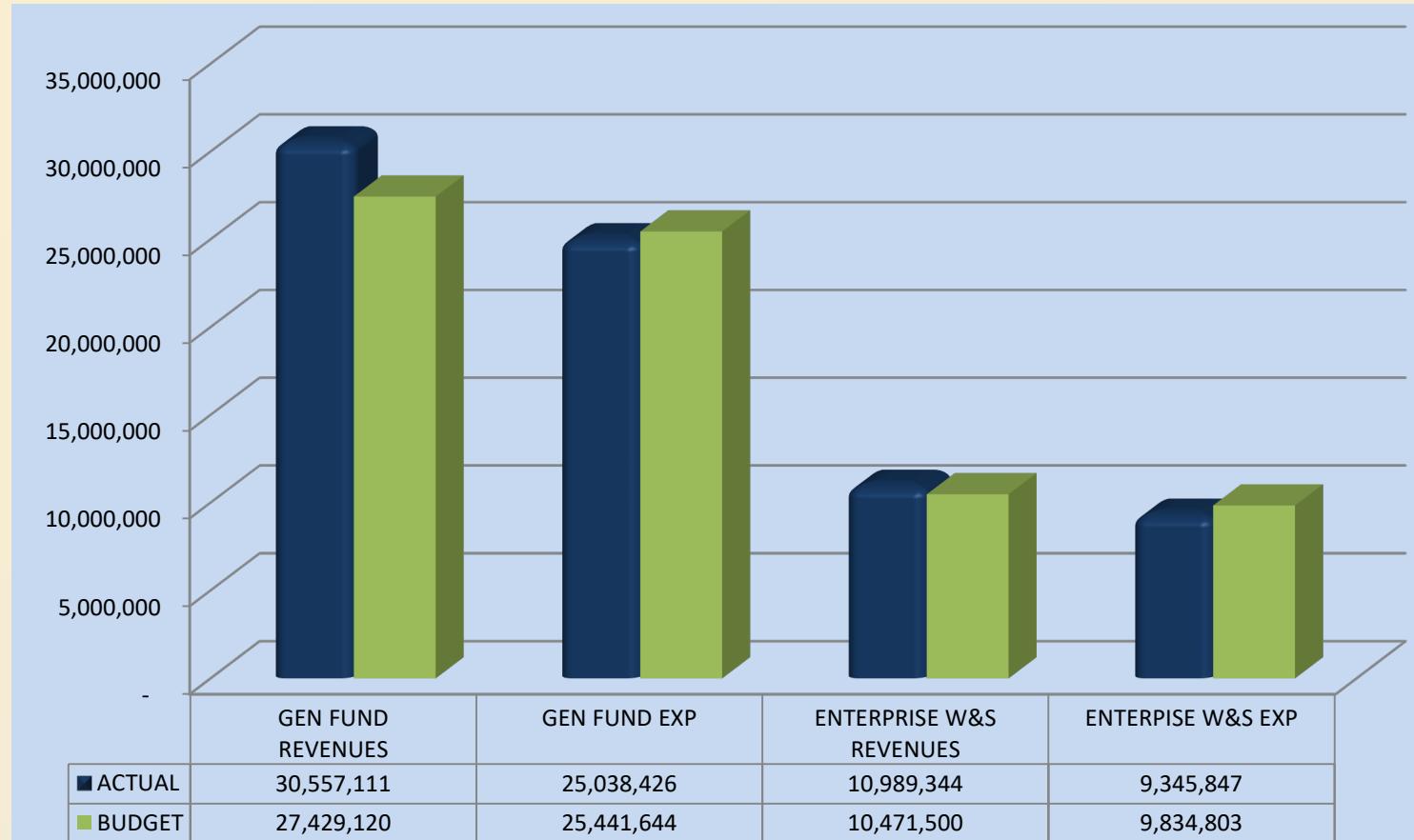
- EXPENDITURES AS COMPARED TO PRIOR YEARS

