



Comprehensive Annual Financial Report

For Fiscal Year Ended June 30, 2020

TOWN OF CHRISTIANBURG, VIRGINIA

COMPREHENSIVE ANNUAL FINANCIAL REPORT

FOR THE YEAR ENDED JUNE 30, 2020

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

**TOWN OF CHRISTIANBURG, VIRGINIA
COMPREHENSIVE ANNUAL FINANCIAL REPORT
FOR THE YEAR ENDED JUNE 30, 2020**

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INTRODUCTORY SECTION



November 12, 2020

**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, 2020.

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, 2020, 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, 2020, 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 22,473 residents (2019 U.S. Census estimate). 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 economy hard as 27% of our general fund revenues are derived from meals and lodging taxes that have been greatly reduced by the pandemic as sports and swimming events that draw numerous visitors to our community have been cancelled or severely restricted in attendance. The Town's reserves remain stable and we are operating within our fund balance policy even with the current constraints.

Town of Christiansburg
Letter of Transmittal continued

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 taping of monthly meetings are now 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 as required to 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. Five years ago 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 six 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 \$1,263,319. 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, 2019 is approximately \$9.3 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 \$2,594,676 as of the last measurement date of June 30, 2020. 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 nearly 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 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. Work has been completed on the upgrade to the ultraviolet disinfection system. This upgrade will help to ensure clean effluent is discharged to the New River. Design of this project was completed in fiscal year ending June 30, 2018 and construction completed in fiscal year ending June 30, 2020.

Engineering Department

During this fiscal year we completed several large infrastructure projects.

\$1.571 million was expended for repaving streets throughout town and major design work started for intersection improvements for Arbor drive and Tower road.

The N. Franklin storm drain project was completed this year at a cost of \$850,000.

Falling Branch Intersection improvements were completed at a cost of \$2.055 million.

Huckleberry Trail Phase III along N. Franklin was completed at a cost of \$1.2 million.

Depot Park Trail was completed at a cost of \$314,600.

Chrisman Mill crossing is nearly complete as of June 30th at a cost of \$854,350 and the North Franklin Cambria intersection improvements at a cost of approximately \$7.7 million to date.

The N. Franklin Drainage project was also nearly complete at June 30 with a cost to date of \$871,000 and the College Street Drainage and I&I Improvements at a cost of \$1.95 million.

Engineering and design for the new park development off Pepper's Ferry Road along with a future connector road through the park continues with designs now at 80%. Consideration to move forward with the project was approved by Town Council on November 10, 2020.

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.

Christiansburg Police Officer Receives MADD Award

Christiansburg Police Department's Officer David Haidle was one of more than 200 law enforcement officials throughout the Commonwealth of Virginia recognized for outstanding efforts in DWI enforcement and education on Wednesday, Sept. 30, 2020 in a virtual ceremony on the @MADDVA Facebook page.

Each year, MADD recognizes the brave men and women of Virginia for their commitment to end drunk driving, help fight drugged driving, support the victims of these violent crimes and prevent underage drinking. Law enforcement plays a critical role in the fight to eliminate this 100% preventable crime.

The Christiansburg Rescue Squad was recognized by the American Heart Association with the Gold Plus EMS Award for outstanding Achievements in Cardiac Care in both 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-ACS) heart attacks.

Town of Christiansburg
Letter of Transmittal continued

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.



The Christiansburg Rescue Squad was also recognized by the Western Virginia EMS Council for Innovation Excellence.

Christiansburg Rescue was recognized for its overarching medical goal to embrace and practice evidenced-based medicine.

For nearly a decade, Rescue has been adopting new ideas and concepts in EMS based on sound evidence, peer-reviewed research and national advances in the profession. By consistently producing quality patient outcomes,

Town of Christiansburg
Letter of Transmittal continued

Christiansburg Rescue demonstrates the importance of adopting an evidence-based approach. Christiansburg Rescue continues to research and evaluate its procedures, technology and interventions to promote better health in the community it serves.



Public Works Wastewater Treatment Facility Becomes First Public Facility to Achieve SHARP Certification



Public Works Wastewater Treatment Facility Becomes First Public Facility to Achieve SHARP Certification continued

This spring, the Town of Christiansburg became the first locality in Virginia to have a facility receive a Safety and Health Achievement Recognition Program (SHARP) Worksite status from the Virginia Occupational Safety and Health (VOSH).

The Christiansburg Public Works Wastewater Treatment Facility (WWTF) exemplified an outstanding commitment to safety and became the first public sector facility in the state to achieve this recognition. The Public Works Operations Center is soon to follow as it is already in Pre-SHARP standing.

SHARP encourages small, high-hazard employers to develop, implement and improve the effectiveness of their workplace safety and health management system and recognizes those who operate an exemplary system. SHARP Worksite status is given only after rounds of thorough site and safety record inspections are completed by OSHA and VOSH. After program requirements are met, the facility reports are sent to the Commissioner of OSHA for final approval. Being the first in Virginia, the SHARP Worksite status is an achievement that sets Christiansburg's WWTF as a model for worksite safety and health.

Christiansburg Named VDOT 2020 Locality of the Year

On August 3, Virginia Department of Transportation (VDOT) Salem District announced the Town of Christiansburg as its Locality of the Year. This award signifies the Engineering Department's hard work, effort 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.

This year's award was presented virtually in a YouTube Live video. Programming and Investment Management Director Anthony Ford said Christiansburg scored 64 points out of 68, and out of nearly 30 localities, Christiansburg has been very competitive every year VDOT has awarded Locality of the Year. Ford recognized the Christiansburg Engineering Department's commitment to bettering their program and improving the delivery of their VDOT-funded projects.

Town of Christiansburg
Letter of Transmittal continued

Delivering locally administered projects successfully gives localities' credibility with taxpayers, legislators and contractors. These performance metrics help ensure that projects will be completed efficiently. Commonwealth Transportation Board Salem District Member Dr. Raymond Smoot, Jr. said during the YouTube Live video that recognizing Christiansburg is important because it emphasizes delivering projects on time and on budget. Dr. Smoot focused on the fact that Christiansburg managed projects totaling nearly \$10 million this past year, contributing significantly to facilitating transportation in our region.

Parks and Recreation Receives Best New Program by VRPS for Second Year

For the second year in a row, the Christiansburg Parks and Recreation Department was awarded Best New Program by the Virginia Recreation & Park Society! Last year, the department won for its Fire Academy, and this year, it was recognized for a program that has brought together a volunteer group of crafters with a mission to help others.

Helping Hands is comprised of approximately 20 volunteers who make items to donate to those in need in our community. Helping Hands sets a goal each month to take on a new project that will benefit the community; some projects include hats for local heart patients, scarves for veterans, shawls for nursing homes and blankets for babies. In addition to these monthly projects, Helping Hands also keeps a coat rack at the Christiansburg Recreation Center during the winter months with hats, scarves and gloves—free to anyone who needs them.



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

Last year was the eighth 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, 2019. 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 2019. 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 2020.

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, 2019

Christopher P. Morrell

Executive Director/CEO

TOWN OF CHRISTIANSBURG, VIRGINIA

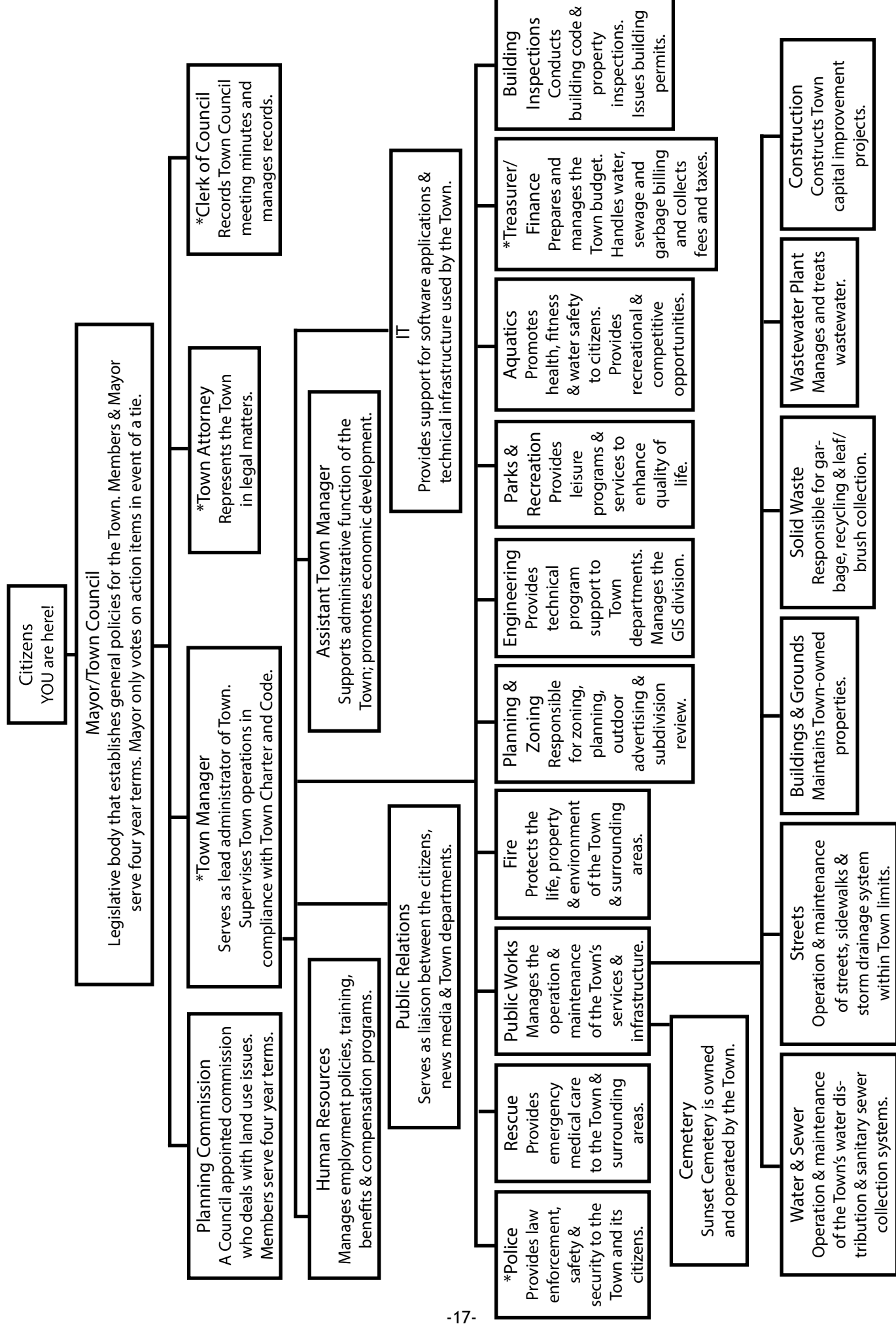
TOWN COUNCIL

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
Wayne Nelson, PE Director of Engineering
Jim Lancianese..... Director of Public Works
Will Drake..... Director of Planning
Mark SissonChief of Police
Brad Epperley Director of Parks and Recreation
David Brahmstadt..... Director of Human Resources
Melissa Demmitt Director of Public Relations
Jerry Heinline Director of Building Department
Terry Caldwell Director of Aquatics
Billy Hanks..... Fire Chief
Joe CoyleRescue 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, 2020, 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, 2020, 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 21-29, 90, and 91-98, 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 12, 2020, 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, Famer, Cox Associates

Blacksburg, Virginia
November 12, 2020

**TOWN OF CHRISTIANSBURG, VIRGINIA
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEAR ENDED JUNE 30, 2020**

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, 2020. It should be read in conjunction with the Town's basic financial statements.

FINANCIAL HIGHLIGHTS

- The Town's total net position increased by \$13,016,921 during the fiscal year, on the government-wide basis. The Town's total net position, on the government-wide basis, totaled \$192,777,076 at June 30, 2019. Net Position as of June 30, 2020 is \$205,793,997. Of this amount, \$26,173,302 may be used to meet ongoing obligations to citizens and creditors, \$176,329,663 is invested in capital assets, net of related debt, \$792,688 is restricted for perpetual care in the Cemetery Fund; \$2,498,344 is restricted for other purposes.
- On a government-wide basis for governmental activities, the Town had expenses (including transfers) net of program revenues of \$14,445,833, which were \$8,609,854 less than the general revenues, of \$23,055,687.
- At June 30, 2020 the Town's Governmental Funds Balance Sheet reported total ending fund balances of \$39,072,015 of which \$1,210,582 was nonspendable as a part of the cemetery perpetual care fund and prepaid expenses of the general fund, \$2,498,344 was restricted by law or donor restrictions; \$10,230,258 was assigned to specific savings for future needs of the Town and \$25,132,831 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 32 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 33 and 35.

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 \$205,793,997 at the close of the most recent fiscal year, June 30, 2020.

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, 2019 and June 30, 2020
(In Thousands)

	Governmental Activities		Business-type Activities		Total Primary Government	
	2020	2019	2020	2019	2020	2019
Current and other assets	\$ 48,013	\$ 48,384	\$ 6,813	\$ 5,647	\$ 54,826	\$ 54,031
Capital assets, net	141,633	133,930	48,532	46,166	190,165	180,096
Total Assets	\$ 189,646	\$ 182,314	\$ 55,345	\$ 51,813	\$ 244,991	\$ 234,127
Deferred charge on refunding, net	\$ 250	\$ 269	\$ -	\$ -	\$ 250	\$ 269
Pension related items	2,025	1,023	444	259	2,469	1,282
OPEB related items	911	441	63	13	974	454
Total Deferred Outflows of Resources	\$ 3,186	\$ 1,733	\$ 507	\$ 272	\$ 3,693	\$ 1,551
Other liabilities	\$ 3,754	\$ 4,300	\$ 1,393	\$ 1,406	\$ 5,147	\$ 5,706
Long-term liabilities	26,019	24,555	5,572	6,134	31,591	30,689
Total Liabilities	\$ 29,773	\$ 28,855	\$ 6,965	\$ 7,540	\$ 36,738	\$ 36,395
Pension related items	\$ 701	\$ 1,148	\$ 133	\$ 204	\$ 834	\$ 1,352
OPEB related items	291	268	19	12	310	280
Deferred tax revenue	5,008	5,328	-	-	5,008	5,328
Total Deferred Inflows of Resources	\$ 6,000	\$ 6,744	\$ 152	\$ 216	\$ 6,152	\$ 6,960
Net investment in capital assets	\$ 131,146	\$ 122,641	\$ 45,183	\$ 41,905	\$ 176,329	\$ 164,546
Restricted	3,291	728	-	-	3,291	728
Unrestricted	22,621	25,079	3,553	2,424	26,174	27,503
Total Net Position	\$ 157,058	\$ 148,448	\$ 48,736	\$ 44,329	\$ 205,794	\$ 192,777

The Town's combined net position increased from \$192,777,076 to \$205,793,997. This increase is primarily due to the addition of several large capital projects completed in 2020. Unrestricted net position, the portion of net position that can be used to finance the day-to-day operations of the Town totaled \$26,173,302. Net investment in capital assets, represents the amount of capital assets owned by the Town, including infrastructure, net of any outstanding debt. Net position is 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 \$3,291,032; \$792,688 is restricted for the use of perpetual care in the Cemetery Fund, and \$2,498,344 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, 2019 and 2020							
(In Thousands)							
	Governmental Activities		Business-type Activities		Total Primary Government		
	2020	2019	2020	2019	2020	2019	
Revenues:							
Program Revenues:							
Charges for services	\$ 4,179	\$ 4,190	\$ 13,212	\$ 12,422	\$ 17,391	\$ 16,612	
Operating grants and contributions	4,898	4,217	-	-	4,898	4,217	
Capital grants and contributions	8,054	7,100	1,479	1,189	9,533	8,289	
General Revenues:							
Property taxes	4,941	4,589	-	-	4,941	4,589	
Other Local Taxes:							
Local sales and use tax	2,143	2,077	-	-	2,143	2,077	
Business, Professional & occupational license tax	2,723	2,604	-	-	2,723	2,604	
Restaurant food taxes	6,692	7,283	-	-	6,692	7,283	
Other local taxes	4,066	4,338	-	-	4,066	4,338	
Unrestricted revenues from use of money and property	882	1,099	-	-	882	1,099	
Miscellaneous	442	1,050	-	-	442	1,050	
Grants and contributions not restricted to specific programs	1,168	1,207	-	-	1,168	1,207	
Total Revenues	\$ 40,188	\$ 39,754	\$ 14,691	\$ 13,611	\$ 54,879	\$ 53,365	
Expenses							
General Government	\$ 3,369	\$ 3,113	\$ -	\$ -	\$ 3,369	\$ 3,113	
Public Safety	10,735	9,917	-	-	10,735	9,917	
Public works	9,125	9,839	-	-	9,125	9,839	
Health and Welfare	4	4	-	-	4	4	
Parks, Recreation and Cultural	5,051	4,601	-	-	5,051	4,601	
Community Development	3,081	1,180	-	-	3,081	1,180	
Interest and fiscal Charges	213	227	-	-	213	227	
Water and Sewer	-	-	9,445	9,346	9,445	9,346	
Stormwater	-	-	839	768	839	768	
Total Expenses	\$ 31,578	\$ 28,881	\$ 10,284	\$ 10,114	\$ 41,862	\$ 38,995	
Change in net position	8,610	10,873	4,407	3,497	13,017	14,370	
Net position, beginning	148,448	137,575	44,329	40,049	192,777	177,624	
Prior period adjustments	-	-	-	783	-	783	
Net position, ending	\$ 157,058	\$ 148,448	\$ 48,736	\$ 44,329	\$ 205,794	\$ 192,777	

MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)

The property tax classification, which comprises approximately 12% 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. Real estate tax revenues totaled \$3,604,356.

Sales taxes, consumer's utility taxes, business and professional occupational license taxes, prepared food and beverage taxes, transient room taxes, and cigarette taxes comprised the majority of other local taxes collected by the Town. Other taxes comprised approximately 39% 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 34% 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 29% 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 16% 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, 2020, the governmental funds reflect a total fund balance of \$39,072,015. Of this amount, \$25,132,831 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 63%.

The General Fund balance increased by \$219,935 during the fiscal year ending June 30, 2020 which was less than expected due primarily to a significant decrease in meals and lodging tax revenues as a result of COVID-19.

The other governmental funds fund balance increased by \$247,766 from the prior year due primarily to the receipt of CARES Act Funds in 2020.

Local taxes generated the majority of General Fund revenue, totaling approximately \$20.5 million in fiscal year ending June 30, 2020.

Intergovernmental revenue is the second largest source of General Fund revenues, generating approximately \$5,365,994 million in fiscal year ending June 30, 2020. The majority of this revenue is received from the Commonwealth and includes reimbursement for law enforcement funding received under House Bill 599, street maintenance funds from the Virginia Department of Transportation, and communication taxes from the Commonwealth.

MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)

GENERAL FUND BUDGETARY HIGHLIGHTS

General Fund revenues were less than the budgeted revenues by \$244,145. This was primarily due to the decrease in meals and lodging tax, and recreation and aquatics revenue due to COVID-19.

General Fund expenditures were less than the budgeted amount by \$6,134,351 for general operations due primarily to delayed projects and asset purchases as well as department-controlled spending.

CAPITAL ASSETS

As of June 30, 2020, the Town's capital assets for its governmental and business-type activities amounted to \$190,165,751 (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 \$10,068,372. 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	
	2020	2019	2020	2019	2020	2019
Land	\$ 8,193	\$ 8,193	\$ 12	\$ 12	\$ 8,205	\$ 8,205
Construction in progress	10,070	4,512	2,329	2,997	12,399	7,509
Building and Improvement	24,893	25,119	-	-	24,893	25,119
Machinery & Equipment	6,434	5,824	3,178	3,387	9,612	9,211
Infrastructure	92,043	90,283	43,014	39,770	135,057	130,053
Total	<u>\$ 141,633</u>	<u>\$ 133,931</u>	<u>\$ 48,533</u>	<u>\$ 46,166</u>	<u>\$ 190,166</u>	<u>\$ 180,097</u>

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, 2020, 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 \$14,086,663; which is comprised of \$10,737,020 related to governmental activities, and \$3,349,643 related to business-type activities. Total debt decreased by \$1,734,499 during the fiscal year. This is due to the annual retirement of existing debt of \$1,734,499.

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 \$14,086,663 (excluding premiums) is well below the legal debt limit of \$227,598,920 (see Table 13 of Statistical Section).

Interest and fiscal charges for fiscal year ending June 30, 2020 were \$197,612 of the total governmental activities expenses and \$108,515 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 2020 has declined over the previous year due primarily to revenue reductions caused by COVID-19. In addition, the unemployment rate increased from 3.2% at June 30, 2019 to 6.6% as of June 2020. The unemployment rate for the Commonwealth of Virginia at June 30, 2020 was at 8.2% as compared to the U.S. overall rate of 11.2%.

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 3% 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.

Unfortunately, meals and lodging taxes assessed by the Town both decreased due specifically to COVID-19. Meals tax decreased by 9% and lodging taxes decreased by 14%.

