

**CLIFTON TOWN COUNCIL MEETING
TUESDAY, MARCH 6, 2018, 7:30 PM
CLIFTON TOWN MEETING HALL
12641 CHAPEL ROAD
CLIFTON, VA 20124**

Present: Vice Mayor Jennifer Heilmann; Councilmember Regan McDonald;
Councilmember Melissa Milne; Councilmember Wayne Nickum; Councilmember
Darrell Poe.
Staff: Marilyn Barton, Town Treasurer; Amanda Christman, Town Clerk.
Absent: Mayor Bill Hollaway.

The Regular Meeting was called to order by Vice Mayor Heilmann at 7:30 PM.

Order of Business:

1. Report of the Town Clerk.

a. Reading of the Minutes (previous regular meetings and any special meetings).

- **Councilmember Nickum moved to approve the February 2018 Minutes as presented, seconded by Councilmember Poe. The motion was approved by poll vote, 5-0.**

2. Report of the Treasurer.

See attached report.

- **Councilmember Nickum moved to approve a CD of \$400,000 at United Bank for two years and a CD of \$210,000 at John Marshall Bank for 18 months, seconded by Councilmember McDonald. The motion was approved by roll-call: Nickum: Aye; McDonald: Aye; Milne: Aye; Heilmann: Aye; Poe: Aye.**
- **Councilmember Nickum moved to approve the Draft Audited Financial Statements for fiscal year FY2017, ended June 30, 2017, seconded by Councilmember Milne. The motion was approved by poll vote, 5-0.**
- **Vice Mayor Heilmann moved to reschedule the regular May Town Council meeting from Tuesday, May 1st to Tuesday, May 8th at 7:30 PM at the Community Meeting Hall, to accommodate the Town's election day. The motion was approved by poll vote, 5-0.**
- **Councilmember Poe moved to approve the Treasurer's report, seconded by Vice Mayor Heilmann. The motion was approved by poll vote, 5-0.**

a. Budget FYE1906 – Set Dates for Budget Work Sessions.

- **Councilmember Nickum moved to approve the budget work session schedule as proposed by the Treasurer: Work Session #1: March 21 – Wednesday 7:30 – 8:30 PM; Work Session #2: April 11 – Wednesday 7:30 – 8:30 PM; Work Session #3 (if**

needed): April 18 – Wednesday 7:30 – 8:30 PM, seconded by Councilmember Poe. The motion was approved by poll vote, 5-0.

- **Councilmember Nickum moved to set a Public Hearing for review of the FY19 Budget in advance of the Regular Town Council Meeting on May 8th at 7:30 PM, seconded by Councilmember Milne. The motion was approved by poll vote, 5-0.**

3. Citizen's Remarks.

Ralph Bennett, of 12722 Chestnut Street, remarked on why he erected a structure at his residence and wondered why it is not allowed as-is. The Council noted that this item would be discussed under item 6.a. of the Agenda.

4. Unfinished Business:

a. Gravel for Pink House Parking Lot.

Councilmember Milne reported that Marcus Silva will put down some gravel in the parking lot at the beginning of March, depending on the weather. The cost will be only for the materials, which will be within the budget. The tenants in the Pink House have been notified.

b. Robinson All-Night Grad Party.

Councilmember Milne noted that she spoke with the coordinator of the event and put her in touch with the CBA, which would be the right organization to handle such a donation.

5. Reports of Special Committees.

Vice Mayor Heilmann reported on the efforts of residents to work with VDOT and Fairfax County to address the condition of Clifton Creek Drive. The agencies continue to explore options to shore up the road. Marilyn Stoney has volunteered to act as liaison between Fairfax County, VDOT and the Town, and will keep the Council updated on progress.

6. Reports of Standing Committees:

a. Planning Commission.

Kathy Kalinowski reported on the sections of the Town's zoning ordinance that relate to issues cited in the letter sent regarding the metal carport at 12722 Chestnut Street. The Council reiterated the need for all residents to go through the appropriate processes to secure the necessary permits prior to erecting structures within the Town, as required by the Town Code.

b. Architectural Review Board.

Councilmember McDonald reported on several Certificates of Appropriateness (COAs) that were issued.

c. Other Committees.

i. Committee on the Environment.

Laura McDonald is organizing an Earth Day clean-up within the Town, which is planned for April 22nd. Last year, the clean-up was focused on improving planters. This year's focus will be on trash removal.

ii. Park Committee.

Councilmember Nickum reported on the nature of the debris in the park that resulted from the recent wind storm and noted that any fallen tree limbs picked up by volunteers can be brought to the CBA bonfire area.

7. New Business:

Adopted as presented by the Town Council on April 3, 2018

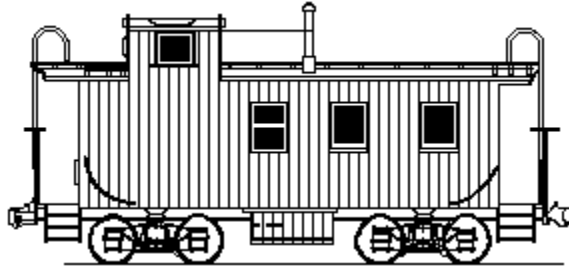
a. Clifton Presbyterian Church Annual Spaghetti Dinner – Banner Request.

- **Councilmember Nickum moved to approve the request, for the banner to be placed March 6th and be taken down within a week after the event, seconded by Councilmember Poe. The motion was approved by poll vote, 5-0.**

8. Adjournment.

- **Councilmember Nickum moved to adjourn, seconded by Councilmember Poe. The motion was approved by poll vote, 5-0.**

The meeting was adjourned at 8:27 PM.



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12641 CHAPEL ROAD
CLIFTON, VA 20124**

Order of Business:

1. Report of the Town Clerk:
 - a. Reading of the Minutes (previous regular meetings and any special meetings).
2. Report of the Treasurer.
 - a. Budget FYE1906 – Set Dates for Budget Work Sessions.
3. Citizen's Remarks - Suggestions or complaints of citizens and taxpayers, and other persons authorized by the Mayor to address the Council.

Each person wishing to address the Council shall, when recognized by the Mayor:

 - (i) Give her name and address;
 - (ii) Direct her remarks to the Council and not to other citizens present;
 - (iii) Be limited to one period of not over five (5) minutes, unless granted additional time by unanimous consent of the Council.

Priority shall be given to persons who have signified to the Clerk their desire to address the Council.
4. Unfinished Business:
 - a. Gravel for Pink House Parking Lot.
 - b. Robinson All-Night Grad Party.
5. Reports of Special Committees.
6. Reports of Standing Committees:
 - a. Planning Commission.
 - b. Architectural Review Board.
 - c. Other Committees.
7. New Business:
 - a. Clifton Presbyterian Church Annual Spaghetti Dinner – Banner Request.
8. Adjournment.



Amanda Christman <cliftonclerkva@gmail.com>

March 6, 2018 Town Council Meeting - Treasurer's Report for period ended 02/28/2018

1 message

Marilyn Lane Barton <clifton.treasurer@cox.net>

Sun, Mar 4, 2018 at 6:13 PM

To: "William R. Hollaway, Ph.D." <WHollaway77@gmail.com>, Jennifer Heilmann <jbheilmann@gmail.com>, WAYNE <clifnick@yahoo.com>, mcdonald.regan@gmail.com, Melissa Milne <Melissa.milne9@gmail.com>, darrell.poe@gmail.com
Cc: cliftonclerkva@gmail.com, "Barton, Marilyn" <mbarton@comres.org>

Hello everyone,

Attached are the **Financial Reports for the period ended February 28, 2018**. The Financial Reports include:

- The Summary of **Cash Balances Report as of February 28, 2018** reflects total funds of **\$1,192,380.26**. The Town's Certificates of Deposit totaling \$610,392.88 with John Marshall Bank will mature on March 19, 2018. Both John Marshall Bank and United Bank have been contacted to recommend their best offers for reinvesting the Town's funds. A recommendation will be presented at the meeting.
- **Profit & Loss Summary by Fund** for period ended 02/28/2018. **Highlights of February** transactions are noted on this summary report. The main items for the month include:
- **Pink House Rental:** Tim Hugo exercised his option to extend his lease for **2 years to December 2019 @ \$1,300 per month**.
- **Taxes & Permits** highlights include receipt of **\$6,608.35 in BPOLs for February – totaling \$17,578 for FY18 YTD, \$290.82 received in February in new Motor Vehicle Fees** from Fairfax County, **for a YTD total of \$9,332; 27% greater than FY17 for the same period.** (See the supplemental Vehicle Registrations Report.) **\$3,357** was received in Feb. from **Fairfax County for Dec. 2017 Local Sales Taxes**, reflecting the **usual two-month delay** in Sales tax revenues.
- **Contractual Expense:** The highlights for February include **\$646 expended for Community Hall electricity, and \$192 for Town Services**.
- **CIF – CIF Special Project Streetscape Phase 2 –** February activity reflects a **payment to J2 Engineering in the amount of \$2,153.48, bringing the YTD expenditures to \$28,211.35.**
- **Supplemental Detail Reports are provided as follows:**
- **Vehicle Registration Comparative Report –** reflecting a 27% increase in FY18 at February 28th over the same period in FY17.
- **Community Hall Comparative Report**
- **Profit & Loss Detail Export Report** for period ended 02/28/2018. This report is a detailed export of the income and expenses from the accounting system. Notes and supplementary schedules are provided on the Profit & Loss Summary report and as additional tabs which highlight items of interest.