Expenditures	2016	2017	2018	2019	Increase (decrease) over 2018
GENERAL FUND	27,045,559	22,515,347	24,081,567	25,038,426	956,859
SPEC REV FUNDNS	2,037,484	3,051,381	1,343,442	1,412,240	68,798
CEMETERY	290,486	214,231	229,919	233,809	3,890
GF CAPITAL PROJECTS	565,978	2,408,073	2,484,701	5,850,521	3,365,820
ENTERPRISE W&S	7,479,021	7,927,511	8,642,531	9,345,847	703,316
STORM WATER		401,448	1,196,667	767,957	(428,710)

TOWN OF CHRISTIANSBURG AUDIT SUMMARY 2019

REVENUES AND EXPENDITURES AS COMPARED TO BUDGET

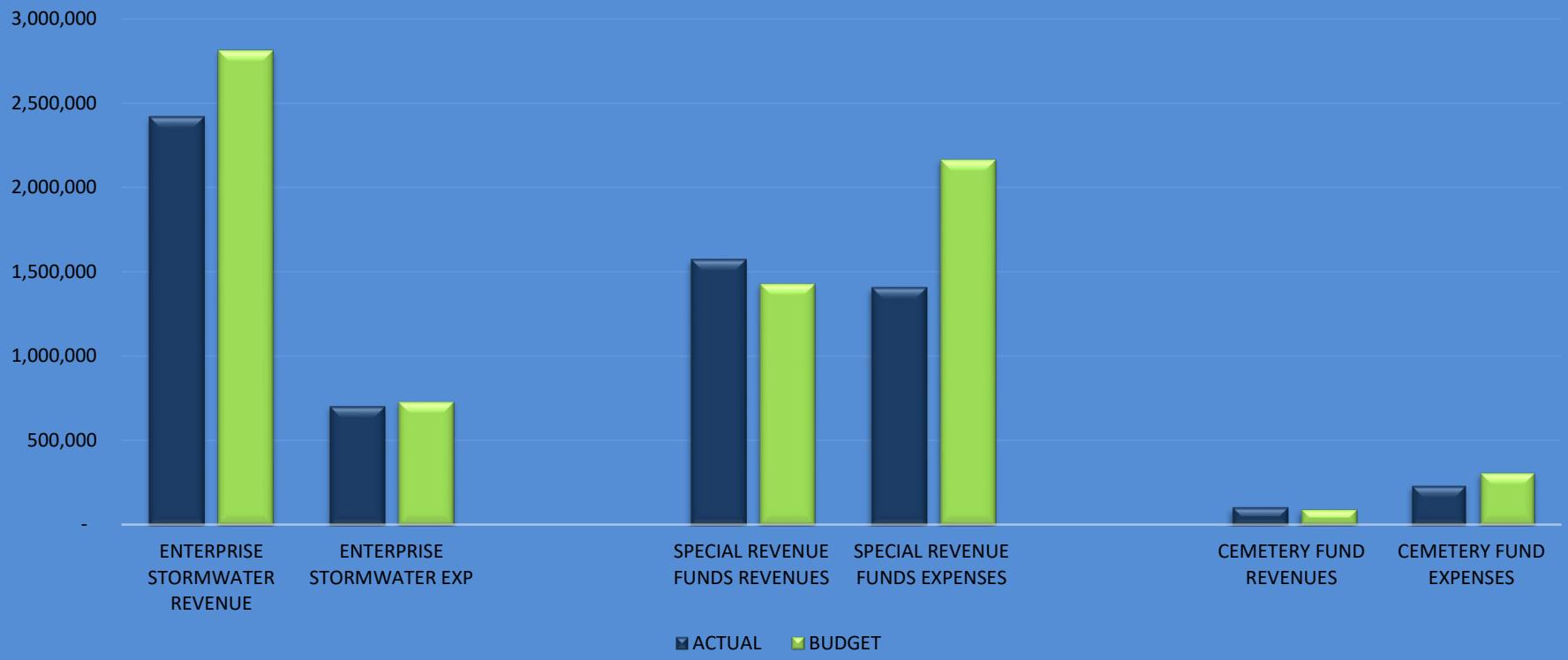
BUDGET TO ACTUAL GEN FUND AND WATER SEWER ENTERPRISE



