CITY OF LYNCHBURG, VIRGINIA

Annual Comprehensive Financial Report for the fiscal year ended June 30, 2024

ANNUAL COMPREHENSIVE FINANCIAL REPORT

FISCAL YEAR ENDED JUNE 30, 2024

CITY OF LYNCHBURG, VIRGINIA

> Prepared by: Financial Services

CITY OF LYNCHBURG, VIRGINIA

TABLE OF CONTENTS

INTRODUCTORY SECTION

Directory of Prin	nittal ncipal Officials Structure	v
	FINANCIAL SECTION	
Independent A	uditor's Report	1
Management's	Discussion and Analysis	5
Basic Financial	Statements	
Government-v	wide Financial Statements:	
Exhibit 1	Statement of Net Position	
Exhibit 2	Statement of Activities	8
Fund Financia	al Statements:	
Exhibit 3	Balance Sheet – Governmental Funds	9
Exhibit 4	Reconciliation of the Balance Sheet of Governmental Funds	
	to the Statement of Net Position	
Exhibit 5	Statement of Revenues, Expenditures, and Changes in Fund	
	Balances – Governmental Funds	11
Exhibit 6	Reconciliation of the Statement of Revenues, Expenditures, and	
	Changes in Fund Balance to the Statement of Activities	
Exhibit 7	Statement of Revenues, Expenditures, and Changes in Fund Balance -	
	Budget and Actual – General Fund	
Exhibit 8	Statement of Net Position – Proprietary Funds	14
Exhibit 9	Statement of Revenues, Expenses, and Changes in Fund Net Position – Proprietary Funds	
Exhibit 10	Statement of Cash Flows – Proprietary Funds	
Exhibit 11	Statement of Fiduciary Net Position – Fiduciary Fund	
Exhibit 12	Statement of Changes in Fiduciary Net Position - Fiduciary Fund	
Notes to Financi	al Statements	20

Required Supplementary Information

Exhibit 13a	Schedule of Changes in Net Pension Liability and Related Ratios -	
	Primary Government	104
Exhibit 13b	Schedule of Changes in Net Pension Liability and Related Ratios –	
	Schools – Non-Professional Employees	105
Exhibit 14	Schedule of Pension Contributions	106
Exhibit 15	Schedule of Employer's Share of Net Pension Liability –	
	VRS Teachers Retirement Plan	. 107
Exhibit 16	Schedule of Pension Contributions - VRS Teacher Retirement Plan	. 108

TABLE OF CONTENTS (Continued)

FINANCIAL SECTION (Continued)

Required Supplementary Information (Continued)

Exhibit 17a Sc	hedule of Changes in Net OPEB for Healthcare Liability	
:	and Related Ratios – Primary Government	109
	hedule of Changes in Net OPEB for Healthcare Liability	
:	and Related Ratios – Lynchburg City Schools	110
	hedule of Changes in Net OPEB for Healthcare Liability and Related Ratios	
	for Health Insurance Credit Schools	111
	hedule of Changes in Net OPEB for Line of Duty Act (LODA) –	
	Primary Government	112
	hedule of OPEB Contributions Group Life Insurance	
	hedule of OPEB Contributions Group Life Insurance –	
	Schools General Employees	
	hedule of OPEB Contributions Group Life Insurance – School Teachers	
	hedule of OPEB Contributions for Health Insurance Credit – School Teachers	
	and General Employees	116
	hedule of Employer's Share of Net OPEB Liability –	
	City of Lynchburg Group Life Insurance	117
	hedule of Employer's Share of Net OPEB Liability Group Life Insurance –	11/
	Schools General Employees	110
	hedule of Employee's Share of Net OPEB Liability Group Life Insurance –	
	School Teachers	110
	hedule of Employer's Share of Net OPEB Liability Health Insurance Credit –	120
i	School Teachers	120
Notes to Required S	Supplementary Information	121
Other Supplement		
Other Supplement		
Notes to Combining	g and Individual Fund Statements and Schedules	
Nonmajor Gov	ernmental Funds	124
c c		
Nonmajor Special H		105
Exhibit A-1	0	125
Exhibit A-2	Combining Statement of Revenues, Expenditures, and	
	Changes in Fund Balances	127
Exhibit A-3	Schedule of Revenues, Expenditures, and Changes in Fund Balance –	
	Budget and Actual – City/Federal/State Aid Fund	129
Exhibit A-4	Schedule of Revenues, Expenditures, and Changes in Fund Balance -	
	Budget and Actual – Community Development Block Grant Fund	130
Exhibit A-5	Schedule of Revenues, Expenditures, and Changes in Fund Balance –	
	Budget and Actual – Forfeited Assets Fund	131
Exhibit A-6	Schedule of Revenues, Expenditures, and Changes in Fund Balance –	
	Budget and Actual – Children's Services Act Fund	132
Exhibit A-7	Schedule of Revenues, Expenditures, and Changes in Fund Balance –	
	Budget and Actual – Lynchburg Expressway Appearance Fund	133
Exhibit A-8	Schedule of Revenues, Expenditures, and Changes in Fund Balance –	
	Budget and Actual – HOME Investment Partnerships Program Fund	
Exhibit A-9	Schedule of Revenues, Expenditures, and Changes in Fund Balance –	
	Budget and Actual – Lynchburg Regional Juvenile Detention Center Fund	135

TABLE OF CONTENTS (Continued)

FINANCIAL SECTION (Continued)

Other Supplemental Information (Continued)

Major Capital Proje	cts Fund	
Exhibit B-1	Schedule of Revenues, Expenditures, and Changes in Fund Balance -	
	Budget and Actual – City Capital Projects	
Exhibit B-2	Schedule of Revenues, Expenditures, and Changes in Fund Balance –	
	Budget and Actual – School Capital Projects	
Discretely Presented	d Component Unit – Lynchburg City Schools	
Exhibit C-1	Combining Balance Sheet	
Exhibit C-2	Combining Statement of Revenues, Expenditures, and	
	Changes in Fund Balances	
Exhibit C-3	Schedule of Revenues, Expenditures, and Changes in Fund Balances -	
	Budget and Actual	
Exhibit C-4	Statement of Fiduciary Net Position	
Exhibit C-5	Combining Statement of Fiduciary Net Position	
Exhibit C-6	Statement of Changes in Fiduciary Net Position	
Discretely Presented	d Component Units – Other	
Exhibit D-1	Combining Statement of Net Position	
Exhibit D-2	Combining Statement of Revenues, Expenses, and	
	Changes in Fund Net Position	
Exhibit D-3	Combining Statement of Cash Flows	

Supplemental Schedules

Schedule 1	Schedule of Expenditures of Federal Awards	.148
Notes to Schedule	of Expenditures of Federal Awards	.155
	Schedule of Passenger Facility Charges	
Schedule 3	Schedule of Expenditures of Passenger Facility Charges	

STATISTICAL SECTION

159
160
166
167
170
171
172
173
174
. 175
•

TABLE OF CONTENTS (Continued)

STATISTICAL SECTION (Continued)

Table 9	Comparative Statement of Revenues, Expenses, and	
	Changes in Fund Net Position - Sewer Fund, Last Ten Fiscal Years	176
Table 10	Comparative Statement of Revenues, Expenses, and	
	Changes in Fund Net Position – Stormwater Fund, Last Ten Fiscal Years	177
Table 11	Comparative Statement of Revenues, Expenses, and	
	Changes in Fund Net Position – Airport Fund, Last Ten Fiscal Years	178
Table 12	Tax Revenues by Source, Governmental Funds, Last Ten Fiscal Years	179
Table 13	Assessed Value of Taxable Real Property, Last Ten Fiscal Years	
	Assessed Value of All Taxable Property, Last Ten Fiscal Years	
Table 15	Principal Property Taxpayers, Current Year and Nine Years Ago	
Table 16	Property Tax Levies and Collections, Last Ten Fiscal Years	
Table 17	Property Tax Rates, Last Ten Fiscal Years	
Table 18	Taxable Retail Sales and Taxable Retail Sales per Capita, Last Ten Fiscal Years	
Table 19	Water, Sewer, and Stormwater Rates, Last Ten Fiscal Years	
Table 20	Ratios of Outstanding Debt by Type, Last Ten Fiscal Years	
Table 21	Ratios of Net General Bonded Debt Outstanding, Last Ten Fiscal Years	
Table 22	Legal Debt Margin Information, Last Ten Fiscal Years	
Table 23	Pledged Revenue Coverage Water, First Fiscal Year	
Table 24	Pledged Revenue Coverage Sewer, Last Ten Fiscal Years	191
Table 25	Pledged Revenue Coverage Stormwater, Last Six Fiscal Years	192
Table 26	Demographic and Economic Statistics, Last Ten Calendar Years	193
Table 27	Principal Employers, Current Year and Nine Years Ago	
Table 28	Full-Time Equivalent City Government Employees by	
	Function/Program, Last Ten Fiscal Years	
Table 29	Operating Indicators by Function/Program, Last Ten Fiscal Years	196
Table 30	Capital Assets Statistics by Function/Program, Last Ten Fiscal Years	197
Table 31	Lynchburg City Schools – Student Enrollment, Employees and Schools by Fiscal Year,	
	Last Ten Years	

COMPLIANCE SECTION

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 <i>Government Auditing Standards</i>	200
	200
Independent Auditor's Report on Compliance for Each Major Program and on Internal Control over Compliance Required by the Uniform Guidance	202
Independent Auditor's Report on Compliance with Requirements Applicable to the Passenger Facility Charge Program and on Internal Control over Compliance in Accordance with the Passenger Facility Charge Program Audit Guide	205
Summary of Compliance Matters	208
Schedule of Findings and Questioned Costs	209
Summary Schedule of Prior Audit Findings	212

INTRODUCTORY SECTION



December 5, 2024

The Honorable Mayor and Members of the City Council City of Lynchburg, Virginia

The Annual Comprehensive Financial Report (ACFR) for the City of Lynchburg, Virginia, (City) for the year ended June 30, 2024, is hereby submitted in accordance with the *City Code* and State statutes. Responsibility for both the accuracy of the data and the completeness and fairness of the presentation, including all disclosures, rests with management of the City. With reasonable assurance, based upon a comprehensive framework of internal controls, the enclosed data is accurate in all material respects and is reported in a manner designed to present fairly the financial position, results of operations, and cash flows, as applicable, of the various funds and component units of the City. All disclosures necessary to enable the reader to gain an understanding of the City's financial activities have been included.

State law and *City Code* require the financial statements of the City be audited by an independent certified public accountant. Brown, Edwards & Company, LLP has performed an audit of the ACFR. The independent auditor's report, including opinions on the basic financial statements of the government-wide and fund financial statements, is contained in the Financial Section of this report. Brown, Edwards & Company, LLP also audited the component unit financial statements of the Lynchburg City Schools (LCS) and the Greater Lynchburg Transit Company (GLTC).

Management's Discussion and Analysis (MD&A) immediately follows the independent auditor's report. The information presented in the MD&A provides a narrative introduction, overview, and analysis of the basic financial statements and should be considered in conjunction with additional information provided in this Letter of Transmittal.

The financial reporting entity includes all funds of the primary government (i.e., the City of Lynchburg), as well as its component units. The City provides a full range of municipal services including general administration, legal counsel, police, fire protection and emergency medical services, parks and recreation, libraries, museums, juvenile and social services, maintenance of streets and highways, economic development, tourism and community development. The City also owns and operates water, sewer and stormwater systems and a regional airport. The City's discretely presented component units, LCS, Business Development Centre, Inc., and GLTC, provide public education, various small business services, and public transportation, respectively, to the local community. Each of these component units' governing bodies is appointed by City Council. Excluded are the financial statements of the Lynchburg Redevelopment and Housing Authority and the City's Economic Development Authority (EDA). These organizations are associated with the City, but are legally separate entities. Also excluded are the financial statements of the Blue Ridge Regional Jail Authority, Horizon Behavioral Health, and the Region 2000 Services Authority, which are jointly governed organizations.

City Council has approved Debt Management, Fund Balance, Budget, and Investment policies to guide fiscal decision-making and to ensure continued strong financial health. These policies were revised and reaffirmed

by City Council in January 2023. During the fiscal year, adherence to these financial policies guide the City's management of its investment portfolio, the maintenance of budget reserve levels, and the development of the Capital Improvement Program.

As required by law, each year, at least 45 days prior to June 30, the City Manager submits to City Council a recommended balanced budget for the fiscal year beginning July 1. After citizen engagement, budget preparation, and a Council review process that includes a budget retreat, multiple work sessions, and a public hearing, City Council adopts the annual budget. The annual budget includes all funds represented in the City's ACFR. The budget must be adopted no later than the day the fiscal year begins (July 1).

The City of Lynchburg was incorporated in 1805 by the Virginia General Assembly and became an independent city in 1852. Encompassing 50 square miles, Lynchburg is located adjacent to Amherst, Bedford, and Campbell Counties, on the eastern edge of the beautiful Blue Ridge Mountains, and is within 54 miles of the geographic center of the Commonwealth of Virginia. The County of Appomattox is also included in the Lynchburg Metropolitan Statistical Area. With an estimated population of 80,127, Lynchburg is an important commercial center for the four-county region known as Central Virginia. It serves a regional population of almost 264,000 and benefits from an economy that remains diversified among the manufacturing, health services, technology, retail, trade, and higher education sectors. The City is home to five colleges and universities with a sixth in Amherst County.

The City of Lynchburg has been organized under the Council-Manager form of government since 1920. City Council is the governing body that makes all policy decisions for the City. City Council is elected by the voters and is comprised of seven members, who elect amongst themselves the Mayor and Vice-Mayor for a twoyear term. Three City Council members are elected at-large and four are elected from wards. Terms are four years and are staggered so a portion of Council is elected every two years. City Council appoints a City Manager to act as administrative head of the City. The City Manager serves at the pleasure of City Council to carry out its policies and direct and oversee City operations. The City Manager has the power of appointment and removal of the directors and employees of all departments of the City.

Local Economic Condition and Outlook

Lynchburg is a city that makes things and produces talent for the world. Top industries include nuclear engineering, manufacturing, healthcare and social assistance, retail trade, and higher education. With five colleges and universities, Lynchburg's professional and knowledge economy is driven by "meds and eds." These sectors of the local economy are known as "Anchor Institutions." Additionally, there is a large manufacturing base and the nuclear workforce is above the national average. Combined, these contribute to the growth of the hospitality and tourism sectors with Lynchburg being the central entertainment, visitor, and employment hub for the region.

The Lynchburg business community continues to lead the regional economy with significant capital investment and job creation. In December 2023, Governor Youngkin announced that Framatome, an international leader in nuclear energy, will invest \$49.4 million to expand, modernize, and enhance its facilities in the City. This expansion will create 515 new jobs.

The City continues to maintain its role as an employment and commercial center for Central Virginia. In FY 2024, real property values reflected significant growth based on the active market and low housing stock in 2023. Personal property assessments also experienced significant growth due to the inflated cost of vehicles combined with more availability. Consumption driven revenues, including sales, meals, and lodging taxes, were back to pre-pandemic levels, but remained flat with FY 2023 actuals. Looking ahead, real property assessments will increase again with the 2025 reassessment based on the current market and personal property values are projected to grow slightly compared to FY 2024 due to the continued inflated cost and more vehicles being available.

As part of a long-term financial plan, revenue projections are developed with a focus on ensuring forecasts are based on the latest economic conditions as well as changes in consumer spending. The City's Fund Balance Policy is used to ensure the City has sufficient working capital and a comfortable margin of safety to address emergencies and unexpected declines in revenues without the need to borrow. The balance in excess of policy requirements is used as a source of one-time funds for items such as pay-as-you-go projects within the Capital Improvement Program and other City Council initiatives.

Through collaborative meetings between City Council and the City Manager, City Council identified priorities to move Lynchburg forward in the areas of Public Safety, Infrastructure, Lifelong Learning, Economic Development, and Quality of Life. Within these priorities, initiatives have been identified to make meaningful progress.

Major Initiatives and Accomplishments

Education

During the 2023-24 school year, Lynchburg City Schools (LCS) continued its focus on promoting student success through quality instructional programs and engaging student opportunities. The division unveiled "Excellence by Design," a new strategic plan for the future of LCS that will progressively prepare students for technical and academic excellence from Pre-K through twelfth grade through developmentally appropriate, hands-on instruction in growing career sectors. Additionally, all three LCS middle schools added new College Board Pre-Advanced Placement (AP) arts courses for eighth graders. Students from both LCS high schools received AP awards for scoring high on multiple AP exams: Three E. C. Glass High School students earned the prestigious AP Capstone Diploma, five earned the AP Seminar and Research Certificate, and 117 E. C. Glass and Heritage High School students received AP Scholar Awards. LCS also launched a School Security Officer (SSO) program to keep elementary schools safe in February, funded by a four-year grant through the Virginia Department of Criminal Justice Services.

Infrastructure

Infrastructure improvements in FY 2024 included the continued construction of a new Police Department Headquarters and the removal of College Lake Dam, and the start of the next Streetscape Improvements Downtown project.

Fleet Services

For FY 2024, The City's Department of Fleet Services received national awards including a 100 Best Fleets in the Americas Award from the National Association of Fleet Administrators (NAFA) and the 50 Leading Fleets Awards by Government Fleet Magazine.

Technology

The City of Lynchburg was once again recognized nationally as a leader in using information technology to assist in service delivery. In its annual Digital Cities Survey, conducted in 2023, e.Republic's Center for Digital Government and Digital Communities Program ranked Lynchburg sixth in the nation among city governments in the 75,000 - 124,999 population category. Lynchburg has been ranked in the top ten since 2004, ranking first for communities of its size in four of those years.

Transportation

Greater Lynchburg Transit Company provides critical public bus and paratransit services for Lynchburg citizens. GLTC operates 14 bus routes within the City of Lynchburg and a portion of Madison Heights.

The City is also served by the Lynchburg Regional Airport (LRA), a Federal Aviation Administrationdesignated small non-hub commercial airport with a full array of aeronautical services including emergency medflight services, flight training, aircraft maintenance and avionics and fuel services.

Prospects for the Future

As the City moves forward in an ever-changing environment, it faces many challenges as a central city. With a growing population, over 26,000 college graduates each year, and expanded tourism events, the City remains livable, affordable, and beautiful with a strong sense of inclusion and community.

Acknowledgments

The preparation of the Annual Comprehensive Financial Report was made possible by the leadership of Rhonda Allbeck, Assistant Director of Financial Services; Reid Lanham, Accounting Manager; and the dedicated staff of the Financial Services Department. Each member of the department has our appreciation for their outstanding efforts in the preparation of this report. Appreciation is also expressed to City Council for its guidance and supporting compliance with its Financial Policies.

Respectfully submitted Benda City Manager

Donna S. Witt Chief Financial Officer

CITY OF LYNCHBURG, VIRGINIA

COUNCIL-MANAGER FORM OF GOVERNMENT

DIRECTORY OF PRINCIPAL OFFICIALS

June 30, 2024

CITY COUNCIL

Stephanie Reed, Mayor, At-Large

Chris Faraldi, Vice-Mayor, Ward IV MaryJane Tousignant- Dolan, Ward I Sterling Wilder, Ward II Jeff Helgeson, Ward III Martin Misjuns, At-Large Larry Taylor, At-Large

CITY OFFICIALS

Wynter Benda Gregory Patrick Kent. L. White Matthew Freedman Donna Witt, CPFO City Manager Deputy City Manager Assistant City Manager City Attorney Chief Financial Officer

SCHOOL BOARD

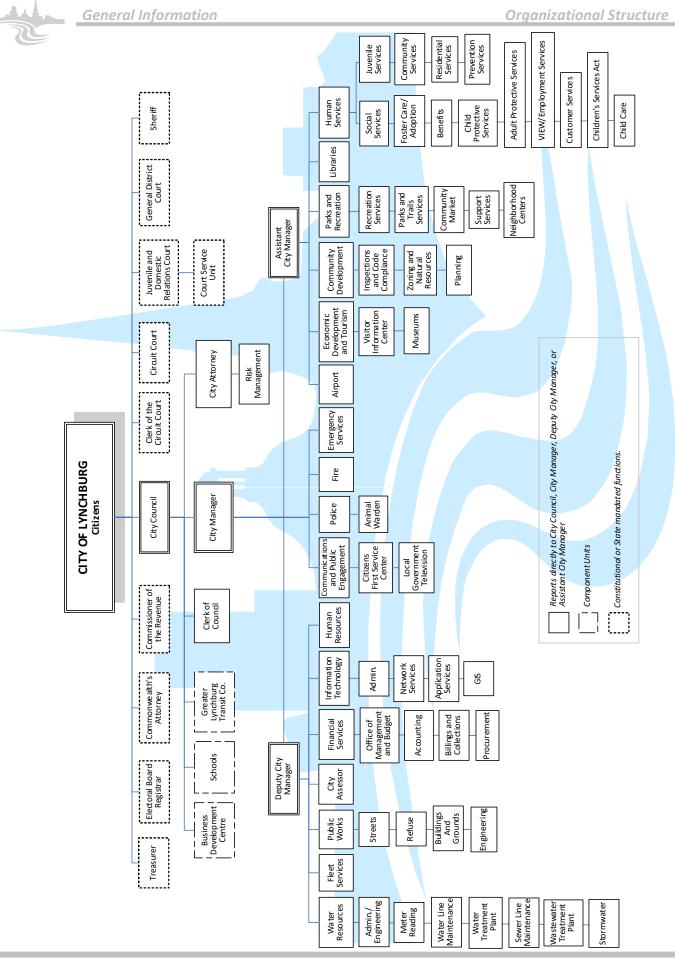
Dr. Atul Gupta, Chair

Dr. Martin Day, Vice Chair Mr. Anthony Andrews Dr. Sharon Carter Mr. Christian DePaul Mr. Farid Jalil Ms. Leticia Lowery Ms. Gloria Preston Mr. Randy T. Trost

SCHOOL BOARD OFFICIALS

Dr. Crystal M. Edwards Ms. Amy Pugh Dr. Reid Wodicka Ms. Sonia Jammes Superintendent of Schools Deputy Superintendent of Instruction and Programs Deputy Superintendent of Operations and Strategic Planning Chief Financial Officer **General Information**





City of Lynchburg, Virginia, Operating Budget, FY 2024

FINANCIAL SECTION



INDEPENDENT AUDITOR'S REPORT

To the Honorable Members of the City Council and the City Manager City of Lynchburg, Virginia

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the City of Lynchburg, Virginia (the "City") as of and for the year ended June 30, 2024, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

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, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the City of Lynchburg, Virginia, as of June 30, 2024, and the respective changes in financial position and, where applicable, cash flows thereof, and the respective budgetary comparison for the General Fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America, the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, and *Specifications for Audits of Counties, Cities, and Towns* issued by the Auditor of Public Accounts of the Commonwealth of Virginia. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the City of Lynchburg and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Report on the Audit of the Financial Statements (Continued)

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the City of Lynchburg's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the City of Lynchburg's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the City of Lynchburg's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Report on the Audit of the Financial Statements (Continued)

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and the other required supplementary information, as listed in the table of contents, be presented to supplement the basic financial statements. Such information is the responsibility of management, and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City of Lynchburg's basic financial statements. The accompanying combining and individual nonmajor fund financial statements and schedule of expenditures of federal awards, as required by Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards, are presented for purposes of additional analysis and are not a required part of the basic financial statements. In addition, the accompanying schedules of passenger facility charges and expenditures of passenger facility charges are presented for purposes of additional analysis as required by the Passenger Facility Charge Audit Guide for Public Agencies, issued by the Federal Aviation Administration, and are also not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual nonmajor fund financial statements, the schedule of expenditures of federal awards, and the schedules of passenger facility charges and expenditures of passenger facility charges are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Information

Management is responsible for the other information included in the annual report. The other information comprises the introductory and statistical sections but does not include the basic financial statements and our auditor's report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

Report on the Audit of the Financial Statements (Continued)

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated December 5, 2024 on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance.

Brown, Edwards & Company, S. L. P.

CERTIFIED PUBLIC ACCOUNTANTS

Roanoke, Virginia December 5, 2024

CITY OF LYNCHBURG, VIRGINIA

Management's Discussion and Analysis

The Management's Discussion and Analysis (MD&A) of the City of Lynchburg's (City) financial statements offers readers a narrative overview and analysis of the City's financial activities for the fiscal year ended June 30, 2024. The Lynchburg City Schools (Schools) component unit is included in this narrative also. The information presented here should be considered in conjunction with additional information provided in the Letter of Transmittal.

FINANCIAL HIGHLIGHTS

- The total assets and deferred outflows of resources of the City exceeded its total liabilities and deferred inflows of resources at June 30, 2024 by \$612.0 million (net position). Unrestricted net position of \$50.9 million represented \$17.3 million for governmental activities, which included the general fund, and \$33.6 million for business-type activities, which included the enterprise funds (water, sewer, stormwater, and airport).
- The general fund's unassigned fund balance of \$40.4 million was 17.8% of total general fund revenues, which were \$226.7 million. This was \$17.7 million more than the City Council adopted unassigned fund balance policy requirement of 10%, or \$22.7 million.
- In comparison with the prior fiscal year, the City's total net position increased 7.3%, or \$41.8 million, from FY 2023. Net position of governmental activities increased 11.2%, or \$30.2 million, from FY 2023; and, net position of business-type activities increased 3.9%, or \$11.6 million. The Schools' component unit total net position of (\$61.4) million increased 8.9%, or \$6.0 million from FY 2023.
- The City's total revenues of \$328.7 million decreased 5.7%, or \$19.8 million, and total expenses of \$286.9 million increased 5.5%, or \$14.9 million, from FY 2023. General revenues of \$181.4 million were \$41.8 million more than the expenses net of program revenues of \$139.6 million.
- For the current fiscal year, the City's total liabilities and deferred inflows of resources of \$629.4 million decreased \$8.6 million from FY 2023.
- The City decreased its overall debt by \$8.2 million. Governmental activities decreased by \$9.4 million and business-type activities increased by \$1.2 million. This includes the issuance of new debt totaling \$89.9 million, of which \$66.2 million was for governmental activities and \$23.7 million was for business-type activities. Debt retirements, through a combination of planned retirements, bond refunding and lease payments, totaled \$98.1 million; of which \$75.6 million was for governmental activities and \$22.5 million was for business-type activities. The City's general obligation bonds continued to maintain an Aa2 rating from Moody's Investors Service; an AA+ rating from Fitch Ratings; and, an AA+ from Standard & Poor's Global Ratings Services.

OVERVIEW OF THE FINANCIAL STATEMENTS

This Management's Discussion and Analysis is intended to serve as an introduction to the City of Lynchburg's basic financial statements. The basic financial statements are comprised of three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. This report also contains other supplementary information in addition to the basic financial statements including budgetary comparisons.

GOVERNMENT-WIDE FINANCIAL STATEMENTS

The government-wide financial statements are designed to provide readers with a broad overview of the City's finances in a manner similar to a private-sector business. One of the most important questions asked about the City's finances is, "Is the City as a whole better or worse as a result of the year's activities?". The Statement of Net Position and the Statement of Activities report information about the City as a whole and about its activities in a way that helps answer this question. These statements include all assets and liabilities using the accrual basis of accounting, which is similar to the accounting used by most private-sector companies. All of the current year's revenues and expenses are taken into account regardless of when cash is received or paid.

The Statement of Net Position and the Statement of Activities report the City's net position and changes in net position. One can think of the City's net position – the difference between assets plus deferred outflows of resources and liabilities plus deferred inflows of resources – as a way to measure the City's financial health, or financial position. Over time, increases or decreases in net position help determine whether the City's financial position is improving or deteriorating.

In the Statement of Net Position and the Statement of Activities, the City is divided into the following:

<u>Governmental activities</u> - The City's basic services are reported here: general government, police, fire and emergency medical services, public works, juvenile and social services, parks and recreation, community development, and fleet internal services. Property taxes, other taxes, and intergovernmental revenue are the primary sources that finance these activities.

<u>Business-type activities</u> - The financial information for the water, sewer, stormwater, and airport activities are reported here. The City charges a fee to customers to fund all or most of the cost of services provided by these activities.