Other updates:

- The **due date for filing BPOL Applications and payments was be March 1st**. An **additional \$9,473 was received in March** from the Clerk as of 3/2/18. This reflects a **total**

of \$17,188 for 2018 receipts from 27 businesses – 49%.

- An addition VISA credit card in the name of the Town of Clifton, Amanda Christman, Clerk, is being initiated with a credit limit of \$500 as authorized by Mayor Hollaway and the Town Council at the January meeting. The paperwork is being drawn up by United Bank and will hopefully be available for signing at the March 6th meeting.
- **Drafted Audited Financial Statements for FY17, ended 6/30/17**, were sent to you yesterday with a separate email. The drafted audited financials will be presented for your approval at the March 6th meeting.
- The email for initiating the process for developing the **Budget for FY19** was sent following the February Town Council meeting, with **responses requested by March 15th**. A schedule of **proposed meeting dates for the Budget Work Sessions** *confirmed as available by Darrell Poe* follow:

1. March 21 – Wednesday 7:30 – 8:30 Proposed Budget Work Session #1
2. April 11 – Wednesday 7:30 – 8:30 Proposed Budget Work Session #2
3. April 18 – Wednesday 7:30 – 8:30 Proposed Budget Work Session # 3 *if needed*
4. April 24 – Advertise – FY19 Budget Public Hearing on 5/1/18 – *one ad required at least 7 days in advance of hearing.*
5. May 1 *or regular TC meeting* – Public Hearing for review of the FY19 Budget in advance of the Regular Town Council Meeting. - *Public Hearing ad required at least 7 days prior to the adoption of the Budget.*
6. June 6 – FY19 Budget Adoption by Town Council at Regular Town Council meeting.

After your review, if you have any questions or concerns, please let me know. If there are additional supplemental schedules that you would like to see, just let me know.

Thank you.

IMPORTANT: Please let me know if you DO NOT wish to receive a paper copy of these documents provided to you at the meeting. Thanks so much!

Sincerely,

Marilyn

Marilyn Barton

Treasurer

Town of Clifton

P.O. Box 309

Clifton, VA 20124-0309

Cell: [703-678-8607](tel:703-678-8607)



2018 02 28 Financial Statements.xlsx
80K

Town of Clifton **Cash Balance Report**

ASSETS	<u>2/28/2018</u>	<u>Bank Rates Effective July 31, 2017</u>		
		<u>CD Term</u>	<u>Maturity Date</u>	<u>APR %</u>
Current Assets				
Checking/Savings				
John Marshall Bank CDs	610,392.88	18 months	3/19/2018	1.19%
C.D. - John Marshall Bank CD 1	100,678.60	1 yr	7/31/2018	1.17% <i>Up from .85% at Unite</i>
C.D. - John Marshall Bank CD 2	100,678.60	1 yr	7/31/2018	1.17% <i>Up from .85% at Unite</i>
C.D. - John Marshall Bank CD 3	100,678.60	1 yr	7/31/2018	1.17% <i>Up from .85% at Unite</i>
United Bank - Events Acct	1,310.76			Homes Tour @ \$1,210
Checking-United Bank	22,759.52	Min Bal \$2,500	"Chairman's Club"	0.10%
Investments-LGIP	933.12			
Money Market Savings-United	250,546.09		July 2017	
Security Deposit - United Bank	4,402.09		negotiated rate	0.20% <i>Down from .45% at Ca</i>
Total Checking/Savings	<u>1,192,380.26</u>			

NOTE: The Treasurer has contacted both John Marshall Bank & United Bank for their best offers for reinvesting the CDs maturing 3/19/18. A recommendation will be made at the Town Council Meeting 3/6/18.

Town of Clifton Cash Balance Report

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Town of Clifton

Profit & Loss Budget Performance

February 2018

	Feb 18	Budget	Jul '17 - Feb 18	YTD Budget	Annual Budget
Income					
State Funding	0.00		10,000.00	10,000.00	10,000.00
Clifton Public Parking Rental	0.00	0.00	0.00	450.00	450.00
1 Committees Fundraising	0.00	166.67	10,969.63	17,533.32	18,200.00
2 Community Hall Revenues	0.00	500.00	3,757.52	4,000.00	6,000.00
Haunted Trail Event	0.00		49,790.53	30,000.00	30,000.00
Interest Income	874.60	1,166.67	7,449.88	9,333.32	14,000.00
Other Income	0.00		0.00	26,364.00	26,364.00
3 Pink House Rental	2,800.00	3,400.00	23,300.00	27,200.00	40,800.00
4 Tax and Permits Revenue	11,642.40	3,958.33	54,746.17	40,366.68	102,200.00
Total Income	15,317.00	9,191.67	160,013.73	165,247.32	248,014.00
Gross Profit	15,317.00	9,191.67	160,013.73	165,247.32	248,014.00
Expense					
Citizens' Recognition Expense	0.00	62.50	0.00	500.00	750.00
5 Bank Service Charges	0.00		20.00		
Commodities	63.37	435.84	1,225.64	3,986.64	5,730.00
6 Contractual	849.69	7,066.69	54,789.46	129,233.24	158,750.00
Haunted Trail Expenses	0.00		12,204.55	15,000.00	15,000.00
OTHER - TC approval req'd +\$500	0.00	625.00	0.00	5,000.00	7,500.00
Payroll Expenses	3,666.66	5,023.67	31,016.28	40,189.32	60,284.00
Total Expense	4,579.72	13,213.70	99,255.93	193,909.20	248,014.00
Net Income	10,737.28	(4,022.03)	60,757.80	(28,661.88)	0.00
CIF FUNDS:					
CIF Income					
CIF - Capital Improvements Fund	0.00	60,625.00	4,886.43	485,000.00	727,500.00
CIF Expenses					
7 CIF Expenses	2,153.48		28,211.35	1,110,500.00	1,110,500.00
Net Income - CIF Funds	(2,153.48)	60,625.00	(23,324.92)	(625,500.00)	(383,000.00)
Consolidated Net Income					
	8,583.80	56,602.97	37,432.88	(654,161.88)	(383,000.00)

NOTES:

- 1 *Committee Fundraising: The final Clifton Film Festival Report and payment to the Town is anticipated to be received in the near future.*
- 2 *Community Hall Revenues have not been reported for Jan and February. (See the C.H. Report included.)*
- 3 *Tim Hugo has opted to extend his lease of space at the Pink House for an additional two years @ \$1,300 per month. He will be paying an additional 200.00 to cover the increase for Jan & Feb.*
- 4 *Taxes & Permits highlights include receipt in February of \$6,608.35 in BPOLs for 2018 - totaling \$17,577.72 for FY18, \$ 290.82 received in February for new Motor Vehicle Fees from Fairfax County, for a YTD total of \$ 9,332.23; 27% greater than FY17 for the same period. (See the supplemental Vehicle Registrations Report). \$3,356.58 was received in Feb. from Fairfax County for Dec. 2017 Local Sales Taxes, reflecting the usual 2 month delay in Sales tax revenues.*
- 5 *In November United Bank charged \$20 for processing the required bank balance confirmation for the Town's audit.*
- 6 *Contractual Expense: The highlights for February include \$645.73 expended for Community Hall electricity and 191.51 for Town services - trash collection & utilities.*
- 7 *CIF Special Project Streetscape Phase 2 - February activity reflects a payment to J2 Engineering in the amount of \$2,153.48, bringing the YTD expenditures to \$ 28,211.35.*

