



THE PLACE TO BE.
CHRISTIANSBURG VA

ANNUAL COMPREHENSIVE FINANCIAL REPORT

for fiscal year ended
June 30, 2021



TOWN OF CHRISTIANSBURG, VIRGINIA

ANNUAL COMPREHENSIVE FINANCIAL REPORT

FOR THE YEAR ENDED JUNE 30, 2021

PREPARED BY:
VALERIE L. TWEEDIE, CPA, CFE, CGFM
DIRECTOR OF FINANCE/TREASURER
TOWN OF CHRISTIANSBURG, VIRGINIA

TOWN OF CHRISTIANSBURG, VIRGINIA
ANNUAL COMPREHENSIVE FINANCIAL REPORT
FOR THE YEAR ENDED JUNE 30, 2021

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INTRODUCTORY SECTION



THE PLACE TO BE.
CHRISTIANSBURG VA
Established November 10, 1792

100 East Main Street
Christiansburg, VA 24073
p: (540) 382-6128
f: (540) 382-7338

November 22, 2021

**The Honorable Mayor, Members of Town Council
and the Citizens of the Town of Christiansburg, Virginia:**

Section 15.1-167 of the Code of Virginia requires an annual independent audit and report of financial activity of the Town presented in conformity with generally accepted accounting principles (GAAP) and audited in accordance with generally accepted auditing standards by a firm of licensed certified public accountants. Pursuant to that requirement, the Finance Department and Town Manager's Office hereby issue the Comprehensive Annual Financial Report (CAFR) of the Town of Christiansburg, Virginia for the fiscal year ended June 30, 2021.

This report consists of management's representations concerning the finances of the Town of Christiansburg. Consequently, management assumes full responsibility for the completeness and reliability of all of the information presented in this report. To the best of our knowledge and belief, the enclosed data are accurate in all material respects and are reported in a manner that presents fairly the financial position and results of operations of the various funds of the Town.

The Report

The Town of Christiansburg's financial statements have been audited by the independent certified public accounting firm of Robinson, Farmer, Cox, Associates, LLC. The goal of the independent audit was to provide reasonable assurance that the financial statements of the Town of Christiansburg, for the fiscal year ended June 30, 2021, are free of material misstatement. The independent audit involved examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; assessing the accounting principles used and significant estimates made by management; and evaluating the overall financial statement presentation. The independent auditor concluded, based upon the audit, that there was a reasonable basis for rendering an unmodified opinion that the Town of Christiansburg's financial statements for the fiscal year ended June 30, 2021 are fairly presented in conformity with GAAP. The independent auditor's report is presented at the front of the financial section of this report.

Mayor

D. Michael Barber
Town Manager
Randy Wingfield

Town Council

Samuel M. Bishop
Johana Hicks
Steve Huppert
Merissa Sachs
Henry Showalter
Bradford J. Stipes

Town of Christiansburg
Letter of Transmittal continued

The independent audit of the financial statements of the Town of Christiansburg was part of a broader, federally mandated audit performed in accordance with Government Auditing Standards as issued by the Comptroller General of the United States of America. Those standards are designed to meet the special needs of federal grantor agencies. The standards require the independent auditor to report not only on the fair presentation of the financial statements, but also on the audited government's internal controls and compliance with certain provisions of laws, regulations, contracts, and grants. These reports are contained at the end of the Comprehensive Annual Financial Report.

GAAP requires that management provide a narrative introduction, overview, and analysis to accompany the basic financial statements in the form of Management's Discussion and Analysis (MD&A) that immediately follows the independent auditor's report. This letter of transmittal is designed to complement MD&A and should be read in conjunction with the report of the independent auditor.

Profile of the Government

Location, History, and Government

The Town of Christiansburg was founded and organized in 1792 and incorporated in 1833. The Town is located in Montgomery County and is the county seat. The Town has a land area of 14.6 square miles. Christiansburg is the fourth largest town in the Commonwealth of Virginia with 23,348 residents (2020 U.S. Census). The Town is empowered to levy a property tax on real properties located within its boundaries. Town residents are also citizens of and are subject to taxation by Montgomery County.

The Town of Christiansburg is organized under the Council-Manager form of government. The Town Council is the legislative body of the Town and is comprised of the mayor and six council members, who enact laws, determine policies, and adopt the annual budget. The Council, including the Mayor, is elected at large for four-year overlapping terms. Town Council appoints a Town Manager who is responsible for the daily management of the Town.

For financial reporting purposes, the Town of Christiansburg includes all funds, agencies, boards, commissions, and authorities that are controlled by, or are financially dependent upon, the Town. Controlled by, or financial dependence, was determined on the basis of obligations of the Town to finance deficits, guarantee debt, select the governing authority, approve the budget, have authority to make a public levy, and to have ownership of assets. The Town of Christiansburg has not identified any entities that should be reported as discretely presented component units of the Town.

Town of Christiansburg
Letter of Transmittal continued

Jointly governed organizations of the Town of Christiansburg that require only note disclosure presentation are the NRV Regional Water Authority, Montgomery Regional Solid Waste Authority, the Virginia Tech-Montgomery Regional Airport Authority, the Blacksburg/Christiansburg Montgomery Area/Metropolitan Planning Organization, the New River Valley Emergency Communications Regional Authority, and the Montgomery Regional Tourism Board.

Services Provided

The Town of Christiansburg provides services for its citizens that have proven to be necessary and meaningful. Major services provided under the general government and enterprise function include: general administration, public safety, public works, planning, and recreational activities. The Town also provides and maintains water and sewer utilities, storm water management program, and solid waste and recycling services. Montgomery County provides public school services and educational programs for the students of the Town of Christiansburg as well as courts, health department, social services programs, and animal control.

Accounting System and Budgetary Control

The Town's accounting records for general governmental operations are maintained on a modified accrual basis, with the revenues being recorded when available and measurable, and expenditures being recorded when the services or goods are received, and the liabilities are incurred. Accounting records for the Town's utilities and other proprietary activities are maintained on the accrual basis.

In developing the Town's accounting system, consideration is given to the adequacy of internal control structure. Internal accounting controls are designed to provide reasonable, but not absolute, assurance regarding: (1) the safeguarding of assets against loss from unauthorized use or disposition; and (2) the reliability of financial records for preparing financial statements and maintaining accountability for assets. The concept of reasonable assurance recognizes that: (1) the cost of control should not exceed the benefits likely to be derived; and (2) the evaluation of costs and benefits requires estimates and judgments by management.

All internal control evaluations occur within the above framework. We believe that the Town's internal controls adequately safeguard assets and provide reasonable assurance of proper recording of financial transactions.

The Town Council adopts an annual budget for all funds prepared by Town management. The legally adopted budgets for the general fund, special revenue fund, permanent fund, and capital projects fund are prepared on the modified accrual basis. These budgets are reviewed by the Town Council and are formally adopted by the passage of a budget ordinance. The Director of

Town of Christiansburg
Letter of Transmittal continued

Finance is authorized to transfer budgeted amounts between line items and departments within the general fund upon request and justification from management; however, any revisions that alter the total expenditures of any fund must be approved by the Town Council.

The legal level of budgetary control has been established at the individual fund level except within the special revenue fund where the legal level of compliance is at the functional/program level. Financial reports are produced showing budget to actual expenditures by line item and are distributed monthly to Town departmental management and to others upon request.

Individual line items are reviewed and analyzed for budgetary compliance. Personnel expenditures are monitored and controlled at a position level and capital expenditures are monitored and controlled item by item. Revenue budgets are reviewed monthly.

Budget-to-actual comparisons are provided in this report for each individual governmental fund for which an appropriated annual budget has been adopted. For the general fund, this comparison is presented in Exhibit 10 as part of the required supplementary information. The Special Revenue, Cemetery, Capital Projects, and other funds budget-to-actual comparisons are presented in the other supplementary information in Exhibit 10 and Exhibits 21 - 27. The budgetary comparison for all Governmental Funds is presented in Schedule 1 and Schedule 2.

Local Economy

The information presented in the financial statements is perhaps best understood when it is considered from the broader perspective of the specific environment within which the Town of Christiansburg operates.

The Town of Christiansburg is located along the I-81 corridor in Montgomery County and is the county seat. The Town is the major retail shopping outlet for the surrounding community which includes the City of Radford and the Town of Blacksburg. The City of Radford is home to Radford University and the Town of Blacksburg is home to Virginia Tech. Each university houses a large annual student population and Virginia Tech has a popular football team which attracts thousands of visitors throughout the football season. The Town continues to work with the Economic Development Department of Montgomery County to increase its business base and industrial customers. COVID-19 has hit our local economy hard with some business closures. The Town did provide a number of business grants to local businesses from CARES funding totaling \$1,091,800. The government revenues did not decline as much as anticipated. Sales tax revenue increased 0.25% and meals tax revenue increased 7%. Lodging revenues have not yet recovered as many activities that would require the use of lodging were cancelled throughout the year and only began coming back late in the fiscal year. 27% of our general fund revenues are derived

Town of Christiansburg
Letter of Transmittal continued

from meals and lodging taxes. The Town's reserves remain stable and we are operating within our fund balance policy even with the current constraints.

Long-term Financial Planning

In 2020, the Town Council revisited its Destination 2022, established in 2009, and affirmed the goals set forth in that Vision. The Vision includes the following 7 goals: An Active Destination for Culture, Recreation & Entertainment; Destination for Retail, Commerce & Service; Clean and Green Healthy and Safe Community; A Town of Well informed and Engaged Citizens; Partnering with Businesses and Residents; A Sound Financial Entity; and Everyone's Hometown.

Each of these goals are considered when evaluating financial and operational issues and they are the framework under which the annual budget is established. Over the last several years the Town has been establishing new policies and procedures for various aspects of its operations to achieve these objectives. The Town Council Chambers were updated to include projectors and microphones and meetings are now taped and available on the public cable channel designated for government use so that the citizens may be better informed. Due to COVID-19 the Council meetings are now broadcast live over YouTube to help maintain proper social distancing. Furthermore, new initiatives have been made to establish more sidewalks and trails throughout the Town for recreational purposes as well as fostering an interconnected community.

Relevant Financial Policies

The annual budget serves as the Town's operations plan and is prepared in accordance with Virginia Law providing a forecast for future year's operations and capital needs. This format provides the governing body with information to assess the sustainability of ongoing operational as well as capital needs, and what changes may need to be made in the future to create a fiscally sound and sustainable plan.

Each year the budget includes new assignments of fund balance for projects and capital needs in the future. The Town has adopted a fund balance policy that sets forth best practices for the amount of unassigned fund balance to be retained and the use of those balances for nonoperational costs. These fund balances are reviewed each year and appropriate actions are taken to ensure appropriate fund balances are in place. Assignments of fund balances are determined as a part of the budget review and approval of the annual budget.

Town of Christiansburg
Letter of Transmittal continued

The Town invests its reserved or assigned fund balances in local banks in certificates of deposits, savings, and money market funds to provide liquidity and to guard against the risk of loss. In 2013 a number of local governments joined together to form the Virginia Investment Pool (VIP) to strengthen localities resources for investment of local government funds. The VIP is designed to follow all the current laws required for the Local Government Investment Pool (LGIP), managed by the Commonwealth for investment of funds by local governments. The VIP anticipates achieving higher rates of return on the funds and is more actively managed by the participants. Through periodic requests for proposals the Town strives to increase the investment earnings on these funds.

The real estate tax rate remained unchanged in the Town for seven years and was actually reduced in 2007 from 0.144 per \$100 to a rate of 0.1126 per \$100. In 2013-2014 the tax rate was increased to .13 per \$100 and in 2015-2016 the rate was increased to .16 per \$100 and remains unchanged today. The personal property tax rate is 0.45 per \$100 and has not been changed since 1987 when the rate was reduced from 2.25 per \$100.

Citizens of Christiansburg are taxed by both the Town and Montgomery County. The County increased its real estate tax rate for 2013 from 0.87 per \$100 to 0.89 and the rate has remained at 0.89. Its personal property tax rate increased from 2.45 per \$100 in 2012 to 2.55 in 2013 and has remained unchanged to date. The increased real estate rate was primarily to fund the construction of three new schools within the County.

The Town participates in the Virginia Retirement System (VRS) with benefits as outlined in the footnotes to the financial statements. The Town's annual contractually required contributions totaled \$1,456,574. The Town currently funds the current year requirement as well as an amortized portion of the unfunded liability. The unfunded actuarial accrued liability is amortized over a period of 30 years. The Town's net pension liability as of the last measurement date of June 30, 2020 is approximately \$11.76 million.

The Town also provides a payout of sick leave balance for personnel hired before June 30, 2011 that accrues from divesting a retiree of accrued sick leave upon retirement. The details of this plan are also described in the footnotes of the financial statements (Note 1). The balance expected to be paid out for these benefits is accrued as a part of compensated absences.

Christiansburg also provides its employees who retire from the Town with 20 years of service an amount that is to be paid into a medical reimbursement account. This other post-employment benefit is also a pay-as-you-go system and has an unfunded actuarial accrued liability of \$2,672,411 as of the last measurement date of June 30, 2021. This plan is more fully described in the footnotes of the financial statements (Note 9) and Exhibit 11.

Town of Christiansburg
Letter of Transmittal continued

Major Initiatives

The utility division has completed implementation of the SCADA system (Supervisory Control and Data Acquisition) to enable real time monitoring of our water and wastewater systems. These systems provide emergency notifications if pump stations or other critical infrastructure go offline or need immediate attention. These systems reduce the need for personnel to physically go out the various locations to check operations.

Engineering Department

During this fiscal year we completed several large infrastructure projects.

\$440,590 was expended for repaving streets throughout Town and major design work started for intersection improvements for Arbor drive and Tower Road.

The Silver Lake interceptor project was completed at a cost of \$502,140. This was Phase 1 of a sewer project to install a 15" sanitary sewer to connect from the Crab Creek interceptor to the Silver Lake pump station. Phase 1 was from Crab Creek to Round Meadow.

The Depot Park Trail which connected the Depot Park Loop trail to the Aquatic Center at Mill Lane was completed at a cost of \$524,100.

Sidewalks along Roanoke Street from Roberts to Reading road were completed at a cost of \$453,575.

The gas collection system at Wade's Lane closed landfill was replaced to better monitor the closure of that landfill.

Redesign and construction of the intersection at N. Franklin and Cambria was completed at a cost to date of \$7,322,800.

Engineering and design for the new park development off Pepper's Ferry Road along with a future connector road through the park was approved to proceed this year. Final design is completed, and the Town entered into a contract with Faulconer Construction to complete the project. The total cost of the project including a portion of the connector road is expected to be \$18.8 million dollars.

Town of Christiansburg
Letter of Transmittal continued

Awards and Acknowledgements

The Christiansburg Police Department has received the following awards and accreditations:

The Town of Christiansburg Police Department is a fully accredited agency. The Department sought and received accreditation in 2000 and continues to maintain that standing. They were accredited for the 5th time in 2020 with 100% compliance. The accreditation is provided by the Virginia Law Enforcement Professional Standards Commission and requires regular reviews and recertification of the department's operations.

The Christiansburg Police Department continues as a Certified Crime Prevention Community. The Town has maintained this certification since 2009.

The Christiansburg Rescue Squad was recognized by the American Heart Association with the Gold Plus EMS Award for outstanding Achievements in Cardiac Care in 2017, 2018, 2019 and 2020.

The Gold Plus award is the program's highest achievement award and recognizes EMS agencies for providing quality, pre-hospital emergency care and implementing improvement measures for the treatment of patients who experience severe heart attacks.

The Gold Plus award means Christiansburg Rescue maintained a performance score of at least 75 percent in each of four measures set by Mission: Lifeline during a 24-month period. Mission: Lifeline is a proactive system of care that unites first responders, hospitals and other healthcare providers into a team that uses best practices to treat patients suffering from acute coronary syndrome, including both STEMI and non-ST-elevation acute coronary syndrome (NSTEMI) heart attacks.

These tools, training and practices allow EMS providers to rapidly identify suspected heart attack patients, promptly notify medical centers and trigger an early response from the awaiting hospital personnel. The goal of Mission: Lifeline is to help save lives and improve patient outcomes, from symptom onset all the way through cardiac rehabilitation.

*Town of Christiansburg
Letter of Transmittal continued*

Christiansburg Fire Department

After years of planning and saving funds the fire department was able to purchase a new ladder truck at a cost of \$1.5 million. This truck replaced our 1988 ladder truck.



Christiansburg Named VDOT 2021 Locality of the Year

Virginia Department of Transportation (VDOT) Salem District announced the Town of Christiansburg as its Locality of the Year for the second year in a row for Locally Administered Projects. This award signifies the Engineering Department's hard work and commitment to delivering transportation projects for Christiansburg residents.

In 2018, the Salem District's Locally Administered Projects Team created the award to encourage local governments who administer transportation projects to improve delivery of VDOT-funded projects. Successful delivery of locality-administered projects is critical because these projects comprise more than 50 percent of the statewide Six-Year Improvement Program, which is determined by SMART Scale results.

Delivering locally administered projects successfully gives localities' credibility with taxpayers, legislators, and contractors. These performance metrics help ensure that projects will be completed efficiently.

Town of Christiansburg
Letter of Transmittal continued

Town of Christiansburg Finance Department Awarded Certificate of Achievement for Excellence in Financial Reporting

Last year was the ninth year that the Town produced a Comprehensive Annual Financial Report (CAFR). In prior years the Town issued General Purpose Financial Statements. The Town submitted that report to Government Finance Officers Association and is very pleased to announce that we again received the Certificate of Achievement for Excellence in Financial Reporting.

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the Town of Christiansburg for its Comprehensive Annual Financial Report (CAFR) for the fiscal year ending June 30, 2020. The Certificate of Achievement is a prestigious national award recognizing conformance with the highest standards for preparation of state and local government financial reports. In order to be awarded a Certificate of Achievement, a government unit must publish an easily readable and efficiently organized comprehensive annual financial report, whose contents conform to program standards and satisfy both generally accepted accounting principles and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. The Town believes its current report also conforms to the Certificate of Achievement Program's requirements and is submitting it to the GFOA for consideration again this year.

Finance/Treasurers Office Staff
Valerie Tweedie, Deanna Cox, Mark Hamric, Amber Haskins,
Debbie Reed, Samantha Connors, Shana Reed, Sharon Graves
Kelsey Cole, Tonya Whitmer, Jessie Haskins, Stacy Harris, Jennifer Kaylor

The Town also received the Certificate of Excellence in Citizen Centric Reporting for 2020. This report is a 4-page concise executive summary of financial and performance results for the government. Copies are available at the Town Hall in the finance department. The Town intends to complete a similar report for 2021. The Town continues to strive to increase the level of information available to the citizens so that they may be better informed about the government's operations and activities.

We would like to express our sincere thanks to all of the staff in the Finance office and all the department directors and staff for their assistance and support in gathering and compiling all the data and information required for this report. Their cooperation and dedication to improving the Town in every way is remarkable.

Town of Christiansburg
Letter of Transmittal continued

Respectfully submitted,



Valerie L. Tweedie CPA CFE CGFM
Director of Finance/Treasurer
Town of Christiansburg



Randy Wingfield
Town Manager
Town of Christiansburg



Government Finance Officers Association

Certificate of
Achievement
for Excellence
in Financial
Reporting

Presented to

**Town of Christiansburg
Virginia**

For its Comprehensive Annual
Financial Report
For the Fiscal Year Ended

June 30, 2020

Christopher P. Monell

Executive Director/CEO

TOWN OF CHRISTIANSBURG, VIRGINIA AS OF JUNE 30, 2021

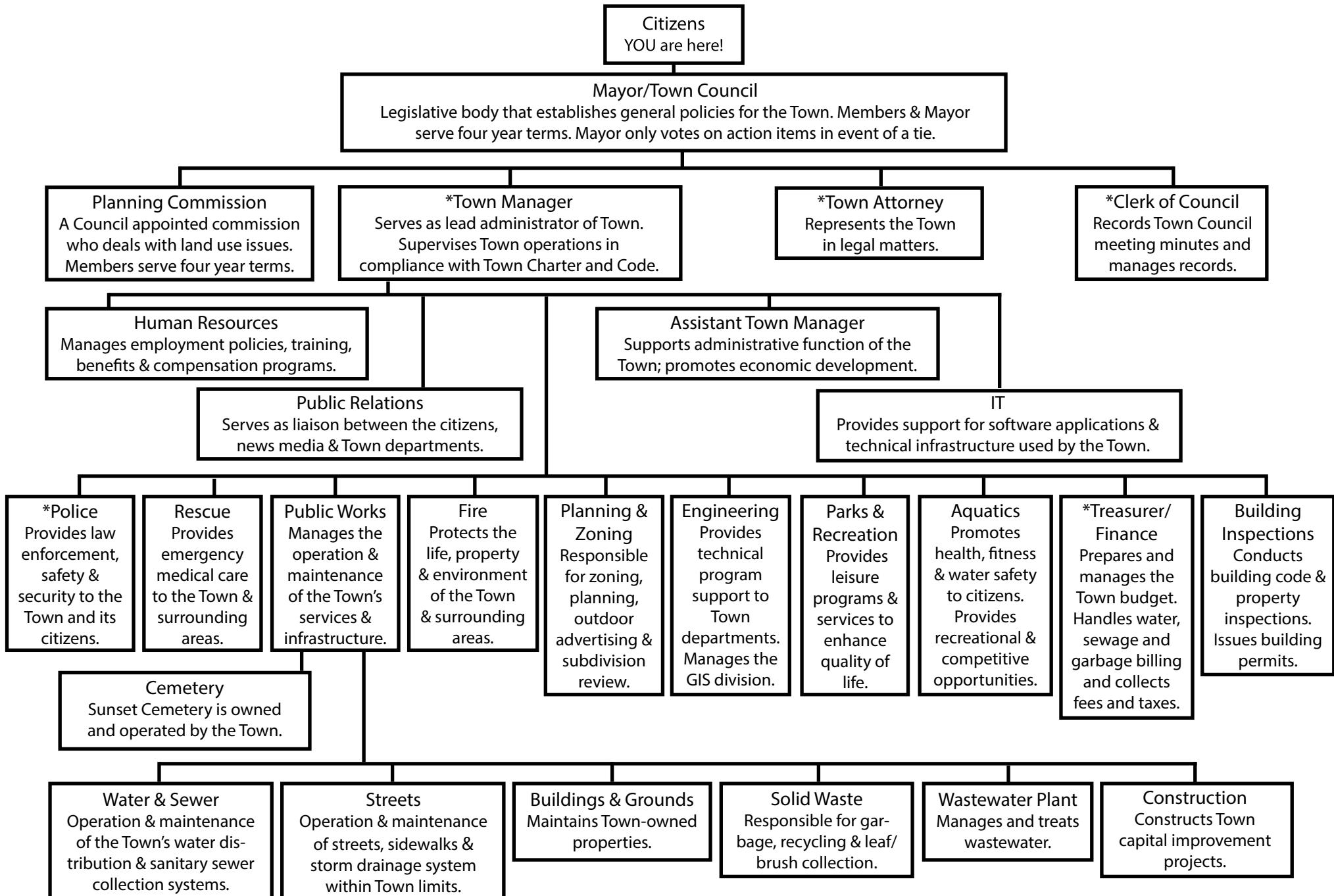
TOWN COUNCIL

D. Michael Barber, Mayor
Samuel M. Bishop
Johana Hicks
Merissa Sachs
Steve Huppert
Henry Showalter
Bradford J. Stipes

OTHER OFFICIALS

Randy Wingfield	Town Manager
Valerie Tweedie	Director of Finance/Treasurer
Sands Anderson PC	Town Attorney
Mike Kelley	Director of Engineering
Jim Lancianese.....	Director of Public Works
Benjamin Tripp	Director of Planning
Mark Sisson	Chief of Police
Brad Epperley	Director of Parks and Recreation
Alicia Dials.....	Director of Human Resources
Christina Edney	Director of Public Relations
Jerry Heinline	Director of Building Department
Terry Caldwell	Director of Aquatics
Billy Hanks	Fire Chief
Joe Coyle	Rescue Chief

Town of Christiansburg Organizational Structure & Departmental Functions



FINANCIAL SECTION

Independent Auditors' Report

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

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Town of Christiansburg, Virginia, as of and for the year ended June 30, 2021, and the related notes to the financial statements, which collectively comprise the Town's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

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

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

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Town of Christiansburg, Virginia, as of June 30, 2021, and the respective 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.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, budgetary comparison information, and schedules related to pension and OPEB funding on pages 18-26, 86, and 87-94, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers 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.

Supplementary and Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Town of Christiansburg, Virginia's basic financial statements. The introductory section, combining and individual fund financial statements and schedules, and statistical section, are presented for purposes of additional analysis and are not a required part of the basic financial statements. The schedule of expenditures of federal awards is presented for purposes of additional analysis as required by Title 2 U.S. *Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, and is also not a required part of the basic financial statements.

The combining and individual fund financial statements and schedules and the schedule of expenditures of federal awards are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual fund financial statements and schedules and the schedule of expenditures of federal awards are fairly stated in all material respects in relation to the basic financial statements as a whole.

The introductory and statistical sections have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on them.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated November 22, 2021, on our consideration of the Town of Christiansburg, 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 Christiansburg, Virginia's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Town of Christiansburg, Virginia's internal control over financial reporting and compliance.

Robinson, Farmer, Cox Associates

Blacksburg, Virginia
November 22, 2021

TOWN OF CHRISTIANSBURG, VIRGINIA
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEAR ENDED JUNE 30, 2021

The following discussion and analysis of the Town of Christiansburg's financial performance provides an overview of the Town's financial activities for the fiscal year ended June 30, 2021. It should be read in conjunction with the Town's basic financial statements.

FINANCIAL HIGHLIGHTS

- The Town's total net position increased by \$10,281,044 during the fiscal year, on the government-wide basis. The Town's total net position, on the government-wide basis, totaled \$205,793,997 at June 30, 2020. Net Position as of June 30, 2021 is \$216,075,041. Of this amount, \$29,712,471 may be used to meet ongoing obligations to citizens and creditors, \$183,801,028 is invested in capital assets, net of related debt, \$864,099 is restricted for perpetual care in the Cemetery Fund; \$1,697,443 is restricted for other purposes.
- On a government-wide basis for governmental activities, the Town had expenses (including transfers) net of program revenues of \$13,060,574, which were \$10,281,044 less than the general revenues, of \$23,341,618.
- At June 30, 2021 the Town's Governmental Funds Balance Sheet reported total ending fund balances of \$41,550,636 of which \$1,014,686 was non-spendable as a part of the cemetery perpetual care fund and prepaid expenses of the general fund, \$1,697,443 was restricted by law or donor restrictions; \$11,573,428 was assigned to specific savings for future needs of the Town and \$27,265,079 was unassigned and available to meet future needs.

OVERVIEW OF THE FINANCIAL STATEMENTS

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

Government-Wide Financial Statements

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

MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)

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

In the Statement of Net Position and the Statement of Activities, the Town's fund-based activity is classified as follows:

Governmental activities - Most of the Town's basic services are reported here, including general government, public safety, public works, health and welfare, parks and recreation, cemetery and community development. Property taxes, other local taxes, and federal and state grants finance most of these activities.

Business-type activities - The Town's water and sewer operations, as well as the Town's storm water operations are reported here as the Town charges fees to customers designed to cover all or most of the cost of the services it provides.

Fund Financial Statements

Traditional users of governmental financial statements will find the fund financial statement presentation more familiar. The fund financial statements focus on the Town's most significant funds rather than fund types. The fund financial statements begin on page 29 and provide detailed information about the most significant funds, not the Town as a whole. The Town has two types of funds:

Governmental funds - Most of the Town's basic services are included in governmental funds. Fund-based statements for these funds focus on how resources flow into and out of those funds and the balances left at year-end that are available for future spending. These funds are reported on the modified accrual basis of accounting, which measures cash and other liquid assets that can readily be converted to cash. The governmental fund statements provide a detailed short-term overview that helps the reader determine the financial resources that can be spent in the near future to finance the Town's programs. The differences between governmental activities as reported in the government-wide and fund financial statements are reconciled in Exhibits 4 and 6 on pages 30 and 32.

The Cemetery Fund (Permanent Fund) is a non-major Governmental Fund. The Town took over control of the cemetery on April 1, 2008.

The Special Revenue Fund is used in accordance with generally accepted accounting principles to account for the proceeds of specific revenue sources that are legally restricted by contract or donor to expenditures for a specified purpose. The funds primarily come from federal, state, and county grants and specific donations to the Fire department and Rescue department.

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

MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)

The Town's enterprise funds (two proprietary funds), are the same as the government-wide business-type activities; however, the fund financial statements provide more detail and additional information, such as cash flows. The Town's enterprise funds are the Water and Sewer Fund and the Stormwater Fund.

FINANCIAL ANALYSIS OF THE TOWN AS A WHOLE

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. In the case of the Town of Christiansburg, assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by \$216,075,041 at the close of the most recent fiscal year, June 30, 2021.

By far the largest portion of the Town of Christiansburg's net position (85 percent) reflects its investment in capital assets (e.g., land, buildings and structures, and equipment); less any related debt used to acquire those assets that is still outstanding. The Town of Christiansburg uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the Town of Christiansburg's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate the liabilities.

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MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)

Summary of Net Position:

The following table presents a condensed summary of net position:

Summary of Net Position
As of June 30, 2020 and June 30, 2021
(In Thousands)

	Governmental Activities		Business-type Activities		Total Primary Government	
	2021		2020		2021	
	2021	2020	2021	2020	2021	2021
Current and other assets	\$ 50,475	\$ 48,013	\$ 8,519	\$ 6,813	\$ 58,994	\$ 54,826
Capital assets, net	146,610	141,633	49,267	48,532	195,877	190,165
Total Assets	\$ 197,085	\$ 189,646	\$ 57,786	\$ 55,345	\$ 254,871	\$ 244,991
Deferred charge on refunding, net	\$ 231	\$ 250	\$ -	\$ -	\$ 231	\$ 250
Pension related items	1,289	2,025	694	444	1,983	2,469
OPEB related items	3,080	911	66	63	3,146	974
Total Deferred Outflows of Resources	\$ 4,600	\$ 3,186	\$ 760	\$ 507	\$ 5,360	\$ 2,719
Other liabilities	\$ 3,446	\$ 3,754	\$ 1,394	\$ 1,393	\$ 4,840	\$ 5,147
Long-term liabilities	27,989	26,019	5,223	5,572	33,212	31,591
Total Liabilities	\$ 31,435	\$ 29,773	\$ 6,617	\$ 6,965	\$ 38,052	\$ 36,738
Pension related items	\$ 130	\$ 701	\$ 96	\$ 133	\$ 226	\$ 834
OPEB related items	618	291	19	19	637	310
Deferred tax revenue	5,241	5,008	-	-	5,241	5,008
Total Deferred Inflows of Resources	\$ 5,989	\$ 6,000	\$ 115	\$ 152	\$ 6,104	\$ 6,152
Net investment in capital assets	\$ 136,939	\$ 131,146	\$ 46,862	\$ 45,183	\$ 183,801	\$ 176,329
Restricted	864	3,302	-	-	864	3,302
Unrestricted	26,458	22,610	4,952	3,553	31,410	26,163
Total Net Position	\$ 164,261	\$ 157,058	\$ 51,814	\$ 48,736	\$ 216,075	\$ 205,794

The Town's combined net position increased from \$205,793,997 to \$216,075,041. This increase is primarily due to the addition of several large capital projects completed in 2021. Unrestricted net position, the portion of net position that can be used to finance the day-to-day operations of the Town totaled \$29,712,471. Net investment in capital assets, represents the amount of capital assets owned by the Town, including infrastructure, net of any outstanding debt and totaled \$183,801,028 at June 30, 2021. Net assets are reported as restricted when constraints on asset use are externally imposed by creditors, grantors, contributors, regulators, or are imposed by law through constitutional provisions. The total amount of restricted net position is \$2,561,542; \$864,099 is restricted for the use of perpetual care in the Cemetery Fund, and \$1,697,443 is restricted by law, contract or donor restrictions.

MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)

Summary of Changes in Net Position:

The following table shows the revenues and expenses of the government:

Summary of Changes in Net Position							
For the Fiscal Year Ended June 30, 2020 and 2021							
(In Thousands)							
	Governmental Activities		Business-type Activities		Total Primary Government		
	2021	2020	2021	2020	2021	2020	
Revenues:							
Program Revenues:							
Charges for services	\$ 4,010	\$ 4,179	\$ 12,694	\$ 13,212	\$ 16,704	\$ 17,391	
Operating grants and contributions	7,305	4,898	-	-	7,305	4,898	
Capital grants and contributions	1,654	8,054	1,077	1,479	2,731	9,533	
General Revenues:							
Property taxes	5,167	4,941	-	-	5,167	4,941	
Other Local Taxes:							
Local sales and use tax	2,371	2,143	-	-	2,371	2,143	
Business, Professional & occupational license tax	2,821	2,723	-	-	2,821	2,723	
Restaurant food taxes	7,132	6,692	-	-	7,132	6,692	
Other local taxes	3,675	4,065	-	-	3,675	4,065	
Unrestricted revenues from use of money and property	526	882	-	-	526	882	
Miscellaneous	545	441	-	-	545	441	
Grants and contributions not restricted to specific programs	1,102	1,168	-	-	1,102	1,168	
Transfers	(174)	-	174	-	-	-	
Total Revenues	\$ 36,134	\$ 40,186	\$ 13,945	\$ 14,691	\$ 50,079	\$ 54,877	
Expenses							
General Government	\$ 3,547	\$ 4,785	-	\$ 3,547	\$ 4,785		
Public Safety	12,747	9,927	-	12,747	9,927		
Public works	7,293	10,479	-	7,293	10,479		
Health and Welfare	-	4	-	-	-	4	
Parks, Recreation and Cultural	3,857	3,323	-	3,857	3,323		
Community Development	1,283	2,845	-	1,283	2,845		
Interest and fiscal Charges	204	213	-	204	213		
Water and Sewer	-	-	9,909	9,445	9,909	9,445	
Stormwater	-	-	958	839	958	839	
Total Expenses	\$ 28,931	\$ 31,576	\$ 10,867	\$ 10,284	\$ 39,798	\$ 41,860	
Change in net position	7,203	8,610	3,078	4,407	10,281	13,017	
Net position, beginning	157,058	148,448	48,736	44,329	205,794	192,777	
Prior period adjustments	-	-	-	-	-	-	
Net position, ending	\$ 164,261	\$ 157,058	\$ 51,814	\$ 48,736	\$ 216,075	\$ 205,794	

MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)

The property tax classification, which comprises approximately 14% of total revenue generated by governmental activities, includes real estate taxes, the local portion of personal property taxes, machinery and tools taxes, and public service corporation taxes. Total property tax revenues totaled \$5,167,035.