<u>Component units</u> - The City also includes three separate legal entities in its report – the Lynchburg City Schools, the Greater Lynchburg Transit Company, and the Business Development Centre, Inc. While these represent legally separate entities, their operational or financial relationship with the City makes the City financially accountable.

FUND FINANCIAL STATEMENTS

A fund is a grouping of related accounts used to maintain control over resources segregated for specific activities or objectives. The City uses fund accounting to ensure and demonstrate fiscal accountability. As described in the following information, the City uses governmental, proprietary, and fiduciary fund financial statements to provide detailed information regarding its most significant funds.

Governmental Funds

Governmental funds report most of the City's basic services. The funds focus on cash and other financial resources that can be readily converted to cash flows in and out, and balances left at year-end that are available for future spending. Consequently, the governmental funds statements provide a near or short-term view of the City's finances that helps the reader determine whether there are greater or fewer financial resources available in the near future to finance City programs. Because this information does not encompass the long-term focus of the government-wide statements, additional information is provided at the bottom of the governmental funds statements to explain the relationship (or differences) between them.

Proprietary Funds

Proprietary funds report the same functions that are presented as business-type activities in the government-wide financial statements. Proprietary funds are classified as enterprise or internal service funds. An enterprise fund reports any activity for which fees are charged to external users for goods or services. Internal service funds account for goods and services provided on a cost reimbursement basis from activities within the government. The City maintains the accounting for four enterprise funds: water, sewer, stormwater, and airport operations; and an internal service fund to account for its fleet services. Because fleet services predominantly benefit governmental rather than business-type functions, the internal service fund is included within governmental activities in the government-wide financial statements.

Custodial Funds

Custodial funds account for assets held by the City in a trustee capacity or as an agent for others. Activities from custodial funds are not included in the government-wide financial statements because the City cannot use these assets for its operations.

Notes to the Financial Statements

The Notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements.

Other Information

In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information concerning the City's progress in funding its obligation to provide pension benefits and other postemployment benefits to its employees.

The combining and individual fund statements and schedules for all nonmajor funds include the governmental, special revenue, and capital projects funds. Budget to actual statements are provided for governmental and special revenue funds with legally adopted budgets. The City's and the Schools' financial statements are included in one Annual Comprehensive Financial Report. The Greater Lynchburg Transit Company and the Business Development Centre, Inc. issue separate reports. Other Supplementary Information for the City and Schools includes a Statistical Section, Schedule of Expenditures of Federal Awards, and Schedules of Passenger Facility Charges Revenues and Expenditures.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

Statement of Net Position

The following table reflects condensed information for the City's net position. Percentage changes in the table below were rounded for the following narrative.

Summary of Statement of Net Position As of June 30, 2024/2023 (in millions)

	Governmental Activities		Business-Type Activities		Total Primary Government		Percentage Change	Component Unit Schools	
	2024	2023	2024	2023	2024	2023	2024-2023	2024	2023
Current and other assets	\$ 215.0	\$ 228.0	\$ 64.9	\$ 74.2	\$ 279.9	\$ 302.2	-7%	\$ 20.2	\$ 18.4
Capital assets	467.0	431.7	461.4	443.0	928.4	874.7	6%	9.6	6.3
Net pension asset	-	-	-	-	-	-	-	0.8	0.9
Total assets	682.0	659.7	526.3	517.2	1,208.3	1,176.9	3%	30.6	25.6
Total deferred outflows									
of resources	28.6	26.7	4.5	4.6	33.1	31.3	6%	22.1	18.9
Long-term liabilities	326.5	336.6	207.9	207.9	534.4	544.5	-2%	81.3	77.3
Other liabilities	34.3	20.4	7.0	7.9	41.3	28.3	46%	18.6	11.3
Total liabilities	360.8	357.0	214.9	215.8	575.7	572.8	1%	99.9	88.6
Total deferred inflows									
of resources	49.1	58.9	4.6	6.3	53.7	65.2	-18%	14.2	23.3
Net Position									
Net investment in capital assets	273.4	252.8	277.7	263.6	551.1	516.4	7%	6.5	6.3
Restricted for Capital projects	7.7	0.5	-	-	7.7	0.5	100%	-	-
Restricted for Grants and other	2.3	1.8	-	-	2.3	1.8	28%	-	-
Net pension asset	-	-	-	-	-	-	0%	0.8	0.9
Unrestricted	17.3	15.4	33.6	36.1	50.9	51.5	-1%	(68.7)	(74.6)
Total net position	\$ 300.7	\$ 270.5	\$ 311.3	\$ 299.7	\$ 612.0	\$ 570.2	7%	\$ (61.4)	\$(67.4)

The City's total net position of \$612 million increased 7.3%, or \$41.8 million, from FY 2023.

Net investment in capital assets of \$551.1 million was 90% of total net position and increased 6.7%, or \$34.7 million. Net position invested in capital assets was not available for future expenses because the assets are facilities, equipment, and infrastructure, etc. utilized to provide services. Please refer to Notes 8 and 9 of this report and the MD&A's capital assets and long-term debt sections.

The City has unrestricted net position of \$50.9 million, which is comprised of 34.0%, or \$17.3 million, for governmental activities, and 66.0%, or \$33.6 million, for business-type activities. Unrestricted net position available for providing services to the citizens decreased 1%, or \$0.6 million from FY 2023. Restricted net position of \$10.0 million primarily consists of grant funds restricted mainly for public safety and health and human services.

The Schools' component unit total net position of (\$61.4) million increased 8.9%, or \$6.0 million from FY 2023. Unrestricted net position of (\$68.7) million increased 7.9%, or \$5.9 million from FY 2023.

<u>Statement of Activities</u> The City's total revenues and expenses for governmental activities, business-type activities, and the Schools' component unit are reflected in the following table. Percentage changes in the table below were rounded for the following narrative.

Summary of Changes in Net Position For Fiscal Years Ended June 30, 2024/2023 (in millions)

		nmental vities	Business-type Activities				Total Primary Government		-		Percentage Change	Component Unit Schools	
Revenues:	2024	2023	2024	2023	2024	2024 2023		2024	2023				
Program Revenues:													
Charges for services	\$ 19.0	\$ 19.6	\$ 55.8	\$ 51.5	\$ 74.8	\$ 71.1	5%	\$ 2.3	\$ 2.4				
Operating grants/contributions	56.7	53.4	1.9	2.9	58.6	56.3	4%	104.8	96.5				
Capital grants/contributions	8.5	6.1	5.4	2.6	13.9	8.7	60%	-	-				
General Revenues:													
Property taxes	95.7	96.3	-	-	95.7	96.3	-1%	-	-				
Other taxes	66.9	67.9	-	-	66.9	67.9	-1%	-	-				
Unrestricted intergovernmental	6.5	39.8	-	-	6.5	39.8	-84%	-	-				
Interest	8.2	4.7	2.9	1.9	11.1	6.6	68%	-	-				
Miscellaneous	0.6	1.5	0.1	0.1	0.7	1.6	-56%	1.5	1.6				
Gain on sale of assets	0.4	0.2	0.1	-	0.5	0.2	150%	-	-				
City appropriation	-	-	-	-	-	-	-	41.2	41.2				
Total Revenues	262.5	289.5	66.2	59.0	328.7	348.5	-6%	149.8	141.7				
Expenses:													
General government	15.6	16.4	-	-	15.6	16.4	-5%	-	-				
Judicial	8.3	7.1	-	-	8.3	7.1	17%	-	-				
Public safety	68.7	59.0	-	-	68.7	59.0	16%	-	-				
Public works	31.9	31.2	-	-	31.9	31.2	2%	-	-				
Health and human services	36.9	32.8	-	-	36.9	32.8	13%	-	-				
Cultural and recreational	14.8	12.7	-	-	14.8	12.7	17%	-	-				
Community development	7.5	7.4	-	-	7.5	7.4	1%	-	-				
Education	47.9	46.9	-	-	47.9	46.9	2%	143.8	130.0				
Interest & other fiscal charges	0.1	6.0	-	-	0.1	6.0	-98%	-	-				
Issuance costs	0.6	0.3	-	-	0.6	0.3	100%	-	-				
Stormwater	-	-	4.1	3.8	4.1	3.8	8%	-	-				
Airport	-	-	6.0	5.5	6.0	5.5	9%	-	-				
Water	-	-	16.5	16.0	16.5	16.0	3%	-	-				
Sewer	-	-	28.0	26.9	28.0	26.9	4%	-	-				
Total Expenses	232.3	219.8	54.6	52.2	286.9	272.0	5%	143.8	130.0				
Increase in net position	•		-										
before transfers	30.2	69.7	11.6	6.8	41.8	76.5	-45%	6.0	11.7				
Transfers	-	(7.5)	-	7.5	-	-	-	-	-				
Increase in net position	30.2	62.2	11.6	14.3	41.8	76.5	-45%	6.0	11.7				
Net position beginning	270.5	208.3	299.7	285.4	570.2	493.7	15%	(67.4)	(79.1)				
Net position ending	\$300.7	\$270.5	\$311.3	\$299.7	\$612.0	\$ 570.2	7%	\$(61.4)	\$(67.4)				

Governmental Activities

The City's governmental activities are comprised of the general fund, fleet internal services fund, special revenue funds, and capital projects funds. Total net position of \$300.7 million increased 11.2%, or \$30.2 million from FY 2023.

Revenue highlights:

Revenues from governmental activities of \$262.5 million decreased 9.3%, or \$27.0 million from FY 2023.

Program revenues, specifically charges for services of \$19.0 million had an overall decrease of \$0.6 million. The decrease was primarily due to the following: \$0.2 million decrease in ambulance service fees; \$1.7 million decrease in public works for refuse disposal fees; \$0.9 million increase in health and human services for the Children's Services Act; and \$0.5 million increase in Lynchburg Regional Juvenile Detention Center charges.

Operating grants and contributions increased \$3.3 million. The increase is primarily attributed to the following: \$0.3 million increase in judicial for commonwealth attorney and sheriff; \$0.8 million increase in public safety primarily for fire and EMS; \$1.5 million increase in public works for street and highway maintenance; \$1.6 million increase in health and human services primarily for public assistance; \$1.0 million decrease in community development for HOME program funds; and \$0.1 million increase in general government for constitutional offices.

Capital grants and contributions increased \$2.4 million primarily due to increases in public works for the Virginia Dam Safety, Flood Prevention and Protection grant along with a decrease in Virginia Department of Transportation (VDOT) revenue sharing grants and an increase in grant reimbursements for Lynchburg City Schools capital projects from CARES, School Construction Assistance Program (SCAP), and School Safety and Security grant (SAFE) funding.

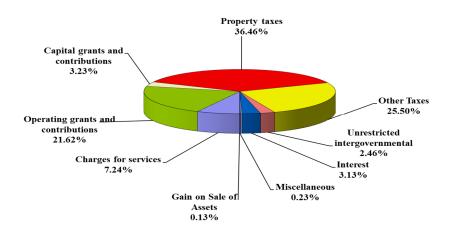
General revenues, specifically property taxes of \$95.7 million, decreased \$0.6 million. Property taxes are comprised mainly of real property and personal property taxes. The City's general reassessment of real property occurs biennially and is effective on July 1 of the fiscal year. The real estate tax rate decreased from \$1.11 per \$100 assessed value to \$0.89 per \$100 assessed value resulting in a decrease in real estate taxes of \$1.9 million. Personal property taxes (including delinquent taxes) increased \$1.4 million.

Other taxes revenue of \$66.9 million decreased \$0.1 million. Other taxes are comprised mainly of revenue from local sales, meals, lodging, consumer utilities, business licenses, motor vehicle licenses, and communications sales and use taxes. The decrease is primarily attributed to the following: \$0.1 million decrease in local sales tax; \$0.5 million increase in meals tax; \$0.2 million decrease in consumer utility tax; \$0.5 million increase in business license tax; \$0.1 million decrease in communication sales and use tax; \$1.4 million decrease in motor vehicle license tax; and \$0.2 million decrease in lodging tax.

Unrestricted intergovernmental revenue of \$6.5 million decreased \$33.3 million due to the American Rescue Plan Act (ARPA) funding received in FY 2023.

Interest income increased \$3.5 million due to higher interest rates earned during FY 2024.

The following chart reflects the governmental activities distribution of revenues by source.



Revenue by Source-Governmental Activities

Expense highlights:

Governmental activities expenses of \$232.3 million increased 5.7%, or \$12.5 million from FY 2023. Approximately \$9.7 million of the increase was for public safety which included a targeted compression/progression plan for salary adjustments; increase in the city cost for Blue Ridge Regional Jail; and increase in costs for the Lynchburg Regional Detention Center. Health and human services costs increased \$4.1 million primarily due to the 5% general wage increase as well as increases in costs for juvenile services; Children's Services Act; adoption; and foster care.

The following table indicates the total cost of services and net cost of services for governmental activities.

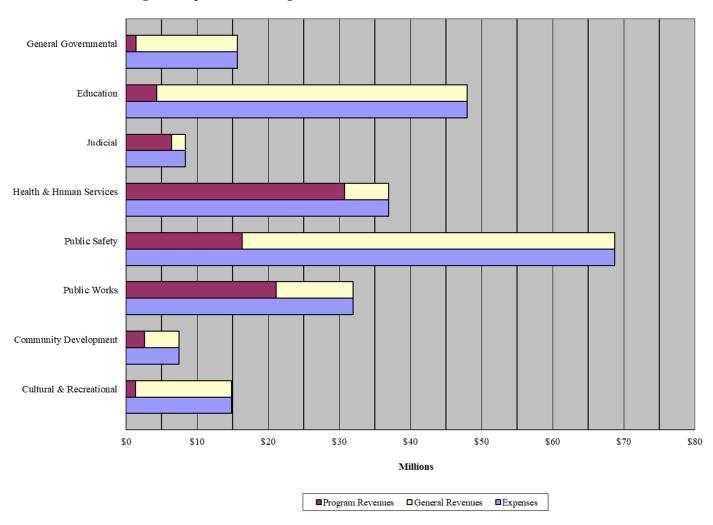
For Fiscal Years Ended FY 2024/2023 (in millions)										
					Percentage					Percentage
Governmental Activity	Total Cost of Services				Change	N	let Cost o	of Ser	vices	Change
		2024		2023	2024-2023		2024		2023	2024-2023
General government	\$	15.6	\$	16.4	-5%	\$	14.2	\$	15.1	-6%
Judicial		8.3		7.1	17%		1.9		1.1	73%
Public safety		68.7		59.0	16%		52.3		44.0	19%
Public works		31.9		31.2	2%		10.8		10.7	1%
Health and human services		36.9		32.8	13%		6.2		4.5	38%
Cultural and recreational		14.8		12.7	17%		13.4		11.3	19%
Community development		7.5		7.4	1%		4.9		3.8	29%
Education		47.9		46.9	2%		43.7		43.9	0%
Interest payments & other fiscal charges		0.1		6.0	-98%		0.1		6.0	-98%
Issuance Costs		0.6		0.3	100%		0.6		0.3	100%
Total Governmental Activities	\$	232.3	\$	219.8	5.7%	\$	148.1	\$	140.7	5%

Net Cost of Governmental Activities

The four largest funded programs were public safety at 29.6%, or \$68.7 million; local support for education at 20.6%, or \$47.9 million; health and human services at 15.9%, or \$36.9 million; and public works at 13.7%, or \$31.9 million. Education and public safety continued to be high priorities for the City.

The governmental activities total cost of services increased 5.7% from the prior year with a 5.0% increase in the net cost of services. The Statement of Net Position shows that the \$232.3 million in governmental activities program expenses were financed by \$19.0 million from those receiving services, \$56.7 million from operating grants and contributions, \$8.5 million from capital grants and contributions, and \$148.1 million from general revenues. Overall, general revenues of \$178.3 million were \$30.2 million more than the \$148.1 million of expenses net of program revenues.

The following graph compares governmental activities program expenses and program revenues along with general revenues funding required for each program.



Program Expenses and Program Revenues - Governmental Activities

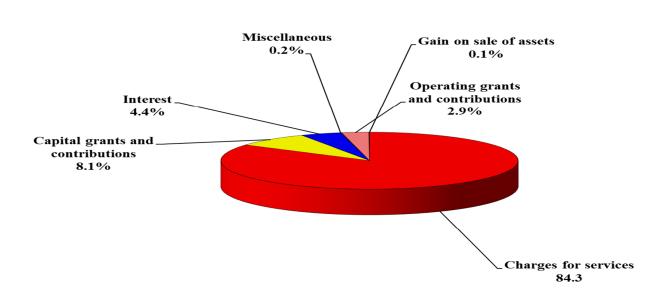
Business-type Activities

The business-type activities are comprised of enterprise funds for water, sewer, stormwater, and airport operations. Total net position of \$311.3 million increased 3.9%, or \$11.6 million from FY 2023.

Revenue highlights:

Business-type activities revenues of \$66.2 million increased \$7.2 million from the prior year.

The following chart reflects the business-type activities distribution of revenues by source.



Revenues by Source - Business-type Activities

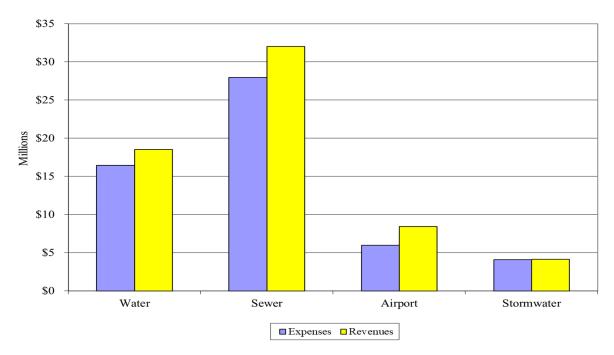
Expense highlights:

Business-type activities expenses of \$54.6 million increased \$2.4 million from the prior year.

Overall, business-type activities revenues of \$66.2 million were \$11.6 million more than expenses of \$54.6 million.

The proprietary funds provide the same type of information reported in the government-wide financial statements for business-type activities, but in more detail. Please refer to the MD&A section on Financial Analysis of the Fund Financial Statements-proprietary funds for detailed analysis of the business-type activities major funds.

The following graph compares the business-type activities program expenses and program revenues.



Program Expenses and Program Revenues - Business-type Activities

Component Unit – Schools

The Schools' component unit total net position of (\$61.4) million increased 8.9%, or \$6.0 million from FY 2023. Unrestricted net position of (\$68.7) million increased 7.9%, or \$5.9 million from FY 2023.

Revenue Highlights

Total revenues of \$149.7 million increased 5.2% or \$7.4 million in comparison with the prior year fund financial statements. For FY 2024, \$104.7 million or 70.0% of total revenues were received from the Commonwealth of Virginia and the Federal Government as compared to \$97.2 million received in FY 2023. State sales tax receipts were \$13.0 million for FY 2024. The City government contributed \$41.2 million or 27.5% to education. Federal revenues of \$32.5 million included \$4.4 million from Title I funds to provide educational services to economically disadvantaged students. School Nutrition revenues of \$6.7 million included \$5.6 million from the Federal Government for the operation of the breakfast and lunch programs. Other revenue sources of \$3.8 million or 2.5% of the total revenues included the following: school meals sales; facility and transportation rentals; and other miscellaneous sources.

Expenditure Highlights

Total expenditures of \$157.3 million increased by \$15.9 million from the prior year fund financial statements. For FY 2024, \$99.3 million or 63.1% of total expenditures related directly to providing instruction to an enrollment of 7,709 students and \$22.0 million or 14.0% supported maintenance and operations of school division facilities including the School Nutrition Program. Transportation costs for students were \$5.9 million or 3.7% of total expenditures while administration costs for the schools and attendance and health services for students were \$11.6 million or 7.4%. Technology costs were \$9.6 million or 6.1% of total expenditures. Capital outlay costs were \$5.8 million or 3.7% of total expenditures.

FUND FINANCIAL ANALYSIS

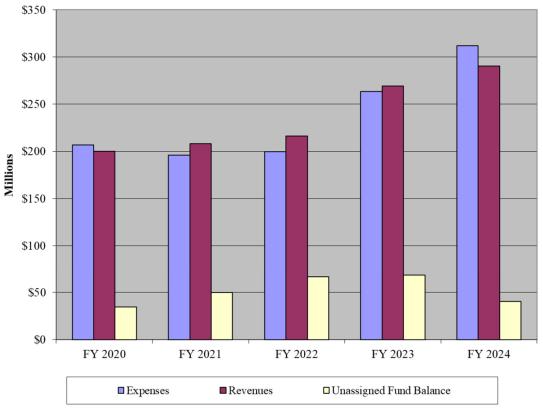
Governmental Funds

Governmental funds include the general fund, special revenue funds, and capital projects funds. The focus of the City's governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the City's financing requirements. In particular, the unassigned fund balance may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year.

- For FY 2024, the City's governmental funds reported combined fund balances of \$142.2 million, a decrease of \$35.5 million from FY 2023. Of that amount, \$10.0 million was restricted; \$70.7 million was committed; \$21.1 million was assigned; and \$40.4 million was unassigned. The general fund's decrease in fund balance was \$21.4 million. The City Capital Projects fund's decrease in fund balance was \$13.2 million. The decrease is due to the completion of several major projects. The School Capital Projects fund's decrease in fund balance was \$1.4 million, also due to the completion of several projects. Special revenue funds increase in fund balance was \$0.5 million.
- As a measure of the general fund's liquidity, it may be useful to compare both unassigned fund balance and total fund balance to total fund expenditures. Unassigned fund balance represents 16.2% of total general fund expenditures (including transfers out), while total fund balance represents 30.1% of that same amount.

General Fund

The general fund is the chief operating fund of the City. The following graph and table present a five-year summary of financial information for expenditures, revenues, and unassigned fund balance as well as a FY 2024 summarized comparison of amended budget versus actual information. In accordance with the implementation of GASB 54, the technology fund is utilized for internal reporting purposes only. For financial statement reporting, the technology fund is collapsed into the general fund. The five-year summary includes the technology fund while the budget comparison does not. See further information in Note 1 to the Financial Statements.





				Amended
	Original	Amended		versus
Description	Budget	Budget	Actual	Actual
Revenues & Other Financing Sources				
Taxes	\$ 159.0	\$ 159.0	\$ 162.1	\$ 3.1
Intergovernmental	41.0	42.3	41.8	(0.5)
Other	15.4	78.9	86.5	7.6
Total	215.4	280.2	290.4	10.2
Expenditures & Other Financing Uses				
Expenditures	223.8	229.1	220.6	8.5
Transfers and Debt	15.0	91.2	91.2	
Total	238.8	320.3	311.8	8.5
Change in Fund Balance	<u>\$ (23.4)</u>	\$ (40.1)	\$ (21.4)	\$ 18.7

General Fund Budgetary Highlights

Actual expenditures and other financing use of \$311.8 million was more than revenues and other financing sources of \$290.4 million by \$21.4 million, which resulted in a negative change in fund balance that was less than the amended budget projected decrease of \$40.1 million. The FY 2024 adopted budget included the use of \$23.4 million of the FY 2023 General Fund's unassigned fund balance primarily to resource a planned \$11.0 million transfer out for general government capital projects; \$0.4 million transfer to the technology fund for equipment purchases; \$3.4 million transfer out to Fleet fund for vehicle purchases and debt service; and \$0.2 million transfer to the City/Federal/State Aid fund for matching funds on grants. This transfer is in accordance with City Council's adopted Fund Balance Policy (reaffirmed in FY 2023) which states that funds in excess of the targeted fund balance of ten percent (10%) of general fund revenues may be considered to supplement "pay-as-you-go" capital outlay expenditures, with the goal of moving towards the target of fifteen percent (15%). In summary, actual revenues were above the amended budget by \$10.2 million and actual expenditures were below the amended budget by \$8.5 million, resulting in a \$18.7 million increase in fund balance for FY 2024.

Actual revenues were greater than estimated and within 3.6%, or \$10.2 million, of the amended budget. Personal property and business license taxes as well as charges for services interest earnings on investments were above the amended budget for FY 2024. Intergovernmental revenue was on pace with the amended budget.

Actual expenditures and transfers were \$8.5 million less than the amended budget with the following functions having unexpended appropriations:

- \$2.2 million for general government
- \$0.3 million for judicial
- \$0.5 million for public safety
- \$2.7 million for public works
- \$1.3 million for health and human services
- \$1.0 million for cultural and recreational
- \$0.3 million for community development
- \$0.5 million for debt service

Keeping consistent with Council adopted Financial Policies, City Council appropriated \$1.2 million for a General Fund Reserve for Contingencies. City Council authorized 98.2%, or \$1.18 million in expenditures from this contingency mainly for 3rd quarter adjustments.

From the original budget of \$238.8 million, City Council approved budget amendments to increase the budget 34.1%, or \$81.5 million, resulting in an amended budget of \$320.3 million. The budget amendments were primarily for the following purposes:

- \$6.8 million net increase for third quarter budget amendment requests. Each fiscal year, management reviews current year expenditures and revenue collection patterns and presents to City Council a third quarter budget amendment. The FY 2024 amendment was primarily for \$1.6 million for health and human services; \$0.6 million for public safety; \$1.8 million for education for school textbooks; and \$2.5 million for a transfer to fund a capital project.
- \$1.3 million increase to the budget for unexpended items requested to be re-appropriated in the current year to continue programs (first quarter carryforward).
- Transfers out mainly to fund the following: \$2.4 million for a new ladder truck; \$3.0 million for the Riverfront Park project; \$3.5 million for the White Rock school renovation to a neighborhood center; \$0.7 million for replacement of the turf at the Stadium; \$0.5 million for a plan to construct Heritage park; and \$0.2 million for parking improvements at the Awareness Garden.
- Increases for debt due to refunding which are offset by the increase in revenue for refunding bonds. For more information see Note 9 of this report.

<u>City Capital Projects Fund</u>

The City capital projects fund accounts for the major construction projects of the City other than those financed by proprietary funds or the school capital projects fund. Annually, the City adopts a five-year capital project plan. Year one of the plan is appropriated for current year expenditures. The fund balance of \$60.2 million decreased 18.0%, or \$13.2 million from FY 2023.

Revenues, issuance of bonds, and transfers of \$39.9 million decreased 51.0%, or \$41.5 million primarily due to the following:

- \$2.5 million increase in State and Federal funding
- \$0.3 million increase in interest earnings
- \$29.3 million decrease in bond proceeds
- \$14.9 million decrease in transfers from the general fund
- \$0.1 million decrease in miscellaneous revenue

Expenditures and capital outlay of \$53.1 million increased 80.6%, or \$23.7 million primarily due to the following:

- \$14.8 million increase in Police Department Headquarters construction
- \$5.9 million increase in College Lake Dam removal
- \$3.9 million increase in Rivermont Avenue bridge repairs
- \$1.8 million increase in 12th Street Embankment repairs
- \$0.9 million increase in Riverfront Park improvements
- \$0.8 million increase in Athletic Field maintenance
- \$2.0 million decrease in Lakeside Drive Bridge Over Blackwater Creek construction
- \$1.3 million decrease in Downtown Streetscape, Phase II improvements
- \$1.1 million decrease in Lynchburg City Baseball Stadium remodel and upgrades

School Capital Projects Fund

The School capital projects fund accounts for the major construction projects of the Lynchburg City Schools. Annually, the City adopts a five-year capital project plan. Year one of the plan is appropriated for current year expenditures. The fund balance of \$4.6 million decreased 24.4%, or \$1.5 million, from FY 2023.