In the fiscal year ending, June 30, 2020, we saw an 81% increase in building permits within the Town which is indicative of a bump in the construction industry and construction activities within the Town by developers.

Overall, these signals seem to indicate the economy in our area is stable despite the effects of COVID-19, with small growth in the retail and real estate markets. The Town also has 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, 2020

	Primary Government		
	Governmental	Business-type	
	<u>Activities</u>	<u>Activities</u>	<u>Total</u>
ASSETS			
Cash and cash equivalents	\$ 32,666,755	\$ -	\$ 32,666,755
Cash and cash equivalents - restricted	3,071,975	-	3,071,975
Investments	5,905,703	-	5,905,703
Receivables (net of allowance for uncollectibles):			
Taxes receivable	5,290,354	-	5,290,354
Accounts receivable	1,117,566	1,380,125	2,497,691
Internal balances	(5,179,997)	5,179,997	-
Due from other governmental units	4,722,165	252,397	4,974,562
Prepaid items	417,894	-	417,894
Capital assets not being depreciated:			
Land	8,193,117	12,500	8,205,617
Construction in progress	10,070,541	2,328,640	12,399,181
Capital assets, net of accumulated depreciation:			
Buildings and improvements	24,892,756	-	24,892,756
Machinery, equipment, and vehicles	6,434,352	3,178,229	9,612,581
Infrastructure	92,042,368	43,013,248	135,055,616
Total assets	<u>\$ 189,645,549</u>	<u>\$ 55,345,136</u>	<u>\$ 244,990,685</u>
DEFERRED OUTFLOWS OF RESOURCES			
Deferred charges on refunding	\$ 250,575	\$ -	\$ 250,575
OPEB related items	911,092	63,449	974,541
Pension related items	2,024,742	444,209	2,468,951
Total deferred outflows of resources	<u>\$ 3,186,409</u>	<u>\$ 507,658</u>	<u>\$ 3,694,067</u>
LIABILITIES			
Accounts payable and accrued liabilities	\$ 3,690,480	\$ 890,804	\$ 4,581,284
Customers' deposits	-	464,741	464,741
Accrued interest payable	63,618	36,996	100,614
Unearned revenues	696	-	696
Noncurrent liabilities:			
Due within one year	1,171,812	974,725	2,146,537
Due in more than one year	24,846,597	4,597,027	29,443,624
Total liabilities	<u>\$ 29,773,203</u>	<u>\$ 6,964,293</u>	<u>\$ 36,737,496</u>
DEFERRED INFLOWS OF RESOURCES			
Deferred revenue - property taxes	\$ 5,003,079	\$ -	\$ 5,003,079
Deferred revenue - prepaid taxes	5,408	-	5,408
OPEB related items	291,211	19,589	310,800
Pension related items	700,827	133,145	833,972
Total deferred inflows of resources	<u>\$ 6,000,525</u>	<u>\$ 152,734</u>	<u>\$ 6,153,259</u>
NET POSITION			
Net investment in capital assets	\$ 131,146,689	\$ 45,182,974	\$ 176,329,663
Restricted:			
Nonexpendable:			
Cemetery	792,688	-	792,688
Expendable:			
Volunteer Fire Department	1,129,181	-	1,129,181
Lifesaving and Rescue	1,185,924	-	1,185,924
Police Department Grants	73,404	-	73,404
Recreation and Streets Grants	109,835	-	109,835
Unrestricted (deficit)	22,620,509	3,552,793	26,173,302
Total net position	<u>\$ 157,058,230</u>	<u>\$ 48,735,767</u>	<u>\$ 205,793,997</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, 2020

Functions/Programs	Program Revenues				Net (Expense) Revenue and Changes in Net Position		
	Expenses	Charges for Services	Operating		Governmental Activities	Primary Government Business-type Activities	
			Grants and Contributions	Grants and Contributions		Governmental Activities	Total
Governmental activities:							
General government administration	\$ 3,368,719	\$ -	\$ -	\$ -	\$ (3,368,719)	\$ -	\$ (3,368,719)
Public safety	10,735,137	1,252,710	1,168,662	-	(8,313,765)	-	(8,313,765)
Public works	9,125,433	2,007,414	3,704,841	8,054,236	4,641,058	-	4,641,058
Health and welfare	4,494	-	-	-	(4,494)	-	(4,494)
Parks, recreation, and cultural	5,050,766	918,537	-	-	(4,132,229)	-	(4,132,229)
Community development	3,080,724	766	25,006	-	(3,054,952)	-	(3,054,952)
Interest on long-term debt	212,732	-	-	-	(212,732)	-	(212,732)
Total governmental activities	\$ 31,578,005	\$ 4,179,427	\$ 4,898,509	\$ 8,054,236	\$ (14,445,833)	\$ -	\$ (14,445,833)
Business-type activities:							
Water and Sewer	\$ 9,445,195	\$ 11,775,306	\$ -	\$ 955,180	\$ -	\$ 3,285,291	\$ 3,285,291
Stormwater	839,408	1,436,821	-	524,363	-	1,121,776	1,121,776
Total business-type activities	\$ 10,284,603	\$ 13,212,127	\$ -	\$ 1,479,543	\$ -	\$ 4,407,067	\$ 4,407,067
Total	\$ 41,862,608	\$ 17,391,554	\$ 4,898,509	\$ 9,533,779	\$ (14,445,833)	\$ 4,407,067	\$ (10,038,766)
General revenues:							
General property taxes					\$ 4,941,041	\$ -	\$ 4,941,041
Other local taxes:							
Restaurant food taxes					6,692,216	-	6,692,216
Business license taxes					2,722,613	-	2,722,613
Local sales and use taxes					2,142,903	-	2,142,903
Lodging taxes					1,405,149	-	1,405,149
Bank stock taxes					884,585	-	884,585
Motor vehicle licenses					572,669	-	572,669
Consumers' utility taxes					600,518	-	600,518
Other local taxes					601,784	-	601,784
Unrestricted revenues from use of money and property					882,396	-	882,396
Miscellaneous					441,509	-	441,509
Grants and contributions not restricted to specific programs					1,168,304	-	1,168,304
Total general revenues					\$ 23,055,687	\$ -	\$ 23,055,687
Change in net position					\$ 8,609,854	\$ 4,407,067	\$ 13,016,921
Net position - beginning					148,448,376	44,328,700	192,777,076
Net position - ending					\$ 157,058,230	\$ 48,735,767	\$ 205,793,997

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

Town of Christiansburg, Virginia
Balance Sheet
Governmental Funds
June 30, 2020

	<u>General</u>	<u>Capital Projects</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
ASSETS				
Cash and cash equivalents	\$ 32,539,231	\$ -	\$ 127,524	\$ 32,666,755
Cash and cash equivalents - restricted	-	-	3,071,975	3,071,975
Investments	5,905,703	-	-	5,905,703
Receivables (net of allowance for uncollectibles):				
Taxes receivable	5,290,354	-	-	5,290,354
Accounts receivable	965,688	-	151,878	1,117,566
Due from other funds	-	-	132,021	132,021
Due from other governmental units	493,580	3,762,586	465,999	4,722,165
Prepaid items	405,909	-	11,985	417,894
Total assets	<u>\$ 45,600,465</u>	<u>\$ 3,762,586</u>	<u>\$ 3,961,382</u>	<u>\$ 53,324,433</u>
LIABILITIES				
Accounts payable and accrued liabilities	\$ 3,651,925	\$ 24,910	\$ 13,645	\$ 3,690,480
Due to other funds	1,068,517	3,737,676	505,825	5,312,018
Unearned revenue	696	-	-	696
Total liabilities	<u>\$ 4,721,138</u>	<u>\$ 3,762,586</u>	<u>\$ 519,470</u>	<u>\$ 9,003,194</u>
DEFERRED INFLOWS OF RESOURCES				
Unavailable revenue - property taxes	\$ 5,232,445	\$ -	\$ -	\$ 5,232,445
Unavailable revenue - EMS billings	-	-	11,371	11,371
Deferred revenue - prepaid taxes	5,408	-	-	5,408
Total deferred inflows of resources	<u>\$ 5,237,853</u>	<u>\$ -</u>	<u>\$ 11,371</u>	<u>\$ 5,249,224</u>
FUND BALANCES				
Nonspendable	\$ 405,909	\$ -	\$ 804,673	\$ 1,210,582
Restricted	-	-	2,498,344	2,498,344
Assigned	10,102,734	-	127,524	10,230,258
Unassigned	25,132,831	-	-	25,132,831
Total fund balances	<u>\$ 35,641,474</u>	<u>\$ -</u>	<u>\$ 3,430,541</u>	<u>\$ 39,072,015</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 45,600,465</u>	<u>\$ 3,762,586</u>	<u>\$ 3,961,382</u>	<u>\$ 53,324,433</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, 2020

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

Total fund balances per Exhibit 3 - Balance Sheet - Governmental Funds	\$	39,072,015
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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	24,892,756		
Machinery and equipment	6,434,352		
Infrastructure	92,042,368		
Construction in progress	10,070,541		141,633,134

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	\$ 229,366		
Deferred revenue-EMS billings	11,371		240,737

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

Pension related items	\$ 2,024,742		
OPEB related items	911,092		
Deferred loss on refunding	250,575		3,186,409

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	\$ (10,737,020)		
Net pension liability	(7,760,616)		
Landfill liability	(511,835)		
Accrued interest payable	(63,618)		
Net OPEB liability	(4,159,661)		
Compensated absences	(2,849,277)		(26,082,027)

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

Pension related items	\$ (700,827)		
OPEB related items	(291,211)		(992,038)

Net position of governmental activities	\$	157,058,230
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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, 2020

	General Fund	Capital Projects	Other Governmental Funds	Total
REVENUES				
General property taxes	\$ 4,903,679	\$ -	\$ -	\$ 4,903,679
Other local taxes	15,622,437	-	-	15,622,437
Permits, privilege fees, and regulatory licenses	326,681	-	-	326,681
Fines and forfeitures	64,153	-	-	64,153
Revenue from the use of money and property	829,477	-	52,919	882,396
Charges for services	2,790,932	-	1,011,789	3,802,721
Miscellaneous	180,948	-	260,561	441,509
Intergovernmental	5,365,994	8,054,236	700,819	14,121,049
Total revenues	\$ 30,084,301	\$ 8,054,236	\$ 2,026,088	\$ 40,164,625
EXPENDITURES				
Current:				
General government administration	\$ 3,484,481	\$ -	\$ -	\$ 3,484,481
Public safety	9,228,455	-	1,693,798	10,922,253
Public works	5,832,096	-	-	5,832,096
Health and welfare	4,494	-	-	4,494
Parks, recreation, and cultural	3,805,800	-	210,355	4,016,155
Community development	2,972,615	-	-	2,972,615
Capital projects	-	11,444,878	-	11,444,878
Debt service:				
Principal	822,340	-	-	822,340
Interest and other fiscal charges	197,612	-	-	197,612
Total expenditures	\$ 26,347,893	\$ 11,444,878	\$ 1,904,153	\$ 39,696,924
Excess (deficiency) of revenues over (under) expenditures	\$ 3,736,408	\$ (3,390,642)	\$ 121,935	\$ 467,701
OTHER FINANCING SOURCES (USES)				
Transfers in	\$ -	\$ 3,390,642	\$ 125,831	\$ 3,516,473
Transfers out	(3,516,473)	-	-	(3,516,473)
Total other financing sources (uses)	\$ (3,516,473)	\$ 3,390,642	\$ 125,831	\$ -
Net change in fund balances	\$ 219,935	\$ -	\$ 247,766	\$ 467,701
Fund balances - beginning	35,421,539	-	3,182,775	38,604,314
Fund balances - ending	\$ 35,641,474	\$ -	\$ 3,430,541	\$ 39,072,015

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, 2020

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

Net change in fund balances - total governmental funds	\$	467,701
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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	\$ 13,194,353	
Depreciation expense	<u>(5,490,996)</u>	7,703,357

The net effect of various miscellaneous transactions involving capital assets (i.e., sales, trade-ins, and donations) is to decrease net position.		(1,181)
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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	\$ 11,863	
Increase (decrease) in unavailable revenue - EMS billings	<u>11,371</u>	23,234

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.

Principal payments:		
Bonds payable		822,340

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	\$ 190,416	
Changes in OPEB and related items	(187,164)	
(Increase) decrease in compensated absences	(393,729)	
(Increase) decrease in accrued interest payable	4,155	
Amortization of deferred charge on refunding	<u>(19,275)</u>	<u>(405,597)</u>

Change in net position of governmental activities	\$	<u>8,609,854</u>
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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, 2020

	Enterprise Funds		
	Water and Sewer Fund	Stormwater Fund	Total
ASSETS			
Current assets:			
Accounts receivable, net of allowance for uncollectibles	\$ 1,229,289	\$ 150,836	\$ 1,380,125
Due from other funds	4,735,804	444,193	5,179,997
Due from other governmental units	-	252,397	252,397
Total current assets	\$ 5,965,093	\$ 847,426	\$ 6,812,519
Noncurrent assets:			
Capital assets:			
Land	\$ 12,500	\$ -	\$ 12,500
Construction in progress	2,207,197	121,443	2,328,640
Machinery and equipment	2,882,693	295,536	3,178,229
Water system	12,194,316	-	12,194,316
Waste water system	9,888,328	-	9,888,328
Waste water treatment plant	15,530,474	-	15,530,474
Stormwater system	-	5,400,130	5,400,130
Total capital assets	\$ 42,715,508	\$ 5,817,109	\$ 48,532,617
Total noncurrent assets	\$ 42,715,508	\$ 5,817,109	\$ 48,532,617
Total assets	\$ 48,680,601	\$ 6,664,535	\$ 55,345,136
DEFERRED OUTFLOWS OF RESOURCES			
OPEB related items	\$ 50,719	\$ 12,730	\$ 63,449
Pension related items	317,914	126,295	444,209
Total deferred outflows of resources	\$ 368,633	\$ 139,025	\$ 507,658
LIABILITIES			
Current liabilities:			
Accounts payable and accrued liabilities	\$ 153,362	\$ 26,480	\$ 179,842
Customers' deposits	464,741	-	464,741
Accrued interest payable	36,996	-	36,996
Due to Water Authority	710,962	-	710,962
Compensated absences - current portion	28,832	3,330	32,162
Bonds payable - current portion	942,563	-	942,563
Total current liabilities	\$ 2,337,456	\$ 29,810	\$ 2,367,266
Noncurrent liabilities:			
Compensated absences - net of current portion	\$ 259,491	\$ 29,968	\$ 289,459
Bonds payable - net of current portion	2,407,080	-	2,407,080
Net OPEB liability	313,735	78,745	392,480
Net pension liability	1,257,754	250,254	1,508,008
Total noncurrent liabilities	\$ 4,238,060	\$ 358,967	\$ 4,597,027
Total liabilities	\$ 6,575,516	\$ 388,777	\$ 6,964,293
DEFERRED INFLOWS OF RESOURCES			
OPEB related items	\$ 15,659	\$ 3,930	\$ 19,589
Pension related items	122,492	10,653	133,145
Total deferred inflows of resources	\$ 138,151	\$ 14,583	\$ 152,734
NET POSITION			
Net investment in capital assets	\$ 39,365,865	\$ 5,817,109	\$ 45,182,974
Unrestricted	2,969,702	583,091	3,552,793
Total net position	\$ 42,335,567	\$ 6,400,200	\$ 48,735,767

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, 2020

	Enterprise Funds		
	Water and Sewer Fund	Stormwater Fund	Total
OPERATING REVENUES			
Charges for services:			
Water and sewer service fees	\$ 10,447,276	\$ -	\$ 10,447,276
Water and wastewater connection fees	1,113,597	-	1,113,597
Stormwater fees	-	1,436,821	1,436,821
Penalties and other	214,433	-	214,433
Total operating revenues	<u>\$ 11,775,306</u>	<u>\$ 1,436,821</u>	<u>\$ 13,212,127</u>
OPERATING EXPENSES			
Salaries and wages	\$ 1,626,191	408,163	\$ 2,034,354
Employee benefits	558,622	173,663	732,285
Purchase of water	3,186,715	-	3,186,715
Utilities	545,476	-	545,476
Maintenance and repairs	285,180	3,501	288,681
Depreciation	2,110,060	153,691	2,263,751
Materials and supplies	535,851	63,847	599,698
General and administrative	357,693	31,697	389,390
Professional services	130,892	4,846	135,738
Total operating expenses	<u>\$ 9,336,680</u>	<u>\$ 839,408</u>	<u>\$ 10,176,088</u>
Operating income (loss)	<u>\$ 2,438,626</u>	<u>\$ 597,413</u>	<u>\$ 3,036,039</u>
NONOPERATING REVENUES (EXPENSES)			
Interest expense	\$ (108,515)	\$ -	\$ (108,515)
Total nonoperating revenues (expenses)	<u>\$ (108,515)</u>	<u>\$ -</u>	<u>\$ (108,515)</u>
Income (loss) before contributions and grants	<u>\$ 2,330,111</u>	<u>\$ 597,413</u>	<u>\$ 2,927,524</u>
Capital contributions and construction grants	<u>955,180</u>	<u>524,363</u>	<u>1,479,543</u>
Change in net position	<u>\$ 3,285,291</u>	<u>\$ 1,121,776</u>	<u>\$ 4,407,067</u>
Net position - beginning	39,050,276	5,278,424	44,328,700
Net position - ending	<u><u>\$ 42,335,567</u></u>	<u><u>\$ 6,400,200</u></u>	<u><u>\$ 48,735,767</u></u>

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, 2020

	Enterprise Funds		
	Water and Sewer Fund	Stormwater Fund	Total
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from customers and users	\$ 11,629,393	\$ 1,441,154	\$ 13,070,547
Payments to and for employees	(2,187,873)	(527,795)	(2,715,668)
Payments for goods and services	(5,020,586)	(155,299)	(5,175,885)
Net cash provided by (used for) operating activities	\$ 4,420,934	\$ 758,060	\$ 5,178,994
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES			
Interfund borrowings	\$ (662,464)	\$ (220,259)	\$ (882,723)
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES			
Additions to capital assets	\$ (2,727,470)	\$ (861,877)	\$ (3,589,347)
Principal payments on bonds	(912,159)	-	(912,159)
Contributions in aid of construction	-	324,076	324,076
Interest payments	(118,841)	-	(118,841)
Net cash provided by (used for) capital and related financing activities	\$ (3,758,470)	\$ (537,801)	\$ (4,296,271)
Net increase (decrease) in cash and cash equivalents	\$ -	\$ -	\$ -
Cash and cash equivalents - June 30, 2019	-	-	-
Cash and cash equivalents - June 30, 2020	\$ -	\$ -	\$ -
Reconciliation of operating income (loss) to net cash provided by (used for) operating activities:			
Operating income (loss)	\$ 2,438,626	\$ 597,413	\$ 3,036,039
Adjustments to reconcile operating income (loss) to net cash provided by (used for) operating activities:			
Depreciation	\$ 2,110,060	\$ 153,691	\$ 2,263,751
(Increase) decrease in accounts receivable	(172,110)	4,333	(167,777)
(Increase) decrease in deferred outflows of resources related to OPEB	(39,452)	(10,500)	(49,952)
(Increase) decrease in deferred outflows of resources related to pension	(152,116)	(32,757)	(184,873)
Increase (decrease) in customers' deposits	26,197	-	26,197
Increase (decrease) in accounts payable and accrued liabilities	45,357	(51,408)	(6,051)
Increase (decrease) in due to Water Authority	(24,136)	-	(24,136)
Increase (decrease) in compensated absences	2,343	23,636	25,979
Increase (decrease) in net pension liability	210,413	54,528	264,941
Increase (decrease) in net OPEB liability	34,733	23,477	58,210
Increase (decrease) in deferred inflows of resources related to OPEB	5,943	2,005	7,948
Increase (decrease) in deferred inflows of resources related to pension	(64,924)	(6,358)	(71,282)
Total adjustments	\$ 1,982,308	\$ 160,647	\$ 2,142,955
Net cash provided by (used for) operating activities	\$ 4,420,934	\$ 758,060	\$ 5,178,994
Noncash investing, capital, and financing activities:			
Contributions of infrastructure by developers	955,180	\$ 85,420	\$ 1,040,600

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

TOWN OF CHRISTIANSBURG, VIRGINIA

NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2020

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 2020, the Town paid \$3,186,715 to the Water Authority and has a fiscal year end liability of \$710,962 for purchases of water.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2020

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 \$513,254 in tipping fees during fiscal year 2020.

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 \$50,000 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 \$22,855 in contributions to the fiscal year 2020 operations.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2020

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 2020, the Town paid \$34,906 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 2020, the Town paid \$132,704 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 2020, the Town paid \$830,391 toward operations of the Authority and an additional \$34,834 for annual CAD 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.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2020

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.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2020

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, 2020, no funds had expenditures in excess of their appropriations. In addition, at year end no funds had deficit fund equity.