TOWN OF CHRISTIANSBURG AUDIT SUMMARY 2019

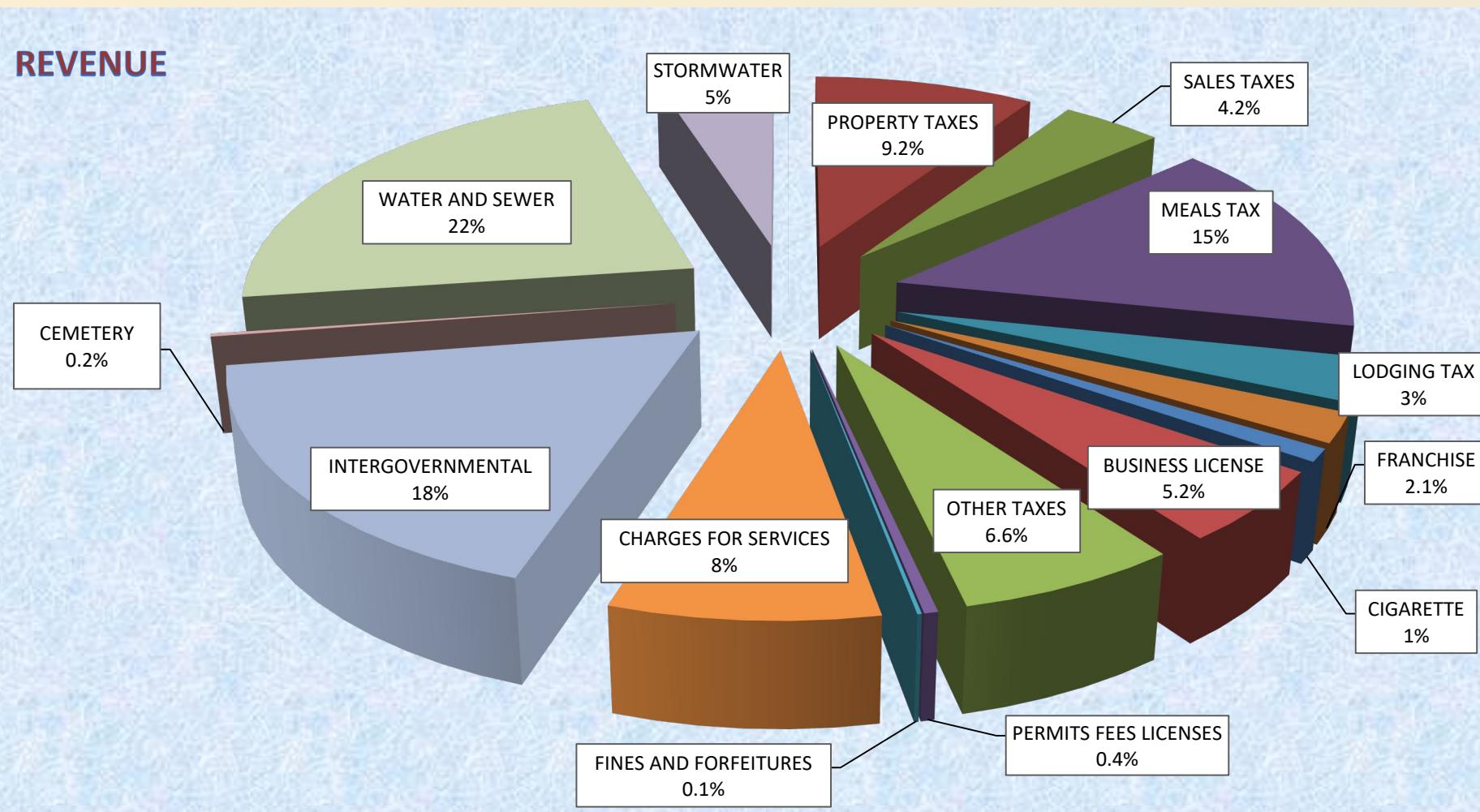
REVENUES AND EXPENDITURES AS COMPARED TO BUDGET