March 4, 2018

Town of Clifton
Comparitive Vehicle Registration Fee Report
FY2016 to FY2017

	Jul '17 - Feb 18	Jul '16 - Feb 17	\$ Change	% Change
Income				
Tax and Permits Revenue				
Motor Vehicle Tags	9,332	7,363	1,969	27%
Total Tax and Permits Revenue	9,332	7,363	1,969	27%
Total Income	9,332	7,363	1,969	27%
Gross Profit	9,332	7,363	1,969	27%
Expense	0	0	0	0%
Net Income	9,332	7,363	1,969	27%

Town of Clifton
Comparative Community Hall Report
 July 2017 through February 2018

	Jul '17 - Feb 18	Jul '16 - Feb 17
Income		
Community Hall Revenues		
Community Hall Rentals	3,757.52	4,265.00
Total Community Hall Revenues	3,757.52	4,265.00
Total Income	3,757.52	4,265.00
Gross Profit	3,757.52	4,265.00
Expense		
Contractual		
Community Hall Expenses		
C.H.-Cleaning	750.00	1,130.22
C.H.-Equipment & Supplies	0.00	639.53
C.H.-Management Fee	1,008.91	961.25
C.H. - Electric	3,290.06	3,159.94
Total Community Hall Expenses	5,048.97	5,890.94
Total Contractual	5,048.97	5,890.94
Total Expense	5,048.97	5,890.94
Net Income	(1,291.45)	(1,625.94)

Town of Clifton
Profit & Loss Budget Performance
February 2018

	A	B	C	D	E	F	G	H	I	J	K	L	M
1													
2									Feb 18	Budget	Jul '17 - Feb 18	YTD Budget	Annual Budget
3			Income										
4			State Funding										
5			Fire Program Funds					0.00			10,000.00	10,000.00	10,000.00
6			Total State Funding					0.00			10,000.00	10,000.00	10,000.00
7			CIF - Capital Improvements Fund										
8			Grants										
9			Federal										
10			ISTEA-Clifton Streetscape					0.00	12,125.00	0.00	97,000.00	145,500.00	
11			Total Federal					0.00	12,125.00	0.00	97,000.00	145,500.00	
12			VDOT- MAP21 Streetscape Phase 2					0.00	48,500.00	4,886.43	388,000.00	582,000.00	
13			Total Grants					0.00	60,625.00	4,886.43	485,000.00	727,500.00	
14			Total CIF - Capital Improvements Fund					0.00	60,625.00	4,886.43	485,000.00	727,500.00	
15			Clifton Public Parking Rental					0.00	0.00	0.00	450.00	450.00	
16			Committees Fundraising										
17			Homes Tour Income					0.00		9,298.21	4,000.00	4,000.00	
18			Clifton Business Coalition										
19			Celebrate Clifton Gala					0.00		0.00	10,000.00	10,000.00	
20			Total Clifton Business Coalition					0.00		0.00	10,000.00	10,000.00	
21			Council of the Arts										
22			Clifton Film Festival					0.00		1,311.42	2,000.00	2,000.00	
23			Annual Summer Play Event					0.00	0.00	0.00	0.00	0.00	
24			Calendar Sales					0.00	0.00	0.00	0.00	0.00	
25			Community Arts Programs-CGT inc					0.00	125.00	135.00	1,000.00	1,500.00	
26			Total Council of the Arts					0.00	125.00	1,446.42	3,000.00	3,500.00	
27			Environmental Committee										
28			Environmental Event					0.00	41.67	0.00	333.32	500.00	
29			Total Environmental Committee					0.00	41.67	0.00	333.32	500.00	
30			Parks Committee										
31			Park Rental					0.00		225.00	200.00	200.00	
32			Total Parks Committee					0.00		225.00	200.00	200.00	
33			Total Committees Fundraising					0.00	166.67	10,969.63	17,533.32	18,200.00	
34			Community Hall Revenues										
35			Community Hall Rentals					0.00	500.00	3,757.52	4,000.00	6,000.00	
36			Total Community Hall Revenues					0.00	500.00	3,757.52	4,000.00	6,000.00	
37			Haunted Trail Event					0.00		49,790.53	30,000.00	30,000.00	
38			Interest Income					874.60	1,166.67	7,449.88	9,333.32	14,000.00	
39			Other Income										
40			Carry Frwd - Prior Year Surplus					0.00		0.00	26,314.00	26,314.00	
41			Other Income - Other					0.00		0.00	50.00	50.00	
42			Total Other Income					0.00		0.00	26,364.00	26,364.00	
43			Pink House Rental					2,800.00	3,400.00	23,300.00	27,200.00	40,800.00	
44			Tax and Permits Revenue										
45			ARB Permits					0.00	16.67	110.00	133.32	200.00	
46			BPOL tax					6,608.35	0.00	17,577.72	0.00	46,000.00	
47			Cigarette Tax					148.24	183.33	1,597.02	1,466.68	2,200.00	
48			Communications Sales Tax -Va					444.86	458.33	3,606.84	3,666.68	5,500.00	
49			Franchise Fees - Cox & Verizon					652.77	316.67	2,539.54	2,533.32	3,800.00	
50			Motor Vehicle Tags					290.82		9,332.23	7,000.00	7,000.00	
51			Railroad Tax					0.00		1,619.59	1,700.00	1,700.00	
52			Sales Tax					3,356.58	2,833.33	16,880.71	22,666.68	34,000.00	
53			Use Permits					0.00	58.33	675.00	466.68	700.00	

Town of Clifton
Profit & Loss Budget Performance
February 2018

	A	B	C	D	E	F	G	H	I	J	K	L	M
1													
2									Feb 18	Budget	Jul '17 - Feb 18	YTD Budget	Annual Budget
54								Utility Consumption Tax	140.78	91.67	807.52	733.32	1,100.00
55								Total Tax and Permits Revenue	11,642.40	3,958.33	54,746.17	40,366.68	102,200.00
56								Total Income	15,317.00	69,816.67	164,900.16	650,247.32	975,514.00
57								Gross Profit	15,317.00	69,816.67	164,900.16	650,247.32	975,514.00
58								Expense					
59								Citizens' Recognition Expense	0.00	62.50	0.00	500.00	750.00
60								Bank Service Charges	0.00		20.00		
61								CIF Expenses					
62								Hist Property Acquisition & Imp	0.00		0.00	50,000.00	50,000.00
63								Engineering /Design - Sidewalks	0.00		0.00	3,000.00	3,000.00
64								Caboose Renovation	0.00		0.00	15,000.00	15,000.00
65								CIF-Town Parks Committee					
66								CIF-Playground Impr.	0.00		0.00	10,000.00	10,000.00
67								Total CIF-Town Parks Committee	0.00		0.00	10,000.00	10,000.00
68								CIF - Land Purchase	0.00		0.00	200,000.00	200,000.00
69								Clifton Creek Park - Trails	0.00		0.00	20,000.00	20,000.00
70								RR Siding Parking Facility	0.00		0.00	35,000.00	35,000.00
71								Special Projects Committee					
72								Dev. of Streetscape Phase 2	2,153.48		28,211.35		
73								VDOT EN- Main St Improvements	0.00		0.00	727,500.00	727,500.00
74								Total Special Projects Committee	2,153.48		28,211.35	727,500.00	727,500.00
75								Storage Facility	0.00		0.00	50,000.00	50,000.00
76								Total CIF Expenses	2,153.48		28,211.35	1,110,500.00	1,110,500.00
77								Commodities					
78								Office Equipment	0.00		0.00	500.00	500.00
79								Calendars/Posters Expense	0.00		0.00	0.00	0.00
80								Computer Supplies	0.00	106.67	285.10	853.32	1,280.00
81								Copies	0.00	16.67	35.44	133.32	200.00
82								License Plates	0.00		39.75	0.00	0.00
83								Miscellaneous	0.00	208.33	135.60	1,666.68	2,500.00
84								Miscellaneous - Commodities	0.00	0.00	0.00	0.00	0.00
85								Office Supplies	49.97	62.50	326.77	500.00	750.00
86								Postage and Delivery	13.40	41.67	402.98	333.32	500.00
87								Total Commodities	63.37	435.84	1,225.64	3,986.64	5,730.00
88								Contractual					
89								Fire Program	0.00		10,000.00	10,000.00	10,000.00
90								Caboose Expenses					
91								Caboose Equipment	0.00	41.67	0.00	333.32	500.00
92								Caboose Maintenance	0.00	125.00	0.00	1,000.00	1,500.00
93								Total Caboose Expenses	0.00	166.67	0.00	1,333.32	2,000.00
94								Community Hall Expenses					
95								C.H.-Cleaning	0.00	166.67	750.00	1,333.32	2,000.00
96								C.H.-Equipment & Supplies	0.00	62.50	0.00	500.00	750.00
97								C.H.-General Maintenance	0.00	166.67	0.00	1,333.32	2,000.00
98								C.H.-Management Fee	0.00	125.00	1,008.91	1,000.00	1,500.00
99								C.H. - Electric	645.73	666.67	3,290.06	5,333.32	8,000.00
100								C.H. Interior Improvements	0.00	416.67	0.00	3,333.32	5,000.00
101								Total Community Hall Expenses	645.73	1,604.18	5,048.97	12,833.28	19,250.00
102								Dues and Subscriptions					
103								Conference Attendance	0.00		0.00	500.00	500.00
104								Va. Municipal League	0.00		396.00	600.00	600.00
105								Dues and Subscriptions - Other	0.00		0.00	100.00	100.00

