



AUDIT SUMMARY 2022

TOWN OF CHRISTIANSBURG AUDIT SUMMARY 2022

- Presentation of Annual Report and Audit Results
 - Scott Wickham, audit partner with our audit firm will be presenting the Audit Report opinions to you as is required by the APA (Auditor of Public Accounts)
 - Then I will give a brief summary of our 2022 results
 - This presentation provides a wide variety of slides that first walk you through where to find certain things in the audit report and then lots of charts, graphs and tables that highlight revenue, expenditures, budgets and fund balance.

TOWN OF CHRISTIANSBURG AUDIT SUMMARY 2022

- Audit Opinion on the financial statement is on page 14-16
 - The opinion is unqualified
 - The supplementary information is fairly presented
- Report on Internal Control and Compliance with GAS reports are on page 139
 - No internal control weaknesses or compliance issues were identified.
- Report on Compliance for Each Major Program and on Internal Control and Compliance on page 141
 - No internal control weaknesses or compliance issues were identified
- Auditors letter to Town Council
 - Provides communication to Council regarding work and interaction with management and the financial statements.

TOWN OF CHRISTIANSBURG AUDIT SUMMARY 2022

- Letter of Transmittal page 1 to 10
- MD&A or Management Discussion and Analysis page 17 to 25
- Government Wide Financial Statements page 26-27 GASB 34 statements
- Fund Financial Statements page 28-34
- Notes to the Financial Statements page 35-85
- Supplementary Information page 86-95
- Lots of trend data, functional data and schedules

TOWN OF CHRISTIANSBURG AUDIT SUMMARY 2022

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

TOWN OF CHRISTIANSBURG AUDIT SUMMARY 2022

REVENUES AS COMPARED TO PRIOR YEARS

Revenues	2019	2020	2021	2022	Increase (decrease) over 2021
GENERAL FUND	30,557,111	30,048,301	30,201,297	34,926,251	4,724,954
SPEC REV FUNDS	1,577,449	1,876,411	4,313,537	2,006,933,	(2,306,544)
CEMETERY	107,239	149,677	150,896	170,243	19,347
GF Capital Projects	3,608,916	8,054,236	1,581,272	2,160,375	579,103
ENTERPRISE W&S	10,989,344	11,775,306	11,219,076	11,751,171	532,095
STORM WATER	2,421,103	1,875,764,	1,475,327	1,479,885	4,558

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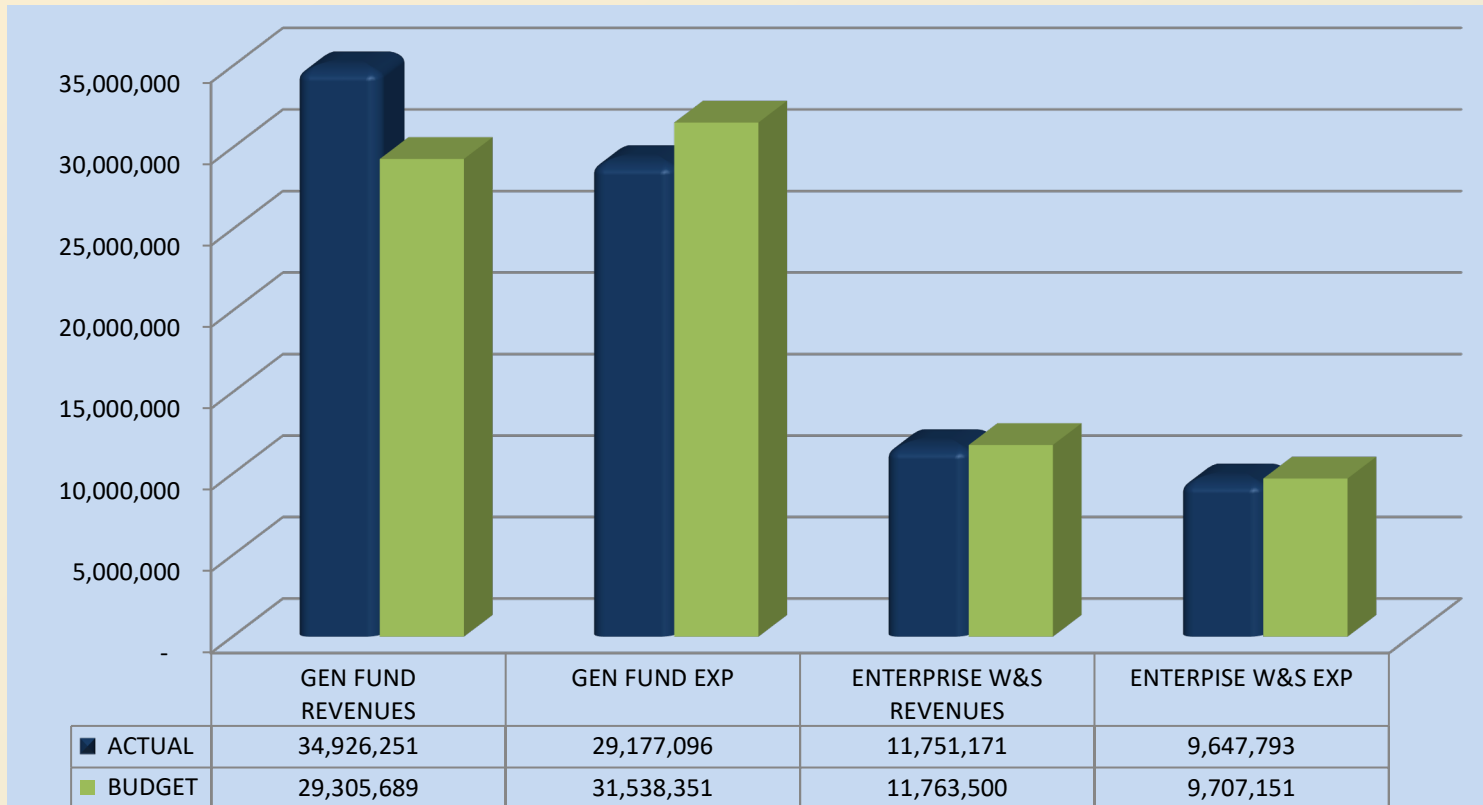
- EXPENDITURES AS COMPARED TO PRIOR YEARS