STORM WATER ENT -SPEC REV FUND-CEMETERY FUND BUDGET TO ACTUAL



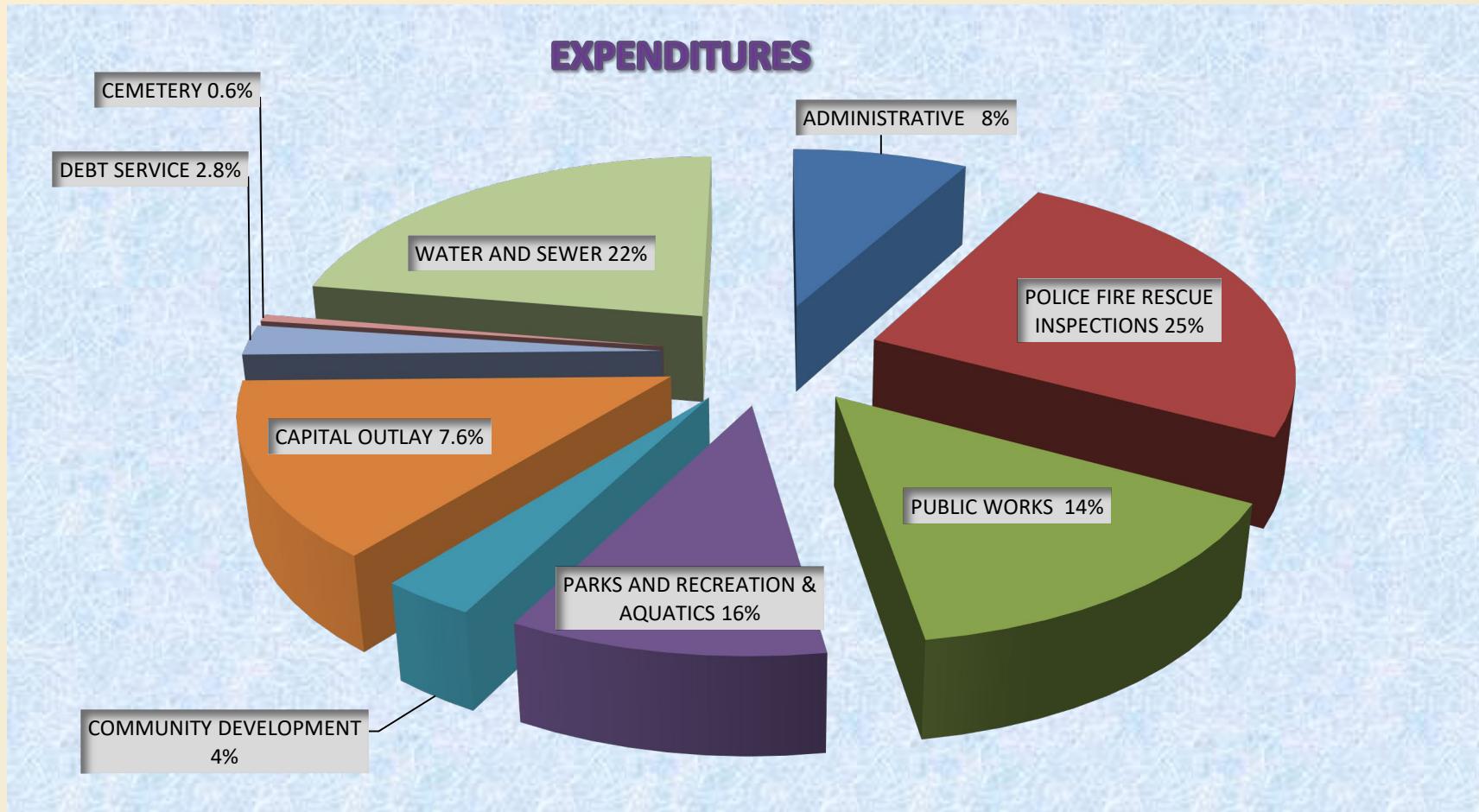
TOWN OF CHRISTIANSBURG AUDIT SUMMARY 2019

