Town of Strasburg, Virginia
Audit Presentation

January 2, 2024

Overview

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2022 Certificate of Achievement GFOA

Government Finance Officers Association

Certificate of
Achievement
for Excellence
in Financial
Reporting

Presented to

**Town of Strasburg
Virginia**

For its Annual Comprehensive
Financial Report
For the Fiscal Year Ended

June 30, 2022

Christopher P. Morrill

Executive Director/CEO

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Audit Results: Audit Opinion

Unmodified Audit Opinion (Highest Level of Assurance Available)

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, and each major fund of the Town of Strasburg, Virginia, as of June 30, 2023, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

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Government-wide Financial Highlights

Exhibits 1 & 2 – Prepared on the full accrual basis

- Ending net position of $41,517,261 of which $9,670,228 was unrestricted
- Increase in net position of $2,706,937
- Net investment in capital assets of $31,235,330
- Cash and investments of $15,493,398, an increase of $2.3 million over the prior year.

Summary of Net Position

Summary of Statement of Net Position
as of June 30, 2023
(in thousands)

	Governmental Activities		Business-Type Activities		Total	
	2023	**2022**	**2023**	**2022**	**2023**	**2022**
Current and other assets	$ 15,227	$ 12,858	$ 6,829	$ 6,628	$ 22,056	$ 19,486
Capital assets	11,385	10,159	43,774	44,027	55,159	54,186
Total Assets	$ 26,612	$ 23,017	$ 50,603	$ 50,655	$ 77,215	$ 73,672
Deferred outflows of resources	$ 429	$ 523	$ 372	$ 463	$ 801	$ 986
Long-term debt outstanding	$ 3,596	$ 3,572	$ 22,646	$ 24,470	$ 26,242	$ 28,042
Other liabilities	7,202	4,733	1,431	296	8,633	5,029
Total Liabilities	$ 10,798	$ 8,305	$ 24,077	$ 24,766	$ 34,875	$ 33,071
Deferred inflows of resources	$ 1,380	$ 1,967	$ 244	$ 810	$ 1,624	$ 2,777
Net Position						
Net investment in capital assets	$ 10,636	$ 9,146	$ 20,599	$ 19,770	$ 31,235	$ 28,916
Restricted asset forfeitures	111	97	-	-	111	97
Restricted for other purposes	252	388	249	377	501	765
Unrestricted	3,864	3,637	5,806	5,395	9,670	9,032
Total net position	$ 14,863	$ 13,268	$ 26,654	$ 25,542	$ 41,517	$ 38,810

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Summary of Changes in Net Position

	Governmental Activities		Business-type Activities		Total	
	2023	2022	2023	2022	2023	2022
REVENUES						
Program revenues						
Charges for services	$ 139,915	$ 177,435	$ 5,374,637	$ 5,046,785	$ 5,514,552	$ 5,224,220
Operating grants and contributions	300,337	370,485	-	-	300,337	370,485
Capital grants and contributions	2,031,936	88,599	1,098,981	760,185	3,130,917	848,784
General revenues						
Property taxes	2,343,684	2,114,163	-	-	2,343,684	2,114,163
Other taxes and fees	2,575,863	2,345,064	-	-	2,575,863	2,345,064
Grants and contributions not restricted to specific programs	152,224	161,703	-	-	152,224	161,703
Revenue from use of money	310,486	12,412	259,346	21,504	569,832	33,916
Other	44,887	140,893	96,302	24,945	141,189	165,838
Total revenues	$ 7,899,332	$ 5,410,754	$ 6,829,266	$ 5,853,419	$ 14,728,598	$ 11,264,173
EXPENSES						
General government administration	$ 869,775	$ 1,378,054	$ -	$ -	$ 869,775	$ 1,378,054
Public safety	2,355,570	2,039,404	-	-	2,355,570	2,039,404
Public works	2,161,942	1,037,799	-	-	2,161,942	1,037,799
Health and welfare	23,366	18,231	-	-	23,366	18,231
Community development	343,475	222,212	-	-	343,475	222,212
Parks and recreation	351,238	304,078	-	-	351,238	304,078
Interest on long-term debt	89,633	139,866	-	-	89,633	139,866
Public utilities	-	-	5,826,662	5,457,658	5,826,662	5,457,658
Total expenses	$ 6,194,999	$ 5,139,644	$ 5,826,662	$ 5,457,658	$ 12,021,661	$ 10,597,302
Change in net position before transfers	$ 1,704,333	$ 271,110	$ 1,002,604	$ 395,761	$ 2,706,937	$ 666,871
Transfers	(109,890)	(120,239)	109,890	120,239	-	-
Change in net position	$ 1,594,443	$ 150,871	$ 1,112,494	$ 518,600	$ 2,706,937	$ 666,871
Net position, beginning	13,268,046	13,117,175	25,542,278	25,023,678	38,810,324	38,140,853
Net position, ending	$ 14,862,489	$ 13,268,046	$ 26,654,772	$ 25,542,278	$ 41,517,261	$ 38,807,724