Town of Clifton
Profit & Loss Budget Performance
February 2018

	A	B	C	D	E	F	G	H	I	J	K	L	M
1													
2									Feb 18	Budget	Jul '17 - Feb 18	YTD Budget	Annual Budget
106								Total Dues and Subscriptions	0.00		396.00	1,200.00	1,200.00
107								Insurance	0.00		6,820.00	6,600.00	6,600.00
108								Legal Advertising	0.00	166.67	0.00	1,333.32	2,000.00
109								Mayoral Reimbursement	0.00	41.67	0.00	333.32	500.00
110								Miscellaneous	0.00	208.33	20.00	1,666.68	2,500.00
111								Professional Fees					
112								Accounting	0.00		3,881.13	7,500.00	7,500.00
113								Legal Fees	0.00	1,666.67	0.00	13,333.32	20,000.00
114								Total Professional Fees	0.00	1,666.67	3,881.13	20,833.32	27,500.00
115								Rent					
116								Ayre Square Rental	0.00		613.43	1,400.00	1,400.00
117								Railroad Siding Rental	0.00		1,679.12	1,700.00	1,700.00
118								Total Rent	0.00		2,292.55	3,100.00	3,100.00
119								Town Assoc of Northern Va Event	0.00		0.00	600.00	600.00
120								Town Facilities					
121								Ayre Square Maintenance	0.00	41.67	0.00	333.32	500.00
122								Pink House Expenses					
123								Pink House Maintenance	0.00	1,250.00	45.61	10,000.00	15,000.00
124								Pink House Repairs	0.00	0.00	0.00	0.00	0.00
125								Total Pink House Expenses	0.00	1,250.00	45.61	10,000.00	15,000.00
126								Town Handyman - 1099 vendor	0.00	333.33	0.00	2,666.68	4,000.00
127								Total Town Facilities	0.00	1,625.00	45.61	13,000.00	19,500.00
128								Town Government					
129								Architectural Review Board	0.00	25.00	0.00	200.00	300.00
130								Beautification Comm.					
131								Banner Replacement	0.00		0.00	3,000.00	3,000.00
132								Christmas Tree Lighting Event	0.00		0.00	1,000.00	1,000.00
133								Flower Receptacles	0.00		233.11	800.00	800.00
134								Railroad Siding Boxes-plantings	0.00		0.00	1,000.00	1,000.00
135								Total Beautification Comm.	0.00		233.11	5,800.00	5,800.00
136								Planning Commission					
137								Consulting-Capital/Town & Zng	0.00	250.00	0.00	2,000.00	3,000.00
138								General Admin Costs	0.00	50.00	135.60	400.00	600.00
139								General Consulting	0.00	250.00	3,468.75	2,000.00	3,000.00
140								PC Hearings, Ads and copies	0.00	100.00	0.00	800.00	1,200.00
141								Total Planning Commission	0.00	650.00	3,604.35	5,200.00	7,800.00
142								Town Committees Expense					
143								Clifton Business Coalition Exp					
144								Commercial Directional Signs	0.00		0.00	1,500.00	1,500.00
145								Celebrate Clifton Gala	0.00		0.00	1,000.00	1,000.00
146								Welcome Ctr- Walking Tour Pampl	0.00		0.00	500.00	500.00
147								Winter Holidays	0.00		0.00	0.00	0.00
148								Total Clifton Business Coalition Exp	0.00		0.00	3,000.00	3,000.00
149								Communication Committee					
150								Town email system	0.00		0.00	800.00	800.00
151								Web Server Maint & Domain Subsc	12.45	0.00	87.20	600.00	600.00
152								Web site updating & config	0.00		715.00	2,500.00	2,500.00
153								Total Communication Committee	12.45	0.00	802.20	3,900.00	3,900.00
154								Council for the Arts Committee					
155								Clifton Film Festival Exp	0.00		1,765.83	3,000.00	3,000.00
156								Audio/Video Equipment Expenses	0.00		0.00	2,150.00	2,150.00
157								Calendar Expense	0.00		0.00	0.00	0.00

Town of Clifton
Profit & Loss Budget Performance
February 2018

	A	B	C	D	E	F	G	H	I	J	K	L	M
1													
2									Feb 18	Budget	Jul '17 - Feb 18	YTD Budget	Annual Budget
158								Community Arts Events-CGT exp	0.00	125.00	0.00	1,000.00	1,500.00
159								Annual Summer Play Event	0.00		0.00	0.00	0.00
160								Total Council for the Arts Committee	0.00	125.00	1,765.83	6,150.00	6,650.00
161								Environmental Comm					
162								Environmental Event Expense	0.00		125.00	250.00	250.00
163								Environmental Comm - Other	0.00		21.97	250.00	250.00
164								Total Environmental Comm	0.00		146.97	500.00	500.00
165								Historic Preservation Comm Exp					
166								Historic Town Documents exp	0.00		0.00	250.00	250.00
167								Civil War Walking Tour Pamphlet	0.00		0.00	500.00	500.00
168								Historic Events	0.00		0.00	1,000.00	1,000.00
169								Town Museum	0.00		0.00	1,000.00	1,000.00
170								Total Historic Preservation Comm Exp	0.00		0.00	2,750.00	2,750.00
171								Homes Tour Committee	0.00		5,459.19	2,500.00	2,500.00
172								Sunshine Committee					
173								Easter Egg Hunt Expense	0.00	0.00	0.00	0.00	250.00
174								Welcome Baskets & Sympathy	0.00	41.67	0.00	333.32	500.00
175								Total Sunshine Committee	0.00	41.67	0.00	333.32	750.00
176								Town Parks Committee Exp					
177								Gazebo Garden Refurbishment	0.00		0.00	0.00	0.00
178								Landscape/Ground Maint expense	0.00	354.17	2,578.00	2,833.32	4,250.00
179								Fall Zone Mulching	0.00		2,450.00	2,500.00	2,500.00
180								Parks Mgt Fee	0.00		56.25	50.00	50.00
181								Playground Equip. Maintenance	0.00		688.46	1,000.00	1,000.00
182								Tree Trimming & Replacement	0.00		3,685.00	5,000.00	5,000.00
183								Total Town Parks Committee Exp	0.00	354.17	9,457.71	11,383.32	12,800.00
184								Traffic, Parking & Safety Comm	0.00		0.00	500.00	500.00
185								Total Town Committees Expense	12.45	520.84	17,631.90	31,016.64	33,350.00
186								Total Town Government	12.45	1,195.84	21,469.36	42,216.64	47,250.00
187								Town Services					
188								Recepticle Trash Maintenance	0.00	0.00	0.00	0.00	0.00
189								Elections	0.00	0.00	0.00	0.00	1,000.00
190								Grass Mowing	0.00		2,700.00	6,050.00	6,050.00
191								Town Park Lawn Maintenance	0.00		0.00	5,000.00	5,000.00
192								Trash Collection	109.65	308.33	1,657.20	2,466.68	3,700.00
193								Utilities					
194								Gas and Electric	81.86	83.33	458.64	666.68	1,000.00
195								Total Utilities	81.86	83.33	458.64	666.68	1,000.00
196								Total Town Services	191.51	391.66	4,815.84	14,183.36	16,750.00
197								Total Contractual	849.69	7,066.69	54,789.46	129,233.24	158,750.00
198								Haunted Trail Expenses	0.00		12,204.55	15,000.00	15,000.00
199								OTHER - TC approval req'd +\$500	0.00	625.00	0.00	5,000.00	7,500.00
200								Payroll Expenses					
201								Gross Wages					
202								Assistant Project Manager	333.34	333.33	2,666.72	2,666.68	4,000.00
203								Community Hall Manager	0.00		0.00	0.00	0.00
204								Town Clerk (Administrative)	1,166.66	1,166.67	9,333.28	9,333.32	14,000.00
205								Town Manager	0.00	833.33	0.00	6,666.68	10,000.00
206								Town Treasurer	1,666.66	1,666.67	13,333.28	13,333.32	20,000.00
207								Zoning Clerk	500.00	500.00	4,000.00	4,000.00	6,000.00
208								Employee Incentives	0.00	166.67	0.00	1,333.32	2,000.00