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.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2020

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 fund:

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, 2020, capital support from the General Fund totaled \$3,390,642.

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, 2020, the operational and capital support totaled \$123,795.

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, 2020, the support from the General Fund totaled \$2,036.

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.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2020

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 \$122,112 for the General Fund, \$101,252 for the Lifesaving and Rescue Fund, and \$107,810 for the Enterprise Fund at June 30, 2020. The allowance consists of unpaid taxes in the amount of \$93,181, unpaid garbage bills of \$28,931, ambulance services of \$101,252, unpaid water/sewer bills of \$93,575, and unpaid stormwater fees of \$14,235.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2020

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:

<u>Assets</u>	<u>Years</u>
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

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2020

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

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2020

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 net fiduciary position have been determined on the same basis as they were reported by the Virginia Retirement System (VRS). For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

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' net fiduciary 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.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2020

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).

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2020

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 \$3,071,975 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.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2020

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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NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2020

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, 2020 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 Maturities (in years)		
	Fair Value	Less 1 yr	1-5 yrs
VML/VACO Virginia Investment Pool	\$ 5,905,703	\$ 5,629,263	\$ 276,440

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NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2020

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, 2020 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.

Town's Rated Debt Investments' Values			
Rated Debt Investments	Fair Quality Ratings		
	AAAm	AA+f/S1	Total
VML/VACO Virginia Investment Pool	\$ 5,629,263	\$ 276,440	\$ 5,905,703

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	\$ 344,049	\$ -	\$ 344,049
<u>Commonwealth of Virginia:</u>			
Categorical aid	3,184,896	252,397	3,437,293
Noncategorical aid	149,533	-	149,533
<u>Federal Government:</u>			
Categorical aid	1,043,687	-	1,043,687
Total	<u>\$ 4,722,165</u>	<u>\$ 252,397</u>	<u>\$ 4,974,562</u>

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TOWN OF CHRISTIANSBURG, VIRGINIA

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2020

Note 4-Interfund Activity:

Interfund transfers for the year ended June 30, 2020, consisted of the following:

<u>Fund</u>	<u>Transfers In</u>	<u>Transfers Out</u>
General Fund	\$ -	\$ 3,516,473
Vol. Fire Dept. Fund	67	-
Recreation and Streets Fund	1,969	-
Cemetery Fund	123,795	-
Capital Projects Fund	3,390,642	-
Total	<u>\$ 3,516,473</u>	<u>\$ 3,516,473</u>

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

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.

<u>Fund</u>	<u>Due To</u>	<u>Due From</u>
General Fund	\$ 1,068,517	\$ -
Water and Sewer Fund	-	4,735,804
Stormwater Fund	-	444,193
Vol. Fire Dept. Fund	-	66,337
Lifesaving and Rescue Fund	38,822	-
Police Fund	7,106	-
Recreation and Streets Fund	-	7,711
CARES Fund	459,897	-
Cemetery Fund	-	57,973
Capital Projects Fund	3,737,676	-
Total	<u>\$ 5,312,018</u>	<u>\$ 5,312,018</u>

TOWN OF CHRISTIANSBURG, VIRGINIA

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2020

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, 2020:

	Balance July 1, 2019	Increases/ Issuances	Decreases/ Retirements	Balance June 30, 2020
Direct Borrowings and Direct Placements - GO Bonds	\$ 11,559,360	\$ -	\$ (822,340)	\$ 10,737,020
Net OPEB liabilities	3,526,319	1,296,355	(663,013)	4,159,661
Compensated absences	2,455,548	2,235,390	(1,841,661)	2,849,277
Landfill closure/postclosure liability	511,835	-	-	511,835
Net pension liability	6,501,993	5,013,877	(3,755,254)	7,760,616
Total	<u>\$ 24,555,055</u>	<u>\$ 8,545,622</u>	<u>\$ (7,082,268)</u>	<u>\$ 26,018,409</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
2021	\$ 835,700	\$ 181,618
2022	848,060	166,132
2023	871,520	150,314
2024	6,741,380	86,714
2025	419,260	26,733
2026-2030	1,021,100	40,044
Totals	<u>\$ 10,737,020</u>	<u>\$ 651,555</u>

TOWN OF CHRISTIANSBURG, VIRGINIA

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2020

Note 5-Long-term Obligations: (Continued)

Governmental Activity Obligations: (Continued)

Details of long-term obligations:

	<u>Total Amount</u>	<u>Amount Due Within One Year</u>
<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%	\$ 7,703,100	\$ 450,700
 \$4,770,000 general obligation bond issued June 26, 2014, maturing annually with principal and interest payable semi-annually through August 1, 2029; interest rate is fixed at 2.65%. 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.	 744,920	 66,000
 \$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%.	 1,258,000	 199,000
 \$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%.	 1,031,000	 120,000
 Total Direct Borrowing and Direct Placement - GO Bonds	 \$ 10,737,020	 \$ 835,700
<u>Other Obligations:</u>		
Net OPEB liabilities	\$ 4,159,661	\$ -
Compensated absences	2,849,277	284,928
Landfill closure/postclosure liability	511,835	51,184
Net pension liability	7,760,616	-
 Total Other Obligations	 \$ 15,281,389	 \$ 336,112
 Total Long-term Obligations	 \$ 26,018,409	 \$ 1,171,812

TOWN OF CHRISTIANSBURG, VIRGINIA

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2020

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, 2020:

	Balance July 1, 2019	Increases/ Issuances	Decreases/ Retirements	Balance June 30, 2020
Direct Borrowings and Direct Placements - GO Bonds	\$ 4,261,802	\$ -	\$ (912,159)	\$ 3,349,643
Net OPEB liabilities	334,270	89,428	(31,218)	392,480
Compensated absences	295,642	247,711	(221,731)	321,621
Net pension liability	1,243,067	991,328	(726,387)	1,508,008
Total	<u>\$ 6,134,781</u>	<u>\$ 1,328,467</u>	<u>\$ (1,891,495)</u>	<u>\$ 5,571,752</u>

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 June 30,	Direct Borrowings and Direct Placements - GO Bonds	
	Principal	Interest
2021	\$ 942,563	\$ 85,542
2022	240,240	60,604
2023	246,480	54,155
2024	252,720	47,541
2025	259,740	40,751
2026-2030	1,407,900	95,278
Totals	<u>\$ 3,349,643</u>	<u>\$ 383,871</u>

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TOWN OF CHRISTIANSBURG, VIRGINIA

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2020

Note 5-Long-term Obligations: (Continued)

Business-type Activity Obligations: (Continued)

Details of long-term obligations:

	<u>Total Amount</u>	<u>Amount Due Within One Year</u>
<u>Direct Borrowings and Direct Placements - GO Bonds:</u>		
\$10,311,000 general obligation bond bearing interest at 3.50%, issued April 14, 1999, payable in semi-annual installments of \$363,608 beginning March 1, 2002 with final payment on March 1, 2021.	\$ 708,563	\$ 708,563
 \$4,770,000 general obligation bond bearing interest at 2.65%, issued June 26, 2014, 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.	 2,641,080	 234,000
 Total Direct Borrowing and Direct Placement - GO Bonds	 \$ 3,349,643	 \$ 942,563
<u>Other Obligations:</u>		
Net OPEB liabilities	\$ 392,480	\$ -
Compensated absences	321,621	32,162
Net pension liability	1,508,008	-
 Total Other Obligations	 \$ 2,222,109	 \$ 32,162
 Total Long-term Obligations	 \$ 5,571,752	 \$ 974,725

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NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2020

Note 5-Long-term Obligations: (Continued)

Arbitrage Rebate Compliance:

As of June 30, 2020, 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, 2020, that amount was \$227,598,920. As of June 30, 2020, the total outstanding debt applicable to the limit was \$14,086,663 which is 6.19 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 \$14,086,663 contain a provision that in an event of default, outstanding amounts become immediately due if the Town is unable to make payment.

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NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2020

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 hired 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 hired on or after July 1, 2010, or their membership date is before July 1, 2010, and they were not vested as of 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 hired 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.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2020

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, 2018 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	125
Inactive members:	
Vested inactive members	34
Non-vested inactive members	77
Inactive members active elsewhere in VRS	<u>85</u>
Total inactive members	196
Active members	<u>228</u>
Total covered employees	<u><u>549</u></u>

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2020

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, 2020 was 11.00% of covered employee compensation. This rate was based on an actuarially determined rate from an actuarial valuation as of June 30, 2017.

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 \$1,263,319 and \$1,222,062 for the years ended June 30, 2020 and June 30, 2019, 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, 2019. The total pension liability used to calculate the net pension liability was determined by an actuarial valuation performed as of June 30, 2018 and rolled forward to the measurement date of June 30, 2019.

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, 2018, 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, 2019.

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 market 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.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2020

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% of 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-Disablement:

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, 2018 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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NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2020

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, 2018, 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, 2019.

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 market 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.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2020

Note 6-Pension Plan: (Continued)

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

The actuarial assumptions used in the June 30, 2018 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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NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2020Note 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:

<u>Asset Class (Strategy)</u>	<u>Target Allocation</u>	<u>Arithmetic Long-term Expected Rate of Return</u>	<u>Weighted Average Long-term Expected Rate of Return*</u>
Public Equity	34.00%	5.61%	1.91%
Fixed Income	15.00%	0.88%	0.13%
Credit Strategies	14.00%	5.13%	0.72%
Real Assets	14.00%	5.27%	0.74%
Private Equity	14.00%	8.77%	1.23%
MAPS - Multi-Asset Public Stra	6.00%	3.52%	0.21%
PIP - Private Investment Partr	3.00%	6.29%	0.19%
Total	<u>100.00%</u>		<u>5.13%</u>
		Inflation	<u>2.50%</u>
		Expected arithmetic nominal return*	<u>7.63%</u>

* The above allocation provides a one-year return of 7.63%. 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%. 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.

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NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2020

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 used in FY 2012 or 100% of the actuarially determined employer contribution rate from the June 30, 2017 actuarial valuations, whichever was greater. Through the fiscal year ending June 30, 2019, the rate contributed by the employer for the Town Retirement Plan will be subject to the portion of the VRS Board-certified rates that are funded by the Virginia General Assembly. From July 1, 2019 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, 2018	\$ 45,641,218	\$ 37,896,158	\$ 7,745,060
Changes for the year:			
Service cost	\$ 1,280,264	\$ -	\$ 1,280,264
Interest	3,118,589	-	3,118,589
Differences between expected and actual experience	(166,199)	-	(166,199)
Assumption changes	1,562,917	-	1,562,917
Contributions - employer	-	1,219,011	(1,219,011)
Contributions - employee	-	549,979	(549,979)
Net investment income	-	2,529,397	(2,529,397)
Benefit payments, including refunds	(2,179,887)	(2,179,887)	-
Refunds of employee contributions	-	-	-
Administrative expenses	-	(24,784)	24,784
Other changes	-	(1,596)	1,596
Net changes	\$ 3,615,684	\$ 2,092,120	\$ 1,523,564
Balances at June 30, 2019	\$ 49,256,902	\$ 39,988,278	\$ 9,268,624

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2020

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) \$	16,387,476	\$ 9,268,624	\$ 3,640,487

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

For the year ended June 30, 2020, the Town recognized pension expense of \$1,078,636. At June 30, 2020, 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	\$ -	\$ 364,081
Change in assumptions	1,151,623	74,044
Net difference between projected and actual earnings on pension plan investments	-	341,838
Change in proportionate shares	54,009	54,009
Employer contributions subsequent to the measurement date	1,263,319	-
Total	\$ 2,468,951	\$ 833,972

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2020

Note 6-Pension Plan: (Continued)***Pension Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (Continued)***

\$1,263,319 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, 2021. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense in future reporting periods as follows:

<u>Year Ended June 30</u>		
2021	\$	113,162
2022		(47,185)
2023		284,078
2024		21,605
2025		-
Thereafter		-

Pension Plan Data

Information about the VRS Political Subdivision Retirement Plan is also available in the separately issued VRS 2019 Comprehensive Annual Financial Report (CAFR). A copy of the 2019 VRS CAFR may be downloaded from the VRS website at <http://www.varetire.org/pdf/publications/2019-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, 2020

Note 7-Capital Assets:

Capital asset activity for the year ended June 30, 2020 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	4,511,637	11,791,189	(6,232,285)	10,070,541
Total capital assets not being depreciated	<u>\$ 12,704,754</u>	<u>\$ 11,791,189</u>	<u>\$ (6,232,285)</u>	<u>\$ 18,263,658</u>
Capital assets, being depreciated:				
Buildings and improvements	\$ 34,306,542	\$ 755,339	\$ -	\$ 35,061,881
Machinery and equipment	17,401,110	1,796,612	(39,824)	19,157,898
Infrastructure	131,602,508	5,083,498	-	136,686,006
Total capital assets being depreciated	<u>\$ 183,310,160</u>	<u>\$ 7,635,449</u>	<u>\$ (39,824)</u>	<u>\$ 190,905,785</u>
Accumulated depreciation:				
Buildings and improvements	\$ (9,187,656)	\$ (981,469)	\$ -	\$ (10,169,125)
Machinery and equipment	(11,576,948)	(1,185,241)	38,643	(12,723,546)
Infrastructure	(41,319,352)	(3,324,286)	-	(44,643,638)
Total accumulated depreciation	<u>\$ (62,083,956)</u>	<u>\$ (5,490,996)</u>	<u>\$ 38,643</u>	<u>\$ (67,536,309)</u>
Total capital assets being depreciated, net	<u>\$ 121,226,204</u>	<u>\$ 2,144,453</u>	<u>\$ (1,181)</u>	<u>\$ 123,369,476</u>
Governmental activities capital assets, net	<u>\$ 133,930,958</u>	<u>\$ 13,935,642</u>	<u>\$ (6,233,466)</u>	<u>\$ 141,633,134</u>

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TOWN OF CHRISTIANSBURG, VIRGINIA

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2020**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	2,996,651	3,381,868	(4,049,879)	2,328,640
Total capital assets not being depreciated	<u>\$ 3,009,151</u>	<u>\$ 3,381,868</u>	<u>\$ (4,049,879)</u>	<u>\$ 2,341,140</u>
Capital assets, being depreciated:				
Machinery and equipment	\$ 7,556,927	\$ 207,478	\$ -	\$ 7,764,405
Utility plant and equipment	75,071,266	5,090,480	-	80,161,746
Total capital assets being depreciated	<u>\$ 82,628,193</u>	<u>\$ 5,297,958</u>	<u>\$ -</u>	<u>\$ 87,926,151</u>
Accumulated depreciation:				
Machinery and equipment	\$ (4,169,625)	\$ (416,551)	\$ -	\$ (4,586,176)
Utility plant and equipment	(35,301,298)	(1,847,200)	-	(37,148,498)
Total accumulated depreciation	<u>\$ (39,470,923)</u>	<u>\$ (2,263,751)</u>	<u>\$ -</u>	<u>\$ (41,734,674)</u>
Total capital assets being depreciated, net	<u>\$ 43,157,270</u>	<u>\$ 3,034,207</u>	<u>\$ -</u>	<u>\$ 46,191,477</u>
Business-type activities capital assets, net	<u>\$ 46,166,421</u>	<u>\$ 6,416,075</u>	<u>\$ (4,049,879)</u>	<u>\$ 48,532,617</u>

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

Governmental activities:

General government administration	\$ 130,195
Public safety	591,246
Public works	4,086,788
Parks, recreation, and cultural	<u>682,767</u>

Total depreciation expense - governmental activities \$ 5,490,996

Business-type activities:

Water and sewer	\$ 2,110,060
Stormwater	<u>153,691</u>

Total depreciation expense - business-type activities \$ 2,263,751

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2020

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 2019-2020, total premiums paid were \$263,045. 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 2019-2020 were \$303,386.

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 2020, a total of \$1,671,671 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 \$372,587 to mitigate the risk of these claims.

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

			Current Year		
		Balance at	Claims and		Balance at
		Beginning of	Changes in	Claim	End of
<u>Fiscal Year</u>		<u>Fiscal Year</u>	<u>Estimates</u>	<u>Payments</u>	<u>Fiscal Year</u>
2019-20	\$	212,086	\$ 1,671,636	\$ (1,671,671)	\$ 212,051
2018-19		212,051	1,697,592	(1,697,557)	212,086
2017-18		201,322	1,852,736	(1,842,007)	212,051

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.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2020

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, 2020 the Town received direct funding from the federal and state government as follows:

Law Enforcement funds	\$	463,284
Street Maintenance funds		3,684,841
Sales Taxes		2,142,903
Non-Categorical State Aid		1,168,304
Federal and State grants		8,804,620
	\$	<u>16,263,952</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, 2020 (measurement date), the following employees were covered by the benefit terms:

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

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2020

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, 2020 was \$64,078.

Total OPEB Liability

The Town's total OPEB liability was measured as of June 30, 2020. The total OPEB liability was determined by an actuarial valuation performed as of June 30, 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 June 30, 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	2.21% for accounting and funding disclosures as of June 30, 2020
Investment Rate of Return	2.21% as of June 30, 2020
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.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2020

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 2.21% 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, 2019	\$ 2,219,589
Changes for the year:	
Service Cost	50,378
Interest	78,337
Changes in assumptions	382,538
Differences between expected and actual experience	(72,088)
Benefit payments	(64,078)
Net changes:	<u>375,087</u>
Balances at June 30, 2020	<u>\$ 2,594,676</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 (1.21%) or one percentage point higher (3.21%) than the current discount rate:

Discount Rate		
1% Decrease (1.21%)	Current (2.21%)	1% Increase (3.21%)
\$ 2,991,170	\$ 2,594,676	\$ 2,265,769

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2020

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
\$ 2,594,676	\$ 2,594,676	\$ 2,594,676

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

For the year ended June 30, 2020, the Town recognized OPEB expense in the amount of \$161,546. At June 30, 2020, 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	\$ -	\$ 64,879
Change in assumptions	419,458	64,624
Total	\$ 419,458	\$ 129,503

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	
2021	\$ 32,831
2022	32,831
2023	32,831
2024	32,831
2025	32,831
Thereafter	125,800

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

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2020

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 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.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2020

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, 2020 was \$705.77 per covered full-time-equivalent employee. This rate was based on an actuarially determined rate from an actuarial valuation as of June 30, 2017 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 \$69,871 and \$73,223 for the years ended June 30, 2020 and June 30, 2019, 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, 2020, the entity reported a liability of \$1,957,465 for its proportionate share of the Net LODA OPEB Liability. The Net LODA OPEB Liability was measured as of June 30, 2019 and the total LODA OPEB liability used to calculate the Net LODA OPEB Liability was determined by an actuarial valuation as of June 30, 2018, and rolled forward to the measurement date of June 30, 2019.. 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, 2019 relative to the total of the actuarially determined pay-as-you-go employer contributions for all participating employers. At June 30, 2019, the entity's proportion was 0.54558% as compared to 0.52334% at June 30, 2018.

For the year ended June 30, 2020, the entity recognized LODA OPEB expense \$175,224. 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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NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2020Note 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, 2020, the entity reported deferred outflows of resources and deferred inflows of resources related to the LODA OPEB from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ 284,516	\$ -
Net difference between projected and actual earnings on LODA OPEB program investments	-	3,875
Change in assumptions	91,846	169,690
Change in proportion	108,850	7,732
Employer contributions subsequent to the measurement date	<u>69,871</u>	<u>-</u>
Total	<u>\$ 555,083</u>	<u>\$ 181,297</u>

\$69,871 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, 2021. 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

2021	\$ 38,527
2022	38,535
2023	39,134
2024	39,772
2025	39,961
Thereafter	107,986

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2020

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, 2018, 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, 2019. Salary Increases and mortality rates included herein are for relevant employer groups. Information for other groups can be referenced in the VRS CAFR.

Inflation	2.50%
Salary increases, including inflation:	
Locality employees	N/A
Medical cost trend rates assumption:	
Under age 65	7.25%-4.75%
Ages 65 and older	5.50%-4.75%
Year of ultimate trend rate:	
Post-65	Fiscal year ended 2023
Pre-65	Fiscal year ended 2028
Investment rate of return	3.50%, including inflation*

*Administrative expenses as a percent of the market 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 3.50%. However, since the difference was minimal, a more conservative 3.50% investment return assumption has been used. Since LODA is funded on a current-disbursement basis, the assumed annual rate of return of 3.50% was used since it approximates the risk-free rate of return.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2020

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, 2018 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%

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2020

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, 2019, NOL amounts for the LODA Program are as follows (amounts expressed in thousands):

	<u>LODA Program</u>
Total LODA OPEB Liability	\$ 361,626
Plan Fiduciary Net Position	2,839
LODA Net OPEB Liability (Asset)	<u>\$ 358,787</u>
Plan Fiduciary Net Position as a Percentage of the Total LODA OPEB Liability	0.79%

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 3.50% 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 3.50% 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, 2019.