Sales taxes, consumer's utility taxes, Commonwealth share of personal property taxes, business and professional occupational license taxes, prepared food and beverage taxes, transient room taxes, E-911 taxes, and cigarette taxes comprised the majority of other local taxes collected by the Town. Other taxes comprised approximately 44% of total revenues generated for governmental activities and are the largest source of revenue for the Town.

Charges for services include items such as recreational fees, fines, forfeitures, and garbage collection fees, when combined represent approximately 11% of the governmental activities revenues.

Public Safety expenses comprised approximately 44% of expenses of the governmental activities. Operations of the labor-intensive Police Department are included in this category, along with expenses of the Building Inspections, Rescue Squad, Fire Department and E-911 Call Center.

Public Works expenses comprised approximately 25% of governmental activities expenses. Expenses for solid waste management, building maintenance, street paving, and street maintenance are included in the Public Works category.

Recreation expenses comprised approximately 13% of government activities expenses.

Community Development and Health & Welfare include such items as industrial development, planning district commission, planning, and engineering services.

FINANCIAL ANALYSIS OF THE TOWN'S FUNDS

For the fiscal year ended June 30, 2021, the governmental funds reflect a total fund balance of \$41,550,636. Of this amount, \$27,265,079 constitutes unassigned fund balance, which is available for spending for services, debt obligations and future capital projects. As a measure of the General Fund's liquidity, it may be useful to compare unassigned fund balance to total fund expenditures, which was 80%.

The General Fund balance increased by \$3,220,096 during the fiscal year ending June 30, 2021 which was more than expected due partly to an increase in meals and lodging tax revenues which bounced back from the prior year's decrease due to COVID-19. The increase in fund balance also reflects a decrease in the amount of funds transferred to other funds and proceeds from the issuance of bonds.

The other governmental funds fund balance decreased by \$741,475 from the prior year due primarily to the purchase of a new fire truck from the Volunteer Fire Department Fund.

Local taxes generated the majority of General Fund revenue, totaling approximately \$16.5 million in fiscal year ending June 30, 2021.

Intergovernmental revenue is the second largest source of General Fund revenues, generating approximately \$10,060,938 million in fiscal year ending June 30, 2021. This revenue is received from the Commonwealth and the federal government and includes street maintenance funding, law enforcement grants and CARES Act Funding.

MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)

GENERAL FUND BUDGETARY HIGHLIGHTS

General Fund revenues were more than the budgeted revenues by \$2,768,124. This was primarily due to meals and lodging taxes recovering to pre-COVID 19 year levels.

General Fund expenditures were less than the budgeted amount by \$6,108,962 for general operations due primarily delayed projects and asset purchases as well as department-controlled spending.

CAPITAL ASSETS

As of June 30, 2021, the Town's capital assets for its governmental and business-type activities amounted to \$195,875,128 (net of accumulated depreciation). This investment includes land, streets and highways, construction in progress, land improvements, buildings and structures, vehicles, equipment, and infrastructure. The total net increase (additions less retirements and depreciation) in the Town's investment in capital assets for the current fiscal year was \$5,709,377. This increase was primarily from additions to the water and sewage system, stormwater system, other ongoing construction projects and other building improvements, net of depreciation on older assets.

Capital Assets, Net of Depreciation
(in Thousands)

	Governmental Activities		Business-type Activities		Total Primary Government	
	2021	2020	2021	2020	2021	2020
Land	\$ 8,193	\$ 8,193	12	\$ 12	\$ 8,205	\$ 8,205
Construction in progress	12,959	10,070	3,783	2,329	16,742	12,399
Building and Improvement	24,119	24,893	-	-	24,119	24,893
Machinery & Equipment	8,595	6,434	3,159	3,178	11,754	9,612
Infrastructure	92,743	92,043	42,312	43,014	135,055	135,057
Total	\$ 146,609	\$ 141,633	\$ 49,266	\$ 48,533	\$ 195,875	\$ 190,166

The changes in each category of Capital Assets are presented in detail in note 7 of the notes to financial statements.

Major capital asset events during the fiscal year included the following: completion of the Falling Branch Intersection Project, the Huckleberry Trail Phase III, Arbor Drive Sidewalks, and significant paving and other projects.

MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)

LONG-TERM DEBT

At June 30, 2021, the Town's long-term liabilities, not including compensated absences, net OPEB liability, net pension liability, bond premiums and post closure care costs payable, totaled \$12,305,400; which is comprised of \$9,901,320 related to governmental activities, and \$2,404,080 related to business-type activities. Total debt decreased by \$1,781,263 during the fiscal year. This is due to the annual retirement of existing debt of \$1,781,263.

The Charter of the Town of Christiansburg and Code of Virginia limits the Town's net debt to 10% of the assessed valuation of real estate within the Town limits. This limit applies to governmental activity debt as well as long-term liabilities of business-type funds which were issued as general obligations of the Town, even though those debts are expected to be paid with revenues generated by those activities. The Town's total general obligation debt of \$12,305,400 (excluding premiums) is well below the legal debt limit of \$220,664,710 (see Table 13 of Statistical Section).

Interest and fiscal charges for fiscal year ending June 30, 2021 were \$183,657 of the total governmental activities expenses and \$106,677 of the enterprise expenses.

For more detailed information about long-term debt refer to note 5 in the notes to the financial statements.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGET AND RATES

The economic outlook during 2021 has improved over the previous year due primarily to revenue for meals and lodging taxes increasing to levels pre COVID-19. In addition, the unemployment rate decreased from 6.6% at June 30, 2020 to 4.2% as of June 2021. The unemployment rate for the Commonwealth of Virginia at June 30, 2020 was at 4.2% as compared to the U.S. overall rate of 5.9%.

One indicator of the state of the economy is the sales tax revenue, which is directly related proportionally to the retail sales. Retail sales increased 2% over the prior year throughout the County. The Town's distribution of sales tax increased by 11% over prior years due in part to overall increase in sales tax collections and a slight reduction in the percentage of our distributive share of the sales tax collections as that distribution is based on school-age population. The Town's distributive share of local sales tax increased by .25%. Overall, the economic indicator is that retail sales are maintaining indicating some economic stability going forward.

Meals taxes assessed by the Town increased, recovering from decreases the prior year due to COVID-19 closures. Meals tax increased by 7%. Lodging taxes did not quite recover from the reduction in business caused by COVID 19 and decreased by 25%.

Overall, these signals seem to indicate the economy in our area is improving post COVID-19, with small growth in the retail and real estate markets. The Town continues to have concerns with future intergovernmental revenues from both federal and state sources, declining as a result of State and Federal budget constraints, particularly as it relates to street maintenance funds and law enforcement funds.

MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)

CONTACTING THE TOWN'S FINANCIAL MANAGEMENT

This financial report is designed to provide our citizens, taxpayers, customers, investors, and creditors with a general overview of the Town's finances and to demonstrate the Town's accountability for the resources it receives and their uses. Questions concerning this report or requests for additional information should be directed to the Town Manager or the Director of Finance at 100 East Main Street, Christiansburg, Virginia 24073, telephone (540) 382-9519. The Town's website address is www.christiansburg.org.

Basic Financial Statements

Town of Christiansburg, Virginia
Statement of Net Position
June 30, 2021

	Primary Government		
	Governmental		Business-type
	Activities	Activities	Total
ASSETS			
Cash and cash equivalents	\$ 40,403,043	\$ -	\$ 40,403,043
Cash and cash equivalents - restricted	3,292,396	-	3,292,396
Investments	5,915,199	-	5,915,199
Receivables (net of allowance for uncollectibles):			
Taxes receivable	5,480,458	-	5,480,458
Accounts receivable	1,412,736	1,395,929	2,808,665
Internal balances	(7,074,707)	7,074,707	-
Due from other governmental units	896,859	48,489	945,348
Prepaid items	150,587	546	151,133
Capital assets not being depreciated:			
Land	8,193,117	12,500	8,205,617
Construction in progress	12,958,974	3,783,287	16,742,261
Capital assets, net of accumulated depreciation:			
Buildings and improvements	24,118,946	-	24,118,946
Machinery, equipment, and vehicles	8,595,100	3,158,322	11,753,422
Infrastructure	92,742,637	42,312,245	135,054,882
Total assets	<u>\$ 197,085,345</u>	<u>\$ 57,786,025</u>	<u>\$ 254,871,370</u>
DEFERRED OUTFLOWS OF RESOURCES			
Deferred charges on refunding	\$ 231,300	\$ -	\$ 231,300
OPEB related items	1,289,430	66,316	1,355,746
Pension related items	3,079,534	693,600	3,773,134
Total deferred outflows of resources	<u>\$ 4,600,264</u>	<u>\$ 759,916</u>	<u>\$ 5,360,180</u>
LIABILITIES			
Accounts payable and accrued liabilities	\$ 1,768,921	\$ 896,808	\$ 2,665,729
Customers' deposits	-	486,846	486,846
Accrued interest payable	67,076	10,244	77,320
Unearned revenues	1,610,123	-	1,610,123
Noncurrent liabilities:			
Due within one year	1,234,112	289,569	1,523,681
Due in more than one year	26,754,675	4,932,808	31,687,483
Total liabilities	<u>\$ 31,434,907</u>	<u>\$ 6,616,275</u>	<u>\$ 38,051,182</u>
DEFERRED INFLOWS OF RESOURCES			
Deferred revenue - property taxes	\$ 5,239,332	\$ -	\$ 5,239,332
Deferred revenue - prepaid taxes	2,515	-	2,515
OPEB related items	617,972	18,986	636,958
Pension related items	130,109	96,413	226,522
Total deferred inflows of resources	<u>\$ 5,989,928</u>	<u>\$ 115,399</u>	<u>\$ 6,105,327</u>
NET POSITION			
Net investment in capital assets	\$ 136,938,754	\$ 46,862,274	\$ 183,801,028
Restricted:			
Nonexpendable:			
Cemetery	864,099	-	864,099
Expendable:			
Volunteer Fire Department	371,925	-	371,925
Lifesaving and Rescue	1,137,250	-	1,137,250
Police Department Grants	75,220	-	75,220
Recreation and Streets Grants	113,048	-	113,048
Unrestricted (deficit)	24,760,478	4,951,993	29,712,471
Total net position	<u>\$ 164,260,774</u>	<u>\$ 51,814,267</u>	<u>\$ 216,075,041</u>

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

Town of Christiansburg, Virginia
Statement of Activities
For the Year Ended June 30, 2021

<u>Functions/Programs</u>	<u>Expenses</u>	Program Revenues			Net (Expense) Revenue and Changes in Net Position		
		<u>Charges for Services</u>	Operating	Capital	Primary Government		
			<u>Grants and Contributions</u>	<u>Grants and Contributions</u>	<u>Governmental Activities</u>	<u>Business-type Activities</u>	<u>Total</u>
Governmental activities:							
General government administration	\$ 3,547,209	\$ -	\$ -	\$ -	\$ (3,547,209)		\$ (3,547,209)
Public safety	12,747,192	1,292,767	3,575,199	-	(7,879,226)		(7,879,226)
Public works	7,292,765	1,965,452	3,730,127	1,653,540	56,354		56,354
Health and welfare	4,719	-	-	-	(4,719)		(4,719)
Parks, recreation, and cultural	3,857,202	752,257	-	-	(3,104,945)		(3,104,945)
Community development	1,278,181	349	-	-	(1,277,832)		(1,277,832)
Interest on long-term debt	206,390	-	-	-	(206,390)		(206,390)
Total governmental activities	\$ 28,933,658	\$ 4,010,825	\$ 7,305,326	\$ 1,653,540	\$ (15,963,967)		\$ (15,963,967)
Business-type activities:							
Water and Sewer	\$ 9,908,912	\$ 11,219,076	\$ -	\$ 680,745		\$ 1,990,909	\$ 1,990,909
Stormwater	958,792	1,475,327	-	395,949		912,484	912,484
Total business-type activities	\$ 10,867,704	\$ 12,694,403	\$ -	\$ 1,076,694		\$ 2,903,393	\$ 2,903,393
Total	\$ 39,801,362	\$ 16,705,228	\$ 7,305,326	\$ 2,730,234		\$ (15,963,967)	\$ 2,903,393
							\$ (13,060,574)
General revenues and transfers:							
General property taxes				\$ 5,167,035	\$ -	\$ 5,167,035	
Other local taxes:							
Restaurant food taxes				7,132,520	-	7,132,520	
Business license taxes				2,820,789	-	2,820,789	
Local sales and use taxes				2,371,546	-	2,371,546	
Lodging taxes				1,126,363	-	1,126,363	
Bank stock taxes				801,220	-	801,220	
Motor vehicle licenses				632,940	-	632,940	
Consumers' utility taxes				613,738	-	613,738	
Other local taxes				501,887	-	501,887	
Unrestricted revenues from use of money and property				526,196	-	526,196	
Miscellaneous				545,312	-	545,312	
Grants and contributions not restricted to specific programs				1,102,072	-	1,102,072	
Transfers				(175,107)	175,107	-	
Total general revenues and transfers	\$ 23,166,511	\$ 175,107	\$ 23,341,618				
Change in net position				\$ 7,202,544	\$ 3,078,500	\$ 10,281,044	
Net position - beginning				157,058,230	48,735,767	205,793,997	
Net position - ending				\$ 164,260,774	\$ 51,814,267	\$ 216,075,041	

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

Town of Christiansburg, Virginia
Balance Sheet
Governmental Funds
June 30, 2021

	<u>General</u>	<u>Capital Projects</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
ASSETS				
Cash and cash equivalents	\$ 40,275,519	\$ -	\$ 127,524	\$ 40,403,043
Cash and cash equivalents - restricted	-	-	3,292,396	3,292,396
Investments	5,915,199	-	-	5,915,199
Receivables (net of allowance for uncollectibles):				
Taxes receivable	5,480,458	-	-	5,480,458
Accounts receivable	1,207,092	-	205,644	1,412,736
Due from other funds	-	-	1,549,966	1,549,966
Due from other governmental units	557,004	98,132	241,723	896,859
Prepaid items	150,587	-	-	150,587
Total assets	<u>\$ 53,585,859</u>	<u>\$ 98,132</u>	<u>\$ 5,417,253</u>	<u>\$ 59,101,244</u>
LIABILITIES				
Accounts payable and accrued liabilities	\$ 1,712,314	\$ 37,320	\$ 19,287	\$ 1,768,921
Due to other funds	7,529,631	60,812	1,034,230	8,624,673
Unearned revenue	696	-	1,609,427	1,610,123
Total liabilities	<u>\$ 9,242,641</u>	<u>\$ 98,132</u>	<u>\$ 2,662,944</u>	<u>\$ 12,003,717</u>
DEFERRED INFLOWS OF RESOURCES				
Unavailable revenue - property taxes	\$ 5,479,133	\$ -	\$ -	\$ 5,479,133
Unavailable revenue - EMS billings	-	-	65,243	65,243
Deferred revenue - prepaid taxes	2,515	-	-	2,515
Total deferred inflows of resources	<u>\$ 5,481,648</u>	<u>\$ -</u>	<u>\$ 65,243</u>	<u>\$ 5,546,891</u>
FUND BALANCES				
Nonspendable	\$ 150,587	\$ -	\$ 864,099	\$ 1,014,686
Restricted	-	-	1,697,443	1,697,443
Assigned	11,445,904	-	127,524	11,573,428
Unassigned	27,265,079	-	-	27,265,079
Total fund balances	<u>\$ 38,861,570</u>	<u>\$ -</u>	<u>\$ 2,689,066</u>	<u>\$ 41,550,636</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 53,585,859</u>	<u>\$ 98,132</u>	<u>\$ 5,417,253</u>	<u>\$ 59,101,244</u>

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

Town of Christiansburg, Virginia
Reconciliation of the Balance Sheet of Governmental Funds
to the Statement of Net Position
June 30, 2021

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

Total fund balances per Exhibit 3 - Balance Sheet - Governmental Funds \$ 41,550,636

Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.

Land	\$ 8,193,117
Buildings and system	24,118,946
Machinery and equipment	8,595,100
Infrastructure	92,742,637
Construction in progress	<u>12,958,974</u> 146,608,774

Other long-term assets are not available to pay for current-period expenditures and, therefore, are reported as unavailable revenue in the funds.

Deferred revenue-property taxes	\$ 239,801
Deferred revenue-EMS billings	<u>65,243</u> 305,044

Deferred outflows of resources are not available to pay for current-period expenditures and, therefore, are not reported in the funds.

Pension related items	\$ 3,079,534
OPEB related items	1,289,430
Deferred loss on refunding	<u>231,300</u> 4,600,264

Long-term liabilities, including bonds payable, are not due and payable in the current period and, therefore, are not reported in the funds.

Bonds payable	\$ (9,901,320)
Net pension liability	(9,871,440)
Landfill liability	(534,868)
Accrued interest payable	(67,076)
Net OPEB liability	(4,362,805)
Compensated absences	<u>(3,318,354)</u> (28,055,863)

Deferred inflows of resources are not due and payable in the current period and, therefore, are not reported in the funds.

Pension related items	\$ (130,109)
OPEB related items	<u>(617,972)</u> (748,081)

Net position of governmental activities \$ 164,260,774

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

Town of Christiansburg, Virginia
Statement of Revenues, Expenditures, and Changes in Fund Balances
Governmental Funds
For the Year Ended June 30, 2021

	<u>General Fund</u>	<u>Capital Projects</u>	<u>Other Governmental Funds</u>	<u>Total</u>
REVENUES				
General property taxes	\$ 5,156,600	\$ -	\$ -	\$ 5,156,600
Other local taxes	16,001,003	-	-	16,001,003
Permits, privilege fees, and regulatory licenses	398,274	-	-	398,274
Fines and forfeitures	41,475	-	-	41,475
Revenue from the use of money and property	492,785	-	33,411	526,196
Charges for services	2,578,663	-	938,541	3,517,204
Miscellaneous	231,778	-	313,534	545,312
Intergovernmental	5,300,719	1,581,272	3,178,947	10,060,938
Total revenues	<u>\$ 30,201,297</u>	<u>\$ 1,581,272</u>	<u>\$ 4,464,433</u>	<u>\$ 36,247,002</u>
EXPENDITURES				
Current:				
General government administration	\$ 3,535,831	\$ -	\$ -	\$ 3,535,831
Public safety	9,411,591	-	4,950,338	14,361,929
Public works	5,432,072	-	-	5,432,072
Health and welfare	4,719	-	-	4,719
Parks, recreation, and cultural	3,849,580	-	246,096	4,095,676
Community development	1,461,183	-	-	1,461,183
Capital projects	-	3,682,507	-	3,682,507
Debt service:				
Principal	835,700	-	-	835,700
Interest and other fiscal charges	183,657	-	-	183,657
Total expenditures	<u>\$ 24,714,333</u>	<u>\$ 3,682,507</u>	<u>\$ 5,196,434</u>	<u>\$ 33,593,274</u>
Excess (deficiency) of revenues over (under) expenditures	<u>\$ 5,486,964</u>	<u>\$ (2,101,235)</u>	<u>\$ (732,001)</u>	<u>\$ 2,653,728</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	\$ -	\$ 2,101,235	\$ 163,264	\$ 2,264,499
Transfers out	(2,266,868)	-	(172,738)	(2,439,606)
Debt service principal - current refunding	(678,920)	-	-	(678,920)
Issuance of general obligation refunding bonds	678,920	-	-	678,920
Total other financing sources (uses)	<u>\$ (2,266,868)</u>	<u>\$ 2,101,235</u>	<u>\$ (9,474)</u>	<u>\$ (175,107)</u>
Net change in fund balances	<u>\$ 3,220,096</u>	<u>\$ -</u>	<u>\$ (741,475)</u>	<u>\$ 2,478,621</u>
Fund balances - beginning	<u>35,641,474</u>		<u>3,430,541</u>	<u>39,072,015</u>
Fund balances - ending	<u>\$ 38,861,570</u>	<u>\$ -</u>	<u>\$ 2,689,066</u>	<u>\$ 41,550,636</u>

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

Town of Christiansburg, 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, 2021

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

Net change in fund balances - total governmental funds	\$	2,478,621
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Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlays exceeded depreciation in the current period.

Capital asset additions	\$ 10,783,610	
Depreciation expense	<u>(5,807,970)</u>	4,975,640

Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.

Increase (decrease) in unavailable revenue - property taxes	\$ 10,435	
Increase (decrease) in unavailable revenue - EMS billings	<u>53,872</u>	64,307

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. Also, governmental funds report the effect of premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. This amount is the net effect of these differences in the treatment of long-term debt and related items.

Issuance of bonds	\$ (678,920)	
Principal payments:		
Bonds payable	<u>1,514,620</u>	835,700

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.

Changes in pension and related items	\$ (485,314)	
Changes in OPEB and related items	<u>(151,567)</u>	
(Increase) decrease in compensated absences	<u>(469,077)</u>	
(Increase) decrease in landfill closure liability	<u>(23,033)</u>	
(Increase) decrease in accrued interest payable	<u>(3,458)</u>	
Amortization of deferred charge on refunding	<u>(19,275)</u>	<u>(1,151,724)</u>
Change in net position of governmental activities	<u>\$ 7,202,544</u>	

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

Town of Christiansburg, Virginia
Statement of Net Position
Proprietary Funds
June 30, 2021

	Enterprise Funds		
	Water and Sewer		Stormwater
	Fund	Fund	Total
ASSETS			
Current assets:			
Accounts receivable, net of allowance for uncollectibles	\$ 1,220,448	\$ 175,481	\$ 1,395,929
Prepaid items	546	-	546
Due from other funds	5,842,901	1,231,806	7,074,707
Due from other governmental units	-	48,489	48,489
Total current assets	<u>\$ 7,063,895</u>	<u>\$ 1,455,776</u>	<u>\$ 8,519,671</u>
Noncurrent assets:			
Capital assets:			
Land	\$ 12,500	\$ -	\$ 12,500
Construction in progress	3,418,996	364,291	3,783,287
Machinery and equipment	2,912,721	245,601	3,158,322
Water system	12,641,375	-	12,641,375
Waste water system	9,393,394	-	9,393,394
Waste water treatment plant	14,679,157	-	14,679,157
Stormwater system	-	5,598,319	5,598,319
Total capital assets	<u>\$ 43,058,143</u>	<u>\$ 6,208,211</u>	<u>\$ 49,266,354</u>
Total noncurrent assets	<u>\$ 43,058,143</u>	<u>\$ 6,208,211</u>	<u>\$ 49,266,354</u>
Total assets	<u><u>\$ 50,122,038</u></u>	<u><u>\$ 7,663,987</u></u>	<u><u>\$ 57,786,025</u></u>
DEFERRED OUTFLOWS OF RESOURCES			
OPEB related items	\$ 53,681	\$ 12,635	\$ 66,316
Pension related items	495,074	198,526	693,600
Total deferred outflows of resources	<u>\$ 548,755</u>	<u>\$ 211,161</u>	<u>\$ 759,916</u>
LIABILITIES			
Current liabilities:			
Accounts payable and accrued liabilities	\$ 99,854	\$ 29,280	\$ 129,134
Customers' deposits	486,846	-	486,846
Accrued interest payable	10,244	-	10,244
Due to Water Authority	767,674	-	767,674
Compensated absences - current portion	41,529	5,211	46,740
Bonds payable - current portion	242,829	-	242,829
Total current liabilities	<u>\$ 1,648,976</u>	<u>\$ 34,491</u>	<u>\$ 1,683,467</u>
Noncurrent liabilities:			
Compensated absences - net of current portion	\$ 373,764	\$ 46,900	\$ 420,664
Bonds payable - net of current portion	2,161,251	-	2,161,251
Net OPEB liability	374,672	88,190	462,862
Net pension liability	1,504,601	383,430	1,888,031
Total noncurrent liabilities	<u>\$ 4,414,288</u>	<u>\$ 518,520</u>	<u>\$ 4,932,808</u>
Total liabilities	<u><u>\$ 6,063,264</u></u>	<u><u>\$ 553,011</u></u>	<u><u>\$ 6,616,275</u></u>
DEFERRED INFLOWS OF RESOURCES			
OPEB related items	\$ 15,369	\$ 3,617	\$ 18,986
Pension related items	92,947	3,466	96,413
Total deferred inflows of resources	<u>\$ 108,316</u>	<u>\$ 7,083</u>	<u>\$ 115,399</u>
NET POSITION			
Net investment in capital assets	\$ 40,654,063	\$ 6,208,211	\$ 46,862,274
Unrestricted	3,845,150	1,106,843	4,951,993
Total net position	<u><u>\$ 44,499,213</u></u>	<u><u>\$ 7,315,054</u></u>	<u><u>\$ 51,814,267</u></u>

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

Town of Christiansburg, Virginia
Statement of Revenues, Expenses, and Changes in Net Position
Proprietary Funds
For the Year Ended June 30, 2021

	Enterprise Funds			Total			
	Water and Sewer Fund	Stormwater Fund	Total				
	Water and Sewer Fund	Stormwater Fund					
OPERATING REVENUES							
Charges for services:							
Water and sewer service fees	\$ 10,089,551	\$ -	\$ 10,089,551				
Water and wastewater connection fees	809,945	-	809,945				
Stormwater fees	-	1,475,327	1,475,327				
Penalties and other	319,580	-	319,580				
Total operating revenues	\$ 11,219,076	\$ 1,475,327	\$ 12,694,403				
OPERATING EXPENSES							
Salaries and wages	\$ 1,885,467	\$ 443,758	\$ 2,329,225				
Employee benefits	721,408	210,707	932,115				
Purchase of water	3,187,618	-	3,187,618				
Utilities	493,318	-	493,318				
Maintenance and repairs	244,322	-	244,322				
Depreciation	2,210,899	206,672	2,417,571				
Materials and supplies	556,568	54,627	611,195				
General and administrative	393,571	39,599	433,170				
Professional services	135,816	3,429	139,245				
Total operating expenses	\$ 9,828,987	\$ 958,792	\$ 10,787,779				
Operating income (loss)	\$ 1,390,089	\$ 516,535	\$ 1,906,624				
NONOPERATING REVENUES (EXPENSES)							
Interest expense	\$ (79,925)	\$ -	\$ (79,925)				
Income (loss) before contributions and grants and transfers	\$ 1,310,164	\$ 516,535	\$ 1,826,699				
Capital contributions and construction grants	680,745	395,949	1,076,694				
Transfers in	172,737	2,370	175,107				
Change in net position	\$ 2,163,646	\$ 914,854	\$ 3,078,500				
Net position - beginning	42,335,567	6,400,200	48,735,767				
Net position - ending	\$ 44,499,213	\$ 7,315,054	\$ 51,814,267				

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

Town of Christiansburg, Virginia
Statement of Cash Flows
Proprietary Funds
For the Year Ended June 30, 2021

	Enterprise Funds		
	Water and Sewer Fund	Stormwater Fund	Total
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from customers and users	\$ 11,250,022	\$ 1,450,682	\$ 12,700,704
Payments to and for employees	(2,382,078)	(572,667)	(2,954,745)
Payments for goods and services	(5,008,555)	(94,855)	(5,103,410)
Net cash provided by (used for) operating activities	<u>\$ 3,859,389</u>	<u>\$ 783,160</u>	<u>\$ 4,642,549</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES			
Interfund borrowings	\$ (934,360)	\$ (785,243)	\$ (1,719,603)
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES			
Additions to capital assets	\$ (1,872,789)	\$ (261,629)	\$ (2,134,418)
Issuance of debt	2,404,080	-	2,404,080
Principal payments on bonds	(3,349,643)	-	(3,349,643)
Contributions in aid of construction	-	263,712	263,712
Interest payments	(106,677)	-	(106,677)
Net cash provided by (used for) capital and related financing activities	<u>\$ (2,925,029)</u>	<u>\$ 2,083</u>	<u>\$ (2,922,946)</u>
Net increase (decrease) in cash and cash equivalents	\$ -	\$ -	\$ -
Cash and cash equivalents - June 30, 2020	-	-	-
Cash and cash equivalents - June 30, 2021	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Reconciliation of operating income (loss) to net cash provided by (used for) operating activities:			
Operating income (loss)	\$ 1,390,089	\$ 516,535	\$ 1,906,624
Adjustments to reconcile operating income (loss) to net cash provided by (used for) operating activities:			
Depreciation	\$ 2,210,899	\$ 206,672	\$ 2,417,571
(Increase) decrease in accounts receivable	8,841	(24,645)	(15,804)
(Increase) decrease in prepaid items	(546)	-	(546)
(Increase) decrease in deferred outflows of resources related to OPEB	(2,962)	95	(2,867)
(Increase) decrease in deferred outflows of resources related to pension	(177,160)	(72,231)	(249,391)
Increase (decrease) in customers' deposits	22,105	-	22,105
Increase (decrease) in accounts payable and accrued liabilities	(53,508)	2,800	(50,708)
Increase (decrease) in due to Water Authority	56,712	-	56,712
Increase (decrease) in compensated absences	126,970	18,813	145,783
Increase (decrease) in net pension liability	246,847	133,176	380,023
Increase (decrease) in net OPEB liability	60,937	9,445	70,382
Increase (decrease) in deferred inflows of resources related to OPEB	(290)	(313)	(603)
Increase (decrease) in deferred inflows of resources related to pension	(29,545)	(7,187)	(36,732)
Total adjustments	<u>\$ 2,469,300</u>	<u>\$ 266,625</u>	<u>\$ 2,735,925</u>
Net cash provided by (used for) operating activities	<u>\$ 3,859,389</u>	<u>\$ 783,160</u>	<u>\$ 4,642,549</u>
Noncash investing, capital, and financing activities:			
Contributions of infrastructure by developers	\$ 680,745	\$ 336,145	\$ 1,016,890

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

TOWN OF CHRISTIANSBURG, VIRGINIA

NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2021

Note 1-Summary of Significant Accounting Policies:

The financial statements of the Town conform to generally accepted accounting principles (GAAP) applicable to governmental units promulgated by the Governmental Accounting Standards Board (GASB). The more significant accounting policies established in GAAP and used by the Town are discussed below.

A. Financial reporting entity:

The Town of Christiansburg, Virginia (the “Town”) operates on a Council-Manager form of government and provides municipal services to its residents including fire and police protection, planning, engineering, inspections, public works and public utilities, parks, and general government. The Town also provides water, sewer, refuse collection, and public transit services to its citizens. The Town is the county seat of Montgomery County and has taxing powers subject to state-wide restrictions and limits. The financial statements present the Town as the primary government. A component unit is an entity for which the Town is considered to be financially accountable. The Town does not have any component units.

For financial reporting purposes, the Town includes all funds, account groups, agencies, boards, commissions, and authorities that are controlled by or dependent upon the Town Council. Control by, or dependence upon, the Town Council was determined on the basis of the following:

1. The Town's ability to designate the management or significantly control the operations of the entity.
2. The Town's responsibility for the fiscal matters of the entity, including the authorization of budgetary appropriations, funding of operating deficiencies, control or use of surplus funds, responsibility for debts, and control over the collections and disbursement of funds.
3. The scope of public services rendered by and the geographic location of the entity.

Based on the foregoing criteria, the financial activities of no other organizations are included in the accompanying financial statements.

The following entities are excluded from the accompanying financial statements:

Jointly Governed Organizations:

NRV Regional Water Authority

The NRV Regional Water Authority was created by a concurrent resolution of the Town and other participating governing bodies. The Authority operates and maintains a water supply system for the Town, Virginia Tech, Montgomery County PSA, and the Town of Blacksburg. Each governing body appoints one member of the five-member Board of Directors, one from each member jurisdiction and one at-large member. All indebtedness is payable solely from the revenues of the water system. Although the Town is one of the Authority's customers, the Town has no obligation for any of its indebtedness. During fiscal year 2021, the Town paid \$3,187,618 to the Water Authority and has a fiscal year end liability of \$767,674 for purchases of water.

TOWN OF CHRISTIANSBURG, VIRGINIA

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2021

Note 1-Summary of Significant Accounting Policies: (Continued)

A. Financial reporting entity: (Continued)

Jointly Governed Organizations: (Continued)

Montgomery Regional Solid Waste Authority

The Town is a member of the Montgomery Regional Solid Waste Authority (MRSWA), which was created by a joint resolution on December 14, 1994 by the Town of Blacksburg, Virginia, the Town of Christiansburg, Virginia, Montgomery County, Virginia, and Virginia Tech. The Authority is governed by a five-member board whereby the governing body of each member jurisdiction appoints one board member, and all jurisdictions jointly appoint a fifth member. The Authority, which began operation in August 1995, operates a sanitary landfill and recycling facility. Each jurisdiction provides collection of solid waste and recyclables from within its jurisdiction and delivers the collected materials to the Authority for disposal of waste in the landfill, and processing and marketing of the recyclables. All Authority operations are financed by tipping fees and the individual jurisdictions are not liable for the debt of the Authority. The MRSWA has negotiated with an adjacent Authority (New River Resource Authority) for shared use of a permitted landfill. The Town paid \$501,422 in tipping fees during fiscal year 2021.

Virginia Tech-Montgomery Regional Airport Authority

The Virginia Tech-Montgomery Regional Airport Authority (the “Airport Authority”) was created by concurrent resolutions of the governing bodies of the Town of Blacksburg, Virginia, Town of Christiansburg, Virginia, Montgomery County, Virginia, and Virginia Tech. The Airport Authority is governed by a five-member board whereby the governing body of each member jurisdiction appoints one board member, and all jurisdictions jointly appoint a fifth member. The Airport Authority utilizes revenues generated by the airport and contributions by the members to fund all airport activities. The Airport Authority has bonded indebtedness. All indebtedness of the Airport Authority is payable solely from its revenues and is not an obligation of the Town. Annual support for the Authority is \$60,000 per year.

New River Valley Airport Commission

The New River Valley Airport Commission (the “Airport Commission”) was created by concurrent resolutions of the governing bodies of the Towns of Christiansburg, Dublin, Pulaski, the City of Radford, and the Counties of Giles, Montgomery, and Pulaski. The Airport Commission is governed by a board whereby the governing body of each member jurisdiction appoints one board member. The Airport Commission utilizes revenues generated by the airport and contributions by the members to fund all airport activities. The Airport Authority has bonded indebtedness. All indebtedness of the Airport Authority is payable solely from its revenues and is not an obligation of the Town. The Town paid \$22,923 in contributions to the fiscal year 2021 operations.