Expenditures	2019	2020	2021	2022	Increase (decrease) over 2021
GENERAL FUND	25,038,426	26,347,893	26,981,201	29,177,096	2,195,895
SPEC REV FUNDS	1,412,240	1,697,713	4,907,413	1,790,390	(3,117,023)
CEMETERY	233,809	206,440	289,021	245,860	(43,161)
GF CAPITAL PROJECTS	5,850,521	11,444,878	3,682,507	12,151,616	8,469,109
ENTERPRISE W&S	9,345,847	9,445,195	9,908,912	9,647,793	(261,119)
STORM WATER	767,957	839,408	958,792	896,138	(62,654)

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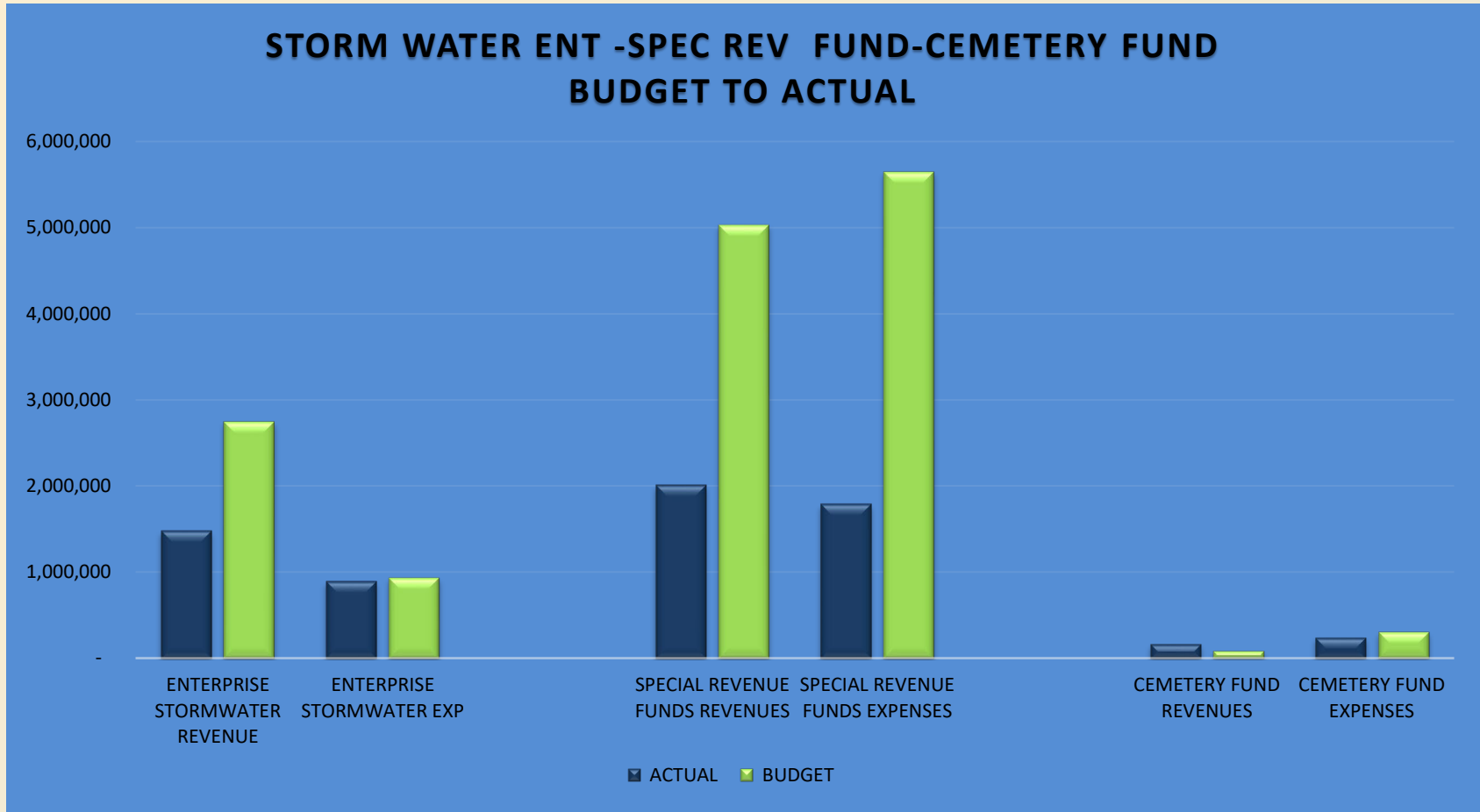
REVENUES AND EXPENDITURES AS COMPARED TO BUDGET

BUDGET TO ACTUAL GEN FUND AND WATER SEWER ENTERPRISE



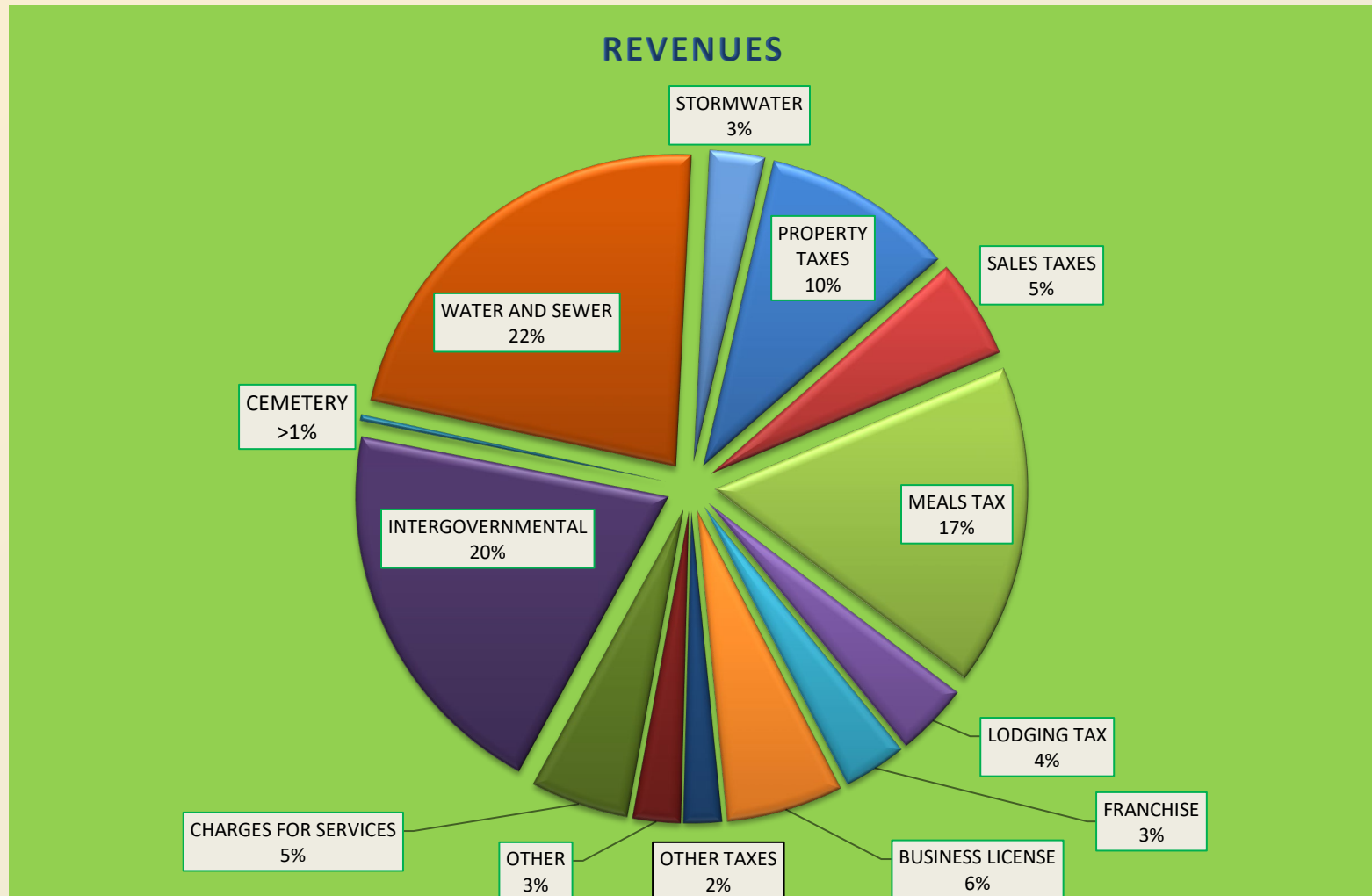
TOWN OF CHRISTIANSBURG AUDIT SUMMARY 2022