Town of Clifton
Profit & Loss Budget Performance
February 2018

	A	B	C	D	E	F	G	H	I	J	K	L	M
1													
2									Feb 18	Budget	Jul '17 - Feb 18	YTD Budget	Annual Budget
209					Total Gross Wages				3,666.66	4,666.67	29,333.28	37,333.32	56,000.00
210					Payroll Taxes								
211						FICA			0.00		1,364.04		
212						Medicare			0.00		318.96		
213						Payroll Taxes - Other			0.00	357.00	0.00	2,856.00	4,284.00
214					Total Payroll Taxes				0.00	357.00	1,683.00	2,856.00	4,284.00
215					Total Payroll Expenses				3,666.66	5,023.67	31,016.28	40,189.32	60,284.00
216			Total Expense						6,733.20	13,213.70	127,467.28	1,304,409.20	1,358,514.00
217	Net Income								8,583.80	56,602.97	37,432.88	(654,161.88)	(383,000.00)



Amanda Christman <cliftonclerkva@gmail.com>

FW: Draft Financial Statements

1 message

Marilyn Lane Barton <clifton.treasurer@cox.net>

Sat, Mar 3, 2018 at 11:06 AM

To: "William R. Hollaway, Ph.D." <WHollaway77@gmail.com>, WAYNE <clifnick@yahoo.com>, Jennifer Heilmann <jbheilmann@gmail.com>, Regan McDonald <mcdonald.regan@gmail.com>, darrell.poe@gmail.com, Melissa Milne <Melissa.milne9@gmail.com>

Cc: cliftonclerkva@gmail.com

Hello Town Council Members,

Attached is the Draft Audited Financial Statements for fiscal year FY2017, ended June 30, 2017. These will be presented as part of the Treasurer's Report at the Town Council Meeting next Tuesday. I'm sending them ahead of the February Financials to provide more time for your review. If you have specific questions, please let me know and I will coordinate with Andy to have a response for you.

Thank you for your time. I will provide a printed copy for you at the meeting, unless you let me know that you don't need one.

Sincerely,

Marilyn

Marilyn Barton

Treasurer

Town of Clifton

P.O. Box 309

Clifton, VA 20124-0309

From: Andrew L. Cannaday [mailto:acannaday@wwmccpa.com]**Sent:** Tuesday, February 27, 2018 1:20 PM**To:** Marilyn Lane Barton <clifton.treasurer@cox.net>**Subject:** Draft Financial Statements

Marilyn,

Attached are the following documents:

1. Draft financial statements for Council's approval. I would like to specifically request Notes 6 and 7 on page 16 to be reviewed to be sure the wording is appropriate.
2. Letter of explanation, which addresses the 6/30/17 audit results and our proposal for the 6/30/18 audit.

We will finalize the audit once the Council approves the financial statements and we receive the letter back from your attorney. There will be two other items for you to have signed once we reach that point.

Please let me know if there are any questions.

Thanks,

Andy

Please [click here](#) to send me files via a secure server.

[Please note my email address has changed to \[acannaday@wwmccpa.com\]\(mailto:acannaday@wwmccpa.com\)](#)

Andrew L. Cannaday, CPA

White, Withers, Masincup & Cannaday, P.C.

510 N. Coalter Street

Staunton, Virginia 24401

[\(540\) 886-2341](tel:(540)886-2341)

[\(540\) 886-4944](tel:(540)886-4944) fax

acannaday@wwmccpa.com

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2 attachments

4/2/2018

Gmail - FW: Draft Financial Statements



Cliton-FS17-Draft.pdf
665K



ExplanationLetter17.pdf
134K

White, Withers, Masincup & Cannaday, PC

THOMAS A. WHITE, CPA
JOHN W. WITHERS, CPA
ROBERT W. MASINCUP, CPA
ANDREW L. CANNADAY, CPA

Certified Public Accountants

MEMBERS
AMERICAN INSTITUTE OF C.P.A.
VIRGINIA SOCIETY OF C.P.A.

February 26, 2018

To the Town Council
Town of Clifton, Virginia

RE: Audit for the year ended June 30, 2017

We are writing this letter to provide some additional information for explanation of the audit. We will address the following areas:

1. Auditor's Reports
2. Adjusting Entries
3. June 30, 2018

Auditor's Reports

Please be advised the draft financial statements do not include the auditor's reports. The purpose of the draft is to obtain your approval of the draft prior to issuance of the bound financials. We have assisted in the preparation of the statements and require your approval prior to issuance in order to remain independent.

Once approved, we will attach the auditor's report and provide the final bound copies. The following two auditor reports will be included at that time:

1. Independent Auditor's Report
 - a. The report will provide an unmodified or "clean" opinion on the financial statements. This opinion is the same as has been issued in the past. It also describes your responsibility for the financial statements and our responsibilities in regards to the audit.
 - b. The report addresses the accompanying budgetary information as required supplementary information. We do not express an opinion on the budgetary information as we are only required to apply limited procedures to that information.
 - c. The report addresses the fact that the Management Discussion and Analysis (MD&A) has been omitted from the financial statements. We are not allowed to assist in drafting the MD&A and none of our municipal clients prepare it. Our opinion on the basic financial statements is not affected by this missing information.

- d. The report addresses the Schedule of Revenues and Schedule of Expenditures presented as Other Supplementary Information. We will issue an unmodified or “clean” opinion on this information.
2. Independent Auditor’s 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*.
 - a. The report addresses internal control over financial reporting. It defines a deficiency in internal control and the levels of deficiencies. We are not providing an opinion on compliance, but we are reporting a significant deficiency due to our assistance in preparation of the financial statements. All of our current municipal clients receive such a finding, as none of them believe the costs necessary to eliminate the weakness exceed the benefits.
 - b. The report also addresses compliance. We are not providing an opinion on compliance. However, we do indicate that the results of our tests disclosed no instances of noncompliance were noted that are required to be reported.

Adjusting Entries

Please be advised we have proposed 25 adjustments to the Town’s general ledger, which is 4 more than the previous year. Many of these adjustments are regular year-end adjustments we make each year. Also, the number is inflated somewhat as any adjustments to accounts receivable and accounts payable must be made one at a time so QuickBooks can track by individual customer or vendor. The most significant adjustments are related to fixed assets and depreciation. We also recorded a significant BPOL tax receivable and reclassified various disbursements dated June 30, 2017, but actually made subsequent to year-end, into accounts payable. A copy of the adjustments has been forwarded to the Treasurer. Please let us know if there are any questions or concerns regarding the adjustments.

June 30, 2018

While the timing of the audit has been improved significantly over last year, we would like to do even better. As previously stated, we would like to have the audit completed by the end of the calendar year.

We propose performing the audit for the year ending June 30, 2018, for a fee of \$7,000 plus travel expenses. We would like to increase the fee as a result of two reasons. First, we have not increased the fee for the past four audits. And second, we are anticipating additional work necessary as a result of the Streetscape Project getting underway. The project will mean additional audit work as a result of the grants received and new assets constructed. We would like to begin the audit fieldwork in late August or early September to facilitate completion by December 31, 2018. We will prepare an engagement letter for your signature if these terms are approved.

We appreciate the opportunity to be of service to the Town and look forward to continuing our relationship.

Sincerely,

White, Withers, Masíncup & Cannaday, P.C.