- WHERE DID THE REVENUE COME FROM



TOWN OF CHRISTIANSBURG AUDIT SUMMARY 2019

- EXPENDITURES

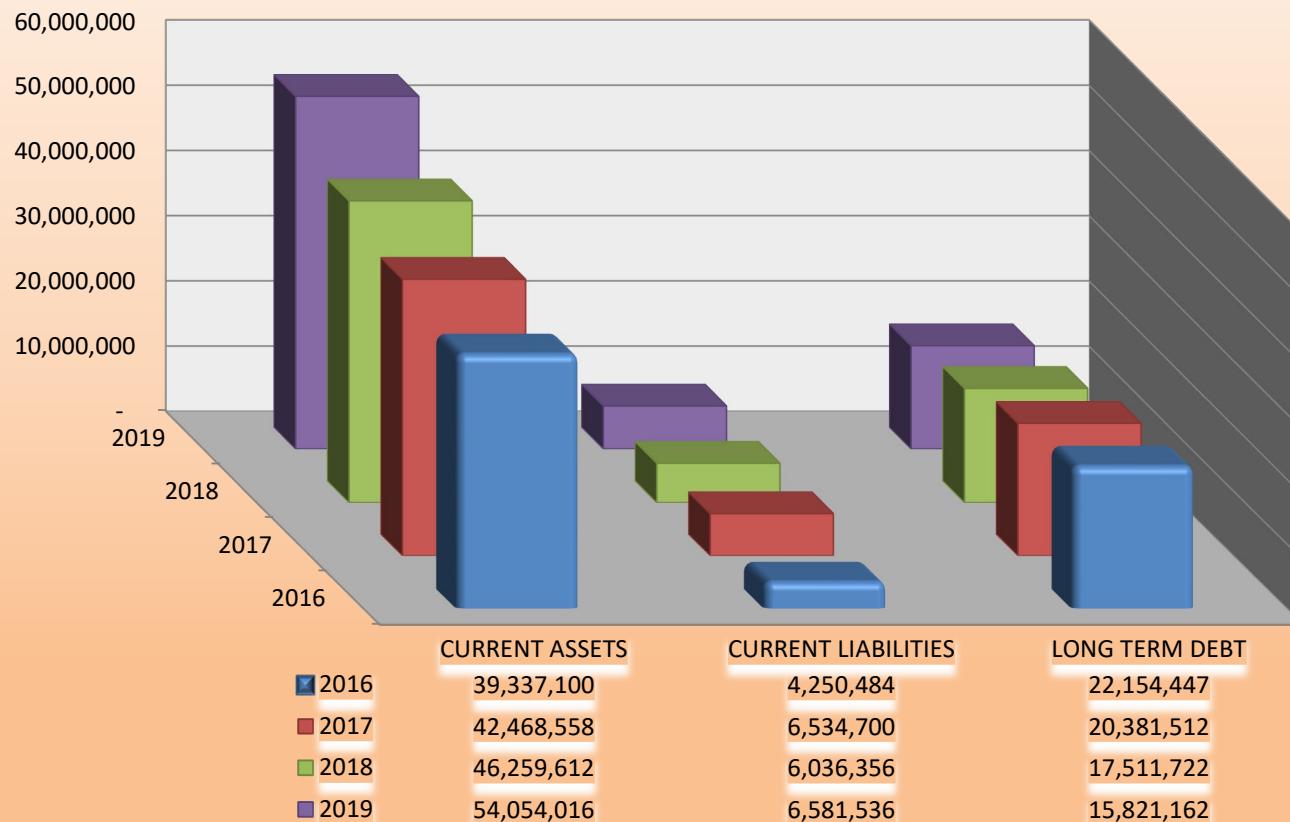


TOWN OF CHRISTIANSBURG AUDIT SUMMARY 2019

- TOTAL FIXED ASSETS OF THE GOVERNMENT HAVE INCREASED THIS YEAR NET OF DEPRECIATION BY \$8,802,260
- 2015 \$146,456,298
- 2016 \$170,054,640
- 2017 \$170,568,607
- 2018 \$171,295,120
- 2019 \$180,097,380