Discount Rate

The discount rate used to measure the total LODA OPEB liability was 3.50%. 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, 2019, 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.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2020

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 3.50%, 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 (2.50%) or one percentage point higher (3.50%) than the current rate:

	Discount Rate		
	1% Decrease (2.50%)	Current (3.50%)	1% Increase (4.50%)
Town's proportionate share of the LODA Net OPEB Liability	\$ 2,270,799	\$ 1,957,465	\$ 1,709,638

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 7.75% 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 (6.75% decreasing to 3.75%) or one percentage point higher (8.75% decreasing to 5.75%) than the current rate:

	Health Care Trend Rates		
	1% Decrease (6.75% decreasing to 3.75%)	Current (7.75% decreasing to 4.75%)	1% Increase (8.75% decreasing to 5.75%)
Town's proportionate share of total LODA Net OPEB Liability	\$ 1,655,018	\$ 1,957,465	\$ 2,338,883

LODA OPEB Fiduciary Net Position

Detailed information about the LODA Program Fiduciary Net Position is available in the separately issued VRS 2019 Comprehensive Annual Financial Report (CAFR). A copy of the 2019 VRS CAFR may be downloaded from the VRS website at <http://www.varetire.org/pdf/publications/2019-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, 2020

Note 11-OPEB Summary:

	Deferred Outflows	Deferred Inflows	Net OPEB Liability	OPEB Expense
Town Health Savings Service Merit Plan (Note 9)	\$ 419,458	\$ 129,503	\$ 2,594,676	\$ 161,546
VRS OPEB Plan:				
Line of Duty Act Program (Note 10)	555,083	181,297	1,957,465	175,224
Totals	<u>\$ 974,541</u>	<u>\$ 310,800</u>	<u>\$ 4,552,141</u>	<u>\$ 336,770</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 Governmental Activities	Balance Sheet Governmental Funds
Unavailable property tax revenue representing uncollected property tax billings that are not available for the funding of current expenditures	\$ -	\$ 229,366
Tax assessments due after June 30	5,003,079	5,003,079
Prepaid property taxes due after June 30 but paid in advance by taxpayers	5,408	5,408
Unavailable EMS billing revenue representing uncollected billings that are not available for the funding of current expenditures	-	11,371
	<u>\$ 5,008,487</u>	<u>\$ 5,249,224</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.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2020

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, 2020, the Town had the following outstanding construction commitments:

Project	Amount of Contract	Amount Outstanding	Accounts Payable	Retainage Payable
Fire Department Improvements	\$ 155,468	\$ -	\$ -	\$ 7,773
Depot Park Trail	435,900	202,653	45,851	-
Falling Branch Intersection	1,877,683	-	17,090	-
North Franklin Corridor	5,330,492	431,500	410,818	-
Roanoke Street Sidewalks	545,068	347,386	103,780	5,413
Truman Wilson Park	1,093,290	68,147	83,590	-
College Street Sanitary Sewer Replacement	1,667,301	308,785	-	73,305
Tower Road Intersection	379,206	196,921	5,170	-
Connector Road Project	409,280	150,883	35,355	-
Annual Paving and Primary Ext.	1,097,570	10,907	1,045,300	-
Chrisman Mill Road Realignment	94,833	13,340	947	-
Arbor Drive Intersection	339,520	182,345	5,110	-
Silver Lake Sewer Interceptor	98,660	11,964	1,019	-
Hickock Street Improvements	219,800	145,375	14,530	-
Total	<u>\$ 13,744,071</u>	<u>\$ 2,070,206</u>	<u>\$ 1,768,560</u>	<u>\$ 86,491</u>

Note 15-Contributed Capital:

The Town received infrastructure of \$955,180 and \$85,420 in the Water and Sewer Fund and Stormwater Funds, respectively, during the year ended June 30, 2020.

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NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2020

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 \$511,835 liability for postclosure care costs at June 30, 2020 represents the estimated liability based on the usage of 100% of the estimated capacity of the landfill. The liability accrued at June 30, 2020 is based on what it would cost to perform all postclosure care in 2020. 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	\$ -	\$ -	\$ 792,688	\$ 792,688
Prepaid items	405,909	11,985	-	417,894
Restricted:				
Law enforcement	-	73,404	-	73,404
Fire department	-	1,129,181	-	1,129,181
Lifesaving-rescue squad	-	1,185,924	-	1,185,924
Parks and recreation	-	109,835	-	109,835
Assigned:				
Ambulance for rescue	200,266	-	-	200,266
Emergency serv. Building	1,836,625	-	-	1,836,625
Ladder truck	501,615	-	-	501,615
Reserve for wastewater infrastructure	1,810,793	-	-	1,810,793
Construction of connector road	904,630	-	-	904,630
Public works building	628,100	-	-	628,100
New ERP system	1,112,459	-	-	1,112,459
Reserve for health insurance	372,587	-	-	372,587
New regional park	1,053,907	-	-	1,053,907
Columbarium - cemetery	-	-	127,524	127,524
Aquatic center repairs/renov.	642,408	-	-	642,408
Capital projects	1,039,344	-	-	1,039,344
Unassigned	25,132,831	-	-	25,132,831
Total	\$ 35,641,474	\$ 2,510,329	\$ 920,212	\$ 39,072,015

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2020

Note 18-Litigation:

As of June 30, 2020, 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.

Note 19-Subsequent Events:

On January 30, 2020, the World Health Organization ("WHO") announced a global health emergency stemming from a new strain of coronavirus that was spreading globally (the "COVID-19 outbreak"). On March 11, 2020, the WHO classified the COVID-19 outbreak as a pandemic, triggering volatility in financial markets and a significant negative impact on the global economy. The COVID-19 pandemic has developed rapidly in 2020 and remains a quickly evolving situation. As a result of the spread of COVID-19, economic uncertainties have arisen which are likely to negatively impact economic activity. The Town is not able to estimate the effects of the COVID-19 pandemic for fiscal year 2021.

On March 27, 2020, the Coronavirus Aid, Relief, and Economic Security Act (CARES Act) was passed by the federal government to alleviate some of the effects of the sharp economic downturn due to the COVID-19 pandemic. Among the CARES Act key provisions was \$339.8 billion designated for programs for state and local government, which included \$150 billion in direct aid for state and local governments from the federal Coronavirus Relief Fund (CRF), pursuant to the federal CARES Act, to address spending shortages related to the COVID-19 pandemic.

The Commonwealth of Virginia received approximately \$3.1 billion from the CRF, of which \$1.3 billion was allocated for localities with fewer than 500,000 people. Localities with populations greater than 500,000 could apply to receive funds directly. All other CRF funds were distributed to the states to determine the allocations to localities.

The Town received an allocation of \$3,223,800 from Montgomery County, Virginia subsequent to June 30, 2020. The federal guidance for the CARES Act states that the CRF funds can be used only for the direct costs associated with the response to the COVID-19 pandemic and cannot be used to address revenue shortfalls. CRF funds are considered one-time funds and should not be used for ongoing services or base operations. As a condition of receiving CRF funds, any funds unexpended as of December 30, 2020 will be returned to the federal government.

Subsequent to June 30, 2020, the Town entered into or amended the following contracts:

- Approved a contract for the purchase of four police vehicles totaling \$157,925.
- Approved a contract for the licensing and implementation of a three-year software contract with Tyler Technologies for \$1,406,254.
- Approved a contract for the replacement of a Rescue Medic 94 Ambulance for \$219,674.
- Approved a contract for construction engineering and inspection services for the Arbor Drive-Peppers Ferry Road Intersection project totaling \$218,141.
- Approved a contract for biosolid hauling and application for \$188,476 annually.
- Approved a contract for the design of a biosolids management system in the amount of \$459,000.
- Approved a contract for construction engineering and inspection services for the Roanoke Street-Tower Road Intersection project totaling \$209,928.
- Approved a contract for LED signs at Town Hall, Fire and Rescue stations, and the Recreation Center for an amount not to exceed \$185,000.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2020

Note 20-Upcoming Pronouncements:

Statement No. 84, *Fiduciary Activities*, establishes criteria for identifying fiduciary activities of all state and local governments for accounting and financial reporting purposes and how those activities should be reported. The requirements of this Statement are effective for reporting periods beginning after December 15, 2019.

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. 90, *Majority Equity Interests - An Amendment of GASB Statements No. 14 and No. 61*, provides guidance for reporting a government's majority equity interest in a legally separate organization and for reporting financial statement information for certain component units. The requirements of this Statement are effective for reporting periods beginning after December 15, 2019.

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.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2020

Note 20-Upcoming Pronouncements: (Continued)

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.

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, 2020

	Budgeted Amounts		Actual	Variance with Final Budget - Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Amounts</u>	
REVENUES				
General property taxes	\$ 4,840,693	\$ 4,840,693	\$ 4,903,679	\$ 62,986
Other local taxes	15,901,520	15,901,520	15,622,437	(279,083)
Permits, privilege fees, and regulatory licenses	286,600	286,600	326,681	40,081
Fines and forfeitures	77,500	77,500	64,153	(13,347)
Revenue from the use of money and property	587,000	587,000	829,477	242,477
Charges for services	3,118,890	3,118,890	2,790,932	(327,958)
Miscellaneous	218,790	218,790	180,948	(37,842)
Intergovernmental:				
Commonwealth	5,262,453	5,262,453	5,340,988	78,535
Federal	35,000	35,000	25,006	(9,994)
Total revenues	<u>\$ 30,328,446</u>	<u>\$ 30,328,446</u>	<u>\$ 30,084,301</u>	<u>\$ (244,145)</u>
EXPENDITURES				
Current:				
General government administration	\$ 4,062,499	\$ 4,305,392	\$ 3,484,481	\$ 820,911
Public safety	11,760,202	11,824,474	9,228,455	2,596,019
Public works	7,218,857	7,287,761	5,832,096	1,455,665
Health and welfare	4,494	4,494	4,494	-
Parks, recreation, and cultural	4,805,084	4,832,334	3,805,800	1,026,534
Community development	3,208,594	3,208,594	2,972,615	235,979
Debt service:				
Principal	822,340	822,340	822,340	-
Interest and other fiscal charges	196,855	196,855	197,612	(757)
Total expenditures	<u>\$ 32,078,925</u>	<u>\$ 32,482,244</u>	<u>\$ 26,347,893</u>	<u>\$ 6,134,351</u>
Excess (deficiency) of revenues over (under) expenditures	<u>\$ (1,750,479)</u>	<u>\$ (2,153,798)</u>	<u>\$ 3,736,408</u>	<u>\$ 5,890,206</u>
OTHER FINANCING SOURCES (USES)				
Transfers out	\$ (5,236,917)	\$ (5,510,592)	\$ (3,516,473)	\$ 1,994,119
Total other financing sources (uses)	<u>\$ (5,236,917)</u>	<u>\$ (5,510,592)</u>	<u>\$ (3,516,473)</u>	<u>\$ 1,994,119</u>
Net change in fund balances	<u>\$ (6,987,396)</u>	<u>\$ (7,664,390)</u>	<u>\$ 219,935</u>	<u>\$ 7,884,325</u>
Fund balances - beginning	6,987,396	7,664,390	35,421,539	27,757,149
Fund balances - ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 35,641,474</u>	<u>\$ 35,641,474</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 2020

	2020	2019	2018
Total OPEB liability			
Service cost	\$ 50,378	\$ 55,206	\$ 58,473
Interest	78,337	79,914	73,326
Changes of assumptions	382,538	104,088	(102,637)
Differences between expected and actual experience	(72,088)	-	-
Benefit payments	(64,078)	(58,185)	(53,872)
Net change in total OPEB liability	\$ 375,087	\$ 181,023	\$ (24,710)
Total OPEB liability - beginning	2,219,589	2,038,566	2,063,276
Total OPEB liability - ending	<u>\$ 2,594,676</u>	<u>\$ 2,219,589</u>	<u>\$ 2,038,566</u>
 Covered payroll	 \$ 11,999,939	 \$ 11,514,955	 \$ 10,661,914
 Town's total OPEB liability (asset) as a percentage of covered payroll	 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, 2020

Valuation Date: 6/30/2019
Measurement Date: 6/30/2020

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	2.21% as of June 30, 2020
Inflation	2.50% per year as of June 30, 2020
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, 2019

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)
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, 2020

Date	Contractually Required Contribution (1)	Contributions in Relation to Contractually Required Contribution (2)	Contribution Deficiency (Excess) (3)	Covered- Employee Payroll * (4)	Contributions as a % of Covered - Employee Payroll (5)
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 2018 is the first year for this presentation, only four 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, 2020

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, 2018 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, 2019

	2019	2018	2017	2016	2015	2014
Total pension liability						
Service cost	\$ 1,280,264	\$ 1,239,714	\$ 1,289,347	\$ 1,280,862	\$ 1,263,483	\$ 1,218,068
Interest	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	(166,199)	(132,342)	(270,061)	(513,834)	(2,435,426)	-
Changes of assumptions	1,562,917	-	(239,818)	-	-	-
Benefit payments	(2,179,887)	(2,115,148)	(2,075,883)	(1,747,447)	(1,684,483)	(1,694,123)
Net change in total pension liability	\$ 3,615,684	\$ 1,974,840	\$ 1,591,277	\$ 1,779,138	\$ (88,472)	\$ 2,141,646
Total pension liability - beginning	45,641,218	43,666,378	42,075,101	40,295,963	40,384,435	38,242,789
Total pension liability - ending (a)	\$ 49,256,902	\$ 45,641,218	\$ 43,666,378	\$ 42,075,101	\$ 40,295,963	\$ 40,384,435
Plan fiduciary net position						
Contributions - employer	\$ 1,219,011	\$ 1,194,090	\$ 1,175,271	\$ 1,434,651	\$ 1,411,075	\$ 1,350,284
Contributions - employee	549,979	530,617	527,321	534,433	529,905	521,352
Net investment income	2,529,397	2,629,672	3,910,906	561,458	1,373,398	4,047,352
Benefit payments	(2,179,887)	(2,115,148)	(2,075,883)	(1,747,447)	(1,684,483)	(1,694,123)
Administrator charges	(24,784)	(22,533)	(22,474)	(19,100)	(18,251)	(21,472)
Other	(1,596)	(2,352)	(3,487)	(235)	(292)	213
Net change in plan fiduciary net position	\$ 2,092,120	\$ 2,214,346	\$ 3,511,654	\$ 763,760	\$ 1,611,352	\$ 4,203,606
Plan fiduciary net position - beginning	37,896,158	35,681,812	32,170,158	31,406,398	29,795,046	25,591,440
Plan fiduciary net position - ending (b)	\$ 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)	\$ 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)	81.18%	83.03%	81.71%	76.46%	77.94%	73.78%
Covered payroll	\$ 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	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, 2011 through June 30, 2020

Date	Contributions in Relation to			Contributions	
	Contractually Required Contribution (1)	Contractually Required Contribution (2)	Contribution Deficiency (Excess) (3)	Covered Payroll (4)	as a % of Covered Payroll (5)
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%
2011	959,909	959,909	-	9,410,868	10.20%

Town of Christiansburg, Virginia
Notes to Required Supplementary Information - Pension Plan
For the Year Ended June 30, 2020

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, 2018 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, 2020

	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	1,062,844	1,093,330	74,525	102,007	-	739,269	3,071,975
Accounts receivable, net of allowance	-	151,878	-	-	-	-	151,878
Due from other governmental units	-	-	5,985	117	459,897	-	465,999
Due from other funds	66,337	-	-	7,711	-	57,973	132,021
Prepaid items	-	11,985	-	-	-	-	11,985
Total assets	<u>\$ 1,129,181</u>	<u>\$ 1,257,193</u>	<u>\$ 80,510</u>	<u>\$ 109,835</u>	<u>\$ 459,897</u>	<u>\$ 924,766</u>	<u>\$ 3,961,382</u>
LIABILITIES							
Accounts payable and accrued liabilities	\$ -	\$ 9,091	\$ -	\$ -	\$ -	\$ 4,554	\$ 13,645
Due to other funds	-	38,822	7,106	-	459,897	-	505,825
Total liabilities	<u>\$ -</u>	<u>\$ 47,913</u>	<u>\$ 7,106</u>	<u>\$ -</u>	<u>\$ 459,897</u>	<u>\$ 4,554</u>	<u>\$ 519,470</u>
DEFERRED INFLOWS OF RESOURCES							
Unavailable revenue - EMS billings	\$ -	\$ 11,371	\$ -	\$ -	\$ -	\$ -	\$ 11,371
FUND BALANCES							
Nonspendable	\$ -	\$ 11,985	\$ -	\$ -	\$ -	\$ 792,688	\$ 804,673
Restricted	1,129,181	1,185,924	73,404	109,835	-	-	2,498,344
Assigned	-	-	-	-	-	127,524	127,524
Total fund balances	<u>\$ 1,129,181</u>	<u>\$ 1,197,909</u>	<u>\$ 73,404</u>	<u>\$ 109,835</u>	<u>\$ -</u>	<u>\$ 920,212</u>	<u>\$ 3,430,541</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 1,129,181</u>	<u>\$ 1,257,193</u>	<u>\$ 80,510</u>	<u>\$ 109,835</u>	<u>\$ 459,897</u>	<u>\$ 924,766</u>	<u>\$ 3,961,382</u>

Town of Christiansburg, Virginia
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
Nonmajor Governmental Funds
For the Year Ended June 30, 2020

	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
REVENUES							
Revenue from the use of money and property	\$ 15,362	\$ 21,645	\$ 1,629	\$ 671	\$ -	\$ 13,612	\$ 52,919
Charges for services	-	876,004	-	-	-	135,785	1,011,789
Miscellaneous	115,270	117,533	23,125	4,353	-	280	260,561
Intergovernmental:							
Commonwealth	105,611	65,552	3,300	-	-	-	174,463
Federal	7,500	35,547	23,412	-	459,897	-	526,356
Total revenues	\$ 243,743	\$ 1,116,281	\$ 51,466	\$ 5,024	\$ 459,897	\$ 149,677	\$ 2,026,088
EXPENDITURES							
Current:							
Public safety	\$ 145,890	\$ 984,333	\$ 103,678	\$ -	\$ 459,897	\$ -	\$ 1,693,798
Parks, recreation, and cultural	-	-	-	3,915	-	206,440	210,355
Total expenditures	\$ 145,890	\$ 984,333	\$ 103,678	\$ 3,915	\$ 459,897	\$ 206,440	\$ 1,904,153
Excess (deficiency) of revenues over (under) expenditures	\$ 97,853	\$ 131,948	\$ (52,212)	\$ 1,109	\$ -	\$ (56,763)	\$ 121,935
OTHER FINANCING SOURCES (USES)							
Transfers in	\$ 67	\$ -	\$ -	\$ 1,969	\$ -	\$ 123,795	\$ 125,831
Total other financing sources (uses)	\$ 67	\$ -	\$ -	\$ 1,969	\$ -	\$ 123,795	\$ 125,831
Net change in fund balances	\$ 97,920	\$ 131,948	\$ (52,212)	\$ 3,078	\$ -	\$ 67,032	\$ 247,766
Fund balances - beginning	1,031,261	1,065,961	125,616	106,757	-	853,180	3,182,775
Fund balances - ending	\$ 1,129,181	\$ 1,197,909	\$ 73,404	\$ 109,835	\$ -	\$ 920,212	\$ 3,430,541

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, 2020

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
REVENUES				
Revenue from the use of money and property	\$ -	\$ -	\$ 15,362	\$ 15,362
Miscellaneous	115,270	115,270	115,270	-
Intergovernmental:				
Commonwealth	95,400	95,400	105,611	10,211
Federal	7,500	7,500	7,500	-
Total revenues	<u>\$ 218,170</u>	<u>\$ 218,170</u>	<u>\$ 243,743</u>	<u>\$ 25,573</u>
EXPENDITURES				
Current:				
Public safety	\$ 218,170	\$ 257,506	\$ 145,890	\$ 111,616
Total expenditures	<u>\$ 218,170</u>	<u>\$ 257,506</u>	<u>\$ 145,890</u>	<u>\$ 111,616</u>
Excess (deficiency) of revenues over (under) expenditures	\$ -	\$ (39,336)	\$ 97,853	\$ 137,189
OTHER FINANCING SOURCES (USES)				
Transfers out	\$ -	\$ -	\$ 67	\$ 67
Total other financing sources (uses)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 67</u>	<u>\$ 67</u>
Net change in fund balances	\$ -	\$ (39,336)	\$ 97,920	\$ 137,256
Fund balances - beginning	-	39,336	1,031,261	991,925
Fund balances - ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,129,181</u>	<u>\$ 1,129,181</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, 2020