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Governmental Funds Financial Highlights

Exhibits 3 through 6 – Prepared on the modified accrual basis (similar basis to your budget)

- Ending fund balance for general fund of $6,912,760
- Increase of $255,469 compared to FY2022 fund balance
- General fund unassigned fund balance of $3,845,090

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Balance Sheet-General Fund

ASSETS		
Cash and cash equivalents	$	3,946,278
Investments		6,734,660
Receivables:		
Taxes, net of allowance of $29,167		1,377,477
Accounts		127,838
Due from other governmental units		118,981
Due from other funds		73,959
Inventory		28,376
Prepaid items		35,166
Restricted assets:		
Cash and cash equivalents		2,783,899
Total assets	$	15,226,634
LIABILITIES		
Accounts payable	$	129,591
Accrued liabilities		172,524
Unearned revenue - other		6,617,600
Total liabilities	$	6,919,715
DEFERRED INFLOWS OF RESOURCES		
Unavailable revenue - property taxes	$	1,394,159
Total deferred inflows of resources	$	1,394,159
FUND BALANCES		
Nonspendable:		
Inventory	$	28,376
Prepaid items		35,166
Restricted:		
Debt service		171,448
Proffers		79,217
Asset forfeitures		111,589
Unspent bond proceeds		2,421,645
Committed:		
Capital outlays		205,429
Façade improvement grant		14,800
Unassigned		3,845,090
Total fund balances	$	6,912,760
Total liabilities, deferred inflows of resources, and fund balances	$	15,226,634

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General Fund Financial Analysis

REVENUES		
General property taxes	$	2,311,260
Other local taxes		2,575,863
Permits, privilege fees, and regulatory licenses		21,637
Fines and forfeitures		21,064
Miscellaneous		44,887
Revenue from the use of money and property		310,486
Charges for services		97,214
Intergovernmental:		
Commonwealth		1,591,344
Federal		893,153
Total revenues	$	7,866,908
EXPENDITURES		
Current:		
General government administration	$	723,904
Public safety		2,212,104
Public works		1,935,479
Health and welfare		23,366
Parks, recreation, and cultural		265,593
Community development		339,944
Capital outlay:		
Administrative		168,089
Public safety		1,157,294
Public works		45,771
Parks, recreation, and cultural		15,601
Community development		384,064
Debt service:		
Principal		151,052
Interest		109,288
Total expenditures	$	7,531,549
Excess (deficiency) of revenues over (under) expenditures	$	335,359
OTHER FINANCING SOURCES (USES)		
Transfers out	$	(109,890)
Total other financing sources (uses)	$	(109,890)
Net change in fund balance	$	225,469
Fund balance, beginning of year		6,687,291
Fund balance, end of year	$	6,912,760