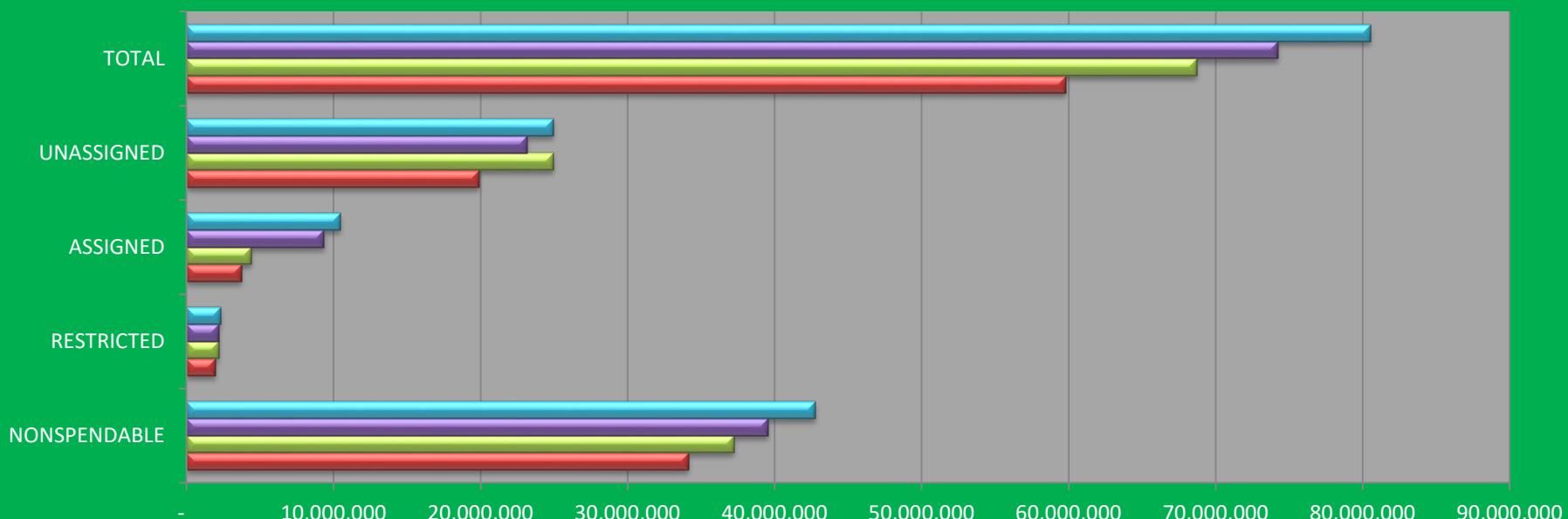
TOWN OF CHRISTIANSBURG AUDIT SUMMARY 2019

ASSETS AND LIABILITIES



TOWN OF CHRISTIANSBURG AUDIT SUMMARY 2019

FUND BALANCE



	NONSPENDABLE	RESTRICTED	ASSIGNED	UNASSIGNED	TOTAL
2019	42,783,097	2,329,595	10,445,447	24,950,794	80,508,933
2018	39,557,807	2,166,386	9,346,047	23,179,082	74,249,322
2017	37,232,454	2,181,328	4,371,279	24,912,478	68,697,539
2016	34,170,427	1,974,493	3,742,702	19,914,979	59,802,601

