



DEPARTMENT OF FINANCE AND PROCUREMENT

Town Council Regular Meeting
October 8th, 2024

FINANCE AND PROCUREMENT

- Budgeting and long-term financial planning
- Revenue Management
 - Tax, fee, and utility billing and collection
 - Treasury management and investment of town funds
- Debt issuance and management
- Accounting and financial reporting
- Accounts payable
- Payroll
- Procurement

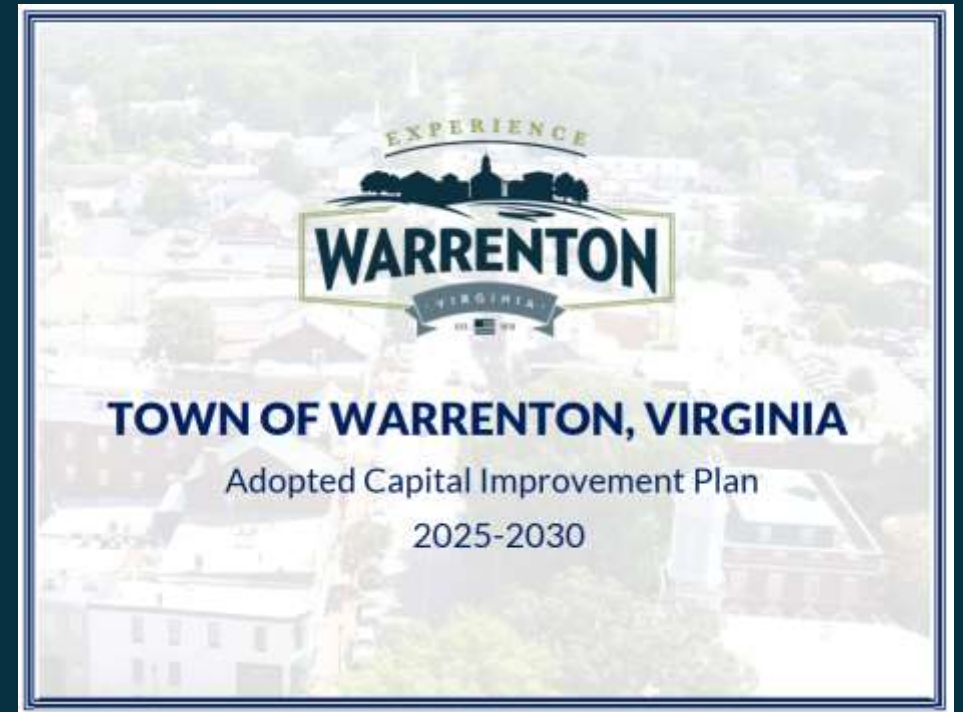
ANNUAL BUDGET

- Town Manager's proposed budget delivered to Council by April 1st
 - FY 2026 Budget Kickoff meeting held in September
 - Departments meet quarterly with the Budget Manager to review budget to actual spending
- Adopted Budget is available on our website
 - Working on a Budget in Brief document to provide highlights of FY25 budget