Revenues, issuance of bonds, and transfers of \$5.1 million increased 9.2%, or \$0.4 million. The increase is primarily attributable to the following:

- \$1.3 million increase in proceeds from CARES, School Construction Assistance Program (SCAP) and School Safety and Security grant (SAFE) funding
- \$0.8 million decrease in transfers from the general fund
- \$0.2 million decrease in line of credit funding

Expenditures and capital outlay of \$6.6 million increased 76.8%, or \$2.9 million primarily due to the following:

- \$0.5 million increase in Existing school security vestibule glass improvements
- \$0.3 million increase in Dunbar Middle School window replacements
- \$2.4 million increase in Dunbar Middle School heating
- \$0.5 million increase in Linkhorne Elementary air handlers
- \$0.5 million increase in Paul Munro HVAC system
- \$0.3 million increase in LCS bus lot electrical upgrades
- \$0.8 million increase in EC Glass chiller
- \$0.1 million increase in Hutcherson Elementary School roof replacement
- \$0.2 million increase in EC Glass tennis court repair
- \$0.3 million increase in Security vestibules
- \$0.5 decrease in LCS network expansion
- \$0.5 decrease in Bass Elementary School chiller replacement
- \$0.5 decrease in TC Miller School chiller replacement
- \$0.5 decrease in Linkhorne Elementary School air handlers
- \$0.3 decrease in Paul Munro Elementary School HVAC
- \$0.2 decrease in Sandusky Middle School chiller rebuild

Proprietary Funds

The proprietary funds are comprised of water, sewer, stormwater, airport, and fleet services. The City accounts for the water, sewer, stormwater, and airport as enterprise funds and fleet services as an internal service fund. In the budgetary management of the enterprise funds, the City has chosen to budget for principal retirement on long-term debt rather than depreciation. Further, the City uses two key financial indicators, fund balance and debt coverage ratios, found in financial policies adopted by City Council to ensure the enterprise funds' financial stability. At the fund level, fund balance is defined as total cash and cash equivalents less unexpended bond proceeds and resources dedicated to capital projects. The fund balance ratio compares fund balance to operating expenses and debt service less depreciation. The debt coverage ratio compares operating income adjusted for depreciation, interest income and miscellaneous income compared to total debt service.

Water Fund

The water fund's total net position of \$41.1 million increased 7.0%, or \$2.7 million, from FY 2023. Net investment in capital assets of \$39.3 million increased 8.0%, or \$2.9 million, primarily due to capital projects funded with net revenues from operations and donations of infrastructure assets from developers. Net investment in capital assets was 95.6% of total net position. Unrestricted net position available to fund future expenditures decreased by 10.0% or \$0.2 million. Operating revenues totaled \$17.6 million, and increased 5.4%, or \$0.9 million. This was largely due to a water rate increase effective July 1, 2023. Operating expenses totaled \$15.5 million, and increased 7.6% compared to FY 2023. This was mostly associated with increases to personal services and benefits and operation and maintenance expenses. Investment earnings increased \$0.1 million. For FY 2024, the fund balance ratio was 34% as compared to City Council's financial policy target range of 25% to 40%. The debt coverage ratio was 1.63 as compared to City Council's financial policy target refer to Table 23 in the Statistical Section of this report for details.

Sewer Fund

The sewer fund's total net position of \$207.4 million increased 2.6%, or \$5.2 million, from FY 2023. Net investment in capital assets of \$187.6 million increased 3.6%, or \$6.6 million, primarily due to decreased revenue and general obligation bonds that funded capital projects. Net investment in capital assets was 90.5% of total net position. Unrestricted net position available to fund future expenditures decreased by 6.1%, or \$1.3 million. This was mostly related to capital expenditures waiting reimbursement from a federal grant. Unrestricted net position was 9.6%, or \$19.9 million of total net position. Operating revenues totaled \$31.1 million and increased 9.9% or \$2.8 million from FY 2023. This was mostly attributable to a sewer rate increase effective July 1, 2023. Operating expenses totaled \$27.2 million and increased 5.4% or \$1.4 million. This was largely due to increases to personal services and benefits, operation and maintenance expenses and administration expenses. Investment earnings increased \$0.6 million. For FY 2024, the fund balance ratio was 43% as compared to City Council's financial policy target range of 25% to 40%. The debt coverage ratio was 1.79 as compared to City Council's financial policy minimum target of 1.20 and was compliant with the Consent Special Order for Combined Sewer Overflows (CSO) Long Term Control Plan requirements. Please refer to Table 24 in the Statistical Section of this report for details.

Stormwater Fund

The stormwater fund's total net position of \$8.5 million increased 1.2%, or \$0.1 million from FY 2023. Net investment in capital assets of \$6.3 million decreased 7.4%, or \$0.5 million primarily due to decrease of unspent cash designated to fund capital projects. Net investment in capital assets was 74.1% of total net position. Unrestricted net position available to fund future expenditures increased by 37.5%, or \$0.6 million. This was mostly attributable to increased interest revenues and savings on overall budgeted expenses. Unrestricted net position was 25.9%, or \$2.2 million, of total net position. Operating revenues totaled \$4.1 million and increased 5.1% or \$0.2 million. This was primarily due to a fee increase effective July 1, 2023. Operating expenses totaled \$3.9 million and increased 5.4%, or \$0.2 million largely due to increased personal services and benefits and operation and maintenance expenses. Investment earnings increased \$0.1 million. For FY 2024, the fund balance ratio was 37% as compared to City Council's financial policy target range of 15% to 20%. The debt coverage ratio was 2.44 as compared to City Council's financial policy minimum target of 1.20. Please refer to Table 25 in the Statistical Section of this report for details.

Airport Fund

The Airport Fund's total net position of \$56.9 million increased 6.2%, or \$3.3 million, from FY 2023. Net investment in capital assets of \$44.5 million increased \$5.2 million, or 13.1% from the prior year. Net investment in capital assets was 78.2% of total net position. Net position, unrestricted, decreased 13.1%, or \$1.9 million from FY 2023. Unrestricted net position was 21.8%, or \$12.4 million, of net position. Operating revenues were \$4.9 million, a decrease of \$0.6 million or 11.3%. Operating expenses totaled \$6.0 million, an increase of 9.6% or \$0.5 million from FY 2023. Capital contributions totaled \$3.2 million, an increase of 53.4%, or \$1.1 million, and reflects an increase in state and federal contributions received for Airport capital projects.

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets

The City's capital assets, net of depreciation, were \$928.3 million as reflected in the following schedule. The City of Lynchburg owns the land, buildings, and facilities used by Lynchburg City Schools. The Schools had \$9.6 million in capital assets exclusive of buildings and facilities, which were capitalized as the City's assets.

As of June 30, 2024/2023 (in millions)									
	Governmental Activities		Business-type Activities		Total Primary Government		Percentage Change	Component Unit Schools	
	2024	2023	2024	2023	2024	2023	2024-2023	2024	2023
Capital assets, not being depreciated	1:								
Land	\$ 25.9	\$ 25.9	\$ 5.2	\$ 5.2	\$ 31.1	\$ 31.1	0%	\$ -	\$-
Historical Treasures	0.1	-	-	-	0.1	-	0%	-	-
Construction in progress	73.0	34.1	35.2	27.0	108.2	61.1	77%	-	-
Capital assets, being depreciated:									
Land improvements	70.4	68.9	18.6	14.9	89.0	83.8	6%	-	-
Buildings and improvements	330.0	325.8	101.4	100.9	431.4	426.7	1%	-	-
Infrastructure	375.0	365.9	568.8	547.0	943.8	912.9	3%	-	-
Machinery and equipment	72.8	69.2	35.8	35.0	108.6	104.2	4%	22.1	21.3
Leases and Subscription Assets	2.9	2.8	0.1	-	3.0	2.8	7%	6.4	-
Less: Accumulated depreciation									
and amortization	(483.2)	(460.9)	(303.7)	(287.0)	(786.9)	(747.9)	5%	(18.9)	(15.0)
Total Capital Assets	\$ 466.9	\$ 431.7	\$ 461.4	\$ 443.0	\$ 928.3	\$ 874.7	6%	\$ 9.6	\$ 6.3

Capital Assets - 20 - 2024/2022

During FY 2024 the City's net increase in capital assets was 6.1% or \$53.5 million. Major capital assets completed and placed in service included the following:

- Airport South GA Ramp Extension was completed and capitalized for \$2.2 million.
- Downtown Area Business Improvements Phase I for \$3.4 million.
- Blue Ridge Farms Phase IV for \$5.7 million.
- College Hill Lower Lot Improvements for \$3.5 million.

Construction-in-progress at the end of FY 2024 includes Airport Terminal Bathrooms Upgrade; Airport Runway 4 Hold Apron; Police Department Headquarters; Public Library Reimagination; Downtown Streetscape Improvements Main St. East; Riverfront Park Restrooms; Rivermont Avenue Bridge Repair; John Lynch Bridge Repair; 12th St. Bank Repairs; College Lake Dam Removal; Route 501/221 One Way Pair; Downtown Area Business Improvements Phase IV; Filmore Water Line Replacement; Daniel Hill Utility; CSO 52; CSO 70; Richland Hill Sewer Extension Phase I; WWTP Sludge Holding Tank Improvements; College Hill Stormwater Improvements; various other transportation and building projects; various sewer system evaluation and system upgrades; sewer system collection improvements; various waterline projects; and Sewer CSO upgrades. Additional information on the City's capital assets can be found in Note 8 of this report.

Long-term Debt

Total outstanding debt was \$368.6 million with \$185.3 million of business-type activities debt supported by the individual funds, resulting in net bonded debt for governmental activities of \$183.3 million. Liabilities of \$10.2 million for compensated absences and workers compensation were excluded.

Long_term Deht Obligations

		0	f June 30, 2024/ (in millions)				
	Governi Activ		Busines Activ	21	Total P Govern	2	Percentage Change
	2024	2023	2024	2023	2024	2023	2024-2023
General obligation bonds General obligation-Direct	\$ 175.5	\$ 184.2	\$ 83.4	\$ 88.0	\$ 258.9	\$ 272.2	-5%
borrowing	3.3	4.1	-	-	3.3	4.1	-20%
Revenue bonds	-	-	90.3	96.1	90.3	96.1	-6%
Bond anticipation notes	0.5	-	11.5	-	12.0	-	100%
Lease obligations	2.7	2.6	0.1	-	2.8	2.6	8%
Other long-term payables	1.3	1.8	-	-	1.3	1.8	-28%
Total	\$ 183.3	\$ 192.7	\$ 185.3	\$ 184.1	\$ 368.6	\$ 376.8	-2%

Total new debt of \$89.9 million was issued, of which \$66.2 million was for governmental activities, and \$23.7 million was for business-type activities and includes:

- \$69.3 million of general obligation public improvement refunding bonds, of which \$58.0 million was for governmental activities and \$11.3 million was for business-type activities.
- \$12.0 million of bond anticipation notes, of which \$0.5 million was for governmental activities and \$11.5 million was for business-type activities.
- \$7.5 million of general obligation bonds issued through a financing agreement with the Virginia Resources Authority, all of which was for governmental activities.
- \$0.8 million of revenue bonds issued through a financing agreement with the Virginia Resources Authority, all of which was for business-type activities.
- \$0.3 million of lease obligations, of which \$0.2 million was for governmental activities and \$0.1 million was for business-type activities

The City retired \$98.1 million of outstanding principal. The governmental activities principal retirements were \$75.6 million and the business-type activities principal retirements were \$22.5 million and include:

- \$75.8 million of refunded principal payments, of which \$63.4 million was for governmental activities and \$12.4 million was for business-type activities.
- \$22.2 million in planned principal retirements, of which \$12.1 million was for governmental activities and \$10.1 million was for business-type activities.
- \$0.1 million in lease payments, all of which was for governmental activities.

The City's general obligation bonds continued to maintain an Aa2 rating from Moody's Investors Service, an AA+ rating from Fitch Ratings, and an AA+ from Standard & Poor's Global Ratings. These credit ratings were last affirmed in April 2024 for the City's issuance of \$69.3 million General Obligation Public Improvement Refunding Bonds, Series 2024 on May 7, 2024. The agencies noted the City's stable and mature economic base, strong financial management, strong reserves and liquidity, healthy revenue growth, and manageable liabilities and fixed cost when reaffirming the ratings.

On July 18, 2023 the City issued a three-year General Obligation Bond Anticipation Note and concurrently entered into a line of credit Financing Agreement with JPMorgan Chase Bank, N.A. The Agreement provided for borrowings of up to \$68.5 million to provide interim financing for qualifying city, school, water, sewer, stormwater, airport and fleet capital improvements. Interest on the unpaid principal is equal to the sum of (i) 80% times adjusted term secured overnight financing rate (SOFR), plus (ii) 0.55%, as calculated by the Lender. Interest shall be computed on the basis of the actual number of days elapsed in a 360-day year. Interest is paid monthly. All outstanding amounts are due on June 15, 2026. The unused line of credit as of June 30 is \$56.5 million.

On January 30, 2024 the City issued \$7.5 million of General Obligation Public Improvement Bonds, Series 2024 through a financing agreement with the Virginia Resources Authority. The proceeds will be used to fund the College Lake Dam Removal project. The bonds were issued with a 0.50% per annum interest rate. An interest only payment shall be due and payable on December 1, 2025, with semi-annual principal and interest payments commencing June 1, 2026 and continuing semiannually thereafter on June 1 and December 1 in each year, with the final installment being due on June 1, 2045. As of June 30, the City has drawn \$350,879 on the loan. The remaining available proceeds of \$7,149,121 are expected to be drawn in FY 2025.

On April 23, 2024, the City had a successful general obligation refunding bond sale. The City received five electronic bids and awarded the \$69.3 million General Obligation Public Improvement Refunding Bonds, Series 2024 bonds to UBS, at a final All-In-True Interest Cost of 3.54%. The refunding achieved debt service savings of \$4.5 million over twenty years and represents a present value savings of 4.30%. The bonds closed on May 7, 2024. The Series 2014 general obligation bonds were refunded with the proceeds from the Series 2024 bonds and were called on August 2, 2024.

On June 7, 2024 the City issued \$775,000 of Public Utility Revenue Bonds, Series 2024 through a financing agreement with the Virginia Resources Authority. The proceeds will be used to finance a portion of the costs associated with a water line inventory project. The bonds were priced with a 1.00% per annum interest rate. An interest only payment shall be due and payable on April 1, 2025; with principal and interest payments commencing on October 1, 2025 and continuing semiannually thereafter on April 1 and October 1 in each year, with the final installment being due on October 1, 2044. As of June 30, the City has drawn \$409,231 on the loan. The remaining available proceeds of \$365,769 are expected to be drawn in FY 2025.

The Constitution of Virginia limits the amount of general obligation debt a governmental entity may issue to 10% of the total assessed value of real property. As of June 30, 2024, the City's assessed value of real property was \$7.8 billion. The City's debt is less than the current debt limitation of \$781.7 million.

The City's debt management policy states that tax-supported debt should not exceed 4.5% of net assessed valuation of taxable property in the City of Lynchburg. For the purposes of calculating this ratio, assessed value includes real property and personal property. As of June 30, 2024, debt to assessed value was 2.22%. The debt policy also states that the 10-year principal payout ratio shall not be less than 60% at the end of each adopted five-year Capital Improvement Program for tax-supported general obligation indebtedness. As of June 30, 2024, the 10-year principal payout ratio was 67.59%.

Detailed information on the City's long-term debt is included in Note 9 of this report.

ECONOMIC FACTORS

The City's unemployment rate increased slightly from 3.6% in June 2023 to 3.7% in June 2024 reflecting higher inflation after the pandemic. The City's unemployment rate typically trends above the State rate, which was 2.7% in June 2024. For the current and previous six years, the City's unemployment rate has trended below the National rate, which was 4.1% for the same period. The Lynchburg economy typically lags the nation in both recession and recovery.

Although still an important sector, manufacturing no longer dominates the Lynchburg economy as it did in the past. American Electric Power (AEP), the region's electric utility provider, remains the City's largest property taxpayer with an 3.1% increase in taxable assessed value over FY 2023. The principal property taxpayers, as a whole, realized a significant increase of 19.9% in taxable assessed value when compared to FY 2023. The City remains the retail hub for the region. Other important sectors of the Lynchburg economy include wireless technology, engineering, finance, restaurants, and tourism.

REQUESTS FOR INFORMATION

This report is designed to provide a general overview of the City's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Chief Financial Officer, City of Lynchburg, 900 Church Street, Lynchburg, VA, 24504, or via telephone at 434-455-3968. This report, the FY 2024 Operating and Capital Budgets, and FY 2024-2028 Capital Improvement Program are on the City's website at www.lynchburgva.gov.

THIS PAGE INTENTIONALLY BLANK

BASIC FINANCIAL STATEMENTS

Statement of Net Position June 30, 2024

	_	Business-	Total	Compo	Total	
	Governmental Activities	Type Activities	Primary Government	Lynchburg City Schools	Other	Reporting Unit
Assets					-	
Cash and cash equivalents	\$ 76,435,786	\$ 36,275,65	6 \$ 112,711,442	\$ 3,644,714	\$ 2,340,525	\$ 118,696,681
Investments	85,226,667	15,399,33	7 100,626,004	-	-	100,626,004
Receivables, net of allowance	26,448,775	7,084,62	4 33,533,399	183,133	342,618	34,059,150
Lease receivable	1,099,369	72,60	0 1,171,969	-	-	1,171,969
Internal balances	2,775,880	(2,775,88		-	-	-
Due from other governments	14,999,249	2,014,45		7,559,333	777,737	25,350,777
Due from primary government	,	_,,		8,360,355		8,360,355
Due from component units	1.190.299		- 1,190,299		-	1,190,299
Inventory	69,642	855,32	,,.	142,808	284,168	1,351,944
Prepaids and other assets	663,558	000,02	- 663,558	345,963	64,277	1,073,798
Restricted assets:	005,550			545,705	04,277	1,075,790
Cash and cash equivalents	6,096,367	2,351,95	4 8,448,321			8,448,321
Due from other governments	0,090,507	3,595,54		-	-	3,595,546
	-	3,393,34	0 5,595,540	-	-	5,595,540
Capital assets:	00.055.50	10 156 10			0 504 000	142.056.054
Nondepreciable	99,075,726	40,456,42		-	2,724,202	142,256,354
Depreciable, net	367,819,253	420,950,48	4 788,769,737	9,559,023	31,147,583	829,476,343
Net pension asset				836,877	-	836,877
Total assets	681,900,571	526,280,53	1 1,208,181,102	30,632,206	37,681,110	1,276,494,418
Deferred Outflows of Resources						
Deferred charge on refunding	2,518,798	1,262,90		-	-	3,781,701
Pension related	17,635,501	2,547,03		19,549,592	-	39,732,127
Other postemployment benefits related	8,475,515	691,66	9 9,167,184	2,515,340	168,624	11,851,148
Total deferred outflows of resources	28,629,814	4,501,60	6 33,131,420	22,064,932	168,624	55,364,976
Liabilities						
Accounts payable and other liabilities	15,173,798	4,167,35	4 19,341,152	1,039,434	801,017	21,181,603
Accrued payroll and related liabilities	6,231,329	460,50		7,395,742		14,087,574
Accrued interest payable	2,113,950	1,152,65		-	_	3,266,603
Due to other governments	1,718,843	7,26			759,708	2,485,811
Due to primary government	1,710,045	7,20	1,720,105	124,015	1,066,284	1,190,299
Due to component units	8,360,355		- 8,360,355	124,015	1,000,284	8,360,355
				- 	-	
Unearned revenue/prepaid rent	371,160		- 371,160	6,091,174	-	6,462,334
Net other postemployment benefit liabilities, current				98,566	25,625	124,191
Deposits payable from restricted assets	316,507	1,244,81	5 1,561,322	-	-	1,561,322
Long-term liabilities:						
Due within one year	12,987,922	10,287,67	2 23,275,594	3,862,632	1,120	27,139,346
Due in more than one year:						
Net pension liability	77,148,672	11,142,32		60,871,923	-	149,162,918
Net other postemployment benefit liabilities	40,745,180	4,789,07	3 45,534,253	19,778,845	230,626	65,543,724
Other long-term liabilities	195,600,794	181,664,75	7 377,265,551	652,665	164,167	378,082,383
Total liabilities	360,768,510	214,916,41	0 575,684,920	99,914,996	3,048,547	678,648,463
Deferred Inflows of Resources						
Property taxes	13,492,180		- 13,492,180	-	_	13,492,180
Grants	1,680,703		- 1,680,703			1,680,703
Lease related	1,066,982	70,52		-	-	
Pension related	7,912,962	1,142,84		0.045.004	-	1,137,504
		, ,-		8,845,684	-	17,901,489
Other postemployment benefits related	24,905,278	3,333,23		5,379,628	67,954	33,686,096
Total deferred inflows of resources	49,058,105	4,546,60	1 53,604,706	14,225,312	67,954	67,897,972
Net Position						
Net investment in capital assets Restricted for:	273,368,917	277,718,92	9 551,087,846	6,499,502	34,169,583	591,756,931
Capital projects	7,675,395		- 7,675,395	-	-	7,675,395
Grants	2,345,539		- 2,345,539	-	-	2,345,539
Net pension asset	2,0,000			836,877	_	836,877
Passenger facility charges		33,01	4 33,014	050,077		33,014
Transit	-	55,01	- 55,014	-	81,464	81,464
Unrestricted	17,313,919	22 567 10	3 50,881,102	(68,779,549)	482,186	
Total net position		33,567,18				(17,416,261) \$ 585,312,959
LOTAL DEF DOSITION	\$ 300,703,770	\$ 311,319,12	6 \$ 612.022.896	\$ (61,443,170)	\$ 34,733,233	3 282.112.939

Statement of Activities For the Year Ended June 30, 2024

				Program Revenue						nse) Revenue an	d Changes in Net A		
				Operating		Capital		Primary Governm	ent			ent Units	Total
		Charges		Grants and		ants and	Governmental	Business-type			Lynchburg City		Reporting
	Expenses	Servic	es	Contributions	Con	tributions	Activities	Activities		Total	Schools	Other	Unit
Functions/Programs	_												
Primary government:													
Governmental activities:	● 15 (22 02)	¢ 07	0.507	¢ 550.470	¢		¢ (14.104.071)	¢	¢	(14 104 071)	¢	ф ф	(14 104 071)
General government	\$ 15,623,936		0,587	\$ 558,478	\$	-	\$ (14,194,871)	\$ -	\$	(14,194,871)	\$ -	\$ - \$	(14,194,871)
Judicial	8,309,017	· · · ·	3,273	4,970,642		-	(1,935,102)	-		(1,935,102)	-	-	(1,935,102)
Public safety	68,687,070		4,368	7,789,054		-	(52,333,648)	-		(52,333,648)	-	-	(52,333,648)
Public works	31,886,711	· · · ·	5,528	15,818,445		4,189,649	(10,813,089)	-		(10,813,089)	-	-	(10,813,089)
Health and human services	36,925,707		7,759	26,394,029		-	(6,163,919)	-		(6,163,919)	-	-	(6,163,919)
Cultural and recreational	14,808,839	· · · ·	5,368	361,632		-	(13,441,839)	-		(13,441,839)	-	-	(13,441,839)
Community development	7,474,318	1,73	4,572	851,360		25	(4,888,361)	-		(4,888,361)	-	-	(4,888,361)
Education	47,942,770		-	-		4,287,544	(43,655,226)	-		(43,655,226)	-	-	(43,655,226)
Interest payments and other fiscal charges	94,580		-	-		-	(94,580)	-		(94,580)	-	-	(94,580)
Issuance costs	570,853		-	-		-	(570,853)	-		(570,853)	-		(570,853)
Total governmental activities	232,323,801	19,01	1,455	56,743,640		8,477,218	(148,091,488)			(148,091,488)			(148,091,488)
Business-type activities:													
Stormwater	4,114,184	3,86	7,235	275,000		-	-	28,051		28,051	-	-	28,051
Airport	6,004,562	3,24	7,790	1,667,143		3,537,378	-	2,447,749		2,447,749	-	-	2,447,749
Water	16,477,619	17.58	6,124	-		968,270	-	2,076,775		2,076,775	-	-	2,076,775
Sewer	27,951,606	31,13	· ·	-		884,974	-	4,067,081		4,067,081	-	-	4,067,081
Total business-type activities	54,547,971	· · · · · · · · · · · · · · · · · · ·	4,862	1,942,143		5,390,622		8,619,656	_	8,619,656	-		8,619,656
Total primary government	\$ 286,871,772		6,317	\$ 58,685,783	\$	13,867,840	(148,091,488)	8,619,656	_	(139,471,832)	-		(139,471,832)
Component units:													
Lynchburg City Schools	\$ 143,831,578	\$ 2.29	4,951	\$ 104,829,371	\$	_	_	_		-	(36,707,256)	-	(36,707,256)
Greater Lynchburg Transit Company	10,804,763	• , •	0,847	7,872,489	Ψ	1,702,337					(50,707,250)	(519,090)	(519,090)
Business Development Centre	246,866		9,624	7,072,407		1,702,557	-	-		_	-	62,758	62,758
Total component units	\$ 154,883,207		5,422	\$ 112,701,860	\$	1,702,337					(36,707,256)	(456,332)	(37,163,588)
i otai component units	\$ 134,885,207	\$ 3,31	3,422	\$ 112,701,800	\$	1,702,557					(30,707,230)	(430,332)	(37,103,588)
	General revenues:						05 504 (20)			05 504 (20)			05 504 (20)
	Property taxes						95,704,628	-		95,704,628	-	-	95,704,628
	Local sales and us	se taxes					21,856,033	-		21,856,033	-	-	21,856,033
	Meals taxes						20,105,919	-		20,105,919	-	-	20,105,919
	Consumer utility t						4,287,295	-		4,287,295	-	-	4,287,295
	Business license ta						11,568,350	-		11,568,350	-	-	11,568,350
	Communications s	sales and use	axes				2,212,151	-		2,212,151	-	-	2,212,151
	Other taxes						6,896,111	-		6,896,111	-	-	6,896,111
	Unrestricted interg	governmental					6,474,228	-		6,474,228	-	-	6,474,228
	Interest						8,212,404	2,898,633		11,111,037	-	-	11,111,037
	Miscellaneous						613,007	102,650		715,657	1,471,893	349,181	2,536,731
	Gain on sale of as	sets					342,940	51,818		394,758	-	-	394,758
	City appropriation	1					-	-		-	41,195,985	-	41,195,985
	Total general reve		sfers				178,273,066	3,053,101		181,326,167	42,667,878	349,181	224,343,226
	Changes in net p						30,181,578	11,672,757		41,854,335	5,960,622	(107,151)	47,707,806
	Net position - begin						270,522,192	299,646,369		570,168,561	(67,403,792)	34,840,384	537,605,153
	Net position - endir	8						\$ 311,319,126	_	612,022,896	\$ (61,443,170)		

Balance Sheet Governmental Funds June 30, 2024

	 General Fund	0	City Capital Projects	Scl	hool Capital Projects	Go	Other overnmental	G	Total overnmental
Assets									
Cash and cash equivalents	\$ 52,193,098	\$	14,680,479	\$	2,649,136	\$	887,117	\$	70,409,830
Investments	33,649,407		40,642,286		2,901,219		-		77,192,912
Receivables, net of allowance:									
Taxes excluding penalties	16,860,888		-		-		-		16,860,888
Accounts	6,276,407		-		-		-		6,276,407
Other	1,852,084		42,215		-		1,389,142		3,283,441
Lease receivable	1,099,369		-		-		-		1,099,369
Due from other funds	1,773,361		4,225		333,000		557,744		2,668,330
Due from other governments	2,847,846		9,786,345		-		2,365,058		14,999,249
Due from component units	1,065,299		-		-		125,000		1,190,299
Other assets	-		-		-		213		213
Restricted assets:									
Cash and cash equivalents	 316,507		2,479,519		-		3,300,341		6,096,367
Total assets	\$ 117,934,266	\$	67,635,069	\$	5,883,355	\$	8,624,615	\$	200,077,305
Liabilities									
Accounts payable and other liabilities	\$ 4,879,676	\$	7,447,957	\$	1,314,858	\$	1,358,633	\$	15,001,124
Accrued payroll and related liabilities	6,416,106		2,035		-		166,230		6,584,371
Due to other funds	1,386,078		-		-		1,282,367		2,668,445
Due to other governments	1,351,103		-		-		367,740		1,718,843
Due to component units	8,360,355		-		-		-		8,360,355
Unearned revenue/prepaid rent	371,160		-		-		-		371,160
Deposits payable from restricted assets	 316,507		-		-		-		316,507
Total liabilities	 23,080,985		7,449,992		1,314,858		3,174,970		35,020,805
Deferred Inflows of Resources									
Unavailable revenue	18,818,428		-		-		2,978,488		21,796,916
Lease related	1,066,982		-		-		-		1,066,982
Total deferred inflows of resources	 19,885,410		-		-		2,978,488		22,863,898
Fund Balances									
Restricted	-		7,675,395		-		2,345,539		10,020,934
Committed	13,491,924		52,509,682		4,568,497		125,384		70,695,487
Assigned	21,113,223		-		-		234		21,113,457
Unassigned	 40,362,724		-		-		-		40,362,724
Total fund balances	 74,967,871		60,185,077		4,568,497		2,471,157		142,192,602
Total liabilities, deferred inflows of resources,									
and fund balances	\$ 117,934,266	\$	67,635,069	\$	5,883,355	\$	8,624,615	\$	200,077,305