TOWN OF CLIFTON, VIRGINIA

FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2017

DRAFT

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INDEPENDENT AUDITOR'S REPORTS

DRAFT

BASIC FINANCIAL STATEMENTS

STATEMENT OF NET POSITION
As of June 30, 2017

	Primary Government	Component Unit
	Governmental Activities	Industrial Development Authority
ASSETS		
CURRENT ASSETS		
Cash and cash equivalents	\$ 202 832	\$ 45 248
Investments	908 865	-
Receivables:		
Sales tax	5 707	-
BPOL	8 798	-
Other	1 970	-
Total Current Assets	\$ 1 128 172	\$ 45 248
NONCURRENT ASSETS		
Capital assets, net of accumulated depreciation	\$ 943 800	-
Total Noncurrent Assets	\$ 943 800	\$ -
Total Assets	\$ 2 071 972	\$ 45 248
LIABILITIES		
CURRENT LIABILITIES		
Accounts payable	\$ 7 355	\$ -
Deposits held	3 000	-
Payroll liabilities	2 052	-
Total Current Liabilities	\$ 12 407	\$ -
Total Liabilities	\$ 12 407	\$ -
NET POSITION		
Net investment in capital assets	\$ 943 800	\$ -
Unrestricted	1 115 765	45 248
Total Net Position	\$ 2 059 565	\$ 45 248

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

TOWN OF CLIFTON, VIRGINIA

STATEMENT OF ACTIVITIES

For the Year Ended June 30, 2017

Functions/Programs	Expenses	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Governmental Activities				
General government administration	\$ 70 780	\$ 60 751	\$ -	\$ -
Public safety	10 000	-	10 000	-
Public works	56 027	49 865	-	-
Community development	34 946	80 781	-	-
Total Governmental Activities	\$ 171 753	\$ 191 397	\$ 10 000	\$ -
Component Unit				
Industrial Development Authority	\$ -	\$ -	\$ -	\$ -

General Revenues:

Cigarette tax
Communications tax
Interest income
Miscellaneous income
Railroad rolling stock tax
Sales tax
Utility consumption tax

Total General Revenues

Gain (Loss) on Disposal of Assets

Change in Net Position

Net Position, Beginning of Year

Net Position, End of Year

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

<u>Net (Expense) Revenue and Changes in Net Position</u>	
<u>Governmental Activities</u>	<u>Industrial Development Authority</u>
\$ (10 029) \$	-
-	-
(6 162)	-
45 835	-
<u>\$ 29 644</u>	<u>\$ -</u>
<u>\$ -</u>	<u>\$ -</u>
\$ 2 216 \$	-
9 246	-
11 549	-
7	-
1 628	-
33 022	-
1 341	-
<u>\$ 59 009</u>	<u>\$ -</u>
<u>\$ -</u>	<u>\$ -</u>
\$ 88 653 \$	-
<u>1 970 912</u>	<u>45 248</u>
<u>\$ 2 059 565</u>	<u>\$ 45 248</u>

BALANCE SHEET - GOVERNMENTAL FUNDS
As of June 30, 2017

		General Fund
ASSETS		
Cash and cash equivalents	\$	202 832
Investments		908 865
Receivables:		
Sales tax		5 707
BPOL		8 798
Other		1 970
Total Assets	\$	1 128 172
LIABILITIES		
Accounts payable	\$	7 355
Deposits held		3 000
Payroll liabilities		2 052
Total Liabilities	\$	12 407
FUND BALANCE		
Fund balance:		
Unassigned	\$	1 115 765
Total Fund Balance	\$	1 115 765
Total Liabilities and Fund Balance	\$	1 128 172

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

RECONCILIATION OF THE BALANCE SHEET - GOVERNMENTAL FUNDS
TO THE STATEMENT OF NET POSITION
As of June 30, 2017**Amounts reported for Governmental Activities in the Statement of Net Position
are different because of the following:**

Fund balances of Governmental Funds	\$ 1 115 765
Capital assets, net of depreciation, are not current financial resources and are not included in the Governmental Funds.	<u>943 800</u>
Net position of Governmental Activities	\$ <u><u>2 059 565</u></u>

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -
GOVERNMENTAL FUNDS
For the Year Ended June 30, 2017

	General Fund
REVENUES	
Local taxes	\$ 106 576
Permits, privilege fees and regulatory licenses	1 215
Revenues from the use of money	11 549
Revenues from the use of property	50 265
Donations and special events	79 166
Miscellaneous	7
Intergovernmental	<u>11 628</u>
Total Revenues	\$ <u>260 406</u>
EXPENDITURES	
General government administration	\$ 70 267
Public safety	10 000
Public works	27 768
Community development	29 304
Capital outlay	<u>-</u>
Total Expenditures	\$ <u>137 339</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	\$ <u>123 067</u>
OTHER FINANCING SOURCES (USES)	
Proceeds from sale of assets	\$ <u>-</u>
Total Other Financing Sources (Uses)	\$ <u>-</u>
NET CHANGE IN FUND BALANCE	\$ 123 067
FUND BALANCE (DEFICIT), Beginning of Year	<u>992 698</u>
FUND BALANCE (DEFICIT), End of Year	\$ <u><u>1 115 765</u></u>

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

TOWN OF CLIFTON, VIRGINIA

RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCES - GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES
For the Year Ended June 30, 2017

Amounts reported for Governmental Activities in the Statement of Activities
are different because of the following:

Net change in fund balance - Governmental Funds	\$	123 067
Governmental Funds report capital outlays as expenditures and do not report in-kind donations for capital projects. However, in the Statement of Activities, the cost of the expenditures and the value of the in-kind donations are capitalized and allocated over their estimated useful lives and reported as depreciation expense.		
Expenditures for capital assets		2 711
Current year depreciation		(37 125)
Change in net position - Governmental Activities	\$	<u>88 653</u>

TOWN OF CLIFTON, VIRGINIA

NOTES TO FINANCIAL STATEMENTS
For the Year Ended June 30, 2017

NOTE 1—SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:

The financial statements of the Town of Clifton, Virginia (the "Town") have been prepared in conformity with U.S. generally accepted accounting principles (GAAP) as applicable to state and local governments. The Governmental Accounting Standards Board (GASB) is the accepted standard setting body for establishing governmental accounting and financial reporting principles. The more significant accounting and reporting policies and practices used by the Town are described below.

A. Reporting Entity

The Town, located in Fairfax County, Virginia, was incorporated in 1902 under the laws of the Commonwealth of Virginia. The Town is managed by a mayor and five council members, each of whom is elected at large for a two-year term.

As required by generally accepted accounting principles these financial statements present the Town (primary government) and reportable component units. Discretely presented component units are entities that are legally separate from the Town, but for which the Town is financially accountable, or whose relationship with the Town is such that exclusion would cause the Town's financial statements to be misleading or incomplete. They are reported in a separate column in the government-wide financial statements to emphasize that they are legally separate from the Town. These financial statements present the following discretely presented component unit:

Industrial Development Authority of the Town of Clifton, Virginia

The Industrial Development Authority of the Town of Clifton, Virginia (IDA) was established under the Industrial Development and Revenue Bond Act of the *Code of Virginia* and has the responsibility to promote industry and develop trade by inducing enterprises to locate or remain in Virginia. The Town appoints all seven members of the IDA's Board of Directors, not more than three of which are permitted to be elected members of the Town Council.

B. Government-wide and Fund Financial Statements

The basic financial statements include both government-wide (based on the Town as a whole) and fund financial statements. The government-wide financial statements (i.e., the statement of net assets and the statement of activities) report information on all of the non-fiduciary activities of the primary government. For the most part, the effect of inter-fund 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 to a significant extent rely on fees and charges for support.

The government-wide statement of activities demonstrates the degree to which the direct expenses of a functional category (Public Safety, Public Works, etc.) or activity are offset by program revenues. Direct expenses are those that are clearly identifiable with specific function or activity. 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 activity, 2) grants and contributions that are restricted to meeting the operational requirements of a particular function or activity and 3) grants and contributions that are restricted to meeting the capital requirements of a particular function or activity. Taxes and other items not properly included among program revenues are reported instead as general revenues. The net cost (by function or business-type activity) is normally covered by general revenue (property, sales, franchise taxes, intergovernmental revenues, interest income, etc.).

TOWN OF CLIFTON, VIRGINIA

NOTES TO FINANCIAL STATEMENTS (Continued)
For the Year Ended June 30, 2017

NOTE 1—SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES: (Continued)**B. Government-wide and Fund Financial Statements (Continued)**

Separate fund based financial statements are provided for governmental funds. Individual governmental funds are reported as separate columns in the fund financial statements.

The government-wide focus is more on the sustainability of the Town as an entity and the change in aggregate financial position resulting from the activities of the fiscal period. The focus of the fund financial statements is on the individual funds. Each presentation provides valuable information that can be analyzed and compared to enhance the usefulness of the information.

C. Measurement Focus and Basis of Accounting

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. 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 not assessed by the Town. Grants and similar items are recognized as revenue as soon as all eligibility requirements have been met.

Government fund level financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collected 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. Grant revenues availability period is generally considered to be one year. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when the liability has matured and payment is due.

