



TOWN COUNCIL WORK SESSION

Monday, August 5, 2019 @ 7:00 p.m.

Town Hall Council Chambers

COUNCIL/MAYOR RELATED ITEMS:

1. Audit Class/Training by Town Auditors
2. Update on Recycling Collection – *Interim Mayor*
3. Council Discussion/Goals

TOWN/STAFF RELATED ITEMS

4. Town's Option for the Department of Corrections to Hold a Public Hearing Pertaining to the Proposed Lease of Space for a Probation and Parole Division #11 Sub-Office – *Town Manager*
5. Budget Amendment for Police Department Overtime – *Chief of Police*

1



Work Session Agenda Form

Item # 1

DATE: August 5, 2019

AGENDA ITEM: Audit Class/Training

SUMMARY: The Town's auditor, Jeff Mitchell from Mitchell & Company PC, will provide information/training regarding the Town's annual audit and how to read the Comprehensive Annual Financial Report.

BUDGET/FUNDING: N/A

STAFF RECOMMENDATION: Listen to Mr. Mitchell's presentation and ask any questions related to the annual auditing procedures or Comprehensive Annual Financial Report.

Work Session

TOWN OF FRONT ROYAL, VIRGINIA

COMPREHENSIVE ANNUAL FINANCIAL REPORT REVIEW

TOPICS FOR REVIEW – AGENDA FOR CAFR REVIEW

- Background History of Local Government Financial Reporting
FASB, GASB, GFOA
- CAFR Sections
- Complexities in Government Reporting
- Fund Accounting
 - General Government Funds
 - User Fees Enterprise Funds
- Footnote Disclosures
- Statistical Data
- Important CAFR Highlights
- Audit Functions/Parts
- Annual Audit Review Presentation