TOWN OF CHRISTIANSBURG, VIRGINIA

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2021

Note 1-Summary of Significant Accounting Policies: (Continued)

A. Financial reporting entity: (Continued)

Jointly Governed Organizations: (Continued)

Blacksburg/Christiansburg/Montgomery Area Metropolitan Planning Organization

The Town is a member of the Blacksburg/Christiansburg/Montgomery Area Metropolitan Planning Organization. The Metropolitan Planning Organization (MPO) is a transportation policy-making organization serving the Blacksburg, Christiansburg, and Montgomery areas. The MPO provides the information, tools, and public input necessary to improve the performance of the transportation system of the region. Future transportation needs are addressed, giving consideration to all possible strategies and the community's vision. The Town has three members within this organization, two of which are voting members. During fiscal year 2021, the Town paid \$38,931 toward operations of the MPO.

Montgomery Regional Tourism Board

The Town is a member of the Montgomery Regional Tourism Board ("MRTB"). The MRTB functions as a joint tourism agency that serves the County of Montgomery and the Towns of Blacksburg and Christiansburg to promote tourism in the region. The Town has one member on the Board of this organization. Funding for tourism expenditures are based on the amount of funding received from hotel occupancy taxes. The Town pays 85% of 1% of the 9% transient lodging tax rate collections for the fiscal year to the MRTB. The Town retains 15% of the 1% tax for its own tourism efforts. During fiscal year 2021, the Town paid \$105,790 to the MRTB.

New River Valley Emergency Communications Regional Authority

The Town is a member of the New River Valley Emergency Communications Regional Authority (the "Communications Authority"). The Communications Authority is a regional partnership, serving the County of Montgomery, the Towns of Blacksburg and Christiansburg, and Virginia Tech. The Communications Authority provides quality and reliable 911 dispatch and emergency communication services to the community and agencies in these localities. The Town has one member on the Board of this organization. During fiscal year 2021, the Town paid \$897,132 toward operations of the Authority and an additional \$36,227 for annual LERMS maintenance.

B. Government-wide financial statements:

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. 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.

TOWN OF CHRISTIANSBURG, VIRGINIA

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2021

Note 1-Summary of Significant Accounting Policies: (Continued)

B. Government-wide financial statements: (Continued)

Statement of Net Position - The Statement of Net Position is designed to display the financial position of the primary government (governmental and business-type activities) and its discretely presented component unit. 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*.

C. Budgetary basis of accounting

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

1. The Town Manager, in coordination with the Finance Director and the Finance Committee, prepares the budget and the Finance Committee presents it to the Town Council.
2. Legal notice of the public hearing is published in the newspaper at least 10 days prior to the hearing. Notice contains information as to date, place, and time, and solicits citizen attendance or written comments at the hearing with a synopsis of the budget.
3. The public hearing is held at least seven days (State Code 15.1-162 as amended) prior to approval of the budget.
4. Budget is approved at least seven days after public hearing, and no later than the beginning of the new fiscal year. Council sets tax rates for real estate and personal property.
5. The Town Council budget appropriations place legal restrictions on expenditures at the fund level. Only the Town Council can revise the appropriation for each fund. The Director of Finance is authorized to transfer budgeted amounts between line items and departments within the general fund upon request and justification from management; however, any revisions that alter the total expenditures of any fund must be approved by the Town Council. The legal level of budgetary control has been established at the individual fund level except within the special revenue fund where the legal level of compliance is at the functional/program level.

TOWN OF CHRISTIANSBURG, VIRGINIA

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2021

Note 1-Summary of Significant Accounting Policies: (Continued)

C. Budgetary basis of accounting (Continued)

6. Notice of budget adoption and availability for viewing of adopted budget is published in a local newspaper one time, within thirty (30) days of adoption.
7. The budgetary basis for all funds is in accordance with the modified accrual basis of accounting.
8. Appropriations lapse on June 30 for all Town units. For the year ended June 30, 2021, the Volunteer Fire Department Fund had expenditures in excess of their appropriations due to utilizing reserves for the purchase of a new fire truck. At year end no funds had deficit fund balance.

D. Measurement focus, basis of accounting, and financial statement presentation:

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the proprietary fund and fiduciary fund financial statements. 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.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. 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. 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 as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

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 utilities and subsequently remitted to the Town, are recognized as revenues and receivables upon collection by the state or utility, which is generally in the month preceding receipt by the Town.

Licenses, permits, fines and rents are recorded as revenues when received. Intergovernmental revenues, consisting primarily of 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 when received by the government.

TOWN OF CHRISTIANSBURG, VIRGINIA

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2021

Note 1-Summary of Significant Accounting Policies: (Continued)

D. Measurement focus, basis of accounting, and financial statement presentation: (Continued)

The Town reports the following major governmental funds:

The *general fund* is the primary operating fund of the Town. The fund is used to account for and report for 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 service and interest income.

The *capital projects fund* is used to account for and report financial resources that are restricted, committed, or assigned to expenditures for capital outlays, including the acquisition or construction of capital assets. Revenues for this fund are obtained from federal and state highway funds and transfers from the General Fund. The Town funds a portion of the capital support of the fund each year. For the year ended June 30, 2021, capital support from the General Fund totaled \$2,101,235.

The Town reports the following nonmajor governmental funds:

The *permanent fund* is used to report resources that are legally restricted to the extent that only earnings, not principal, may be used for purposes that support the reporting government's programs. The Town's permanent fund is used to account for the operations of the cemetery (perpetual care fund) and related interest income. The earnings can be used to maintain the community cemetery. On April 1, 2008 the Town took over control of the cemetery from the Cemetery Corporation. The Town funds a portion of the operational costs of the cemetery each year. For the year ended June 30, 2021, the operational and capital support totaled \$159,191.

Special revenue funds account for and report the proceeds of specific revenues sources that are restricted or committed to expenditure for specific purposes other than debt service or capital projects. The Town reports operating grants from the State, Federal and County Government for fire and rescue operations as well as donations to be used for specific purposes as special revenue funds. For the year ended June 30, 2021, the special revenue funds reimbursed the General Fund \$168,665 for eligible expenditures.

The Town reports the following major proprietary funds:

The Town operates a water and sewer system and a stormwater system. The activities of these systems, including the acquisition, operation, and maintenance of governmental facilities and services that are supported by user charges, are accounted for in the water and sewer fund and stormwater fund.

As a general rule the effect of interfund activity has been eliminated from the government-wide financial statements. Exceptions to this general rule are other charges between the Town's water and sewer function and various other functions of the government. Elimination of these charges would distort the direct costs and program revenues reported for the various functions concerned.

TOWN OF CHRISTIANSBURG, VIRGINIA

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2021

Note 1-Summary of Significant Accounting Policies: (Continued)

D. Measurement focus, basis of accounting, and financial statement presentation: (Continued)

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 of the Town's enterprise fund are charges to customers for sales and services. The Town also recognizes as operating revenue the portion of tap fees intended to recover the cost of connecting new customers to the system. Operating expenses for enterprise funds include the cost 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.

E. Assets, deferred outflows/inflows of resources, liabilities, and net position/fund balance:

1. Cash and Cash Equivalents/Investments

Cash and cash equivalents include cash on hand, amounts in demand deposits as well as 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.

Investments with a maturity of less than one year when purchased, non-negotiable certificates of deposit, and 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.

2. Property Taxes

Property is assessed at 100% of its fair market value on January 1. Property taxes attach as an enforceable lien on property as of January 1. Real estate taxes are payable on December 5th. Personal property taxes are due and collectible annually on December 5th. The Town bills and collects its own property taxes.

3. Allowance for Uncollectible Accounts

The Town calculates its allowance for uncollectible accounts using historical collection data and, in certain cases, specific account analysis. The allowance amounted to approximately \$150,317 for the General Fund, \$126,039 for the Lifesaving and Rescue Fund, and \$208,582 for the Enterprise Fund at June 30, 2021. The allowance consists of unpaid taxes in the amount of \$94,759, unpaid garbage bills of \$55,558, ambulance services of \$126,039, unpaid water/sewer bills of \$198,453, and unpaid stormwater fees of \$10,129.

TOWN OF CHRISTIANSBURG, VIRGINIA

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2021

Note 1-Summary of Significant Accounting Policies: (Continued)

E. Assets, deferred outflows/inflows of resources, liabilities, and net position/fund balance: (Continued)

4. Use of Estimates

The preparation of financial statements in conformity with 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.

5. Prepaid items

Certain payments to vendors reflect 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.

6. Capital Assets

Capital assets, which include property, plant, equipment, and infrastructure assets (e.g., roads, bridges, sidewalks, and similar items) are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets are defined by the Town as assets with an initial, individual cost of more than \$5,000 (amount not rounded) and an estimated useful life in excess of one year. 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.

The cost of normal maintenance and repairs that do not add to the value of the assets or materially extend the asset's life is not capitalized.

Major outlays for capital assets and improvements are capitalized as projects are constructed.

Property, plant, equipment, and infrastructure of the primary government are depreciated using the straight-line method over the following estimated useful lives:

Assets	Years
Land Improvements	15
Buildings	25-50
Building improvements	25-50
Utility plant and equipment	15-40
Machinery, equipment, and vehicles	5-20
Infrastructure	15-40

TOWN OF CHRISTIANSBURG, VIRGINIA

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2021

Note 1-Summary of Significant Accounting Policies: (Continued)

E. Assets, deferred outflows/inflows of resources, liabilities, and net position/fund balance:
(Continued)

7. Compensated Absences

It is the Town's policy to permit employees to accumulate earned but unused compensated absences. For government-wide reporting, a liability is recorded for compensated absences when services are rendered and employees have earned the right to receive compensation for such services.

Town employees hired who qualify as VRS Plan 1 and 2 employees:

Vacation:

- Twelve days per year for less than five full years of service
- Fifteen days per year for more than five but less than ten full years of service
- Eighteen days per year for ten full years or more of service

Sick leave:

- One and one-fourth days per month with unlimited accrual

Accumulated vacation leave is paid upon termination with a maximum accumulation of 32 days. All sick leave is forfeited upon termination unless termination is deemed a retirement in accordance with VRS. After five years of employment and retirement from the Town, the employee may receive full or partial payout of their sick leave, subject to limitations.

Town employees hired who qualify as VRS Hybrid Plan employees:

Vacation:

- Eighteen days per year for less than five full years of service
- Twenty-One days per year for more than five but less than ten full years of service
- Twenty-Four days per year for more than ten but less than fifteen full years of service
- Twenty-Seven days per year for more than fifteen but less than twenty full years of service
- Thirty days per year for twenty full years or more of service

Employees who qualify as Hybrid do not earn sick leave as it is incorporated in the PTO policy.

For employees who qualify as Hybrid accumulated PTO is paid upon termination as follows:

- Maximum of zero days for less than one full year of service
- Maximum of fifteen days for more than one year but less than ten full years of service
- Maximum of thirty days for more than ten years but less than twenty full years of service
- Maximum of forty-five days for more than twenty full years of service

TOWN OF CHRISTIANSBURG, VIRGINIA

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2021

Note 1-Summary of Significant Accounting Policies: (Continued)

E. Assets, deferred outflows/inflows of resources, liabilities, and net position/fund balance: (Continued)

8. Pensions

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the Town's Retirement Plan and the additions to/deductions from the Town's Retirement Plan's fiduciary net 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.

9. Other Postemployment Benefits (OPEB)

Service Merit Plan

The Town offers eligible retirees a monthly stipend to be deposited into a health savings account. This plan is funded on a pay as you go basis and further information is provided at Note 9.

Line of Duty Act (LODA) Program

For purposes of measuring the net VRS related OPEB liabilities, deferred outflows of resources and deferred inflows of resources related to the OPEB, and OPEB expense, information about the fiduciary net position of the VRS LODA OPEB Plan and the additions to/deductions from the VRS OPEB Plans' fiduciary net position have been determined on the same basis as they were reported by VRS. In addition, benefit payments are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

10. Long-term Obligations

In the government-wide financial statements, and proprietary fund types in the fund financial statements, long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund type statement of net position. Bond premiums and discounts are deferred and amortized over the life of the bonds using the effective interest method. Bonds payable are reported net of the applicable bond premiums or discounts.

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

TOWN OF CHRISTIANSBURG, VIRGINIA

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2021

Note 1-Summary of Significant Accounting Policies: (Continued)

E. Assets, deferred outflows/inflows of resources, liabilities, and net position/fund balance: (Continued)

11. Fund Balance

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

- Nonspendable fund balance - amounts that are not in spendable form (such as inventory and prepaids) or are required to be maintained intact (corpus of a permanent fund);
- Restricted fund balance - amounts 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 general 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 / resolution. This is typically done through adoption and amendment of the budget. A fund balance commitment is further indicated in the budget document as a designation or commitment of the fund (such as for special incentives). Assigned fund balance is established by Town Council through adoption or amendment of the budget as intended for specific purpose (such as the purchase of capital assets, construction, debt service, or for other purposes).

TOWN OF CHRISTIANSBURG, VIRGINIA

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2021

Note 1-Summary of Significant Accounting Policies: (Continued)

E. Assets, deferred outflows/inflows of resources, liabilities, and net position/fund balance: (Continued)

11. Fund Balance (Continued)

The Town Council has approved a fund balance policy with fund balance goals. Council seeks to maintain an unassigned fund balance of between 35-40% of all expenditures in the preceding year. Expenditures shall include operating expenditures (excluding capital) of the General Fund, Cemetery Fund, and Water and Sewer Fund. If the unassigned fund balance is less than 30% a plan shall be developed to restore the reserves in an acceptable manner.

12. Restricted Assets

The Town has \$3,292,396 in restricted cash that is restricted by grants or donors and held in the Town's special revenue funds.

13. Deferred Outflows/Inflows of Resources

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. The Town has multiple items that qualify for reporting in this category. One item is the deferred charge on refunding reported in the government-wide statement of net position. A deferred charge on refunding results from the difference in the carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded or refunding debt. The other item is comprised of certain items related to the measurement of the net pension liability and net OPEB liabilities and/or contributions to the pension and OPEB plans made during the current year and subsequent to the net pension liability and net OPEB liability measurement date. For more detailed information on these items, reference the related notes.

In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position 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, 2nd half installments levied during the fiscal year but due after June 30th, and amounts prepaid on the 2nd half installments and is deferred and recognized as an inflow of resources in the period that the amount becomes available. Under the accrual basis, 2nd half installments levied during the fiscal year but due after June 30th and amounts prepaid on the 2nd half installments are reported as deferred inflows of resources. In addition, certain items related to the measurement of the net pension liability and net OPEB liabilities are reported as deferred inflows of resources. For more detailed information on these items, reference the related notes.

TOWN OF CHRISTIANSBURG, VIRGINIA

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2021

Note 1-Summary of Significant Accounting Policies: (Continued)

E. Assets, deferred outflows/inflows of resources, liabilities, and net position/fund balance: (Continued)

14. 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 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 government-wide and proprietary fund 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.

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TOWN OF CHRISTIANSBURG, VIRGINIA

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2021

Note 2-Deposits and Investments:

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

Investments: Statutes authorize 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 Standard 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) and the Virginia Investment Pool (VIP).

Custodial Credit Risk: Custodial credit risk is the risk that, in the event of the failure of the counterparty, the Town will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. The Town’s investments at June 30, 2021 were held in the Town’s name by the Town’s custodial bank.

Interest Rate Risk:

The Town has not adopted an investment policy for interest rate risk. Listed below are the Town’s investments subject to investment rate risk and their corresponding maturity dates.

Investment Type	Investment Maturity (in years)		
	Fair Value	Less 1 yr	1-5 yrs
VML/VACO Virginia Investment Pool	\$ 5,915,199	\$ 5,638,349	\$ 276,850

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TOWN OF CHRISTIANSBURG, VIRGINIA

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2021

Note 2-Deposits and Investments: (Continued)

Credit Risk of Debt Securities: The Town has not adopted an investment policy for credit risk. The Town's rated debt investments as of June 30, 2021 were rated by Standard and Poor's and/or an equivalent national rating organization and the ratings are presented below using the Standard and Poor's rating scale.

Rated Debt Investments	Town's Rated Debt Investments' Values		
	Fair Quality Ratings		
	AAAm	AA+f/S1	Total
VML/VACO Virginia Investment Pool	\$ 5,638,349	\$ 276,850	\$ 5,915,199

Redemption Restrictions: The Town is limited to two withdrawals per month.

Fair Value Measurements: Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The Town has measured fair value of the above investments at the net asset value (NAV).

Note 3-Due from Other Governmental Units:

The following amounts represent receivables from other governments at year-end:

	Governmental Activities	Business-type Activities	Total
<u>County of Montgomery, Virginia:</u>			
Local sales tax	\$ 410,684	\$ -	\$ 410,684
<u>Commonwealth of Virginia:</u>			
Categorical aid	197,574	48,489	246,063
Noncategorical aid	146,320	-	146,320
<u>Federal Government:</u>			
Categorical aid	142,281	-	142,281
Total	\$ 896,859	\$ 48,489	\$ 945,348

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TOWN OF CHRISTIANSBURG, VIRGINIA

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2021

Note 4-Interfund Activity:

Interfund transfers for the year ended June 30, 2021, consisted of the following:

Fund	Transfers In	Transfers Out
General Fund	\$ -	\$ 2,266,868
Water and Sewer Fund	172,737	-
Stormwater Fund	2,370	-
Vol. Fire Dept. Fund	175	-
Police Department Fund	3,898	-
Recreation and Streets Fund	-	72,268
Cemetery Fund	159,191	-
CARES Fund	-	100,470
Capital Projects Fund	2,101,235	-
Total	\$ 2,439,606	\$ 2,439,606

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.

Amounts due to or from the Water and Sewer and Stormwater Funds represent short-term interfund advances for operating and capital needs. This allows the Town to utilize one primary bank account for payment of all invoices and costs before the respective revenues are received in the given fund or program.

Fund	Due To	Due From
General Fund	\$ 7,529,631	\$ -
Water and Sewer Fund	-	5,842,901
Stormwater Fund	-	1,231,806
Vol. Fire Dept. Fund	-	59,691
Lifesaving and Rescue Fund	972,169	-
Police Fund	-	36,356
Recreation and Streets Fund	62,061	-
CARES Fund	-	1,389,323
Cemetery Fund	-	64,596
Capital Projects Fund	60,812	-
Total	\$ 8,624,673	\$ 8,624,673

TOWN OF CHRISTIANSBURG, VIRGINIA

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2021

Note 5-Long-term Obligations:

Governmental Activity Obligations:

The following is a summary of long-term obligation transactions of the Town for the year ended June 30, 2021:

	Balance July 1, 2020	Increases/ Issuances	Decreases/ Retirements	Balance June 30, 2021
Direct Borrowings and Direct Placements - GO Bonds	\$ 10,737,020	\$ 678,920	\$ (1,514,620)	\$ 9,901,320
Net OPEB liabilities	4,159,661	1,397,688	(1,194,544)	4,362,805
Compensated absences	2,849,277	2,606,035	(2,136,958)	3,318,354
Landfill closure/postclosure liability	511,835	23,033	-	534,868
Net pension liability	7,760,619	4,292,247	(2,181,426)	9,871,440
 Total	 <u>\$ 26,018,412</u>	 <u>\$ 8,997,923</u>	 <u>\$ (7,027,548)</u>	 <u>\$ 27,988,787</u>

For governmental activities, the above long-term obligations are generally liquidated in the General Fund.

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

Year Ending June 30,	Direct Borrowings and Direct	
	Placements - GO Bonds	
	Principal	Interest
2022	\$ 848,790	\$ 156,755
2023	874,546	142,953
2024	6,743,564	80,212
2025	420,569	21,124
2026	427,637	13,177
2027-2031	586,214	13,574
 Totals	 <u>\$ 9,901,320</u>	 <u>\$ 427,795</u>

The Town issued \$3,120,495 in general obligation refunding bonds to currently refund \$3,095,995 in general obligation bonds and to cover bond issuance costs. The refunding was undertaken to reduce future debt service payments by \$101,963 over the next nine years. The refunding resulted in a net present value gain of \$94,357 using a discount rate of 1.94% (the effective interest rate on the new debt). The newly issued bond and the refunded bonds were both allocated 22% governmental activities and 78% business-type activities.

TOWN OF CHRISTIANSBURG, VIRGINIA

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2021

Note 5-Long-term Obligations: (Continued)

Governmental Activity Obligations: (Continued)

Details of long-term obligations:

	Total Amount	Amount Due Within One Year
<u>Direct Borrowings and Direct Placements - GO Bonds:</u>		
\$9,999,900 general obligation refunding bond issued July 23, 2013, maturing annually with principal and interest payable semi-annually through August 1, 2034; interest rate is fixed at 1.62%	\$ 7,252,400	\$ 456,300
\$3,083,000 general obligation bond bearing interest at 1.75%, issued March 16, 2021, payable in annual principal installments and semi-annual interest installments through August 1, 2029. 22% of this bond will be paid out of the general fund with the remainder to be paid out of the water and sewer fund.	678,920	68,490
\$2,014,000 general obligation bond issued September 1, 2015, maturing annually with principal and interest payable semi-annually through August 1, 2025; interest rate is fixed at 2.10%.	1,059,000	203,000
\$1,315,000 general obligation refunding bond issued June 23, 2016, maturing annually with principal and interest payable semi-annually through August 1, 2027; interest rate is fixed at 1.78%.	911,000	121,000
Total Direct Borrowing and Direct Placement - GO Bonds	\$ 9,901,320	\$ 848,790
<u>Other Obligations:</u>		
Net OPEB liabilities	\$ 4,362,805	\$ -
Compensated absences	3,318,354	331,835
Landfill closure/postclosure liability	534,868	53,487
Net pension liability	9,871,440	-
Total Other Obligations	\$ 18,087,467	\$ 385,322
Total Long-term Obligations	\$ 27,988,787	\$ 1,234,112

TOWN OF CHRISTIANSBURG, VIRGINIA

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2021

Note 5-Long-term Obligations: (Continued)

Business-type Activity Obligations:

The following is a summary of long-term obligation transactions of the Enterprise Fund for the year ended June 30, 2021:

	Balance	Increases/	Decreases/	Balance
	July 1, 2020	Issuances	Retirements	June 30, 2021
Direct Borrowings and Direct Placements - GO Bonds	\$ 3,349,643	\$ 2,404,080	\$ (3,349,643)	\$ 2,404,080
Net OPEB liabilities	392,480	81,972	(11,590)	462,862
Compensated absences	321,621	386,999	(241,216)	467,404
Net pension liability	1,508,005	869,099	(489,073)	1,888,031
Total	\$ 5,571,749	\$ 3,742,150	\$ (4,091,522)	\$ 5,222,377

For the Enterprise Fund, the above long-term obligations are generally liquidated from the Water and Sewer Fund and Stormwater Fund.

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

Year Ending	Direct Borrowings and Direct		
	Placements - GO Bonds		
June 30,	Principal	Interest	
2022	\$ 242,829	\$ 27,362	
2023	257,207	28,060	
2024	260,465	24,488	
2025	264,382	20,866	
2026	268,167	17,192	
2027-2030	1,111,030	30,963	
Totals	\$ 2,404,080	\$ 148,931	

The Town issued \$3,120,495 in general obligation refunding bonds to currently refund \$3,095,995 in general obligation bonds and to cover bond issuance costs. The refunding was undertaken to reduce future debt service payments by \$101,963 over the next nine years. The refunding resulted in a net present value gain of \$94,357 using a discount rate of 1.94% (the effective interest rate on the new debt). The newly issued bond and the refunded bonds were both allocated 22% governmental activities and 78% business-type activities.

TOWN OF CHRISTIANSBURG, VIRGINIA

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2021

Note 5-Long-term Obligations: (Continued)

Business-type Activity Obligations: (Continued)

Details of long-term obligations:

	Total Amount	Amount Due Within One Year
<u>Direct Borrowings and Direct Placements - GO Bonds:</u>		
\$3,083,000 general obligation bond bearing interest at 1.75%, issued March 16, 2021, payable in annual principal installments and semi-annual interest installments through August 1, 2029. 78% of this bond will be paid out of the water and sewer fund with the remainder paid out of the General fund.	<u>\$ 2,404,080</u>	<u>\$ 242,829</u>
Total Direct Borrowing and Direct Placement - GO Bonds	<u>\$ 2,404,080</u>	<u>\$ 242,829</u>
<u>Other Obligations:</u>		
Net OPEB liabilities	<u>\$ 462,862</u>	<u>\$ -</u>
Compensated absences	<u>467,404</u>	<u>46,740</u>
Net pension liability	<u>1,888,031</u>	<u>-</u>
Total Other Obligations	<u>\$ 2,818,297</u>	<u>\$ 46,740</u>
Total Long-term Obligations	<u><u>\$ 5,222,377</u></u>	<u><u>\$ 289,569</u></u>

Arbitrage Rebate Compliance:

As of June 30, 2021, and for the year then ended, the Town was not liable for any amounts due under current rules governing arbitrage earnings.

Debt Purpose:

All of the bonds issued in either the governmental activities or business-type activities as listed above were issued for capital projects, land purchases, or refunding bonds previously issued for capital projects.

Legal Debt Margin:

The Town is subject to a debt limit that is 10 percent of the full valuation of taxable real estate. At June 30, 2021, that amount was \$232,970,110. As of June 30, 2021, the total outstanding debt applicable to the limit was \$12,305,400 which is 5.28 percent of the total debt limit.

Events of Default:

The Town's outstanding notes from direct borrowings and direct placements related to both governmental activities and business-type activities of \$12,305,400 contain a provision that in an event of default, outstanding amounts become immediately due if the Town is unable to make payment.

TOWN OF CHRISTIANSBURG, VIRGINIA

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2021

Note 6-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.

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 creditable service 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 creditable service 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 CHRISTIANSBURG, VIRGINIA

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2021

Note 6-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, 2019 actuarial valuation, the following employees were covered by the benefit terms of the pension plan:

	<u>Number</u>
Inactive members or their beneficiaries currently receiving benefits	129
Inactive members:	
Vested inactive members	37
Non-vested inactive members	95
Inactive members active elsewhere in VRS	92
Total inactive members	224
Active members	238
Total covered employees	591

TOWN OF CHRISTIANSBURG, VIRGINIA

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2021

Note 6-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, 2021 was 12.30% 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 \$1,456,574 and \$1,263,319 for the years ended June 30, 2021 and June 30, 2020, respectively.

Net Pension Liability

The net pension liability (NPL) 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 pension. The Town's net pension liability was measured as of June 30, 2020. The total pension liability used to calculate the net pension liability was determined by an actuarial valuation performed as of June 30, 2019 and rolled forward to the measurement date of June 30, 2020.

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, 2019, 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, 2020.

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*

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

TOWN OF CHRISTIANSBURG, VIRGINIA

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2021

Note 6-Pension Plan: (Continued)

Actuarial Assumptions - General Employees (Continued)

Mortality rates:

All Others (Non-10 Largest) - Non-Hazardous Duty: 15% of deaths are assumed to be service related
Pre-Retirement:

RP-2014 Employee Rates to age 80, Healthy Annuitant Rates at ages 81 and older projected with scale BB to 2020; males 95% of rates; females 105% if rates.

Post-Retirement:

RP-2014 Employee Rates to age 49, Healthy Annuitant Rates at ages 50 and older projected with scale BB to 2020; males set forward 3 years; females 1.0% increase compounded from ages 70 to 90.

Post-Disability:

RP-2014 Disability Mortality Rates projected with scale BB to 2020; males set forward 2 years, 110% of rates; females 125% of rates.

The actuarial assumptions used in the June 30, 2019 valuation were based on the results of an actuarial experience study for the period from July 1, 2012 through June 30, 2016, except the change in the discount rate, which was based on the 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) Updated to a more current mortality table - RP-2014 projected to 2020

Retirement Rates Lowered rates at older ages and changed final retirement from 70 to 75

Withdrawal Rates Adjusted rates to better fit experience at each year age and service through 9 years of service

Disability Rates Lowered rates

Salary Scale No change

Line of Duty Disability Increased rate from 14.00% to 15.00%

Discount Rate Decreased rate from 7.00% to 6.75%

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TOWN OF CHRISTIANSBURG, VIRGINIA

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2021

Note 6-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, 2019, 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, 2020.

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*

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

Mortality rates:

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

RP-2014 Employee Rates to age 80, Healthy Annuitant Rates at ages 81 and older projected with scale BB to 2020; males 90% of rates; females set forward 1 year.

Post-Retirement:

RP-2014 Employee Rates to age 49, Healthy Annuitant Rates at ages 50 and older projected with scale BB to 2020; males set forward 1 year, 1.0% increase compounded from ages 70 to 90; females set forward 3 years.

Post-Disablement:

RP-2014 Disability Mortality Rates projected with scale BB to 2020; males set forward 2 years; unisex using 100% male.

TOWN OF CHRISTIANSBURG, VIRGINIA

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2021

Note 6-Pension Plan: (Continued)

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

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

All Others (Non 10 Largest) - Hazardous Duty:

Mortality Rates (pre-retirement, post-retirement healthy, and disabled)	Updated to a more current mortality table - RP-2014 projected to 2020
Retirement Rates	Increased age 50 rates, and lowered rates at older ages
Withdrawal Rates	Adjusted rates to better fit experience at each year age and service through 9 years of service
Disability Rates	Adjusted rates to better fit experience
Salary Scale	No change
Line of Duty Disability	Decreased rate from 60.00% to 45.00%
Discount Rate	Decreased rate from 7.00% to 6.75%

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TOWN OF CHRISTIANSBURG, VIRGINIA

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2021

Note 6-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%	4.65%	1.58%
Fixed Income	15.00%	0.46%	0.07%
Credit Strategies	14.00%	5.38%	0.75%
Real Assets	14.00%	5.01%	0.70%
Private Equity	14.00%	8.34%	1.17%
MAPS - Multi-Asset Public Strategies	6.00%	3.04%	0.18%
PIP - Private Investment Partnership	3.00%	6.49%	0.19%
 Total	 <u>100.00%</u>		 <u>4.64%</u>
		Inflation	2.50%
		Expected arithmetic nominal return*	<u>7.14%</u>

* The above allocation provides a one-year return of 7.14%. However, one-year returns do not take into account the volatility present in each of the asset classes. In setting the long-term expected return for the system, stochastic projections are employed to model future returns under various economic conditions. The results provide a range of returns over various time periods that ultimately provide a median return of 7.11%, including expected inflation of 2.50%. On October 10, 2019, the VRS Board elected a long-term rate of 6.75% which is roughly at the 40th percentile of expected long-term results of the VRS fund asset allocation. More recent capital market assumptions compiled for the FY2020 actuarial valuations provide a median return of 6.81%.

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TOWN OF CHRISTIANSBURG, VIRGINIA

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2021

Note 6-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, 2020, 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, 2020 on, participating employers are assumed 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 Liability

	Increase (Decrease)		
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (a) - (b)
Balances at June 30, 2019	\$ 49,256,902	\$ 39,988,278	\$ 9,268,624
Changes for the year:			
Service cost	\$ 1,404,867	\$ -	\$ 1,404,867
Interest	3,253,776	-	3,253,776
Differences between expected and actual experience	404,232	-	404,232
Contributions - employer	-	1,263,285	(1,263,285)
Contributions - employee	-	571,472	(571,472)
Net investment income	-	763,892	(763,892)
Benefit payments, including refunds	(2,105,620)	(2,105,620)	-
Administrative expenses	-	(25,709)	25,709
Other changes	-	(912)	912
Net changes	<u>\$ 2,957,255</u>	<u>\$ 466,408</u>	<u>\$ 2,490,847</u>
Balances at June 30, 2020	<u>\$ 52,214,157</u>	<u>\$ 40,454,686</u>	<u>\$ 11,759,471</u>

TOWN OF CHRISTIANSBURG, VIRGINIA

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2021

Note 6-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)	\$ 19,051,273	\$ 11,759,471	\$ 5,764,538

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

For the year ended June 30, 2021, the Town recognized pension expense of \$2,035,755. At June 30, 2021, the Town reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 291,318	\$ 134,676
Change in assumptions	740,329	18,786
Net difference between projected and actual earnings on pension plan investments	1,211,853	-
Change in proportionate shares	73,060	73,060
Employer contributions subsequent to the measurement date	1,456,574	-
Total	\$ 3,773,134	\$ 226,522

TOWN OF CHRISTIANSBURG, VIRGINIA

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2021

Note 6-Pension Plan: (Continued)

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

\$1,456,574 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 in the fiscal year ended June 30, 2022. 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:

Year Ended June 30

2022	\$	450,782
2023		782,050
2024		472,151
2025		385,055
2026		-
Thereafter		-

Pension Plan Data

Information about the VRS Political Subdivision Retirement Plan is also available in the separately issued VRS 2020 Comprehensive Annual Financial Report (Annual Report). A copy of the 2020 VRS Annual Report may be downloaded from the VRS website at <http://www.varetire.org/pdf/publications/2020-annual-report.pdf>, or by writing to the System's Chief Financial Officer at P.O. Box 2500, Richmond, VA 23218-2500.