Ad valorem, franchise and sales tax revenues in the General Fund are recognized under the susceptible to accrual concept. Licenses and permits, charges for services, fines and forfeitures, contributions, and miscellaneous revenues are recorded as revenues when received in cash unless the resulting receivable is material. Investment earnings are recorded as earned since they are measurable and available. In applying the susceptible to accrual concept to intergovernmental revenues, the legal and contractual requirements of the numerous individual programs are used as guidance. There are, however, essentially two types of these revenues. In one, monies must be expended for the specific purpose or project before any amounts will be paid to the Town; therefore, revenues are recognized based upon the expenditures recorded. In the other, monies are virtually unrestricted as to purpose of expenditure and are usually revocable only for failure to comply with prescribed compliance requirements. These resources are reflected as revenues at the time of receipt or earlier if the susceptible to accrual criteria are met.

The following funds are used by the Town:

1. Governmental Funds:

The following is a description of the Governmental Funds of the Town:

General Fund

The General Fund is the operating fund of the Town. This fund accounts for all financial resources of the general government, except those required to be accounted for in another fund.

NOTES TO FINANCIAL STATEMENTS (Continued)
For the Year Ended June 30, 2017

NOTE 1—SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES: (Continued)

C. Measurement Focus and Basis of Accounting (Continued)

2. Non-Current Governmental Assets/Liabilities:

GASB Statement No. 34 eliminates the presentation of Account Groups, but provides for these records to be maintained and incorporates the information into the Governmental Activities column in the government-wide Statement of Net Assets.

D. Capital Assets

Property, plant and equipment purchased or acquired is carried at historical cost or estimated historical cost. Contributed fixed assets are recorded at estimated fair market value at the time received. Public domain (infrastructure) fixed assets owned by the Town consisting of roads, curbs and gutters, streets, drainage systems and lighting systems will be recorded at historical cost on a prospective basis as the Town has elected out of recording such assets retrospectively as allowed for Phase 3 governments.

Major outlays for capital assets and improvements are capitalized as projects are constructed and shown as construction in progress in the basic financial statements.

Property, plant, and equipment of the Town is depreciated using the straight-line method over estimated useful lives ranging from five to forty years.

E. Budgetary Comparison Schedules

The Town adopts a budget for the General Fund by July 1 of each year. GASB Statement No. 34 requires budgetary comparison information to be presented in the basic financial statements or as required supplementary information. Exhibit 1 presents the original and final budget, actual results, and variance amounts.

F. Fund Equity

In the fund financial statements, governmental funds report aggregate amounts for five classifications of fund balances based on the constraints imposed on the use of these resources. The nonspendable fund balance classification includes amounts that cannot be spent because they are either (a) not in spendable form – prepaid items or inventories; or (b) legally or contractually required to be maintained intact.

The spendable portion of the fund balance comprises the remaining four classifications: restricted, committed, assigned, and unassigned.

Restricted fund balance. This classification reflects the constraints imposed on resources either (a) externally by creditors, grantors, contributors, or laws or regulations of other governments; or (b) imposed by law through constitutional provisions or enabling legislation.

Committed fund balance. These amounts can only be used for specific purposes pursuant to constraints imposed by formal resolutions or ordinances of the Town Council – the government's highest level of decision making authority. Those committed amounts cannot be used for any other purpose unless the Town Council removes the specified use by taking the same type of action imposing the commitment. This classification also includes contractual obligations to the extent that existing resources in the fund have been specifically committed for use in satisfying those contractual requirements.

TOWN OF CLIFTON, VIRGINIA

NOTES TO FINANCIAL STATEMENTS (Continued)
For the Year Ended June 30, 2017NOTE 1—SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES: (Continued)F. Fund Equity

Assigned fund balance. This classification reflects the amounts constrained by the Town's "intent" to be used for specific purposes, but are neither restricted nor committed. The Town Council has the authority to assign amounts to be used for specific purposes. Assigned fund balances include all remaining amounts (except negative balances) that are reported in governmental funds, other than the General Fund, that are not classified as nonspendable and are neither restricted nor committed.

Unassigned fund balance. This fund balance is the residual classification for the General Fund. It is also used to report negative fund balances in other governmental funds.

When both restricted and unrestricted resources are available for use, it is the Town's policy to use externally restricted resources first, then unrestricted resources -- committed, assigned, and unassigned -- in order as needed.

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 the 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 and certain corporate notes, banker's acceptances, repurchase agreements, and the State Treasurer's Local Government Investment Pool (LGIP).

Deposits and investments at June 30, 2017, consist of the following:

	Primary Government	Component Unit
Deposits		
Cash in bank	\$ 202 832	\$ 45 248
Total Deposits	\$ 202 832	\$ 45 248
Investments		
Certificates of deposit	\$ 907 939	\$ -
Local Government Investment Pool	926	-
Total Investments	\$ 908 865	\$ -

The Town's rated debt investments as of June 30, 2017, were rated by Standard & Poor's as follows:

TOWN OF CLIFTON, VIRGINIA

NOTES TO FINANCIAL STATEMENTS (Continued)
For the Year Ended June 30, 2017NOTE 2—DEPOSITS AND INVESTMENTS: (Continued)

	<u>Fair Quality Rating</u>
Local Government Investment Pool	AAAm

NOTE 3—CAPITAL ASSETS:

Capital asset activity for the year ended June 30, 2017, was as follows:

	<u>Balance at Beginning of Year</u>	<u>Additions</u>	<u>Retirements</u>	<u>Transfers</u>	<u>Balance at End of Year</u>
Capital assets not being depreciated:					
Land	\$ 292 482	\$ -	\$ -	\$ -	\$ 292 482
Subtotal	\$ 292 482	\$ -	\$ -	\$ -	\$ 292 482
Capital assets being depreciated:					
Buildings	\$ 293 565	\$ -	\$ -	\$ -	\$ 293 565
Furniture and equipment	123 504	2 711	-	-	126 215
Improvements	610 125	-	-	-	610 125
Subtotal	\$ 1 027 194	\$ 2 711	\$ -	\$ -	\$ 1 029 905
Less accumulated depreciation for:					
Buildings	\$ (71 161)	\$ (7 984)	\$ -	\$ -	\$ (79 145)
Furniture and equipment	(74 015)	(5 790)	-	-	(79 805)
Improvements	(196 286)	(23 351)	-	-	(219 637)
Subtotal	\$ (341 462)	\$ (37 125)	\$ -	\$ -	\$ (378 587)
Total capital assets being depreciated, net	\$ 685 732	\$ (34 414)	\$ -	\$ -	\$ 651 318
Governmental activities capital assets, net	\$ 978 214	\$ (34 414)	\$ -	\$ -	\$ 943 800

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

Governmental activities:	
General government administration	\$ 513
Public safety	-
Public works	29 887
Community development	6 725
Total depreciation expense – governmental activities	\$ 37 125

TOWN OF CLIFTON, VIRGINIA

NOTES TO FINANCIAL STATEMENTS (Continued)
For the Year Ended June 30, 2017**NOTE 4—OPERATING LEASES:**

The Town (Lessee) entered into a lease agreement on June 27, 1994, with the Board of Supervisors of Fairfax County to rent the Town Meeting Hall. The term of the lease is for 25 years with 5-year optional renewal periods. In consideration for the use of the building, the Town agrees to pay \$1 annually plus have the sole responsibility for its operation, interior and exterior maintenance, and the safety and appearance of the building, parking area and grounds.

The Town (Lessor) has entered into two lease agreements for property it owns. The leases expire in February 2018 and December 2019. The Town collected \$40,800 on its leases during the year ended June 30, 2017. Following is an estimate of the future lease payments:

<u>Year Ended June 30,</u>	<u>Lease Income</u>
2018	\$ 29 000
2019	15 600
2020	<u>7 800</u>
Total	\$ <u>52 400</u>

The following is a schedule of the leased property under this operating lease:

Building and improvements	\$ 247 704
Land	189 357
Less accumulated depreciation	<u>(50 172)</u>
Total	\$ <u>386 889</u>

NOTE 5—CONTINGENT LIABILITIES (INCLUDING FEDERALLY ASSISTED PROGRAMS):

Amounts received or receivable from grantor agencies are subject to audit and adjustment by grantor agencies, principally the federal government. Any disallowed claims, including amounts already collected, may constitute a liability of the applicable funds. The amount, if any, of expenditures which may be disallowed by the grantor cannot be determined at this time although the government expects such amounts, if any, to be immaterial.

NOTE 6 – COMMITMENTS:

The Town has been awarded \$600,300 in federal and state funds for the Clifton Streetscape Improvements project in historic downtown Clifton. It is anticipated that the Town's match for this project will amount to \$457,938. The Town approved an engineering contract on June 6, 2017, of approximately \$199,000.