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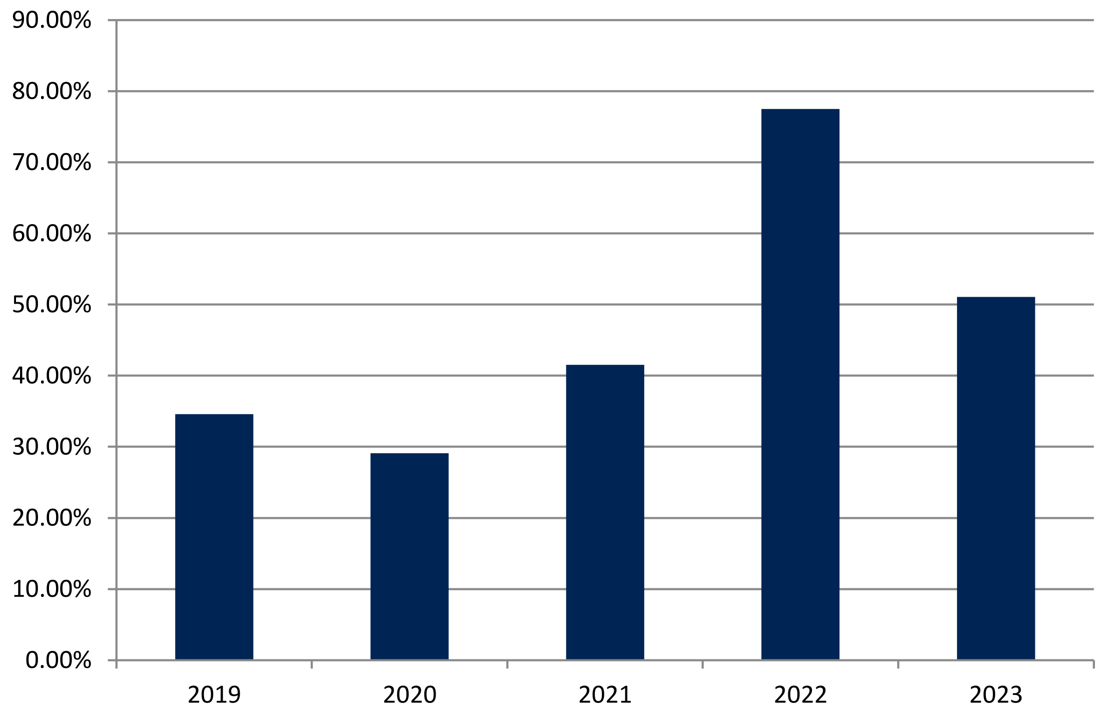
Liquidity Analysis-Unassigned General Fund Balance Compared to Expenditures



Minimum threshold according to the Town's fund balance policy-20%

Changes in Net Position – Proprietary Funds

	Water Fund	Sewer Fund	Trash Fund	Total
OPERATING REVENUES				
Charges for services:				
Sale of water	$ 2,206,347	$ -	$ -	$ 2,206,347
Sewer service charges	-	2,588,793	-	2,588,793
Trash collection fees	-	-	413,915	413,915
Late payment charges	96,905	16,589	-	113,494
Miscellaneous	93,231	3,071	-	96,302
Total operating revenues	$ 2,396,483	$ 2,608,453	$ 413,915	$ 5,418,851
OPERATING EXPENSES				
Water treatment facilities, transmission and distribution	$ 664,757	$ -	$ -	$ 664,757
Personnel	946,916	1,031,207	-	1,978,123
Operation and maintenance	-	956,929	-	956,929
Trash collection	-	-	518,580	518,580
Depreciation/amortization	639,792	754,739	-	1,394,531
Total operating expenses	$ 2,251,465	$ 2,742,875	$ 518,580	$ 5,512,920
Net operating income (loss)	$ 145,018	$ (134,422)	$ (104,665)	$ (94,069)
NONOPERATING REVENUES (EXPENSES)				
Interest income	$ 130,948	$ 128,398	$ -	$ 259,346
Lease revenue	52,088	-	-	52,088
Interest expense	(277,580)	(36,162)	-	(313,742)
Total nonoperating revenues (expenses)	$ (94,544)	$ 92,236	$ -	$ (2,308)
Income (loss) before contributions and grants and transfers	$ 50,474	$ (42,186)	$ (104,665)	$ (96,377)
Capital contributions and construction grants	$ 980,933	$ 118,048	$ -	$ 1,098,981
Transfers in	$ -	$ -	$ 109,890	$ 109,890
Change in net position	$ 1,031,407	$ 75,862	$ 5,225	$ 1,112,494
Net position - beginning	9,881,579	15,653,903	6,796	25,542,278
Net position - ending	$ 10,912,986	$ 15,729,765	$ 12,021	$ 26,654,772

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Statement of Cash Flows– Proprietary Funds