REVENUES AND EXPENDITURES AS COMPARED TO BUDGET



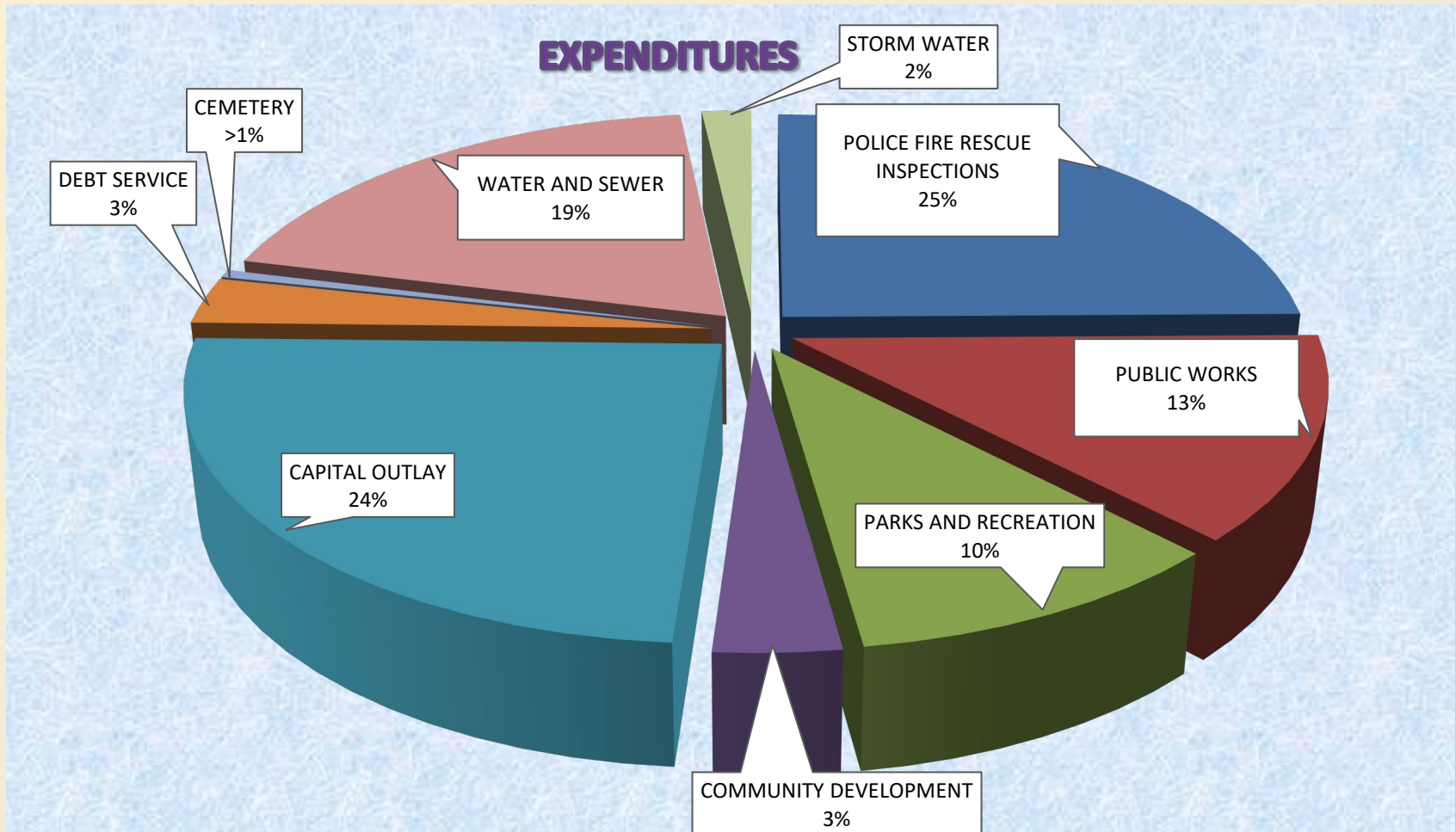
TOWN OF CHRISTIANSBURG AUDIT SUMMARY 2022