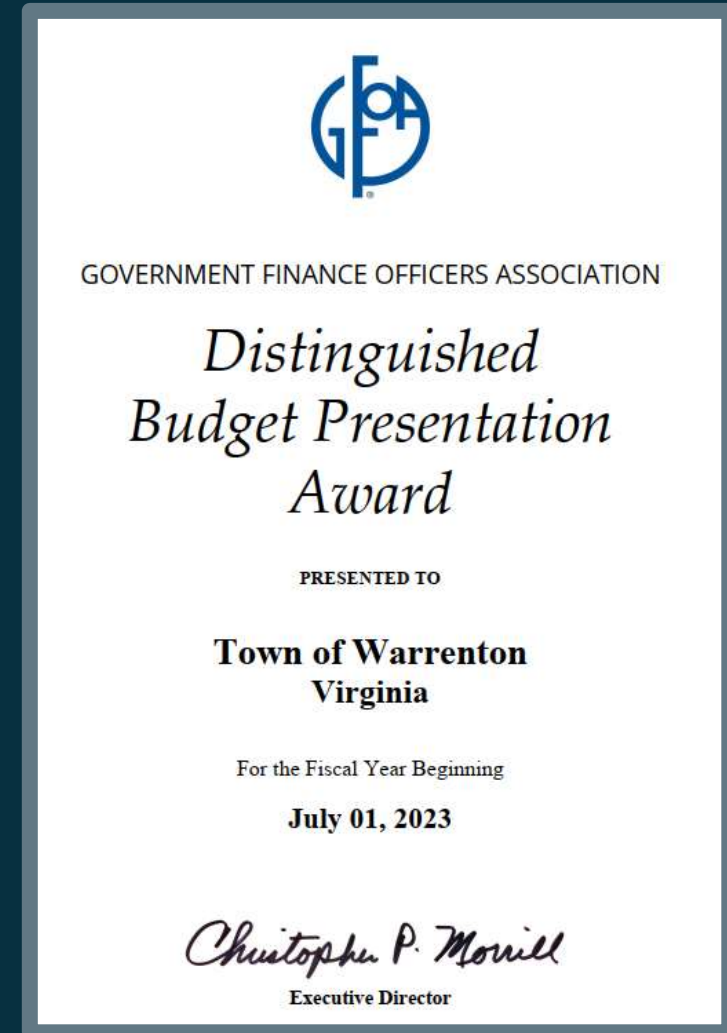
CAPITAL PLANNING

- Six-year Capital Improvement Plan (CIP) and Capital Asset Replacement Plan (CARP) updated annually
- Schedule of projects, major repairs, and replacements of capital assets and infrastructure
- Assists our financial advisors to develop long-term plans of finance and recommended rates



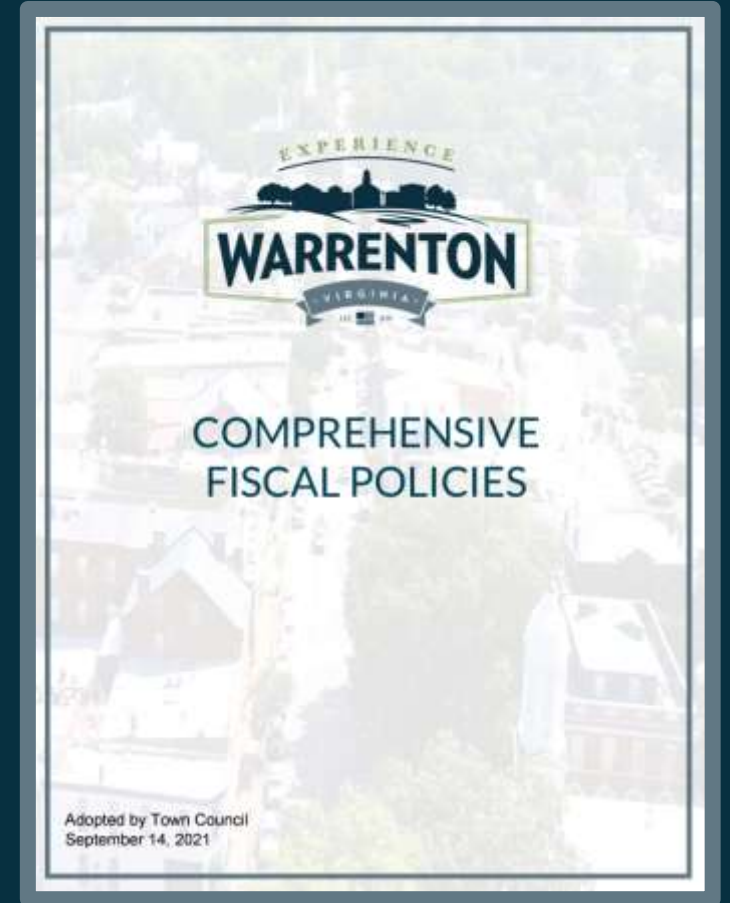
BUDGET AWARD

- Received the Government Finance Officers Association Distinguished Budget Presentation Award for our Fiscal Year 2024 Budget
- Nationally recognized award program that assesses how well an entity's budget serves as:
 - A policy document
 - A financial plan
 - An operations guide
 - A communications device



COMPREHENSIVE FISCAL POLICIES

- Originally adopted by Council in September 2021
 - Created to ensure compliance with applicable laws and regulations to safeguard and properly account for public funds and other assets.
- Available on our website
- Reviewed on an annual basis in conjunction with the budget process
- ***New policies added this year:***
 - ***Capital Improvement Plan Policy***
 - ***Grant Application and Acceptance Policy***
 - ***Tap Privilege Fee Assessment Policy***



CITIZEN AND STAFF ENGAGEMENT

CITIZEN ENGAGEMENT - Town Talks

- Budget game – how would you allocate the Town budget?