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	<u>(Negative)</u>
REVENUES				
Revenue from the use of money and property	\$ -	\$ -	\$ 21,645	\$ 21,645
Charges for services	790,000	790,000	876,004	86,004
Miscellaneous	113,950	113,950	117,533	3,583
Intergovernmental:				
Commonwealth	8,600	60,976	65,552	4,576
Federal	-	-	35,547	35,547
Total revenues	<u>\$ 912,550</u>	<u>\$ 964,926</u>	<u>\$ 1,116,281</u>	<u>\$ 151,355</u>
EXPENDITURES				
Current:				
Public safety	\$ 1,135,839	\$ 1,188,215	\$ 984,333	\$ 203,882
Total expenditures	<u>\$ 1,135,839</u>	<u>\$ 1,188,215</u>	<u>\$ 984,333</u>	<u>\$ 203,882</u>
Excess (deficiency) of revenues over (under) expenditures	<u>\$ (223,289)</u>	<u>\$ (223,289)</u>	<u>\$ 131,948</u>	<u>\$ 355,237</u>
Net change in fund balances	\$ (223,289)	\$ (223,289)	\$ 131,948	\$ 355,237
Fund balances - beginning	223,289	223,289	1,065,961	842,672
Fund balances - ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,197,909</u>	<u>\$ 1,197,909</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, 2020

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
REVENUES				
Revenue from the use of money and property	\$ -	\$ -	\$ 1,629	\$ 1,629
Miscellaneous	29,902	29,902	23,125	(6,777)
Intergovernmental:				
Commonwealth	20,000	20,000	3,300	(16,700)
Federal	81,612	81,612	23,412	(58,200)
Total revenues	<u>\$ 131,514</u>	<u>\$ 131,514</u>	<u>\$ 51,466</u>	<u>\$ (80,048)</u>
EXPENDITURES				
Current:				
Public safety	\$ 131,514	\$ 131,514	\$ 103,678	\$ 27,836
Total expenditures	<u>\$ 131,514</u>	<u>\$ 131,514</u>	<u>\$ 103,678</u>	<u>\$ 27,836</u>
Excess (deficiency) of revenues over (under) expenditures	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (52,212)</u>	<u>\$ (52,212)</u>
Net change in fund balances	\$ -	\$ -	\$ (52,212)	\$ (52,212)
Fund balances - beginning	-	-	125,616	125,616
Fund balances - ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 73,404</u>	<u>\$ 73,404</u>

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, 2020

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
REVENUES				
Revenue from the use of money and property	\$ -	\$ -	\$ 671	\$ 671
Miscellaneous	21,000	21,000	4,353	(16,647)
Intergovernmental:				
Federal	105,000	105,000	-	(105,000)
Total revenues	<u>\$ 126,000</u>	<u>\$ 126,000</u>	<u>\$ 5,024</u>	<u>\$ (120,976)</u>
EXPENDITURES				
Current:				
Public works	\$ -	\$ 105,000	\$ -	\$ 105,000
Parks, recreation, and cultural	121,000	121,000	3,915	117,085
Total expenditures	<u>\$ 121,000</u>	<u>\$ 226,000</u>	<u>\$ 3,915</u>	<u>\$ 222,085</u>
Excess (deficiency) of revenues over (under) expenditures	<u>\$ 5,000</u>	<u>\$ (100,000)</u>	<u>\$ 1,109</u>	<u>\$ 101,109</u>
OTHER FINANCING SOURCES (USES)				
Transfers Out	\$ -	\$ -	\$ 1,969	\$ 1,969.00
Total other financing sources (uses)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,969</u>	<u>\$ 1,969</u>
Net change in fund balances	<u>\$ 5,000</u>	<u>\$ (100,000)</u>	<u>\$ 3,078</u>	<u>\$ 103,078</u>
Fund balances - beginning	(5,000)	100,000	106,757	6,757
Fund balances - ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 109,835</u>	<u>\$ 109,835</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, 2020

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>		
REVENUES				
Intergovernmental:				
Federal	\$ -	\$ 534,200	\$ 459,897	\$ (74,303)
Total revenues	\$ -	\$ 534,200	\$ 459,897	\$ (74,303)
EXPENDITURES				
Current:				
Public safety	\$ -	\$ 520,200	\$ 459,897	\$ 60,303
Total expenditures	\$ -	\$ 520,200	\$ 459,897	\$ 60,303
Excess (deficiency) of revenues over (under) expenditures	\$ -	\$ 14,000	\$ -	\$ (14,000)
Net change in fund balances	\$ -	\$ 14,000	\$ -	\$ (14,000)
Fund balances - beginning	-	(14,000)	-	14,000
Fund balances - ending	\$ -	\$ -	\$ -	\$ -

Town of Christiansburg, Virginia
Cemetery Fund

Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
For the Year Ended June 30, 2020

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
REVENUES				
Revenue from the use of money and property	\$ 4,000	\$ 4,000	\$ 13,612	\$ 9,612
Charges for services	82,000	82,000	135,785	53,785
Miscellaneous	-	-	280	280
Total revenues	<u>\$ 86,000</u>	<u>\$ 86,000</u>	<u>\$ 149,677</u>	<u>\$ 63,677</u>
EXPENDITURES				
Current:				
Parks, recreation, and cultural	\$ 255,772	\$ 255,772	\$ 206,440	\$ 49,332
Total expenditures	<u>\$ 255,772</u>	<u>\$ 255,772</u>	<u>\$ 206,440</u>	<u>\$ 49,332</u>
Excess (deficiency) of revenues over (under) expenditures	<u>\$ (169,772)</u>	<u>\$ (169,772)</u>	<u>\$ (56,763)</u>	<u>\$ 113,009</u>
OTHER FINANCING SOURCES (USES)				
Transfers In	<u>\$ 205,422</u>	<u>\$ 205,422</u>	<u>\$ 123,795</u>	<u>\$ (81,627)</u>
Net change in fund balances	\$ 35,650	\$ 35,650	\$ 67,032	\$ 31,382
Fund balances - beginning	(35,650)	(35,650)	853,180	888,830
Fund balances - ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 920,212</u>	<u>\$ 920,212</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, 2020

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>		
REVENUES				
Intergovernmental:				
Commonwealth	\$ 5,677,224	\$ 6,758,861	\$ 5,400,875	\$ (1,357,986)
Federal	1,550,237	3,309,924	2,653,361	(656,563)
Total revenues	<u>\$ 7,227,461</u>	<u>\$ 10,068,785</u>	<u>\$ 8,054,236</u>	<u>\$ (2,014,549)</u>
EXPENDITURES				
Current:				
Capital projects	\$ 11,773,752	\$ 14,934,118	\$ 11,444,878	\$ 3,489,240
Total expenditures	<u>\$ 11,773,752</u>	<u>\$ 14,934,118</u>	<u>\$ 11,444,878</u>	<u>\$ 3,489,240</u>
Excess (deficiency) of revenues over (under) expenditures	<u>\$ (4,546,291)</u>	<u>\$ (4,865,333)</u>	<u>\$ (3,390,642)</u>	<u>\$ 1,474,691</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	<u>\$ 3,064,510</u>	<u>\$ 3,389,993</u>	<u>\$ 3,390,642</u>	<u>\$ 649</u>
Net change in fund balances	\$ (1,481,781)	\$ (1,475,340)	\$ -	\$ 1,475,340
Fund balances - beginning	1,481,781	1,475,340	-	(1,475,340)
Fund balances - ending	<u><u>\$ -</u></u>	<u><u>\$ -</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, 2020

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>
General Fund:				
Revenue from local sources:				
General property taxes:				
Real property tax	\$ 3,676,478	\$ 3,676,478	\$ 3,604,356	\$ (72,122)
Real and personal PSC tax	87,699	87,699	95,399	7,700
Personal property tax	719,540	719,540	839,316	119,776
Mobile home tax	6,206	6,206	6,009	(197)
Machinery and tools tax	318,770	318,770	307,354	(11,416)
Penalties	20,000	20,000	27,462	7,462
Interest	12,000	12,000	23,783	11,783
Total general property taxes	\$ 4,840,693	\$ 4,840,693	\$ 4,903,679	\$ 62,986
Other local taxes:				
Local sales and use taxes	\$ 1,968,920	\$ 1,968,920	\$ 2,142,903	\$ 173,983
Consumers' utility taxes	570,000	570,000	600,518	30,518
Cigarette taxes	475,000	475,000	470,310	(4,690)
Business license taxes	2,513,000	2,513,000	2,722,613	209,613
Consumption taxes	135,000	135,000	131,474	(3,526)
Motor vehicle licenses	560,000	560,000	572,669	12,669
Bank stock taxes	750,000	750,000	884,585	134,585
Lodging taxes	1,625,100	1,625,100	1,405,149	(219,951)
Restaurant food taxes	7,304,500	7,304,500	6,692,216	(612,284)
Total other local taxes	\$ 15,901,520	\$ 15,901,520	\$ 15,622,437	\$ (279,083)
Permits, privilege fees, and regulatory licenses:				
Building permits	\$ 190,000	\$ 190,000	\$ 217,358	\$ 27,358
Zoning permits	9,000	9,000	10,500	1,500
Permits and other licenses	87,600	87,600	98,823	11,223
Total permits, privilege fees, and regulatory licenses	\$ 286,600	\$ 286,600	\$ 326,681	\$ 40,081
Fines and forfeitures:				
Court fines and forfeitures	\$ 77,500	\$ 77,500	\$ 64,153	\$ (13,347)
Revenue from use of money and property:				
Revenue from use of money	\$ 350,000	\$ 350,000	\$ 573,870	\$ 223,870
Revenue from use of property	237,000	237,000	255,607	18,607
Total revenue from use of money and property	\$ 587,000	\$ 587,000	\$ 829,477	\$ 242,477
Charges for services:				
Charges for recreation	\$ 212,000	\$ 212,000	\$ 148,616	\$ (63,384)
Charges for aquatics	763,900	763,900	634,136	(129,764)
Charges for Farmer's Market	240	240	766	526
Charges for alarm fees	600	600	-	(600)
Charges for refuse collections	2,002,150	2,002,150	2,007,414	5,264
Charges for radio installs	140,000	140,000	-	(140,000)
Total charges for services	\$ 3,118,890	\$ 3,118,890	\$ 2,790,932	\$ (327,958)

Town of Christiansburg, Virginia
Schedule of Revenues - Budget and Actual
Governmental Funds
For the Year Ended June 30, 2020

<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	\$ 218,790	\$ 218,790	\$ 180,948	\$ (37,842)
Total revenue from local sources	\$ 25,030,993	\$ 25,030,993	\$ 24,718,307	\$ (312,686)
Intergovernmental:				
Revenue from the Commonwealth:				
Noncategorical aid:				
Rolling stock tax	\$ 177,000	\$ 177,000	\$ 196,571	\$ 19,571
Mobile home titling tax	16,000	16,000	7,961	(8,039)
Telecommunication tax	840,000	840,000	735,219	(104,781)
Personal property tax relief funds	228,553	228,553	228,553	-
Total noncategorical aid	\$ 1,261,553	\$ 1,261,553	\$ 1,168,304	\$ (93,249)
Categorical aid:				
Other categorical aid:				
DJCP law enforcement grants	\$ 445,900	\$ 445,900	\$ 463,284	\$ 17,384
Litter control grant	5,000	5,000	4,559	(441)
Street maintenance	3,550,000	3,550,000	3,684,841	134,841
Other categorical aid	-	-	20,000	20,000
Total other categorical aid	\$ 4,000,900	\$ 4,000,900	\$ 4,172,684	\$ 171,784
Total categorical aid	\$ 4,000,900	\$ 4,000,900	\$ 4,172,684	\$ 171,784
Total revenue from the Commonwealth	\$ 5,262,453	\$ 5,262,453	\$ 5,340,988	\$ 78,535
Revenue from the Federal Government:				
Categorical aid:				
FEMA grants	\$ 35,000	\$ 35,000	\$ -	\$ (35,000)
ARC grants	-	-	25,006	25,006
Total categorical aid	\$ 35,000	\$ 35,000	\$ 25,006	\$ (9,994)
Total intergovernmental	\$ 5,297,453	\$ 5,297,453	\$ 5,365,994	\$ 68,541
Total General Fund	\$ 30,328,446	\$ 30,328,446	\$ 30,084,301	\$ (244,145)
Special Revenue Funds:				
Volunteer Fire Dept. Fund:				
Revenue from local sources:				
Revenue from use of money and property:				
Revenue from the use of money	\$ -	\$ -	\$ 15,362	\$ 15,362
Miscellaneous:				
Montgomery County, Virginia contributions	\$ 115,270	\$ 115,270	\$ 115,270	\$ -
Total revenue from local sources	\$ 115,270	\$ 115,270	\$ 130,632	\$ 15,362

Town of Christiansburg, Virginia
Schedule of Revenues - Budget and Actual
Governmental Funds
For the Year Ended June 30, 2020

<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	\$ 95,400	\$ 95,400	\$ 105,611	\$ 10,211
Total revenue from the Commonwealth	\$ 95,400	\$ 95,400	\$ 105,611	\$ 10,211
Revenue from the federal government:				
Categorical aid:				
FEMA grant	\$ 7,500	\$ 7,500	\$ 7,500	\$ -
Total intergovernmental	\$ 102,900	\$ 102,900	\$ 113,111	\$ 10,211
Total Volunteer Fire Department Fund	\$ 218,170	\$ 218,170	\$ 243,743	\$ 25,573
Lifesaving and Rescue Fund:				
Revenue from local sources:				
Revenue from use of money and property:				
Revenue from the use of money	\$ -	\$ -	\$ 21,645	\$ 21,645
Charges for services:				
EMS billings	\$ 790,000	\$ 790,000	\$ 876,004	\$ 86,004
Miscellaneous:				
Montgomery County, Virginia contributions	\$ 103,950	\$ 103,950	\$ 103,950	\$ -
Other contributions	10,000	10,000	13,583	3,583
Total miscellaneous	\$ 113,950	\$ 113,950	\$ 117,533	\$ 3,583
Total revenue from local sources	\$ 903,950	\$ 903,950	\$ 1,015,182	\$ 111,232
Intergovernmental:				
Revenue from the Commonwealth:				
Categorical aid:				
Four for Life grants	\$ 8,600	\$ 8,600	\$ 13,175	\$ 4,575
RSAF Grant	-	52,376	52,377	1
Total categorical aid	\$ 8,600	\$ 60,976	\$ 65,552	\$ 4,576
Total revenue from the Commonwealth	\$ 8,600	\$ 60,976	\$ 65,552	\$ 4,576

Town of Christiansburg, Virginia
Schedule of Revenues - Budget and Actual
Governmental Funds
For the Year Ended June 30, 2020

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)				
Lifesaving and Rescue Fund: (Continued)				
Revenue from the federal government:				
Categorical aid:				
COVID-19 Provider Relief Funds	\$ -	\$ -	\$ 35,547	\$ 35,547
Total categorical aid	\$ -	\$ -	\$ 35,547	\$ 35,547
Total revenue from the federal government	\$ -	\$ -	\$ 35,547	\$ 35,547
Total intergovernmental revenues	\$ 8,600	\$ 60,976	\$ 101,099	\$ 40,123
Total Lifesaving and Rescue Fund	\$ 912,550	\$ 964,926	\$ 1,116,281	\$ 151,355
Police Department Fund:				
Revenue from local sources:				
Revenue from use of money and property:				
Revenue from the use of money	\$ -	\$ -	\$ 1,629	\$ 1,629
Miscellaneous:				
Contributions	\$ 11,200	\$ 11,200	\$ 4,878	\$ (6,322)
Other miscellaneous	18,702	18,702	18,247	(455)
Total miscellaneous	\$ 29,902	\$ 29,902	\$ 23,125	\$ (6,777)
Total revenue from local sources	\$ 29,902	\$ 29,902	\$ 24,754	\$ (5,148)
Intergovernmental:				
Revenue from the Commonwealth:				
Categorical aid:				
Police Department grants	\$ 20,000	\$ 20,000	\$ 3,300	\$ (16,700)
Total categorical aid	\$ 20,000	\$ 20,000	\$ 3,300	\$ (16,700)
Total revenue from the Commonwealth	\$ 20,000	\$ 20,000	\$ 3,300	\$ (16,700)
Revenue from the federal government:				
Categorical aid:				
Bullet Proof Vest Grant	\$ 3,672	\$ 3,672	\$ 3,157	\$ (515)
Justice Assistance Grant	-	-	1,823	1,823
DMV Select Enforcement Grant	22,940	22,940	18,432	(4,508)
Anti-Drug Grant	55,000	55,000	-	(55,000)
Total categorical aid	\$ 81,612	\$ 81,612	\$ 23,412	\$ (58,200)
Total revenue from the federal government	\$ 81,612	\$ 81,612	\$ 23,412	\$ (58,200)
Total intergovernmental	\$ 101,612	\$ 101,612	\$ 26,712	\$ (74,900)
Total Police Department Fund	\$ 131,514	\$ 131,514	\$ 51,466	\$ (80,048)

Town of Christiansburg, Virginia
Schedule of Revenues - Budget and Actual
Governmental Funds
For the Year Ended June 30, 2020

<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	\$ -	\$ -	\$ 671	\$ 671
Miscellaneous:				
Contributions and donations	\$ 21,000	\$ 21,000	\$ 4,353	\$ (16,647)
Total revenue from local sources	\$ 21,000	\$ 21,000	\$ 5,024	\$ (15,976)
Intergovernmental:				
Revenue from the federal government:				
Categorical aid:				
Community Development Block Grant	\$ 105,000	\$ 105,000	\$ -	\$ (105,000)
Total revenue from the federal government	\$ 105,000	\$ 105,000	\$ -	\$ (105,000)
Total intergovernmental	\$ 105,000	\$ 105,000	\$ -	\$ (105,000)
Total Recreation and Streets Fund	\$ 126,000	\$ 126,000	\$ 5,024	\$ (120,976)
CARES Fund:				
Intergovernmental:				
Revenue from the federal government:				
Categorical aid:				
FEMA funds	\$ -	\$ -	\$ 45,371	\$ 45,371
Coronavirus Relief Fund (passed-through Montgomery Co.)	-	534,200	414,526	(119,674)
Total revenue from the federal government	\$ -	\$ 534,200	\$ 459,897	\$ (74,303)
Total intergovernmental	\$ -	\$ 534,200	\$ 459,897	\$ (74,303)
Total CARES Fund	\$ -	\$ 534,200	\$ 459,897	\$ (74,303)

Town of Christiansburg, Virginia
Schedule of Revenues - Budget and Actual
Governmental Funds
For the Year Ended June 30, 2020

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>
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	\$ 13,612	\$ 9,612
Charges for services:				
Charges for grave openings	\$ 55,000	\$ 55,000	\$ 82,365	\$ 27,365
Charges for plots	25,000	25,000	49,070	24,070
Charges for niches	2,000	2,000	4,350	2,350
Total charges for services	\$ 82,000	\$ 82,000	\$ 135,785	\$ 53,785
Miscellaneous:				
Other miscellaneous	\$ -	\$ -	\$ 280	\$ 280
Total revenue from local sources	\$ 86,000	\$ 86,000	\$ 149,677	\$ 63,677
Total Cemetery Fund	\$ 86,000	\$ 86,000	\$ 149,677	\$ 63,677
Capital Projects Fund:				
Intergovernmental:				
Revenue from the Commonwealth:				
Categorical aid:				
VDOT revenue sharing projects	\$ 5,677,224	\$ 6,758,861	\$ 5,400,875	\$ (1,357,986)
Total categorical aid	\$ 5,677,224	\$ 6,758,861	\$ 5,400,875	\$ (1,357,986)
Total revenue from the Commonwealth	\$ 5,677,224	\$ 6,758,861	\$ 5,400,875	\$ (1,357,986)
Revenue from the federal government:				
Categorical aid:				
Other categorical aid	\$ 1,550,237	\$ 3,309,924	\$ 2,653,361	\$ (656,563)
Total categorical aid	\$ 1,550,237	\$ 3,309,924	\$ 2,653,361	\$ (656,563)
Total revenue from the federal government	\$ 1,550,237	\$ 3,309,924	\$ 2,653,361	\$ (656,563)
Total Capital Projects Fund	\$ 7,227,461	\$ 10,068,785	\$ 8,054,236	\$ (2,014,549)
Total Primary Government	\$ 39,030,141	\$ 42,458,041	\$ 40,164,625	\$ (2,293,416)

Town of Christiansburg, Virginia
Schedule of Expenditures - Budget and Actual
Governmental Funds
For the Year Ended June 30, 2020