Reconciliation of the Balance Sheet of Governmental Funds to the Statement of Net Position June 30, 2024

Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds. 449,4 Other long-term assets are not available to pay for current-period expenditures and, therefore, are deferred in the funds. 6,6 Deferred outflow of resources used to reflect deferred losses on debt refunding bonds are not reported in the governmental funds. 2,4 Internal service fund activity that has been allocated to the user departments. 2,6 Internal service fund is used by management to charge the costs of vehicle maintenance to individual funds. The assets and liabilities of the internal service 2,6	92,602
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds. 449,4 Other long-term assets are not available to pay for current-period expenditures and, therefore, are deferred in the funds. 6,6 Deferred outflow of resources used to reflect deferred losses on debt refunding bonds are not reported in the governmental funds. 2,4 Internal service fund activity that has been allocated to the user departments. 2,6 Internal service fund activity that has been allocated to the internal service fund is used by management to charge the costs of vehicle maintenance to individual funds. The assets and liabilities of the internal service fund is included in governmental activities in the Statement of Net Position. 25,3 Financial statement elements related to pensions are applicable to future periods and, therefore, are not reported in the funds. 25,3 Deferred outflows related to: Pensions 17,407,438	
therefore, are not reported in the funds. 449,4 Other long-term assets are not available to pay for current-period expenditures and, therefore, are deferred in the funds. 6,6 Deferred outflow of resources used to reflect deferred losses on debt refunding bonds are not reported in the governmental funds. 2,4 Internal service fund activity that has been allocated to the user departments. 2,6 Internal service fund is used by management to charge the costs of vehicle maintenance to individual funds. The assets and liabilities of the internal service fund is included in governmental activities in the Statement of Net Position. 25,3 Financial statement elements related to pensions are applicable to future periods and, therefore, are not reported in the funds. 25,3 Deferred outflows related to: Pensions 17,407,438	,002
therefore, are deferred in the funds.6,6Deferred outflow of resources used to reflect deferred losses on debt refunding bonds are not reported in the governmental funds.2,4Internal service fund activity that has been allocated to the user departments.2,6Internal service fund is used by management to charge the costs of vehicle maintenance to individual funds. The assets and liabilities of the internal service fund is included in governmental activities in the Statement of Net Position.25,3Financial statement elements related to pensions are applicable to future periods and, therefore, are not reported in the funds. Deferred outflows related to: Pensions17,407,438	53,488
are not reported in the governmental funds.2,4Internal service fund activity that has been allocated to the user departments.2,6Internal service fund is used by management to charge the costs of vehicle maintenance to individual funds. The assets and liabilities of the internal service fund is included in governmental activities in the Statement of Net Position.25,3Financial statement elements related to pensions are applicable to future periods and, therefore, are not reported in the funds. Deferred outflows related to: Pensions17,407,438	24,033
Internal service fund is used by management to charge the costs of vehicle maintenance to individual funds. The assets and liabilities of the internal service fund is included in governmental activities in the Statement of Net Position. 25,3 Financial statement elements related to pensions are applicable to future periods and, therefore, are not reported in the funds. Deferred outflows related to: Pensions 17,407,438	56,684
maintenance to individual funds. The assets and liabilities of the internal service 25,3 fund is included in governmental activities in the Statement of Net Position. 25,3 Financial statement elements related to pensions are applicable to future periods and, 25,3 beferred outflows related to: Pensions 17,407,438 17,407,438	88,461
therefore, are not reported in the funds. Deferred outflows related to: Pensions 17,407,438	50,540
Deferred inflows related to:(7,810,632)Pensions(24,651,751)Other postemployment benefits(24,651,751)	
Net pension liability (76,150,984)	
Net other postemployment liability (40,376,401) (123,1	60,900)
Long-term liabilities, including bonds payable, are not due and payable in the current period and therefore, are not reported in the funds. Long term liabilities at year end consist of:	
Bonds payable(189,780,601)Accrued interest payable(2,034,880)Lease obligations payable(2,666,384)Other long term payable(1,312,667)Compensated absences(6,259,388)Workers' compensation(2,847,218)	01,138)
Net position of governmental activities <u>\$ 300,7</u>	03,770

Statement of Revenues, Expenditures, and Changes in Fund Balances Governmental Funds For the Year Ended June 30, 2024

	General	City Capital Projects	School Capital Projects	Other Governmental	Total Governmental
Revenues					
Taxes	\$ 162,175,603	\$-	\$ -	\$ -	\$ 162,175,603
Regulatory licenses, permits and privilege fees	1,429,983	-	-	-	1,429,983
Intergovernmental	41,812,327	10,225,951	4,287,544	15,016,001	71,341,823
Fines and forfeitures	376,208	-	-	-	376,208
Revenue from use of money and property	7,336,019	847,914	170,080	20,298	8,374,311
Charges for services	12,949,673	-	-	6,174,043	19,123,716
Miscellaneous	631,740	196,284		552,154	1,380,178
Total revenues	226,711,553	11,270,149	4,457,624	21,762,496	264,201,822
Expenditures					
Current operating expenditures:					
General government	19,782,932	-	-	5,434	19,788,366
Judicial	6,595,336	-	-	1,678,862	8,274,198
Public safety	67,701,519	-	-	6,611,202	74,312,721
Public works	21,528,506	4,493,568	-	99,113	26,121,187
Health and human services	26,833,708	-	-	12,088,323	38,922,031
Cultural and recreational	12,241,117	1,333,996	-	-	13,575,113
Community development	6,392,162	244,832	-	1,112,704	7,749,698
Education	41,195,985	-	1,884,228	-	43,080,213
Capital outlay:					
Capital general government	185,502	47,037,194	4,674,491	-	51,897,187
Debt service:					
Principal retirements	12,234,921	-	-	8,808	12,243,729
Interest payments and other fiscal charges	5,791,659	-	-	2,773	5,794,432
Issuance costs	570,853	-	-	-	570,853
Total expenditures	221,054,200	53,109,590	6,558,719	21,607,219	302,329,728
Excess (deficiency) of revenues over expenditures	5,657,353	(41,839,441)	(2,101,095)	155,277	(38,127,906)
Other financing sources (uses)					
Issuance of bonds	153,950	7,504,225	294,705	-	7,952,880
Issuance of refunding bonds	57,787,236	-	-	-	57,787,236
Premium on refunding debt issuance	5,620,150	-	-	-	5,620,150
Lease financing	180,834	-	-	-	180,834
Payments to escrow agent	(62,991,738)	-	-	-	(62,991,738)
Transfers in	-	21,136,708	333,000	385,022	21,854,730
Transfers out	(27,786,879)	-	-	-	(27,786,879)
Total other financing sources (uses)	(27,036,447)	28,640,933	627,705	385,022	2,617,213
Net changes in fund balances	(21,379,094)	(13,198,508)	(1,473,390)	540,299	(35,510,693)
Fund balances - beginning	96,346,965	73,383,585	6,041,887	1,930,858	177,703,295
Fund balances - ending	\$ 74,967,871	\$ 60,185,077	\$ 4,568,497	\$ 2,471,157	\$ 142,192,602

Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balance to the Statement of Activities For the Year Ended June 30, 2024

Amounts reported for governmental activities in the Statement of Activities are different because:	
Net change in fund balances - total governmental funds	\$ (35,510,693)
Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the detail of the two components. Capital outlay Depreciation and amortization expense	56,419,613 (21,568,226)
The net effect of various transactions involving capital assets (donations and loss on disposition of assets) do not provide or use current financial resources and are not reported as revenues or expenditures in the governmental funds.	(134,437)
Revenues in the Statement of Activities that do not provide current financial resources are not reported as revenues in the funds.	978,856
Governmental funds report employer pension contributions as expenditures.However, in the statement of activities the cost of pension benefits earned net of employee contributions is reported as pension expense.Employer pension contributions13,444,021 (7,739,879)Pension expenses(7,739,879)	5,704,142
Governmental funds report employer other postemployment benefit contributions as expenditures. However, in the statement of activities the cost of these benefits earned net of employee contributions is reported as other postemployment benefit expense. Employer other postemployment benefit contribution344,456 7,772,113Other postemployment benefit expense7,772,113	8,116,569
The issuance of long-term debt (e.g. bonds, leases) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however has any effect on net position. Also, governmental funds report the effect of premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the Statement of Activities. This amount is the net effect of these differences in the treatment of long-term debt and related accounts.	9,815,113
Some expenses reported in the Statement of Activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds.	(479,718)
To eliminate transfers to the internal service fund	5,932,149
The net income of certain activities of the internal service fund is reported with governmental activities.	 908,210
Change in net position of governmental activities.	\$ 30,181,578

The Notes to the Financial Statements are an integral part of this statement.

Statement of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual General Fund For the Year Ended June 30, 2024

		Budgeted	Amo	unts			Variance with Final Budget Positive	
_		Original		Final	Actual		(Negative)
Revenues	¢	150 020 202	¢	150 020 202	¢	1(2) 175 (02)	¢	2 1 45 2 1 1
Taxes	\$	159,030,292	\$	159,030,292	\$	162,175,603	\$	3,145,311
Regulatory licenses, permits and privilege fees		1,088,000		1,088,000		1,429,983		341,983
Intergovernmental Fines and forfeitures		41,005,515		42,291,550		41,812,327		(479,223)
		277,500		277,500		376,208		98,708
Revenue from use of money and property		2,342,313		2,342,313		7,265,370		4,923,057
Charges for services		11,135,078		11,135,078		12,949,673		1,814,595
Miscellaneous Total revenues		497,344 215,376,042		497,344 216,662,077		<u>611,724</u> 226,620,888		<u>114,380</u> 9,958,811
		213,570,042		210,002,077		220,020,000		,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,
Expenditures								
Current operating expenditures:		20.20(.01)		01 407 410		10 001 0(1		2 2 2 4 4 5 2
General government		29,286,016		21,486,419		19,281,961		2,204,458
Judicial		6,436,081		6,892,320		6,595,336		296,984
Public safety		63,289,804		68,253,145		67,701,519		551,626
Public works		23,058,363		24,203,015		21,528,506		2,674,509
Health and human services		25,494,674		28,144,624		26,833,708		1,310,916
Cultural and recreational		12,178,371		13,161,206		12,241,117		920,089
Community development		6,231,076		6,670,142		6,392,162		277,980
Education		39,360,355		41,196,601		41,195,985		616
Capital outlay:								
Capital general government		-		4,668		185,502		(180,834)
Debt service:								
Principal retirements		10,999,205		12,113,739		12,234,921		(121,182)
Interest payments and other fiscal charges		7,473,456		6,358,922		5,791,659		567,263
Issuance costs		-		624,349		570,853		53,496
Total expenditures		223,807,401		229,109,150		220,553,229		8,555,921
Excess (deficiency) of revenues over expenditures		(8,431,359)		(12,447,073)		6,067,659		18,514,732
Other financing sources (uses)								
Issuance of bonds		-		153,950		153,950		-
Issuance of refunding bonds		-		57,787,236		57,787,236		-
Premium on refunding debt issuance		-		5,620,150		5,620,150		-
Lease financing		-		-		180,834		180,834
Payments to escrow agent		-		(62,991,739)		(62,991,738)		1
Transfers out		(15,042,804)		(28,244,519)		(28,253,413)		(8,894)
Total other financing sources (uses)		(15,042,804)		(27,674,922)		(27,502,981)		171,941
Net changes in fund balances		(23,474,163)		(40,121,995)		(21,435,322)		18,686,673
Fund balances - beginning		94,775,870		94,775,870		94,775,870		-
Fund balances - ending	\$	71,301,707	\$	54,653,875	\$	73,340,548	\$	18,686,673

Statement of Net Position Proprietary Funds June 30, 2024

	Enterprise Funds						
					Internal		
	Water	Sewer	Stormwater	Airport	Total	Service	
Assets Current assets:							
Cash and cash equivalents	\$ 6,132,995	\$ 13,992,633	\$ 2,409,576	\$ 13,740,452	\$ 36,275,656	\$ 6,025,9	
Investments	4,536,874	10,035,535	826,928	\$ 15,740,452	15,399,337	8,033,7	
Receivables, net of allowance:	2,008,050	4,405,838	530,677	140.059	7,084,624	28,0	
Lease receivable	2,008,050	4,405,858	550,077	72,600	72,600	28,0	
	7.601	-	-	72,000	,	97 5	
Due from other funds	7,601	-	-	-	7,601	87,5	
Due from other governments	-	-	-	251,772	251,772		
Inventory	820,774	-	-	34,552	855,326	69,6	
Prepaids and other assets	-	-	-	-	-	663,3	
Restricted assets:							
Due from members - Regional Sewage							
Treatment Plant Total current assets	13,506,294	294,312 28,728,318	3,767,181	14,239,435	294,312 60,241,228	14,908,2	
Total current assets	15,500,294	28,728,518	5,707,181	14,239,435	00,241,228	14,908,2	
Noncurrent assets:							
Due from other governments	365,769	1,396,917	-	-	1,762,686		
Restricted assets:							
Due from members - Regional Sewage							
Treatment Plant	-	3,301,234	-	-	3,301,234		
Cash and cash equivalents	1,235,275	-	-	1,116,679	2,351,954		
Capital assets:							
Nondepreciable	10,618,272	18,738,245	1,489,679	9,610,230	40,456,426		
Depreciable, net	84,383,552	289,161,196	11,861,547	35,544,189	420,950,484	17,441,4	
Total noncurrent assets	96,602,868	312,597,592	13,351,226	46,271,098	468,822,784	17,441,4	
Total assets	110,109,162	341,325,910	17,118,407	60,510,533	529,064,012	32,349,7	
eferred Outflows of Resources							
Deferred charge on refunding	575,173	677,036	-	10,694	1,262,903	62,	
Pension related	1,328,010	857,757	161,460	199,807	2,547,034	228,0	
Other postemployment benefits related	335,512	256,856	46,573	52,728	691,669	54,0	
Total deferred outflows of resources	2,238,695	1,791,649	208,033	263,229	4,501,606	344,2	
i abilities Current liabilities:							
Accounts payable and other liabilities	1,793,182	1,691,161	253,229	429,782	4,167,354	172,6	
			· · · · · ·	· · · ·		,	
Accrued payroll and related liabilities	287,781	172,556	32,198	45,166	537,701	37,2	
Accrued interest payable	618,883	413,249	94,669	25,852	1,152,653	79,0	
Due to other funds	5,603	73,575	15,842	-	95,020		
Due to other governments	116	-	7,144	-	7,260		
Current portion of lease obligations	9,757	734	275	4,583	15,349	1,1	
Current portion of general obligation bonds	1,886,393	1,570,526	95,000	106,565	3,658,484	383,8	
Current portion of direct borrowings	-	-	-	-	-	133,2	
Current portion of public utility revenue bonds	-	6,449,022	87,619	-	6,536,641		
Total current liabilities	4,601,715	10,370,823	585,976	611,948	16,170,462	807,2	
Noncurrent liabilities:							
Deposits payable from restricted assets	1,235,275			9,540	1,244,815		
Self insurance claims	65,688	13,777		3,004	82,469		
	· · · · · · · · · · · · · · · · · · ·	,	12 416	· · · ·	,	14.4	
Compensated absences	325,045	113,731	12,416	32,454	483,646	14,0	
Pension plan obligation	5,809,547	3,752,367	706,328	874,081	11,142,323	997,0	
Other postemployment benefits obligations	2,304,805	1,795,841	324,453	363,974	4,789,073	368,	
Lease obligations	37,496	2,712	1,017	9,495	50,720		
Notes payable	6,971,570	4,329,873	230,619	-	11,532,062		
General obligation bonds	46,929,115	31,755,235	5,471,379	1,555,186	85,710,915	4,265,	
Direct borrowings	-	-	-	-	-	532,	
Public utility revenue bonds	775,000	81,890,904	1,139,041		83,804,945		
Total noncurrent liabilities	64,453,541	123,654,440	7,885,253	2,847,734	198,840,968	6,180,4	
Total liabilities	69,055,256	134,025,263	8,471,229	3,459,682	215,011,430	6,987,0	
eferred Inflows of Resources							
Lease related				70,522	70,522		
Pension related	595.872	384,872	72,446	89,653		102,3	
	· · · · · · · · · · · · · · · · · · ·		· · · · · ·		1,142,843		
Other postemployment benefits related Total deferred inflows of resources	1,594,091 2,189,963	1,259,515 1,644,387	226,915 299,361	252,715 412,890	3,333,236 4,546,601	253,5	
2 our deletter inforts of resources	2,107,705	1,077,307	277,301	712,070			
et Position							
Net investment in capital assets	39,333,435	187,569,934	6,326,276	44,489,284	277,718,929	12,849,4	
Restricted for:							
Passenger facility charges	-	-	-	33,014	33,014		
Unrestricted	1,769,203	19,877,975	2,229,574	12,378,892	36,255,644	12,501,	
Total net position	\$ 41,102,638	\$ 207,447,909	\$ 8,555,850	\$ 56,901,190	314,007,587	\$ 25,350,	
conciliation with business-type activities in the Stat	ement of Net Position:						
Internal service fund activity is eliminated for the State with residual activity allocated to user departments	ement of Activities,				(2,688,461)		

Total net position of business-type activities

The Notes to the Financial Statements are an integral part of this statement.

\$ 311,319,126

Statement of Revenues, Expenses, and Changes in Fund Net Position Proprietary Funds For the Year Ended June 30, 2024

			_			
	Water	Sewer	Stormwater	Airport	Total	Internal Service
Operating revenues						
Charges for services and other operating revenues	\$ 17,586,124	\$ 31,133,713	\$ 3,867,235	\$ 3,247,790	\$ 55,834,862	\$ 8,102,939
Intergovernmental			275,000	1,667,143	1,942,143	
Total operating revenues	17,586,124	31,133,713	4,142,235	4,914,933	57,777,005	8,102,939
Operating expenses						
Personal services and benefits	5,968,160	4,605,872	835,558	1,141,699	12,551,289	1,075,148
Operation and maintenance	2,477,060	4,962,643	762,956	1,797,579	10,000,238	3,125,164
Supplies and materials	1,739,200	2,955,880	163,695	280,108	5,138,883	208,291
Administration	1,770,389	3,943,232	1,722,443	335,188	7,771,252	8,183
Other charges	145,501	192,206	24,326	54,701	416,734	56,718
Depreciation and amortization	3,435,275	10,565,850	442,271	2,349,848	16,793,244	3,134,868
Total operating expenses	15,535,585	27,225,683	3,951,249	5,959,123	52,671,640	7,608,372
Operating income (loss)	2,050,539	3,908,030	190,986	(1,044,190)	5,105,365	494,567
Nonoperating revenues (expenses)						
Interest income	551,004	1,326,274	182,282	839,073	2,898,633	489,117
Miscellaneous	21,214	61,223	552	19,661	102,650	20,306
Gain (loss) on disposition of assets	(10,909)	851	-	-	(10,058)	334,304
Interest expense	(907,473)	(913,379)	(232,487)	(44,466)	(2,097,805)	(146,734)
Total nonoperating revenues (expenses)	(346,164)	474,969	(49,653)	814,268	893,420	696,993
Income before contributions and transfers	1,704,375	4,382,999	141,333	(229,922)	5,998,785	1,191,560
Capital contributions	968,270	884,974	-	3,229,342	5,082,586	-
Passenger facility charges	-	-	-	308,036	308,036	-
Transfers in	-	15,626	-	-	15,626	5,932,149
Transfers out	(15,626)				(15,626)	
Change in net position	2,657,019	5,283,599	141,333	3,307,456	11,389,407	7,123,709
Total net position - beginning	38,445,619	202,164,310	8,414,517	53,593,734	302,618,180	18,226,831
Total net position - ending	\$ 41,102,638	\$ 207,447,909	\$ 8,555,850	\$ 56,901,190	\$ 314,007,587	\$ 25,350,540

Reconciliation with business-type activities in the Statement of Activities:	
Change in net position - enterprise funds reported in this statement	11,389,407
Internal service fund activity is eliminated for the Statement of Activities,	
with residual activity allocated to user departments	 283,350
Change in net position of business-type activities:	\$ 11,672,757

Statement of Cash Flows Proprietary Funds For the Year Ended June 30, 2024

			Enterprise Funds	Internal		
	Water	Sewer	Stormwater	Airport	Total	Service
Operating activities						
Cash received from operations	\$ 17,429,139	\$ 30,567,260	\$ 4,072,772	\$ 4,948,488	\$ 57,017,659	\$ 8,102,939
Cash paid to employees	(7,334,323)	(5,002,535)	(867,099)	(1,305,041)	(14,508,998)	(1,336,903)
Cash paid to suppliers	(6,206,562)	(12,046,930)	(2,658,101)	(2,461,426)	(23,373,019)	(3,470,848)
Net cash provided by operating						
activities	3,888,254	13,517,795	547,572	1,182,021	19,135,642	3,295,188
Noncapital financing activities						
Transfers in (out)	(15,626)	18,214			2,588	5,932,149
Net cash provided by (used in) noncapital						
financing activities	(15,626)	18,214		<u> </u>	2,588	5,932,149
Capital and related financing activities						
Proceeds from issuance of long-term debt:						
Bond anticipation notes	6,971,570	4,329,873	230,619	-	11,532,062	-
Proceeds from bond refunding	8,793,878	3,559,416	-	87,158	12,440,452	269,573
Bond refunding payment to escrow agent	(8,890,635)	(3,598,580)	-	(88,861)	(12,578,076)	(274,840)
Payment of long-term debt:	(1.000.047)	(1.521.440)	(55.000)	(105.2(2))	(2.504.050)	(107.050
General obligation debt	(1,900,347)	(1,531,449)	(55,000)	(107,263)	(3,594,059)	(407,356)
Direct borrowings	-	-	-	-	-	(133,400
Revenue bonds	-	(6,449,022)	(87,618)	-	(6,536,640)	-
Lease obligations	(6,735)	(422)	(158)	(4,477)	(11,792)	(1,139
Drawdowns of public utility revenue bonds -	100.001				400.001	
revolving loan funds	409,231	(1.055.000)	-	-	409,231	-
Payment of interest on long-term debt	(1,805,928)	(1,275,280)	(219,137)	(62,963)	(3,363,308)	(212,180
Capital contributions received	-	-	-	3,229,342	3,229,342	-
Passenger facility charges collected	-	-	-	308,036	308,036	-
Gain on asset disposition	(10,909)	64,490	-	-	53,581	401,654
Additions to capital assets	(11,384,759)	(14,504,762)	(2,343,451)	(7,155,613)	(35,388,585)	(3,697,913
Proceeds from other governments	362,903	580,253	5,632	19,661	968,449	9,348
Payments from other organizations	21,214	61,223	552		82,989	-
Net cash used in capital and	(7 440 517)	(19.7(4.2(0))	(2.4(9.5(1)	(2.774.090)	(22,449,219)	(4.04(252)
related financing activities	(7,440,517)	(18,764,260)	(2,468,561)	(3,774,980)	(32,448,318)	(4,046,253)
Investing activities Net proceeds (purchases) of investments	1,356,710	9,728,821	(459,791)		10,625,740	(8,033,755
Interest income received	551,004	1,326,274	182,282	839,073	2,898,633	489,117
x ,						
Net cash provided by (used in) investing activities	1,907,714	11,055,095	(277,509)	839,073	13,524,373	(7,544,638)
Net increase (decrease) in cash and						
cash equivalents	(1,660,175)	5,826,844	(2,198,498)	(1,753,886)	214,285	(2,363,554
Cash and cash equivalents	0.000.445	0.165.700	4 600 074	16 (11 017	20,412,225	0.000 510
Beginning	9,028,445	8,165,789	4,608,074	16,611,017	38,413,325	8,389,510
Ending	\$ 7,368,270	\$ 13,992,633	\$ 2,409,576	\$ 14,857,131	\$ 38,627,610	\$ 6,025,956
Reconciliation to Statement of Net Position	e (100.005	e 12.002.c22	¢ 0.400 554	¢ 12.740.452	P 26 275 656	¢ (005.055
Current Assets Restricted Assets	\$ 6,132,995 1,235,275	\$ 13,992,633	\$ 2,409,576	\$ 13,740,452 1,116,679	\$ 36,275,656 2,351,954	\$ 6,025,956
	\$ 7,368,270	\$ 13,992,633	\$ 2,409,576	\$ 14,857,131	\$ 38,627,610	\$ 6,025,956
(Continued)	,		. ,,	,,		

Statement of Cash Flows Proprietary Funds For the Year Ended June 30, 2024

		Enterprise Funds										
	Water			Sewer Stormwater			A		Total		Internal Service	
		water		Sewer	50	ormwater		Airport		Total		Service
Reconciliation of operating income (loss) to net												
cash provided by operating activities												
Operating income (loss) Adjustments to reconcile operating income (loss) to net cash provided by operating activities:	\$	2,050,539	\$	3,908,030	\$	190,986	\$	(1,044,190)	\$	5,105,365	\$	494,567
Depreciation and amortization		3,435,275		10,565,850		442,271		2,349,848		16,793,244		3,134,868
Other postemployment benefit expense net of employer												
contributions		(802,301)		(284,974)		(21,955)		(95,808)		(1,205,038)		(158,560)
Pension expense net of employer contributions		(686,143)		(185,360)		(20,284)		(66,628)		(958,415)		(67,663)
Changes in assets and liabilities:												
(Increase) decrease in accounts receivable		(183,221)		(566,453)		(69,463)		34,018		(785,119)		-
Decrease in lease receivable		-		-		-		13,641		13,641		-
(Increase) decrease in due from other funds		82,827		59,661		10,416		12,754		165,658		(9,039)
(Increase) decrease in inventory		(122,335)		-		-		39,671		(82,664)		(20,209)
Increase (decrease) in accounts payable		47,923		7,031		15,319		(48,105)		22,168		(52,283)
Increase (decrease) in accrued expenses		36,439		(53,400)		(14,826)		(13,660)		(45,447)		(26,493)
Increase in due to other funds		3,015		67,410		15,108		-		85,533		-
Increase in deposits payable		26,236		-		-		480		26,716		-
Net cash provided by operating activities	\$	3,888,254	\$	13,517,795	\$	547,572	\$	1,182,021	\$	19,135,642	\$	3,295,188
Supplemental cash flow information Non-cash transactions												
Capital asset additions financed by retainage payable	\$	317,384	\$	395,230	\$	51,841	\$	197,594	\$	962,049	\$	-
Capital asset additions financed by accounts payable Amortization of debt related items	\$ \$	1,126,532 1,092,507	\$ \$	856,653 449,617	\$ \$	151,831 6,457	\$ \$	121,815 21,422	\$ \$	2,256,831 1,570,003	\$ \$	- 58,087

EXHIBIT 11

CITY OF LYNCHBURG, VIRGINIA

Statement of Fiduciary Net Position Fiduciary Fund June 30, 2024

	Special Welfare
Assets	
Cash and cash equivalents	\$ 272,362
Total assets	272,362
Liabilities	
Accounts payable	672
Amounts held for others	22,627
Total liabilities	23,299
Net Position	
Restricted for individuals	249,063
Total net position	\$ 249,063

Statement of Changes in Fiduciary Net Position Fiduciary Fund For the Year Ended June 30, 2024

	Special Welfare
Additions	
Contributions for the benefit of individuals	\$ 35,299
Interest earnings	7,170
Total additions	42,469
Deductions	
Payments to benefit individuals	25,298
Total deductions	25,298
Increase in fiduciary net position	17,171
Net position - beginning	231,892
Net position - ending	\$ 249,063

The Notes to Financial Statements are an integral part of this statement.

Notes to Financial Statements as of June 30, 2024

Note 1. Summary of Significant Accounting Policies

A. Financial Reporting Entity

The City of Lynchburg, Virginia (the "City") was founded by John Lynch in 1757, chartered as a town in 1786 incorporated as a town on January 10, 1805, and received independent City status in 1852. The City operates on a Council-Manager form of Government and provides municipal services to its residents. As required by accounting principles generally accepted in the United States of America, the financial statements of the reporting entity include those of the City (the primary government) and its component units. The component units discussed below are included in the City's reporting entity because of the significance of their operational or financial relationships with the City.