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TOWN OF CHRISTIANSBURG, VIRGINIA

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2021

Note 7-Capital Assets:

Capital asset activity for the year ended June 30, 2021 was as follows:

	Beginning Balance	Increases	Decreases	Ending Balance
Governmental Activities:				
Capital assets, not being depreciated:				
Land	\$ 8,193,117	\$ -	\$ -	\$ 8,193,117
Construction in progress	10,070,541	4,990,597	(2,102,164)	12,958,974
Total capital assets not being depreciated	\$ 18,263,658	\$ 4,990,597	\$ (2,102,164)	\$ 21,152,091
Capital assets, being depreciated:				
Buildings and improvements	\$ 35,061,881	\$ 233,543	\$ -	\$ 35,295,424
Machinery and equipment	19,157,898	3,500,885	(212,275)	22,446,508
Infrastructure	136,686,006	4,160,749	-	140,846,755
Total capital assets being depreciated	\$ 190,905,785	\$ 7,895,177	\$ (212,275)	\$ 198,588,687
Accumulated depreciation:				
Buildings and improvements	\$ (10,169,125)	\$ (1,007,353)	\$ -	\$ (11,176,478)
Machinery and equipment	(12,723,546)	(1,340,137)	212,275	(13,851,408)
Infrastructure	(44,643,638)	(3,460,480)	-	(48,104,118)
Total accumulated depreciation	\$ (67,536,309)	\$ (5,807,970)	\$ 212,275	\$ (73,132,004)
Total capital assets being depreciated, net	\$ 123,369,476	\$ 2,087,207	\$ -	\$ 125,456,683
Governmental activities capital assets, net	\$ 141,633,134	\$ 7,077,804	\$ (2,102,164)	\$ 146,608,774

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TOWN OF CHRISTIANSBURG, VIRGINIA

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2021

Note 7-Capital Assets: (Continued)

	Beginning Balance	Increases	Decreases	Ending Balance
Business-type Activities:				
Capital assets, not being depreciated:				
Land	\$ 12,500	\$ -	\$ -	\$ 12,500
Construction in progress	2,328,640	1,694,148	(239,501)	3,783,287
Total capital assets not being depreciated	\$ 2,341,140	\$ 1,694,148	\$ (239,501)	\$ 3,795,787
Capital assets, being depreciated:				
Machinery and equipment	\$ 7,764,406	\$ 413,578	\$ -	\$ 8,177,984
Utility plant and equipment	80,161,746	1,283,083	-	81,444,829
Total capital assets being depreciated	\$ 87,926,152	\$ 1,696,661	\$ -	\$ 89,622,813
Accumulated depreciation:				
Machinery and equipment	\$ (4,586,177)	\$ (433,485)	\$ -	\$ (5,019,662)
Utility plant and equipment	(37,148,498)	(1,984,086)	-	(39,132,584)
Total accumulated depreciation	\$ (41,734,675)	\$ (2,417,571)	\$ -	\$ (44,152,246)
Total capital assets being depreciated, net	\$ 46,191,477	\$ (720,910)	\$ -	\$ 45,470,567
Business-type activities capital assets, net	\$ 48,532,617	\$ 973,238	\$ (239,501)	\$ 49,266,354

Depreciation expense was charged to functions/programs of the Town as follows:

Governmental activities:

General government administration	\$ 158,190
Public safety	779,957
Public works	4,155,737
Parks, recreation, and cultural	714,086
Total depreciation expense - governmental activities	\$ 5,807,970

Business-type activities:

Water and sewer	\$ 2,210,899
Stormwater	206,672
Total depreciation expense - business-type activities	\$ 2,417,571

TOWN OF CHRISTIANSBURG, VIRGINIA

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2021

Note 8-Risk Management:

The Town is exposed to various risks of loss related to the following: torts, theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The Town employs a variety of risk management techniques, including the purchase of commercial insurance, participation in insurance pools, and self - insurance. The Town risk management programs are as follows:

Workers' Compensation - Workers' compensation insurance is provided through VACORP. During 2020-2021, total premiums paid were \$242,984. Benefits are those afforded through the State of Virginia as outlined in the Code of Virginia Section 65.2-100; premiums are based on covered payroll, job rates, and claims history.

General Liability and Other - The Town has general, automobile, property, and public officials' liability insurance through VACORP. Boiler and machinery coverage and property insurance are covered as per statement of values. Total premiums for 2020-2021 were \$385,348.

Self-Insurance - The Town established a limited risk management program for health insurance in fiscal year 2015. Premiums are paid into the health plan fund from the Town and are available to pay claims, and administrative costs of the program. During the fiscal year 2021, a total of \$1,483,593 was paid by the Town in benefits and administrative costs. The risk assumed by the Town is based on the number of participants in the program. The risk varies by the number of participants and their specific plan type (Keycare, Bluecare, etc.). Incurred but not reported claims of \$212,051 have been accrued as a liability based primarily on actual cost incurred prior to June 30 but paid after year-end. Liabilities are determined using a combination of actual claims experience and actuarially determined amounts and include incremental claim adjustment expenses and estimated recoveries. An independent contractor processes claims and the Town records a provision and liability in the government-wide statements and General Fund (current portion only) for an estimate of incurred but not reported claims. The Town has also assigned a portion of fund balance in the General Fund of \$374,956 to mitigate the risk of these claims.

Changes in the claims liability for the current and two prior fiscal years are as follows:

Fiscal Year	Current Year			
	Balance at Beginning of Fiscal Year	Claims and Changes in Estimates	Claim Payments	Balance at End of Fiscal Year
2020-21	\$ 212,051	\$ 1,483,593	\$ (1,483,593)	\$ 212,051
2019-20	212,086	1,671,636	(1,671,671)	212,051
2018-19	212,051	1,697,592	(1,697,557)	212,086

Other - There were no significant reductions in insurance coverage from the prior year and no settlements that exceeded the amount of insurance coverage during the last three fiscal years.

All Town employees are covered by a blanket bond in the amount of \$10,000. Additionally, the Treasurer and Town Manager are covered by surety bonds in the amount of \$100,000 each. The surety is United States Fidelity and Guaranty.

TOWN OF CHRISTIANSBURG, VIRGINIA

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2021

Note 8-Risk Management: (Continued)

Intergovernmental dependency - The Town depends on financial resources flowing from, or associated with, both the federal government and the Commonwealth of Virginia. Because of this dependency, the Town is subject to changes in specific flows of intergovernmental revenues based on modifications to federal and state laws and federal and state appropriations. It is also subject to changes in investment earnings and asset values associated with U.S. Treasury securities because of actions by foreign governments and other holders of publicly held U.S. Treasury securities.

During the fiscal year ended June 30, 2021 the Town received direct funding from the federal and state government as follows:

Law Enforcement funds	\$ 463,284
Street Maintenance funds	3,730,127
Sales Taxes	2,371,546
Non-Categorical State Aid	1,102,072
Federal and State grants	4,765,455
Total	<u>\$ 12,432,484</u>

Note 9-Town Health Savings Service Merit - Pay-as-you-go (OPEB Plan):

Plan Description

In addition to the pension benefits described in Note 6, the Town administers a single-employer defined benefit healthcare plan, The Town of Christiansburg, VA Service Merit (OPEB) Plan. The plan provides postemployment health care benefits to all eligible permanent employees who meet the requirements under the Town's pension plans. The plan does not issue a publicly available financial report.

Benefits Provided

Postemployment benefits from the Service Merit Plan are provided to eligible retirees. Eligible retirees receive a Service Merit of \$10 per month for each year of service to the Town until attaining age 65 or Medicare eligibility, whichever occurs first. Upon attaining age 65 or Medicare eligibility, eligible retirees receive a Service Merit of \$100 per month for the remainder of their lifetime. Service Merit monies are deposited into the retiree's ICMA Retirement Health Savings (RHS) plan in compliance with IRS regulations. Upon death the benefits cease and are non-transferrable; however, monies already in the retiree's RHS account may be directed to a beneficiary. Employees become eligible for the Service Merit Plan when retiring directly from the Town with 20 or more years of service at retirement and meeting various Virginia Retirement System (VRS) eligibility criteria.

Plan Membership

At June 30, 2021 (measurement date), the following employees were covered by the benefit terms:

Active Participants	202
Inactive Participants	27
Total Participants	<u>229</u>

TOWN OF CHRISTIANSBURG, VIRGINIA

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2021

Note 9-Town Health Savings Service Merit - Pay-as-you-go (OPEB Plan): (Continued)

Contributions

The Town does not pre-fund benefits; therefore, no assets are accumulated in a trust fund. The current funding policy is to pay benefits directly from general assets on a pay-as-you-go basis. The funding requirements are established and may be amended by the Town Council. The amount paid by the Town for OPEB as the benefits came due during the year ended June 30, 2021 was \$66,919.

Total OPEB Liability

The Town's total OPEB liability was measured as of June 30, 2021. The total OPEB liability was determined by an actuarial valuation performed as of July 1, 2019, using updated actuarial assumptions, applied to all periods included in the measurement and rolled forward to the measurement date.

Actuarial Assumptions

The total OPEB liability in the July 1, 2019 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement, unless otherwise specified:

Inflation	2.50% per year
Salary Increases	The total salary rate consists of an inflation rate of 2.50%, a productivity component of 1.00%, and a variable component that is based on years of service, with total increases ranging from 3.25% to 4.75%
Discount Rate	2.16% for accounting and funding disclosures as of June 30, 2021
Participation Rate	100% participation is assumed.

The mortality rates for active and healthy retirees was calculated using the RP-2000 Employee Mortality Tables projected to 2020 using Scale AA with males set forward 2 years (5 years for Public Safety employees) and females set back 3 years. The mortality rates for inactive and healthy retirees was RP-2000 Combined Healthy Mortality Tables projected to 2020 using Scale AA with females set back 1 year. The mortality tables for inactive and disabled retirees was RP-2000 Disabled Life Mortality Tables with males set back 3 years and no provision for future mortality improvement.

The date of the most recent actuarial experience study for which significant assumptions were based is not available.

TOWN OF CHRISTIANSBURG, VIRGINIA

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2021

Note 9-Town Health Savings Service Merit - Pay-as-you-go (OPEB Plan): (Continued)

Discount Rate

The discount rate used when OPEB plan investments are insufficient to pay for future benefit payments is based on the Bond Buyer General Obligation 20-Bond Municipal Index. The final equivalent single discount rate used for this year's valuation is 2.16% as of the end of the fiscal year with the expectation that the Town will continue paying the pay-go cost from operating funds.

Changes in Total OPEB Liability

	Increase (Decrease)
	Total OPEB Liability
Balances at June 30, 2020	<u>\$ 2,594,676</u>
 Changes for the year:	
Service Cost	\$ 68,399
Interest	58,119
Changes in assumptions	18,136
Benefit payments	<u>(66,919)</u>
Net changes:	<u>77,735</u>
Balances at June 30, 2021	<u>\$ 2,672,411</u>

Sensitivity of the Total OPEB Liability to Changes in the Discount Rate

The following amounts present the total OPEB liability of the Town, as well as what the total OPEB liability would be if it were calculated using a discount rate that is one percentage point lower (1.16%) or one percentage point higher (3.16%) than the current discount rate:

Discount Rate		
1% Decrease (1.16%)	Current (2.16%)	1% Increase (3.16%)
\$ 3,073,101	\$ 2,672,411	\$ 2,339,408

TOWN OF CHRISTIANSBURG, VIRGINIA

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2021

Note 9-Town Health Savings Service Merit - Pay-as-you-go (OPEB Plan): (Continued)

Sensitivity of the Total OPEB Liability to Changes in the Healthcare Cost Trend Rates

Because the Town's OPEB Plan is based on a set dollar amount instead of healthcare the trend rate has no impact on the calculation as indicated below:

Healthcare Cost Trend Rates		
1% Decrease	Current	1% Increase
\$ 2,672,411	\$ 2,672,411	\$ 2,672,411

OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources

For the year ended June 30, 2021, the Town recognized OPEB expense in the amount of \$161,342. At June 30, 2021, the Town reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	\$ -	\$ 57,670
Change in assumptions	382,890	51,953
Total	\$ 382,890	\$ 109,623

Amounts reported as deferred outflows of resources and deferred inflows of resources will be recognized in OPEB expense in future reporting periods as follows:

Year Ended June 30
2022
2023
2024
2025
2026
Thereafter

34,824
34,824
34,824
34,824
34,658
99,313

Additional disclosures on changes in OPEB liability, related ratios, and employer contributions can be found in the required supplementary information following the notes to the financial statements.

TOWN OF CHRISTIANSBURG, VIRGINIA

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2021

Note 10-OPEB - Line of Duty Act (LODA) Program:

Plan Description

The Virginia Retirement System (VRS) Line of Duty Act Program (LODA) was established pursuant to §9.1-400 et seq. of the Code of Virginia, as amended, and which provides the authority under which benefit terms are established or may be amended. The LODA Program provides death and health insurance benefits to eligible state employees and local government employees, including volunteers, who die or become disabled as a result of the performance of their duties as a public safety officer. In addition, health insurance benefits are provided to eligible survivors and family members. This is a cost-sharing multiple-employer plan administered by the Virginia Retirement System (the System). Participating employers made contributions to the program beginning in FY 2012. The employer contributions are determined by the System's actuary using anticipated program costs and the number of covered individuals associated with all participating employers. The specific information for the LODA Program OPEB, including eligibility, coverage and benefits is described below:

Eligible Employees

All paid employees and volunteers in hazardous duty positions in Virginia localities as well as and hazardous duty employees who are covered under the Virginia Retirement System (VRS), the State Police Officers' Retirement System (SPORS), or the Virginia Law Officers' Retirement System (VaLORS) are automatically covered by the Line of Duty Act Program (LODA). As required by statute, the Virginia Retirement System (the System) is responsible for managing the assets of the program.

Benefit Amounts

The LODA program death benefit is a one-time payment made to the beneficiary or beneficiaries of a covered individual. Amounts vary as follows: \$100,000 when a death occurs as the direct or proximate result of performing duty as of January 1, 2006, or after; \$25,000 when the cause of death is attributed to one of the applicable presumptions and occurred earlier than five years after the retirement date; or an additional \$20,000 benefit is payable when certain members of the National Guard and U.S. military reserves are killed in action in any armed conflict on or after October 7, 2001.

The LODA program also provides health insurance benefits. Prior to July 1, 2017, these benefits were managed through the various employer plans and maintained the benefits that existed prior to the employee's death or disability. These premiums were reimbursed to the employer by the LODA program. Beginning July 1, 2017, the health insurance benefits are managed through the Virginia Department of Human Resource Management (DHRM). The health benefits are modeled after the State Employee Health Benefits Program plans and provide consistent, premium-free continued health plan coverage for LODA-eligible disabled individuals, survivors and family members. Individuals receiving the health insurance benefits must continue to meet eligibility requirements as defined by LODA.

TOWN OF CHRISTIANSBURG, VIRGINIA

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2021

Note 10-OPEB - Line of Duty Act (LODA) Program: (Continued)

Contributions

The contribution requirements for the LODA Program are governed by §9.1-400.1 of the Code of Virginia, as amended, but may be impacted as a result of funding provided to state agencies by the Virginia General Assembly. Each employer's contractually required employer contribution rate for the LODA Program for the year ended June 30, 2021 was \$717.31 per covered full-time-equivalent employee. This rate was based on an actuarially determined rate from an actuarial valuation as of June 30, 2019 and represents the pay-as-you-go funding rate and not the full actuarial cost of the benefits under the program. The actuarially determined pay-as-you-go rate was expected to finance the costs and related expenses of benefits payable during the year. Contributions to the LODA from the entity were \$74,063 and \$69,871 for the years ended June 30, 2021 and June 30, 2020, respectively.

LODA OPEB Liabilities, LODA OPEB Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to the LODA OPEB

At June 30, 2021, the entity reported a liability of \$2,153,256 for its proportionate share of the Net LODA OPEB Liability. The Net LODA OPEB Liability was measured as of June 30, 2020 and the total LODA OPEB liability used to calculate the Net LODA OPEB Liability was determined by an actuarial valuation as of June 30, 2019, and rolled forward to the measurement date of June 30, 2020. The entity's proportion of the Net LODA OPEB Liability was based on the entity's actuarially determined pay-as-you-go employer contributions to the LODA OPEB plan for the year ended June 30, 2020 relative to the total of the actuarially determined pay-as-you-go employer contributions for all participating employers. At June 30, 2020, the entity's proportion was 0.51410% as compared to 0.54558% at June 30, 2019.

For the year ended June 30, 2021, the entity recognized LODA OPEB expense \$197,999. Since there was a change in proportionate share between measurement dates, a portion of the LODA OPEB expense was related to deferred amounts from changes in proportion.

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TOWN OF CHRISTIANSBURG, VIRGINIA

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2021

Note 10-OPEB - Line of Duty Act (LODA) Program: (Continued)

LODA OPEB Liabilities, LODA OPEB Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to the LODA OPEB: (Continued)

At June 30, 2021, the entity reported deferred outflows of resources and deferred inflows of resources related to the LODA OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 228,572	\$ 293,560
Net difference between projected and actual earnings on LODA OPEB program investments	-	3,061
Change in assumptions	576,443	134,181
Change in proportionate share	93,778	96,533
Employer contributions subsequent to the measurement date	74,063	-
Total	\$ 972,856	\$ 527,335

\$74,063 reported as deferred outflows of resources related to the LODA OPEB resulting from the entity's contributions subsequent to the measurement date will be recognized as a reduction of the Net LODA OPEB Liability in the fiscal year ending June 30, 2022. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to the LODA OPEB will be recognized in LODA OPEB expense in future reporting periods as follows:

Year Ended June 30

2022	\$ 51,319
2023	51,885
2024	52,488
2025	52,666
2026	52,855
Thereafter	110,245

TOWN OF CHRISTIANSBURG, VIRGINIA

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2021

Note 10-OPEB - Line of Duty Act (LODA) Program: (Continued)

Actuarial Assumptions

The total LODA OPEB liability was based on an actuarial valuation as of June 30, 2019, 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, 2020. The assumptions include several employer groups. Salary increases and mortality rates included herein are for relevant employer groups. Information for other groups can be referenced in the VRS Annual Report.

Inflation	2.50%
Salary increases, including inflation:	
Locality employees	N/A
Medical cost trend rates assumption:	
Under age 65	7.00%-4.75%
Ages 65 and older	5.375%-4.75%
Year of ultimate trend rate:	
Under age 65	Fiscal year ended 2028
Age 65 and older	Fiscal year ended 2023
Investment rate of return	2.21%, including inflation*

* Since LODA is funded on a current-disbursement basis, the assumed annual rate of return of 2.21% was used since it approximates the risk-free rate of return.

TOWN OF CHRISTIANSBURG, VIRGINIA

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2021

Note 10-OPEB - Line of Duty Act (LODA) Program: (Continued)

Actuarial Assumptions: (Continued)

Mortality Rates - Non-Largest Ten Locality Employers with Public Safety Employees

Pre-Retirement:

RP-2014 Employee Rates to age 80, Healthy Annuitant Rates to 81 and older projected with scale BB to 2020; males 90% of rates; females set forward 1 year.

Post-Retirement:

RP-2014 Employee Rates to age 49, Healthy Annuitant Rates at ages 50 and older projected with scale BB to 2020; males set forward 1 year with 1.0% increase compounded from ages 70 to 90; females set forward 3 years.

Post-Disablement:

RP-2014 Disability Life Mortality Table projected with scale BB to 2020; males set forward 2 years; unisex using 100% male.

The actuarial assumptions used in the June 30, 2019 valuation were based on the results of an actuarial experience study for the period from July 1, 2012 through June 30, 2016. Changes to the actuarial assumptions as a result of the experience study are as follows:

Mortality Rates (pre-retirement, post-retirement healthy, and disabled)	Updated to a more current mortality table - RP-2014 projected to 2020
Retirement Rates	Increased age 50 rates and lowered rates at older ages
Withdrawal Rates	Adjusted termination rates to better fit experience at each age and service year
Disability Rates	Adjusted rates to better match experience
Salary Scale	No change
Line of Duty Disability	Decreased rate from 60.00% to 45.00%

TOWN OF CHRISTIANSBURG, VIRGINIA

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2021

Note 10-OPEB - Line of Duty Act (LODA) Program: (Continued)

Net LODA OPEB Liability

The net OPEB liability (NOL) for the LODA Program represents the program's total OPEB liability, less the associated fiduciary net position. As of the measurement date of June 30, 2020, NOL amounts for the LODA Program are as follows (amounts expressed in thousands):

	<u>LODA Program</u>
Total LODA OPEB Liability	\$ 423,147
Plan Fiduciary Net Position	4,333
LODA Net OPEB Liability (Asset)	<u>\$ 418,814</u>
Plan Fiduciary Net Position as a Percentage of the Total LODA OPEB Liability	1.02%

The total LODA OPEB liability is calculated by the System's actuary, and each plan's fiduciary net position is reported in the System's financial statements. The net OPEB liability is disclosed in the System's notes to the financial statements and required supplementary information.

Long-Term Expected Rate of Return

The long-term expected rate of return on LODA OPEB Program's investments was set at 2.21% for this valuation. Since LODA is funded on a current-disbursement basis, it is not able to use the VRS Pooled Investments 6.75% assumption. Instead, the assumed annual rate of return of 2.21% was used since it approximates the risk-free rate of return. This Single Equivalent Interest Rate (SEIR) is the applicable municipal bond index rate based on the Bond Buyer General Obligation 20-year Municipal Bond Index as of the measurement date of June 30, 2020.

Discount Rate

The discount rate used to measure the total LODA OPEB liability was 2.21%. The projection of cash flows used to determine the discount rate assumed that employer contributions will be made per the VRS Statutes and that they will be made in accordance with the VRS funding policy and at rates equal to the actuarially determined contribution rates adopted by the VRS Board of Trustees. Through the fiscal year ended June 30, 2020, the rate contributed by participating employers to the LODA OPEB Program will be subject to the portion of the VRS Board-certified rates that are funded by the Virginia General Assembly.

TOWN OF CHRISTIANSBURG, VIRGINIA

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2021

Note 10-OPEB - Line of Duty Act (LODA) Program: (Continued)

Sensitivity of the Covered Employer's Proportionate Share of the Net LODA OPEB Liability to Changes in the Discount Rate

The following presents the covered employer's proportionate share of the net LODA OPEB liability using the discount rate of 2.21%, as well as what the covered employer's proportionate share of the net LODA OPEB liability would be if it were calculated using a discount rate that is one percentage point lower (1.21%) or one percentage point higher (3.21%) than the current rate:

	Discount Rate		
	1% Decrease	Current	1% Increase
	(1.21%)	(2.21%)	(3.21%)
Town's proportionate share of the LODA			
Net OPEB Liability	\$ 2,555,885	\$ 2,153,256	\$ 1,849,762

Sensitivity of the Covered Employer's Proportionate Share of the Net LODA OPEB Liability to Changes in the Health Care Trend Rate

Because the LODA Program contains a provision for the payment of health insurance premiums, the liabilities are also impacted by the health care trend rates. The following presents the covered employer's proportionate share of the net LODA OPEB liability using the health care trend rate of 7.00% decreasing to 4.75%, as well as what the covered employer's proportionate share of the net LODA OPEB liability would be if it were calculated using a health care trend rate that is one percentage point lower (6.00% decreasing to 3.75%) or one percentage point higher (8.00% decreasing to 5.75%) than the current rate:

	Health Care Trend Rates		
	1% Decrease	Current	1% Increase
	(6.00% decreasing to 3.75%)	(7.00% decreasing to 4.75%)	(8.00% decreasing to 5.75%)
Town's proportionate share of total LODA			
Net OPEB Liability	\$ 1,779,736	\$ 2,153,256	\$ 2,641,814

LODA OPEB Fiduciary Net Position

Detailed information about the LODA Program Fiduciary Net Position is available in the separately issued VRS 2020 Comprehensive Annual Financial Report (Annual Report). A copy of the 2020 VRS Annual Report may be downloaded from the VRS website at <http://www.varetire.org/pdf/publications/2020-annual-report.pdf>, or by writing to the System's Chief Financial Officer at P.O. Box 2500, Richmond, VA, 23218-2500.

TOWN OF CHRISTIANSBURG, VIRGINIA

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2021

Note 11-OPEB Summary:

	<u>Deferred Outflows</u>	<u>Deferred Inflows</u>	<u>Net OPEB Liability</u>	<u>OPEB Expense</u>
Town Health Savings Service Merit Plan (Note 9)	\$ 382,890	\$ 109,623	\$ 2,672,411	\$ 161,342
VRS OPEB Plan:				
Line of Duty Act Program (Note 10)	972,856	527,335	2,153,256	197,999
Totals	<u>\$ 1,355,746</u>	<u>\$ 636,958</u>	<u>\$ 4,825,667</u>	<u>\$ 359,341</u>

Note 12-Deferred/ Unavailable Revenue:

Deferred and unavailable revenue represents 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.

Government-wide Statements	Balance Sheet
Governmental Activities	Governmental Funds

Unavailable property tax revenue representing uncollected property tax billings that are not available for the funding of current expenditures	\$ -	239,801
Tax assessments due after June 30	5,239,332	5,239,332
Prepaid property taxes due after June 30 but paid in advance by taxpayers	2,515	2,515
Unavailable EMS billing revenue representing uncollected billings that are not available for the funding of current expenditures	- 65,243	65,243
	<u>\$ 5,241,847</u>	<u>\$ 5,546,891</u>

Note 13-Contingencies:

In October 2002, the Town received a loan/grant of \$675,000 from the Virginia Department of Housing and Community Development for the construction of low-income housing for low income at-risk youth. The facility, Tekoa Boys Home, was to be built, run, and maintained by Community Housing Partners, Inc. (CHP). The loan is secured by this facility and will be forgiven at the end of the 20-year term provided that the original purpose continues to be met. In the event that CHP defaults on the terms of the agreement, the funds must be repaid to the Virginia Department of Housing and Community Development by the Town. During fiscal year 2010, the home was converted to other uses and the Virginia Department of Housing and Community Development has approved that change and current use.

TOWN OF CHRISTIANSBURG, VIRGINIA

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2021

Note 13-Contingencies: (Continued)

Federal programs in which the Town participates were audited in accordance with the provisions of Uniform Guidance. Pursuant to the provisions of this guidance all major programs and certain other programs were tested for compliance with applicable grant requirements. While no matters of noncompliance were disclosed by audit, the Federal Government may subject grant programs to additional compliance tests, which may result in disallowed expenditures. In the opinion of management, any future disallowances of current grant program expenditures, if any, would be immaterial.

Note 14-Commitments:

At June 30, 2021, the Town had the following outstanding construction commitments:

Project	Amount of Contract	Amount Outstanding	Accounts Payable	Retainage Payable
Christiansburg Park	\$ 16,804,034	\$ 15,951,026	\$ 271,914	\$ 37,320
Arrowhearth Sewershed Project	521,200	315,214	14,872	-
Christiansburg WWTP	93,300	-	-	-
Biosolids Design Project	459,000	234,400	-	-
Hickok Street Improvements	322,470	133,178	73,571	-
Christiansburg Industrial Park	71,125	7,975	1,800	-
Arbor Drive-Peppers Ferry Intersection	339,520	53,765	17,841	-
Roanoke Street Sidewalks	113,334	7,024	365	-
N. Franklin Corridor	146,552	1,257	37,036	-
Connector Road	409,280	47,969	-	-
Town Road Interestion	379,206	112,187	1,586	-
College Street Drainage	78,480	-	-	-
Buffalo Water Storage Tank	26,500	1,200	-	-
Sleepy Hollow Drainage	43,222	22,908	-	-
 Total	 \$ 19,807,223	 \$ 16,888,103	 \$ 418,985	 \$ 37,320

Note 15-Contributed Capital:

The Town received infrastructure of \$680,745 and \$336,145 in the Water and Sewer Fund and Stormwater Funds, respectively, during the year ended June 30, 2021.

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TOWN OF CHRISTIANSBURG, VIRGINIA

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2021

Note 16-Landfill Closure and Postclosure Care Costs:

State and federal laws and regulations require the Town to place a final cover on its landfill site, as well as other sites opened in the future when they stop accepting waste, and to perform certain maintenance and monitoring functions at the sites for thirty years after closure. Although closure and postclosure care costs will be paid only near or after the date that the landfill stops accepting waste, the Town is required to record a portion of these closure and postclosure costs as a long-term liability in each period based on landfill capacity used as of each balance sheet date. The Town subsequently closed the landfill and postclosure monitoring is expected to continue for ten years. The \$534,868 liability for postclosure care costs at June 30, 2021 represents the estimated liability based on the usage of 100% of the estimated capacity of the landfill. The liability accrued at June 30, 2021 is based on what it would cost to perform all postclosure care in 2021. Actual costs may differ from this estimate due to inflation, changes in technology, or changes in regulation.

Note 17-Fund Balances:

	General Fund	Special Revenue Funds	Cemetery Fund	Total
Nonspendable:				
Perpetual care	\$ -	\$ -	\$ 864,099	\$ 864,099
Prepaid items	150,587	-	-	150,587
Restricted:				
Law enforcement	-	75,220	-	75,220
Fire department	-	371,925	-	371,925
Lifesaving-rescue squad	-	1,137,250	-	1,137,250
Parks and recreation	-	113,048	-	113,048
Assigned:				
Ambulance for rescue	226,583	-	-	226,583
Emergency serv. Building	1,958,384	-	-	1,958,384
Ladder truck	270,345	-	-	270,345
Reserve for wastewater infrastructure	2,022,658	-	-	2,022,658
Construction of connector road	857,929	-	-	857,929
Public works building	682,181	-	-	682,181
New ERP system	1,094,206	-	-	1,094,206
Reserve for health insurance	374,956	-	-	374,956
New regional park	2,036,083	-	-	2,036,083
New retaining wall	180,046	-	-	180,046
Columbarium - cemetery	-	-	127,524	127,524
Aquatic center repairs/renov.	696,581	-	-	696,581
Capital projects	1,045,952	-	-	1,045,952
Unassigned	27,265,079	-	-	27,265,079
Total	\$ 38,861,570	\$ 1,697,443	\$ 991,623	\$ 41,550,636

TOWN OF CHRISTIANSBURG, VIRGINIA

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2021

Note 18-Litigation:

As of June 30, 2021, there were no matters of litigation involving the Town which would materially affect the Town's financial position should a court decision on pending matters not be favorable. Subsequent to June 30, 2021, the Town was notified that a construction vendor filed a judgement in the amount of \$700,721 against the Town. At the present time, no reasonable estimate of a liability (if any) can be made relative to this claim and accordingly no liability has been recorded in the financial statements.

Note 19-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 2021 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 for fiscal year 2022.

ARPA Funding

On March 11, 2021, the American Rescue Plan (ARPA) Act of 2021 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 2021 and the balance delivered approximately 12 months later.

On May 19, 2021, 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 \$1,557,706 from the initial allocation are reported as unearned revenue as of June 30.

Subsequent to June 30, 2021, the Town entered into or amended the following contracts:

- Entered into a contract with Verizon for the purchase of data or cellphone service and related devices for approximately \$135,000.
- Approved a contract for the purchase of an excavator in the amount of \$158,723.
- Approved a contract for janitorial services at the recreation department and aquatics center in the amount of \$138,871.
- Approved a contract for the purchase of two police patrol vehicles in the amount of \$111,000.
- Approved the purchase of two dump truck bodies in the amount of \$203,140.

TOWN OF CHRISTIANSBURG, VIRGINIA

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2021

Note 20-Upcoming Pronouncements:

Statement No. 87, *Leases*, requires recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and recognized as inflows of resources or outflows of resources based on the payment provisions of the contract. It establishes a single model for lease accounting based on the foundational principle that leases are financings of the right to use an underlying asset. The requirements of this Statement are effective for reporting periods beginning after June 15, 2021.

Statement No. 89, *Accounting for Interest Cost Incurred Before the End of a Construction Period*, provides guidance for reporting capital assets and the cost of borrowing for a reporting period and simplifies accounting for interest cost incurred before the end of a construction period. The requirements of this Statement are effective for reporting periods beginning after December 15, 2020.

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. 92, *Omnibus 2020*, addresses practice issues that have been identified during implementation and application of certain GASB Statements. This Statement addresses a variety of topics such as leases, assets related to pension and postemployment benefits, and reference to nonrecurring fair value measurements of assets or liabilities in authoritative literature. The effective dates differ by topic, ranging from January 2020 to periods beginning after June 15, 2021.

Statement No. 93, *Replacement of Interbank Offered Rates*, establishes accounting and financial reporting requirements related to the replacement of Interbank Offered Rates (IBORs) in hedging derivative instruments and leases. It also identifies appropriate benchmark interest rates for hedging derivative instruments. The requirements of this Statement, except for removal of London Interbank Offered Rate (LIBOR) as an appropriate benchmark interest rate and the requirements related to lease modifications, are effective for reporting periods beginning after June 15, 2020. The removal of LIBOR as an appropriate benchmark interest rate is effective for reporting periods ending after December 31, 2021. All requirements related to lease modifications in this Statement are effective for reporting periods beginning after June 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 reporting periods 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 reporting periods beginning after June 15, 2022.

TOWN OF CHRISTIANSBURG, VIRGINIA

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2021

Note 20-Upcoming Pronouncements: (Continued)

Statement No. 97, *Certain Component Unit Criteria, and Accounting and Financial Reporting for Internal Revenue Code (IRC) Section 457 Deferred Compensation Plans - an Amendment of GASB Statements No. 14 and No. 84*, and a Supersession of GASB Statement No 32, (1) increases consistency and comparability related to reporting of fiduciary component units in certain circumstances; (2) mitigates costs associated with the reporting of certain plans as fiduciary component units in fiduciary fund financial statements; and (3) enhances the relevance, consistency, and comparability of the accounting and financial reporting for Section 457 plans that meet the definition of a pension plan and for benefits provided through those plans. The effective dates differ based on the requirements of the Statement, ranging from June 2020 to reporting periods beginning after June 15, 2021.