<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	\$ 70,221	\$ 7,082
General and financial administration:				
Town Manager	\$ 914,007	\$ 1,078,505	\$ 914,821	\$ 163,684
Legal services	80,000	80,000	82,949	(2,949)
Finance/Treasurer	1,042,008	1,042,008	974,360	67,648
Audit services	37,500	37,500	35,500	2,000
Human Resources	446,743	446,743	334,366	112,377
Public Relations	403,824	403,824	274,708	129,116
Information Systems	1,061,114	1,139,509	797,556	341,953
Total general and financial administration	\$ 3,985,196	\$ 4,228,089	\$ 3,414,260	\$ 813,829
Total general government administration	\$ 4,062,499	\$ 4,305,392	\$ 3,484,481	\$ 820,911
Public safety:				
Law enforcement and traffic control:				
Police	\$ 7,616,413	\$ 7,672,628	\$ 7,159,966	\$ 512,662
Radio shop	142,188	142,188	-	142,188
Total law enforcement and traffic control	\$ 7,758,601	\$ 7,814,816	\$ 7,159,966	\$ 654,850
Fire and rescue services:				
Fire department	\$ 2,522,318	\$ 2,523,750	\$ 920,007	\$ 1,603,743
Lifesaving and Rescue Squad	896,567	903,192	767,863	135,329
Total fire and rescue services	\$ 3,418,885	\$ 3,426,942	\$ 1,687,870	\$ 1,739,072
Inspections:				
Building	\$ 582,716	\$ 582,716	\$ 380,619	\$ 202,097
Total public safety	\$ 11,760,202	\$ 11,824,474	\$ 9,228,455	\$ 2,596,019
Public works:				
Maintenance of highways, streets, bridges and sidewalks:				
Street department	\$ 4,636,459	\$ 4,642,409	\$ 3,517,182	\$ 1,125,227
Sanitation and waste removal:				
Refuse collections and disposal	\$ 1,760,672	\$ 1,823,626	\$ 1,562,499	\$ 261,127
Maintenance of general buildings and grounds:				
General properties	\$ 821,726	\$ 821,726	\$ 752,415	\$ 69,311
Total public works	\$ 7,218,857	\$ 7,287,761	\$ 5,832,096	\$ 1,455,665

Town of Christiansburg, Virginia
Schedule of Expenditures - Budget and Actual
Governmental Funds
For the Year Ended June 30, 2020

<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: (Continued)				
Health and welfare:				
Welfare:				
Contribution to Area Agency on Aging	\$ 4,494	\$ 4,494	\$ 4,494	\$ -
Parks, recreation, and cultural:				
Parks and recreation:				
Recreation department	\$ 2,534,490	\$ 2,569,365	\$ 2,006,888	\$ 562,477
Aquatic center	1,756,232	1,748,607	1,367,037	381,570
Skate board park	514,362	514,362	431,875	82,487
Total parks and recreation	\$ 4,805,084	\$ 4,832,334	\$ 3,805,800	\$ 1,026,534
Total parks, recreation, and cultural	\$ 4,805,084	\$ 4,832,334	\$ 3,805,800	\$ 1,026,534
Community development:				
Planning and community development:				
Planning department	\$ 264,386	\$ 264,386	\$ 244,007	\$ 20,379
Zoning administration	1,000	1,000	-	1,000
Planning Commission	13,200	13,200	4,874	8,326
Community development	542,722	542,722	481,047	61,675
Farmer's Market	7,820	7,820	3,421	4,399
Economic development	1,484,500	1,484,500	1,452,091	32,409
Engineering	894,966	894,966	787,175	107,791
Total planning and community development	\$ 3,208,594	\$ 3,208,594	\$ 2,972,615	\$ 235,979
Total community development	\$ 3,208,594	\$ 3,208,594	\$ 2,972,615	\$ 235,979
Debt service:				
Principal retirement	\$ 822,340	\$ 822,340	\$ 822,340	\$ -
Interest and other fiscal charges	196,855	196,855	197,612	(757)
Total debt service	\$ 1,019,195	\$ 1,019,195	\$ 1,019,952	\$ (757)
Total General Fund	\$ 32,078,925	\$ 32,482,244	\$ 26,347,893	\$ 6,134,351
Special Revenue Funds:				
Volunteer Fire Department Fund:				
Public Safety:				
Fire and rescue services:				
Fire department	\$ 218,170	\$ 257,506	\$ 145,890	\$ 111,616
Total Volunteer Fire Department Fund	\$ 218,170	\$ 257,506	\$ 145,890	\$ 111,616

Town of Christiansburg, Virginia
Schedule of Expenditures - Budget and Actual
Governmental Funds
For the Year Ended June 30, 2020

<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	\$ 1,135,839	\$ 1,188,215	\$ 984,333	\$ 203,882
Total Lifesaving and Rescue Fund	\$ 1,135,839	\$ 1,188,215	\$ 984,333	\$ 203,882
Police Department Fund:				
Public Safety:				
Law enforcement and traffic control:				
Police	\$ 131,514	\$ 131,514	\$ 103,678	\$ 27,836
Total Police Department Fund	\$ 131,514	\$ 131,514	\$ 103,678	\$ 27,836
Recreation and Streets Fund:				
Public Works:				
Maintenance of highways, streets, bridges and sidewalks:				
Street department	\$ -	\$ 105,000	\$ -	\$ 105,000
Parks, recreation, and cultural:				
Parks and recreation:				
Recreation department	\$ 121,000	\$ 121,000	\$ 3,915	\$ 117,085
Total Recreation and Streets Fund	\$ 121,000	\$ 226,000	\$ 3,915	\$ 222,085
CARES Fund:				
Public Safety:				
Other protection:				
COVID-19 protection	\$ -	\$ 520,200	\$ 459,897	\$ 60,303
Total CARES Fund	\$ -	\$ 520,200	\$ 459,897	\$ 60,303
Permanent Fund:				
Cemetery Fund:				
Parks, recreation, and cultural:				
Cultural enrichment:				
Cemetery	\$ 255,772	\$ 255,772	\$ 206,440	\$ 49,332
Total Cemetery Fund	\$ 255,772	\$ 255,772	\$ 206,440	\$ 49,332

Town of Christiansburg, Virginia
Schedule of Expenditures - Budget and Actual
Governmental Funds
For the Year Ended June 30, 2020

<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>
Capital Projects Fund:				
Capital projects expenditures:				
VDOT revenue sharing projects	\$ 5,507,497	\$ 6,785,860	\$ 4,579,775	\$ 2,206,085
Highway planning and construction projects	6,266,255	8,148,258	6,865,103	1,283,155
Total capital projects	<u>\$ 11,773,752</u>	<u>\$ 14,934,118</u>	<u>\$ 11,444,878</u>	<u>\$ 3,489,240</u>
 Total Capital Projects Fund	 <u>\$ 11,773,752</u>	 <u>\$ 14,934,118</u>	 <u>\$ 11,444,878</u>	 <u>\$ 3,489,240</u>
 Total Primary Government	 <u>\$ 45,714,972</u>	 <u>\$ 49,995,569</u>	 <u>\$ 39,696,924</u>	 <u>\$ 10,298,645</u>

Statistical Section

This part of the Town of Christiansburg Comprehensive Annual Financial Report (CAFR) 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 CAFR 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	118-124
Revenue Capacity	These schedules contain information to help the reader assess the Town's most significant local revenue sources. Tables 7-10	125-128
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	129-132
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	133-134
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	135-142

Table 1

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

	2020	2019	2018	2017(3)	2016	2015 (2)	2014 (1)	2013	2012	2011
Governmental Activities:										
Net investment in capital assets	\$ 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	\$ 99,222,094
Restricted	3,291,032	3,057,205	2,850,816	2,829,791	2,541,147	7,439,965	6,516,996	6,727,355	6,423,678	6,185,491
Unrestricted	22,620,509	22,749,723	19,389,766	14,689,901	11,016,008	3,225,438	14,693,551	11,426,955	13,772,327	12,615,333
Total governmental activities net position	\$ 157,058,230	\$ 148,448,376	\$ 137,575,010	\$ 132,578,327	\$ 129,295,581	\$ 126,812,220	\$ 117,849,962	\$ 114,925,804	\$ 115,720,070	\$ 118,022,918
Business-type Activities:										
Net investment in capital assets	\$ 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	\$ 31,469,741
Unrestricted	3,552,793	2,424,081	1,311,037	595,422	404,731	275,465	3,579,672	773,790	97,016	53,593
Total business-type activities net position	\$ 48,735,767	\$ 44,328,700	\$ 40,049,135	\$ 37,053,122	\$ 33,877,660	\$ 32,435,841	\$ 33,599,856	\$ 33,359,046	\$ 32,849,937	\$ 31,523,334
Primary Government:										
Net investment in capital assets	\$ 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	\$ 130,691,835
Restricted	3,291,032	3,057,205	2,850,816	2,829,791	2,541,147	7,439,965	6,516,996	6,727,355	6,423,678	6,185,491
Unrestricted	26,173,302	25,173,804	20,700,803	15,285,323	11,420,739	3,500,903	18,273,223	12,200,745	13,869,343	12,668,926
Total business-type activities net position	\$ 205,793,997	\$ 192,777,076	\$ 177,624,145	\$ 169,631,449	\$ 163,173,241	\$ 159,248,061	\$ 151,449,818	\$ 148,284,850	\$ 148,570,007	\$ 149,546,252

(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									
	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011
Expenses										
Governmental Activities:										
General Government	\$ 3,368,719	\$ 3,112,647	\$ 3,057,593	\$ 2,924,666	\$ 2,865,185	\$ 2,747,508	\$ 2,805,119	\$ 4,944,169	\$ 2,220,167	\$ 2,376,491
Public Safety	10,735,137	9,917,232	9,458,653	8,514,939	9,216,920	8,583,324	8,418,250	8,198,793	8,658,968	7,298,345
Public Works	9,125,433	9,839,037	8,348,240	9,465,078	9,352,889	9,809,882	8,496,043	9,144,564	9,379,197	5,154,376
Health and Welfare	4,494	4,280	4,076	3,882	3,697	3,521	3,353	3,193	3,193	3,100
Parks, Recreation, and Culture	5,050,766	4,600,565	4,769,414	4,971,901	4,713,745	4,803,568	5,712,596	2,154,902	4,564,487	4,214,349
Community Development	3,080,724	1,180,279	1,426,797	1,480,200	1,534,477	1,519,574	1,224,353	1,363,587	1,409,722	1,145,498
Interest on Long Term Debt	212,732	226,717	241,069	247,633	334,535	289,866	301,654	525,402	550,881	574,940
Total governmental activities	\$ 31,578,005	\$ 28,880,757	\$ 27,305,842	\$ 27,608,299	\$ 28,021,448	\$ 27,757,243	\$ 26,961,368	\$ 26,334,610	\$ 26,786,615	\$ 20,767,099
Business-Type Activities:										
Water and Sewer and Stormwater	\$ 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	\$ 6,369,695
Total business-type activities expenses	\$ 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	\$ 6,369,695
Total primary government expenses	\$ 41,862,608	\$ 38,994,561	\$ 37,145,040	\$ 35,937,258	\$ 35,500,469	\$ 35,076,608	\$ 33,805,340	\$ 32,986,055	\$ 33,241,791	\$ 27,136,794
Program Revenues										
Governmental activities:										
Charges for Services										
Solid waste collection services	\$ 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	\$ 1,184,296
Public Safety	1,252,710	1,176,335	1,180,664	1,215,412	1,037,404	158,669	147,646	-	-	-
Parks, Recreation, and Cultural	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	1,022,857
Community Development	766	1,470	375	-	-	-	-	-	-	-
Operating grants and contributions	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	306,981
Capital grants and contributions	8,054,236	7,100,413	1,583,117	3,058,837	779,606	225	887,040	41,008	8,316	1,325,647
Total governmental activities program revenues	\$ 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	\$ 3,839,781
Business-Type Activities:										
Charges for Services										
Water and Sewer	\$ 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	\$ 5,855,965
Storm Water	1,436,821	1,432,291	1,385,403	1,397,976	-	-	-	-	-	-
Capital Grants and contributions	1,479,543	1,188,695	1,177,024	973,318	95,939	-	-	-	-	-
Total business-type activities program revenues	\$ 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	\$ 5,855,965
Total primary government program revenues	\$ 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	\$ 9,695,746
Net (Expense) Revenue										
Governmental activities	\$ (14,445,833)	\$ (13,373,365)	\$ (17,680,065)	\$ (16,393,772)	\$ (19,109,157)	\$ (20,796,016)	\$ (18,895,325)	\$ (23,303,578)	\$ (23,206,937)	\$ (16,927,318)
Business-type activities	4,407,067	3,496,531	2,996,013	2,955,977	1,441,819	309,792	29,861	307,092	158,331	(513,730)
Total primary government net (expense) revenue	\$ (10,038,766)	\$ (9,876,834)	\$ (14,684,052)	\$ (13,437,795)	\$ (17,667,338)	\$ (20,486,223)	\$ (18,865,464)	\$ (22,996,486)	\$ (23,048,606)	\$ (17,441,048)

(continued)

Table 2

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

	Fiscal Year									
	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011
General Revenues and Other										
Changes in Net Position										
Governmental Activities:										
Taxes										
Property	\$ 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	\$ 3,016,086
Sales	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	1,547,345
Prepared Meals	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	5,407,998
Transient Lodging	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	812,331
Business Licenses	2,722,613	2,603,996	2,471,309	2,443,328	2,366,398	2,236,295	2,146,259	-	-	-
Franchise	884,585	934,793	830,169	794,033	709,970	726,136	811,550	-	-	-
Cigarette	470,310	465,833	486,156	513,200	562,770	554,155	606,416	-	-	-
Other	977,980	1,514,498	742,605	911,042	911,798	2,026,356	2,016,969	5,454,370	5,277,657	5,344,305
Permits, fees and licenses	326,681	203,292	253,563	338,511	267,368	272,733	157,471	170,580	190,405	131,369
Revenues from use of property	255,607	257,136	268,441	304,427	241,749	231,905	224,381	217,128	218,058	255,366
Investment earnings and unrealized gains	626,789	841,947	728,710	285,287	240,599	315,432	237,626	228,040	222,813	254,350
Intergovernmental	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	3,662,382
Fines and Forfeitures	-	-	-	-	-	-	(2)	172,565	126,702	95,038
Cemetery	135,785	95,430	70,205	52,510	59,092	29,565	44,515	28,930	90,860	103,464
Miscellaneous	305,724	1,049,206	511,172	520,429	521,597	1,020,334	2,212,798	389,461	345,487	375,261
Grants in Aid of Construction	-	-	-	-	-	-	-	-	-	1,257,323
Transfers	-	-	-	-	-	-	-	-	(410,640)	(323,096)
FY16 Restatement to beginning balances	-	-	-	-	-	20,510,874	-	-	-	-
Special Items	-	-	-	-	-	(3)	-	-	-	-
Total Governmental activities	\$ 23,055,687	\$ 24,246,731	\$ 22,676,748	\$ 22,320,869	\$ 21,592,518	\$ 42,047,153	\$ 21,945,709	\$ 22,509,312	\$ 20,904,089	\$ 22,849,102
Business-Type activities:										
Grants in Aid of Construction	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 124,735	\$ 53,489	\$ 45,971	\$ 610,263	\$ 52,700
Miscellaneous	-	-	-	-	-	171,143	157,460	156,046	147,369	137,934
FY16 Restatement to beginning balances	-	-	-	-	-	(220,676)	-	-	-	-
Transfers	-	-	-	-	-	-	-	-	410,640	323,096
Total business-type activities	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 75,202	\$ 210,949	\$ 202,017	\$ 1,168,272	\$ 513,730
Total primary government	\$ 23,055,687	\$ 24,246,731	\$ 22,676,748	\$ 22,320,869	\$ 21,592,518	\$ 42,122,354	\$ 22,156,658	\$ 22,711,329	\$ 22,072,361	\$ 23,362,832
Changes in Net Position:										
Governmental activities	\$ 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)	\$ 5,921,784
Business type activities	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	\$ 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)	\$ 5,921,784

(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), (2)
Last Ten Fiscal Years

	2020	2019	2018	2017	2016	2015(3)	2014	2013	2012	2011
General Fund										
Nondisposable	\$ 405,909	\$ 150,868	\$ 135,279	\$ 126,291	\$ 130,844	\$ 93,355	\$ 26,974	\$ 85,792	\$ 131,851	\$ -
Restricted	-	-	-	-	-	-	-	-	448,130	429,088
Assigned	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	2,199,995
Unassigned	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	12,816,580
Total General Fund	\$ 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	\$ 15,445,663
All Other Governmental Funds										
Nondisposable	\$ 804,673	\$ 727,610	\$ 684,430	\$ 648,463	\$ 566,654	\$ 522,364	\$ 484,446	\$ 433,263	\$ 366,676	\$ 359,214
Restricted	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	2,026,335
Unassigned	127,524	125,570	152,393	-	-	-	1,574	(2,315)	(2,880)	-
Total All Other Governmental Funds	\$ 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	\$ 2,385,549
Grand Total All Governmental Fund Balances	\$ 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	\$ 17,831,212

(1) Modified accrual basis of accounting

(2) For the fiscal year ending June 30, 2011, the Town implemented GASB Statement No. 54 which changed the way fund balances are classified. Fund balances for 2003 through 2010 have been restated to reflect the change.

(3) As restated

Table 4

Town of Christiansburg, Virginia Changes in Fund Balance - Governmental Funds (1) Last Ten Fiscal Years											
	Fiscal Year										
	2020	2019	2018	2017	2016	2015 (3)	2014	2013	2012	2011	
Revenues											
Taxes											
Property	\$ 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	\$ 3,006,272	
Sales	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	1,547,345	
Prepared Meals	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	5,407,998	
Transient Lodging	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	812,331	
Business License	2,722,613	2,603,996	2,471,249	2,443,328	2,366,398	2,236,295 (2)	2,146,259	-	-	-	
Franchise	884,585	934,793	830,169	794,033	709,970	726,136 (2)	811,550	-	-	-	
Cigarette	470,310	465,833	486,156	513,200	562,770	554,155 (2)	606,416	-	-	-	
Other	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	5,344,305	
Permits, fees and licenses	326,681	203,292	253,563	338,511	267,369	272,733	157,471	170,580	190,405	131,369	
Revenues from use of property	573,870	257,136	268,441	304,427	217,650	231,905	224,381	217,128	218,058	255,366	
Investment earnings	308,526	1,099,083	460,269	285,287	264,698	315,432	237,628	228,040	222,813	254,350	
Charges for services	3,666,936	3,908,581	3,537,227	3,475,354	3,406,325	2,565,697	2,431,854	2,414,843	2,496,336	2,273,848	
Intergovernmental	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	4,118,010	
Fines and forfeitures	64,153	65,138	85,653	76,994	95,980	158,669	147,646	172,565	126,702	95,038	
Cemetery	135,785	95,430	70,205	96,401	97,512	29,565	44,515	28,930	27,905	36,769	
Miscellaneous	441,509	639,211	511,172	520,429	525,798	994,841	942,622	389,461	343,167	1,503,408	
Total Revenues Governmental Funds	\$ 40,164,625	\$ 35,794,603	\$ 32,341,020	\$ 33,467,207	\$ 30,349,401	\$ 28,584,138	\$ 27,488,546	\$ 25,658,667	\$ 24,880,918	\$ 24,786,409	
Expenditures											
General Government	\$ 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	\$ 2,077,241	
Public Safety	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	6,806,897	
Public Works	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	4,846,285	
Health and Welfare	4,494	4,280	4,076	3,882	3,697	3,521	3,353	3,193	3,193	3,100	
Parks, Recreation, and Culture	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	3,439,568	
Community Development	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	1,132,826	
Capital Outlay	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	1,897,842	
Debt Service											
Principal retirement	822,340	807,980	792,840	785,580	560,440	767,100	600,000	575,000	550,000	530,000	
Interest and fiscal charges	197,612	211,601	227,828	235,783	272,569	276,924	207,461	536,163	561,175	583,981	
Bond Insurance cost					30,883		31,780				
Total Expenditures Governmental Funds	\$ 39,696,924	\$ 32,756,942	\$ 28,139,629	\$ 28,189,032	\$ 29,939,507	\$ 25,284,891	\$ 26,516,888	\$ 27,451,936	\$ 23,129,567	\$ 21,319,740	
Excess of Revenues over (under) Expenditures	\$ 467,701	\$ 3,035,661	\$ 4,201,391	\$ 5,278,175	\$ 609,894	\$ 3,299,247	\$ 971,657	\$ (1,793,269)	\$ 1,751,351	\$ 3,466,669	
Other Financing Sources and (Uses)											
Insurance Recoveries	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 195	\$ 27,075	\$ -	\$ 2,321	\$ 48,852	
Issuance of Debt	-	-	-	-	2,014,000	-	1,654,400	-	-	-	
Issuance of Refunding Debt	-	-	-	-	1,315,000	-	9,394,900	-	-	-	
Payment to Refunded Bond Escrow Agent	-	-	-	-	(1,298,086)	-	(9,369,569)	-	-	-	
Transfers (to) from:											
General fund	(3,516,473)	2,605,161	1,115,378	1,278,030	641,662	648,628	155,317	722,746	336,738	620,083	
Cemetery Fund	123,795	(142,927)	(209,721)	(291,288)	(231,393)	(189,563)	(123,761)	(170,438)	(52,557)	(120,560)	
Capital Projects	3,390,642	(2,459,198)	(905,657)	(986,742)	(410,269)	(459,065)	-	-	-	-	
Special Revenue Funds	2,036	(3,036)	-	-	-	-	(31,556)	(552,308)	(58,097)	(176,427)	
Water and Sewer Fund	-	-	-	-	-	-	-	-	(226,084)	(323,096)	
Total Other Financing Sources and (Uses)	\$ -	\$ -	\$ -	\$ -	\$ 2,030,914	\$ 195	\$ 1,706,806	\$ -	\$ 2,321	\$ 48,852	
Special Items											
Transfer of funds from(to) other organizations	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (136,728)	\$ -	\$ 909,580	
Net Changes in Fund Balance Increases (Decreases)	\$ 467,701	\$ 3,035,661	\$ 4,201,391	\$ 5,278,175	\$ 2,640,808	\$ 3,299,442	\$ 2,678,463	\$ (1,929,997)	\$ 1,753,672	\$ 4,425,101	
Debt Service as a percentage of noncapital expenditures	3.85%	4.09%	3.98%	3.96%	2.84%	4.65%	3.76%	5.26%	5.45%	5.74%	