<u>Discretely Presented Component Units</u>: The component units' columns in the combined financial statements include the data of the City's three component units. They are reported in separate columns to emphasize that they are legally separate from the City. The governing bodies of these component units are appointed by City Council.

<u>Lynchburg City Schools</u>: The Lynchburg City Schools (the "Schools") operates one pre-school, eleven elementary schools, three middle schools, and two high schools in the City. The Schools are fiscally dependent on the City and are prohibited from issuing bonded debt without approval of City Council. The City is legally obligated to provide financial support to the Schools by State Law of the Commonwealth of Virginia. Annually the State Superintendent provides the City with the amount of the Required Local Effort (RLE).

<u>Business Development Centre, Inc.</u>: The Business Development Centre, Inc. (the "Centre") provides business advisory services to small businesses in the Central Virginia area, operates a business incubator, and provides financing for qualifying businesses under certain federal programs. The City provides financial support to the Centre by leasing to the Centre, at a nominal amount, the facility which houses the Centre's operations. As part of the operating agreement with the Centre, the City agrees to advance operating funds to the Centre to cover working capital needs. The City has agreed to provide local matching funds under the revolving loan fund program.

<u>Greater Lynchburg Transit Company</u>: The Greater Lynchburg Transit Company ("GLTC") was created in 1974 to serve the greater Lynchburg area with public bus and paratransit transportation. GLTC is organized as a not-for-profit stock corporation with the City of Lynchburg as the sole stockholder. The capital for the purchase of the Company's assets has been provided by federal, state, and local grants, and GLTC is dependent on various operating grants to subsidize operations. The City provides financial support to GLTC through the assumption of the obligation to finance GLTC's deficits and through annual appropriations for the GLTC operating budget. In accordance with the Memorandum of Understanding signed in FY2013, when GLTC has an operating surplus, the City will establish a Special Reserve to support transit operations. The reserve will be used to cover unplanned cash shortfalls in the annual budget.

Complete financial statements of the individual component units can be obtained directly from their administrative offices at the addresses listed below. The Lynchburg City Schools financial statements are not separately prepared, but are included in this financial report.

Business Development Centre, Inc.	Greater Lynchburg Transit Company
147 Mill Ridge Road	Post Office Box 11286
Lynchburg, Virginia 2 4 5 0 2	Lynchburg, Virginia 24506

Jointly Governed Organizations: The following entities are excluded from the accompanying financial statements:

<u>Blue Ridge Regional Jail Authority</u>: The Blue Ridge Regional Jail Authority (the "Authority") was created by certain Member Jurisdictions for the purpose of developing and operating a regional jail system to be established by acquiring, renovating, and expanding certain existing jail facilities, and constructing additional jail facilities. The Member Jurisdictions are the City of Lynchburg and the Counties of Amherst, Appomattox, Bedford, Campbell, and Halifax. The Authority began operating the existing jail facilities in the Member Jurisdiction on July 1,1998.

Notes to Financial Statements as of June 30, 2024

Note 1. Summary of Significant Accounting Policies (Continued)

A. <u>Financial Reporting Entity</u> (Continued)

Blue Ridge Regional Jail Authority: (Continued)

The City sold its existing jail facilities to the Authority during FY1997. A newcentral jail facility was constructed in Lynchburg and opened in FY2000. It is owned and operated by the Authority. Each Member Jurisdiction pays a per diem charge for each day that one of its prisoners is at any Regional Jail Facility. In accordance with the Service Agreement, the Authority has divided the per diem charge into an operating component and a debt service component. The per diem charge is based on an agreed-upon number of prisoner days, and is subject to an adjustment at the end of each fiscal year. During FY2024, the City paid \$6,888,007 to the Authority.

<u>Horizon Behavioral Health (formerly Central Virginia Community Services Board)</u>: The City, in conjunction with the counties of Amherst, Appomattox, Bedford, and Campbell participates in Horizon Behavioral Health, the governing Board of which is composed of two members from each of the participating localities. The City appropriated \$649,880 for an operating contribution in FY2024.

<u>Central Virginia Planning District Commission</u>: The City serves as the grant recipient for the Federal Workforce Innovation and Opportunity Act's (WIOA) Adult, Dislocated Worker, and Youth Programs on behalf of the Central Virginia Planning District Commission/Central Virginia Workforce Development Board. According to the requirements, grant funds are used to provide employment and training activities for adults and dislocated workers and to provide services for eligible youth. During FY2024, the Central Virginia Planning District Commission received \$1,037,124 in grant funds.

<u>Region 2000 Services Authority</u>: During 2008, the City, in conjunction with the Counties of Campbell and Nelson and the City of Bedford, created the Region 2000 Services Authority (the "Authority"). Appomattox County joined soon thereafter. The City of Bedford withdrew in 2013. Each member jurisdiction pays a per-ton disposal charge based on the actual cost of operation (cost of service), which includes both an operating component and a debt service component. The governing Board is composed of one member from each of the participating localities. In accordance with the member use agreement, the City provided the Authority \$300,000 in initial startup costs. During FY2024, the City paid \$737,270 to the Authority.

Central Virginia Radio Communications Board: During 2012, the Old Central Virginia Regional Radio Communications Board was dissolved and replaced by the Region 2000 Radio Communications Board (the "Board"); name has since reverted back to Central Virginia Radio Communications Board. Since the current regional radio system needed significant upgrade and replacement before July 1, 2014, the Board was formed in order to manage the project operations and maintenance, including the issuance of debt to finance the upgrades and replacements in an efficient and cost-effective manner. The Board consists of representatives from Amherst County, Bedford County, the Town of Bedford, the City of Lynchburg, collectively the "Member Jurisdictions", and the Virginia's Region 200 Local Government Council, now named the Central Virginia Planning District Commission (CVPDC). The Member Jurisdictions and the CVPDC entered into a Cooperative Agreement which requires each Member Jurisdiction to contribute their pro rata share for annual capital costs, operational costs, and any annual deficit. The City's pro rata share is 33.1% effective through July 1, 2013. In accordance with the Cooperative Agreement, the City transferred the title to all 1996 assets to the CVPDC. The CVPDC issued debt of \$13,100,000 in May 2012 to finance the upgrade and replacement of the existing radio system. Each Member Jurisdiction contributes toward the debt service payments made by the CVPDC through their pro rata share of capital costs. The City's pro rata share of capital costs is 30.1%. Should the CVPDC fail to make debt service payments, the Member Jurisdictions have a moral non-binding obligation to pay the debt service. During FY2024, the City paid \$697,365 to the Board. The City's scheduled capital cost payment for FY25 is \$716,136.

Notes to Financial Statements as of June 30, 2024

Note 1. Summary of Significant Accounting Policies (Continued)

A. <u>Financial Reporting Entity</u> (Continued)

<u>Related Organizations</u>: The following entities are excluded from the accompanying financial statements:

<u>Lynchburg Redevelopment and Housing Authority</u>: Under the Code of Virginia ("Code"), the Commonwealth of Virginia ("Commonwealth") created in each city and county a redevelopment and housing authority which is a separate political subdivision of the Commonwealth. In April 1956, City Council activated the Lynchburg Redevelopment and Housing Authority (the "LRHA") which owns and operates federal and state-assisted housing projects for low-income families and administers urban development projects. Commissioners of the LRHA are appointed by City Council; however, City Council is not financially accountable for LRHA. During FY2024, the City appropriated \$121,184 to the LRHA from the Community Development Block Grant Fund.

<u>Economic Development Authority of the City of Lynchburg</u>: Under the *Code*, City Council passed an ordinance on March 14, 1967, which created the Industrial Development Authority of the City of Lynchburg (the "IDA"). The IDA was established to promote industry and develop trade within the City. The IDA is governed by a board of seven directors appointed by City Council; however, City Council is not financially accountable for the IDA. In 2008 City Council changed the name from the Industrial Development Authority (IDA) to the Economic Development Authority (EDA) to more accurately reflect the work of the Authority beyond the focus of industrial development. Lynchburg's EDA takes an active role in economic development efforts, actively pursuing investment and development opportunities, and elevating the economic development profile of the City. During FY2024, the City appropriated \$250,000 to the Economic Development Authority.

<u>Other Boards and Commissions</u>: City Council appoints certain members of various boards and commissions' governing bodies as provided under state and local laws and ordinances. The boards and commissions are advisory in nature and City Council is not financially accountable for these organizations.

B. Basis of Presentation

The accompanying financial statements present the government and its component units, legally separate entities for which the City is financially accountable.

Government-wide Statements: The statement of net position and the statement of activities report information on all of the nonfiduciary activities of the primary government and its component units. These statements include the financial activities of the overall government. The effect of interfund activity, other than services provided and used, has been eliminated from these statements to minimize the double counting of internal activities. Excess revenues or expenses of the Internal Service Fund are allocated to the appropriate governmental functional activity. These statements distinguish between the *governmental and business-type activities* of the City. Governmental activities are financed through taxes, intergovernmental revenues, and other non-exchange transactions. Business-type activities are financed in whole or in part by fees charged to external parties.

The statement of activities presents a comparison between direct expenses and program revenues for the different businesstype activities of the City and for each function of the City's governmental activities. Direct expenses are those that are specifically associated with a program or function and, therefore, are clearly identifiable to a particular function. Indirect expense allocations that have been made in the funds have been reversed for the statement of activities. Program revenues include (a) fees and charges paid by the recipients of goods or services offered by the programs and (b) grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenues that are not classified as program revenues, including all taxes, are presented as general revenues.

Notes to Financial Statements as of June 30, 2024

Note 1. Summary of Significant Accounting Policies (Continued)

B. Basis of Presentation (Continued)

Fund Financial Statements: The accounts of the City are organized on the basis of funds, each of which is considered a separate accounting entity. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets, deferred outflows of resources, liabilities, deferred inflows of resources, fund equity, revenues, and expenditures, or expenses, as appropriate. Government resources are allocated to and accounted for in individual funds based upon the purposes for which they are spent and the means by which spending activities are controlled. The various fund categories and fund types presented in the financial statements are described below:

<u>Governmental Fund Types</u>: Governmental funds account for expendable financial resources, other than proprietary fund types. Governmental fund types use the flow of current financial resources measurement focus.

The City reports the following major governmental funds:

<u>General Fund</u>: The General Fund is the primary operating fund of the City. It accounts for all financial resources except those required to be accounted for in another fund.

<u>City Capital Projects Fund</u>: The City Capital Projects Fund accounts for and reports financial resources that are restricted, committed, or assigned to expenditures for capital outlays including the acquisition or construction of capital facilities and other capital assets, other than those financed by proprietary funds and the School Capital Projects Fund.

<u>School Capital Projects</u>: The School Capital Projects Fund accounts for and reports financial resources that are restricted, committed, or assigned to expenditures for capital outlays approved by the School Board and City Council for educational purposes.

The City reports the following non-major governmental funds:

<u>Special Revenue Funds</u>: Special Revenue Funds account for and report the proceeds of specific revenue sources that are restricted or committed to expenditures for specified purposes other than debt service or capital projects. These funds consist of the City Federal/State Aid Grants, Community Development Block Grant, Lynchburg Business Development Centre, Forfeited Assets, Children's Services Act, Lynchburg Expressway Appearance, HOME Investment Trust, and Lynchburg Regional Juvenile Detention Center.

<u>Proprietary Fund Types</u>: Proprietary funds account for operations that are financed and operated in a manner similar to private business enterprises. The proprietary fund measurement focus is on the flow of economic resources. Operating revenues include charges for services and other revenues. Operating expenses include personal services, operation and maintenance, supplies and materials, depreciation, as well as other services and charges. All revenues and expenses, excluding capital contributions and transfers, not meeting these definitions are reported as non-operating revenues and expenses.

The City reports the following major proprietary funds:

<u>Enterprise Funds</u>: Enterprise Funds account for (a) the financing of services to the general public where the intent of the governing body is that the costs (expenses, including depreciation) of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges; or (b) where the governing body has decided that periodic determination of revenues earned, expense incurred, and/or net income is appropriate for capital maintenance, public policy, management control, accountability, or other purposes.

These funds consist of the Water, Sewer, Stormwater, and Airport Funds.

Notes to Financial Statements as of June 30, 2024

Note 1. Summary of Significant Accounting Policies (Continued)

B. Basis of Presentation (Continued)

Water Fund: The Water Fund operates the water distribution system for the City and supplies water to three surrounding counties.

<u>Sewer Fund</u>: The Sewer Fund operates a regional wastewater treatment plant and a combined sewer system. The Sewer Fund also performs cleaning, monitoring, and repairs to the wastewater collection system for the City and provides conveyance and treatment services for three surrounding counties.

<u>Stormwater Fund</u>: The Stormwater Fund performs the operations and maintenance of the storm sewer collection system and manages the City's Small Municipal Separate Storm Sewer System [MS4] General Permit requirements that incorporates water quality compliance goals established by Total Maximum Daily Loads [TMDLs] which include the Chesapeake Bay and the James River Basin TMDLs.

Airport Fund: The Airport Fund accounts for the administration of the Lynchburg Regional Airport.

The total enterprise funds columns in the proprietary fund statements of net position and activities are essentially equal to the business-type activity column in the government-wide statements, with the exception of the impact of allocating internal service fund activity.

Additionally, the City reports the following fund types:

<u>Internal Service Fund</u>: The Internal Service Fund accounts for the financing of goods and services supplied to other funds of the City on a cost-reimbursement basis. A Fleet Services Fund has been established to account for the operation and maintenance of City vehicles.

<u>Fiduciary Fund Types – Custodial Funds</u>: Custodial Funds account for assets held by the City as a custodian for others. The City's custodial fund is the Special Welfare Fund.

During the course of operations, the government has activity between funds for various purposes. Any residual balances outstanding at year-end are reported as due to/from other funds. While these balances are reported in fund financial statements, certain eliminations are made in the preparation of the government-wide financial statements. Balances between the funds included in governmental activities (i.e., the governmental and internal service funds) are eliminated so that only the net amount is included as internal balances in the governmental activities column. Similarly, balances between the funds included in business-type activities (i.e., the enterprise funds) are eliminated so that only the net amount is included as internal balances.

Further, certain activity occurs during the year involving transfers of resources between funds. In fund financial statements these amounts are reported at gross amounts as transfers in and out. While reported in fund financial statements, certain eliminations are made in the preparation of the government-wide financial statements. Transfers between the funds included in governmental activities are eliminated so that only the net amount is included as transfers in the governmental activities column. Similarly, balances between the funds included in business-type activities are eliminated so that only the net amount is included as transfers in the governmental statement is included as transfers in the business-type activities column.

Notes to Financial Statements as of June 30, 2024

Note 1. Summary of Significant Accounting Policies (Continued)

C. Measurement Focus and Basis of Accounting

Basis of accounting refers to when revenues and expenditures or expenses are recognized in the accounts and reported in the financial statements. Basic of accounting relates to the timing of the measurements made, regardless of the measurement focus applied.

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the proprietary fund financial statements. Revenues are recorded when a meaned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Governmental fund 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 collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the City considers revenues to be available if they are collected within 45 days of the end of the current fiscal period for most non-grant revenues. Reimbursement basis grants are recognized as revenue when all eligibility requirements are met and are considered available if they are collected within one year of the end of the current fiscal period. 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 payment is due.

Intergovernmental revenues, consisting principally of categorical aid from federal and state agencies, are recognized when earned or at the time of the specific expenditure. Sales, Communication Sales and Use, and public utility taxes, which are collected by the Commonwealth of Virginia and public utilities, respectively, and subsequently remitted to the City, are recognized as revenues and receivables when measurable and available.

Proprietary fund types utilize the accrual basis of accounting. Revenues are recognized when earned, including unbilled utility receivables, and expenses are recognized when incurred. Proprietary funds distinguish *operating* revenues and expenses from *nonoperating* items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the enterprise funds and of the City's internal service fund are charges to customers for sales and services. The City also recognizes as operating revenue the portion of tap fees intended to recover the cost of connecting new customers to the system. Operating expenses for enterprise funds and internal service funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

Fiduciary fund reporting focuses on net position and changes in net position. Financial statements of fiduciary funds are reported using the economic resources measurement focus and the accrual basis of accounting.

Amounts reported as *program revenues* include 1) charges to customers or applicants for goods, services, or privileges provided, 2) operating grants and contributions, and 3) capital grants and contributions. Internally dedicated resources are reported as *general revenues* rather than as program revenues. Likewise, general revenues include all taxes.

When both restricted and unrestricted resources are available for use, it is the City's policy to use restricted resources first, then unrestricted resources as they are needed.

Notes to Financial Statements as of June 30, 2024

Note 1. Summary of Significant Accounting Policies (Continued)

C. Measurement Focus and Basis of Accounting (Continued)

As a result of the different measurement focus and basis of accounting used in preparing the government-wide statements, a reconciliation between the government-wide and fund financial statements is necessary. Exhibit 4 presents a reconciliation of the net position as reported on the Statement of Net Position (Exhibit 1) to total governmental fund balance as reported on the Balance Sheet – Governmental Funds (Exhibit 3). Exhibit 6 presents a reconciliation of the total change in net position as reported on the Statement of Activities (Exhibit 2) and the total net change in fund balances as reported on the Statement of Revenues, Expenditures, and Changes in Fund Balances – Governmental Funds (Exhibit 5).

D. Budgets and Budgetary Accounting

All governmental and proprietary funds have legally adopted budgets. The Lynchburg Business Development Centre Fund does not adopt a legal annual budget. The City follows these procedures in establishing the budgetary data reflected in the financial statements:

- Typically, in early March the City Manager submits to City Council a proposed operating budget for the fiscal year commencing July 1 and ending June 30 of the following year. The operating budget includes proposed expenditures and the means of financing them.
- Council studies the proposed budget at work sessions throughout the months of March and April and holds a public hearing to receive citizens' comments.
- Council makes final budget decisions and adopts the budget through passage of an appropriations resolution during the month of May. By July 1, the City Manager prepares and distributes the adopted budget.
- The City prepares a five-year Capital Improvement Program (CIP) for the City Capital Projects, School Capital Projects, Water, Sewer, Stormwater, and Airport funds. The CIP specifies capital improvement or construction projects, which are tentatively identified for funding during the next five years, with the first year of the plan serving as the capital budget. Project budgets are utilized in the capital project funds. Appropriations for the capital projects funds are continued until completion of applicable projects, even when projects extend for more than one fiscal year, or until repealed.
- Budgets for the General, Water, Sewer, Stormwater, Airport, Capital Projects, and all Special Revenue Funds are prepared in accordance with the City Charter on the modified accrual basis of accounting. Encumbrances are treated as committed and/or assigned fund balance and re-appropriated in the next fiscal year. Revenues, expenditures, and transfers related to internal service type functions are included for budget purposes. The budget for the Lynchburg City Schools (School Operating Fund) is prepared on the modified accrual basis of accounting.
- The City Manager is authorized to transfer budgeted amounts between departments within any fund; however, any revisions that alter the total budget amounts and/or appropriations of any fund require an amendment to the budget. The Code of Virginia requires that City Council approve any amendment. If the total of the proposed amendment exceeds one percent of the total budgeted revenue, the proposed amendment must be advertised and a public hearing must be held before City Council can act. After the public hearing, City Council can act on the proposed amendment. The Superintendent of the Schools is authorized to transfer budget amounts within departments; however, any revisions that alter total budget amounts of any department must be approved by the School Board.

Notes to Financial Statements as of June 30, 2024

Note 1. Summary of Significant Accounting Policies (Continued)

D. Budgets and Budgetary Accounting (Continued)

- All operating budget appropriations lapse at the end of the fiscal year to the extent that they are not expended or encumbered, with the exception of year-end carry-forward items approved by City Council.
- Prior to the implementation of GASB 54, the City's special revenue funds included the Technology Fund which has a separate legally adopted budget. With the implementation of GASB 54, the Technology Fund is utilized for internal reporting purposes only. For financial statement reporting (GAAP-basis), the Technology Fund is collapsed into the General Fund. For budgetary basis reporting, the Technology Fund is not included with the GeneralFund.

The following is a reconciliation of the results of operations for the year on the budgetary basis to the GAAP basis.

	 General Fund		
Net change in fund balance (non-GAAP budgetary basis) Less: Net change in fund balance for Technology Fund	\$ (21,435,938) 56,228		
Net change in fund balance (GAAP basis)	\$ (21,379,710)		

E. Assets, Deferred Outflows, Liabilities, Deferred Inflows, and Net Position

• <u>Cash and Cash Equivalents</u>

The City considers all highly liquid investments (including restricted assets) with a maturity of three months or less when purchased to be cash equivalents.

• Investments

Investments are reported at fair value. Interest earned by certain funds of the Schools and City Capital Projects Fund are allocated to the General Fund. All other interest is allocated to the fund which owns the underlying investments.

<u>Receivables</u>

The City calculates its allowance for uncollectible accounts using historical collection data, and specific account analysis. Receivables are presented net of allowance for doubtful accounts. The allowance is composed of the following:

General Fund, property taxes, and other receivables	\$ 2,794,211
General Fund, ambulance receivables	\$ 2,870,304
Enterprise Funds	\$ 573,005

Notes to Financial Statements as of June 30, 2024

Note 1. Summary of Significant Accounting Policies (Continued)

E. Assets, Deferred Outflows, Liabilities, Deferred Inflows, and Net Position (Continued)

<u>Inventory</u>

Inventory in the Water and Internal Service Funds is valued at cost using the first-in, first-out (FIFO) method. This inventory consists principally of spare parts and fuel held for consumption. The cost is recorded as an expense at the time individual inventory items are withdrawn for use. Inventory in the Lynchburg City School Nutrition program is valued at fair value. This inventory consists of purchased foods, USDA Foods (donated commodities), as well as kitchen supplies. An expense adjustment is made annually after the year-end inventory is counted and valued.

<u>Capital Assets</u>

<u>Governmental funds</u>: Capital outlays are recorded as expenditures on the fund basis and as assets on the governmentwide financial statements to the extent the City's capitalization thresholds of \$5,000 for equipment and \$20,000 for buildings, infrastructure, and land improvements are met. Infrastructure has been capitalized retroactively to 1980. All capital assets are valued at historical cost or estimated historical cost if actual cost is not available. Donated assets, donated works of art and similar items are reported at acquisition value rather than fair market value on the date donated. Schools buildings and other facilities are capital assets for the City government and not for the component unit.

Works of art, historical treasures, and similar assets have not been capitalized because they are held for public exhibition, education, or research in furtherance of public service, rather than financial gain. The collection is protected, kept unencumbered, cared for, and preserved. The collection is subject to an organizational policy that requires the proceeds from sales of collection items to be used to acquire other items for collections.

<u>Proprietary funds</u>: Capital outlays of the proprietary funds are recorded as capital assets on both the fund basis and the government-wide basis. Capital assets are stated at cost or estimated original cost based on independent consultant studies, net of accumulated depreciation. Donated assets, donated works of art and similar items are reported at acquisition value rather than fair market value on the date donated. Capital assets received in a service concession arrangement are reported at acquisition value rather than fair market value on the fair value.

Repairs and maintenance are charged to expense when incurred. When capital assets are sold or retired, the cost of the assets and the related accumulated depreciation are eliminated and a gain or loss is recognized.

Capital assets are depreciated using the straight-line method over their estimated useful lives as follows:

	Years
Land improvements	15-20
Buildings and improvements:	
New construction	30-40
Improvements	15-20
Infrastructure	30-50
Machinery and equipment	5-10

Leases assets are recorded under GASB Statement No. 87, Leases, Lease assets are amortized over the shorter of the lease term or useful life of the underlying asset.

Intangible assets include subscription right-to-use assets recorded under GASB Statement No. 96, Subscription-Based Information Technology Arrangements (SBITAs), net of accumulated amortization. SBITA's are amortized over the shorter of the subscription term or the useful life of the underlying IT asset.

Notes to Financial Statements as of June 30, 2024

Note 1. Summary of Significant Accounting Policies (Continued)

E. Assets, Deferred Outflows, Liabilities, Deferred Inflows, and Net Position (Continued)

Deferred Outflows / Inflows of Resources

In addition to assets, the statements that present net position report a separate section for *deferred outflows of resources*. These items represent a consumption of net assets that applies to future periods and so will *not* be recognized as an outflow of resources (expense) until then. In addition to liabilities, the statements that present financial position report a separate section for *deferred inflows of resources*. These items represent an acquisition of net assets that applies to future periods and so will *not* be recognized as an inflow of resources (revenue) until that time. The City and Schools have the following items that qualify for reporting as deferred inflows or outflows:

- The deferred charge on refunding reported in the government-wide statement of net position results from the difference in the carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded or refunding debt.
- Contributions subsequent to the measurement date for pensions and OPEB are always a deferred outflow; this will be applied to the net pension or OPEB liability in the next fiscal year.
- Differences between expected and actual experience for economic/demographic factors, as well as changes in actuarial assumptions in the measurement of the total pension or OPEB liability. This difference will be recognized in pension or OPEB expense over the expected average remaining service life of all employees provided with benefits in the plan and may be reported as a deferred inflow or outflow as appropriate.
- Difference between projected and actual earnings on pension and OPEB plan investments. This difference will be recognized in pension or OPEB expense over a closed five-year period and may be reported as a deferred outflow or inflow as appropriate.
- Changes in proportion and differences between employer contributions and proportionate share of employer contributions in the Virginia Retirement System's teacher cost-sharing pool or OPEB cost-sharing pool plans. This difference is deferred and recognized in expense over the average remaining service life of the employees who are subject to the plan, and may be reported as a deferred outflow or inflow as appropriate.
- Unavailable revenue is reported only in the governmental funds balance sheet under a modified accrual basis of accounting. The governmental funds report unavailable revenue from property taxes and other receivables not collected within 45 days of year-end and property taxes levied to fund future years. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available.
- At the government-wide level, the City reports deferred inflows for unearned property taxes which are billed and/or collected but are intended to fund future years.
- Lease-related amounts are recognized at the inception of leases in which the City is the lessor. The deferred inflow of resources is recorded in an amount equal to the corresponding lease receivable plus certain additional amounts received from the lessee at or before the commencement of the lease term that related to future periods, less any lease incentives paid to, or on behalf of, the lessee at or before the commencement of the lease term. The inflow of resources is recognized in a systematic and rational manner over the term of the lease.

<u>Compensated Absences</u>

City employees accumulate vacation time depending upon their length of service up to a total of 288 hours. All outstanding vacation time is payable upon termination of employment. The current portions are recorded as liabilities in the governmental fund financial statements when they have matured as a result of employee resignations and retirements. In proprietary funds, both the expenses and the liabilities are recorded as benefits as earned. All vacation pay is accrued when incurred in the government-wide financial statements. Each operating fund is responsible for covering its share of vacation pay liability.

Notes to Financial Statements as of June 30, 2024

Note 1. Summary of Significant Accounting Policies (Continued)

E. Assets, Deferred Outflows, Liabilities, Deferred Inflows, and Net Position (Continued)

<u>Arbitrage Rebate Liability</u>

The U.S. Treasury has issued regulations on calculating the rebate due the Federal government on arbitrage profits and determining compliance with the arbitrage rebate provisions of the Tax Reform Act of 1986. Arbitrage profits arise when the City temporarily invests the proceeds of tax-exempt debt in securities with higher yields. The City treats the estimated rebate payable as a reduction of available financial resources in the fund that earned the arbitrage profit. Accordingly, interest earnings are reduced by the amount of the increase in the estimated rebate payable and a liability is reported in the appropriate fund.

• <u>Pensions and Other Postemployment Benefits (OPEB)</u>

For purposes of measuring the net pension and OPEB liability, deferred outflows of resources and deferred inflows of resources related to pensions and OPEB, and pension and OPEB expense, information about the fiduciary net position of the City's and Schools' Retirement Plan and OPEB, and the additions to/deductions from the City's and Schools' Retirement Plan and OPEB, and the additions to/deductions from the City's and Schools' Retirement Plan and OPEB, and the additions to/deductions from the City's and Schools' Retirement Plan's net fiduciary position have been determined on the same basis as they were reported by the Virginia Retirement System (VRS). For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

• <u>Net Position/Fund Equity</u>

Net Position in government-wide and proprietary financial statements is classified as net investment in capital assets, restricted, and unrestricted. Restricted net position represents constraints on resources that are either externally imposed by creditors, grantors, contributors, or laws or regulations of other governments or imposed by law through state statue.