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

Required Supplementary Information

Town of Christiansburg, Virginia
General Fund
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
For the Year Ended June 30, 2021

	Budgeted Amounts			Variance with Final Budget - Positive (Negative)	
	Original	Final	Actual Amounts		
				Positive (Negative)	
REVENUES					
General property taxes	\$ 4,889,330	\$ 4,889,330	\$ 5,156,600	\$ 267,270	
Other local taxes	13,537,100	13,272,100	16,001,003	2,728,903	
Permits, privilege fees, and regulatory licenses	261,650	261,650	398,274	136,624	
Fines and forfeitures	57,500	57,500	41,475	(16,025)	
Revenue from the use of money and property	642,000	642,000	492,785	(149,215)	
Charges for services	2,905,750	2,905,750	2,578,663	(327,087)	
Miscellaneous	215,790	215,790	231,778	15,988	
Intergovernmental:					
Commonwealth	5,189,053	5,189,053	5,300,719	111,666	
Total revenues	<u>\$ 27,698,173</u>	<u>\$ 27,433,173</u>	<u>\$ 30,201,297</u>	<u>\$ 2,768,124</u>	
EXPENDITURES					
Current:					
General government administration	\$ 4,836,385	\$ 4,882,713	\$ 3,535,831	\$ 1,346,882	
Public safety	11,685,045	11,802,379	9,411,591	2,390,788	
Public works	6,907,245	6,901,906	5,432,072	1,469,834	
Health and welfare	4,719	4,719	4,719	-	
Parks, recreation, and cultural	4,907,712	5,008,832	3,849,580	1,159,252	
Community development	1,665,802	1,794,349	1,461,183	333,166	
Debt service:					
Principal	835,700	835,700	835,700	-	
Interest and other fiscal charges	181,617	181,617	183,657	(2,040)	
Total expenditures	<u>\$ 31,024,225</u>	<u>\$ 31,412,215</u>	<u>\$ 24,714,333</u>	<u>\$ 6,697,882</u>	
Excess (deficiency) of revenues over (under) expenditures	<u><u>\$ (3,326,052)</u></u>	<u><u>\$ (3,979,042)</u></u>	<u><u>\$ 5,486,964</u></u>	<u><u>\$ 9,466,006</u></u>	
OTHER FINANCING SOURCES (USES)					
Transfers out	\$ (2,181,148)	\$ (3,117,974)	\$ (2,266,868)	\$ 851,106	
Debt service principal - current refunding	-	-	(678,920)	(678,920)	
Issuance of general obligation refunding bonds	-	-	678,920	678,920	
Total other financing sources (uses)	<u>\$ (2,181,148)</u>	<u>\$ (3,117,974)</u>	<u>\$ (2,266,868)</u>	<u>\$ 851,106</u>	
Net change in fund balances	\$ (5,507,200)	\$ (7,097,016)	\$ 3,220,096	\$ 10,317,112	
Fund balances - beginning	5,507,200	7,097,016	35,641,474	28,544,458	
Fund balances - ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 38,861,570</u>	<u>\$ 38,861,570</u>	

Note 1: GAAP serves as the budgetary basis of accounting

Town of Christiansburg, Virginia
Schedule of Changes in Total OPEB Liability (Asset) and Related Ratios - Town OPEB
For the Measurement Dates of June 30, 2018 through 2021

	2021	2020	2019	2018
Total OPEB liability				
Service cost	\$ 68,399	\$ 50,378	\$ 55,206	\$ 58,473
Interest	58,119	78,337	79,914	73,326
Changes of assumptions	18,136	382,538	104,088	(102,637)
Differences between expected and actual experience	-	(72,088)	-	-
Benefit payments	(66,919)	(64,078)	(58,185)	(53,872)
Net change in total OPEB liability	\$ 77,735	\$ 375,087	\$ 181,023	\$ (24,710)
Total OPEB liability - beginning	2,594,676	2,219,589	2,038,566	2,063,276
Total OPEB liability - ending	\$ 2,672,411	\$ 2,594,676	\$ 2,219,589	\$ 2,038,566
Covered-employee payroll	\$ 12,328,382	\$ 11,999,939	\$ 11,514,955	\$ 10,661,914
Town's total OPEB liability (asset) as a percentage of covered-employee payroll	21.68%	21.62%	19.28%	19.12%

Schedule is intended to show information for 10 years. Additional years will be included as they become available.

Town of Christiansburg, Virginia
Notes to Required Supplementary Information - Town OPEB
For the Year Ended June 30, 2021

Valuation Date: 7/1/2019

Measurement Date: 6/30/2021

No assets are accumulated in a trust that meets the criteria in GASB 75 to pay related benefits.

Methods and assumptions used to determine OPEB liability:

Actuarial Cost Method	Entry age normal
Discount Rate	2.16% as of June 30, 2021
Inflation	2.50% per year as of June 30, 2021
Salary Increase Rates	The total salary rate consists of an inflation rate of 2.50%, a productivity component of 1.00%, and a variable component that is based on years of service, with total increases ranging from 3.25% to 4.75%
Participation Rate	The assumed participation rate is 100%
Retirement Age	The average age at retirement is 65
Mortality Rates	The mortality rates for active and healthy retirees was calculated using the RP-2000 Employee Mortality Tables projected to 2020 using Scale AA with males set forward 2 years (5 years for Public Safety employees) and females set back 3 years. The mortality rates for inactive and healthy retirees was RP-2000 Combined Healthy Mortality Tables projected to 2020 using Scale AA with females set back 1 year. The mortality tables for inactive and disabled retirees was RP-2000 Disabled Life Mortality Tables with males set back 3 years and no provision for future mortality improvement.

Town of Christiansburg, Virginia
Schedule of Employer's Share of Net LODA OPEB Liability
Line of Duty Act (LODA) Program
For the Measurement Dates of June 30, 2017 through June 30, 2020

Date (1)	Employer's Proportion of the Net LODA OPEB Liability (Asset) (2)	Employer's Proportionate Share of the Net LODA OPEB Liability (Asset) (3)	Covered- Employee Payroll * (4)	Employer's Proportionate Share of the Net LODA OPEB Liability (Asset) as a Percentage of its Covered-Employee Payroll (3)/(4) (5)		Plan Fiduciary Net Position as a Percentage of Total LODA OPEB Liability (6)
2020	0.5141%	\$ 2,153,256	N/A	N/A		1.02%
2019	0.5456%	1,957,465	N/A	N/A		0.79%
2018	0.5233%	1,641,000	N/A	N/A		0.60%
2017	0.5011%	1,317,000	N/A	N/A		1.30%

* The contributions for the Line of Duty Act Program are based on the number of participants in the Program using a per capita-based contribution versus a payroll-based contribution. Therefore, covered-employee payroll is the relevant measurement, which is the total payroll of the employees in the OPEB plan. However, when volunteers and part-time employees make up a significant percentage of the employer's members in the plan, the employer may determine that covered-employee payroll is misleading and, therefore, not applicable for disclosure.

Schedule is intended to show information for 10 years. Information prior to the 2017 valuation is not available. However, additional years will be included as they become available.

Town of Christiansburg, Virginia
Schedule of Employer Contributions
Line of Duty Act (LODA) Program
For the Years Ended June 30, 2017 through June 30, 2021

Date	Contributions in Relation to Contractually Required Contribution			Contributions as a % of Covered - Employee Payroll	
	Contractually Required Contribution (1)	Contractually Required Contribution (2)	Contribution Deficiency (Excess) (3)	Covered- Employee Payroll * (4)	Covered - Employee Payroll (5)
2021	\$ 74,063	\$ 74,063	\$ -	\$ N/A	N/A
2020	69,871	69,871	-	N/A	N/A
2019	73,223	73,223	-	N/A	N/A
2018	55,744	55,744	-	N/A	N/A
2017	54,042	54,042	-	N/A	N/A

* The contributions for the Line of Duty Act Program are based on the number of participants in the Program using a per capita-based contribution versus a payroll-based contribution. Therefore, covered-employee payroll is the relevant measurement, which is the total payroll of employees in the OPEB plan. However, when volunteers and part-time employees make up a significant percentage of the employer's members in the plan, the employer may determine that covered-employee payroll is misleading and, therefore, not applicable for disclosure.

Schedule is intended to show information for 10 years. Since 2017 is the first year for this presentation, only five years of data are available. However, additional years will be included as they become available.

Town of Christiansburg, Virginia
Notes to Required Supplementary Information
Line of Duty Act (LODA) Program
For the Year Ended June 30, 2021

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, 2019 valuation were based on results of an actuarial experience study for the period from July 1, 2012 through June 30, 2016. Changes to the actuarial assumptions as a result of the experience study are as follows:

Employees in the Non-Largest Ten Locality Employers with Public Safety Employees

Mortality Rates (pre-retirement, post-retirement healthy, and disabled)	Updated to a more current mortality table - RP-2014 projected to 2020
Retirement Rates	Increased age 50 rates and lowered rates at older ages
Withdrawal Rates	Adjusted termination rates to better fit experience at each age and service year
Disability Rates	Adjusted rates to better match experience
Salary Scale	No change
Line of Duty Disability	Decreased rate from 60.00% to 45.00%

Town of Christiansburg, Virginia
Schedule of Changes in Net Pension Liability (Asset) and Related Ratios - Pension Plan
For the Measurement Dates of June 30, 2014 through June 30, 2020

	2020	2019	2018	2017	2016	2015	2014
Total pension liability							
Service cost	\$ 1,404,867	\$ 1,280,264	\$ 1,239,714	\$ 1,289,347	\$ 1,280,862	\$ 1,263,483	\$ 1,218,068
Interest	3,253,776	3,118,589	2,982,616	2,872,601	2,759,557	2,767,954	2,617,701
Changes in benefit terms	-	-	15,091	-	-	-	-
Differences between expected and actual experience	404,232	(166,199)	(132,342)	(270,061)	(513,834)	(2,435,426)	-
Changes of assumptions	-	1,562,917	-	(239,818)	-	-	-
Benefit payments	(2,105,620)	(2,179,887)	(2,115,148)	(2,075,883)	(1,747,447)	(1,684,483)	(1,694,123)
Net change in total pension liability	\$ 2,957,255	\$ 3,615,684	\$ 1,974,840	\$ 1,591,277	\$ 1,779,138	\$ (88,472)	\$ 2,141,646
Total pension liability - beginning	49,256,902	45,641,218	43,666,378	42,075,101	40,295,963	40,384,435	38,242,789
Total pension liability - ending (a)	\$ 52,214,157	\$ 49,256,902	\$ 45,641,218	\$ 43,666,378	\$ 42,075,101	\$ 40,295,963	\$ 40,384,435
 Plan fiduciary net position							
Contributions - employer	\$ 1,263,285	\$ 1,219,011	\$ 1,194,090	\$ 1,175,271	\$ 1,434,651	\$ 1,411,075	\$ 1,350,284
Contributions - employee	571,472	549,979	530,617	527,321	534,433	529,905	521,352
Net investment income	763,892	2,529,397	2,629,672	3,910,906	561,458	1,373,398	4,047,352
Benefit payments	(2,105,620)	(2,179,887)	(2,115,148)	(2,075,883)	(1,747,447)	(1,684,483)	(1,694,123)
Administrator charges	(25,709)	(24,784)	(22,533)	(22,474)	(19,100)	(18,251)	(21,472)
Other	(912)	(1,596)	(2,352)	(3,487)	(235)	(292)	213
Net change in plan fiduciary net position	\$ 466,408	\$ 2,092,120	\$ 2,214,346	\$ 3,511,654	\$ 763,760	\$ 1,611,352	\$ 4,203,606
Plan fiduciary net position - beginning	39,988,278	37,896,158	35,681,812	32,170,158	31,406,398	29,795,046	25,591,440
Plan fiduciary net position - ending (b)	\$ 40,454,686	\$ 39,988,278	\$ 37,896,158	\$ 35,681,812	\$ 32,170,158	\$ 31,406,398	\$ 29,795,046
 Town's net pension liability (asset) - ending (a) - (b)	\$ 11,759,471	\$ 9,268,624	\$ 7,745,060	\$ 7,984,566	\$ 9,904,943	\$ 8,889,565	\$ 10,589,389
 Plan fiduciary net position as a percentage of the total pension liability (asset)	77.48%	81.18%	83.03%	81.71%	76.46%	77.94%	73.78%
 Covered payroll	\$ 11,999,939	\$ 11,514,955	\$ 11,001,500	\$ 10,699,440	\$ 10,802,760	\$ 10,590,336	\$ 10,424,574
 Town's net pension liability (asset) as a percentage of covered payroll	98.00%	80.49%	70.40%	74.63%	91.69%	83.94%	101.58%

Schedule is intended to show information for 10 years. Information prior to the 2014 valuation is not available. However, additional years will be included as they become available.

Town of Christiansburg, Virginia
Schedule of Employer Contributions - Pension Plan
For the Years Ended June 30, 2012 through June 30, 2021

Date	Contributions in Relation to Contractually Required Contribution			Contribution Deficiency (Excess)	Covered Payroll	Contributions as a % of Covered Payroll
	Contractually Required Contribution	Contractually Required Contribution	(1)	(2)	(3)	(4)
2021	\$ 1,456,574	\$ 1,456,574	\$ -	\$ 12,328,382		11.81%
2020	1,263,319	1,263,319	-	11,999,939		10.53%
2019	1,222,062	1,222,062	-	11,514,955		10.61%
2018	1,194,090	1,194,090	-	11,001,500		10.85%
2017	1,175,271	1,175,271	-	10,699,440		10.98%
2016	1,434,651	1,434,651	-	10,802,760		13.28%
2015	1,411,075	1,411,075	-	10,590,336		13.32%
2014	1,359,364	1,359,364	-	10,424,574		13.04%
2013	1,348,406	1,348,406	-	10,340,538		13.04%
2012	1,007,288	1,007,288	-	9,875,371		10.20%

Town of Christiansburg, Virginia
Notes to Required Supplementary Information - Pension Plan
For the Year Ended June 30, 2021

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

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

Mortality Rates (pre-retirement, post-retirement healthy, and disabled)	Updated to a more current mortality table - RP-2014 projected to 2020
Retirement Rates	Lowered rates at older ages and changed final retirement from 70 to 75
Withdrawal Rates	Adjusted rates to better fit experience at each year age and service through 9 years of service
Disability Rates	Lowered rates
Salary Scale	No change
Line of Duty Disability	Increased rate from 14.00% to 15.00%
Discount Rate	Decreased rate from 7.00% to 6.75%

All Others (Non 10 Largest) - Hazardous Duty:

Mortality Rates (pre-retirement, post-retirement healthy, and disabled)	Updated to a more current mortality table - RP-2014 projected to 2020
Retirement Rates	Increased age 50 rates, and lowered rates at older ages
Withdrawal Rates	Adjusted rates to better fit experience at each year age and service through 9 years of service
Disability Rates	Adjusted rates to better fit experience
Salary Scale	No change
Line of Duty Disability	Decreased rate from 60.00% to 45.00%
Discount Rate	Decreased rate from 7.00% to 6.75%

Other Supplementary Information

Town of Christiansburg, Virginia
Combining Balance Sheet
Nonmajor Governmental Funds
June 30, 2021

	Special Revenue Funds						Permanent Fund	
	Volunteer Fire Dept. Fund	Lifesaving and Rescue Fund	Police Department Fund	Recreation and Streets Fund	CARES Fund	Cemetery Fund	Total	
ASSETS								
Cash and cash equivalents	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 127,524	\$ 127,524	
Cash and cash equivalents - restricted	305,917	1,887,118	76,391	102,724	116,056	804,190	3,292,396	
Accounts receivable, net of allowance	-	205,644	-	-	-	-	205,644	
Due from other governmental units	6,317	96,500	14,194	72,385	52,327	-	-	241,723
Due from other funds	59,691	-	36,356	-	1,389,323	64,596	1,549,966	
Total assets	\$ 371,925	\$ 2,189,262	\$ 126,941	\$ 175,109	\$ 1,557,706	\$ 996,310	\$ 5,417,253	
LIABILITIES								
Accounts payable and accrued liabilities	\$ -	\$ 14,600	\$ -	\$ -	\$ -	\$ 4,687	\$ 19,287	
Due to other funds	-	972,169	-	62,061	-	-	1,034,230	
Unearned revenue	-	-	51,721	-	1,557,706	-	-	1,609,427
Total liabilities	\$ -	\$ 986,769	\$ 51,721	\$ 62,061	\$ 1,557,706	\$ 4,687	\$ 2,662,944	
DEFERRED INFLOWS OF RESOURCES								
Unavailable revenue - EMS billings	\$ -	\$ 65,243	\$ -	\$ -	\$ -	\$ -	\$ 65,243	
FUND BALANCES								
Nonspendable	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 864,099	\$ 864,099	
Restricted	371,925	1,137,250	75,220	113,048	-	-	1,697,443	
Assigned	-	-	-	-	-	127,524	127,524	
Total fund balances	\$ 371,925	\$ 1,137,250	\$ 75,220	\$ 113,048	\$ -	\$ 991,623	\$ 2,689,066	
Total liabilities, deferred inflows of resources, and fund balances	\$ 371,925	\$ 2,189,262	\$ 126,941	\$ 175,109	\$ 1,557,706	\$ 996,310	\$ 5,417,253	

Town of Christiansburg, Virginia
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
Nonmajor Governmental Funds
For the Year Ended June 30, 2021

	Special Revenue Funds						Permanent Fund	
	Volunteer Fire Dept. Fund	Lifesaving and Rescue Fund	Police Department Fund	Recreation and Streets Fund	CARES Fund	Cemetery Fund	<u>Total</u>	
	\$ 3,879	\$ 9,604	\$ 455	\$ 716	\$ 7,255	\$ 11,502	\$ 33,411	
REVENUES								
Revenue from the use of money and property	\$ 3,879	\$ 9,604	\$ 455	\$ 716	\$ 7,255	\$ 11,502	\$ 33,411	
Charges for services	-	799,146	-	-	-	139,395	938,541	
Miscellaneous	155,614	126,541	21,463	9,916	-	-	-	313,534
Intergovernmental:								
Commonwealth	80,888	96,500	43,601	-	-	-	220,989	
Federal	6,317	-	17,772	72,268	2,861,601	-	2,957,958	
Total revenues	<u>\$ 246,698</u>	<u>\$ 1,031,791</u>	<u>\$ 83,291</u>	<u>\$ 82,900</u>	<u>\$ 2,868,856</u>	<u>\$ 150,897</u>	<u>\$ 4,464,433</u>	
EXPENDITURES								
Current:								
Public safety	\$ 1,004,129	\$ 1,092,450	\$ 85,373	\$ -	\$ 2,768,386	\$ -	\$ 4,950,338	
Parks, recreation, and cultural	-	-	-	7,419	-	238,677	246,096	
Total expenditures	<u>\$ 1,004,129</u>	<u>\$ 1,092,450</u>	<u>\$ 85,373</u>	<u>\$ 7,419</u>	<u>\$ 2,768,386</u>	<u>\$ 238,677</u>	<u>\$ 5,196,434</u>	
Excess (deficiency) of revenues over (under) expenditures	<u>\$ (757,431)</u>	<u>\$ (60,659)</u>	<u>\$ (2,082)</u>	<u>\$ 75,481</u>	<u>\$ 100,470</u>	<u>\$ (87,780)</u>	<u>\$ (732,001)</u>	
OTHER FINANCING SOURCES (USES)								
Transfers in	\$ 175	\$ -	\$ 3,898	\$ -	\$ -	\$ 159,191	\$ 163,264	
Transfers out	-	-	-	(72,268)	(100,470)	-	(172,738)	
Total other financing sources (uses)	<u>\$ 175</u>	<u>\$ -</u>	<u>\$ 3,898</u>	<u>\$ (72,268)</u>	<u>\$ (100,470)</u>	<u>\$ 159,191</u>	<u>\$ (9,474)</u>	
Net change in fund balances	<u>\$ (757,256)</u>	<u>\$ (60,659)</u>	<u>\$ 1,816</u>	<u>\$ 3,213</u>	<u>\$ -</u>	<u>\$ 71,411</u>	<u>\$ (741,475)</u>	
Fund balances - beginning	1,129,181	1,197,909	73,404	109,835	-	920,212	3,430,541	
Fund balances - ending	<u>\$ 371,925</u>	<u>\$ 1,137,250</u>	<u>\$ 75,220</u>	<u>\$ 113,048</u>	<u>\$ -</u>	<u>\$ 991,623</u>	<u>\$ 2,689,066</u>	

Town of Christiansburg, Virginia
Volunteer Fire Department Fund

Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
For the Year Ended June 30, 2021

	Budgeted Amounts			Variance with Final Budget	
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	Positive (Negative)	
				Positive	(Negative)
REVENUES					
Revenue from the use of money and property	\$ -	\$ -	\$ 3,879	\$ 3,879	
Miscellaneous	125,295	125,295	155,614		30,319
Intergovernmental:					
Commonwealth	120,400	120,400	80,888		(39,512)
Federal	-	-	6,317		6,317
Total revenues	<u>\$ 245,695</u>	<u>\$ 245,695</u>	<u>\$ 246,698</u>	<u>\$ 1,003</u>	
EXPENDITURES					
Current:					
Public safety	\$ 245,695	\$ 245,695	\$ 1,004,129	\$ (758,434)	
Total expenditures	<u>\$ 245,695</u>	<u>\$ 245,695</u>	<u>\$ 1,004,129</u>	<u>\$ (758,434)</u>	
Excess (deficiency) of revenues over (under) expenditures	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (757,431)</u>	<u>\$ (757,431)</u>	
OTHER FINANCING SOURCES (USES)					
Transfers in	\$ -	\$ -	\$ 175	\$ 175	
Total other financing sources (uses)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 175</u>	<u>\$ 175</u>	
Net change in fund balances	\$ -	\$ -	\$ (757,256)	\$ (757,256)	
Fund balances - beginning	-	-	1,129,181		1,129,181
Fund balances - ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 371,925</u>	<u>\$ 371,925</u>	

Town of Christiansburg, Virginia
Lifesaving and Rescue Fund

Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
For the Year Ended June 30, 2021

	Budgeted Amounts			Variance with Final Budget	
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	Positive (Negative)	
				Positive	(Negative)
REVENUES					
Revenue from the use of money and property	\$ -	\$ -	\$ 9,604	\$ 9,604	
Charges for services	790,000	790,000	799,146		9,146
Miscellaneous	114,450	114,450	126,541		12,091
Intergovernmental:					
Commonwealth	12,000	12,000	96,500		84,500
Total revenues	<u>\$ 916,450</u>	<u>\$ 916,450</u>	<u>\$ 1,031,791</u>	<u>\$ 115,341</u>	
EXPENDITURES					
Current:					
Public safety	\$ 1,328,300	\$ 1,328,300	\$ 1,092,450	\$ 235,850	
Total expenditures	<u>\$ 1,328,300</u>	<u>\$ 1,328,300</u>	<u>\$ 1,092,450</u>	<u>\$ 235,850</u>	
Excess (deficiency) of revenues over (under) expenditures	<u>\$ (411,850)</u>	<u>\$ (411,850)</u>	<u>\$ (60,659)</u>	<u>\$ 351,191</u>	
Net change in fund balances	\$ (411,850)	\$ (411,850)	\$ (60,659)	\$ 351,191	
Fund balances - beginning	411,850	411,850	1,197,909		786,059
Fund balances - ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,137,250</u>	<u>\$ 1,137,250</u>	

Town of Christiansburg, Virginia

Police Department Fund

Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
For the Year Ended June 30, 2021

	Budgeted Amounts			Variance with Final Budget	
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	Positive (Negative)	
REVENUES					
Revenue from the use of money and property	\$ -	\$ -	\$ 455	\$ 455	
Miscellaneous	28,402	28,402	21,463		(6,939)
Intergovernmental:					
Commonwealth	40,000	40,000	43,601		3,601
Federal	83,890	83,890	17,772		(66,118)
Total revenues	\$ 152,292	\$ 152,292	\$ 83,291	\$	(69,001)
EXPENDITURES					
Current:					
Public safety	\$ 152,292	\$ 152,292	\$ 85,373	\$ 66,919	
Total expenditures	\$ 152,292	\$ 152,292	\$ 85,373	\$ 66,919	
Excess (deficiency) of revenues over (under) expenditures	\$ -	\$ -	\$ (2,082)	\$	(2,082)
OTHER FINANCING SOURCES (USES)					
Transfers In	\$ -	\$ -	\$ 3,898	\$ 3,898	
Total other financing sources and uses	\$ -	\$ -	\$ 3,898	\$ 3,898	
Net change in fund balances	\$ -	\$ -	\$ 1,816	\$ 1,816	
Fund balances - beginning	-	-	73,404		73,404
Fund balances - ending	\$ -	\$ -	\$ 75,220	\$ 75,220	

Town of Christiansburg, Virginia
Recreation and Streets Fund
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
For the Year Ended June 30, 2021

	<u>Budgeted Amounts</u>			<u>Variance with Final Budget</u>	
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	Positive (Negative)	
				\$	\$
REVENUES					
Revenue from the use of money and property	\$ -	\$ -	\$ 716	\$ 716	
Miscellaneous	16,000	16,000	9,916		(6,084)
Intergovernmental:					
Federal	105,000	105,000	72,268		(32,732)
Total revenues	<u>\$ 121,000</u>	<u>\$ 121,000</u>	<u>\$ 82,900</u>	<u>\$ (38,100)</u>	
EXPENDITURES					
Current:					
Public works	\$ 105,000	\$ 105,000	\$ -	\$ 105,000	
Parks, recreation, and cultural	41,000	41,000	7,419		33,581
Total expenditures	<u>\$ 146,000</u>	<u>\$ 146,000</u>	<u>\$ 7,419</u>	<u>\$ 138,581</u>	
Excess (deficiency) of revenues over (under) expenditures	<u>\$ (25,000)</u>	<u>\$ (25,000)</u>	<u>\$ 75,481</u>	<u>\$ 100,481</u>	
OTHER FINANCING SOURCES (USES)					
Transfers Out	\$ -	\$ -	\$ (72,268)	\$ (72,268)	
Total other financing sources (uses)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (72,268)</u>	<u>\$ (72,268)</u>	
Net change in fund balances	\$ (25,000)	\$ (25,000)	\$ 3,213	\$ 28,213	
Fund balances - beginning	25,000	25,000	109,835		84,835
Fund balances - ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 113,048</u>	<u>\$ 113,048</u>	

Town of Christiansburg, Virginia
CARES Fund

Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
For the Year Ended June 30, 2021

	Budgeted Amounts			Variance with Final Budget	
	<u>Original</u>	<u>Final</u>	<u>Actual</u>		
				Positive	(Negative)
REVENUES					
Revenue from the use of money and property	\$ -	\$ -	\$ 7,255	\$ 7,255	
Intergovernmental:					
Federal	1,077,700	2,816,358	2,861,601	45,243	
Total revenues	<u>\$ 1,077,700</u>	<u>\$ 2,816,358</u>	<u>\$ 2,868,856</u>	<u>\$ 52,498</u>	
EXPENDITURES					
Current:					
Public safety	\$ 1,077,700	\$ 2,816,358	\$ 2,768,386	\$ 47,972	
Total expenditures	<u>\$ 1,077,700</u>	<u>\$ 2,816,358</u>	<u>\$ 2,768,386</u>	<u>\$ 47,972</u>	
Excess (deficiency) of revenues over (under) expenditures	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 100,470</u>	<u>\$ 100,470</u>	
OTHER FINANCING SOURCES (USES)					
Transfers Out	\$ -	\$ -	\$ (100,470)	\$ (100,470)	
Net change in fund balances	\$ -	\$ -	\$ -	\$ -	
Fund balances - beginning	- -	- -	- -	- -	
Fund balances - ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	

Town of Christiansburg, Virginia
Cemetery Fund

Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
For the Year Ended June 30, 2021

	Budgeted Amounts			Variance with Final Budget	
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	Positive (Negative)	
				Final Budget	Final Budget
REVENUES					
Revenue from the use of money and property	\$ 4,000	\$ 4,000	\$ 11,502	\$ 7,502	
Charges for services	82,000	82,000	139,395		57,395
Total revenues	<u>\$ 86,000</u>	<u>\$ 86,000</u>	<u>\$ 150,897</u>	<u>\$ 64,897</u>	
EXPENDITURES					
Current:					
Parks, recreation, and cultural	\$ 284,949	\$ 289,021	\$ 238,677	\$ 50,344	
Total expenditures	<u>\$ 284,949</u>	<u>\$ 289,021</u>	<u>\$ 238,677</u>	<u>\$ 50,344</u>	
Excess (deficiency) of revenues over (under) expenditures	<u>\$ (198,949)</u>	<u>\$ (203,021)</u>	<u>\$ (87,780)</u>	<u>\$ 115,241</u>	
OTHER FINANCING SOURCES (USES)					
Transfers In	\$ 234,449	\$ 234,449	\$ 159,191	\$ (75,258)	
Net change in fund balances	\$ 35,500	\$ 31,428	\$ 71,411	\$ 39,983	
Fund balances - beginning	<u>(35,500)</u>	<u>(31,428)</u>	<u>920,212</u>	<u>951,640</u>	
Fund balances - ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 991,623</u>	<u>\$ 991,623</u>	

Town of Christiansburg, Virginia
Capital Projects Fund

Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
For the Year Ended June 30, 2021

	Budgeted Amounts			Variance with Final Budget	
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	Positive	(Negative)
REVENUES					
Intergovernmental:					
Commonwealth	\$ 230,936	\$ 649,828	\$ 406,990	\$ (242,838)	
Federal	2,617,489	2,715,028	1,174,282		(1,540,746)
Total revenues	<u>\$ 2,848,425</u>	<u>\$ 3,364,856</u>	<u>\$ 1,581,272</u>	<u>\$ (1,783,584)</u>	
EXPENDITURES					
Current:					
Capital projects	\$ 4,870,124	\$ 6,211,388	\$ 3,682,507	\$ 2,528,881	
Total expenditures	<u>\$ 4,870,124</u>	<u>\$ 6,211,388</u>	<u>\$ 3,682,507</u>	<u>\$ 2,528,881</u>	
Excess (deficiency) of revenues over (under) expenditures	<u>\$ (2,021,699)</u>	<u>\$ (2,846,532)</u>	<u>\$ (2,101,235)</u>	<u>\$ 745,297</u>	
OTHER FINANCING SOURCES (USES)					
Transfers in	\$ 2,021,699	\$ 2,846,532	\$ 2,101,235	\$ (745,297)	
Net change in fund balances	\$ -	\$ -	\$ -	\$ -	\$ -
Fund balances - beginning	-	-	-	-	-
Fund balances - ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

Supporting Schedules

Town of Christiansburg, Virginia
Schedule of Revenues - Budget and Actual
Governmental Funds
For the Year Ended June 30, 2021

Schedule 1
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Fund, Major and Minor Revenue Source	Original Budget	Final Budget	Actual	Variance with Final Budget -				
				Positive (Negative)	Positive (Negative)			
General Fund:								
Revenue from local sources:								
General property taxes:								
Real property tax	\$ 3,666,500	\$ 3,666,500	\$ 3,672,978	\$ 6,478				
Real and personal PSC tax	95,400	95,400	99,709	4,309				
Personal property tax	789,340	789,340	922,862	133,522				
Mobile home tax	6,025	6,025	6,970	945				
Machinery and tools tax	300,065	300,065	355,536	55,471				
Penalties	20,000	20,000	54,585	34,585				
Interest	12,000	12,000	43,960	31,960				
Total general property taxes	\$ 4,889,330	\$ 4,889,330	\$ 5,156,600	\$ 267,270				
Other local taxes:								
Local sales and use taxes	\$ 1,700,000	\$ 1,700,000	\$ 2,371,546	\$ 671,546				
Consumers' utility taxes	570,000	570,000	613,738	43,738				
Cigarette taxes	426,000	426,000	379,135	(46,865)				
Business license taxes	2,299,000	2,164,000	2,820,789	656,789				
Consumption taxes	135,000	135,000	122,752	(12,248)				
Motor vehicle licenses	560,000	560,000	632,940	72,940				
Bank stock taxes	800,000	800,000	801,220	1,220				
Lodging taxes	1,200,100	850,100	1,126,363	276,263				
Restaurant food taxes	5,847,000	6,067,000	7,132,520	1,065,520				
Total other local taxes	\$ 13,537,100	\$ 13,272,100	\$ 16,001,003	\$ 2,728,903				
Permits, privilege fees, and regulatory licenses:								
Building permits	\$ 170,000	\$ 170,000	\$ 234,859	\$ 64,859				
Zoning permits	8,500	8,500	17,810	9,310				
Permits and other licenses	83,150	83,150	145,605	62,455				
Total permits, privilege fees, and regulatory licenses	\$ 261,650	\$ 261,650	\$ 398,274	\$ 136,624				
Fines and forfeitures:								
Court fines and forfeitures	\$ 57,500	\$ 57,500	\$ 41,475	\$ (16,025)				
Revenue from use of money and property:								
Revenue from use of money	\$ 400,000	\$ 400,000	\$ 253,717	\$ (146,283)				
Revenue from use of property	242,000	242,000	239,068	(2,932)				
Total revenue from use of money and property	\$ 642,000	\$ 642,000	\$ 492,785	\$ (149,215)				
Charges for services:								
Charges for recreation	\$ 150,750	\$ 150,750	\$ 92,870	\$ (57,880)				
Charges for aquatics	623,900	623,900	519,992	(103,908)				
Charges for Farmer's Market	-	-	349	349				
Charges for alarm fees	600	600	-	(600)				
Charges for refuse collections	1,990,500	1,990,500	1,965,452	(25,048)				
Charges for radio installs	140,000	140,000	-	(140,000)				
Total charges for services	\$ 2,905,750	\$ 2,905,750	\$ 2,578,663	\$ (327,087)				

Town of Christiansburg, Virginia
Schedule of Revenues - Budget and Actual
Governmental Funds
For the Year Ended June 30, 2021

<u>Fund, Major and Minor Revenue Source</u>	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget - Positive (Negative)</u>
General Fund: (Continued)				
Revenue from local sources: (Continued)				
Miscellaneous:				
Miscellaneous	\$ 215,790	\$ 215,790	\$ 231,778	\$ 15,988
Total revenue from local sources	<u>\$ 22,509,120</u>	<u>\$ 22,244,120</u>	<u>\$ 24,900,578</u>	<u>\$ 2,656,458</u>
Intergovernmental:				
Revenue from the Commonwealth:				
Noncategorical aid:				
Rolling stock tax	\$ 182,500	\$ 182,500	\$ 206,407	\$ 23,907
Mobile home titling tax	10,000	10,000	14,072	4,072
Telecommunication tax	750,000	750,000	653,040	(96,960)
Personal property tax relief funds	228,553	228,553	228,553	-
Total noncategorical aid	<u>\$ 1,171,053</u>	<u>\$ 1,171,053</u>	<u>\$ 1,102,072</u>	<u>\$ (68,981)</u>
Categorical aid:				
Other categorical aid:				
DJCP law enforcement grants	\$ 463,000	\$ 463,000	\$ 463,284	\$ 284
Litter control grant	5,000	5,000	5,236	236
Street maintenance	3,550,000	3,550,000	3,730,127	180,127
Total other categorical aid	<u>\$ 4,018,000</u>	<u>\$ 4,018,000</u>	<u>\$ 4,198,647</u>	<u>\$ 180,647</u>
Total categorical aid	<u>\$ 4,018,000</u>	<u>\$ 4,018,000</u>	<u>\$ 4,198,647</u>	<u>\$ 180,647</u>
Total revenue from the Commonwealth	<u>\$ 5,189,053</u>	<u>\$ 5,189,053</u>	<u>\$ 5,300,719</u>	<u>\$ 111,666</u>
Total intergovernmental	<u>\$ 5,189,053</u>	<u>\$ 5,189,053</u>	<u>\$ 5,300,719</u>	<u>\$ 111,666</u>
Total General Fund	<u>\$ 27,698,173</u>	<u>\$ 27,433,173</u>	<u>\$ 30,201,297</u>	<u>\$ 2,768,124</u>
Special Revenue Funds:				
Volunteer Fire Dept. Fund:				
Revenue from local sources:				
Revenue from use of money and property:				
Revenue from the use of money	\$ -	\$ -	\$ 3,879	\$ 3,879
Miscellaneous:				
Montgomery County, Virginia contributions	\$ 125,295	\$ 125,295	\$ 125,295	\$ -
Other miscellaneous	-	-	30,319	30,319
Total miscellaneous revenue	<u>\$ 125,295</u>	<u>\$ 125,295</u>	<u>\$ 155,614</u>	<u>\$ 30,319</u>
Total revenue from local sources	<u>\$ 125,295</u>	<u>\$ 125,295</u>	<u>\$ 159,493</u>	<u>\$ 34,198</u>