(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
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
2010-2011	3,006,273	13,111,979	131,369	95,038	489,477	2,207,153	257,939	3,797,190	23,096,418	5,855,965

Table 6

Town of Christiansburg, Virginia
General Government Expenditures by Source
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
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
2010-2011	2,077,241	6,661,587	4,848,285	3,100	3,286,646	1,132,826	1,113,981	1,369,232	20,492,898
2009-2010	1,937,708	6,629,215	5,079,978	3,100	2,305,876	1,374,850	1,119,544	7,962,920	26,413,191

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

Property Tax Rates - Last Ten Years										Real Estate	
Machinery and Tools										Montgomery County	
Fiscal Year	Calendar Year	Real Estate	Personal Property	Machinery and Tools	Mobile Homes	Unequalized	Equalized	Total Assessed Value	Total Direct Rate(1)	Overlapping Rate (1)	
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	
2010-2011	2010	1,939,744,614	157,249,218	60,573,302	4,792,800	44,162,714	123,171	2,206,645,819	0.1126	0.74	

Property Tax Rates - Last Ten Years									
Machinery and Tools									
Fiscal Year	Calendar Year	Real Estate	Personal Property	Machinery and Tools	Mobile Homes	Unequalized	Equalized		
2019-2020	2019	\$.16	\$.45	\$.45	\$.16	\$.16	.45		
2018-2019	2018	.16	.45	.45	.16	.16	.45		
2017-2018	2017	.16	.45	.45	.16	.16	.45		
2016-2017	2016	.16	.45	.45	.16	.16	.45		
2015-2016	2015	.16	.45	.45	.16	.16	.45		
2014-2015	2014	.13	.45	.45	.13	.13	.45		
2013-2014	2013	.13	.45	.45	.13	.13	.45		
2012-2013	2012	.1126	.45	.45	.1126	.1126	.45		
2011-2012	2011	.1126	.45	.45	.1126	.1126	.45		
2010-2011	2010	.1126	.45	.45	.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
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%
2010-2011	3,220,032	3,156,754	98.03%	54,612	3,211,366	99.73%

(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 Taxpayers
Last Three Fiscal Years

Taxpayer	Fiscal Year 2020			Fiscal Year 2019			Fiscal Year 2018		
	Assessed Value	Rank	Percentage of Total Town Assessed Value	Assessed Value	Rank	Percentage of Total Town Assessed Value	Assessed Value	Rank	Percentage of Total Town Assessed Value
Roger Woody	\$ 74,837,100	1	3.60%	67,874,000	1	3.27%	63,694,100	1	3.54%
Shelor Properties	55,087,200	2	2.65%	55,174,700	2	2.66%	60,517,600	2	2.61%
Appalachian Power	30,819,468	3	1.48%	30,085,231	4	1.45%	24,256,800	6	1.46%
CENTRO Heritage Spradling Farm	26,450,100	4	1.27%	24,845,800	5	1.20%	24,845,800	4	1.25%
NVR Investments (was BRE RC New River VA LLC)	23,000,000	5	1.11%	24,472,800	6	1.18%	24,472,800	5	1.09%
Milestone Development LLC	19,857,900	6	0.96%						0.94%
NRV Mall Associates	18,791,200	7	0.90%	31,150,000	3	1.50%	47,400,000	3	0.89%
Wal-Mart	16,694,000	8	0.80%	15,831,400	7	0.76%	15,831,400	7	0.79%
Backcountry.com	15,802,600	9	0.76%	14,432,300	8	0.69%	14,432,300	8	0.75%
Verit Real Estate LP	12,740,300	10	0.61%						0.60%
Christiansburg Market Place (now NRV Market Place)			0.00%	12,697,200	9	0.61%	12,667,200	9	0.00%
Harvey Hubble Inc			0.00%	10,551,000	10	0.51%	10,551,000	10	0.00%
	\$ 294,079,868		14.15%	287,114,431		13.82%	298,669,000		13.92%

Source: Montgomery County Commissioner of Revenue

Table 10

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

	Fiscal Year									
	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011
WATER										
INSIDE TOWN LIMITS										
4,000 OR LESS	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
2,000 OR LESS*	7.00	7.00	6.00	11.00	21.00	19.00	18.00	17.00	16.00	13.80
1,000 OR LESS					10.50					
PER THOUSAND FOR NEXT 96,000					5.90	5.50	4.90	4.60	4.40	4.00
PER THOUSAND FOR NEXT 49,000	9.00	9.00	8.00							
PER THOUSAND FOR ALL OVER 50,000	6.75	6.75	6.00							
PER THOUSAND FOR NEXT 48,000*				6.14	5.90					
PER THOUSAND FOR NEXT 5,900,000				4.00	3.50	3.20	2.90	2.60	2.40	2.20
PER THOUSAND FOR NEXT 2,950,000*					3.50					
OUTSIDE TOWN LIMITS										
4,000 OR LESS	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
2,000 OR LESS*	10.50	10.50	9.00	16.50	31.50	28.50	27.00	25.50	24.00	20.70
1,000 OR LESS					15.75					
PER THOUSAND FOR NEXT 96,000					8.85	8.25	7.35	6.90	6.60	6.00
PER THOUSAND FOR NEXT 49,000	13.50	13.50	12.00							
PER THOUSAND FOR ALL OVER 50,000	10.13	10.13	9.00							
PER THOUSAND FOR NEXT 48,000*				9.21	8.85					
PER THOUSAND FOR NEXT 5,900,000				6.00	5.25	4.80	4.35	3.90	3.60	3.30
PER THOUSAND FOR NEXT 2,950,000*					5.25					
SEWER										
INSIDE TOWN LIMITS										
0-4,000	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
2,000 OR LESS*	10.00	10.00	9.00	15.00	30.00	28.00	28.00	27.00	26.00	23.00
1,000 OR LESS	10.25	10.25	10.25		15.00					
PER THOUSAND FOR ALL OVER 1000										
PER THOUSAND FOR NEXT 96,000					8.50	8.50	7.50	7.20	7.00	6.00
PER THOUSAND FOR NEXT 48,000*				8.50	8.50	8.50	7.50	7.20	7.00	6.00
PER THOUSAND FOR NEXT 5,900,000				8.50	8.50	8.50				
PER THOUSAND FOR NEXT 2,950,000*										
OUTSIDE TOWN LIMITS										
0-4,000	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
2,000 OR LESS	15.00	15.00	13.50	22.50	45.00	42.00	42.00	40.50	39.00	34.50
1,000 OR LESS	15.38	15.38	15.38		22.50					
PER THOUSAND FOR ALL OVER 1000										
PER THOUSAND FOR NEXT 96,000					12.75	12.75	11.25	10.80	10.50	9.00
PER THOUSAND FOR NEXT 48,000*				12.75	12.75	12.75	11.25	10.80	10.50	9.00
PER THOUSAND FOR NEXT 5,900,000				12.75	12.75	12.75				
PER THOUSAND FOR NEXT 2,950,000*										
GARBAGE										
INSIDE TOWN LIMITS BIMONTHLY	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
INSIDE TOWN LIMITS MONTHLY*	22.00	22.00	17.00	17.00	34.00	34.00	34.00	33.00	33.00	30.00
OUTSIDE TOWN LIMITS BIMONTHLY					51.00	51.00	51.00	49.50	48.00	45.00
OUTSIDE TOWN LIMITS MONTHLY*	33.00	33.00	25.50	25.50	25.50					

* 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.
In 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)	Less:			Net Bonded Debt	Ratio of Net Bonded Debt to Assessed Value	Net Bonded Debt per Capita
			Gross Bonded Debt	Debt Services Monies Available	Debt Payable from Enterprise Revenues			
2019-2020	22,473	\$ 2,660,827	\$ 14,086,663	-	\$ -	14,086,663	.0052:1	\$ 626.83
2018-2019	22,505	2,471,133	15,821,162	-	-	15,821,162	.0055:1	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	1029.89
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
2010-2011	21,041	2,206,646	20,058,475	-	-	20,058,475	.0091:1	953.30

(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.

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

Fiscal Year	Governmental Funds												Business-Type Activities				Total Primary Government	Percentage Personal Income	Per Capita
	General Obligation Debt																		
	1995 General Obligation Note	2014 Revenue Bond Refunding	2014 General Obligation Bond	2014 General Obligation Improvement Bond	2015 General Obligation Bond	2016 General Obligation Bond	2007 Revenue Bond	2004B Revenue Bond	Bond Premiums	2014 General Obligation Bond	2001 VA Revolving Loan Fund	1998 VA Revolving Loan Fund							
2019-2020	\$ -	\$ 7,703,100	\$ 744,920	\$ -	\$ 1,258,000	\$ 1,031,000	\$ -	\$ -	\$ -	\$ 2,641,080	\$ 708,563	\$ -	\$ 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	**	**				
2017-2018	-	8,587,700	871,640	-	1,644,000	1,264,000	-	-	-	3,090,360	2,054,022	-	17,511,722	2.09%	790				
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	2.45%	877				
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	2.87%	965			
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	2.85%	947			
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	3.24%	1,030			
2012-2013	535,000	-	-	-	-	-	-	1,635,000	9,340,000	56,685	-	5,036,155	937,687	17,483,842	2.70%	815			
2011-2012	780,000	-	-	-	-	-	-	1,710,000	9,595,000	60,734	-	5,572,974	1,105,466	18,824,174	2.98%	895			
2010-2011	1,015,000	-	-	-	-	-	-	1,780,000	9,840,000	64,783	-	6,091,486	1,267,206	20,058,475	3.29%	953			

Notes:

Population data (See Table 11)

Personal Income data (See Schedule 14)

** Data not yet 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, 2020

10% of assessed value of taxable real estate (1)	\$ 2,275,989,200	\$ 227,598,920
Less: Debt applicable to limit		
Bonds payable	\$ 14,086,663	
Legal margin for creation of additional debt	\$ 213,512,257	

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

	Fiscal Year									
	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011
Debt limit	\$ 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	\$ 198,390,733
Total net debt applicable to limit	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	12,635,000
Legal debt margin	\$ 213,512,257	\$ 195,368,378	\$ 197,664,126	189,513,579	186,450,960	\$ 185,659,312	\$ 181,744,286	\$ 189,617,214	\$ 190,177,130	\$ 185,755,733
Total net debt applicable to the limit as a percentage of debt limit	6.19%	7.49%	8.14%	9.27%	10.20%	10.01%	10.88%	5.72%	5.97%	6.37%

Table 14

Town of Christiansburg, Virginia
Direct and Overlapping Governmental Activities Debt
At June 30, 2020

<u>Governmental Unit:</u>	<u>Debt Outstanding</u>	<u>Estimated Percentage Applicable</u>	<u>Amount Applicable to Primary Government</u>
County of Montgomery	\$ 170,444,700	\$ 22%	\$ 37,497,834
Subtotal, overlapping debt			\$ 37,497,834
Town of Christiansburg direct debt			14,086,663
Total direct and overlapping debt			\$ 51,584,497

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)
2020	22,473	**	**	6.60%
2019	22,396	**	**	3.20%
2018	22,158	\$ 4,430,040	\$ 37,759	3.50%
2017	22,088	4,163,163	35,822	4.30%
2016	21,943	3,906,250	33,650	4.50%
2015	21,805	3,818,058	33,184	4.20%
2014	21,533	3,649,374	31,800	5.90%
2013	21,458	3,432,745	30,150	6.50%
2012	21,030	3,378,910	30,078	6.80%
2011	21,041	3,232,354	28,961	7.40%

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 Analysis. 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 from the 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 2020		Fiscal Year 2011	
	Number of Employees	Rank	Number of Employees	Rank
Hubbell Lighting	500-999 employees	1	100 to 249 employees	9
Wal-Mart	500-999 employees	2	250 to 499 employees	7
Kroger	250 to 499 employees	3	250 to 499 employees	8
Shelor Motor Mile, Inc.	250 to 499 employees	4	250 to 499 employees	3
County of Montgomery	250 to 499 employees	5	250 to 499 employees	4
Town of Christiansburg	250 to 499 employees	6	250 to 499 employees	5
Corning Glass Works	250 to 499 employees	7	250 to 499 employees	6
Heritage hall	100-to 249 employees	8	100 to 249 employees	11
Echosphere Corporation (Dish Network)	100-249 employees	9	1000 and over employees	2
The Home Depot	100-249 employees	10	50 to 99 employees	23
Montgomery County School Board	1000 and over employees	11	1000 and over employees	1
Food Lion	100 to 249 employees	12	100 to 249 employees	10
Lowes Home Centers, Inc.	100 to 249 employees	13	100 to 249 employees	12
Target Corp.	100 to 249 employees	14	100 to 249 employees	13
Cracker Barrel Old Country Store	100 to 249 employees	15	100 to 249 employees	14
Red Lobster and The Olive Garden	100 to 249 employees	16	100 to 249 employees	15
Postal Service	100 to 249 employees	17	100 to 249 employees	16
Macado's, Inc.	100 to 249 employees	18	100 to 249 employees	17
McDonald's	100 to 249 employees	19	100 to 249 employees	20
Burger King	100 to 249 employees	20	100 to 249 employees	21
Community Housing Partners	100 to 249 employees	21	100 to 250 employees	22
Backcountry.com	100 to 249 employees	22	NA	
National Bank of Blacksburg	100 to 249 employees	23	NA	
Comprehensive Computer Solutions	100 to 249 employees	24	NA	
OS Restaurant Services Inc	100 to 249 employees	25	NA	
Hardees	100 to 249 employees	26	NA	
Best Buy	50-99 employees	27	50 to 99 employees	24
Bull & Bones Brewhaus & G Inc	50-99 employees	28	NA	
Virginia Department of Transportation	NA		100 to 249 employees	18
C&S Door	NA		100 to 249 employees	19

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									
	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011
General Administration										
Town Manager's office	4.0	5.0	5.0	5.0	5.0	5.0	5.0	5.0	8.5	10.5
Planning	3.0	3.5	3.0	3.0	4.0	3.5	3.0	3.0	2.0	3.0
Treasurer/Finance	13.0	13.0	13.0	13.0	13.0	13.0	11.0	11.0	10.0	10.0
Human Resources	3.0	3.0	3.0	4.0	2.0	1.5	1.5	1.5	1.0	1.0
Public Relations	2.0	2.0	3.0	2.0	2.0	1.5	1.5	1.5	1.5	1.5
Information Technology	3.0	2.0	2.0	2.0	3.0	3.0	3.0	2.0	1.5	2.0
Public Safety										
Police	69.5	69.5	69.0	68.0	74.0	73.0	73.5	73.5	72.5	73.0
Fire	3.5	3.5	3.5	3.0	3.0	3.0	1.5	1.5	1.5	2.0
Rescue	8.2	8.2	6.8	3.0	3.0	3.5	3.5	3.5	1.0	1.0
Public Works										
Maintenance	10.5	10.5	9.0	6.0	3.0	3.0	3.0	3.0	3.0	3.0
Sanitation	9.0	9.0	10.0	10.0	11.0	11.0	11.0	11.0	11.0	11.0
Streets	40.0	40.0	37.0	40.0	36.0	36.0	36.0	35.0	33.0	35.0
Water	21.0	21.0	30.0	24.0	36.0	36.0	36.0	36.0	32.0	36.0
Plant Operations	22.5	22.5	14.0	14.0	11.0	11.0	10.5	10.5	11.5	11.5
Engineering	14.6	14.6	13.0	12.0	11.0	11.0	9.0	10.0	10.0	10.0
Building Inspections	4.0	4.4	4.0	4.0	4.0	4.0	5.0	5.0	4.5	5.0
Parks and Recreation	25.5	25.5	25.5	24.0	24.7	23.2	23.0	27.0	25.0	24.5
Aquatics	28.8	28.8	34.0	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	1.0	1.0	1.5	2.0
Totals	287.1	288.0	286.8	273.0	281.7	278.2	333.5	333.5	265.0	276.0
Fire Department Volunteers	40.0	40.0	38.0	38.0	38.0	38.0	37.0	36.0	35.0	35.0
Rescue Department Volunteers	57.0	92.0	95.0	95.0	75.0	75.0	75.0	75.0	75.0	67.0

Note: A full-time employee is scheduled to work 2,080 hours per year (including holiday, vacation, and sick leave). Full-time employment is calculated by dividing total labor hours by 2,080.

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

Function/Program	Fiscal Year									
	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011
General Government										
Building/zoning permits issued	1,717	1,617	1,449	2,019	1,436	198	1,738	1,546	1,071	954
Building inspections	5,226	6,226	5,131	4,986	3,905	3,282	2,726	**	**	**
Conditional use permits approved	9	10	15	6	9	1	3	3	8	11
Rezoning requests approved	5	2	4	1	3	2	1	3	-	7
Streets approved for vacation	2	2	-	2	-	-	-	-	1	-
Amendments to Town Code/Ordinances	-	5	9	2	2	3	6	13	11	8
Public Safety										
Police										
Criminal offenses	2,364	2,724	2,490	2,241	1,955	2,133	2,346	2,494	2,810	2,790
Traffic warrants	2,073	3,370	3,210	3,505	4,043	5,211	5,817	7,306	7,258	5,671
Parking violations	183	267	143	157	149	88	445	88	424	385
Patrol miles driven	514,291	578,995	580,272	595,906	574,459	622,187	635,316	632,669	581,393	566,732
Fire										
Christiansburg calls answered	491	558	575	508	505	416	484	549	564	527
County calls answered	356	432	407	398	323	317	320	336	280	316
Total calls answered	847	990	982	906	828	733	804	885	844	843
Rescue										
Christiansburg calls answered	3,056	3,614	3,376	3,349	2,883	2,792	2,596	2,575	2,610	2,287
County calls answered	1,455	1,119	1,097	1,214	1,141	1,195	1,174	1,139	997	1,247
Total calls answered	4,511	4,733	4,473	4,563	4,024	3,987	3,770	3,714	3,607	3,534
Public Works										
Sanitation										
Trash removal in tons	6,780	6,637	7,997	8,925	8,185	7,089	8,671	9,545	8,387	8,727
Spring and fall cleanup in tons										
Junk	438.45	754.89	893.00	741.34	856.56	631.12	592.46	393.66	514.70	383.73
Leaves	653.76	558.42	749.88	599.50	870.75	865.75	530.25	821.00	613.50	436.48
Brush	299.33	276.04	385.00	290.06	307.29	446.00	367.64	182.46	249.60	138.96
Recycling in pounds ****										
Papers	N/A	N/A	N/A	178,760	110,980	685,560	614,980	624,660	568,780	480,106
Single Stream cardboard	2,270,000	2,271,760	1,124,240	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Containers	106,000	152,860	191,720	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Total pounds recycled	N/A	N/A	N/A	1,110,360	1,018,440	471,960	415,940	385,860	350,240	308,960
Streets	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	789,066
Principal/minor arterial lane miles	44.79	45.42	44.45	46.93	46.93	46.93	46.93	45.75	45.75	45.75
Principal/minor arterial center lane miles	17.18	17.47	15.83	15.90	15.90	15.90	15.90	15.31	15.31	15.31
Collector/local streets lane miles	229.68	225.60	203.01	206.03	206.03	206.03	206.03	202.98	202.98	202.98
Collector/local streets center lane miles	114.95	112.97	101.42	102.83	102.83	102.83	102.83	101.15	101.15	101.15
Sidewalks installed new and replaced in linear feet	3,178	5,016	-	2,715	-	-	570	912	1,247	-
Storm drains installed in linear feet	2,373	2,565	3,000	1,952	-	874	1,620	128	1,628	615
Street lights installed	40	-	27	8	7	12	16	33	21	28
Street signs new	218	62	53	45	40	37	49	66	76	39
Street signs repaired or replaced	134	288	327	184	164	507	168	120	310	310
Total street signs	6,565	6,347	6,285	6,232	6,187	6,147	6,110	6,061	5,995	5,919
Water										
New water services installed, net of removed	190	32	25	65	70	74	70	89	47	57
Total water customers in Town	10,137	9,947	9,915	9,890	9,825	9,774	9,650	9,580	9,491	9,444
New water services installed Out of Town	10	47	7	6	6	4	6	9	2	10
Accumulative water services Out of Town	581	571	524	517	511	505	501	495	486	484
Total water services In and Out of Town	10,718	10,518	10,439	10,407	10,336	10,229	10,151	10,075	9,977	9,928

(continued)