The City classifies governmental fund balances as follows:

- <u>Nonspendable fund balance</u> includes amounts that cannot be spent because they are either not in spendable form such as inventories and prepaids or they are legally or contractually required to be maintained intact.
- <u>Restricted fund balance</u> includes amounts that have constraints placed on their use by external sources such as creditors, grantors, contributors, laws or regulations of other governments, or imposed by law through constitutional provisions or enabling legislation.
- <u>Committed fund balance</u> includes amounts that can only be used for specific purposes pursuant to constraints imposed by formal action of the highest level of decision-making authority City Council. These committed amounts cannot be used for any other purpose unless City Council removes or changes the specified use by taking the same type of action it employed to previously commit those amounts. Committed fund balance also includes contractual obligations to the extent that existing resources in the fund have been specifically committed for use in satisfying those contractual requirements.

Notes to Financial Statements As of June 30, 2024

Note 1. Summary of Significant Accounting Policies (Continued)

E. <u>Assets, Deferred Outflows, Liabilities, Deferred Inflows, and Net Position</u> (Continued)

• <u>Net Position/Fund Equity</u> (Continued)

- <u>Assigned fund balance</u> includes amounts that are constrained by the government's intent to be used for specific purposes but are neither restricted nor committed. Fund Balance may be assigned either through the encumbrance process as a result of normal purchasing activity (which includes the issuance of a purchase order), or by the City Manager or his designee, the Chief Financial Officer, in accordance with the Council adopted fund balance policy.
- <u>Unassigned fund balance</u> is the positive fund balance within the General fund which has not been classified as Restricted, Committed, or Assigned and negative fund balances in other governmental funds.

The City considers restricted fund balance to be spent when an expenditure is incurred for purposes for which restricted and unrestricted fund balance are available unless prohibited by legal documents or contracts. When an expenditure is incurred for purposes for which committed, assigned, or unassigned amounts are available, the City considers committed fund balance to be spent first, then assigned fund balance, and lastly unassigned fund balance.

F. Estimates

Management uses estimates and assumptions in preparing its financial statements. Those estimates and assumptions affect the reported amounts of assets and liabilities, the disclosure of contingent liabilities and reported revenues, expenditures, and expenses. Actual results could differ.

Note 2. Cash 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 from 50% to 130% of excess deposits. Accordingly, all deposits are considered fully collateralized.

Investments:

Investment Policy:

In accordance with the *Code* and other applicable law, including regulations, the City's Investment Policy (Policy) permits investments in Treasury Securities, agency securities, prime quality commercial paper, certificates of deposit maturing within one year and issued by domestic banks, banker's acceptances, Commonwealth of Virginia and Virginia Local Government Obligations, repurchase agreements, open-end investments, the Virginia State Non-Arbitrage Program or other authorized Arbitrage Investment Management programs, and the State Treasurer's Local Government Investment Pool (the Virginia LGIP). Pursuant to Sec. 2.1-234.7 of the *Code*, the Treasury Board of the Commonwealth sponsors the LGIP and has delegated certain functions to the State Treasurer. The LGIP reports to the Treasury Board at their regularly scheduled monthly meetings and the carrying value of the position in LGIP is the same as the value of the pool shares (i.e., the LGIP maintains a stable net asset value of \$1 per share in accordance with GASB No. 79). The Investment Policy specifies that no investment may have a maturity greater than one year from the date of purchase, unless matched to a specific cash flow.

Notes to Financial Statements As of June 30, 2024

Note 2. Cash and Investments (Continued)

Investments: (Continued)

Credit Risk:

As required by state statute or by the City, the Policy requires that commercial paper have a short-term debt rating of P-1 or higher by Moody's Investors Service and A-1 or higher by Standard & Poor's Ratings Services, provided that the issuing domestic corporation has a net worth of \$50 million and its long-term debt is rated A or better by Moody's and Standard & Poor's. Banker's acceptances and Certificates of Deposit maturing in less than one year must have a short-term debt rating of at least "A-1" by Standard & Poor's and "P-1" by Moody's Investors Service. Open-end investment funds must be registered under the Securities Act of the Commonwealth or the Federal Investment Company Act of 1940, provided that they invest only in securities approved for investment herein. Commonwealth of Virginia and Virginia Local Government Obligations secured by debt service reserve funds not subject to annual appropriation must be rated AA or higher by Moody's or Standard & Poor's. Repurchase agreements require that the counterparty be rated A or better by Moody's and Standard & Poor's.

As of June 30, 45% of the portfolio was invested in "Aaa" rated obligations; 2% was invested in "Aa1" Municipal Bonds; 3% was invested in "Aa2", and 50% was invested in an "AAAm" rated LGIP fund. The "Aaa" rated portion of the total portfolio included 16% of obligations guaranteed by the U. S. Government; 28% of Federal Agencies; and 1% of Municipal Bonds (percentages are based on the total portfolio). On August 5, 2011, Standard & Poor's downgraded the long-term sovereign credit rating of the United States of America from "AAA" to "AA+" and affirmed the "A-1+" short-term rating. This downgrade relates to 45% of the City's portfolio previously noted as "Aaa" by Moody's Investors Service. All credit ratings presented in this paragraph are Moody's or Standard & Poor's as necessary.

Concentration of Credit Risk:

The Policy's intent is for the City to diversify its investment portfolio to avoid incurring unreasonable risks regarding (i) security type, (ii) individual financial institution or issuing entity, and (iii) maturity. The Policy places a limit on the amount the City may invest in any single financial institution at no more than 50% of the City's total investments.

As of June 30, investment types that equal or exceed 5% of the portfolio were as follows:

Investment Type	<u>% of Portfolio</u>
U. S. Treasury Notes	15.7%
Federal Farm Credit Bank	10.0%
Federal Home Loan Bank	16.0%
Municipal Bonds	6.0%

Interest Rate Risk:

The Policy limits certain investment maturities as a means of managing exposure to fair value losses arising from increasing interest rates. Agency securities must mature within five years of the date of purchase. Prime commercial paper must mature within 270 days of the date of purchase and banker's acceptances must mature within 180 days of the date of purchase.

Notes to Financial Statements As of June 30, 2024

Note 2. Cash and Investments (Continued)

Investments: (Continued)

Interest Rate Risk: (Continued)

As of June 30, the carrying values and weighted average maturity were as follows:

Investment Type	 Carrying Value	Weighted Average Maturity*
LGIP	\$ 100,819,421	-
U.S. Treasury Notes	31,636,490	238
Federal Farm Credit Bank	20,121,107	174
Federal Home Loan Bank	32,250,936	158
Federal Home Loan Mortgage Corporation	1,965,563	227
Federal National Mortgage Association	2,643,953	220
Municipal Bonds	 12,007,955	375
Total investments	\$ 201,445,425	
Portfolio weighted average maturity		1,392

* Weighted average maturity in days.

Custodial Credit Risk:

The Policy requires that all investment securities shall be held in safekeeping by a third party and evidenced by safekeeping receipts. As required by the *Code*, all security holdings with maturities over 30 days may not be held in safekeeping with the "counterparty" to the investment transaction. As of June 30, all investments are held in a bank's trust department in the City's name.

Restricted cash and temporary cash investments of the General, Special Revenue, City Capital Projects, and Enterprise Funds include certain deposits, grant advances, unspent bond proceeds restricted for capital projects, and amounts related to the Passenger Facility Charge program.

The above items are reflected in the statements as follows:

	_	Primary Government		chool Board
Deposits and investments:				
Cash on hand	\$	14,756	\$	-
Deposits		20,597,948		3,644,714
Funds held in trust by others		-		805,932
Investments		201,445,425		
	\$	222,058,129	\$	4,450,646
Statement of net position:				
Cash and cash equivalents	\$	112,711,442	\$	3,644,714
Investments		100,626,004		-
Restricted cash and cash equivalents		8,448,321		-
Custodial fund cash and cash equivalents		272,362		805,932
	\$	222,058,129	\$	4,450,646
10				

Notes to Financial Statements As of June 30, 2024

Note 2. Cash and Investments (Continued)

Investments: (Continued)

Custodial Credit Risk: (Continued)

The City categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset and are described as follows.

- Level 1 inputs are quoted prices in active markets for identical assets;
- Level 2 inputs are significant other observable inputs;
- Level 3 inputs are significant unobservable inputs.

The City categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The City has the following recurring fair value measurements as of June 30:

	 Level 1	 Level 2	 Level 3	 Total
U.S. Treasury Securities	\$ 31,636,490	\$ -	\$ -	\$ 31,636,490
U.S. Debt Securities	-	56,981,559	-	56,981,559
Municipal Bonds	 	 12,007,955	 -	 12,007,955
	\$ 31,636,490	\$ 68,989,514	\$ -	\$ 100,626,004

Government bonds, corporate bonds, collateralized mortgage obligations and commercial paper classified in Level 2 of the fair value hierarchy are valued on the basis of evaluated prices provided by independent pricing services when such prices are believed to reflect the fair value of such securities. Such prices may be determined by taking into account a security's price, yield, maturity, call feature, rating, or institutional-size trading in similar groups of securities and developments related to specific securities.

Note 3. Property Taxes

Real estate taxes are levied on a fiscal year basis on July 1, the assessment date, and become a lien as of that date. Supplemental billings are processed through the current tax year to ensure timely recordation. Real estate taxes are payable in four quarterly installments on November 15, January 15, March 15, and May 15.

Personal property taxes are levied on property owned as of January 1, and are payable in two equal installments on June 5 and December 5. Additional billings for personal property acquisitions are due March 5 and September 5.

A penalty of 10% for late payment is assessed on the day after the due date and interest at the rate of 10% is assessed on unpaid balances beginning with the first day of the month following the due date. The City bills and collects its own property taxes.

Notes to Financial Statements As of June 30, 2024

Note 4. Interfund Receivables, Payables, and Transfers

Interfund balances at June 30, 2024 were as follows:

	I	Interfund Receivables	Interfund Payables		
Major Fund:					
General	\$	1,773,361	\$	1,386,078	
Major Fund – Capital Projects:					
City Capital Projects		4,225		-	
School Capital Projects		333,000		-	
Non-major Special Revenue Funds:					
City Federal/State Aid		55,242		437,298	
Children's Services Act		350,485		525,710	
Community Development Block Grant		-		203,102	
Lynchburg Regional Juvenile Detention Center		152,017		109,081	
HOME Investment Partnerships Program		-		7,176	
Major Proprietary Funds:					
Water		7,601		5,603	
Sewer		-		73,575	
Stormwater		-		15,842	
Internal Service		87,534		-	
	\$	2,763,465	\$	2,763,465	

Interfund receivables for governmental funds primarily represent advances to special revenue funds to be repaid with future grant revenues. Interfund receivables for proprietary funds mainly represent the reallocation of health benefits at year end. Interfund payables for proprietary funds represent amounts due for payroll related items at year end.

Interfund transfers were as follows:

	<u> </u>		From		
Major Fund:					
General	\$	-	\$	27,786,879	
Non-major Special Revenue Funds:					
City Federal/State Aid	385,022			-	
Major Fund – Capital Projects					
City Capital Projects			-		
School Capital Projects			-		
Major Proprietary Funds:					
Water		-		15,626	
Sewer		15,626		-	
Internal Services		5,932,149		-	
Total Fund Transfers	\$	27,802,505	\$	27,802,505	

Transfers between major funds (general, city and school capital projects, and proprietary) and other non-major governmental funds were primarily to support capital projects, operations, and the purchase of fleet vehicles and equipment.

Notes to Financial Statements As of June 30, 2024

Note 5. Due From/To Primary Government and Component Units

Due from/to balances between the City and its component units at June 30, were as follows:

	Due From			Due To		
Primary Government:						
Major Fund:						
General Fund	\$	1,065,299	\$	8,360,355		
Non-major Special Revenue Fund:						
Lynchburg Business Development Centre Fund		125,000		-		
	\$	1,190,299	\$	8,360,355		
Component Units:						
Lynchburg City Schools	\$	8,360,355	\$	124,015		
Business Development Centre, Inc.		-		125,000		
Greater Lynchburg Transit Company		-		941,284		
	\$	8,360,355	\$	1,190,299		
	\$	8,360,355	\$	1,190,299		

Note 6. Due From Other Governments

Amounts due from other governments at June 30 were as follows:

	Primary Government				Component Units			
	Governmental Business-type Activities Activities		. <u> </u>	Schools		Others		
Various federal and state grants Virginia Revolving Loan Members of Regional Sewage Treatment Plant	\$	14,999,249 - -	\$	251,772 1,762,686 3,595,546	\$	7,559,333	\$	777,737
	\$	14,999,249	\$	5,610,004	\$	7,559,333	\$	777,737

Due from members of the Regional Sewage Treatment Plant:

Amounts due from members of the Regional Sewage Treatment Plant represent amounts due from Amherst County, Bedford Regional Water Authority, and the Campbell County Utilities and Service Authority for their proportionate share (20.46%) of improvements to Joint-Use Facilities under a 1974 agreement (the "Agreement"). These Joint-Use Facilities are defined as the City's Regional Waste Water Treatment Plant and its immediately related treatment facilities used jointly by the City and one or more of the members in connection with the transmission or treatment of wastes made the subject of the Agreement. The cost of improvements are billed to each member and recorded as contributed capital when related projects are completed. Pursuant to Section VI (b) of the Agreement, each member shall have the option of paying its proportionate share of the cost of projects either in cash or on a deferred payment schedule coinciding with the period over which the City's bonds are amortized, plus interest at the rate equivalent to the net interest cost to the City. Future principal payments to be received are as follows:

Amount receivable within 1 year Amount receivable 2 to 5 years	\$ 294,312 1,127,580	
Amount receivable beyond 5 years	\$ <u>2,173,654</u> 3,595,546	

Notes to Financial Statements As of June 30, 2024

Note 7. Receivables

Receivables as of June 30, net of allowances for uncollectible accounts, are as follows:

	Taxes		 Accounts	 Other	Total		
Major funds:							
General	\$	16,860,888	\$ 6,276,407	\$ 1,852,084	\$	24,989,379	
City Capital Projects		-	-	42,215		42,215	
Water		-	2,008,050	-		2,008,050	
Sewer		-	4,405,838	-		4,405,838	
Stormwater		-	530,677	-		530,677	
Airport		-	140,059	-		140,059	
Internal Service		-	28,039	-		28,039	
Non-major Governmental							
Funds		-	 -	 1,389,142		1,389,142	
	\$	16,860,888	\$ 13,389,070	\$ 3,283,441	\$	33,533,399	

Notes to Financial Statements As of June 30, 2024

Note 8. Capital Assets

Primary Government:

A summary of the changes in the City's capital assets for governmental activities is as follows:

Governmental Activities	Beginning Balances	Transfers and Additions	Transfers and Retirements	Ending Balances
Capital assets, not being depreciated: Land Historical Treasures Construction in progress	\$ 25,898,582 	\$ 34,217 163,346 38,911,738	\$ - - -	\$ 25,932,799 163,346 72,979,581
Total capital assets, not being depreciated	59,966,425	39,109,301		99,075,726
Capital assets, being depreciated:				
Land improvements Accumulated depreciation	68,884,761 (31,220,626)	1,488,142 (3,025,562)		70,372,903 (34,246,188)
Net land improvements	37,664,135	(1,537,420)	-	36,126,715
Buildings and improvements Accumulated depreciation	325,760,940 (185,060,556)	4,662,074 (8,007,142)	(482,072) 347,920	329,940,942 (192,719,778)
Net buildings and improvements	140,700,384	(3,345,068)	(134,152)	137,221,164
Infrastructure Accumulated depreciation Net infrastructure	365,923,944 (198,988,428) 166,935,516	9,114,971 (8,668,864) 446,107	- 	375,038,915 (207,657,292) 167,381,623
Machinery and equipment Accumulated depreciation	69,242,559 (45,408,751)	5,562,199 (4,853,895)	(1,956,487) 1,888,851	72,848,271 (48,373,795)
Net machinery and equipment	23,833,808	708,304	(67,636)	24,474,476
Total capital assets, being depreciated Less: accumulated depreciation	829,812,204 (460,678,361)	20,827,386 (24,555,463)	(2,438,559) 2,236,771	848,201,031 (482,997,053)
Total capital assets, being depreciated	369,133,843	(3,728,077)	(201,788)	365,203,978
Lease assets:	i			
Equipment Infrastructure	221,845 2,441,805	143,035	(68,257)	296,623 2,441,805
Buildings	173,429	37,799	(98,174)	113,054
Accumulated amortization	(255,012)	(147,626)	166,431	(236,207)
Total lease assets being amortized	2,582,067	33,208	-	2,615,275
Capital assets, net	\$ 431,682,335	\$ 35,414,432	\$ (201,788)	\$ 466,894,979

During FY2018, the Region 2000 Radio Communications Board completed the upgrade and replacement to the regional radio system. The City recorded \$4,375,552 as their share of the asset.

Notes to Financial Statements As of June 30, 2024

Note 8. Capital Assets (Continued)

Primary Government: (Continued)

Depreciation and amortization were charged to functions as follows:

Governmental activities:	
General government	\$ 1,078,727
Education	6,184,826
Judicial	634,410
Health and human services	261,694
Public safety	2,481,659
Public works	11,438,475
Community development	206,084
Cultural and recreational	2,007,231
Total governmental activities	 24,293,106
Business-type activities:	
Water	134,660
Sewer	265,695
Stormwater	9,628
Airport	
Total business-type activities	 409,983
Total depreciation	\$ 24,703,089

The Fleet Internal Services Fund, whose assets are reported as a part of the City's governmental assets, purchases vehicles that are used by the City's Enterprise Funds. Depreciation related to those vehicles is allocated to the Enterprise Funds. In prior years, the City Capital Projects fund, on occasion, would construct assets that were used primarily by the Enterprise Funds. Depreciation on these assets is also allocated to the Enterprise Funds. The \$409,983 of business-type depreciation reflected above is the allocation of this depreciation and is not reflected on the business-type activities asset information reported below.

Notes to Financial Statements As of June 30, 2024

Note 8. Capital Assets (Continued)

Primary Government: (Continued)

A summary of the changes in the City's capital assets for business-type activities is as follows:

Business-type Activities	Beginning Balances	Transfers and Additions	Transfers and Retirements	Ending Balances
Capital assets, not being depreciated: Land Construction in progress	\$ 5,199,677 27,015,088	\$ 10,382 9,603,142	\$ (1,371,863)	\$ 5,210,059 35,246,367
Total capital assets, not being depreciated	32,214,765	9,613,524	(1,371,863)	40,456,426
Capital assets, being depreciated: Land improvements Accumulated depreciation Net land improvements	14,929,596 (12,813,630) 2,115,966	3,671,650 (127,444) 3,544,206		18,601,246 (12,941,074) 5,660,172
Buildings and improvements Accumulated depreciation Net buildings and improvements	100,858,270 (42,206,255) 58,652,015	725,817 (3,058,584) (2,332,767)	$(170,040) \\ 108,164 \\ (61,876)$	101,414,047 (45,156,675) 56,257,372
Infrastructure Accumulated depreciation Net infrastructure	539,680,112 (211,891,424) 327,788,688	21,767,107 (11,948,679) 9,818,428	- 	561,447,219 (223,840,103) 337,607,116
Machinery and equipment Accumulated depreciation Net machinery and equipment Capitalized interest Accumulated depreciation	34,979,308 (16,911,860) 18,067,448 7,345,201 (3,187,726)	780,782 (1,500,621) (719,839) (146,904)	- - - - -	35,760,090 (18,412,481) 17,347,609 7,345,201 (3,334,630)
Net capitalized interest Total capital assets being depreciated Less: accumulated depreciation	4,157,475 697,792,487 (287,010,895)	(146,904) 26,945,356 (16,782,232)	(170,040) 108,164	4,010,571 724,567,803 (303,684,963)
Total capital assets, being depreciated	410,781,592	10,163,124	(61,876)	420,882,840
Lease assets: Equipment Accumulated amortization Total lease assets being amortized	33,567 (5,097) 28,470	50,185 (11,011) 39,174	(1,139) 1,139	82,613 (14,969) 67,644
Capital assets, net	\$ 443,024,827	<u>\$ 19,815,822</u>	\$ (1,433,739)	\$ 461,406,910

Notes to Financial Statements As of June 30, 2024

Note 8. Capital Assets (Continued)

Component Units:

A summary of changes in the capital assets of the Schools is as follows:

Lynchburg City Schools	 Beginning Balances	Т	ransfers and Additions	 ansfers and etirements	 Ending Balances
Capital assets, being depreciated:					
Equipment	\$ 19,911,762	\$	1,099,330	\$ (714,802)	\$ 20,296,290
Accumulated depreciation	(13,840,328)		(1,602,194)	714,802	(14,727,720)
Net equipment	 6,071,434		(502,864)	 -	 5,568,570
Equipment – cafeteria	1,446,558		367,726	-	1,814,284
Accumulated depreciation	(1,200,003)		(41,850)	-	(1,241,853)
Net equipment – cafeteria	 246,555		325,876	 -	 572,431
Subscription right-to-use assets	-		6,359,976	-	6,359,976
Accumulated amortization	-		(2,941,954)	-	(2,941,954)
Net subscription right-to-use assets	 -		3,418,022	 -	 3,418,022
Total capital assets being					
depreciated/amortized	21,358,320		7,827,032	(714,802)	28,470,550
Less: accumulated depreciation/amortization	 (15,040,331)		(4,585,998)	 714,802	 (18,911,527)
Capital assets, net	\$ 6,317,989	\$	3,241,034	\$ -	\$ 9,559,023

Details of capital assets of other component units are as follows:

Land, buildings, and improvements	\$ 33,081,362
Construction in progress	1,081,222
Machinery and equipment	29,336,093
Subscription right-to-use assets	14,560
	 63,513,237
Less accumulated depreciation/amortization	 29,641,452
	\$ 33,871,785

Notes to Financial Statements As of June 30, 2024

Note 9. Long-Term Liabilities

Primary Government:

General Obligation Debt:

As of June 30, 2024	Interest Rates (%)	Date Issued	Final Maturity	Original Issue	Public Improvements	School Facilities	Proprietary Funds	Total
Bond Anticipation Note								
Public Improvement	Variable-							
Draw-down loan facility	SOFR	07/18/23	06/15/26	\$ 68,500,000	\$ 133,190	\$ 315,464	\$ 11,532,062	\$ 11,980,716
General Obligation Bonds								
VA Resources Authority	0.00	03/24/94	06/01/26	3,976,369	-	-	259,465	259,465
VPSA General Obligation	4.60-5.10	11/10/05	07/15/25	6,411,957	-	737,954	-	737,954
VPSA General Obligation	0.00	11/13/09	09/01/26	10,255,000	-	2,190,000	-	2,190,000
Public Improvement	2.00-5.00	05/19/16	02/01/46	26,945,000	9,839,719	-	10,320,281	20,160,000
Public Improvement								
Refunding	2.00-5.00	05/19/16	02/01/38	20,350,000	2,426,038	-	9,778,962	12,205,000
Public Improvement								
Refunding	3.00-5.00	09/26/17	08/01/39	29,100,000	3,213,619	8,072,938	11,693,443	22,980,000
Public Improvement	2.00-5.00	01/30/20	08/01/49	49,425,000	32,280,000	3,900,000	11,940,000	48,120,000
Public Improvement								
Refunding	4.00-5.00	10/29/20	12/01/33	15,340,000	3,371,174	2,458,096	3,865,730	9,695,000
Public Improvement	4.00-5.00	03/07/23	08/01/52	66,990,000	33,235,000	4,340,000	28,110,000	65,685,000
VA Resources Authority	0.50	01/30/24	06/01/45	7,500,000	7,500,000	-	-	7,500,000
Public Improvement								
Refunding	4.00-5.00	05/07/24	06/01/44	69,375,000	12,242,967	45,548,494	11,583,539	69,375,000
General Obligation- Direct Bo	orrowings							
Public Improvement	2.75	10/23/13	12/01/28	10,000,000	2,351,979	312,021	666,000	3,330,000
					\$ 106,593,686	\$ 67,874,967	\$ 99,749,482	\$ 274,218,135

Authorized and unissued general obligation public improvement bonds amounted to \$80,005,774 at June 30, 2024.

As of June 30, the City's Primary Government had outstanding general obligation debt of \$274,218,135, including direct borrowings from commercial banks totaling \$3,330,000. For all general obligation debt, the full faith and credit of the City are irrevocably pledged to the punctual payment of the principal of and interest on the Bonds as the same become due. In each year while any Bonds are outstanding and unpaid, the Council shall be authorized and required to levy and collect annually, at the same time and in the same manner as other taxes of the City are assessed, levied and collected, a tax upon all taxable property within the City, over and above all other taxes, authorized or limited by law and without limitation as to rate or amount, sufficient to pay when due the principal of and interest on the Bonds to the extent other funds of the City are not lawfully available and appropriated for such purpose.

Notes to Financial Statements As of June 30, 2024

Note 9. Long-Term Liabilities (Continued)

Primary Government: (Continued)

General Obligation Debt: (Continued)

Direct Borrowing- Event of Default Provisions- Series 2013 Bonds (Issued 10/23/2013):

The events of default ("Events of Default") with respect to this Bond shall be (i) the failure to pay principal of or interest on this Bond when due, (ii) the failure to perform or observe the covenants set forth in Sections 4 and 5 of the Authorizing Resolution, (iii) any representation or warranty made by the City Manager on behalf of the City in the Certificate of the City Manager as to Representations, Warranties and Covenants of the City of Lynchburg, Virginia, dated October 23, 2013, proving to have been incorrect when made or confirmed, (iv) a default by the City in the payment of the principal of or interest on any other general obligation indebtedness of the City, and (v) the downgrade of the City's general obligation bond rating below BBB by Fitch Ratings or Baa2 by Moody's Investors Service or BBB by Standard & Poor's Ratings Services. Upon the occurrence and continuance of an Event of Default this Bond shall bear interest at the rate of four percent (4%) per annum and the Purchaser shall have the right to declare the principal amount of this Bond to be immediately due and payable and may exercise its rights of remedies available to it under the Authorizing Resolution, at law or in equity.

Legal Debt Limit:

The Constitution of Virginia, Article VII, Section 10(a) sets forth the City's legal debt limit at ten percent (10%) of its real estate assessed valuation for the issuance of any bonds or other interest-bearing obligations. As shown in Supplementary Statistical Table 22, as of June 30, the City's debt limit was \$781.7 million. The City's aggregate general obligation indebtedness was \$274.2 million and the City's legal debt margin (amount available for issuance of additional debt) was \$507.5 million.

Debt Management Policy:

The City's Debt Management Policy, which was reaffirmed on January 24, 2023, limits tax-supported debt to four and a half percent (4.50%) of its net assessed valuation of taxable property (general obligation bonds issued for self-supporting enterprise funds are not included in this calculation). As shown in the Supplementary Statistical Table 21, outstanding tax-supported debt was 2.22% of net assessed valuation of taxable property. The Policy also states that the 10-Year Principal Payout Ratio shall not be less than 60% at the end of each adopted five-year Capital Improvement Program. The principal payout ratio for the year ended June 30 was 67.59%. There are no overlapping tax jurisdictions.