BACKGROUND HISTORY OF LOCAL GOVT FINANCIAL REPORTING

■ **FASB**

Established 1973

GAAP - standard setting for financial reporting

■ **GASB**

Established 1984

Governmental Entities GAAP – standard setting

■ **GFOA**

Founded 1906 – represents public finance officers



CAFR SECTIONS

■ Introduction

General information

■ Financial

Audit report

Financial statements

Disclosures

Supplemental information

■ Statistical

Historical data/information

General community data

■ Compliance

Government laws & regulations



COMPLEXITIES IN GOVERNMENT REPORTING

- **Fund Accounting for Segregated Activities**

Governmental Funds

Business-type Funds

- **Top Level Reporting Conversion All Funds to Business-type Funds**

GASB 34

- **Infrastructure Reporting**

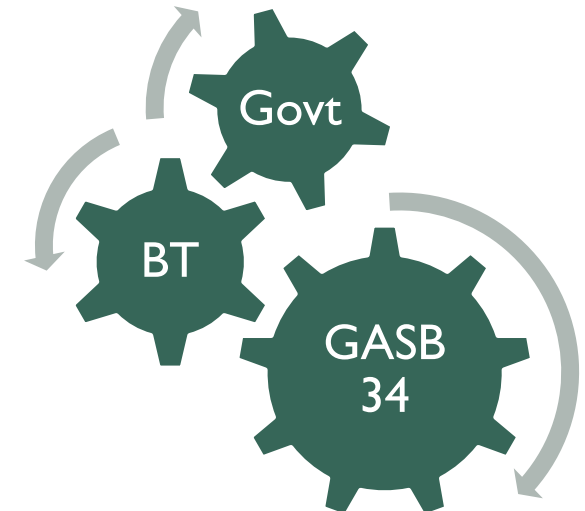
- **APA/State Compliance Reporting**

- **Restricted Funds & Fund Balance**

- **Reporting Document – 133 pages**

- **Budget Appropriations**

- **Cash vs. Accrual Reporting**



FUND ACCOUNTING

■ **General Governmental Funds**

Assess and collect general taxes

Funding for general public benefits welfare

No restriction on disbursement types and projects

State requires spending plan be approved with public input

Funds include: General, Special Revenue, Street

■ **Enterprise Business-type Funds**

User fee paid services provided

Restricted spending for user provided service

Funds include: Electric, Water, Sewer, Refuse

FOOTNOTE DISCLOSURES

■ Intended to Give Reader Additional Information About

Reporting policies adopted – options

Cash deposits/investments

Outstanding obligations

Capital assets

Long-term debt

Very limited in readability



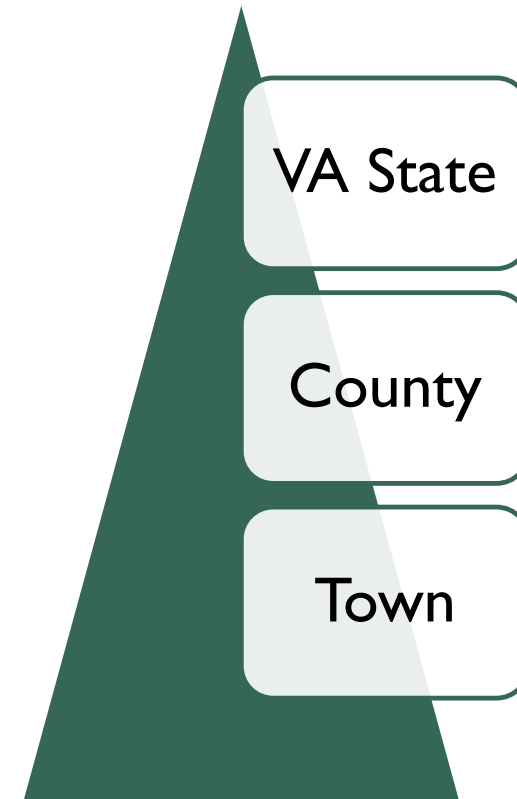
STATISTICAL DATA

- **Historical Trends**
- **Revenue Capacity**
- **Debt Capacity**
- **Demographic Data – Community Area**
- **Operational Data**

Facilities

Roads maintained

Police Force



IMPORTANT CAFR HIGHLIGHTS

- Report 133 pages
- Important Pages:
 - 20 – Overall Govt. asset & outstanding obligations – fully loaded obligation accrual basis
 - 22 – Govt. assets & outstanding obligations – cash basis
 - 25 – General Fund actual to budget operating comparison
 - 28 – Business-type Funds operating activity
 - 48 to 50 – Debt summary
 - 99 to 104 – General Fund revenue & expenditures actual to budget comparison detail

ANNUAL AUDIT FUNCTIONS

■ 12 Month process

Planning – May

Preliminary – June/July

Detail Audit – August/September

Completion – October/November

■ Functions

Test verify veracity of amounts & numbers

Review processes of billing and vendor payments

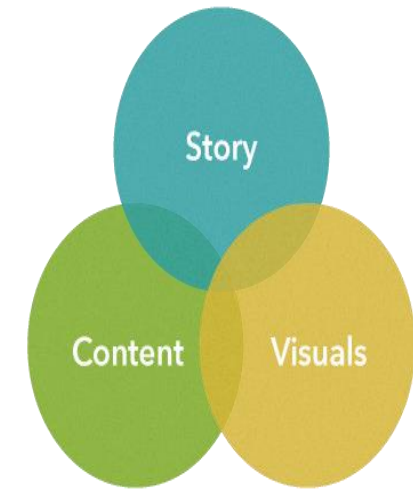
Verify compliance with laws & regulations

Prepare report

Prepare APA document – transmittals

ANNUAL AUDIT REVIEW PRESENTATIONS

- **Concluding Audit Annual Review with Council**
- **Annual review – October each year**
- **Specific topics discussed in detail**
 - ❖ Capital assets
 - ❖ OPEB
 - ❖ VRS pension
 - ❖ Debt
 - ❖ Appropriations
 - ❖ Unrestricted fund balances



2



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Item # 2

DATE: August 5, 2019

AGENDA ITEM: Update on Recycling Collection

SUMMARY: The Interim Mayor has requested that Staff brief Council on how the new recycling collection is going and the process.

BUDGET/FUNDING: N/A

STAFF RECOMMENDATION: Council takes desired action if needed.