Town of Christiansburg, Virginia
Schedule of Revenues - Budget and Actual
Governmental Funds
For the Year Ended June 30, 2021

Schedule 1
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<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>
Special Revenue Funds: (Continued)				
Volunteer Fire Dept. Fund: (Continued)				
Intergovernmental:				
Revenue from the Commonwealth:				
Categorical aid:				
State Fire Programs	\$ 120,400	\$ 120,400	\$ 80,888	\$ (39,512)
Total revenue from the Commonwealth	<u>\$ 120,400</u>	<u>\$ 120,400</u>	<u>\$ 80,888</u>	<u>\$ (39,512)</u>
Revenue from the federal government:				
Categorical aid:				
FEMA grant	\$ -	\$ -	\$ 6,317	\$ 6,317
Total intergovernmental	<u>\$ 120,400</u>	<u>\$ 120,400</u>	<u>\$ 87,205</u>	<u>\$ (33,195)</u>
Total Volunteer Fire Department Fund	<u>\$ 245,695</u>	<u>\$ 245,695</u>	<u>\$ 246,698</u>	<u>\$ 1,003</u>
Lifesaving and Rescue Fund:				
Revenue from local sources:				
Revenue from use of money and property:				
Revenue from the use of money	\$ -	\$ -	\$ 9,604	\$ 9,604
Charges for services:				
EMS billings	\$ 790,000	\$ 790,000	\$ 799,146	\$ 9,146
Miscellaneous:				
Montgomery County, Virginia contributions	\$ 104,450	\$ 104,450	\$ 103,950	\$ (500)
Other contributions	\$ 10,000	\$ 10,000	\$ 22,591	\$ 12,591
Total miscellaneous	<u>\$ 114,450</u>	<u>\$ 114,450</u>	<u>\$ 126,541</u>	<u>\$ 12,091</u>
Total revenue from local sources	<u>\$ 904,450</u>	<u>\$ 904,450</u>	<u>\$ 935,291</u>	<u>\$ 30,841</u>
Intergovernmental:				
Revenue from the Commonwealth:				
Categorical aid:				
Four for Life grants	\$ 12,000	\$ 12,000	\$ -	\$ (12,000)
RSAF Grant	\$ -	\$ -	\$ 96,500	\$ 96,500
Total categorical aid	<u>\$ 12,000</u>	<u>\$ 12,000</u>	<u>\$ 96,500</u>	<u>\$ 84,500</u>
Total revenue from the Commonwealth	<u>\$ 12,000</u>	<u>\$ 12,000</u>	<u>\$ 96,500</u>	<u>\$ 84,500</u>
Total Lifesaving and Rescue Fund	<u>\$ 916,450</u>	<u>\$ 916,450</u>	<u>\$ 1,031,791</u>	<u>\$ 115,341</u>

Town of Christiansburg, Virginia
Schedule of Revenues - Budget and Actual
Governmental Funds
For the Year Ended June 30, 2021

Schedule 1
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<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>
Special Revenue Funds: (Continued)				
Police Department Fund:				
Revenue from local sources:				
Revenue from use of money and property:				
Revenue from the use of money	\$ -	\$ -	\$ 455	\$ 455
Miscellaneous:				
Contributions	\$ 11,200	\$ 11,200	\$ 5,085	\$ (6,115)
Other miscellaneous	17,202	17,202	16,378	(824)
Total miscellaneous	\$ 28,402	\$ 28,402	\$ 21,463	\$ (6,939)
Total revenue from local sources	\$ 28,402	\$ 28,402	\$ 21,918	\$ (6,484)
Intergovernmental:				
Revenue from the Commonwealth:				
Categorical aid:				
Police Department grants	\$ 40,000	\$ 40,000	\$ 43,601	\$ 3,601
Total categorical aid	\$ 40,000	\$ 40,000	\$ 43,601	\$ 3,601
Total revenue from the Commonwealth	\$ 40,000	\$ 40,000	\$ 43,601	\$ 3,601
Revenue from the federal government:				
Categorical aid:				
Bullet Proof Vest Grant	\$ 4,000	\$ 4,000	\$ 1,692	\$ (2,308)
Justice Assistance Grant	2,000	2,000	-	(2,000)
DMV Select Enforcement Grant	22,890	22,890	16,080	(6,810)
Anti-Drug Grant	55,000	55,000	-	(55,000)
Total categorical aid	\$ 83,890	\$ 83,890	\$ 17,772	\$ (66,118)
Total revenue from the federal government	\$ 83,890	\$ 83,890	\$ 17,772	\$ (66,118)
Total intergovernmental	\$ 123,890	\$ 123,890	\$ 61,373	\$ (62,517)
Total Police Department Fund	\$ 152,292	\$ 152,292	\$ 83,291	\$ (69,001)

Town of Christiansburg, Virginia
Schedule of Revenues - Budget and Actual
Governmental Funds
For the Year Ended June 30, 2021

<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>
Special Revenue Funds: (Continued)				
Recreation and Streets Fund:				
Revenue from local sources:				
Revenue from use of money and property:				
Revenue from the use of money	\$ -	\$ -	\$ 716	\$ 716
Miscellaneous:				
Contributions and donations	\$ 16,000	\$ 16,000	\$ 9,916	\$ (6,084)
Total revenue from local sources	\$ 16,000	\$ 16,000	\$ 10,632	\$ (5,368)
Intergovernmental:				
Revenue from the federal government:				
Categorical aid:				
Community Development Block Grant	\$ 105,000	\$ 105,000	\$ 72,268	\$ (32,732)
Total revenue from the federal government	\$ 105,000	\$ 105,000	\$ 72,268	\$ (32,732)
Total intergovernmental	\$ 105,000	\$ 105,000	\$ 72,268	\$ (32,732)
Total Recreation and Streets Fund	\$ 121,000	\$ 121,000	\$ 82,900	\$ (38,100)
CARES Fund:				
Revenue from local sources:				
Revenue from use of money and property:				
Revenue from the use of money	\$ -	\$ -	\$ 7,255	\$ 7,255
Intergovernmental:				
Revenue from the federal government:				
Categorical aid:				
Coronavirus Relief Fund (passed-through Montgomery Co.)	\$ 1,077,700	\$ 2,816,358	\$ 2,861,601	\$ 45,243
Total revenue from the federal government	\$ 1,077,700	\$ 2,816,358	\$ 2,861,601	\$ 45,243
Total intergovernmental	\$ 1,077,700	\$ 2,816,358	\$ 2,861,601	\$ 45,243
Total CARES Fund	\$ 1,077,700	\$ 2,816,358	\$ 2,868,856	\$ 52,498

Town of Christiansburg, Virginia
Schedule of Revenues - Budget and Actual
Governmental Funds
For the Year Ended June 30, 2021

Schedule 1
Page 6 of 6

<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>
Permanent Fund:				
Cemetery Fund:				
Revenue from local sources:				
Revenue from use of money and property:				
Revenue from the use of money	\$ 4,000	\$ 4,000	\$ 11,502	\$ 7,502
Charges for services:				
Charges for grave openings	\$ 55,000	\$ 55,000	\$ 78,675	\$ 23,675
Charges for plots	25,000	25,000	53,920	28,920
Charges for niches	2,000	2,000	6,800	4,800
Total charges for services	<u>\$ 82,000</u>	<u>\$ 82,000</u>	<u>\$ 139,395</u>	<u>\$ 57,395</u>
Total revenue from local sources	<u>\$ 86,000</u>	<u>\$ 86,000</u>	<u>\$ 150,897</u>	<u>\$ 64,897</u>
Total Cemetery Fund	<u><u>\$ 86,000</u></u>	<u><u>\$ 86,000</u></u>	<u><u>\$ 150,897</u></u>	<u><u>\$ 64,897</u></u>
Capital Projects Fund:				
Intergovernmental:				
Revenue from the Commonwealth:				
Categorical aid:				
VDOT revenue sharing projects	\$ 230,936	\$ 649,828	\$ 406,990	\$ (242,838)
Total categorical aid	<u>\$ 230,936</u>	<u>\$ 649,828</u>	<u>\$ 406,990</u>	<u>\$ (242,838)</u>
Total revenue from the Commonwealth	<u><u>\$ 230,936</u></u>	<u><u>\$ 649,828</u></u>	<u><u>\$ 406,990</u></u>	<u><u>\$ (242,838)</u></u>
Revenue from the federal government:				
Categorical aid:				
Other categorical aid	\$ 2,617,489	\$ 2,715,028	\$ 1,174,282	\$ (1,540,746)
Total categorical aid	<u>\$ 2,617,489</u>	<u>\$ 2,715,028</u>	<u>\$ 1,174,282</u>	<u>\$ (1,540,746)</u>
Total revenue from the federal government	<u><u>\$ 2,617,489</u></u>	<u><u>\$ 2,715,028</u></u>	<u><u>\$ 1,174,282</u></u>	<u><u>\$ (1,540,746)</u></u>
Total Capital Projects Fund	<u><u>\$ 2,848,425</u></u>	<u><u>\$ 3,364,856</u></u>	<u><u>\$ 1,581,272</u></u>	<u><u>\$ (1,783,584)</u></u>
Total Primary Government	<u><u><u>\$ 33,145,735</u></u></u>	<u><u><u>\$ 35,135,824</u></u></u>	<u><u><u>\$ 36,247,002</u></u></u>	<u><u><u>\$ 1,111,178</u></u></u>

Town of Christiansburg, Virginia
Schedule of Expenditures - Budget and Actual
Governmental Funds
For the Year Ended June 30, 2021

<u>Funds, Functions and Departments</u>	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget - Positive (Negative)</u>
General Fund:				
General government administration:				
Town Council and Town Clerk	\$ 77,303	\$ 77,303	\$ 54,854	\$ 22,449
General and financial administration:				
Town Manager	\$ 797,496	\$ 805,682	\$ 675,224	\$ 130,458
Legal services	100,000	100,000	129,044	(29,044)
Finance/Treasurer	1,970,840	1,989,242	1,132,577	856,665
Audit services	38,500	40,400	40,400	-
Human Resources	433,956	437,763	357,490	80,273
Public Relations	305,142	315,804	223,764	92,040
Information Systems	1,113,148	1,116,519	922,478	194,041
Total general and financial administration	<u>\$ 4,759,082</u>	<u>\$ 4,805,410</u>	<u>\$ 3,480,977</u>	<u>\$ 1,324,433</u>
Total general government administration	<u>\$ 4,836,385</u>	<u>\$ 4,882,713</u>	<u>\$ 3,535,831</u>	<u>\$ 1,346,882</u>
Public safety:				
Law enforcement and traffic control:				
Police	\$ 7,675,251	\$ 7,770,256	\$ 6,831,874	\$ 938,382
Radio shop	144,337	144,723	90	144,633
Total law enforcement and traffic control	<u>\$ 7,819,588</u>	<u>\$ 7,914,979</u>	<u>\$ 6,831,964</u>	<u>\$ 1,083,015</u>
Fire and rescue services:				
Fire department	\$ 2,545,611	\$ 2,555,370	\$ 1,539,481	\$ 1,015,889
Lifesaving and Rescue Squad	832,344	840,099	643,378	196,721
Total fire and rescue services	<u>\$ 3,377,955</u>	<u>\$ 3,395,469</u>	<u>\$ 2,182,859</u>	<u>\$ 1,212,610</u>
Inspections:				
Building	\$ 487,502	\$ 491,931	\$ 396,768	\$ 95,163
Total public safety	<u>\$ 11,685,045</u>	<u>\$ 11,802,379</u>	<u>\$ 9,411,591</u>	<u>\$ 2,390,788</u>
Public works:				
Maintenance of highways, streets, bridges and sidewalks:				
Street department	\$ 4,501,069	\$ 4,410,037	\$ 3,390,874	\$ 1,019,163
Sanitation and waste removal:				
Refuse collections and disposal	\$ 1,584,332	\$ 1,647,097	\$ 1,419,891	\$ 227,206
Maintenance of general buildings and grounds:				
General properties	\$ 821,844	\$ 844,772	\$ 621,307	\$ 223,465
Total public works	<u>\$ 6,907,245</u>	<u>\$ 6,901,906</u>	<u>\$ 5,432,072</u>	<u>\$ 1,469,834</u>

Town of Christiansburg, Virginia
Schedule of Expenditures - Budget and Actual
Governmental Funds
For the Year Ended June 30, 2021

<u>Funds, Functions and Departments</u>	<u>Original Budget</u>	<u>Final Budget</u>	<u>Variance with Final Budget - Positive (Negative)</u>			
General Fund: (Continued)						
Health and welfare:						
Welfare:						
Contribution to Area Agency on Aging	\$ 4,719	\$ 4,719	\$ 4,719	\$ -		
Parks, recreation, and cultural:						
Parks and recreation:						
Recreation department	\$ 2,726,870	\$ 2,749,586	\$ 2,198,213	\$ 551,373		
Aquatic center	1,738,018	1,812,094	1,361,801	450,293		
Skate board park	442,824	447,152	289,566	157,586		
Total parks and recreation	<u>\$ 4,907,712</u>	<u>\$ 5,008,832</u>	<u>\$ 3,849,580</u>	<u>\$ 1,159,252</u>		
Total parks, recreation, and cultural	<u>\$ 4,907,712</u>	<u>\$ 5,008,832</u>	<u>\$ 3,849,580</u>	<u>\$ 1,159,252</u>		
Community development:						
Planning and community development:						
Planning department	\$ 271,226	\$ 275,127	\$ 184,773	\$ 90,354		
Zoning administration	1,000	1,000	480	520		
Planning Commission	13,200	13,200	3,630	9,570		
Community development	451,410	451,410	381,069	70,341		
Farmer's Market	10,120	10,120	4,009	6,111		
Economic development	25,000	25,000	-	25,000		
Engineering	893,846	1,018,492	887,222	131,270		
Total planning and community development	<u>\$ 1,665,802</u>	<u>\$ 1,794,349</u>	<u>\$ 1,461,183</u>	<u>\$ 333,166</u>		
Total community development	<u>\$ 1,665,802</u>	<u>\$ 1,794,349</u>	<u>\$ 1,461,183</u>	<u>\$ 333,166</u>		
Debt service:						
Principal retirement	\$ 835,700	\$ 835,700	\$ 835,700	\$ -		
Interest and other fiscal charges	181,617	181,617	183,657	(2,040)		
Total debt service	<u>\$ 1,017,317</u>	<u>\$ 1,017,317</u>	<u>\$ 1,019,357</u>	<u>\$ (2,040)</u>		
Total General Fund	<u>\$ 31,024,225</u>	<u>\$ 31,412,215</u>	<u>\$ 24,714,333</u>	<u>\$ 6,697,882</u>		
Special Revenue Funds:						
Volunteer Fire Department Fund:						
Public Safety:						
Fire and rescue services:						
Fire department	\$ 245,695	\$ 245,695	\$ 1,004,129	\$ (758,434)		
Total Volunteer Fire Department Fund	<u>\$ 245,695</u>	<u>\$ 245,695</u>	<u>\$ 1,004,129</u>	<u>\$ (758,434)</u>		

Town of Christiansburg, Virginia
Schedule of Expenditures - Budget and Actual
Governmental Funds
For the Year Ended June 30, 2021

<u>Funds, Functions and Departments</u>	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget - Positive (Negative)</u>
Special Revenue Funds: (Continued)				
Lifesaving and Rescue Fund:				
Public Safety:				
Fire and rescue services:				
Lifesaving and Rescue Squad	\$ 1,328,300	\$ 1,328,300	\$ 1,092,450	\$ 235,850
Total Lifesaving and Rescue Fund	<u>\$ 1,328,300</u>	<u>\$ 1,328,300</u>	<u>\$ 1,092,450</u>	<u>\$ 235,850</u>
Police Department Fund:				
Public Safety:				
Law enforcement and traffic control:				
Police	\$ 152,292	\$ 152,292	\$ 85,373	\$ 66,919
Total Police Department Fund	<u>\$ 152,292</u>	<u>\$ 152,292</u>	<u>\$ 85,373</u>	<u>\$ 66,919</u>
Recreation and Streets Fund:				
Public Works:				
Maintenance of highways, streets, bridges and sidewalks:				
Street department	\$ 105,000	\$ 105,000	\$ -	\$ 105,000
Parks, recreation, and cultural:				
Parks and recreation:				
Recreation department	\$ 41,000	\$ 41,000	\$ 7,419	\$ 33,581
Total Recreation and Streets Fund	<u>\$ 146,000</u>	<u>\$ 146,000</u>	<u>\$ 7,419</u>	<u>\$ 138,581</u>
CARES Fund:				
Public Safety:				
Other protection:				
COVID-19 protection	\$ 1,077,700	\$ 2,816,358	\$ 2,768,386	\$ 47,972
Total CARES Fund	<u>\$ 1,077,700</u>	<u>\$ 2,816,358</u>	<u>\$ 2,768,386</u>	<u>\$ 47,972</u>
Permanent Fund:				
Cemetery Fund:				
Parks, recreation, and cultural:				
Cultural enrichment:				
Cemetery	\$ 284,949	\$ 289,021	\$ 238,677	\$ 50,344
Total Cemetery Fund	<u>\$ 284,949</u>	<u>\$ 289,021</u>	<u>\$ 238,677</u>	<u>\$ 50,344</u>

Town of Christiansburg, Virginia
Schedule of Expenditures - Budget and Actual
Governmental Funds
For the Year Ended June 30, 2021

<u>Funds, Functions and Departments</u>	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget -</u>
				<u>Positive (Negative)</u>
Capital Projects Fund:				
Capital projects expenditures:				
VDOT revenue sharing projects	\$ 3,838,968	\$ 4,938,467	\$ 2,262,488	\$ 2,675,979
Highway planning and construction projects	1,031,156	1,272,921	1,420,019	(147,098)
Total capital projects	\$ 4,870,124	\$ 6,211,388	\$ 3,682,507	\$ 2,528,881
Total Capital Projects Fund	\$ 4,870,124	\$ 6,211,388	\$ 3,682,507	\$ 2,528,881
Total Primary Government	\$ 39,129,285	\$ 42,601,269	\$ 33,593,274	\$ 9,007,995

Statistical Section

This part of the Town of Christiansburg Annual Comprehensive Financial Report (Report) presents detailed information as a context for understanding what the information the financial statements, note disclosures, and required supplementary information says about the Town's overall financial health. Information is obtained from this Report unless otherwise noted.

Contents	Page	
Financial Trends	These schedules contain trend information to help the reader understand how the Town's financial performance and well-being have changed over time. Tables 1-6	114-120
Revenue Capacity	These schedules contain information to help the reader assess the Town's most significant local revenue sources. Tables 7-10	121-124
Debt Capacity	These schedules present information to help the reader assess the affordability of the Town's current levels of outstanding debt and the Town's ability to issue additional debt in the future. Tables 11-14	125-128
Demographic and Economic Information	These schedules offer demographic and economic indicators to help the reader understand the environment within which the Town's financial activities take place. Tables 15-16	129-130
Operating Information	These schedules contain service and infrastructure data to help the reader understand how the information in the Town's financial report relates to the services the Town provides and the activities it performs. Tables 17-23	131-138

Table 1

Town of Christiansburg, Virginia
Net Position by Component
Last Ten Fiscal Years

	Fiscal Year									
	2021	2020	2019	2018	2017(3)	2016	2015 (2)	2014 (1)	2013	2012
Governmental Activities:										
Net Investment in capital assets	\$ 136,938,754	\$ 131,146,689	\$ 122,641,448	\$ 115,334,428	\$ 115,058,635	\$ 115,738,426	\$ 116,146,817	\$ 96,639,415	\$ 96,771,494	\$ 95,524,065
Restricted	2,561,542	3,303,017	3,057,205	2,850,816	2,829,791	2,541,147	7,439,965	6,516,996	6,727,355	6,423,678
Unrestricted	24,760,478	22,608,524	22,749,723	19,389,766	14,689,901	11,016,008	3,225,438	14,693,551	11,426,955	13,772,327
Total governmental activities net position	<u>\$ 164,260,774</u>	<u>\$ 157,058,230</u>	<u>\$ 148,448,376</u>	<u>\$ 137,575,010</u>	<u>\$ 132,578,327</u>	<u>\$ 129,295,581</u>	<u>\$ 126,812,220</u>	<u>\$ 117,849,962</u>	<u>\$ 114,925,804</u>	<u>\$ 115,720,070</u>
Business-type Activities:										
Net Investment in capital assets	\$ 46,862,274	\$ 45,182,974	\$ 41,904,619	\$ 38,738,098	\$ 36,457,700	\$ 33,472,929	\$ 32,160,376	\$ 30,020,184	\$ 32,585,256	\$ 32,752,921
Unrestricted	4,951,993	3,552,793	2,424,081	1,311,037	595,422	404,731	275,465	3,579,672	773,790	97,016
Total business-type activities net position	<u>\$ 51,814,267</u>	<u>\$ 48,735,767</u>	<u>\$ 44,328,700</u>	<u>\$ 40,049,135</u>	<u>\$ 37,053,122</u>	<u>\$ 33,877,660</u>	<u>\$ 32,435,841</u>	<u>\$ 33,599,856</u>	<u>\$ 33,359,046</u>	<u>\$ 32,849,937</u>
Primary Government:										
Net Investment in capital assets	\$ 183,801,028	\$ 176,329,663	\$ 164,546,067	\$ 154,072,526	\$ 151,516,335	\$ 149,211,355	\$ 148,307,193	\$ 126,659,599	\$ 129,356,750	\$ 128,276,986
Restricted	2,561,542	3,303,017	3,057,205	2,850,816	2,829,791	2,541,147	7,439,965	6,516,996	6,727,355	6,423,678
Unrestricted	29,712,471	26,161,317	25,173,804	20,700,803	15,285,323	11,420,739	3,500,903	18,273,223	12,200,745	13,869,343
Total primary government net position	<u>\$ 216,075,041</u>	<u>\$ 205,793,997</u>	<u>\$ 192,777,076</u>	<u>\$ 177,624,145</u>	<u>\$ 169,631,449</u>	<u>\$ 163,173,241</u>	<u>\$ 159,248,061</u>	<u>\$ 151,449,818</u>	<u>\$ 148,284,850</u>	<u>\$ 148,570,007</u>

(1) Fiscal year ending 2014 net position was restated as of July 1, 2014. The restated balances are reflected in the ending balances for fiscal year ending 2014 as shown above.

(2) Fiscal year ending 2015 net position was restated as of July 1, 2015. The restated balances are reflected in the ending balances for fiscal year ending 2015 as shown above.

(3) Fiscal year ending 2017 net position was restated as of July 1, 2017. The restated balances are reflected in the ending balances for fiscal year ending 2017 as shown above.

Table 2

Town of Christiansburg, Virginia
Changes in Net Position
Last Ten Fiscal Years

	Fiscal Year									
	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
Expenses										
Governmental Activities:										
General Government	\$ 3,547,209	\$ 4,784,905	\$ 3,112,647	\$ 3,057,593	\$ 2,924,666	\$ 2,865,185	\$ 2,747,508	\$ 2,805,119	\$ 4,944,169	\$ 2,220,167
Public Safety	12,747,192	9,926,696	9,917,232	9,458,653	8,514,939	9,216,920	8,583,324	8,418,250	8,198,793	8,658,968
Public Works	7,292,765	10,479,180	9,839,037	8,348,240	9,465,078	9,352,889	9,809,882	8,496,043	9,144,564	9,379,197
Health and Welfare	4,719	4,494	4,280	4,076	3,882	3,697	3,521	3,353	3,193	3,193
Parks, Recreation, and Culture	3,857,202	3,323,342	4,600,565	4,769,414	4,971,901	4,713,745	4,803,568	5,712,596	2,154,902	4,564,487
Community Development	1,278,181	2,845,475	1,180,279	1,426,797	1,480,200	1,534,477	1,519,574	1,224,353	1,363,587	1,409,722
Interest on Long Term Debt	206,390	212,732	226,717	241,069	247,633	334,535	289,866	301,654	525,402	550,881
Total governmental activities expenses	\$ 28,933,658	\$ 31,576,824	\$ 28,880,757	\$ 27,305,842	\$ 27,608,299	\$ 28,021,448	\$ 27,757,243	\$ 26,961,368	\$ 26,334,610	\$ 26,786,615
Business-Type Activities:										
Water and Sewer and Stormwater	\$ 10,867,704	\$ 10,284,603	\$ 10,113,804	\$ 9,839,198	\$ 8,328,959	\$ 7,479,021	\$ 7,319,365	\$ 6,843,971	\$ 6,651,445	\$ 6,455,176
Total business-type activities expenses	\$ 10,867,704	\$ 10,284,603	\$ 10,113,804	\$ 9,839,198	\$ 8,328,959	\$ 7,479,021	\$ 7,319,365	\$ 6,843,971	\$ 6,651,445	\$ 6,455,176
Total primary government expenses	\$ 39,801,362	\$ 41,861,427	\$ 38,994,561	\$ 37,145,040	\$ 35,937,258	\$ 35,500,469	\$ 35,076,608	\$ 33,805,340	\$ 32,986,055	\$ 33,241,791
Program Revenues										
Governmental activities:										
Charges for Services										
Solid waste collection services	\$ 1,965,452	\$ 2,007,414	\$ 1,986,954	\$ 1,584,492	\$ 1,535,759	\$ 1,672,738	\$ 1,497,715	\$ 1,439,764	\$ 1,393,075	\$ 1,431,840
Public Safety	1,292,767	1,252,710	1,176,335	1,180,664	1,215,412	1,037,404	158,669	147,646	-	-
Parks, Recreation, and Cultural	752,257	918,537	1,025,485	1,154,377	1,178,694	1,157,044	1,067,981	992,090	1,021,767	1,001,541
Community Development	349	766	1,470	375	-	-	-	-	-	-
Operating grants and contributions	7,305,326	4,898,509	4,216,735	4,122,752	4,225,825	4,265,499	4,236,637	4,599,502	575,182	1,137,981
Capital grants and contributions	1,653,540	8,054,236	7,100,413	1,583,117	3,058,837	779,606	225	887,040	41,008	8,316
Total governmental activities program revenues	\$ 12,969,691	\$ 17,132,172	\$ 15,507,392	\$ 9,625,777	\$ 11,214,527	\$ 8,912,291	\$ 6,961,227	\$ 8,066,042	\$ 3,031,032	\$ 3,579,678
Business-Type Activities:										
Charges for Services										
Water and Sewer	\$ 11,219,076	\$ 11,775,306	\$ 10,989,349	\$ 10,272,784	\$ 8,913,642	\$ 8,824,901	\$ 7,629,157	\$ 6,873,832	\$ 6,958,537	\$ 6,613,507
Storm Water	1,475,327	1,436,821	1,432,291	1,385,403	1,397,976	-	-	-	-	-
Capital Grants and contributions	1,076,694	1,479,543	1,188,695	1,177,024	973,318	95,939	-	-	-	-
Total business-type activities program revenues	\$ 13,771,097	\$ 14,691,670	\$ 13,610,335	\$ 12,835,211	\$ 11,284,936	\$ 8,920,840	\$ 7,629,157	\$ 6,873,832	\$ 6,958,537	\$ 6,613,507
Total primary government program revenues	\$ 26,740,788	\$ 31,823,842	\$ 29,117,727	\$ 22,460,988	\$ 22,499,463	\$ 17,833,131	\$ 14,590,385	\$ 14,939,874	\$ 9,989,569	\$ 10,193,185
Net (Expense) Revenue										
Governmental activities	\$ (15,963,967)	\$ (14,444,652)	\$ (13,373,365)	\$ (17,680,065)	\$ (16,393,772)	\$ (19,109,157)	\$ (20,796,016)	\$ (18,895,325)	\$ (23,303,578)	\$ (23,206,937)
Business-type activities	2,903,393	4,407,067	3,496,531	2,996,013	2,955,977	1,441,819	309,792	29,861	307,092	158,331
Total primary government net (expense) revenue	\$ (13,060,574)	\$ (10,037,585)	\$ (9,876,834)	\$ (14,684,052)	\$ (13,437,795)	\$ (17,667,338)	\$ (20,486,223)	\$ (18,865,464)	\$ (22,996,486)	\$ (23,048,606)

(continued)

Table 2

Town of Christiansburg, Virginia
Changes in Net Position
Last Ten Fiscal Years

	Fiscal Year									
	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
General Revenues and Other										
Changes in Net Position										
Governmental Activities:										
Taxes										
Property	\$ 5,167,035	\$ 4,941,041	\$ 4,589,313	\$ 4,503,626	\$ 4,405,924	\$ 4,293,227	\$ 3,659,388	\$ 3,920,803	\$ 3,129,019	\$ 3,076,838
Sales	2,371,546	2,142,903	1,600,581	1,923,415	1,891,739	1,876,235	1,810,171	1,768,371	1,589,154	1,562,926
Prepared Meals	7,132,520	6,692,216	7,283,251	7,015,544	6,928,924	6,683,891	6,357,292	6,119,575	6,163,941	5,622,786
Transient Lodging	1,126,363	1,405,149	1,600,581	1,642,906	1,673,548	1,547,110	1,410,294	1,286,145	1,303,425	919,745
Business Licenses	2,820,789	2,722,613	2,603,996	2,471,309	2,443,328	2,366,398	2,236,295	(1)	2,146,259	-
Franchise	801,220	884,585	934,793	830,169	794,033	709,970	726,136	(1)	811,550	-
Cigarette	379,135	470,310	465,833	486,156	513,200	562,770	554,155	(1)	606,416	-
Other	790,286	912,646	1,449,360	742,605	911,042	911,798	2,026,356	2,016,969	5,454,370	5,277,657
Permits, fees and licenses	398,274	326,681	203,292	253,563	338,511	267,368	272,733	157,471	170,580	190,405
Revenues from use of property	239,068	255,607	257,136	268,441	304,427	241,749	231,905	224,381	217,128	218,058
Investment earnings and unrealized gains	287,128	626,789	841,947	728,710	285,287	240,599	315,432	237,626	228,040	222,813
Intergovernmental	1,102,072	1,168,304	1,206,874	1,228,927	1,257,967	1,310,714	886,223	392,830	3,799,427	3,660,452
Fines and Forfeitures	41,475	64,153	65,138	-	-	-	(2)	-	172,565	126,702
Cemetery	139,395	135,785	95,430	70,205	52,510	59,092	29,565	44,515	28,930	90,860
Miscellaneous	545,312	305,724	1,049,206	511,172	520,429	521,597	1,020,334	2,212,798	389,461	345,487
Transfers	(175,107)	-	-	-	-	-	-	-	-	(410,640)
FY16 Restatement to beginning balances	-	-	-	-	-	-	(3)	20,510,874	-	-
Special items	-	-	-	-	-	-	-	-	(136,728)	-
Total Governmental activities	\$ 23,166,511	\$ 23,054,506	\$ 24,246,731	\$ 22,676,748	\$ 22,320,869	\$ 21,592,518	\$ 42,047,153	\$ 21,945,709	\$ 22,509,312	\$ 20,904,089
Business-Type activities:										
Grants in Aid of Construction	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 124,735	\$ 53,489	\$ 45,971	\$ 610,263
Miscellaneous	-	-	-	-	-	-	171,143	157,460	156,046	147,369
FY16 Restatement to beginning balances	-	-	-	-	-	-	(220,676)	-	-	-
Transfers	175,107	-	-	-	-	-	-	-	-	410,640
Total business-type activities	\$ 175,107	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 75,202	\$ 210,949	\$ 202,017	\$ 1,168,272
Total primary government	\$ 23,341,618	\$ 23,054,506	\$ 24,246,731	\$ 22,676,748	\$ 22,320,869	\$ 21,592,518	\$ 42,122,354	\$ 22,156,658	\$ 22,711,329	\$ 22,072,361
Changes in Net Position:										
Governmental activities	\$ 7,202,544	\$ 8,609,854	\$ 10,873,366	\$ 4,996,683	\$ 5,927,097	\$ 2,483,361	\$ 21,251,137	\$ 3,050,383	\$ (794,266)	\$ (2,302,848)
Business type activities	3,078,500	4,407,067	3,496,531	2,996,013	2,955,977	1,441,819	384,994	240,810	509,109	1,326,603
Total primary government	\$ 10,281,044	\$ 13,016,921	\$ 14,369,897	\$ 7,992,696	\$ 8,883,074	\$ 3,925,180	\$ 21,636,131	\$ 3,291,193	\$ (285,157)	\$ (976,245)

(1) Previously included in Other Taxes

(2) Recorded as "Charges for Services - Program" beginning in fiscal year 2014

(3) A significant portion of this restatement is related to adding infrastructure assets constructed by VDOT for the Town in prior years.