Notes to Financial Statements As of June 30, 2024

Note 9. Long-Term Liabilities (Continued)

Primary Government: (Continued)

Revenue Debt:

	Interest	Date	Final	Final	Water		Sewer	Stormwater	
As of June 30, 2024	Rates %	Issued	Maturity	Issue	F	und	Fund	Fund	Total
Virginia Resources Authority									
Public Utility Revenue Bonds	0.00	03/28/95	06/01/26	\$ 6,541,207	\$	-	\$ 365,979	\$ -	\$ 365,979
Public Utility Revenue Bonds	0.00	08/10/95	12/01/27	10,000,000		-	1,027,778	-	1,027,778
Public Utility Revenue Bonds	0.00	06/27/96	12/01/27	8,000,000		-	795,601	-	795,601
Public Utility Revenue Bonds	0.00	07/17/97	06/01/29	7,591,540		-	1,160,443	-	1,160,443
Public Utility Revenue Bonds	0.00	08/21/98	06/01/30	6,203,000		-	1,161,821	-	1,161,821
Public Utility Revenue Bonds	0.00	02/15/01	06/01/31	735,000		-	164,408	-	164,408
Public Utility Revenue Bonds	0.00	11/06/01	12/01/32	1,413,613		-	397,129	-	397,129
Public Utility Revenue Bonds	0.00	09/15/03	12/01/35	2,350,165		-	860,796	-	860,796
Public Utility Revenue Bonds	0.00	05/20/04	12/01/36	6,000,000		-	2,500,000	-	2,500,000
Public Utility Revenue Bonds	0.00	05/17/05	06/01/37	6,700,000		-	2,903,333	-	2,903,333
Public Utility Revenue Bonds	0.00	06/28/06	12/01/38	9,600,000		-	4,640,000	-	4,640,000
Public Utility Revenue Bonds	0.00	06/20/07	06/01/39	7,000,000		-	3,500,000	-	3,500,000
Public Utility Revenue Bonds	0.00	06/05/08	11/01/40	12,350,000		-	6,792,500	-	6,792,500
Public Utility Revenue Bonds	0.00	06/25/09	06/01/41	19,000,000		-	10,766,666	-	10,766,666
Public Utility Revenue Bonds	0.00	06/17/10	06/01/42	13,100,000		-	7,860,000	-	7,860,000
Public Utility Revenue Bonds	0.00	06/15/11	02/01/33	9,343,149		-	4,200,139	-	4,200,139
Public Utility Revenue Bonds	0.00	06/15/11	08/01/44	10,100,000		-	6,901,667	-	6,901,667
Public Utility Revenue Bonds	0.00	06/06/12	01/01/44	7,000,000		-	4,666,666	-	4,666,666
Public Utility Revenue Bonds	0.00	01/05/17	02/01/38	1,697,269		-	-	1,226,660	1,226,660
Public Utility Revenue Bonds	0.00	09/18/18	10/01/40	32,000,000		-	26,400,000	-	26,400,000
Public Utility Revenue Bonds	0.00	07/30/20	05/01/41	1,500,000		-	1,275,000	-	1,275,000
Public Utility Revenue Bonds	1.00	06/07/24	10/01/44	775,000		775,000	-	-	775,000
-					\$	775,000	\$ 88,339,926	\$ 1,226,660	\$ 90,341,586

The revenue bonds have been issued in accordance with the terms of an indenture agreement with the Virginia Resources Authority, a public body corporate and a political subdivision of the Commonwealth of Virginia (the "Authority"), as Administrator of the Virginia Water Facilities Revolving Fund and Virginia Water Supply Revolving Fund.

Pursuant to Chapter 22 Title 62.1 of the Code of Virginia (1950), as amended (the "Act"), the General Assembly created a permanent and perpetual fund known as the "Virginia Water Facilities Revolving Fund (the "Fund"). In conjunction with the State Water Control Board, the Authority administers and manages the Fund. From the Fund, the Authority from time to time makes loans to and acquires obligations of local governments in Virginia to finance: 1) the costs of wastewater treatment facilities within the meaning of Section 62.1-224 of the Act; 2) the costs of constructing facilities or structures or implementing other best management practices that reduce or prevent pollution of state waters caused by stormwater runoff from impervious surfaces within the meaning of Section 62.1-229.4 of the Act.

Pursuant to Chapter 23, Title 62.1 of the Code of Virginia (1950) as amended (the "Act"), the General Assembly created a fund known as the "Virginia Water Supply Revolving Fund" (the "Fund"). In conjunction with the Virginia Board of Health, the Authority administers and manages the Fund. From the Fund, the Authority from time to time makes loans to and acquires obligations of local governments in Virginia to finance the costs of water supply facilities within the meaning of Section 62.1-233 of the Act.

All of the indenture agreements require the City to pledge its Sewer, Stormwater, and Water Funds Revenues as collateral for the revenue bonds and to maintain a debt coverage ratio at least equal to 1.15. As shown in Supplementary Statistical Tables 23, 24 and 25, the Water Fund's debt coverage ratio for the year ended June 30 was 1.63, the Sewer Fund's debt coverage ratio was 1.79 and the Stormwater Fund's debt coverage ratio was 2.44.

Notes to Financial Statements As of June 30, 2024

Note 9. Long-Term Liabilities (Continued)

Primary Government: (Continued)

Summary of Changes in Long-Term Liabilities for FY 2024:

	Beginning			Ending	Current
Governmental Activities	Balance	Additions	Deletions	Balance	Portion
Bond anticipation notes	\$ -	\$ 448,654	\$ -	\$ 448,654	\$ -
General obligation bonds	184,218,920	65,537,142	74,248,504	175,507,558	10,637,135
General obligation- Direct					
borrowings	4,071,476	-	741,476	3,330,000	666,000
Lease obligations	2,611,333	180,834	123,955	2,668,212	105,845
Other long term payable *	1,750,222	-	437,555	1,312,667	437,555
Adjust for deferred amounts:					
Issuance discounts	(213,235)	-	(53,309)	(159,926)	-
Issuance premiums	16,887,551	5,644,043	6,561,597	15,969,997	
Total bonds and notes	209,326,267	71,810,673	82,059,778	199,077,162	11,846,535
Workers' compensation**	3,119,532	791,961	676,018	3,235,475	388,257
Compensated absences**	5,767,999	4,262,059	3,753,979	6,276,079	753,130
	\$ 218,213,798	\$ 76,864,693	\$ 86,489,775	\$ 208,588,716	\$ 12,987,922

Business-Type Activities	Beginning Balance	Additions	Deletions	Ending Balance	Current Portion
Bond anticipation notes	s -	\$ 11.532.062	\$ -	\$ 11,532,062	\$ -
General obligation bonds	88,028,219	11,337,858	15,966,216	83,399,861	3,658,484
Public utility revenue bonds	96,103,226	775,000	6,536,640	90,341,586	6,536,641
Lease obligations	27,677	50,184	11,792	66,069	15,349
Adjust for deferred amounts:	,	,	,	,	,
Issuance premiums	6,345,462	1,102,594	1,478,518	5,969,538	-
Total bonds and notes	190,504,584	24,797,698	23,993,166	191,309,116	10,210,474
Workers' compensation**	13,600	174,032	93,917	93,715	11,246
Compensated absences**	792,987	778,727	1,022,116	549,598	65,952
	\$ 191,311,171	\$ 25,750,457	\$ 25,109,199	\$ 191,952,429	\$ 10,287,672

* An intangible asset was obtained concurrent with the recordation of this long term payable. Neither instrument constituted a source or a use of current financial resources; therefore, they are not reflected in the fund financial statements. The intangible asset is included in capital assets in Exhibit 1.

**For governmental activities, a portion of the workers' compensation and compensated absences are liquidated by the Internal Service Fund. The remaining portion of the workers' compensation, compensated absences, and other post-employment benefits are liquidated by the General Fund.

Notes to Financial Statements As of June 30, 2024

Note 9. Long-Term Liabilities (Continued)

Primary Government: (Continued)

Debt Service to Maturity:

	Governmental Activities												
Year Ending	General Ob	ligation Bonds	General Obligation- Direct Borrowings	Other Long- Term Payable									
June 30	Principal	Interest	Principal Interest	Principal									
2025	\$ 10,637,135	\$ 7,176,332	\$ 666,000 \$ 82,418	\$ 437,555									
2026	11,323,856	6,581,381	666,000 64,103	437,555									
2027	10,790,362	5,992,883	666,000 45,788	437,557									
2028	9,353,243	5,556,165	666,000 27,473	-									
2029	9,504,072	5,134,617	666,000 9,158	-									
2030-2034	46,716,667	19,410,961		-									
2035-2039	43,031,206	10,285,260		-									
2040-2044	33,748,377	2,744,764		-									
2045	402,640	1,511	<u> </u>										
	\$ 175,507,558	\$ 62,883,874	\$ 3,330,000 \$ 228,940	\$ 1,312,667									

						Business-Type /	Activitie	es							
		General Obligation Bonds													
Year Ending	Wate	er Fund		Sewe	r Fun	1		Stormwater Fund				Airport Fund			
June 30	Principal	Interest	Pı	rincipal		Interest]	Principal		Interest	I	rincipal]	Interest	
2025	\$ 1,886,393	\$ 1,800,043	\$	1,570,526	\$	1,155,008	\$	95,000	\$	224,825	\$	106,565	\$	63,434	
2026	1,954,221	1,675,248		1,395,185		1,077,454		100,000		219,950		111,863		57,841	
2027	2,012,142	1,572,274		1,303,046		1,013,481		100,000		214,950		72,476		52,248	
2028	2,051,836	1,482,251		1,321,536		960,155		110,000		209,700		78,253		49,774	
2029	2,086,278	1,394,274		1,327,340		906,993		115,000		204,075		79,030		47,158	
30-34	10,559,731	5,638,621		6,357,622		3,726,080		665,000		927,875		447,683		185,099	
35-39	11,008,557	3,575,701		6,271,490		2,561,288		835,000		753,594		373,152		91,270	
40-44	7,027,432	1,887,151		5,272,504		1,566,033		1,040,000		559,553		260,000		21,400	
45-49	4,120,000	874,350		4,155,000		740,313		1,250,000		342,244		-		-	
50-53	2,635,000	209,606		2,165,000		161,750		1,080,000		89,459		-		-	
	\$ 45,341,590	\$ 20,109,519	\$ 3	31,139,249	\$	13,868,555	\$	5,390,000	\$	3,746,225	\$	1,529,022	\$	568,224	

Notes to Financial Statements As of June 30, 2024

Note 9. Long-Term Liabilities (Continued)

Primary Government: (Continued)

Debt Service to Maturity: (Continued)

				Business-T	Гуре Ас	tivities		
				Rever	nue Bon	ds		
Year Ending		Water	Fund		Sev	ver Fund*	S	tormwater Fund*
June 30	Pri	ncipal	Iı	nterest	Р	rincipal		Principal
2025	\$	-	\$	6,329	\$	6,449,022	\$	87,619
2026		36,184		7,660		6,449,022		87,619
2027		36,546		7,297		6,266,032		87,619
2028		36,913		6,931		6,005,550		87,619
2029		37,283		6,561		5,745,067		87,618
2030-2034		192,096		27,121		26,174,479		438,092
2035-2039		201,920		17,297		22,488,254		350,474
2040-2044		212,246		6,971		8,594,167		-
2045		21,812		109		168,333		-
	\$	775,000	\$	86,276	\$	88,339,926	\$	1,226,660

* Sewer and Stormwater Fund Revenue Bonds are 0.00% interest.

July 18, 2023 General Obligation Public Improvement Bond Anticipation Note, Series 2023

On July 18, 2023 the City issued a three-year General Obligation Bond Anticipation Note and concurrently entered into a line of credit Financing Agreement with JPMorgan Chase Bank, N.A. The Agreement provided for borrowings of up to \$68,500,000 to provide interim financing for qualifying city, school, water, sewer, stormwater, airport and fleet capital improvements. Interest on the unpaid principal is equal to the sum of (i) 80% times adjusted term secured overnight financing rate (SOFR), plus (ii) 0.55%, as calculated by the Lender. Interest shall be computed on the basis of the actual number of days elapsed in a 360-day year. Interest is paid monthly. All outstanding amounts are due on June 15, 2026. The unused line of credit as of June 30 is \$56,519,284.

January 30, 2024 General Obligation Public Improvement Bonds, Series 2024 (Virginia Water Facilities Revolving Fund- College Lake Dam Project, Loan C-515768G)

The City entered into a \$7,500,000 General Obligation Public Improvement Bond, Series 2024 Financing Agreement with the Virginia Resources Authority on January 30, 2024. Proceeds of the borrowing will be used to finance a portion of the College Lake Dam Removal Project. The bonds were issued with a 0.50% per annum interest rate. An interest only payment shall be due and payable on December 1, 2025, with semi-annual principal and interest payments commencing June 1, 2026 and continuing semiannually thereafter on June 1 and December 1 in each year, with the final installment being due on June 1, 2045. As of June 30, the City has drawn \$350,879 on the loan. The remaining available proceeds of \$7,149,121 are expected to be drawn in FY 2025.

Notes to Financial Statements As of June 30, 2024

Note 9. Long-Term Liabilities (Continued)

Primary Government: (Continued)

May 7, 2024 General Obligation Public Improvement Refunding Bonds, Series 2024

The City issued \$69,375,000 of General Obligation Public Improvement Refunding Bonds, Series 2024 on May 7, 2024 with an average coupon of 4.664% from its competitive bond sale on April 23, 2024. The proceeds of the Series 2024 Bonds, along with a \$1,335,952 equity contribution from the City, were applied to (i) the current refunding and defeasance of \$75,815,000 aggregate principal amount of the City's General Obligation Public Improvement Bonds, Series 2014; and (ii) pay the costs of issuance associated with the Series 2024 Bonds. The City deposited the net proceeds from the refunding bonds in an irrevocable trust with an escrow agent that purchased U.S. Government securities. The trust will provide funds for debt service on the refunded bonds for maturities from FY 2025 through FY 2044. The City funded maturities through FY 2024. As of the bond closing date, these refunded bonds are considered defeased and the liability for them has been removed from the financial statements. The current refunding reduced the total debt service payments over the next 20 years by \$4,515,656 and resulted in an economic gain (difference between the present values of the debt service payments on the old and new debt) of \$3,261,020. This current refunding resulted in the total difference between the reacquisition price and the net carrying value of the old debt of \$1,144,188. This difference will be reported in the financial statements as deferred debt charges, and will be amortized as a component of interest expenses through FY 2044 over the life of the refunded bonds, which is equal to the life of the new debt issued. The escrow agent called the Series 2014 bonds on August 2, 2024.

June 7, 2024 Water Revenue Bonds, Series 2024 (Virginia Water Supply Revolving Fund- Water Line Inventory Project, Loan BIL 04L-22)

The City entered into a \$775,000 Public Utility Water Revenue Bond, Series 2024 Financing Agreement with the Virginia Resource Authority on June 7, 2024. Proceeds of the borrowing will be used to pay a portion of the costs of a water line inventory project. The bonds were priced with a 1.00% per annum interest rate. An interest only payment shall be due and payable on April 1, 2025; with principal and interest payments commencing on October 1, 2025 and continuing semiannually thereafter on April 1 and October 1 in each year, with the final installment being due on October 1, 2044. As of June 30, the City has drawn \$409,231 on the loan. The remaining available proceeds of \$365,769 are expected to be drawn in FY 2025.

Component Unit - Lynchburg City Schools:

Summary of Changes in Long-Term Liabilities for FY 2024:

	Be	eginning				Ending	Current
	В	Balance	 Additions	1	Deletions	 Balance	 Portion
Compensated absences Subscription liability	\$	1,070,402	\$ 1,016,911 6,068,069	\$	631,537 3,008,548	\$ 1,455,776 3,059,521	\$ 858,908 3,003,724
1 5	\$	1,070,402	\$ 7,084,980	\$	3,640,085	\$ 4,515,297	\$ 3,862,632

The Schools' has SBITAs for software platforms with periods expiring April 2025 through November 2025. The Schools' uses its estimated incremental borrowing rate ranging from 0.00% to 3.25% as the discount rate as none of the subscription arrangements have an explicitly stated interest rate. The value of the right-to-use subscription asset and related accumulated amortization as of year-end are disclosed in Note 8. The related liability as well as principal and interest requirements to maturity are disclosed below.

Notes to Financial Statements As of June 30, 2024

Note 9. Long-Term Liabilities (Continued)

Component Unit - Lynchburg City Schools: (Continued)

Debt Service to Maturity:

Year Ending	Subscription Liabilities				
June 30	Principal	I	nterest		
2025	\$ 3,003,724	\$	41,264		
2026	55,797		1,067		
	\$ 3,059,521	\$	42,331		

Note 10. Fund Equity Balances

Fund Balance Policy:

- The City of Lynchburg's Unassigned General Fund Balance (UGFB) will be maintained at a level to provide the City with sufficient working capital and a comfortable margin of safety to address emergencies and unexpected declines in revenue without borrowing.
- The City shall not use the UGFB to finance recurring operating expenditures.
- The City will maintain an UGFB equal to 10% of General Fund revenues with a goal of 15% as the City strives to grow incrementally each year subject to revenues available. In the event the UGFB is used to provide for temporary funding of unforeseen emergency needs, the City shall restore the UGFB to the minimum of 10% over three years.
- The City will balance moving towards the 15% targeted fund balance with its annual "Pay as you go" capital improvement requirements.

For FY 2024 the City was in compliance with the Fund Balance Policy.

A schedule of City fund balances is on the following pages.

Notes to Financial Statements As of June 30, 2024

	-	MAJOR FUND	3	NON MAJOR SPECIAL REVENUE FUNDS					
	GENERAL FUND	CITY CAPITAL PROJECTS	SCHOOL CAPITAL PROJECTS	CITY FEDERAL STATE AID	COMMUNITY DEVELOPMENT BLOCK GRANT	LYN CHBURG BUSINESS DEVEL OPMENT CENTRE	FORFEITED ASSETS		
ND BALANCES stricted for:									
Fire Department	\$ -	\$ -	\$ -	\$ 293,807	\$ -	\$.	\$		
Public Safety	20 E	N 12	849 SZ	51,528		· · · · · · · · · · · · · · · · · · ·	201		
Economic Development		1	15	79,016		15	;		
Opioid Abatement Community Corrections and Pre-Trial Services				461,512 282,546	8. 2				
Grants	6	2	2	107,139	-	2			
luvenile Detention Center				10.000	5				
Fransportation and Other	÷	7,675,395	÷-	5 8 8	8	9 7	-		
							75.25		
itate Asset Forfeiture - Commonwealth Attomey 'ederal Asset Forfeiture- Police	· · · ·		-	1000	~		75,25 232,26		
State Asset Forfeiture - Police		13 19	10 19			10 A	74,209		
lealth and Human Services	÷	54							
ynchburg Expressway beautification	1 <u>1</u>	8 <u>2</u>	82	121	2	82			
OME projects	e	13	15	055	8	13			
umitted to:									
echnology	1,737,235	82	82	623	0	82			
etention Home Workers Compensation	100,000	-	-	5=K	-	-			
ealth Insurance Reserve	223,973	5- 5-	5- 10-	5957 59 5 6					
chools for Textbooks	408,265	(a)	52 (S	1040	×.	54 (L)			
chools for Health Insurance Reserve	2,066,925	82	<u>12</u>	62.6	9	8			
ther Postemployment Benefits blid Waste Debt Retirement	3,235,222 92,901		10 	23 5 3	54 14	10 			
chools Special Education	321,000			120					
LTC Special Reserve	1,896,736	32	32	623	0	82			
elf Insurance (5001)	544,588	13	17	0,53	5	15			
iel	300,000	(2	87	583		۰. ۲			
oncord Turnpike Landfill Maintenance	240,000	-	1- 10	97 2 12 2010	¥	-			
inline Service ebt Service	400,000 1,726,735	· ·	-	100	~				
ommunity Development	1,720,755	13	1.	1955	2 2	1			
ultural and Recreational	2,101			141	2				
eneral Government	25,051	8 <u>2</u>	2	623	2	82			
ealth and Welfare	4,701	13	15	1975	5	17			
dicial	4,239	0 1	84	(-)	8				
ublic Safety	4,978	-	5- 10	1020	2	-			
ublic Works uildings	156,473	22,415,154				-			
ransportation	-	16,300,567							
conomic Development		8,524,785		(2)					
arks and Recreation	20 20	4,323,058	82	12	2	82			
ther	5	946,118	wares raid	155		17			
chool Construction and Maintenance ovision of loan funds for small businesses			4,568,497	1948 1948		- 125,384			
						0.5040.03			
gned to:									
eturn of School Fund Balance	82,784		6 7	1052	8	10 A			
aw Library Iuseum	68,877 50,028	54 12	84 12	(*) (2)					
ecreation Programs	438,958	-	-			-			
ier Program	32,736	1		1050 1050					
ealth Insurance Reserve	3,552,229	8 4	84	740	×	3 -			
ine of Duty Death Benefit	501,440	32	12	121	8	12			
ature Landfill Needs arking Operations	260,998 261,703	27	25	85.9	8	25			
pint of H onor	261,703	6 .	67 24	1050 7020		10 10			
olice Range Operations	1,000			100	2				
uture Police Building	3,566,973	25	95 10	150		27			
re Restituti on	100	67	67	1953	ž	6			
venile Detention Center		8	14 	798	¥ 	84 			
dopt-A-B ed irginia Land C onservancy	1,085 2,314	12	1 <u>-</u>	020	2	-			
re Training Center	11,250	25	25 	6579 11-11	0	15			
x Relief - Trash Fee waived year 2 of 2	2,300,000			1940 1940					
x Relief - MVL Fee waived year 2 of 2	1,500,000	12	12	191	9	12			
eneral Government	713,487	27	5	100	8	5			
ealth and Welfare	31,059	67	6 *	1053	*				
dicial Iblic Safety	1,294 1 383 411	84 101	8 -	D#B pices	9 	8 -			
ublic Safety ublic Works	1,383,411 3,696,248	-	5 <u>-</u>	1944 C	-	-			
ommunity Development	192,005	15	25 /-	- 1 - 1	- -				
ommunity Diversion	143,600		÷-	1940 1940	- 				
ultural & Recreational	163,363	12	12	121	2	12			
Iorizon Project	2,153,628	85	85	1070	5	8			
	40.261.714		~	240		24			
ssigned:	40,362,724								
ssigned: I Fund Balance	\$ 74,967,871	\$ 60,185,077	\$ 4,568,497	\$ 1,275,548	<u> </u>	\$ 125,384	\$ 381,73		