Town of Strasburg, Virginia								Exhibit 9
Statement of Cash Flows								
Proprietary Funds								
For the Year Ended June 30, 2023								
		Water Fund		**Sewer Fund**		**Trash Fund**		**Total**
CASH FLOWS FROM OPERATING ACTIVITIES								
Receipts from customers and users	$	2,387,023	$	2,567,298	$	407,308	$	5,361,629
Payments to suppliers for goods and services		(867,626)		(929,765)		(517,198)		(2,314,589)
Payments to employees for services		(924,169)		(995,750)		-		(1,919,919)
Net cash provided by (used for) operating activities	$	595,228	$	641,783	$	(109,890)	$	1,127,121
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES								
Transfers from other funds	$	-	$	-	$	109,890	$	109,890
Net cash provided by (used for) noncapital financing activities	$	-	$	-	$	109,890	$	109,890
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES								
Capital asset additions	$	(818,202)	$	(322,843)	$	-	$	(1,141,045)
Principal payments on bonds		(297,268)		(760,072)		-		(1,057,340)
Principal payments on capital financing		(8,189)		(8,189)		-		(16,378)
Lease payments		52,088		-		-		52,088
Interest payments		(283,585)		(41,736)		-		(325,321)
Capital contributions from others		980,933		118,048		-		1,098,981
Net cash provided by (used for) capital and related financing activities	$	(374,223)	$	(1,014,792)	$	-	$	(1,389,015)
CASH FLOWS FROM INVESTING ACTIVITIES								
Interest income	$	130,992	$	128,398	$	-	$	259,390
Net cash provided by (used for) investing activities	$	130,992	$	128,398	$	-	$	259,390
Net increase (decrease) in cash and cash equivalents	$	351,997	$	(244,611)	$	-	$	107,386
Cash and cash equivalents (including restricted) - beginning		4,016,796		1,044,295		-		5,061,091
Cash and cash equivalents (including restricted) - ending	$	4,368,793	$	799,684	$	-	$	5,168,477

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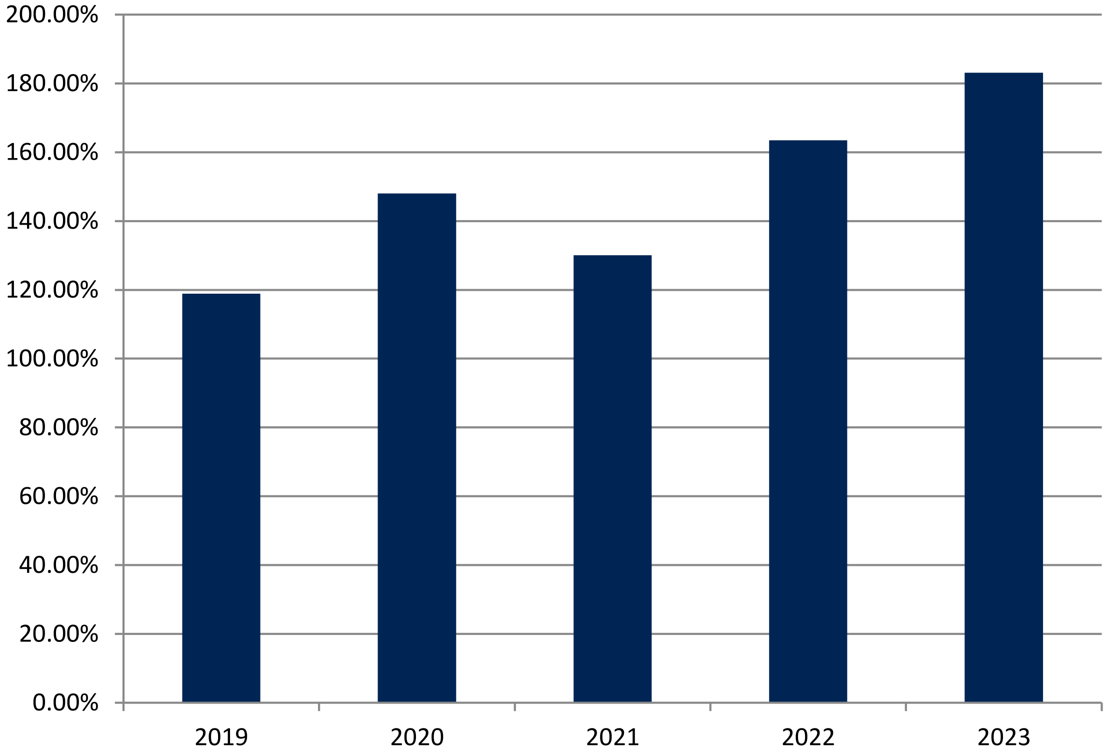
Liquidity Analysis-Unassigned Net Assets Compared to Expenses-Water