TOWN OF CHRISTIANSBURG AUDIT SUMMARY 2019

TOWN OF CHRISTIANSBURG		
FUND BALANCE REVIEW FOR THE YEAR ENDED JUNE 30, 2019		
		ACTUAL
GENERAL FUND EXPENDITURES	REFERENCE	6-30-2019
	AUDIT PG 30	25,038,426
GENERAL FUND SUPPORT OF GRANTS		1,115,378
CEMETERY FUND EXPENDITURES	AUDIT PG 101	233,809
CAPITAL PROJECTS FUNDS	AUDIT PG 30	5,850,521
WATER AND SEWER ENTERPRISE FUND	AUDIT PG 33	9,210,755
STORM WATER ENTERPRISE FUND	AUDIT PG 33	767,957
TOTAL EXPENDITURES		42,216,846
LESS CAPITAL EXPENDITURES GENERAL FUND	CAPITAL WS	1,658,960
LESS CAPITAL EXPENDITURES CEMETERY FUND	worksheet	33,800
LESS CAPITAL PROJECT FUND EXPENDITURES	AUDIT PG 30	5,850,521
TOTAL OPERATING EXPENDITURES		34,673,565
FUND BALANCE UNASSIGNED 6/30/2019	AUDIT PG 28	24,950,794
PERCENTAGE OF EXPENDITURES TO UNASSIGNED		71.96%
FUND BALANCE USED FOR 2019 BUDGET CAPITAL ROLLOVER	BUDGET	5,971,116
ADDITIONAL BUDGET ROLLOVERS GF		2,941,508
PROJECTED 2019 BUDGET MODIFICATION AND OTHER USES		250,000
TOTAL FUND BALANCE USES		9,162,624
PERCENTAGE OF EXPENDITURES TO UNASSIGNED		45.53%
NEW ASSIGNMENTS TO RESERVES		925,000
SUGGESTED ADDITIONAL ASSIGNMENT TO RESERVES 1.65 MILL TO RECREATIONAL RESERVE 1 MILL TO SOFTWARE RESERVE		2,650,000
TOTAL ASSIGNMENT OF RESERVES		3,575,000
PERCENTAGE OF EXPENDITURES TO UNASSIGNED		
AFTER NEW RESERVES IN 2019 BUDGET		35.22%

FUND BALANCE POLICY

Fund balance Goals General fund

The Town shall seek to maintain unassigned fund balance of between 35-40% of all expenditures in the preceding fiscal year. Expenditures shall include operating expenses (excluding capital) of the general fund, permanent fund and enterprise funds less any unassigned fund balance in the permanent fund and the enterprise fund. If the unassigned fund balance after conclusion of the annual audit exceeds 45% a review shall be conducted and appropriate actions shall be taken. If the unassigned fund balance is less than 30% a plan shall be developed to restore the reserves in an acceptable manner under the circumstances.

TOWN OF CHRISTIANSBURG AUDIT

SUMMARY 2019

- Our Fund Balance increased by 3.1 million primarily due to projects that did not complete and we will be rolling those forward with the upcoming budget amendment. We completed a number of capital projects in FY 19 and still have many in the works.
- Our unassigned fund balance is at 42.87% after consideration of fund balance use in the FY 2020 budget, additional amounts to reserves in the FY 2020 budget along with the expected budget modifications coming up in the next few weeks.
- Given projects being contemplated at the present time I would suggest allocation of additional reserves to assigned. 1.65 mill for recreational reserve and 1.0 mill for software reserve.
- Overall it was a good year with small but steady increases in overall revenue numbers, revenues were better than budgeted and expenditures less than budgeted. Reserves and liquidity are good.

TOWN OF CHRISTIANSBURG AUDIT SUMMARY 2019

- Major Initiatives moving into this year include:
 - The N. Franklin corridor and Cambria intersection.
 - Design of the connector road and the Park
 - Chrisman Mill crossing expected to complete this year as well as the new Falling Branch Intersection.
 - Construction on HBT 3 and Depot Park Trail as well as design on Cambria trail projects. Several sidewalk projects are also underway.
 - Design work continues for Arbor Drive and Tower road intersections
 - Business Technology Assessment and RFP for new Software applications

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Wayne Nelson will be giving you an update on Capital Projects soon.

Business Technology Assessment

First phase that we started last June was to assess the current systems in place throughout the Town in all functional areas and to diagram some of the more complex business processes. We then identified the weaknesses and strengths of those systems and determined primary challenges and areas for Improvement.

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We are now in the process of developing an RFP by identifying the more critical aspects of what we would like new systems to achieve.

The RFP is targeted to go out the end of November with responses back in early January. The RFP will address ERP systems as well as potential best of breed software's that could potentially be integrated for more efficiency.

Once the RFP's are evaluated we will report back to Council with our findings and develop a plan to move forward.

QUESTIONS?