Table 3

Town of Christiansburg, Virginia
Fund Balances - Governmental Funds (1)
Last Ten Fiscal Years

	Fiscal Year									
	2021	2020	2019	2018	2017	2016	2015(2)	2014	2013	2012
General Fund										
Nonspendable	\$ 150,587	\$ 405,909	\$ 150,868	\$ 135,279	\$ 126,291	\$ 130,844	\$ 93,355	\$ 26,974	\$ 85,792	\$ 131,851
Restricted	-	-	-	-	-	-	-	-	-	448,130
Assigned	11,445,904	10,102,734	10,319,877	9,193,654	4,371,279	3,742,702	3,814,143	3,482,088	3,114,299	2,527,638
Unassigned	27,265,079	25,132,831	24,950,794	23,179,082	23,982,472	19,510,248	16,889,399	14,606,954	12,060,646	14,120,583
Total General Fund	\$ 38,861,570	\$ 35,641,474	\$ 35,421,539	\$ 32,508,015	\$ 28,480,042	\$ 23,383,794	\$ 20,796,897	\$ 18,116,016	\$ 15,260,737	\$ 17,228,202
All Other Governmental Funds										
Nonspendable	\$ 864,099	\$ 804,673	\$ 727,610	\$ 684,430	\$ 648,463	\$ 566,654	\$ 522,364	\$ 484,446	\$ 433,263	\$ 366,676
Restricted	1,697,443	2,498,344	2,329,595	2,166,386	2,181,328	1,974,493	1,964,871	1,505,228	1,737,118	1,766,802
Unassigned	127,524	127,524	125,570	152,393	-	-	-	1,574	(2,315)	(2,880)
Total All Other Governmental Funds	\$ 2,689,066	\$ 3,430,541	\$ 3,182,775	\$ 3,003,209	\$ 2,829,791	\$ 2,541,147	\$ 2,487,235	\$ 1,991,248	\$ 2,168,066	\$ 2,130,598
Grand Total All Governmental Fund Balances	\$ 41,550,636	\$ 39,072,015	\$ 38,604,314	\$ 35,511,224	\$ 31,309,833	\$ 25,924,941	\$ 23,284,132	\$ 20,107,264	\$ 17,428,803	\$ 19,358,800

(1) Modified accrual basis of accounting

(2) As restated

Table 4

Town of Christiansburg, Virginia
Changes in Fund Balance - Governmental Funds (1)
Last Ten Fiscal Years

	Fiscal Year									
	2021	2020	2019	2018	2017	2016	2015 (3)	2014	2013	2012
Revenues										
Taxes										
Property	\$ 5,156,600	\$ 4,903,679	\$ 4,566,835	\$ 4,515,381	\$ 4,376,741	\$ 4,333,618	\$ 3,589,471	\$ 3,554,811	\$ 3,110,613	\$ 3,065,669
Sales	2,371,546	2,142,903	2,010,576	1,923,415	1,891,739	1,876,235	1,810,171	1,768,371	1,589,154	1,562,926
Prepared Meals	7,132,520	6,692,216	7,283,251	7,015,544	6,928,924	6,683,891	6,357,292	6,119,575	6,163,941	5,622,786
Transient Lodging	1,126,363	1,405,149	1,600,581	1,642,906	1,673,548	1,547,110	1,410,294	1,286,145	1,303,425	919,745
Business License	2,820,789	2,722,613	2,603,996	2,471,249	2,443,328	2,366,398	2,236,295 (2)	2,146,259	-	-
Franchise	801,220	884,585	934,793	830,169	794,033	709,970	726,136 (2)	811,550	-	-
Cigarette	379,135	470,310	465,833	486,156	513,200	562,770	554,155 (2)	606,416	-	-
Other	1,369,430	1,304,661	1,403,225	1,334,874	1,205,662	1,238,258	2,026,356	2,016,969	5,454,370	5,277,657
Permits, fees and licenses	398,274	326,681	203,292	253,563	338,511	267,369	272,733	157,471	170,580	190,405
Revenues from use of property	239,068	573,870	314,565	268,441	304,427	217,650	231,905	224,381	217,128	218,058
Investment earnings	287,128	308,526	784,518	460,269	285,287	264,698	315,432	237,628	228,040	222,813
Charges for services	3,377,809	3,666,936	3,813,151	3,537,227	3,475,354	3,406,325	2,565,697	2,431,854	2,414,843	2,496,336
Intergovernmental	10,060,938	14,121,049	8,657,642	6,934,796	8,542,629	6,355,819	5,305,125	4,992,332	4,415,617	4,806,749
Fines and forfeitures	41,475	64,153	65,138	85,653	76,994	95,980	158,669	147,646	172,565	126,702
Cemetery	139,395	135,785	95,430	70,205	96,401	97,512	29,565	44,515	28,930	27,905
Miscellaneous	545,312	441,509	1,049,206	511,172	520,429	525,798	994,841	942,622	389,461	343,167
Total Revenues Governmental Funds	\$ 36,247,002	\$ 40,164,625	\$ 35,852,032	\$ 32,341,020	\$ 33,467,207	\$ 30,549,401	\$ 28,584,138	\$ 27,488,546	\$ 25,658,667	\$ 24,880,918
Expenditures										
General Government	\$ 3,535,831	\$ 3,484,481	\$ 3,347,783	\$ 3,070,637	\$ 2,957,429	\$ 5,067,749	\$ 2,400,235	\$ 2,297,456	\$ 2,021,703	\$ 1,855,373
Public Safety	14,361,929	10,922,253	10,434,334	9,930,025	9,229,494	10,199,486	8,147,492	7,857,842	7,720,095	7,577,856
Public Works	5,432,072	5,832,096	6,139,353	5,890,243	6,645,359	6,801,167	5,330,341	5,358,991	5,133,789	4,859,519
Health and Welfare	-	4,494	4,280	4,076	3,882	3,697	3,521	3,353	3,193	3,193
Parks, Recreation, and Culture	4,095,676	4,016,155	4,677,645	4,299,063	4,471,939	4,915,799	4,001,327	3,848,610	3,786,915	3,707,420
Community Development	1,465,902	2,972,615	1,285,445	1,440,216	1,451,493	1,521,739	1,519,444	1,251,397	1,349,522	1,276,907
Capital Outlay	3,682,507	11,444,878	5,850,521	2,484,701	2,408,073	565,978	2,838,508	5,059,998	6,325,556	2,738,124
Debt Service										
Principal retirement	835,700	822,340	807,980	792,840	785,580	560,440	767,100	600,000	575,000	550,000
Interest and fiscal charges	183,657	197,612	211,601	227,828	235,783	272,569	276,924	207,461	536,163	561,175
Bond issuance cost	-	-	-	-	-	30,883	-	31,780	-	-
Total Expenditures Governmental Funds	\$ 33,593,274	\$ 39,696,924	\$ 32,758,942	\$ 28,139,629	\$ 28,189,032	\$ 29,939,507	\$ 25,284,891	\$ 26,516,888	\$ 27,451,936	\$ 23,129,567
Excess (Deficiency) of Revenues over Expenditures	\$ 2,653,728	\$ 467,701	\$ 3,093,090	\$ 4,201,391	\$ 5,278,175	\$ 609,894	\$ 3,299,247	\$ 971,657	\$ (1,793,269)	\$ 1,751,351
Other Financing Sources and (Uses)										
Insurance Recoveries	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 195	\$ 27,075	\$ -	\$ 2,321
Issuance of Debt	-	-	-	-	-	-	2,014,000	-	1,654,400	-
Issuance of Refunding Debt	678,920	-	-	-	-	-	1,315,000	-	9,394,900	-
Payment to Refunded Bond Escrow Agent	-	-	-	-	-	-	(1,298,086)	-	(9,369,569)	-
Other financing use - current refunding	(678,920)	-	-	-	-	-	-	-	-	-
Transfers (to) from:										
General fund	(2,266,868)	(3,516,473)	2,605,161	1,115,378	1,278,030	641,662	648,628	155,317	722,746	336,738
Cemetery Fund	159,191	123,795	(142,927)	(209,721)	(291,288)	(231,393)	(189,563)	(123,761)	(170,438)	(52,557)
Capital Projects	2,101,235	3,390,642	(2,459,198)	(905,657)	(986,742)	(410,269)	(459,065)	-	-	-
Special Revenue Funds	(168,665)	2,036	(3,036)	-	-	-	-	(31,556)	(552,308)	(58,097)
Water and Sewer Fund	-	-	-	-	-	-	-	-	-	(226,084)
Total Other Financing Sources and (Uses)	\$ (175,107)	\$ -	\$ 195	\$ 1,706,806	\$ -	\$ 2,321				
Special Items										
Transfer of funds from(to) other organizations	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (136,728)	\$ -
Net Changes in Fund Balance Increases (Decreases)	\$ 2,478,621	\$ 467,701	\$ 3,093,090	\$ 4,201,391	\$ 5,278,175	\$ 2,640,808	\$ 3,299,442	\$ 2,678,463	\$ (1,929,997)	\$ 1,753,672
Debt Service as a percentage of noncapital expenditures										
	3.41%	3.85%	4.09%	3.98%	3.96%	2.84%	4.65%	3.76%	5.26%	5.45%

(1) Modified accrual basis of accounting

(2) Previously included in Other Taxes

(3) As restated

Table 5

Town of Christiansburg, Virginia
General Government Revenues by Source
Last Ten Fiscal Years

Fiscal Year	General Property Taxes		Other Local Taxes	Permits, Privilege Fees, and Regulatory Licenses	Fines and Forfeitures	Revenues from Use of Money and Property		Charges for Services	Miscellaneous	Inter-governmental	Total	Business-Type Activities	Water and Sewer
2020-2021	\$ 5,156,600	\$ 16,001,003	\$ 398,274	\$ 41,475	\$ 526,196	\$ 3,517,204	\$ 545,312	\$ 10,060,938	\$ 36,247,002	\$ 12,694,403			
2019-2020	4,903,679	15,622,437	326,681	64,153	882,396	3,802,721	441,509	14,121,049	40,164,625	13,212,127			
2018-2019	4,566,835	16,302,255	203,292	65,138	1,099,083	3,908,581	1,049,206	8,657,642	35,852,032	12,421,640			
2017-2018	4,515,381	15,704,313	253,563	85,653	728,710	3,607,432	511,172	6,934,796	32,341,020	11,658,187			
2016-2017	4,376,741	15,546,835	338,511	76,994	589,714	3,475,354	520,429	8,542,629	33,467,207	10,311,618			
2015-2016	4,333,618	14,984,632	267,369	95,980	482,348	3,503,837	525,798	6,355,819	30,549,401	8,824,901			
2014-2015	3,589,471	15,120,700	272,733	158,669	511,764	2,565,697	164,506	4,250,618	26,634,158	7,800,301			
2013-2014	3,554,811	14,755,286	157,471	147,646	431,073	2,431,854	203,229	3,947,753	25,629,122	7,031,292			
2012-2013	3,110,613	14,510,890	170,580	172,565	413,751	2,414,843	270,265	3,821,443	24,884,950	7,114,583			
2011-2012	3,065,669	13,383,114	190,405	126,702	413,404	2,433,381	223,909	3,802,224	23,638,808	6,613,507			

Table 6

Town of Christiansburg, Virginia
General Government Expenditures by Function
Last Ten Fiscal Years

Fiscal Year	General Administration	Public Safety	Public Works	Health and Welfare	Parks, Recreation, and Culture	Community Development	Debt Service	Capital Outlay	Total
2020-2021	\$ 3,535,831	\$ 14,361,929	\$ 5,432,072	\$ 4,719	\$ 4,095,676	\$ 1,461,183	\$ 1,019,357	\$ 3,682,507	\$ 33,593,274
2019-2020	3,484,481	10,922,253	5,832,096	4,494	4,016,155	2,972,615	1,019,952	11,444,878	39,696,924
2018-2019	3,347,783	10,434,334	6,139,353	4,280	4,677,645	1,285,445	1,019,581	5,850,521	32,758,942
2017-2018	3,070,637	9,930,025	5,890,243	4,076	4,299,063	1,440,216	1,020,668	2,484,701	28,139,629
2016-2017	2,957,429	9,229,494	6,645,359	3,882	4,471,939	1,451,493	1,021,363	2,408,073	28,189,032
2015-2016	5,067,749	10,199,486	6,801,167	3,697	4,915,799	1,512,739	863,892	565,978	29,930,507
2014-2015	2,400,235	7,477,105	5,330,341	3,521	3,811,821	1,519,444	1,044,024	1,645,765	23,232,256
2013-2014	2,297,456	7,292,489	5,358,991	3,353	3,699,923	1,251,397	839,241	3,582,482	24,325,332
2012-2013	2,021,703	7,283,535	5,137,107	3,193	3,636,842	1,349,522	1,111,163	5,589,922	26,132,987
2011-2012	1,855,373	7,052,940	4,859,519	3,193	3,569,779	1,276,907	1,111,175	1,792,966	21,521,852

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

Fiscal Year	Calendar Year	Real Estate										Montgomery County	
		Real Estate	Personal Property	Machinery and Tools		Mobile Homes	Public Utility		Total Assessed Value	Total Direct Rate(1)	Overlapping Rate (1)		
2020-2021	2020	\$ 2,329,701,100	\$ 257,747,915	\$ 74,744,429	\$ 4,436,800	\$ 61,080,839	\$ 406,038	\$ 2,728,117,121	0.16	0.89			
2019-2020	2019	\$ 2,275,989,200	\$ 246,125,337	\$ 75,125,937	\$ 4,479,300	\$ 58,819,155	\$ 287,609	\$ 2,660,826,538	0.16	0.89			
2018-2019	2018	\$ 2,111,895,400	\$ 229,745,017	\$ 70,762,114	\$ 4,319,281	\$ 54,189,773	\$ 221,168	\$ 2,471,132,753	0.16	0.89			
2017-2018	2017	\$ 2,098,098,800	\$ 224,494,664	\$ 67,407,095	\$ 4,278,500	\$ 53,659,680	\$ 143,400	\$ 2,448,082,139	0.16	0.89			
2016-2017	2016	\$ 2,035,888,480	\$ 213,349,806	\$ 64,732,027	\$ 3,835,440	\$ 52,854,027	\$ 175,579	\$ 2,370,835,359	0.16	0.89			
2015-2016	2015	\$ 2,024,104,291	\$ 193,280,940	\$ 62,480,906	\$ 3,674,240	\$ 52,133,700	\$ 193,316	\$ 2,335,867,393	0.16	0.89			
2014-2015	2014	\$ 2,013,143,620	\$ 199,319,596	\$ 61,964,189	\$ 3,817,340	\$ 49,944,236	\$ 212,391	\$ 2,328,401,372	0.13	0.89			
2013-2014	2013	\$ 1,991,227,235	\$ 182,742,592	\$ 58,797,381	\$ 3,754,580	\$ 47,981,238	\$ 251,828	\$ 2,284,754,854	0.13	0.89			
2012-2013	2012	\$ 1,964,857,942	\$ 169,222,259	\$ 58,217,830	\$ 3,711,380	\$ 46,414,195	\$ 131,577	\$ 2,242,555,183	0.1126	0.87			
2011-2012	2011	\$ 1,949,865,483	\$ 160,842,432	\$ 59,378,139	\$ 3,627,208	\$ 47,101,275	\$ 164,323	\$ 2,220,978,860	0.1126	0.75			

Property Tax Rates - Last Ten Years

Fiscal Year	Calendar Year	Machinery										Public Utility	
		Real Estate	Personal Property	and Tools		Mobile Homes	Unequalized		Equalized				
2020-2021	2020	\$.16	\$.45	\$.45	\$.45	\$.16	\$.16	\$.16	\$.45				
2019-2020	2019	\$.16	\$.45	\$.45	\$.45	\$.16	\$.16	\$.16	\$.45				
2018-2019	2018	\$.16	\$.45	\$.45	\$.45	\$.16	\$.16	\$.16	\$.45				
2017-2018	2017	\$.16	\$.45	\$.45	\$.45	\$.16	\$.16	\$.16	\$.45				
2016-2017	2016	\$.16	\$.45	\$.45	\$.45	\$.16	\$.16	\$.16	\$.45				
2015-2016	2015	\$.16	\$.45	\$.45	\$.45	\$.16	\$.16	\$.16	\$.45				
2014-2015	2014	\$.13	\$.45	\$.45	\$.45	\$.13	\$.13	\$.13	\$.45				
2013-2014	2013	\$.13	\$.45	\$.45	\$.45	\$.13	\$.13	\$.13	\$.45				
2012-2013	2012	\$.1126	\$.45	\$.45	\$.45	\$.1126	\$.1126	\$.1126	\$.45				
2011-2012	2011	\$.1126	\$.45	\$.45	\$.45	\$.1126	\$.1126	\$.1126	\$.45				

(1) Per \$100 of assessed value

NOTE: Real property is assessed at full market value. Real property assessments are made by the Commissioner of Revenue of Montgomery County for concurrent use of the County and the Town. Property is reassessed every four years. Public Service Corporations are assessed by the State Corporation Commission. Both Real Estate and Public Service rates are \$.16.

Table 8

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

Fiscal Year	Taxes Levied for the Fiscal Year	Collected within the Fiscal Year of the Levy		Collections in Subsequent Years (2)	Total Collections To Date	
		Amount (1)	Percentage of Levy		Amount	Percentage of Levy
2020-2021	\$ 5,083,927	\$ 4,892,164	96.23%	\$ 165,891	\$ 5,058,055	99.49%
2019-2020	4,914,016	4,817,471	98.04%	87,444	4,904,915	99.81%
2018-2019	4,552,194	4,452,406	97.81%	76,593	4,528,999	99.49%
2017-2018	4,460,824	4,374,999	98.08%	91,409	4,466,408	100.13%
2016-2017	4,368,110	4,271,079	97.78%	70,726	4,341,805	99.40%
2015-2016	4,283,977	4,174,249	97.44%	16,171	4,190,420	97.82%
2014-2015	3,292,944	3,178,960	96.54%	62,638	3,241,599	98.44%
2013-2014	3,743,915	3,661,201	97.79%	37,507	3,698,708	98.79%
2012-2013	3,292,944	3,246,188	98.58%	49,878	3,296,066	100.09%
2011-2012	3,244,401	3,042,243	93.77%	195,005	3,237,248	99.78%

(1) Includes payments received from the Commonwealth of Virginia for Personal Property Tax Relief Act.

(2) Includes refunds issued for overpayments and corrections.

Table 9

Town of Christiansburg, Virginia
Principal Property Tax Payers
Current Year and Nine Years Ago

Taxpayer	Fiscal Year 2021			Fiscal Year 2012		
	Assessed Value	Rank	Percentage of Total Town Assessed Value	Assessed Value	Rank	Percentage of Total Town Assessed Value
Roger Woody	\$ 82,166,700	1	3.01%	\$ 58,685,800	1	2.97%
Shelor Properties	56,481,800	2	2.07%	55,341,900	2	2.80%
Appalachian Power	35,769,100	3	1.31%	24,460,658	4	1.24%
PR Financing				53,957,600	3	2.73%
BVA Spradline LLC	26,473,500	4	0.97%			
NVR Investments (was BRE RC New River VA LLC)	23,000,000	5	0.84%			
Denstock Peppers Ferry LLC	20,100,000	6	0.74%			
Milestone Development LLC	19,857,900	7	0.73%			
Centro Heritage Spradling Farm				16,575,700	5	0.84%
Rockstep Christiansburg LLC	17,400,000	8	0.64%			
Wal-Mart	16,694,000	9	0.61%	15,461,400	6	0.78%
Backcountry.com	15,802,600	10	0.58%			
Christiansburg Market Place (now NRV Market Place)				12,475,200	7	0.63%
Harvey Hubble Inc				10,498,500	8	0.53%
Verizon VA, Inc.				9,054,141	9	0.46%
Norfolk & Western				6,994,785	10	0.35%
	\$ <u><u>313,745,600</u></u>		<u><u>11.50%</u></u>	\$ <u><u>263,505,684</u></u>		<u><u>13.33%</u></u>

Source: Montgomery County Commissioner of Revenue

Table 10

Town of Christiansburg, Virginia
Water and Sewer Rates
Last Ten Fiscal Years

	Fiscal Year										
	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012	
WATER											
INSIDE TOWN LIMITS											
4,000 OR LESS	\$	\$	\$	\$	\$	\$	21.00	\$	19.00	\$	18.00
2,000 OR LESS*							10.50				
1,000 OR LESS	8.00	8.00	7.00	6.00							
PER THOUSAND FOR NEXT 96,000							5.90		5.50		4.90
PER THOUSAND FOR NEXT 49,000	10.00	10.00	9.00	8.00							4.60
PER THOUSAND FOR ALL OVER 50,000	7.50	7.50	6.75	6.00							4.40
PER THOUSAND FOR NEXT 48,000*							6.14		5.90		
PER THOUSAND FOR NEXT 5,900,000								3.50	3.20		2.90
PER THOUSAND FOR NEXT 2,950,000*							4.00		3.50		2.60
OUTSIDE TOWN LIMITS											
4,000 OR LESS	\$	\$	\$	\$	\$	\$	31.50	\$	28.50	\$	27.00
2,000 OR LESS*							15.75				
1,000 OR LESS	12.00	12.00	10.50	9.00							
PER THOUSAND FOR NEXT 96,000							8.85		8.25		7.35
PER THOUSAND FOR NEXT 49,000	15.00	15.00	13.50	12.00							6.90
PER THOUSAND FOR ALL OVER 50,000	11.25	11.25	10.13	9.00							6.60
PER THOUSAND FOR NEXT 48,000*							9.21		8.85		
PER THOUSAND FOR NEXT 5,900,000								5.25	4.80		4.35
PER THOUSAND FOR NEXT 2,950,000*							6.00		5.25		3.90
SEWER											
INSIDE TOWN LIMITS											
0-4,000	\$	\$	\$	\$	\$	\$	30.00	\$	28.00	\$	27.00
2,000 OR LESS*							15.00		15.00		26.00
1,000 OR LESS	10.00	10.00	10.00	9.00							
PER THOUSAND FOR ALL OVER 1000	10.25	10.25	10.25	10.25							
PER THOUSAND FOR NEXT 96,000							8.50		8.50		7.50
PER THOUSAND FOR NEXT 48,000*							8.50		8.50		7.20
PER THOUSAND FOR NEXT 5,900,000								8.50	8.50		7.00
PER THOUSAND FOR NEXT 2,950,000*							8.50		8.50		-
OUTSIDE TOWN LIMITS											
0-4,000	\$	\$	\$	\$	\$	\$	45.00	\$	42.00	\$	40.50
2,000 OR LESS							22.50		22.50		39.00
1,000 OR LESS	15.00	15.00	15.00	13.50							
PER THOUSAND FOR ALL OVER 1000	15.38	15.38	15.38	15.38							
PER THOUSAND FOR NEXT 96,000							12.75		12.75		11.25
PER THOUSAND FOR NEXT 48,000*							12.75		12.75		10.80
PER THOUSAND FOR NEXT 5,900,000								12.75	12.75		10.50
PER THOUSAND FOR NEXT 2,950,000*							12.75		12.75		-
GARBAGE											
INSIDE TOWN LIMITS BIMONTHLY	\$	\$	\$	\$	\$	\$	34.00	\$	34.00	\$	33.00
INSIDE TOWN LIMITS MONTHLY*		22.00	22.00	22.00	17.00	17.00	17.00				
OUTSIDE TOWN LIMITS BIMONTHLY							51.00		51.00		49.50
OUTSIDE TOWN LIMITS MONTHLY*	25.50	25.50	25.50	25.50	25.50	25.50	25.50		51.00		48.00

* Late in 2016 the Town changed its billing cycle from bimonthly to monthly. Rates and usage amounts were 1/2 of the previous amounts.
 Minimum usage went from 4000 to 2000 gallons on a monthly basis and the rate was also reduced to 1/2 of the bimonthly rate.
 2017 Water Sewer Rate study conducted and new rate calculations and minimums were instituted beginning July 1, 2017
 2019 the town added curbside recycling and increased rates for garbage service

Table 11

Town of Christiansburg, 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 of All Taxable Property (In Thousands)	Gross Bonded Debt	Less:			Net Bonded Debt	Ratio of Net Bonded Debt to Assessed Value	Net Bonded Debt per Capita
				Debt Services Monies Available	Debt Payable from Enterprise Revenues	Net Bonded Debt			
2020-2021	22,627	\$ 2,728,117	\$ 12,305,400	\$ -	\$ -	\$ 12,305,400	.0045:1	\$ 543.84	
2019-2020	22,399	2,660,827	14,086,663	-	-	14,086,663	.0053:1	628.90	
2018-2019	22,505	2,471,133	15,821,162	-	-	15,821,162	.0064:1	703.01	
2017-2018	22,259	2,448,082	17,511,722	-	-	17,511,722	.0071:1	786.73	
2016-2017	22,088	2,370,835	19,360,672	-	-	19,360,672	.0082:1	876.52	
2015-2016	21,943	2,335,867	21,172,839	-	-	21,172,839	.0091:1	964.90	
2014-2015	21,805	2,328,401	20,649,474	-	-	20,649,474	.0089:1	947.01	
2013-2014	21,533	2,284,755	22,176,561	-	-	22,176,561	.0097:1	1,029.89	
2012-2013	21,458	2,242,555	17,483,842	-	-	17,483,842	.0078:1	814.79	
2011-2012	21,030	2,250,906	18,824,174	-	-	18,824,174	.0083:1	895.11	

(1) Population data is derived from the Weldon Cooper Center UVA, which approximates populations for Towns between census'. 2010 data is from the U.S. Census Bureau.

Table 12

Town of Christiansburg, Virginia
Schedule of Outstanding Debt by Type
Last Ten Fiscal Years

Fiscal Year	Governmental Funds												Business-Type Activities									
	Direct Borrowings and Direct Placements - GO Bonds												Direct Borrowings and Direct Placements - GO Bonds									
	1995 General Obligation Note	2014 Revenue Bond	2014 General Obligation Bond	2014 General Improvement Bond	2015 General Obligation Bond	2016 General Obligation Bond	2007 Revenue Bond	2004B Revenue Bond	2021 Refunding Bond	Bond Premiums	2014 General Obligation Bond	2001 VA Revolving Loan Fund	1998 VA Revolving Loan Fund	2021 Refunding Bond	Total Primary Government	Percentage Personal Income	Per Capita					
2020-2021	\$ -	\$ 7,252,400	\$ -	\$ 1,059,000	\$ 911,000	\$ -	\$ -	\$ 678,920	\$ -	\$ -	\$ -	\$ 2,641,080	\$ 708,563	\$ -	\$ 2,404,080	\$ 12,305,400	**	**				
2019-2020	-	7,703,100	744,920	-	1,258,000	1,031,000	-	-	-	-	-	-	-	-	-	14,086,663	**	**				
2018-2019	-	8,148,200	809,160	-	1,453,000	1,149,000	-	-	-	-	-	2,868,840	1,392,962	-	-	15,821,162	1.81%	701				
2017-2018	-	8,587,700	871,640	-	1,644,000	1,264,000	-	-	-	-	-	3,090,360	2,054,022	-	-	17,511,722	2.07%	781				
2016-2017	-	9,021,600	932,580	-	1,831,000	1,285,000	90,000	-	-	-	-	3,306,420	2,692,539	201,533	-	19,360,672	2.42%	873				
2015-2016	-	9,170,000	991,760	275,000	2,014,000	1,315,000	(1)	180,000	-	-	5,747	3,516,240	3,309,280	395,812	-	21,172,839	2.77%	964				
2014-2015	-	9,284,900	1,049,400	577,900	-	-	1,480,000	-	-	-	48,587	3,720,600	3,904,989	583,098	-	20,649,474	2.79%	945				
2013-2014	275,000	9,394,900	1,049,400	605,000	-	-	1,560,000	275,000	-	52,636	3,720,600	4,480,383	763,642	-	22,176,561	3.15%	1,019					
2012-2013	535,000	-	-	-	-	-	1,635,000	9,340,000	-	56,685	-	5,036,155	937,687	-	17,483,842	2.64%	810					
2011-2012	780,000	-	-	-	-	-	1,710,000	9,595,000	-	60,734	-	5,572,974	1,105,466	-	18,824,174	2.88%	876					

Notes:

Population data (See Table 11)

Personal Income data (See Schedule 14)

** Data not available

(1) Advance refunded this debt on 6-23-2016

Town of Christiansburg, Virginia
Legal Debt Margin
Last Ten Fiscal Years

Legal Debt Limit: Calculation for the Fiscal Year Ended June 30, 2021		
10% of assessed value of taxable real estate (1)	\$ 2,329,701,100	\$ 232,970,110
Less: Debt applicable to limit		
Bonds payable	\$ 12,305,400	
Legal margin for creation of additional debt	\$ <u>220,664,710</u>	

(1) Includes assessed value of Public Service Corporation Real Estate.

	Fiscal Year									
	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
Debt limit	\$ 232,970,110	\$ 227,598,920	\$ 211,189,540	\$ 215,175,848	208,874,251	207,623,799	\$ 206,308,786	\$ 203,920,847	\$ 201,127,214	\$ 202,262,130
Total net debt applicable to limit	12,305,400	14,086,663	15,821,162	17,511,722	19,360,672	21,172,839	20,649,474	22,176,561	11,510,000	12,085,000
Legal debt margin	\$ <u>220,664,710</u>	\$ <u>213,512,257</u>	\$ <u>195,368,378</u>	\$ <u>197,664,126</u>	\$ <u>189,513,579</u>	\$ <u>186,450,960</u>	\$ <u>185,659,312</u>	\$ <u>181,744,286</u>	\$ <u>189,617,214</u>	\$ <u>190,177,130</u>
Total net debt applicable to the limit as a percentage of debt limit	5.28%	6.19%	7.49%	8.14%	9.27%	10.20%	10.01%	10.88%	5.72%	5.97%

Table 14

Town of Christiansburg, Virginia
Direct and Overlapping Governmental Activities Debt
At June 30, 2021

<u>Governmental Unit:</u>	<u>Debt Outstanding</u>	<u>Estimated Percentage Applicable</u>	<u>Amount Applicable to Primary Government</u>
County of Montgomery	\$ 155,555,540	22%	\$ <u>34,222,219</u>
Subtotal, overlapping debt			\$ <u>34,222,219</u>
Town of Christiansburg direct debt			<u>9,901,320</u>
Total direct and overlapping debt			\$ <u>44,123,539</u>

Sources: Outstanding debt and applicable percentages provided by each government unit.

Note: Overlapping governments are those that coincide, at least in part, with geographic boundaries of the Town. This schedule estimates the portion of the outstanding debt of those overlapping governments that is borne by the property taxpayers of the Town of Christiansburg. This process recognizes that, when considering the government's ability to issue and repay long-term debt, the entire debt burden borne by the property taxpayers should be taken into account. However, this does not imply that every taxpayer is a resident, and therefore responsible for repaying the debt, of each overlapping government.

Table 15

Town of Christiansburg, Virginia
Demographic Statistics
Last Ten Fiscal Years

Fiscal Year Ended	Population (1)	Total Personal Income in Thousands of Dollars (2)	Per Capita Personal Income (3)	Unemployment Rate (4)
2021	**	**	**	3.80%
2020	22,399	**	**	6.60%
2019	22,557	\$ 4,526,103	\$ 38,756	3.20%
2018	22,432	4,400,507	37,730	3.50%
2017	22,178	4,177,039	36,125	4.30%
2016	21,969	4,013,920	34,754	4.50%
2015	21,840	3,889,162	33,933	4.20%
2014	21,761	3,700,434	32,318	5.90%
2013	21,587	3,482,004	30,623	6.50%
2012	21,480	3,419,328	30,430	6.80%

Notes:

(1) Data derived from Weldon Cooper statistical analysis for Towns in Virginia.

(2) Data is for Montgomery County and Radford City as this data is not available for Towns. Data derived from the Bureau of Economic Anaylis. Christiansburg is the County seat for Montgomery County.

(3) Data is for Montgomery County and Radford City as this data is not available for Towns. Data derived from the Bureau of Economic analysis

(4) Unemployment data is as of June 30 and derived from Virginia Employment Commission (VEC).

** Data not yet available

Table 16

Town of Christiansburg, Virginia
Principal Employers
Current Year and Nine Years Ago

Employer	Fiscal Year 2021		Fiscal Year 2012	
	Number of Employees	Rank	Number of Employees	Rank
Montgomery County School Board	1,000 and over employees	1	1,000 and over employees	1
Kroger	500 to 999 employees	2	less than 50	
New River Valley Community Services	500 to 999 employees	3	less than 50	
Shelor Motor Mile, Inc.	250 to 499 employees	4	250 to 499 employees	7
Corning Glass Works	250 to 499 employees	5	250 to 499 employees	6
County of Montgomery	250 to 499 employees	6	250 to 499 employees	5
Town of Christiansburg	250 to 499 employees	7	500 to 999	2
Food Lion	250 to 499 employees	8	250 to 499 employees	3
Wal-Mart	100 to 249 employees	9	250 to 499 employees	4
Echosphere Corporation (Dish Network)	100 to 249 employees	11	NA	
Hubbell Lighting	100 to 249 employees	12	100 to 249 employees	8
Lowes Home Centers, Inc.	100 to 249 employees	13	100 to 249 employees	11
Target Corp.	100 to 249 employees	14	100 to 249 employees	10
The Home Depot	100 to 249 employees	15	50 to 99 employees	15
Elwood Staffing Services Inc	100 to 249 employees	16	NA	
Postal Service	100 to 249 employees	17	NA	
Carillion Healthcare	100 to 249 employees	18	NA	
McDonald's	100 to 249 employees	19	NA	
Community Housing Partners	100 to 249 employees	20	less than 50	17
Comprehensive Computer Solutions	100 to 249 employees	21	NA	
Starbucks Coffee	100 to 249 employees	22	NA	
Panera Bread	100 to 249 employees	23	NA	
Cracker Barrel Old Country Store	50 to 99 employees	24	100 to 249 employees	12
Chipotle Mexican Grill	50 to 99 employees	25	NA	
Red Lobster and The Olive Garden	less than 50		100 to 249 employees	9
National Bank of Blacksburg	less than 50		100 to 250 employees	13
First National Bank (Stellar One)	less than 50		100 to 250 employees	14
Texas Roadhouse	less than 50		50 to 99 employees	16
Dears Robuck & Company	NA		less than 50	19
C&S Door	less than 50		less than 50	18

Source: Virginia Employment Commission

Table 17

Town of Christiansburg, Virginia
Full-time Equivalent Town Government Employees by Function
Last Ten Fiscal Years

<u>Function</u>	Fiscal Year									
	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
General Administration										
Town Manager's office	4.0	4.0	5.0	5.0	5.0	5.0	5.0	5.0	5.0	8.5
Planning	3.0	3.0	3.5	3.0	3.0	4.0	3.5	3.0	3.0	2.0
Treasurer/Finance	13.0	13.0	13.0	13.0	13.0	13.0	13.0	11.0	11.0	10.0
Human Resources	3.0	3.0	3.0	3.0	4.0	2.0	1.5	1.5	1.5	1.0
Public Relations	2.0	2.0	2.0	3.0	2.0	2.0	1.5	1.5	1.5	1.5
Information Technology	3.0	3.0	2.0	2.0	2.0	3.0	3.0	3.0	2.0	1.5
Public Safety										
Police	69.5	69.5	69.5	69.0	68.0	74.0	73.0	73.5	73.5	72.5
Fire	3.5	3.5	3.5	3.5	3.0	3.0	3.0	1.5	1.5	1.5
Rescue	9.0	8.2	8.2	6.8	3.0	3.0	3.5	3.5	3.5	1.0
Public Works										
Maintenance	10.0	10.5	10.5	9.0	6.0	3.0	3.0	3.0	3.0	3.0
Sanitation	9.0	9.0	9.0	10.0	10.0	11.0	11.0	11.0	11.0	11.0
Streets	40.0	40.0	40.0	37.0	40.0	36.0	36.0	36.0	35.0	33.0
Water	21.0	21.0	21.0	30.0	24.0	36.0	36.0	36.0	36.0	32.0
Plant Operations	22.0	22.5	22.5	14.0	14.0	11.0	11.0	10.5	10.5	11.5
Engineering	13.0	14.6	14.6	13.0	12.0	11.0	11.0	9.0	10.0	10.0
Building Inspections	4.0	4.0	4.4	4.0	4.0	4.0	4.0	5.0	5.0	4.5
Parks and Recreation	26.4	25.5	25.5	25.5	24.0	24.7	23.2	23.0	27.0	25.0
Aquatics	19.1	28.8	28.8	34.0	34.0	34.0	34.0	34.0	34.0	34.0
Cemetery	2.0	2.0	2.0	2.0	2.0	2.0	2.0	1.0	1.0	1.5
Totals	276.5	287.1	288.0	286.8	273.0	281.7	278.2	333.5	333.5	265.0
Fire Department Volunteers	40.0	40.0	40.0	38.0	38.0	38.0	38.0	37.0	36.0	35.0
Rescue Department Volunteers	50.0	57.0	92.0	95.0	95.0	75.0	75.0	75.0	75.0	75.0

Note: A full-time employee is scheduled to work 2080 hours per year (including holiday, vacation, and sick leave). Full-time employment is calculated by dividing total labor hours by 2080.

