

December 13, 2022

The audit for James City County's fiscal year 2022 financial statements is pending. In accordance with Section 15.2-2510 of the *Code of Virginia*, a locality must submit their audited financial statements to the Auditor of Public Accounts by December 15 each year. Due to extenuating circumstances, the submission of the County's audited financial statements has been delayed.

The reasons for the delay are as follows:

- Several fiscal agencies, whose financial information is included in the County's financial statements, lost their primary finance staff during this audit season. This resulted in the County's Financial and Management Services (FMS) staff needing to provide additional assistance to these entities, which took time away from preparation of the County's financial statements. In addition, one of these entities has not been able to provide all its year-end financial information to the County, which means the County's financial statements are incomplete. FMS is working closely with this entity to obtain the necessary information, but additional time is needed to finish this work.
- In addition, FMS experienced multiple vacancies during this audit season. These vacancies have placed further burdens on the remaining staff's workload, and any new hires require significant training to prepare them for their positions. The recruitment, hiring, and training for these vacancies have taken time from FMS' management team, which in turn took these individuals away from audit preparation.
- Lastly, our financial software vendor informed the County that we needed to perform a major upgrade on our financial system this November. Prior to the upgrade, significant planning and testing was required to ensure that the updated system worked as expected and that our controls remained in place. Unfortunately, this planning and testing coincided with the audit season and required oversight from the same team that handles the audit.

FMS staff is working diligently with the County's auditors to complete the audit of the County's fiscal year 2022 financial statements. These financial statements are expected to be presented to the Board of Supervisors at the January 24, 2023 business meeting and submitted to the Government Finance Officers Association by January 31, 2023.

*[Revised December 30, 2022 to reflect new scheduling information.]*