Work Session

4



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Item # 4

DATE: August 5, 2019

AGENDA ITEM: Town's Option for the Department of Corrections to Hold a Public Hearing Pertaining to the Proposed Lease of Space for a Probation and Parole Division #11 Sub-Office

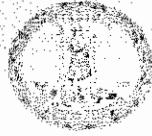
SUMMARY: The Town has received a notice from the Virginia Department of Correction (DOC) pertaining to a proposed lease of space for a Probation and Parole District #11 sub-office at 23 E. Jackson Street or 30 E. Jackson Street. The Town is not required but may request the DOC to hold a public hearing regarding the proposed lease. If Council requests that a public hearing be heard a resolution will be approved by Council at the next regular meeting.

A copy of the letter from DOC is attached.

BUDGET/FUNDING: N/A

STAFF RECOMMENDATION: Council takes desired action.

Work Session



COMMONWEALTH of VIRGINIA

Department of Corrections

HAROLD W. CLARKE
DIRECTOR

P.O. BOX 26963
RICHMOND, VIRGINIA 23261
(804) 674-3000

July 17, 2019

Mr. Matthew A. Tederick, Mayor
Front Royal, Virginia
P.O. Box 1560
Front Royal, Virginia 22630

Dear Mayor Tederick,

Notice
PROPOSED LEASE
PROBATION AND PAROLE DISTRICT #11
FRONT ROYAL, VIRGINIA 22630

In accordance with Section 53.1-67.4 (B) of the Code of Virginia, as amended, notice is hereby given that The Department of Corrections is considering the lease of space at 30 E. Jackson or 23 E. Jackson Street Front Royal, Virginia for the Probation and Parole District #11 sub-office of the Department of Corrections. No action will be taken for a period of at least 90 days from the date of this notice.

The local governing body of Front Royal is not required to, but may request that the Department hold a public hearing regarding this proposed lease renewal. The request must be received by the Department no later than the close of business on October 15, 2019 (90 days from date of public notice). The request must be authorized by the local governing body and signed by an authorized individual. A public hearing will be held within the jurisdiction, if so requested. The request shall be sent to:

James H. Thurston
Infrastructure and Environmental Management
Virginia Department of Corrections
P.O. Box 26963
Richmond, Virginia 23261-6963

A copy of this notice is being mailed on this date to adjacent property owners as reflected in the tax records of Front Royal, Virginia as shown on the list attached to this notice.

If you have any questions regarding this notice, please contact James Thurston at 804-887-8094.

Sincerely,

James H. Thurston

James H. Thurston

23 E. Jackson (20A7 430) Front Royal, Va. – Adjacent property owners

Warren County, Virginia
3 E. Main (20A7 430A)
Front Royal, Va.

Warren County, Virginia
1 E. Main St. (20A7 429)
Front Royal, Va.

30 E. Jackson Street Front Royal, Va. – Adjacent property owners

28 E. Jackson Street, Front Royal, Va.
John M. Appleton Et Ux
3519 Spring Lake Terrace
Fairfax, Virginia 22030

34 E. Jackson Street, Front Royal, Va.
Jean H. Queen and Teal Queen, Jr.
P.O. Box 159
Brandy Station, Va. 22714

5



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Item # 5

DATE: August 5, 2019

AGENDA ITEM: Budget Amendment for Police Department Overtime

SUMMARY: The Police Department will be assisting with the staffing of a regional CITAC (Crisis Intervention Assessment Center). This initiative stems from a grant received by The Northwestern Community Services Board. The Police Department will be receiving reimbursement through the grant for overtime associated with staffing. Town Council is requested to approve a budget amendment in the amount of \$93,500.00 to receive the reimbursement and increase the expense associated with Police Salaries. This is an estimated amount and is subject to change as the project moves forward. The project is a collaboration between area law enforcement agencies, Northwestern Community Services Board, and Valley Health Systems.

BUDGET/FUNDING:

1000-3410209	General Fund Reimbursements	\$93,500.00
3102-41002	Police Patrol Overtime	\$86,350.00
3102-42001	Police Patrol FICA	\$ 7,150.00

STAFF RECOMMENDATION: Staff recommends to approve, as presented.

Work Session