(1) Minimum threshold according to the Town's fund balance 30%

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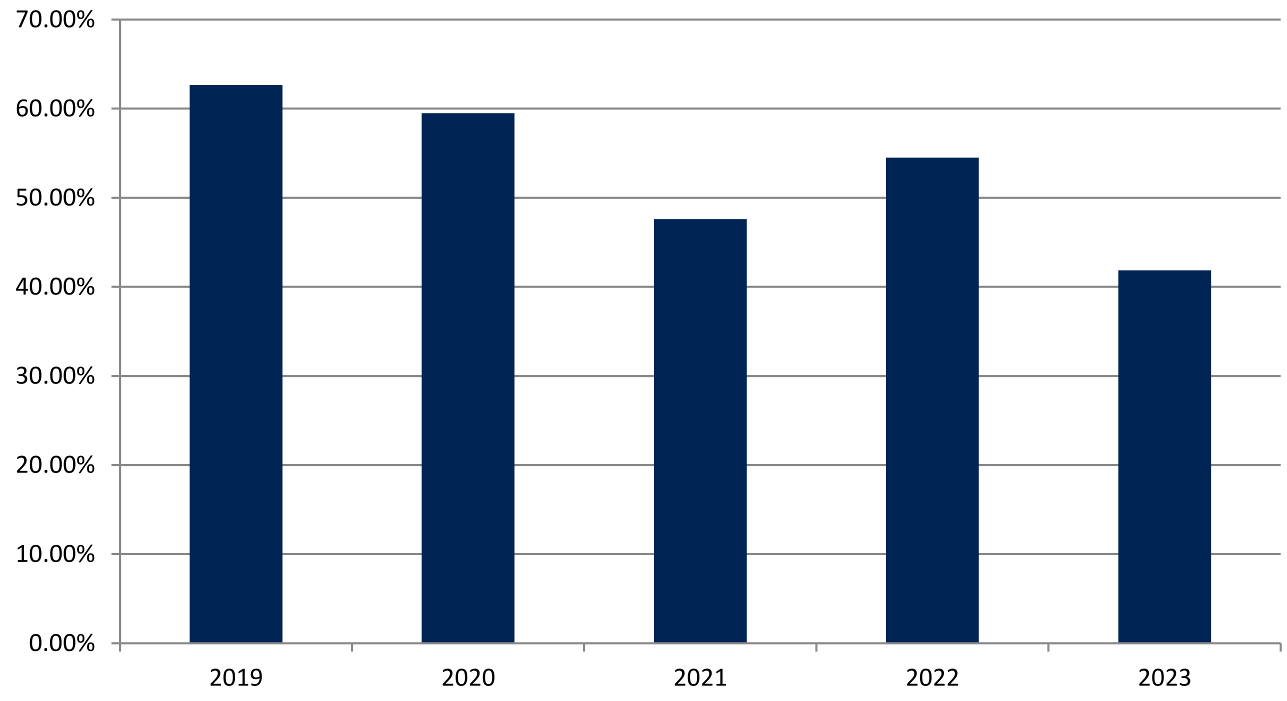
Liquidity Analysis-Unassigned Net Assets Compared to Expenses-Sewer



(1) Minimum threshold according to the Town's fund balance 30%

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General Fund Revenue Budgetary Analysis