NOTE 7 – SUBSEQUENT EVENTS:

The Town approved \$20,000 for grading and paving a parking lot during the year ending June 30, 2018.

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REQUIRED SUPPLEMENTARY INFORMATION

REQUIRED SUPPLEMENTARY INFORMATION
BUDGETARY COMPARISON SCHEDULES
For the Year Ended June 30, 2017

	General Fund			
	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)
REVENUES				
Local taxes	\$ 103 100	\$ 103 100	\$ 106 576	\$ 3 476
Permits, privilege fees and regulatory licenses	1 000	1 000	1 215	215
Revenues from the use of money	14 000	14 000	11 549	(2 451)
Revenues from the use of property	47 450	47 450	50 265	2 815
Donations and special events	60 850	60 850	79 166	18 316
Miscellaneous	-	-	7	7
Intergovernmental	738 300	738 300	11 628	(726 672)
Total Revenues	\$ 964 700	\$ 964 700	\$ 260 406	\$ (704 294)
EXPENDITURES				
General government administration	\$ 129 731	\$ 129 731	\$ 70 267	\$ 59 464
Public safety	9 000	9 000	10 000	(1 000)
Public works	60 675	60 675	27 768	32 907
Community development	56 700	56 700	29 304	27 396
Capital outlay	1 152 000	1 152 000	-	1 152 000
Total Expenditures	\$ 1 408 106	\$ 1 408 106	\$ 137 339	\$ 1 270 767
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	\$ (443 406)	\$ (443 406)	\$ 123 067	\$ 566 473
OTHER FINANCING SOURCES (USES)				
Proceeds from sale of assets	\$ -	\$ -	\$ -	\$ -
Total Other Financing Sources (Uses)	\$ -	\$ -	\$ -	\$ -
NET CHANGE IN FUND BALANCE	\$ (443 406)	\$ (443 406)	\$ 123 067	\$ 566 473
FUND BALANCE (DEFICIT), Beginning of Year	443 406	443 406	992 698	549 292
FUND BALANCE (DEFICIT), End of Year	\$ -	\$ -	\$ 1 115 765	\$ 1 115 765

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

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OTHER SUPPLEMENTARY INFORMATION

SCHEDULE OF REVENUES - BUDGET AND ACTUAL
GENERAL FUND
For the Year Ended June 30, 2017

	<u>Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
Sources of Revenues:			
Revenue from Local Sources:			
Local Taxes:			
BPOL tax	\$ 46 000	\$ 52 768	\$ 6 768
Cigarette tax	2 200	2 216	16
Communications tax	10 800	9 246	(1 554)
Motor vehicle tags	7 000	7 983	983
Sales tax	36 000	33 022	(2 978)
Utility consumption tax	1 100	1 341	241
Total Local Taxes	\$ 103 100	\$ 106 576	\$ 3 476
Permits, Privilege Fees and Regulatory Licenses:			
ARB permits	\$ 300	\$ 90	\$ (210)
Use permits	700	1 125	425
Total Permits, Privilege Fees and Regulatory Licenses	\$ 1 000	\$ 1 215	\$ 215
Revenue from Use of Money:			
Interest income	\$ 14 000	\$ 11 549	\$ (2 451)
Total Revenue from Use of Money	\$ 14 000	\$ 11 549	\$ (2 451)
Revenue from Use of Property:			
Community Hall rental	\$ 6 000	\$ 8 615	\$ 2 615
Pink house rental	40 800	40 800	-
Park rental	200	400	200
Public parking rental	450	450	-
Total Revenue from Use of Property	\$ 47 450	\$ 50 265	\$ 2 815
Donations and Special Events:			
Beautification Committee	\$ 4 000	\$ 5 380	\$ 1 380
Celebrate Clifton Gala	15 000	25 697	10 697
Council of the Arts	11 300	515	(10 785)
Donations	50	-	(50)
Environmental Committee	500	-	(500)
Haunted Trail Event	30 000	47 574	17 574
Total Donations and Special Events	\$ 60 850	\$ 79 166	\$ 18 316

SCHEDULE OF REVENUES - BUDGET AND ACTUAL
GENERAL FUND
For the Year Ended June 30, 2017

	<u>Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
Sources of Revenues: (Continued)			
Revenue from Local Sources: (Continued)			
Miscellaneous:			
Miscellaneous revenue	\$ -	\$ 7	\$ 7
Total Miscellaneous Revenue	\$ -	\$ 7	\$ 7
Total Revenue from Local Sources	\$ 226 400	\$ 248 778	\$ 22 378
Intergovernmental:			
Revenue from the Federal Government:			
Categorical Aid:			
Streetscape project	\$ 145 500	\$ -	\$ (145 500)
Main Street Improvements	582 000	-	(582 000)
Total Categorical Aid	\$ 727 500	\$ -	\$ (727 500)
Total Revenue from the Federal Government	\$ 727 500	\$ -	\$ (727 500)
Revenue from the Commonwealth:			
Noncategorical Aid:			
Railroad rolling stock tax	\$ 1 800	\$ 1 628	\$ (172)
Total Noncategorical Aid	\$ 1 800	\$ 1 628	\$ (172)
Categorical Aid:			
Fire Program funds	\$ 9 000	\$ 10 000	\$ 1 000
Total Categorical Aid	\$ 9 000	\$ 10 000	\$ 1 000
Total Revenue from the Commonwealth	\$ 10 800	\$ 11 628	\$ 828
Total Intergovernmental	\$ 738 300	\$ 11 628	\$ (726 672)
Total General Fund	\$ 964 700	\$ 260 406	\$ (704 294)

SCHEDULE OF EXPENDITURES - BUDGET AND ACTUAL
GENERAL FUND
For the Year Ended June 30, 2017

	Budget	Actual	Variance Favorable (Unfavorable)
General Government Administration:			
Advertising	\$ 2 000	\$ 874	\$ 1 126
Dues and subscriptions	1 200	649	551
Insurance	6 600	6 557	43
Miscellaneous	11 100	150	10 950
Office supplies and expenses	5 700	2 047	3 653
Payroll and payroll taxes	65 631	48 220	17 411
Professional fees	37 500	11 770	25 730
Total General Government Administration	\$ 129 731	\$ 70 267	\$ 59 464
Public Safety:			
Fire Fund Program	\$ 9 000	\$ 10 000	\$ (1 000)
Total Public Safety	\$ 9 000	\$ 10 000	\$ (1 000)
Public Works:			
Caboose expenses	\$ 2 000	\$ 4	\$ 1 996
Community Hall expenses	14 875	12 271	2 604
Grounds and maintenance	35 000	8 966	26 034
Rents	3 100	2 844	256
Utilities	5 700	3 683	2 017
Total Public Works	\$ 60 675	\$ 27 768	\$ 32 907
Community Development:			
Architectural Review Board	\$ 300	\$ -	\$ 300
Beautification Committee	6 800	3 167	3 633
Celebrate Clifton Gala expenses	1 000	6 483	(5 483)
Citizen Recognition Fund	750	-	750
Clifton Business Coalition	2 250	-	2 250
Communication Committee	700	513	187
Council for the Arts	9 700	-	9 700
Environmental Committee	900	263	637
Haunted Trail expenses	15 000	10 704	4 296
Historic Preservation Committee	2 750	1 083	1 667
Homes Tour Committee	2 000	2 508	(508)
Parks Committee	13 300	4 583	8 717
Traffic, Parking, and Safety Committee	500	-	500
Welcoming and Sunshine Committee	750	-	750
Total Community Development	\$ 56 700	\$ 29 304	\$ 27 396

SCHEDULE OF EXPENDITURES - BUDGET AND ACTUAL
GENERAL FUND
For the Year Ended June 30, 2017

	<u>Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
Capital Outlay:			
Main Street improvements	\$ 727 500	\$ -	\$ 727 500
Caboose renovation	15 000	-	15 000
Clifton Creek Park - trails	20 000	-	20 000
Community Hall improvements	15 000	-	15 000
Equipment	500	-	500
Historic property acquisition/improvements	50 000	-	50 000
Park improvements	6 000	-	6 000
Preliminary sidewalk engineering/design	3 000	-	3 000
Public parking improvements	65 000	-	65 000
Purchase of green space	200 000	-	200 000
Storage facility	50 000	-	50 000
Total Capital Outlay	<u>\$ 1 152 000</u>	<u>\$ -</u>	<u>\$ 1 152 000</u>
Total General Fund	<u>\$ 1 408 106</u>	<u>\$ 137 339</u>	<u>\$ 1 270 767</u>