STAFF ENGAGEMENT- Finance 101

- How the Town's funds are structured
- Understanding the budget process
- How to procure goods and services
- How to pay bills

REVENUE MANAGEMENT



MARCH

Business License
Renewal filing due



JUNE 15

1st Half Real Estate Tax
Stormwater Fee due



JUNE 30

Business License
Tax due



DECEMBER 15

2nd Half Real Estate Tax
Stormwater Fee, Personal
Property Tax due



Due Monthly: Meals Tax, Lodging Tax, Utility Bills



REVENUE MANAGEMENT

Council adopted an ordinance in 2022 to allow the Town to use third-party collection agencies

- Can send any type of delinquent account
- Fee is paid by the account holder, not the town
- Currently sending real estate and miscellaneous accounts
 - **Agency has collected over 50% of the real estate balance that we have sent to them**
- Will be sending personal property, meals tax, etc.
- Note: taxpayers are sent multiple notices prior to going to collections

PROCUREMENT

- Ensure that goods and services are procured in accordance with the Virginia Public Procurement Act and any other relevant guidance
- In process of implementing **Purchasing Cards** pilot program
 - Offers more efficient avenue for purchasing and paying for goods and services
 - Must be monitored to ensure compliance with policies and VPPA
 - We are participating in the Commonwealth of Virginia's program
 - **Rebate percentage is based on statewide purchasing levels, thereby offering a higher return**

FINANCIAL REPORTING

Annual External Audit

- Required by Virginia Code for towns with population greater than 3,500
- Virginia Auditor of Public Accounts provides guidelines to auditors and reviews their work
- Single audit required when federal funds exceed \$750,000
- Starts each year in May/June and runs through November
- Unmodified opinion
 - Financial statements present fairly, in all material respects, the financial position in accordance with generally accepted accounting principles

FINANCIAL REPORTING

Annual Comprehensive Financial Report (ACFR)

- Reports the actual results for the fiscal year
- Must be filed with Virginia Auditor of Public Accounts
- Auditors must present results of audit and financial highlights to Council at the December Council meeting

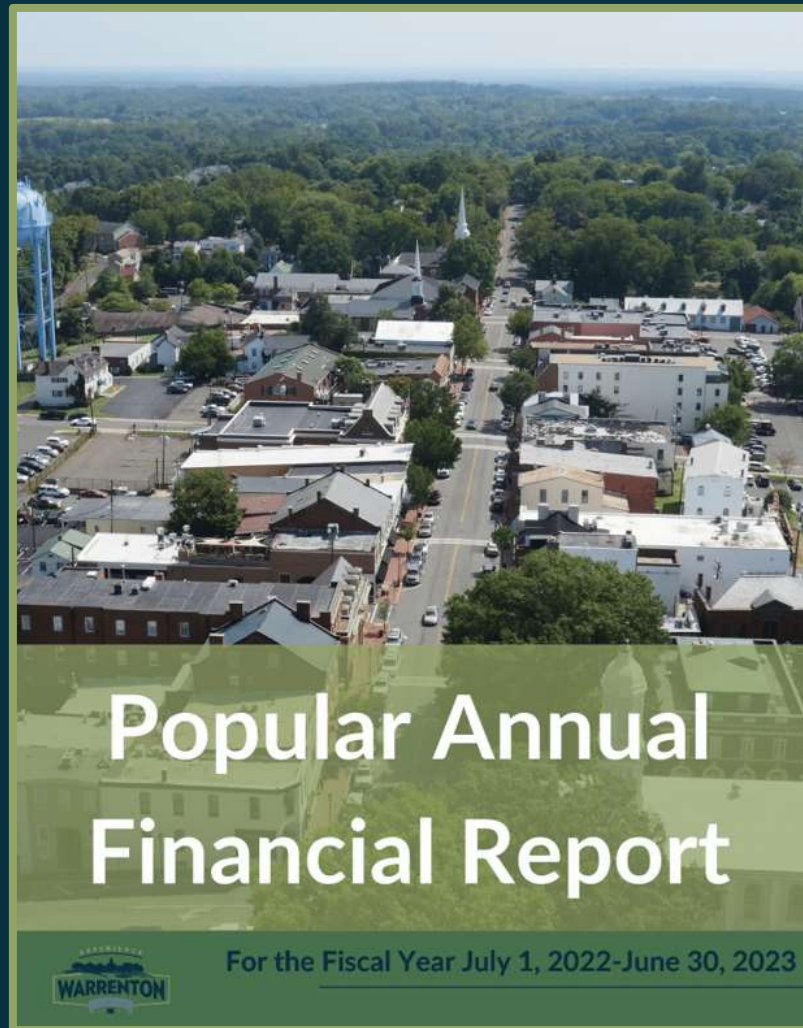


ANNUAL COMPREHENSIVE FINANCIAL REPORT

YEAR ENDED JUNE 30, 2023

Prepared by:
The Finance Department of the
Town of Warrenton, Virginia

POPULAR ANNUAL FINANCIAL REPORT



WARRENTON AT A GLANCE

The Town of Warrenton has a Council-Manager form of government with a Mayor and six-member Town Council. The Council appoints the Town Manager, Town Attorney, and the Town Clerk.