- WHERE DID THE REVENUE COME FROM



TOWN OF CHRISTIANSBURG AUDIT SUMMARY 2022

- EXPENDITURES

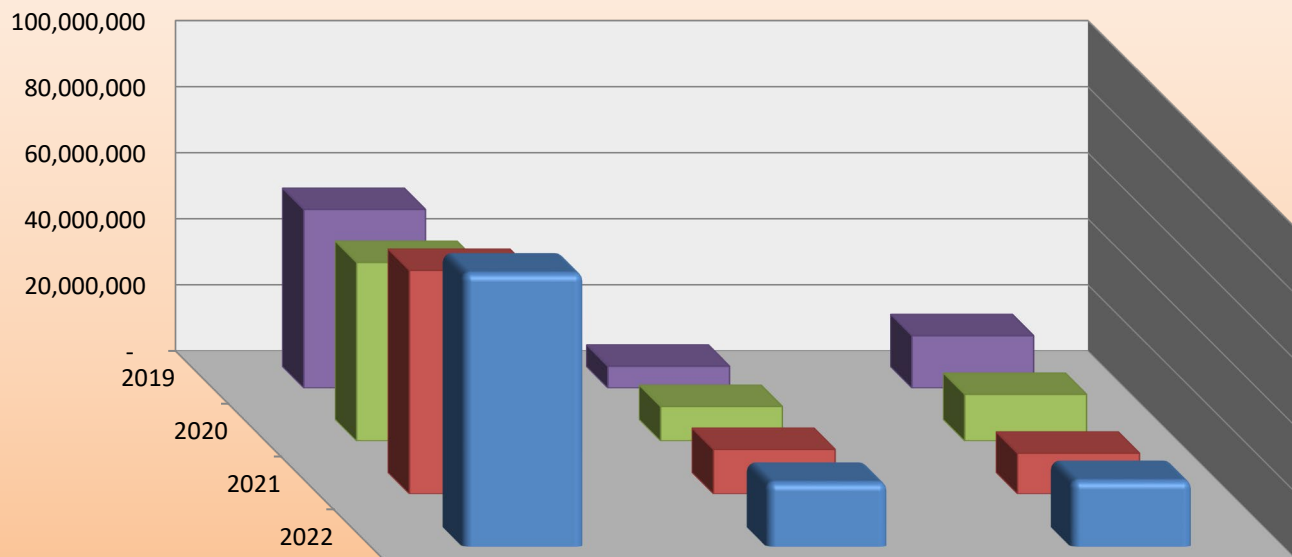


TOWN OF CHRISTIANSBURG AUDIT SUMMARY 2022

- TOTAL FIXED ASSETS OF THE GOVERNMENT HAVE INCREASED THIS YEAR NET OF DEPRECIATION BY \$10,277,637
- 2019 \$180,097,380
- 2020 \$190,165,751
- 2021 \$195,875,128
- 2022 \$206,152,765