	Budgeted Amounts			Variance with Final Budget - Positive (Negative)
	Original	Final	Actual Amounts	
REVENUES				
General property taxes	$ 2,274,013	$ 2,274,013	$ 2,311,260	$ 37,247
Other local taxes	2,393,645	2,393,645	2,575,863	182,218
Permits, privilege fees and regulatory licenses	31,000	31,000	21,637	(9,363)
Fines and forfeitures	25,000	25,000	21,064	(3,936)
Revenue from the use of money and property	1,800	1,800	310,486	308,686
Charges for services	113,300	113,300	97,214	(16,086)
Miscellaneous	33,600	33,600	44,887	11,287
Intergovernmental:				
Commonwealth	1,064,064	1,064,064	1,591,344	527,280
Federal	-	1,277,427	893,153	(384,274)
Total revenues	$ 5,936,422	$ 7,213,849	$ 7,866,908	$ 653,059

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General Fund Expenditure Budgetary Analysis

	Budgeted Amounts Original	Budgeted Amounts Final	Actual Amounts	Variance with Final Budget - Positive (Negative)
EXPENDITURES				
Current:				
General government administration	$ 768,211	$ 768,211	$ 723,904	$ 44,307
Public safety	2,199,518	2,199,518	2,212,104	(12,586)
Public works	1,797,359	1,770,588	1,935,479	(164,891)
Health and welfare	-	-	23,366	(23,366)
Parks, recreation and cultural	295,432	295,432	265,593	29,839
Community development	460,713	441,413	339,944	101,469
Capital outlay:				
General government administration	262,000	177,000	168,089	8,911
Public safety	-	1,276,352	1,157,294	119,058
Public works	151,975	69,062	45,771	23,291
Parks, recreation and cultural	11,000	11,000	15,601	(4,601)
Community development	-	381,200	384,064	(2,864)
Debt service:				
Principal	102,128	102,128	151,052	(48,924)
Interest	109,288	109,288	109,288	-
Total expenditures	$ 6,157,624	$ 7,601,192	$ 7,531,549	$ 69,643
Excess (deficiency) of revenues over (under) expenditures	$ (221,202)	$ (387,343)	$ 335,359	$ 722,702
OTHER FINANCING SOURCES (USES)				
Transfers out	$ -	$ (1,151,075)	$ (109,890)	$ 1,041,185
Total other financing sources (uses)	$ -	$ (1,151,075)	$ (109,890)	$ 1,041,185
Net change in fund balances	$ (221,202)	$ (1,538,418)	$ 225,469	$ 1,763,887
Fund balances - beginning	221,202	1,538,418	6,687,291	5,148,873
Fund balances - ending	$ -	$ -	$ 6,912,760	$ 6,912,760

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Summary of Town Debt

		Balance July 1, 2022		Issuances/ Increases		Retirements/ Decreases		Balance June 30, 2023
General Fund:								
Direct Borrowings and Direct Placements:								
General obligation bonds	$	2,878,000	$	-	$	104,000	$	2,774,000
Unamortized bond premium		349,536		-		18,329		331,207
Total Direct Borrowings and Direct Placements	$	3,227,536	$	-	$	122,329	$	3,105,207
Other Long-Term Obligations:								
Notes payable	$	84,255	$	-	$	41,216	$	43,039
Lease liabilties		28,607		-		5,836		22,771
Compensated absences		138,739		90,191		85,849		143,081
Net pension liability		-		786,479		345,516		440,963
Net OPEB liabilities		92,588		69,456		65,189		96,855
Total Other Long-Term Obligations	$	344,189	$	946,126	$	543,606	$	746,709
Total Long-Term Obligations	$	3,571,725	$	946,126	$	665,935	$	3,851,916
Business-type:								
Direct Borrowings and Direct Placements:								
General obligation/revenue bonds	$	24,100,277	$	-	$	1,057,340	$	23,042,937
Unamortized bond premium		126,664		-		9,742		116,922
Total Direct Borrowings and Direct Placements	$	24,226,941	$	-	$	1,067,082	$	23,159,859
Other Long-Term Obligations:								
Note payable	$	30,444	$	-	$	16,378	$	14,066
Compensated absences		129,052		105,818		88,076		146,794
Net pension liability		-		674,733		299,100		375,633
Net OPEB liabilities		83,566		57,614		58,675		82,505
Total Other Long-Term Obligations	$	243,062	$	838,165	$	462,229	$	618,998
Total Long-Term Obligations	$	24,470,003	$	838,165	$	1,529,311	$	23,778,857

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