The Town Council adopts all ordinances and resolutions. The Council also sets the tax rate and adopts the budget.

The Town provides a full range of services to its residents including police protection, maintenance of streets, refuse and recycling collection, water and sewer services, community development, and parks, recreation, activities.

10,057

2020 CENSUS
POPULATION



\$421,000

MEDIAN HOME VALUE



64.7%

HOME OWNERSHIP

89.8 MILES

WATER LINES

69.81 MILES
SANITARY SEWER LINES



7

PARKS

88.94

ACRES



3,653

TONS OF TRASH
COLLECTED



610

TONS OF RECYCLING
COLLECTED



TOP TEN EMPLOYERS

- Fauquier County School Board
- County of Fauquier
- Fauquier Health System
- Wal-Mart
- Town of Warrenton
- Home Depot
- Blue Ridge Orthopedic
- Appleton Campbell
- Country Chevrolet
- Harris Teeter

POPULAR ANNUAL FINANCIAL REPORT

WHERE THE MONEY COMES FROM

The largest revenue sources for the Town's General Fund are Meals Taxes, Intergovernmental Revenues, Other Local Taxes, and Business License Taxes. Meals taxes have always been the largest individual source of revenue for the General Fund. They accounted for 27% of revenue in FY23, due in large part to an increase in the rate effective July 1, 2022.

Intergovernmental revenue sources include state funding for highway maintenance, law enforcement, personal property tax relief, and sales taxes. Federal revenue also falls in this category and has increased in recent years due to coronavirus relief funding.



General Property Taxes, which includes real estate tax and personal property tax, account for 9% on General Fund revenue.

The table below shows General Fund revenues by source for the last three fiscal years. This data is derived from Exhibit 5 of the ACFR.

Revenues by Source	FY 2021	FY 2022	FY 2023
General Property Taxes	\$ 1,379,006	\$ 1,461,261	\$ 1,739,007
Meals Taxes	2,828,431	3,296,859	3,346,736
Business License Taxes	2,458,043	2,964,786	3,511,990
Other Local Taxes	3,391,915	3,524,224	3,721,195
Intergovernmental Revenues	3,567,328	3,839,992	4,303,855
Charges for Services	466,599	1,075,663	1,019,342
Permits, fees, and licenses	294,301	207,878	119,987
Other Revenues	402,028	238,227	200,073
Total	\$ 14,759,401	\$ 17,388,490	\$ 19,665,045

WHERE THE MONEY GOES

The Code of Virginia requires that the Town balance its budget each year. This means that expenditures cannot exceed revenues. The Town seeks to ensure that current revenues cover operating expenditures when developing the budget each year.

In Fiscal Year 2023, the largest expenditure area was public works, followed by public safety. Overall, expenditures have grown by 9.2% compared to FY22 and 22.4% compared to FY21. It is important to note that in FY21, the Town was still operating in a conservative manner due to the impact of Covid-19. Additionally, inflation has impacted all functional areas over the past year. The FY23 expenditures also include coronavirus relief expenses funded by federal revenue.



The table below shows Expenditures by source for the last three fiscal years. This data is derived from Exhibit 5 of the ACFR.

Functional Area	FY 2021	FY 2022	FY 2023
General Administration	\$ 1,543,266	\$ 1,716,121	\$ 3,030,761
Public Safety	4,316,166	4,488,739	4,121,551
Public Works	3,498,257	3,466,980	4,633,458
Health and Welfare	183,554	173,361	334,011
Parks and Recreation	1,851,122	2,234,438	2,295,302
Community Development	893,149	714,724	484,623
Capital	1,134,734	1,124,098	1,231,327
Debt Service	967,596	1,229,170	685,007
Total	\$ 14,387,846	\$ 16,129,651	\$ 17,616,040

FUND BALANCE

The General Fund is the main operating fund for the Town. Primary revenue sources are taxes and intergovernmental revenues. Functions such as public safety, public works, parks and recreation, and community development are reported in the General Fund. The annual fund balance is the excess of what the Town owns (assets) over what the Town owes (liabilities) at the end of the fiscal year.