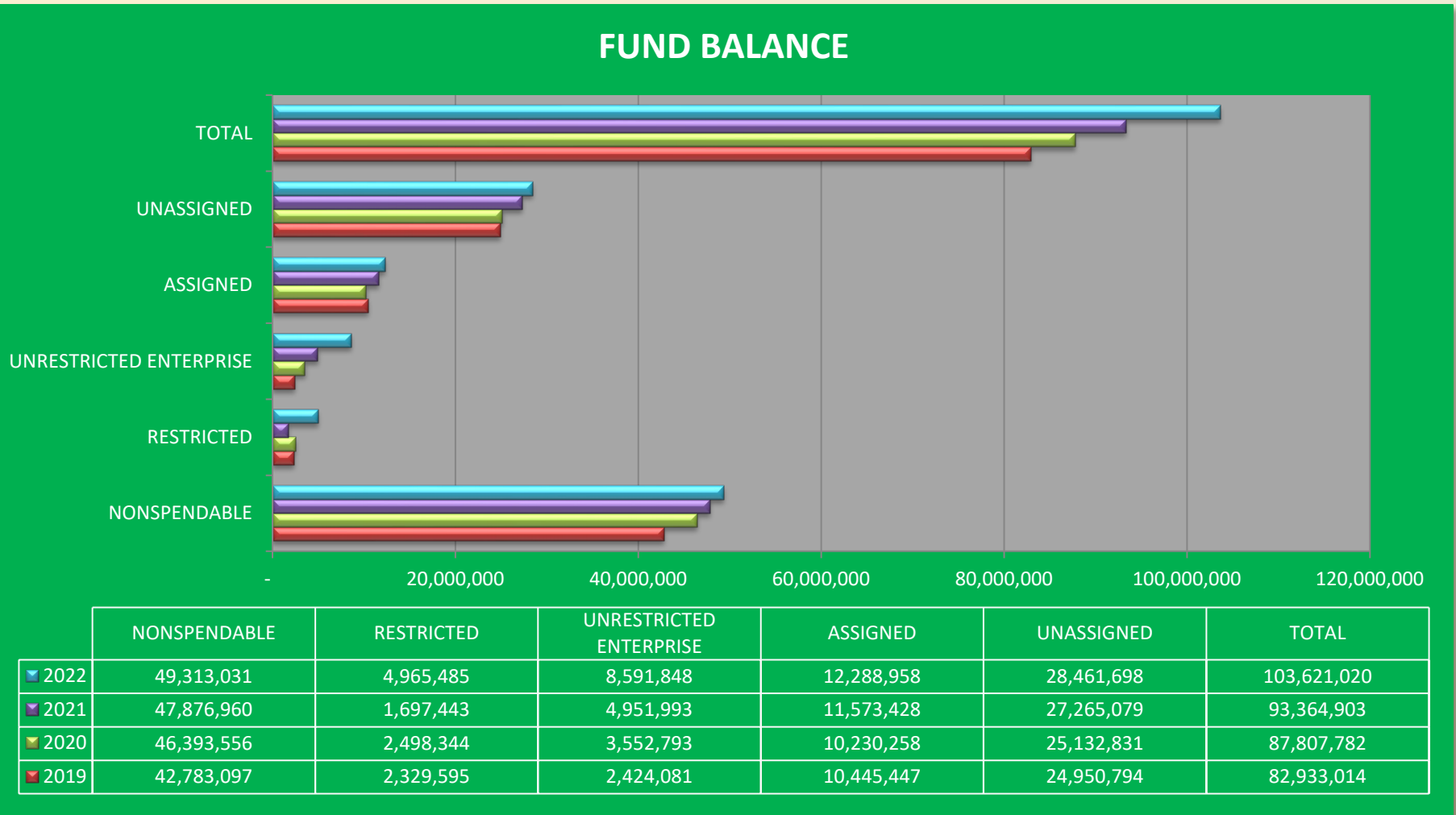
TOWN OF CHRISTIANSBURG AUDIT SUMMARY 2022

ASSETS AND LIABILITIES



	CURRENT ASSETS	CURRENT LIABILITIES	LONG TERM DEBT
2022	82,960,525	19,622,291	20,183,903
2021	67,620,915	13,444,355	12,305,400
2020	54,005,652	10,427,897	14,086,663
2019	54,054,016	6,581,536	15,821,162