Table 18

Town of Christiansburg, Virginia
Operating Indicators by Function/Program
Last Ten Fiscal Years

Function/Program	Fiscal Year									
	2021**	2020	2019	2018	2017	2016	2015	2014	2013	2012
General Government										
Building/zoning permits issued	1,567	1,717	1,617	1,449	2,019	1,436	198	1,738	1,546	1,071
Building inspections	5,035	5,226	6,226	5,131	4,986	3,905	3,282	2,726	**	**
Conditional use permits approved	17	9	10	15	6	9	1	3	3	8
Rezoning requests approved	7	5	2	4	1	3	2	1	3	-
Streets approved for vacation	1	2	2	-	2	-	-	-	4	1
Amendments to Town Code/Ordinances	4	-	5	9	2	2	3	6	13	11
Public Safety										
Police										
Criminal offenses	1,499	2,364	2,724	2,490	2,241	1,955	2,133	2,346	2,494	2,810
Traffic warrants	1,326	2,073	3,370	3,210	3,505	4,043	5,211	5,817	7,306	7,258
Parking violations	20	183	267	143	157	149	88	445	88	424
Patrol miles driven	562,515	514,291	578,995	580,272	595,906	574,459	622,187	635,316	632,669	581,393
Fire										
Christiansburg calls answered	612	491	558	575	508	505	416	484	549	564
County calls answered	355	356	432	407	398	323	317	320	336	280
Total calls answered	967	847	990	982	906	828	733	804	885	844
Rescue										
Christiansburg calls answered	3,141	3,056	3,614	3,376	3,349	2,883	2,792	2,596	2,575	2,610
County calls answered	1,386	1,455	1,119	1,097	1,214	1,141	1,195	1,174	1,139	997
Total calls answered	4,527	4,511	4,733	4,473	4,563	4,024	3,987	3,770	3,714	3,607
Public Works										
Sanitation										
Trash removal in tons	7,023	6,780	6,637	7,997	8,925	8,185	7,089	8,671	9,545	8,387
Spring and fall cleanup in tons										
Junk	678.53	438.45	754.89	893.00	741.34	856.56	631.12	592.46	393.66	514.70
Leaves	619.62	653.76	558.42	749.88	599.50	870.75	865.75	530.25	821.00	613.50
Brush	398.73	299.33	276.04	385.00	290.06	307.29	446.00	367.64	182.46	249.60
Recycling in pounds ****										
Papers	na	na	na	na	178,760	110,980	685,560	614,980	624,660	568,780
Single Stream	2,226,000	2,270,000	2,271,760	1,124,240						
cardboard	8,920	106,000	152,860	191,720						
Containers	na	na	na	na	1,110,360	1,018,440	471,960	415,940	385,860	350,240
Total pounds recycled	2,234,920	2,376,000	2,424,620	1,315,960	1,289,120	1,129,420	1,157,520	1,030,920	1,010,520	919,020
Streets										
Principal/minor arterial lane miles	44.71	44.79	45.42	44.45	46.93	46.93	46.93	46.93	45.75	45.75
Principal/minor arterial center lane miles	17.18	17.18	17.47	15.83	15.90	15.90	15.90	15.90	15.31	15.31
Collector/local streets lane miles	229.23	229.68	225.60	203.01	206.03	206.03	206.03	206.03	202.98	202.98
Collector/local streets center lane miles	114.73	114.95	112.97	101.42	102.83	102.83	102.83	102.83	101.15	101.15
Sidewalks installed new and replaced in linear feet	6,789	3,178	5,016	-	2,715	-	-	570	912	1,247
Storm drains installed in linear feet	2,562	2,373	2,565	3,000	1,952	-	874	1,620	128	1,628
Street lights installed	-	40	-	27	8	7	12	16	33	21
Street signs new	224	218	62	53	45	40	37	49	66	76
Street signs repaired or replaced	64	134	288	327	184	164	507	168	120	310
Total street signs	6,789	6,565	6,347	6,285	6,232	6,187	6,147	6,110	6,061	5,995
Water										
New water services installed, net of removed	104	190	32	25	65	70	74	70	89	47
Total water customers in Town	10,241	10,137	9,947	9,915	9,890	9,825	9,724	9,650	9,580	9,491
New water services installed Out of Town	3	10	47	7	6	6	4	6	9	2
Accumulative water services Out of Town	584	581	571	524	517	511	505	501	495	486
Total water services In and Out of Town	10,825	10,718	10,518	10,439	10,407	10,336	10,229	10,151	10,075	9,977

(continued)

Table 18

Town of Christiansburg, Virginia
Operating Indicators by Function/Program
Last Ten Fiscal Years

Function/Program	Fiscal Year									
	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
Water										
Water consumption in gallons Town System	845,521,805	861,274,360	902,587,820	857,406,588	834,563,873	1,059,990,615	559,161,576	824,099,330	521,310,359	536,192,792
Montgomery County PSA	1,533,938,509	103,468,650	91,748,150	80,502,800	81,528,160	63,279,923	34,907,969	54,700,580	97,164,800	129,101,324
Total water consumption	2,379,460,314	964,743,010	994,335,970	937,909,388	916,092,033	1,123,270,538	594,069,545	878,799,910	618,475,159	665,294,116
New water mains installed in linear feet	4,777	4,601	7,457	810	9,951	1,855	2,314	12,542	1,727	6,400
Cumulative water mains, feet	840,490	836,564	838,099	830,642	829,832	819,881	818,026	815,712	803,170	801,442
Cumulative water mains, miles	159.18	158.44	158.73	157.32	157.17	155.28	154.93	154.49	152.13	151.79
Sewer										
New service installed in Town, net of service removed	102	47	66	121	134	101	74	78	87	43
Accumulative services in Town	9,594	9,401	9,354	9,288	9,167	9,033	8,932	8,858	8,780	8,693
New sewer service installed Out of Town	-	-	-	6	5	4	2	6	9	2
Accumulative services Out of Town	48	139	139	139	133	128	124	122	116	107
Total sewer services In and Out of Town	9,642	9,540	9,493	9,427	9,300	9,161	9,056	8,980	8,896	8,800
New Sanitary Sewer Gravity Mains installed in linear feet	5,391	6,053	1,855	4,488	6,581	2,152	2,152	1,858	3,015	3,919
New Sanitary Sewer Force Mains installed in linear feet	-	-	-	-	-	-	-	-	390	-
Total sewer system lines in linear feet	889,515	883,165	879,409	877,554	873,066	866,485	810,599	808,447	806,589	803,184
Total sewer system lines in miles	168.47	167.27	166.55	166.20	165.35	164.11	154.00	153.11	146.72	147.97
Waste Water Treatment Plant										
Gallons collected and treated	1,391,800,000	1,088,600,000	1,227,100,000	972,000,000	968,000,000	1,066,000,000	846,000,000	845,000,000	901,000,000	848,700,000
Average number of gallons treated per day	3,813,151	2,982,466	3,361,918	2,663,014	2,652,055	2,920,548	2,317,808	2,315,068	2,468,493	2,325,205
Parks and Recreation										
Number of programs offered										
Youth and community	37	53	95	94	103	91	105	94	100	90
Adult and community	182	226	235	238	258	196	210	202	214	194
Youth athletic	40	39	50	47	47	47	47	46	46	46
Adult athletic	10	30	28	28	27	27	22	23	18	18
Senior citizen	130	148	170	155	169	136	160	169	162	138
Special population	3	12	14	13	14	10	6	8	5	7
Youth special events	8	20	17	10	10	7	8	7	8	9
Adult special events	8	19	21	10	8	7	7	8	8	11
Senior citizen special events	11	24	27	21	18	14	15	19	21	23
Clubs	0	0	0	4	3	1	1	3	2	4
Active Memberships	1,664	3,575	5,032	**	**	**	**	**	**	**
Membership Scans	37,711	61,222	96,303	**	**	**	**	**	**	**
Day Pass Attendance	**	756	938	**	**	**	**	**	**	**
Aquatics ***										
Membership packages sold										
Resident	937	705	860	578	392	493	457	275	458	664
Non resident	551	783	781	905	540	1,147	515	314	390	570
Day passes sold	4,747	14,367	27,558	29,605	30,859	34,025	36,397	28,836	31,274	35,779
Birthday parties	7	111	91	220	206	206	199	271	315	394
Competitive meets	30	35	34	32	30	28	23	28	25	20
Number of classes	1,142	913	834	1,072	252	371	272	237	207	187
Cemetery ****										
Burials	87	84	59	57	59	56	82	93	101	70
Cremations	15	22	11	18	21	8	19	15	8	11
Lots sold	69	57	49	32	38	32	70	62	39	35
Columbarium units sold	4	3	2	0	4					

Notes:

** Covid 19 restrictions in place inhibited many programs participation rates.

*** The Aquatic Center opened in July of 2010.

**** The Sunset Cemetery was acquired by the Town on April 1, 2008. It is the Town's intention to gather this information on annual basis moving forward.

The columbarium was added in fy 2017

***** In 2017-2018 the Montgomery Regional Solid Waste Authority moved to single stream recycling so data is now collected differently then in years past.

Source: Data obtained from Town Department Heads

Table 19

Town of Christiansburg, Virginia
Capital Asset and Infrastructure Statistics by Function/Program
Last Ten Fiscal Years

<u>Function/Program</u>	Fiscal Year									
	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
Public Safety										
Law Enforcement Vehicles Patrol	37	35	35	35	35	35	26	26	26	26
Law Enforcement Vehicles detective and vice	14	14	14	14	14	14	12	12	12	12
Law Enforcement Vehicles ERT and Special operations	4	4	4	4	4	4	13	13	13	13
Law Enforcement Vehicles Administrative	6	6	5	5	5	5	4	4	4	3
Fire Fighting Apparatus	9	9	9	9	9	9	7	7	7	6
Fire Response Vehicles	8	8	8	8	8	8	6	6	6	5
Medical Rescue Ambulances	6	6	6	6	6	5	5	5	5	5
Medical Rescue Extraction Vehicles	3	3	3	3	3	4	3	3	3	3
Medical Rescue Response Vehicles other	4	4	4	4	5	6	8	8	8	6
Public Works										
Sanitation										
Trash Collection Vehicles	5	5	5	5	5	5	4	5	5	5
Streets										
Principal/minor arterial lane miles	44.71	44.79	45.42	44.45	46.93	46.93	46.93	46.93	45.75	45.75
Collector/local streets lane miles	229.23	229.60	225.30	203.04	206.03	206.03	206.03	206.03	202.98	202.98
Traffic lights										
Traffic lights	15	15	13	12	12	12	18	18	18	18
Street lights	1,838	1,838	1,798	1,798	1,771	1,763	1,756	1,744	1,750	1,725
Parks and Recreation										
Indoor Aquatic Center	1	1	1	1	1	1	1	1	1	1
Recreation Center	1	1	1	1	1	1	1	1	1	1
Parks mini parks, large and community	14	14	14	14	14	14	13	13	13	13
Trails (miles)	8	8	8	8	8	8	4	4	4	**
Business Type Activities Water and Sewer										
Water Mains (miles)	159.18	158.44	158.73	157.32	157.17	155.28	154.93	154.49	152.13	151.79
Sewer Mains (miles)	168.47	167.27	166.55	166.20	165.35	164.11	153.52	153.11	146.72	147.97

Notes:

** Data not available for this year. It is the Town's intention to gather this information on an annual basis moving forward.

Source: Data obtained from Town Department Heads

Table 20

Town of Christiansburg, Virginia
Proprietary Fund Business-type Activities Water and Sewer Fund Statement of Revenues, Expenses, and Changes in Net Position
Last Ten Fiscal Years

	Fiscal Year									
	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
Operating Revenues										
Charges for Services:										
Water and Sewer Service Fees	\$ 10,089,551	\$ 10,447,273	\$ 9,714,709	\$ 9,198,252	\$ 7,588,435	\$ 7,920,865	\$ 7,085,257	\$ 6,513,234	\$ 6,531,903	\$ 6,265,568
Water and Wastewater Connection Fees	809,945	1,113,597	1,023,015	829,947	1,147,510	694,270	543,901	360,598	426,634	347,939
Penalties and Other	319,580	214,433	251,625	244,585	177,697	209,766	171,143	157,460	156,046	147,368
Total Operating Revenues	\$ 11,219,076	\$ 11,775,303	\$ 10,989,349	\$ 10,272,784	\$ 8,913,642	\$ 8,824,901	\$ 7,800,300	\$ 7,031,292	\$ 7,114,583	\$ 6,760,875
Operating Expenses										
Salaries and Wages	\$ 1,885,467	\$ 1,626,191	\$ 1,646,623	\$ 1,670,012	\$ 1,637,894	\$ 1,574,646	\$ 1,898,115	\$ 1,831,465	\$ 1,616,818	\$ 1,575,967
Employee Benefits	721,408	558,622	411,641	547,824	536,071	532,323	256,803	183,657	218,388	240,684
Water Authority Purchases	3,187,618	3,186,715	3,258,342	2,640,812	1,950,183	1,821,897	1,639,458	1,410,462	1,541,555	1,469,252
Utilities	493,318	545,476	492,809	487,310	513,363	532,195	352,364	384,717	315,547	272,363
Repairs and Maintenance	244,322	285,180	279,640	210,220	195,282	185,580	164,164	173,824	158,658	228,393
Depreciation and Amortization	2,210,899	2,110,060	2,083,552	1,936,624	1,911,711	1,810,513	1,747,846	1,700,218	1,643,954	1,611,172
Materials and Supplies	556,568	535,851	555,039	563,148	479,715	478,304	605,214	604,381	514,909	562,506
General and Administrative	529,384	488,585	483,109	417,809	499,554	307,104	384,284	331,204	419,074	247,278
Total Operating Expenses	\$ 9,828,984	\$ 9,336,680	\$ 9,210,755	\$ 8,473,759	\$ 7,723,773	\$ 7,242,562	\$ 7,048,248	\$ 6,619,929	\$ 6,428,903	\$ 6,207,615
Operating Income (Loss)	\$ 1,390,092	\$ 2,438,623	\$ 1,778,594	\$ 1,799,025	\$ 1,189,869	\$ 1,582,339	\$ 752,052	\$ 411,363	\$ 685,680	\$ 553,260
Nonoperating Revenues (Expenses)										
Interest and Fiscal Charges	\$ (79,925)	\$ (108,515)	\$ (135,092)	\$ (168,772)	\$ (203,738)	\$ (236,459)	\$ (271,118)	\$ (197,523)	\$ (222,543)	\$ (247,560)
Bond Issuance Costs	-	-	-	-	-	-	-	\$ (26,520)	-	-
Total Nonoperating Revenues (Expenses)	\$ (79,925)	\$ (108,515)	\$ (135,092)	\$ (168,772)	\$ (203,738)	\$ (236,459)	\$ (271,118)	\$ (224,043)	\$ (222,543)	\$ (247,560)
Income (Loss) Before Contributions and Transfers	\$ 1,310,167	\$ 2,330,108	\$ 1,643,502	\$ 1,630,253	\$ 986,131	\$ 1,345,880	\$ 480,934	\$ 187,321	\$ 463,137	\$ 305,700
Capital Contributions	680,745	955,180	199,884	520,000	483,510	95,939	124,736	53,490	45,971	794,819
Transfers In (Out)	172,737	-	-	-	-	-	-	-	-	226,084
Change in Net Position	\$ 2,163,649	\$ 3,285,288	\$ 1,843,386	\$ 2,150,253	\$ 1,469,641	\$ 1,441,819	\$ 605,670	\$ 240,811	\$ 509,108	\$ 1,326,603
Net Position, Beginning	\$ 42,335,564	\$ 39,050,276	\$ 37,206,890	\$ 35,347,301	\$ 33,877,660	\$ 32,656,517	\$ 33,599,856	\$ 33,359,045	\$ 32,001,591	\$ 30,674,988
Prior Period Adjustment	-	-	-	\$ (290,664)	-	\$ (220,676)	\$ (1,549,009)	-	848,346	-
Net Position, Ending	\$ 44,499,213	\$ 42,335,564	\$ 39,050,276	\$ 37,206,890	\$ 35,347,301	\$ 33,877,660	\$ 32,656,517	\$ 33,599,856	\$ 33,359,045	\$ 32,001,591

Table 21

Town of Christiansburg, Virginia
Water and Sewer Enterprise Fund Expenses and Bond Payments
Last Ten Fiscal Years

	Fiscal Year									
	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
Water										
Personal service -										
Salaries, wages, payroll taxes, and retirement	\$ 897,671	\$ 760,072	\$ 626,910	\$ 657,780	\$ 641,837	\$ 724,535	\$ 808,435	\$ 702,525	\$ 489,016	\$ 479,746
Fringe benefits - insurance	331,338	261,663	154,474	216,654	234,975	158,780	115,705	58,221	57,528	57,603
Water Authority purchases	3,187,618	3,186,715	3,258,342	2,640,812	1,950,183	1,821,897	1,639,458	1,410,462	1,541,555	1,469,252
Utilities	17,095	10,161	10,275	46,674	31,544	11,552	19,289	25,644	22,641	25,056
Repairs & maintenance	94,227	102,874	74,427	38,208	41,102	39,668	44,722	46,236	52,778	93,710
Depreciation & amortization	663,270	658,279	644,912	609,546	578,158	556,027	366,727	357,654	317,201	362,399
Materials & supplies	340,266	250,895	250,321	210,105	150,093	198,998	119,413	155,440	132,023	143,576
General & administrative	216,740	162,583	166,604	223,624	162,899	136,032	135,702	125,930	152,860	62,839
Professional fees	15,994	-	47,454	-	-	-	-	-	-	-
Bond payments- principal	141,713	227,760	201,583	190,936	244,790	-	-	-	-	-
Bond payments- interest	51,152	76,024	68,144	82,263	105,467	-	-	-	-	-
Water Totals	\$ 5,957,083	\$ 5,697,026	\$ 5,503,446	\$ 4,916,602	\$ 4,141,048	\$ 3,647,489	\$ 3,249,451	\$ 2,882,112	\$ 2,765,601	\$ 2,694,181
Waste Water Operations										
Personal service -										
Salaries, wages, payroll taxes, and retirement	\$ 494,077	\$ 426,742	\$ 518,470	\$ 492,522	\$ 458,735	\$ 444,539	\$ 501,699	\$ 590,433	\$ 462,424	\$ 432,286
Fringe benefits - insurance	196,468	149,354	130,422	162,529	154,455	128,181	78,565	77,686	88,511	111,848
Utilities	97,684	96,586	92,524	108,851	205,585	103,877	102,372	108,391	99,401	79,636
Repairs & maintenance	82,267	133,526	109,253	79,523	87,135	70,861	53,303	62,904	60,517	85,171
Depreciation & amortization	663,270	568,071	532,297	495,581	538,678	451,616	586,172	569,912	563,514	485,288
Materials & supplies	116,499	104,846	123,310	128,625	102,698	154,658	127,421	104,226	73,088	92,024
General & administrative	107,720	104,445	112,410	121,155	83,346	119,408	126,609	110,181	135,743	66,487
Professional fees	23,360	-	8,324	15,826	29,881	-	-	-	-	-
Waste Water Totals	\$ 1,781,345	\$ 1,583,570	\$ 1,627,010	\$ 1,604,612	\$ 1,660,513	\$ 1,569,602	\$ 1,576,141	\$ 1,623,733	\$ 1,483,198	\$ 1,352,740
Waste Water Treatment Plant										
Personal service -										
Salaries, wages, payroll taxes, and retirement	\$ 493,719	\$ 439,377	\$ 501,243	\$ 519,846	\$ 537,322	\$ 529,123	\$ 587,981	\$ 538,507	\$ 665,379	\$ 663,936
Fringe benefits - insurance	193,602	147,606	126,745	168,507	146,641	121,811	62,534	47,750	72,349	71,233
Utilities	378,539	438,727	390,010	198,540	276,234	416,766	230,703	250,682	193,505	167,671
Repairs & maintenance	67,828	153,986	95,960	66,576	67,045	75,051	66,138	64,684	45,362	49,512
Depreciation & amortization	884,360	883,710	906,343	831,496	794,874	802,870	794,948	772,652	763,239	763,485
Materials & supplies	99,803	109,043	181,409	303,787	226,924	124,648	358,380	344,715	309,799	326,905
General & administrative	69,111	125,366	74,910	101,192	60,845	51,664	121,973	95,091	130,471	117,953
Professional fees	96,462	62,051	73,404	35,800	162,582	-	-	-	-	-
Bond payments- principal	566,850	684,399	680,997	829,904	776,051	987,355	755,938	729,816	704,598	680,252
Bond payments- interest	28,773	42,817	66,948	86,509	98,271	247,254	271,118	197,523	222,543	247,560
Waste Water Treatment Plant Totals	\$ 2,879,047	\$ 3,087,082	\$ 3,097,969	\$ 3,142,157	\$ 3,146,789	\$ 3,356,542	\$ 3,249,713	\$ 3,041,420	\$ 3,107,244	\$ 3,088,507
Totals										
Personal service -										
Salaries, wages, payroll taxes, and retirement	\$ 1,885,467	\$ 1,626,191	\$ 1,646,623	\$ 1,670,148	\$ 1,637,894	\$ 1,698,197	\$ 1,898,115	\$ 1,831,465	\$ 1,616,818	\$ 1,575,968
Fringe benefits - insurance	721,408	558,623	411,641	547,690	536,071	408,772	256,804	183,657	218,388	240,684
Water Authority purchases	3,187,618	3,186,715	3,258,342	2,640,812	1,950,183	1,821,897	1,639,458	1,410,462	1,541,555	1,469,252
Utilities	493,318	545,474	492,809	354,065	513,363	532,195	352,364	384,717	315,547	272,363
Repairs & maintenance	244,322	390,386	279,640	184,307	195,282	185,580	164,163	173,824	158,658	228,393
Depreciation & amortization	2,210,899	2,110,060	2,083,552	1,936,623	1,911,710	1,810,513	1,747,847	1,700,218	1,643,954	1,611,172
Materials & supplies	556,568	464,784	555,040	642,517	479,715	478,304	605,214	604,381	514,909	562,505
General & administrative	393,571	392,394	353,924	445,971	307,090	307,104	384,284	331,202	419,074	247,279
Professional fees	135,816	62,051	129,182	51,626	192,463	-	-	-	-	-
Bond payments- principal	708,563	912,159	882,580	1,020,840	1,020,841	1,083,817	755,938	729,816	704,598	680,252
Bond payments- interest	79,925	118,841	135,092	168,772	203,738	247,254	271,118	197,523	222,543	247,560
Totals	\$ 10,617,475	\$ 10,367,678	\$ 10,228,425	\$ 9,663,371	\$ 8,948,350	\$ 8,573,633	\$ 8,075,305	\$ 7,547,265	\$ 7,356,043	\$ 7,135,428

Town of Christiansburg, Virginia
Water and Sewer Enterprise Fund Expenses and Bond Payments Breakdown
For the Year Ended June 30, 2021

Table 22

	Total	Water	Waste Water	Waste Water Treatment Plant
Personal service - Salaries, wages, payroll taxes, and retirement	\$ 1,885,467	\$ 897,671	494,077	493,719
Fringe benefits - insurance	721,408	331,338	196,468	193,602
Water Authority purchases	3,187,618	3,187,618	-	-
Utilities	493,318	17,095	97,684	378,539
Repairs & maintenance	244,322	94,227	82,267	67,828
Depreciation & amortization	2,210,899	663,270	663,270	884,360
Materials & supplies	556,568	340,266	116,499	99,803
General & administrative	393,571	216,740	107,720	69,111
Professional fees	112,456	15,994	-	96,462
Bond payments- principal	708,563	141,713	-	566,850
Bond payments- interest	103,285	51,152	23,360	28,773
Totals	<u>\$ 10,617,475</u>	<u>\$ 5,957,083</u>	<u>\$ 1,781,345</u>	<u>\$ 2,879,047</u>

Table 23

Town of Christiansburg, Virginia
Proprietary Fund Business-type Activities Storm Water Statement of Revenues, Expenses, and Changes in Net Position
Last Ten Fiscal Years (1)

	Fiscal Year				
	2021	2020	2019	2018	2017
Operating Revenues					
Charges for Services:					
Storm water monthly fees	\$ 1,475,327	\$ 1,436,821	\$ 1,388,141	\$ 1,350,405	\$ 1,366,949
Storm water maintenance & transfer fees	- -	- -	32,210	29,226	30,319
Penalties and Other	- -	- -	11,940	5,772	708
Total Operating Revenues	\$ 1,475,327	\$ 1,436,821	\$ 1,432,291	\$ 1,385,403	\$ 1,397,976
Operating Expenses					
Salaries and Wages	\$ 443,758	\$ 408,163	\$ 325,690	\$ 282,376	\$ 167,432
Employee Benefits	210,707	173,663	129,947	84,439	25,831
Depreciation and Amortization	206,672	153,691	122,341	99,164	34,143
Materials and Supplies	54,627	67,348	56,543	49,758	73,338
General and Administrative	39,599	31,697	73,387	30,154	100,704
Professional Services	3,429	4,846	60,049	650,776	-
Total Operating Expenses	\$ 958,792	\$ 839,408	\$ 767,957	\$ 1,196,667	\$ 401,448
Operating Income (Loss)	\$ 516,535	\$ 597,413	\$ 664,334	\$ 188,736	\$ 996,528
Nonoperating Revenues (Expenses)					
Interest and Fiscal Charges	\$ - -	\$ - -	\$ - -	\$ - -	\$ - -
Bond Issuance Costs	- -	- -	- -	- -	- -
Total Nonoperating Revenues (Expenses)	\$ - -				
Income (Loss) Before Contributions and Transfers	\$ 516,535	\$ 597,413	\$ 664,334	\$ 188,736	\$ 996,528
Capital Contributions					
Transfers In (Out)	395,949	524,363	988,811	657,024	489,808
Change in Net Position	2,370	- -	- -	- -	- -
Change in Net Position	\$ 914,854	\$ 1,121,776	\$ 1,653,145	\$ 845,760	\$ 1,486,336
Net Position, Beginning	\$ 6,400,200	\$ 5,278,424	\$ 3,625,279	\$ 2,040,405	\$ - -
Prior Period Adjustment	- -	- -	- -	739,114	554,069
Net Position, Ending	\$ 7,315,054	\$ 6,400,200	\$ 5,278,424	\$ 3,625,279	\$ 2,040,405

(1) The Storm water fund was created at the beginning of fiscal year 2017 annual data will be presented going forward.

COMPLIANCE SECTION

**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 Town Council
Town of Christiansburg, Virginia**

We have audited, in accordance with the auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the *Specifications for Audits of Counties, Cities, and Towns*, issued by the Auditor of Public Accounts of the Commonwealth of Virginia, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Town of Christiansburg, Virginia, as of and for the year ended June 30, 2021, and the related notes to the financial statements, which collectively comprise the Town of Christiansburg, Virginia's basic financial statements, and have issued our report thereon dated November 22, 2021.

Internal Control over Financial Reporting

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

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

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

Compliance and Other Matters

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

Purpose of this Report

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

Robinson, Farmer, Cox Associates

Blacksburg, Virginia
November 22, 2021

**Independent Auditors' Report on Compliance for Each Major Program and on
Internal Control over Compliance Required by the Uniform Guidance**

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

Report on Compliance for Each Major Federal Program

We have audited the Town of Christiansburg, Virginia's compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of the Town of Christiansburg, Virginia's major federal programs for the year ended June 30, 2021. Town of Christiansburg, Virginia's major federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with federal statutes, regulations, and the terms and conditions of its federal awards applicable to its federal programs.

Auditors' Responsibility

Our responsibility is to express an opinion on compliance for each of the Town of Christiansburg, Virginia's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the Town of Christiansburg, Virginia's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of the Town of Christiansburg, Virginia's compliance.

Opinion on Each Major Federal Program

In our opinion, the Town of Christiansburg, Virginia complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2021.

Report on Internal Control over Compliance

Management of the Town of Christiansburg, Virginia is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the Town of Christiansburg, Virginia's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the Town of Christiansburg, Virginia's internal control over compliance.

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

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.



Blacksburg, Virginia
November 22, 2021

Town of Christiansburg, Virginia
Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2021

Federal Grantor/State Pass - Through Grantor/ Program or Cluster Title	Federal Assistance Listing Number	Pass-through Entity Identifying Number	Federal Expenditures	Subrecipient Expenditures
Department of Justice:				
Direct payments:				
Equitable Sharing Program	16.922	Not applicable	\$ 11,403	
Bulletproof Vest Partnership Program	16.607	Not applicable	1,692	
Total direct payments			<u>\$ 13,095</u>	
Total Department of Justice			<u>\$ 13,095</u>	
Department of Homeland Security:				
Direct payments:				
Disaster Grants - Public Assistance (Presidentially Declared Disasters)	97.036	Not applicable	\$ 52,327	
Emergency Management Performance Grants	97.042	Not applicable	6,317	
Total Department of Homeland Security			<u>\$ 58,644</u>	
Department of Transportation:				
Pass Through Payments:				
<i>Virginia Department of Motor Vehicles:</i>				
Highway Safety Cluster:				
State and Community Highway Safety	20.600	FOP-2021-51275-21275	\$ 2,227	
State and Community Highway Safety	20.600	FSC-2021-51271-21271	7,427	
State and Community Highway Safety	20.600	FSC-2020-50279-20279	586	
Subtotal Highway Safety Cluster			<u>\$ 10,240</u>	
Alcohol Open Container Requirements	20.607	154AL-2021-51266-21266		5,840
<i>Virginia Department of Transportation:</i>				
Highway Planning and Construction Cluster:				
Highway Planning and Construction	20.205	U000-154-205	\$ 5,133	
Highway Planning and Construction	20.205	0460-154-203	1,035,945	
Highway Planning and Construction	20.205	EN17-154-228	118,743	
Highway Planning and Construction	20.205	EN18-154-236	14,461	
Subtotal Highway Planning and Construction Cluster			<u>1,174,282</u>	
Total Department of Transportation				<u>\$ 1,190,362</u>
Department of Treasury:				
Pass Through Payments:				
<i>Montgomery County, Virginia</i>				
COVID-19 Coronavirus Relief Fund	21.019	Unknown	\$ 2,855,656	\$ 1,129,599
Department of Housing and Urban Development:				
Direct payments:				
CDBG-Entitlement Grants Cluster:				
Community Development Block Grants/Entitlement Grants	14.218	Not applicable	<u>\$ 72,268</u>	
Total Expenditures of Federal Awards			<u>\$ 4,190,025</u>	<u>\$ 1,129,599</u>

Town of Christiansburg, Virginia
Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2021

Notes to Schedule of Expenditures of Federal Awards

Note 1 -- Basis of Presentation

The accompanying schedule of expenditures of federal awards (the Schedule) includes the federal award activity of the Town of Christiansburg, Virginia under programs of the federal government for the year ended June 30, 2021. The information in this Schedule is presented in accordance with the requirements of Title 2 U.S. *Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of the Town of Christiansburg, Virginia, it is not intended to and does not present the financial position, changes in net position, or cash flows of the Town of Christiansburg, Virginia.

Note 2 -- Summary of Significant Accounting Policies

- (1) Expenditures reported on the Schedule are reported on the accrual basis of accounting. Such expenditures are recognized following the cost principles contained in Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement.
- (2) Pass-through entity identifying numbers are presented where available.

Note 3 -- De Minimis Cost Rate

The Town did not elect to use the 10 percent de minimis indirect cost rate as it typically only requests direct costs for reimbursement.

Note 4 -- Subrecipients

The Town passed funds of \$1,129,599 to subrecipients as noted on the previous page.

Note 5 -- Relationship to the Financial Statements:

Federal expenditures, revenues and capital contributions are reported in the Town's basic financial statements as follows:

Intergovernmental federal revenues and other reconciling items per the basic financial statements:

Primary government:		
Special Revenue Funds	\$	2,957,958
CRF utility relief in Water and Sewer Fund		46,382
Use of equitable sharing funds on hand		11,403
Capital Project Fund		1,174,282
Total expenditures of federal awards per basic financial statements	\$	<u>4,190,025</u>

Town of Christiansburg, Virginia
Schedule of Findings and Questioned Costs
Year Ended June 30, 2021

Section I - Summary of Auditors' Results

Financial Statements

Type of auditors' report issued:	Unmodified
Internal control over financial reporting:	
Material weakness(es) identified?	No
Significant deficiency(ies) identified?	None reported

Noncompliance material to financial statements noted?	No
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Federal Awards

Internal control over major programs:	
Material weakness(es) identified?	No
Significant deficiency(ies) identified?	None reported

Type of auditors' report issued on compliance for major programs:	Unmodified
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Any audit findings disclosed that are required to be reported in accordance with 2 CFR section 200.516(a)?	No
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Identification of major programs:	
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Assistance Listing #	Name of Federal Program or Cluster
21.019	COVID-19 Coronavirus Relief Fund

Dollar threshold used to distinguish between Type A and Type B programs	\$750,000
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Auditee qualified as low-risk auditee?	Yes
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Section II - Financial Statement Findings

There are no financial statement findings to report.

Section III - Federal Award Findings and Questioned Costs

There are no federal award findings and questioned costs to report.

Town of Christiansburg, Virginia
Schedule of Prior Audit Findings
Year Ended June 30, 2021

There were no prior audit findings.