Fund balance is broken into five major categories:

Non-spendable – amounts that are not in cash form or cannot be spent.

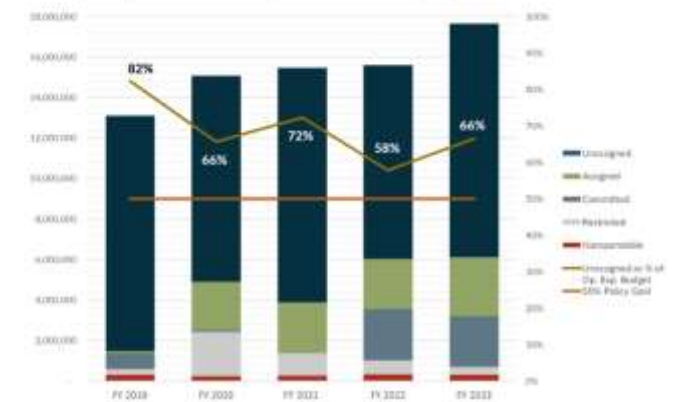
Restricted – amounts that are restricted for a certain purpose.

Committed – amounts that Council sets aside by resolution.

Assigned – amounts set aside to be used for specific purposes.

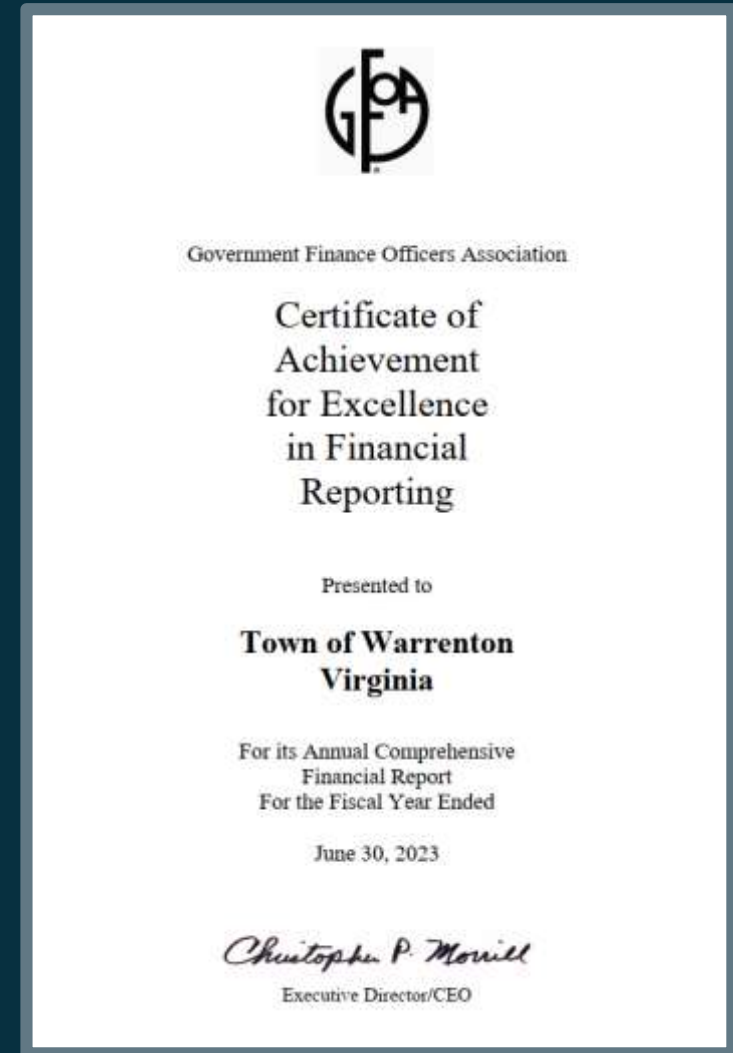
Unassigned – funds available for other purposes.

The Town Council has adopted a policy to maintain a minimum unassigned fund balance equal to 50% of current annual operating expenditures. The chart below shows the classification of fund balance as of June 30th for the last five fiscal years based on year-end financial reports. The brown line with percentages demonstrates how the Town has successfully complied with the adopted fund balance policy.



FINANCIAL REPORT AWARD

- Award program established in 1945
- Recognizes those local governments that prepare financial reports that evidence the spirit of
 - transparency
 - full disclosure
- The Town has been awarded this certificate for the last 30 years.



An aerial photograph of a town street, showing a mix of residential and commercial buildings, trees, and parked cars. The word "Questions?" is overlaid in the center in a bold, dark blue font. The image is framed by a thick black border.

Questions?