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

Function/Program	Fiscal Year									
	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011
Water										
Water consumption in gallons Town System	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	512,486,032
Montgomery County P&A	103,468,450	91,748,150	80,502,800	81,528,160	63,279,923	34,907,969	54,700,580	97,164,800	129,101,324	106,402,000
Total water consumption	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	618,888,032
New water mains installed in linear feet	4,601	7,457	810	9,951	1,855	2,314	12,542	1,727	6,400	2,545
Cumulative water mains, feet	836,564	838,099	830,642	829,832	819,881	818,026	815,712	803,170	801,442	795,042
Cumulative water mains, miles	158.44	158.73	157.32	157.17	155.28	154.93	154.49	152.13	151.79	150.58
Sewer										
New service installed in Town, net of service removed	47	66	121	134	101	74	78	87	43	67
Accumulative services in Town	9,401	9,354	9,288	9,167	9,033	8,932	8,858	8,780	8,693	8,650
New sewer service installed Out of Town	-	-	6	5	4	2	6	9	2	11
Accumulative services Out of Town	139	139	139	133	128	124	122	116	107	105
Total sewer services In and Out of Town	9,540	9,493	9,427	9,300	9,161	9,056	8,980	8,896	8,800	8,755
New Sanitary Sewer Gravity Mains installed in linear feet	6,053	1,855	4,488	6,581	2,152	2,152	1,858	3,015	3,919	12,333
New Sanitary Sewer Force Mains installed in linear feet	-	-	-	-	-	-	-	-	-	-
Total sewer system lines in linear feet	883,165	879,409	877,554	873,066	866,485	810,599	808,447	806,589	803,184	799,265
Total sewer system lines in miles	167.27	166.55	166.20	165.35	164.11	154.00	153.11	146.72	147.97	151.38
Waste Water Treatment Plant										
Gallons collected and treated	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	875,000,000
Average number of gallons treated per day	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	2,397,260
Parks and Recreation										
Number of programs offered	53	95	94	103	91	105	94	100	90	90
Youth and community	226	235	238	258	196	210	202	214	194	199
Adult and community	39	50	47	47	47	47	46	46	46	48
Youth athletic	30	28	28	27	23	22	23	18	18	18
Senior citizen	148	170	155	169	136	160	169	162	138	167
Special population	12	14	13	14	10	6	8	5	7	7
Youth special events	20	17	10	10	7	8	7	8	9	10
Adult special events	19	21	10	10	7	7	8	11	11	12
Senior citizen special events	24	27	21	18	14	15	19	21	23	18
Clubs	-	-	4	3	1	1	3	2	4	4
Active Memberships	3,575	5,032	**	**	**	**	**	**	**	**
Membership Scans	61,222	96,303	**	**	**	**	**	**	**	**
Day Pass Attendance	756	938	**	**	**	**	**	**	**	**
Aquatics ***										
Membership packages sold	705	860	578	392	493	457	275	458	664	1,217
Resident	783	781	905	540	1,147	515	314	390	570	809
Non resident	14,367	27,558	29,605	30,859	34,025	36,397	28,836	31,274	35,779	42,888
Day passes sold	111	91	220	206	206	199	271	315	394	407
Birthday parties	35	34	32	30	28	23	28	25	20	25
Competitive meets	913	834	1,072	252	371	272	237	207	187	238
Number of classes										
Cemetery ****										
Burials	84	59	57	59	56	82	93	101	70	N/A
Cremations	22	11	18	21	8	19	15	8	11	N/A
Lots sold	57	49	32	38	32	70	62	39	35	N/A
Columbarium units sold	3	2	-	4	N/A	N/A	N/A	N/A	N/A	N/A

Notes:

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

*** 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

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

Function/Program	Fiscal Year									
	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011
Public Safety										
Law Enforcement Vehicles Patrol	35	35	35	35	35	26	26	26	26	26
Law Enforcement Vehicles detective and Vice	14	14	14	14	14	12	12	12	12	12
Law Enforcement Vehicles ERT and Special operations	4	4	4	4	4	13	13	13	13	13
Law Enforcement Vehicles Administrative	6	5	5	5	5	4	4	4	3	3
Fire Fighting Apparatus	9	9	9	9	9	7	7	7	6	6
Fire Response Vehicles	8	8	8	8	8	6	6	6	5	5
Medical Rescue Ambulances	6	6	6	6	5	5	5	5	5	5
Medical Rescue Extraction Vehicles	3	3	3	3	4	3	3	3	3	3
Medical Rescue Response Vehicles other	4	4	4	5	6	8	8	8	6	6
Public Works										
Sanitation										
Trash Collection Vehicles			5	5	5	4	5	5	5	5
Streets										
Principal/minor arterial lane miles	44.79	45.42	44.45	46.93	46.93	46.93	46.93	45.75	45.75	45.75
Collector/local streets lane miles	114.95	112.97	203.04	206.03	206.03	206.03	206.03	202.98	202.98	202.98
Traffic lights	15	13	12	12	12	18	18	18	18	18
Street lights	1,838	1,798	1,798	1,771	1,763	1,756	1,744	1,750	1,725	1,701
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	13	13	13	13	13
Trails (miles)	8	8	8	8	8	4	4	4	**	**
Business Type Activities Water and Sewer										
Water Mains (miles)	158.44	158.73	157.32	157.17	155.28	154.93	154.49	152.13	151.79	150.58
Sewer Mains (miles)	167.27	166.55	166.20	165.35	164.11	153.52	153.11	146.72	147.97	151.38

Notes:

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

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

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

	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011
Operating Revenues										
Charges for Services:										
Water and Sewer Service Fees	\$ 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	\$ 5,484,183
Water and Wastewater Connection Fees	1,113,597	1,023,015	829,947	1,147,510	694,270	543,901	360,598	426,634	347,939	371,782
Penalties and Other	214,433	251,625	244,585	177,697	209,766	171,143	157,460	156,046	147,368	137,934
Total Operating Revenues	\$ 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	\$ 5,993,899
Operating Expenses										
Salaries and Wages	\$ 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	\$ 1,508,530
Employee Benefits	558,622	411,641	547,824	536,071	532,323	256,803	183,657	218,388	240,684	198,480
Water Authority Purchases	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	1,397,224
Utilities	545,476	492,809	487,310	513,363	532,195	352,364	384,717	315,547	272,363	286,277
Repairs and Maintenance	285,180	279,640	210,220	195,282	185,580	164,164	173,824	158,658	228,393	282,621
Depreciation and Amortization	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	1,557,751
Materials and Supplies	535,851	555,039	563,148	479,715	478,304	605,214	604,381	514,909	562,506	610,572
General and Administrative	488,585	483,109	417,809	499,554	307,104	384,284	331,204	419,074	347,278	256,950
Total Operating Expenses	\$ 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	\$ 6,098,405
Operating Income (Loss)	\$ 2,438,623	\$ 1,778,594	\$ 1,799,025	\$ 1,189,869	\$ 1,582,339	\$ 752,052	\$ 411,363	\$ 685,680	\$ 553,260	\$ (104,506)
Nonoperating Revenues (Expenses)										
Interest and Fiscal Charges	\$ (108,515)	\$ (135,092)	\$ (168,772)	\$ (203,738)	\$ (236,459)	\$ (271,118)	\$ (197,523)	\$ (222,543)	\$ (247,560)	\$ (271,290)
Bond Issuance Costs	-	-	-	-	-	-	(26,520)	-	-	-
Total Nonoperating Revenues (Expenses)	\$ (108,515)	\$ (135,092)	\$ (168,772)	\$ (203,738)	\$ (236,459)	\$ (271,118)	\$ (224,043)	\$ (222,543)	\$ (247,560)	\$ (271,290)
Income (Loss) Before Contributions and Transfers	\$ 2,330,108	\$ 1,643,502	\$ 1,630,253	\$ 986,131	\$ 1,345,880	\$ 480,934	\$ 187,321	\$ 463,137	\$ 305,700	\$ (375,796)
Capital Contributions	955,180	199,884	520,000	483,510	95,939	124,736	53,490	45,971	794,819	52,700
Transfers In (Out)	-	-	-	-	-	-	-	-	226,084	323,096
Change in Net Position	\$ 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	\$ 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	\$ 30,674,988
Prior Period Adjustment	-	-	(290,664)	(220,676)	(220,676)	(1,549,009)	-	848,346	-	-
Net Position, Ending	\$ 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

Table 2.1

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

	Fiscal Year									
	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011
Water										
Salaries and wages	\$ 760,072	\$ 626,910	\$ 657,780	\$ 641,837	\$ 724,535	\$ 808,435	\$ 702,525	\$ 489,016	\$ 479,746	\$ 454,598
Fringe benefits	261,662	154,474	216,654	234,975	158,780	115,705	58,221	57,528	57,603	69,801
Water Authority purchases	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	1,397,224
Utilities	10,162	10,275	46,674	31,544	11,552	19,289	25,644	22,641	25,056	27,006
Repairs & maintenance	61,401	74,427	38,208	41,102	39,668	44,722	46,236	52,778	93,710	96,786
Depreciation & amortization	658,279	644,912	609,546	578,158	556,027	366,727	357,654	317,201	362,399	340,940
Materials & supplies	276,708	250,321	210,105	150,093	198,998	119,413	155,440	132,023	143,576	153,964
General & administrative	178,244	166,604	223,624	162,899	136,032	135,702	125,930	152,860	62,839	67,990
Professional fees	-	47,454	-	-	-	-	-	-	-	-
Bond payments- principal	227,760	201,583	190,936	244,790	-	-	-	-	-	-
Bond payments- interest	73,575	68,144	82,263	105,467	-	-	-	-	-	-
Water Totals	\$ 5,694,578	\$ 5,503,446	\$ 4,916,602	\$ 4,141,048	\$ 3,647,489	\$ 3,249,451	\$ 2,882,112	\$ 2,765,601	\$ 2,694,181	\$ 2,608,309
Waste Water Operations										
Salaries and wages	\$ 426,742	\$ 518,470	\$ 492,522	\$ 458,735	\$ 444,539	\$ 501,699	\$ 590,433	\$ 462,424	\$ 432,286	\$ 420,184
Fringe benefits	149,354	130,422	162,529	154,455	128,181	78,565	77,686	88,511	111,848	54,942
Utilities	96,587	92,524	108,851	205,585	103,877	102,372	108,391	99,401	79,636	80,762
Repairs & maintenance	88,181	109,253	79,523	87,135	70,861	53,303	62,904	60,517	85,171	114,995
Depreciation & amortization	568,071	532,297	495,581	538,678	451,616	586,172	569,912	563,514	485,288	466,372
Materials & supplies	137,217	123,310	128,625	102,698	154,658	127,421	104,226	73,088	92,024	156,480
General & administrative	117,419	112,410	121,155	83,346	119,408	126,609	110,181	135,743	66,487	91,179
Professional fees	-	8,324	15,826	29,881	-	-	-	-	-	-
Waste Water Totals	\$ 1,583,571	\$ 1,627,010	\$ 1,604,612	\$ 1,660,513	\$ 1,604,032	\$ 1,576,141	\$ 1,623,733	\$ 1,483,198	\$ 1,352,740	\$ 1,384,914
Waste Water Treatment Plant										
Salaries and wages	\$ 439,377	\$ 501,243	\$ 519,846	\$ 537,322	\$ 529,123	\$ 587,981	\$ 538,507	\$ 665,379	\$ 663,936	\$ 633,748
Fringe benefits	147,606	126,745	168,507	146,641	121,811	62,534	47,750	72,349	71,233	73,738
Utilities	438,727	390,010	198,540	276,234	416,766	230,703	250,682	193,505	167,671	178,508
Repairs & maintenance	135,598	95,960	66,576	67,045	75,051	66,138	64,684	45,362	49,512	70,840
Depreciation & amortization	883,710	906,343	831,496	794,874	802,870	794,948	772,652	763,239	763,485	750,439
Materials & supplies	121,926	181,409	303,787	226,924	124,648	358,380	344,715	309,799	326,905	300,128
General & administrative	62,030	74,910	101,192	60,845	51,664	121,973	95,091	130,471	117,953	97,781
Professional fees	130,892	73,404	35,800	162,582	-	-	-	-	-	-
Bond payments- principal	684,399	680,997	829,904	776,051	987,355	755,938	729,816	704,598	680,252	656,747
Bond payments- interest	34,940	66,948	86,509	98,271	247,254	271,118	197,523	222,543	247,560	271,290
Bond issuance cost	-	-	-	-	-	-	26,520	-	-	-
Waste Water Treatment Plant Totals	\$ 3,079,205	\$ 3,097,969	\$ 3,142,157	\$ 3,146,789	\$ 6,543,257	\$ 3,249,713	\$ 3,067,940	\$ 3,107,244	\$ 3,088,507	\$ 3,033,219
Totals										
Salaries and wages	\$ 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	\$ 1,508,530
Fringe benefits	558,622	411,641	547,690	536,071	408,772	256,804	183,657	218,388	240,684	198,481
Water Authority purchases	3,186,715	3,258,342	2,640,812	1,950,183	5,008,612	1,639,458	1,410,462	1,541,555	1,469,252	1,397,224
Utilities	545,476	492,809	354,065	513,363	532,195	352,364	384,717	315,547	272,363	286,276
Repairs & maintenance	285,180	279,640	184,307	195,282	185,580	164,163	173,824	158,658	228,393	282,621
Depreciation & amortization	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	1,557,751
Materials & supplies	535,851	555,040	642,517	479,715	478,304	605,214	604,381	514,909	562,505	610,572
General & administrative	357,693	353,924	445,971	307,090	307,104	384,284	331,202	419,074	247,279	256,950
Professional fees	130,892	129,182	51,626	192,463	-	-	-	-	-	-
Bond payments- principal	912,159	882,580	1,020,840	1,020,841	1,118,247	755,938	729,816	704,598	680,252	656,747
Bond payments- interest	108,515	135,092	166,772	203,738	247,254	271,118	197,523	222,543	247,560	271,290
Totals	\$ 10,357,354	\$ 10,228,425	\$ 9,663,371	\$ 8,948,350	\$ 11,794,778	\$ 8,075,305	\$ 7,573,785	\$ 7,356,043	\$ 7,135,428	\$ 7,026,442

Table 22

Town of Christiansburg, Virginia
Enterprise Fund Expenses and Bond Payments Breakdown
For the Year Ended June 30, 2020

	Total	Water	Waste Water	Waste Water Treatment Plant
Salaries and wages	\$ 1,626,191	\$ 760,072	426,742	439,377
Fringe benefits	558,622	261,662	149,354	147,606
Water Authority purchases	3,186,715	3,186,715	-	-
Utilities	545,476	10,162	96,587	438,727
Repairs & maintenance	285,180	61,401	88,181	135,598
Depreciation & amortization	2,110,060	658,279	568,071	883,710
Materials & supplies	535,851	276,708	137,217	121,926
General & administrative	357,693	178,244	117,419	62,030
Professional fees	130,892	-	-	130,892
Bond payments- principal	912,159	227,760	-	684,399
Bond payments- interest	108,515	73,575	-	34,940
Totals \$	10,357,354	\$ 5,694,578	\$ 1,583,571	\$ 3,079,205

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)

	2020	2019	2018	2017
Operating Revenues				
Charges for Services:				
Storm water monthly fees	\$ 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	<u>\$ 1,436,821</u>	<u>\$ 1,432,291</u>	<u>\$ 1,385,403</u>	<u>\$ 1,397,976</u>
Operating Expenses				
Salaries and Wages	\$ 408,163	\$ 325,690	\$ 282,376	\$ 167,432
Employee Benefits	173,663	129,947	84,439	25,831
Depreciation and Amortization	153,691	122,341	99,164	34,143
Materials and Supplies	67,348	56,543	49,758	73,338
General and Administrative	31,697	73,387	30,154	100,704
Professional Services	4,846	60,049	650,776	-
Total Operating Expenses	<u>\$ 839,408</u>	<u>\$ 767,957</u>	<u>\$ 1,196,667</u>	<u>\$ 401,448</u>
Operating Income (Loss)	\$ 597,413	\$ 664,334	\$ 188,736	\$ 996,528
Income (Loss) Before Contributions and Transfers	\$ 597,413	\$ 664,334	\$ 188,736	\$ 996,528
Capital Contributions	524,363	988,811	657,024	489,808
Change in Net Position	<u>\$ 1,121,776</u>	<u>\$ 1,653,145</u>	<u>\$ 845,760</u>	<u>\$ 1,486,336</u>
Net Position, Beginning	\$ 5,278,424	\$ 2,842,245	\$ 2,040,405	\$ -
Prior Period Adjustment	-	(4) 783,034	(3) (43,920)	(2) 554,069
Net Position, Ending	<u><u>\$ 6,400,200</u></u>	<u><u>\$ 5,278,424</u></u>	<u><u>\$ 2,842,245</u></u>	<u><u>\$ 2,040,405</u></u>

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

(2) Beginning balance was restated to move capital assets from the governmental activities to the stormwater fund.

(3) Beginning balance was restated for the implementation of GASB 75.

(4) Beginning balance restated for contributed infrastructure by developers.

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, 2020, 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 12, 2020.

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, Famer, Cox Associates

Blacksburg, Virginia
November 12, 2020



**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, 2020. 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, 2020.

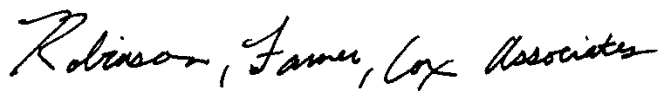
Report on Internal Control over Compliance

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 12, 2020

Town of Christiansburg, Virginia
Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2020

Federal Grantor/State Pass - Through Grantor/ Program or Cluster Title	Federal CFDA Number	Pass-through Entity Identifying Number	Federal Expenditures
Department Health and Human Services:			
Direct payments:			
COVID-19 Provider Relief Funds	93.498	Not applicable	\$ 35,547
Total Department of Health and Human Services			\$ 35,547
Department of Justice:			
Direct payments:			
Equitable Sharing Program	16.922	Not applicable	\$ 34,016
Bulletproof Vest Partnership Program	16.607	Not applicable	3,157
Edward Byrne Memorial Justice Assistance Grant Program	16.738	Not applicable	1,823
Total direct payments			\$ 38,996
Total Department of Justice			\$ 38,996
Appalachian Regional Commission:			
Direct payments:			
Appalachian Regional Development	23.001	Not applicable	\$ 25,006
Department of Homeland Security:			
Direct payments:			
Disaster Grants - Public Assistance (Presidentially Declared Disasters)	97.036	Not applicable	\$ 45,371
Emergency Management Performance Grants	97.042	Not applicable	7,500
Total Department of Homeland Security			\$ 52,871
Department of Transportation:			
Pass Through Payments:			
<i>Virginia Department of Motor Vehicles:</i>			
Highway Safety Cluster:			
State and Community Highway Safety	20.600	FOP-2020-50284-20284	\$ 1,050
State and Community Highway Safety	20.600	FSC-2020-50279-20279	4,578
State and Community Highway Safety	20.600	FSC-2019-59266-9266	2,646
State and Community Highway Safety	20.600	FAL-2019-59265-9265	6,403
State and Community Highway Safety	20.600	FOP-2019-59258-9258	395
Subtotal Highway Safety Cluster			15,072
Alcohol Open Container Requirements	20.607	154AL-2020-50258-20258	3,360
<i>Virginia Department of Transportation:</i>			
Highway Planning and Construction Cluster:			
Highway Planning and Construction	20.205	U000-154-205	\$ 668,237
Highway Planning and Construction	20.205	0460-154-203	964,119
Highway Planning and Construction	20.205	EN16-060-217	752,668
Highway Planning and Construction	20.205	EN17-154-228	209,703
Highway Planning and Construction	20.205	EN18-154-236	58,634
Subtotal Highway Planning and Construction Cluster			2,653,361
Total Department of Transportation			\$ 2,671,793
Department of Treasury:			
Pass Through Payments:			
<i>Montgomery County, Virginia</i>			
COVID-19 Coronavirus Relief Fund	21.019	Unknown	\$ 414,526
Total Expenditures of Federal Awards			\$ 3,238,739

Town of Christiansburg, Virginia
Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2020

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, 2020. 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 minimus indirect cost rate as it typically only requests direct costs for reimbursement.

Note 4 -- Subrecipients

No awards were passed through to subrecipients.

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:

General Fund	\$ 25,006
Special Revenue Funds	526,356
Use of equitable sharing funds on hand	34,016
Capital Project Fund	2,653,361
Total expenditures of federal awards per basic financial statements	<u>\$ 3,238,739</u>

Town of Christiansburg, Virginia
Schedule of Findings and Questioned Costs
Year Ended June 30, 2020

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

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
Any audit findings disclosed that are required to be reported in accordance with 2 CFR section 200.516(a)?	No

Identification of major programs:

<u>CFDA #</u>	<u>Name of Federal Program or Cluster</u>
20.205	Highway Planning and Construction

Dollar threshold used to distinguish between Type A and Type B programs	\$750,000
Auditee qualified as low-risk auditee?	No

Section II - Financial Statement Findings

None reported

Section III - Federal Award Findings and Questioned Costs

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

Section IV - Status of Prior Audit Findings

There were no prior audit findings.