TOWN OF CHRISTIANSBURG AUDIT SUMMARY 2022



TOWN OF CHRISTIANSBURG AUDIT SUMMARY 2022

FUND BALANCE POLICY

Fund balance Goals General fund

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

TOWN OF CHRISTIANSBURG		
FUND BALANCE REVIEW FOR THE YEAR ENDED JUNE 30, 2022		
pre audit report	REFERENCE	ACTUAL
GENERAL FUND EXPENDITURES	AUDIT PG 30	29,177,096
CEMETERY FUND EXPENDITURES	AUDIT PG 102	245,859
CAPITAL PROJECTS FUNDS	AUDIT PG 30	12,151,616
WATER AND SEWER ENTERPRISE FUND	AUDIT PG 34	9,647,793
STORM WATER ENTERPRISE FUND	AUDIT PG 34	896,138
TOTAL EXPENDITURES		52,118,502
LESS CAPITAL EXPENDITURES GENERAL FUND	CAPITAL WS	3,260,265
LESS CAPITAL EXPENDITURES CEMETERY FUND		10,750
LESS CAPITAL PROJECT FUND EXPENDITURES	AUDIT PG 30	12,151,616
TOTAL OPERATING EXPENDITURES		36,695,871
FUND BALANCE UNASSIGNED 6/30/2022	AUDIT PG 30	28,461,698
PERCENTAGE OF EXPENDITURES TO UNASSIGNED		77.56%
FUND BALANCE USED FOR 2023 BUDGET CAPITAL ROLLOVER	BUDGET	4,728,029
ADDITIONAL BUDGET ROLLOVERS CAPITAL PROJECTS		1,629,002
AMENDMENT 1 2023 BUDGET MODIFICATION AND OTHER USES		675,300
TOTAL FUND BALANCE USES		7,032,331
PERCENTAGE OF EXPENDITURES TO UNASSIGNED		58.40%
ADDITIONAL ASSIGNMENT TO RESERVES		1,600,000
TOTAL ASSIGNMENT OF RESERVES		1,600,000
PERCENTAGE OF EXPENDITURES TO UNASSIGNED		
AFTER NEW RESERVES IN 2023 BUDGET		54.04%

TOWN OF CHRISTIANSBURG AUDIT SUMMARY 2022

- Our Unassigned Fund Balance increased 1.2 million over our expectations as compared to last year and our budget expectations.
- Our unassigned fund balance is at 54% after consideration of fund balance use in the FY 2023 budget, additional amounts to reserves in the FY 2023 budget along with the Budget Amendment #1
- We have sufficient unassigned fund balances to allocate additional amounts to assigned fund balances for known upcoming major capital needs. We will need to address those assignments to be in compliance with the fund policy.
 - Recommendations to consider for assignments:
 - Fire Truck Reserve \$1,250,000
 - Park reserve to cover funds not yet received from sale of lots \$2,000,000
 - Treatment Plant reserves \$500,000
 - Emergency Services Building Reserve \$500,000
 - Capital Projects \$500,000

These amounts will put us in compliance with our policy and still have sufficient funds for unknown events. 41%

TOWN OF CHRISTIANSBURG AUDIT SUMMARY 2022

- Overall we were consistent with revenue numbers being better than budgeted and expenditures less than budgeted.
- Reserves and liquidity are good and we should be able to manage well during this upcoming year with whatever the economic challenges maybe.
- As discussed during budget amendment work session we will be adding on call pay for public works annual cost approximately \$191,000
- Update on a few numbers for the current year:
 - Meals taxes are up 11% over 2022 levels for the same 4 month period
 - Lodging is UP 3% for the first 4 months of 2023 as compared to the same 4 month period last year.
 - Sales tax is revenues are up 4% as compared to the same 3month period last year.

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- Major Initiatives moving into this year include:
 - Implementation of the new software selected in FY 2020 is underway, the full implementation is expected to take another 2 years
 - Park Project
 - Roanoke Street Waterline replacement and sidewalks
 - Annual Paving projects
 - Biosolid dewatering design
 - Hickok Street Improvements
 - College Street and Stone Street drainage
 - Cambria Drainage Basin I&I
 - Pedestrian Improvements along Roanoke Street

QUESTIONS?