TOWN OF
CHRISTIANSBURG
CHRISTIANSBURG VA.
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

<table>
<thead>
<tr>
<th>Revenues</th>
<th>2019</th>
<th>2020</th>
<th>2021</th>
<th>2022</th>
<th>Increase (decrease) over 2021</th>
</tr>
</thead>
<tbody>
<tr>
<td>General Fund</td>
<td>30,557,111</td>
<td>30,048,301</td>
<td>30,201,297</td>
<td>34,926,251</td>
<td>4,724,954</td>
</tr>
<tr>
<td>Spec Rev Funds</td>
<td>1,577,449</td>
<td>1,876,411</td>
<td>4,313,537</td>
<td>2,006,933</td>
<td>(2,306,544)</td>
</tr>
<tr>
<td>Cemetery</td>
<td>107,239</td>
<td>149,677</td>
<td>150,896</td>
<td>170,243</td>
<td>19,347</td>
</tr>
<tr>
<td>GF Capital Projects</td>
<td>3,608,916</td>
<td>8,054,236</td>
<td>1,581,272</td>
<td>2,160,375</td>
<td>579,103</td>
</tr>
<tr>
<td>Enterprise W&amp;S</td>
<td>10,989,344</td>
<td>11,775,306</td>
<td>11,219,076</td>
<td>11,751,171</td>
<td>532,095</td>
</tr>
<tr>
<td>Storm Water</td>
<td>2,421,103</td>
<td>1,875,764,</td>
<td>1,475,327</td>
<td>1,479,885</td>
<td>4,558</td>
</tr>
</tbody>
</table>
## TOWN OF CHRISTIANSBURG AUDIT SUMMARY 2022

- **EXPENDITURES AS COMPARED TO PRIOR YEARS**

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

SUMMARY 2022

REVENUES AND EXPENDITURES AS COMPARED TO BUDGET

BUDGET TO ACTUAL GEN FUND AND WATER SEWER ENTERPRISE

<table>
<thead>
<tr>
<th></th>
<th>GEN FUND REVENUES</th>
<th>GEN FUND EXP</th>
<th>ENTERPRISE W&amp;S REVENUES</th>
<th>ENTERPRISE W&amp;S EXP</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>ACTUAL</strong></td>
<td>34,926,251</td>
<td>29,177,096</td>
<td>11,751,171</td>
<td>9,647,793</td>
</tr>
<tr>
<td><strong>BUDGET</strong></td>
<td>29,305,689</td>
<td>31,538,351</td>
<td>11,763,500</td>
<td>9,707,151</td>
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TOWN OF CHRISTIANSBURG AUDIT SUMMARY 2022

REVENUES AND EXPENDITURES AS COMPARED TO BUDGET

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

- ENTERPRISE STORMWATER REVENUE
- ENTERPRISE STORMWATER EXP
- SPECIAL REVENUE FUNDS REVENUES
- SPECIAL REVENUE FUNDS EXPENSES
- CEMETERY FUND REVENUES
- CEMETERY FUND EXPENSES

ACTUAL  BUDGET
WHERE DID THE REVENUE COME FROM

- **Property Taxes**: 10%
- **Sales Taxes**: 5%
- **Meals Tax**: 17%
- **Lodging Tax**: 4%
- **Franchise**: 3%
- **Business License**: 6%
- **Other Taxes**: 2%
- **Other CHARGES FOR SERVICES**: 5%
- **Intergovernmental**: 20%
- **Stormwater**: 3%
- **Cemetery**: >1%
- **Water and Sewer**: 22%
- **Interdepartmental**: 17%
- **Intergovernmental**: 20%
TOWN OF CHRISTIANSBURG AUDIT SUMMARY 2022

- **EXPENDITURES**
  - CAPITAL OUTLAY: 24%
  - WATER AND SEWER: 19%
  - POLICE FIRE RESCUE INSPECTIONS: 25%
  - PUBLIC WORKS: 13%
  - PARKS AND RECREATION: 10%
  - COMMUNITY DEVELOPMENT: 3%
  - STORM WATER: 2%
  - DEBT SERVICE: 3%
  - CEMETERY: >1%
  - WATER AND SEWER: 19%

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

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

### ASSETS AND LIABILITIES

![Bar Chart of Assets and Liabilities](chart.png)
TOWN OF CHRISTIANSBURG AUDIT SUMMARY 2022

FUND BALANCE

<table>
<thead>
<tr>
<th></th>
<th>2019</th>
<th>2020</th>
<th>2021</th>
<th>2022</th>
</tr>
</thead>
<tbody>
<tr>
<td>NONSPENDABLE</td>
<td>42,783,097</td>
<td>46,393,556</td>
<td>47,876,960</td>
<td>49,313,031</td>
</tr>
<tr>
<td>RESTRICTED</td>
<td>2,329,595</td>
<td>2,498,344</td>
<td>1,697,443</td>
<td>4,965,485</td>
</tr>
<tr>
<td>UNRESTRICTED ENTERPRISE</td>
<td>2,424,081</td>
<td>3,552,793</td>
<td>4,951,993</td>
<td>8,591,848</td>
</tr>
<tr>
<td>ASSIGNED</td>
<td>10,445,447</td>
<td>10,230,258</td>
<td>11,573,428</td>
<td>12,288,958</td>
</tr>
<tr>
<td>UNASSIGNED</td>
<td>24,950,794</td>
<td>25,132,831</td>
<td>27,265,079</td>
<td>28,461,698</td>
</tr>
<tr>
<td>TOTAL</td>
<td>82,933,014</td>
<td>87,807,782</td>
<td>93,364,903</td>
<td>103,621,020</td>
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</table>
FUND BALANCE POLICY
Fund balance Goals General fund

The Town shall seek to maintain unassigned fund balance of between 35-40% of all expenditures in the preceding fiscal year. Expenditures shall include operating expenses (excluding capital) of the general fund, permanent fund and enterprise funds less any unassigned fund balance in the permanent fund and the enterprise fund. If the unassigned fund balance after conclusion of the annual audit exceeds 45% a review shall be conducted and appropriate actions shall be taken. If the unassigned fund balance is less than 30% a plan shall be developed to restore the reserves in an acceptable manner under the circumstances.
TOWN OF CHRISTIANSBURG AUDIT SUMMARY 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 3 month period last year.
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?