Notes to Financial Statements As of June 30, 2024

FUND BALANCES Restricted for: Fire Department Public Safety Economic Development Opioid Abatement Community Corrections and Pre-Trial Services Grants Juvenile Detention Center Transportation and Other State Asset Forfeiture - Police Health and Human Services Lynchburg Expressway beautification HOME projects Committed to: Technology Detention Home Workers Compensation Health and Human Services Schools for Health Insurance Reserve Other Postemployment Benefits Solid Waste Debt Retirement Schools Special Education GLTC Special Reserve Sdef Insurance (5001) Fuel Concord Tumpike Landfill Maintenance Airline Service Deter Service Deto Service	CHILDREN'S SERVICES ACT	LYN CHBURG EXPRE SSWAY APPE ARANCE	HOME INVESTMENT PARTNERSHIP PROGRAM	LYNCHBURG REGIONAL JUVENILE DETENTION CENTER	ALL FUNDS \$ 293,807 51,528 79,016 461,512 282,546
Restricted for: Fire Department Public Safety Economic Development. Opioid Abatement Community Corrections and Pre-Trial Services Grants Juvenile Detention Center Transportation and Other State Asset Forfeiture - Commonwealth Attomey Federal Asset Forfeiture - Police State Asset Forfeiture - Police State Asset Forfeiture - Police Health and Human Services Lynchburg Expressway beautification HOME projects Committed to: Technology Detention Home Workers Compensation Health Insurance Reserve Schools for Health Insurance Reserve Other Postemployment Benefits Solid Waste Debt Retirement Schools Sprial Education GLTC Special Reserve Self Insurance (5001) Fuel Concord Tumpike Landfill Maintenance Aidine Service Debt Service Commuty Development Cultural and Recreational General Government Health and Welfare Judicial Public Works Buildings Transportation		\$	\$	201 E 10 10 10 10 10 10 10 10 10 10 10 10 10	51,528 79,016 461,512
Public Safety Economic Development Opriod Abatement Community Corrections and Pre-Trial Services Grants Juvenile Detention Center Transportation and Other State Asset Forfaiture - Commonwealth Attomey Federal Asset Forfaiture - Police Health and Human Services Lynchburg Expressway beautification HOME projects Committed to: Technology Detention Home Workers Compensation Health Insurance Reserve Schools for Textbooks Schools for Textbooks Schools for Textbooks Schools for Textbooks Schools Special Education Other Posteral Reserve Schools Special Education GLTC Special Reserve Self Insurance (5001) Fuel Concord Tumpike Landfill Maintenance Airline Service Debt Service Commuty Development Cultural and Recreational General Government Health and Welfare Judicial Public Works Buildings Transportation		\$	\$	201 E 10 10 10 10 10 10 10 10 10 10 10 10 10	51,528 79,016 461,512
Economic Development. Opioid Abatement Community Corrections and Pre-Trial Services Grants Juvenile Detention Center Transportation and Other State Asset Forfeiture - Colice State Asset Forfeiture - Police Health and Human Services Lynchburg Expressway beautification HOME projects Committed to: Technology Detention Home Workers Compensation Health Insurance Reserve Schools for Teathooks Schools for Teathooks Schools Spriat Education Gitter Special Reserve Self Insurance (S001) Fuel Concord Tumpike Landfill Maintenance Airline Service Debt Service Community Development Cultural and Recreational General Government Health and Welfare Judicial Public Safety Public Works Buildings Transportation	210,195				79,016 461,512
Opioid Abatemeni Community Corrections and Pre-Trial Services Grants Juvenile Detention Center Transportation and Other State Asset Forfeiture - Police State Asset Forfeiture - Police Health and Human Services Jupnchurg Expressway beautification HOME projects Committed to: Technology Detention Home Workers Compensation Health Insurance Reserve Schools for Teathooks Schools for Teathooks Schools for Teathooks Schools for Health Insurance Reserve Other Postemployment Benefits Solid Waste Debt Retirement Schools Special Education GLTC Special Reserve Sdf Insurance (S001) Fuel Concord Tumpike Landfill Maintenance Airline Service Debt Service Debt Service Health and Welfare Judicial Public Safety Public Works Buildings Transportation	210,195				461,512
Community Corrections and Pre-Trial Services Grants Juvenile Detention Center Transportation and Other State Asset Forfeiture - Commonwealth Attomey Federal Asset Forfeiture - Police Health and Human Services Lynchburg Expressway beautification HOME projects Committed to: Technology Detention Home Workers Compensation Health Insurance Reserve Schools for Teatbooks Schools for Teatbooks Schools for Teatbooks Schools for Teatbooks Schools for Teatbooks Schools Sprial Education GUTC Special Education GUTC Special Reserve Self Insurance (5001) Fuel Committy Development Cultural and Recreational General Government Health and Welfare Judicial Public Safety Public Works Buildings Transportation	210,195		2 2 2 2 2		
Juvenile Detention Center Transportation and Other State Asset Forfeiture - Commonwealth Attomey Federal Asset Forfeiture - Police Health and Human Services Lynchburg Expressway beautification HOME projects Committed to: Technology Detention Home Workers Compensation Health Insurance Reserve Schools for Textbooks Schools for Textbooks Schools for Textbooks Schools for Health Insurance Reserve Other Posternolyopment Benefits Stoid Waste DetR Retirement Schools Special Education GLTC Special Reserve Self Insurance (5001) Fuel Concord Tumpike Landfill Maintenance Aittine Service Dett Service Community Development Cultural and Recreational General Government Health and Welfare Judicial Public Safety Public Works Buildings Transportation	210,195	3 3 3 3 3			
Transportation and Other State Asset Forfeiture - Commonwealth Attomey Federal Asset Forfeiture - Police State Asset Forfeiture - Police Health and Human Services Lynchburg Expressway beautification HOME projects Committed to: Technology Detention Home Workers Compensation Health Insurance Reserve Schools for Testbooks Schools Special E ducation GLTC Special Reserve Self Insurance (5001) Fuel Concord Turpike Landfill Maintenance Aidine Service Debt Service Community Development Cultural and Recreational General Government Health and Weifare Judicial Public Safety Public Works Buildings Transportation	210,195		-	275,005	107,139 275,863
Federal Asset Forfiture - Police State Asset Forfiture - Police Health and Human Services Lynchburg Expressway beautification HOME projects Committed to: Technology Detention Home Workers Compensation Health Inaurance Reserve Schools for Textbooks Schools for Textbooks School for Textbo	210,195	81 17 14			7,675,395
Health and Human Services Lynchburg Expressway beautification HOME projects committed to: Technology Detention Home Workers Compensation Health Insurance Reserve Schools for Textbooks Schools for Textbooks Schools for Textbooks Schools for Textbooks Schools for Textbooks Schools for Textbooks Schools for Health Insurance Reserve Other Postemployment Benefits Solid Waste Debt Reirement Schools Special Education GLTC Special Reserve Self Insurance (5001) Fuel Concord Turupike Landfill Maintenance Aidine Service Debt Service Community Development Cultural and Recreational General Government Health and Welfare Judicial Public Safety Public Works Buildings Transportation	210,195	1.0		28 52	75,258 232,265
Lynchburg Expressway beautification HOME projects Committed to: Technology Detention Home Workers Compensation Halth Insurance Reserve Schools for Teathooks Schools for Health Insurance Reserve Other Postemployment Benefits Solid Waste Debt Retirement Schools Special Education GLTC Special Reserve Sdf Insurance (S001) Fud Concord Tumpike Landfill Maintenance Aifline Service Debt Service Debt Service Community Development Cultural and Recreational General Government Health and Welfare Judicial Public Safety Public Works Buildings Transportation	с 			50 20	74,209 210,195
Committed to: Technology Detention Home Workers Compensation Health Insurance Reserve Schools for Textbooks Schools for Textbooks Schools for Health Insurance Reserve Other Postemployment Benefits Solid Waste Debt Retirement Schools Special Education GLTC Special Reserve Self Insurance (5001) Fuel Concord Turnpike Landfill Maintenance Aithine Service Debt Service Community Development Cultural and Recreational General Government Health and Welfare Judicial Public Safety Public Works Buildings Transportation	1	196,367	12	2	196,367
Technology Detention Home Workers Compensation Health Insurance Reserve Schools for Textbooks Schools for Health Insurance Reserve Other Postemployment Benefits Solid Waste Debt Retirement Schools Special Education GL TC Special Education GL TC Special Reserve Self Insurance (5001) Fuel Concord Tumpike Landfill Maintenance Aritine Service Debt Service Community Development Cultural and Recreational General Government Health and Welfare Judicial Public Safety Public Safety Public Works Buildings Transportation		1	5,834	73	5,834
Detention Home Workers Compensation Health Insurance Reserve Schools for Testbooks Schools for Testbooks Schools for Health Insurance Reserve Other Postemployment Benefits Solid Waste Debt Retirement Schools Special E ducation GLTC Special Reserve Self Insurance (5001) Fuel Concord Turnpike Landfill Maintenance Aidine Service Debt Service Community Development Cultural and Recreational General Government Health and Welfare Judicial Public Safety Public Safety Public Works Buildings Transportation					1 7 27 226
Health Insurance Reserve Schools for Textbooks Schools for Health Insurance Reserve Other Postemployment Benefits Solid Waste Debt Retirement Schools Special E ducation GLTC Special Reserve Self Insurance (5001) Fuel Concord Tumpike Landfill Maintenance Airline Service Debt Service Community Development Cultural and Recreational General Government Health and Welfare Judicial Public Safety Public Works Buildings Transportation				-	1,737,235 100,000
Schools for Health Insurance Reserve Other Postemployment Benefits Schools Special Education GLTC Special Reserve Sdf Insurance (5001) Fuel Concord Tumpike Landfill Maintenance Aidine Service Debt Service Debt Service Community Development Cultural and Recreational General Government Health and Wefare Judicial Public Safety Public Safety Public Works Buildings Transportation		10 10		-	223,973
Other Postemployment Benefits Solid Waste Debt Retirement Schools Special Education GLTC Special Education GLTC Special Reserve Self Insurance (S001) Fuel Concord Tumpike Landfill Maintenance Airline Service Debt Service Community Development Cultural and Recreational General Government Health and Welfare Judicial Public Safety Public Works Buildings Transportation	2	14 A	2	-2	408,265
Solid Waste Debt Retirement Schools Special Education GLTC Special Reserve Self Insurance (5001) Fuel Concord Tumpike Landfill Maintenance Airline Service Debt Service Community Development Cultural and Recreational General Government Health and Welfare Judicial Public Safety Public Safety Public Works Buildings Transportation	2	32 	2	20	2,066,925 3,235,222
Schools Special Education GLTC Special Reserve Self Insurance (5001) Fuel Concord Tumpike Landfill Maintenance Airline Service Debt Service Community Development Cultural and Recreational General Government Health and Welfare Judicial Public Safety Public Safety Public Works Buildings Transportation	E	12	E	51 -2	92,901 g
Sef Insurance (5001) Fuel Concord Tumpike Landfill Maintenance Aidine Service Debt Service Community Development Cultural and Recreational General Government Health and Welfare Judicial Public Safety Public Safety Public Works Buildings Transportation	-	54	14	20	321,000
Fuel Concord Tumpike Landfill Maintenance Airline Service Debt Service Community Development Cultural and Recreational General Government Health and Welfare Judicial Public Safety Public Safety Public Works Buildings Transportation	2	32	12	22	1,896,736
Concord Turmpike Landfill Maintenance Airline Service Debt Service Community Development Cultural and Recreational General Government Health and Welfare Judicial Public Safety Public Safety Public Works Buildings Transportation		10 10	-	5 	544,588 300,000
Airline Service Debt Service Community Development Cultural and Recreational General Government Health and Welfare Judicial Public Safety Public Works Buildings Transportation				20	240,000
Community Development Cultural and Recreational General Government Health and Welfare Judicial Public Safety Public Works Buildings Transportation	2	82	2	23	400,000
Cultural and Recreational General Government Health and Welfare Judicial Public Safety Public Works Buildings Transportation	5	8. 	1	5	1,726,735 80
General Government Health and Welfare Judicial Public Safety Public Vorks Buildings Transportation					2,10
Judicial Public Safety Public Works Buildings Transportation	2	82	12	2	25,051
Public Safety Public Works Buildings Transportation	,	27	,	-	4,701
Public Works Buildings Transportation				-	4,239 4,978
Transportation	12	82	12	22	156,473
		15	e	5	22,415,154
Economic Development	1. 	6 1		-0	16,300,563 8,524,785
Parks and Recreation		82	12	2	4,323,058
Other	e -	8. .	5	5	946,118
School Construction and Maintenance Provision of loan funds for small businesses	5		0. 10		4,568,497 125,384
ssigned to:					
Return of School Fund Balance Law Library	<u></u>	67 20		51 22	82,784 68,877
Museum	-	12	-		50,028
Recreation Programs	2	2	2	5	438,958
Pier Program				-	32,736
Health Insurance Reserve Line of Duty Death Benefit	-		-	-	3,552,229 501,440
Future Landfill Needs	-	-	-		260,998
Parking Operations		ie -		-	261,703
Point of Honor Police Range Operations		8 4	-	#3	2,653
Future Police Building		-		-	3,566,973
Fire Restitution		67 67			100
Juvenile Detention Center		(a.	-	234	234
Adopt-A-Bed Virginia Land Conservancy				-	1,085 2,314
Fire Training Center		-		5 5	11,250
Tax Relief - Trash Fee waived year 2 of 2	1 1	8-) .	-3	2,300,000
Tax Relief - MVL Fee waived year 2 of 2 General Government	-	-		-	1,500,000 713,483
Health and Welfare	-	-			31,059
Judicial	÷-	8 .	9 .	-3	1,294
Public Safety Public Works	-	12	-	-	1,383,411 3,696,248
Community Development	-	25 2-	2	53 = 0	192,005
Community Diversion		14	i.	-	143,60
Cultural & Recreational Horizon Project	5 2	92 05	6 20	19 29	163,363 2,153,628
Inassigned:					
otal Fund Balance			<u> </u>		40,362,724

(Continued) 51

Notes to Financial Statements As of June 30, 2024

Note 11. Defined Benefit Pension Plan – City of Lynchburg

Plan Description

All full-time, salaried permanent employees of the City of Lynchburg, Virginia, (the "Political Subdivision") are automatically covered by the VRS Retirement Plan upon employment. This multi-employer agent plan is administered by the Virginia Retirement System (the System) along with plans for other employer groups in the Commonwealth of Virginia. Members earn one month of service credit for each month they are employed and for which they and their employer pay contributions to VRS. Members are eligible to purchase prior service, based on specific criteria as defined in the *Code of Virginia*, as amended. Eligible prior service that may be purchased includes prior public service, active military service, certain periods of leave, and previously refunded service.

The System administers three different benefit structures for covered employees – Plan 1, Plan 2, and Hybrid. Each of these benefit structures has different eligibility criteria. The specific information for each plan and the eligibility for covered groups within each plan are available at:

- https://www.varetire.org/members/benefits/defined-benefit/plan1.asp,
- <u>https://www.varetire.org/members/benefits/defined-benefit/plan2.asp</u>
- <u>https://www.varetirement.org/hybrid.html</u>.

Employees Covered by Benefit Terms

As of the June 30, 2022 actuarial valuation, the following employees were covered by the benefit terms of the pension plan:

	Number
Active members	1,155
Inactive members	2,171
—	
Total covered employees	3,326

Contributions

The contribution requirement for active employees is governed by §51.1-145 of the *Code of Virginia*, as amended, but may be impacted as a result of funding options provided to political subdivisions by the Virginia General Assembly. Employees are required to contribute 5.00% of their compensation toward their retirement.

The political subdivision's contractually required contribution rate for the year ended June 30, 2024 was 20.96% of covered employee compensation. This rate was based on an actuarially determined rate from an actuarial valuation as of June 30, 2022.

This rate, when combined with employee contributions, was expected to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. Contributions to the pension plan from the political subdivision were \$15,587,270 and \$14,240,279 for the years ended June 30, 2024 and June 30, 2023, respectively.

Net Pension Liability

The net pension liability (NPL) is calculated separately for each employer and represents that particular employer's total pension liability determined in accordance with GASB Statement No. 68, less that employer's fiduciary net position. For political subdivisions, the net pension liability was measured as of June 30, 2023. The total pension liability used to calculate the net pension liability was determined by an actuarial valuation performed as of June 30, 2022 rolled forward to the measurement date of June 30, 2023.

Notes to Financial Statements As of June 30, 2024

Note 11. Defined Benefit Pension Plan – City of Lynchburg (Continued)

Actuarial Assumptions

The total pension liability for General Employees in the Political Subdivision's Retirement Plan was based on an actuarial valuation as of June 30, 2022, using the Entry Age Normal actuarial cost method and the following assumptions, applied to all periods included in the measurement and rolled forward to the measurement date of June 30, 2023.

Inflation	2.50%
General Employees – Salary increases, including inflation	3.50 - 5.35%
Public Safety Employees with hazardous duty benefits – Salary increases, including inflation	3.50 - 4.75%
Investment rate of return	6.75%, net of pension plan investment expense, including inflation

Mortality rates: General employees -20% of deaths are assumed to be service related. Public Safety Employees -70% of deaths are assumed to be service related. Mortality is projected using the applicable Pub-2010 Mortality Table with various set backs or set forwards for both males and females.

The actuarial assumptions used in the June 30, 2022 valuation were based on the results of an actuarial experience study for the period from July 1, 2016 through June 30, 2020, except the change in the discount rate, which was based on VRS Board action effective as of July 1, 2021. Changes to the actuarial assumptions as a result of the experience study and VRS Board action are as follows:

General Employees – Largest 10 – Non-Hazardous Duty and All Others (Non-10 Largest): Updated mortality table; adjusted retirement rates; adjusted withdrawal rates to better fit experience at each year age and service through 9 years of service; no change to disability rates; no change to salary scale; no change to line of duty disability; and no change to discount rate.

Public Safety Employees – Largest 10 – Hazardous Duty and All Others (Non-10 Largest) – Hazardous Duty: Updated mortality table; adjusted retirement rates; decreased withdrawal rates; no change to disability rates; no change to salary scale; no change to line of duty disability; and no change to discount rate.

Notes to Financial Statements As of June 30, 2024

Note 11. Defined Benefit Pension Plan – City of Lynchburg (Continued)

Long-Term Expected Rate of Return

The long-term expected rate of return on pension System investments was determined using a log-normal distribution analysis in which best-estimate ranges of expected future real rates of return (expected returns, net of pension System investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The target asset allocation and best estimate of arithmetic real rates of return for each major asset class are summarized in the following table:

Asset Class (Strategy)	Target Allocation	Arithmetic Long-Term Expected Rate of Return	Weighted Average Long-Term Expected Rate of Return
Public Equity	34.00 %	6.14 %	2.09 %
Fixed Income	15.00	2.56	0.38
Credit Strategies	14.00	5.60	0.78
Real Assets	14.00	5.02	0.70
Private Equity	16.00	9.17	1.47
MAPS – Multi Asset Public Strategies	4.00	4.50	0.18
PIP – Private Investment Partnership	2.00	7.18	0.14
Cash	1.00	1.20	0.01
Total	100.00 %		5.75 %
	Inflation		2.50 %
*Expected arithm	8.25 %		

The above allocation provides a one-year expected return of 8.25%. However, one-year returns do not take into account the volatility present in each of the asset classes. In setting the long-term expected return for the System, stochastic projections are employed to model future returns under various economic conditions. These results provide a range of returns over various time periods that ultimately provide a median return of 7.14%, including expected inflation of 2.50%. On June 15, 2023, the VRS Board elected a long-term rate of return of 6.75%, which was roughly at the 45th percentile of expected long-term results of the VRS fund asset allocation at that time, providing a median return of 7.14%, including expected inflation of 2.50%.

Notes to Financial Statements As of June 30, 2024

Note 11. Defined Benefit Pension Plan – City of Lynchburg (Continued)

Discount Rate

The discount rate used to measure the total pension liability was 6.75%. The projection of cash flows used to determine the discount rate assumed that System member contributions will be made per the VRS Statutes and the employer contributions will be made in accordance with the VRS funding policy at rates equal to the difference between actuarially determined contribution rates adopted by the VRS Board of Trustees and the member rate. Consistent with the phased-in funding provided by the General Assembly for state and teacher employer contributions, political subdivisions were also provided with an opportunity to use an alternate employer contribution rate. For the year ended June 30, 2023, the alternate rate was the employer contribution rate used in the FY 2012 or 100% of the actuarially determined employer contribution rate from the June 30, 2022 actuarial valuations, whichever was greater. From July 1, 2023 on, participating employers are assumed to continue to contribute 100% of the actuarially determined contribution rates. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore, the long-term expected rate of return was applied to all periods of projected benefit payments to determine the total pension liability.

Changes in Net Pension Liability/(Asset)

		Inc	crease (Decrease)		
	 Total Pension Liability (a)		Plan Fiduciary Net Position (b)		Net Pension Liability/Asset (a)-(b)
Balance at June 30, 2022	\$ 421,124,533	\$	332,726,345	<u>\$</u>	88,398,188
Changes for the year:					
Service cost	7,591,733		-		7,591,733
Interest	28,109,009		-		28,109,009
Differences between expected and actual experience	2,153,966		-		2,153,966
Contributions – employer	-		13,684,223		(13,684,223)
Contributions – employee	-		3,171,043		(3,171,043)
Net investment income	-		21,311,201		(21,311,201)
Benefit payments, including refunds					
of employee contributions	(24,573,005)		(24,573,005)		-
Administrative expenses	-		(213,135)		213,135
Other changes	 		8,569		(8,569)
Net change	 13,281,703		13,388,896		(107,193)
Balance at June 30, 2023	\$ 434,406,236	\$	346,115,241	\$	88,290,995

Notes to Financial Statements As of June 30, 2024

Note 11. Defined Benefit Pension Plan – City of Lynchburg (Continued)

Sensitivity of the Net Pension Liability to Changes in the Discount Rate

The following presents the net pension liability of the political subdivision using the discount rate of 6.75%, as well as what the political subdivision's net pension liability would be if it were calculated using a discount rate that is one percentage point lower (5.75%) or one percentage point higher (7.75%) than the current rate:

	 1.00% Decrease (5.75%)	I	Current Discount Rate (6.75%)	1.00% Increase (7.75%)
Political subdivision's net pension liability	\$ 141,939,742	\$	88,290,995	\$ 43,637,684

Pension Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

For the year ended June 30, 2024, the political subdivision recognized pension expense of \$8,300,994. At June 30, 2024, the political subdivision reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources			Deferred Inflows of Resources		
Differences between expected and actual experience	\$	1,525,988	\$	3,661,178		
Change in assumptions		3,069,277		-		
Net difference between projected and actual earnings						
on pension plan investments		-		5,394,627		
Employer contributions subsequent to the						
measurement date		15,587,270		-		
Total	\$	20,182,535	\$	9,055,805		

The \$15,587,270 reported as deferred outflows of resources related to pensions resulting from the Political Subdivision's contributions subsequent to the measurement date will be recognized as a reduction of the Net Pension Liability in the year ending June 30, 2025. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ended June 30,	Increase (Reduction) to Pension Expense				
2025	\$	(2,914,178)			
2026		(6,782,072)			
2027		5,059,621			
2028		176,089			
2029		-			
Thereafter		-			

Notes to Financial Statements As of June 30, 2024

Note 11. Defined Benefit Pension Plan – City of Lynchburg (Continued)

Pension Plan Data

Information about the VRS Political Subdivision Retirement Plan is also available in the separately issued VRS 2023 Annual Report. A copy of the 2023 VRS Annual Report may be downloaded from the VRS website at varetire.org/pdf/publications/2023-annual-report.pdf, or by writing to the System's Chief Financial Officer at P.O. Box 2500, Richmond, VA 23218-2500.

Payables to the Pension Plan

At June 30, 2024 \$1,546,915 was payable to the Virginia Retirement System for the legally required contributions related to June 2024 payroll.

School Non-professionals

Plan Description

All full-time, salaried permanent non-professional employees (non-teachers) of the Lynchburg City Schools, (the "School division") are automatically covered by the VRS Retirement Plan upon employment. This multi-employer agent plan is administered by the Virginia Retirement System (the System) along with plans for other employer groups in the Commonwealth of Virginia. Members earn one month of service credit for each month they are employed and for which they and their employer pay contributions to VRS. Members are eligible to purchase prior service, based on specific criteria as defined in the *Code of Virginia*, as amended. Eligible prior service that may be purchased includes prior public service, active military service, certain periods of leave, and previously refunded service. The System administers three different benefit structures for covered employees – Plan 1, Plan 2, and Hybrid. The plan provisions and features of the plans, as well as all actuarial assumptions, are substantially the same as those described for the City. The Laurel Regional Program (the "Program") participates in postretirement benefits through the Lynchburg City Schools (the "Schools") various benefit plans through its fiduciary relationship with the Schools. The Schools accounts for and report the Program's participation in the Schools' benefit plans by applying the requirements for a cost-sharing multiple employer plan. All Required Supplementary Information is presented for the various post-retirement benefit plans at the Schools as a whole.

Employees Covered by Benefit Terms

As of the June 30, 2022 actuarial valuation, the following employees were covered by the benefit terms of the pension plan:

	Number
Inactive members or their beneficiaries currently receiving benefits	108
Inactive members:	
Vested inactive members	18
Non-vested inactive members	86
Inactive members active elsewhere in VRS	30
Total inactive members	134
Active members	138
Total covered employees	380

Notes to Financial Statements As of June 30, 2024

Note 11. Defined Benefit Pension Plan – School Non-professionals (Continued)

Contributions

The contribution requirement for active employees is governed by §51.1-145 of the *Code of Virginia*, as amended, but may be impacted as a result of funding options provided to political subdivisions by the Virginia General Assembly. Employees are required to contribute 5.00% of their compensation toward their retirement.

The school division's contractually required contribution rate for the year ended June 30, 2024 was 5.70% of covered employee compensation. This rate was based on an actuarially determined rate from an actuarial valuation as of June 30, 2021.

This rate, when combined with employee contributions, was expected to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. Contributions to the pension plan from the school division were \$187,886 and \$180,715 for the years ended June 30, 2024 and June 30, 2023, respectively.

Net Pension Liability

The net pension liability (NPL) is calculated separately for each employer and represents that particular employer's total pension liability determined in accordance with GASB Statement No. 68, less that employer's fiduciary net position. For political subdivisions, the net pension liability was measured as of June 30, 2023. The total pension liability used to calculate the net pension liability was determined by an actuarial valuation performed as of June 30, 2022 rolled forward to the measurement date of June 30, 2023.

Actuarial Assumptions

The total pension liability for General Employees in the Political Subdivision's Retirement Plan was based on an actuarial valuation as of June 30, 2022, using the Entry Age Normal actuarial cost method and the following assumptions, applied to all periods included in the measurement and rolled forward to the measurement date of June 30, 2023.

Inflation	2.50%
General Employees – Salary increases, including inflation	3.50 - 5.35%
Public Safety Employees with hazardous duty benefits – Salary increases, including inflation	3.50 - 4.75%
Teacher cost sharing plan – Salary increases, including inflation	3.50 - 5.95%
Investment rate of return	6.75%, net of pension plan investment expense, including inflation

Mortality rates: General employees -20% of deaths are assumed to be service related. Public Safety Employees -70% of deaths are assumed to be service related. Mortality is projected using the applicable Pub-2010 Mortality Table with various set backs or set forwards for both males and females.

Notes to Financial Statements As of June 30, 2024

Note 11. Defined Benefit Pension Plan – School Non-professionals (Continued)

Actuarial Assumptions (Continued)

The actuarial assumptions used in the June 30, 2022 valuation were based on the results of an actuarial experience study for the period from July 1, 2016 through June 30, 2020, except the change in the discount rate, which was based on VRS Board action effective as of July 1, 2021. Changes to the actuarial assumptions as a result of the experience study and VRS Board action are as follows:

General Employees – Largest 10 – Non-Hazardous Duty and All Others (Non-10 Largest): Updated mortality table; adjusted retirement rates; adjusted withdrawal rates to better fit experience at each year age and service through 9 years of service; no change to disability rates; no change to salary scale; no change to line of duty disability; and no change to discount rate.

Long-Term Expected Rate of Return

The long-term expected rate of return on pension System investments was determined using a log-normal distribution analysis in which best-estimate ranges of expected future real rates of return (expected returns, net of pension System investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The target asset allocation and best estimate of arithmetic real rates of return for each major asset class are summarized in the following table:

Asset Class (Strategy)	Target Allocation	Arithmetic Long-Term Expected Rate of Return	Weighted Average Long-Term Expected Rate of Return
Public Equity	34.00 %	6.14 %	2.09 %
Fixed Income	15.00	2.56	0.38
Credit Strategies	14.00	5.60	0.78
Real Assets	14.00	5.02	0.70
Private Equity	16.00	9.17	1.47
MAPS – Multi Asset Public Strategies	4.00	4.50	0.18
PIP – Private Investment Partnership	2.00	7.18	0.14
Cash	1.00	1.20	0.01
Total	100.00 %		5.75 %
	Inflation		2.50 %
*Expected arith	metic nominal return		8.25 %

The above allocation provides a one-year expected return of 8.25%. However, one-year returns do not take into account the volatility present in each of the asset classes. In setting the long-term expected return for the System, stochastic projections are employed to model future returns under various economic conditions. These results provide a range of returns over various time periods that ultimately provide a median return of 7.14%, including expected inflation of 2.50%. On June 15, 2023, the VRS Board elected a long-term rate of return of 6.75%, which was roughly at the 45th percentile of expected long-term results of the VRS fund asset allocation at that time, providing a median return of 7.14%, including expected inflation of 2.50%.

Notes to Financial Statements As of June 30, 2024

Note 11. Defined Benefit Pension Plan – School Non-professionals (Continued)

Discount Rate

The discount rate used to measure the total pension liability was 6.75%. The projection of cash flows used to determine the discount rate assumed that System member contributions will be made per the VRS Statutes and the employer contributions will be made in accordance with the VRS funding policy at rates equal to the difference between actuarially determined contribution rates adopted by the VRS Board of Trustees and the member rate. Consistent with the phased-in funding provided by the General Assembly for state and teacher employer contributions, political subdivisions were also provided with an opportunity to use an alternate employer contribution rate. For the year ended June 30, 2023, the alternate rate was the employer contribution rate used in the FY 2012 or 100% of the actuarially determined employer contributions, whichever was greater. From July 1, 2023 on, participating employers are assumed to continue to contribute 100% of the actuarially determined contribution rates. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore, the long-term expected rate of return was applied to all periods of projected benefit payments to determine the total pension liability.

Changes in Net Pension Liability

		Incr	ease (Decrease))	
	 Total Pension Liability (a)		Plan Fiduciary Net Position (b)		Net Pension Liability (a) – (b)
Balances at June 30, 2022	\$ 17,080,084	\$	17,961,030	\$	(880,946)
Changes for the year:					
Service cost	387,818		-		387,818
Interest	1,169,832		-		1,169,832
Differences between expected					
and actual experience	30,961		-		30,961
Contributions – employer	-		180,686		(180,686)
Contributions – employee	-		208,096		(208,096)
Net investment income	-		1,168,302		(1,168,302)
Benefit payments, including refunds					
of employee contributions	(934,103)		(934,103)		-
Administrative expenses	-		(11,833)		11,833
Other changes	 		(707)		707
Net changes	 654,509		610,440		44,069
Balances at June 30, 2023	\$ 17,734,593	\$	18,571,470	\$	(836,877)

Notes to Financial Statements As of June 30, 2024

Note 11. Defined Benefit Pension Plan – School Non-professionals (Continued)

Sensitivity of the Net Pension Liability to Changes in the Discount Rate

The following presents the net pension liability of the school division using the discount rate of 6.75%, as well as what the political subdivision's net pension liability would be if it were calculated using a discount rate that is one percentage point lower (5.75%) or one percentage point higher (7.75%) than the current rate:

	1.00% Decrease (5.75%)	Current Discount Rate (6.75%)		1.00% Increase (7.75%)
School division's net pension liability (asset)	\$ 1,229,898	\$	(836,877)	\$ (2,590,841)

Pension Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

For the year ended June 30, 2024, the school division recognized pension expense of \$191,078. At June 30, 2024, the political subdivision reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	0	Deferred Outflows of Resources		Deferred Inflows of Resources
Differences between expected and actual experience	\$	17,558	\$	77,598
Net difference between projected and actual earnings on pension plan investments		-		299,858
Employer contributions subsequent to the measurement date		187,886		
Total	\$	205,444	\$	377,456

The \$187,886 reported as deferred outflows of resources related to pensions resulting from the school division's contributions subsequent to the measurement date will be recognized as a reduction of the Net Pension Liability in the year ending June 30, 2025. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ended June 30,	Reduction o Pension Expense
2025	\$ (276,861)
2026	(355,621)
2027	263,090
2028	9,494
2029	-
Thereafter	-

Notes to Financial Statements As of June 30, 2024

Note 11. Defined Benefit Pension Plan – School Non-professionals (Continued)

Pension Plan Data

Information about the VRS Political Subdivision Retirement Plan is also available in the separately issued VRS 2023 Annual Report. A copy of the 2023 VRS Annual Report may be downloaded from the VRS website at varetire.org/pdf/publications/2023-annual-report.pdf, or by writing to the System's Chief Financial Officer at P.O. Box 2500, Richmond, VA 23218-2500.

Payables to the Pension Plan

At June 30, 2024, \$34,162 was payable to the Virginia Retirement System for the legally required contributions related to June 2024 payroll.

Note 12. Defined Benefit Pension Plan – Lynchburg City Schools Teacher Cost Sharing Plan

General Information about the Teacher Cost Sharing Plan

Plan Description

All full-time, salaried permanent (professional) employees of Virginia public school divisions, including Lynchburg City Schools, (the "School Division"), are automatically covered by the VRS Teacher Retirement Plan upon employment. This multiple employer, cost sharing plan is administered by the Virginia Retirement System (the System) along with plans for other employer groups in the Commonwealth of Virginia. Members earn one month of service credit for each month they are employed and for which they and their employers pay contributions to VRS. Members are eligible to purchase prior service, based on specific criteria as defined in the *Code of Virginia*, as amended. Eligible prior service that may be purchased includes prior public service, active military service, certain periods of leave, and previously funded service.

The System administers three different benefit structures for covered employees in the VRS Teacher Retirement Plan - Plan 1, Plan 2, and Hybrid. The provisions and features of the plans, as well as all actuarial assumptions, are substantially the same as those described in Note 11.

Contributions

The contribution requirement for active employees is governed by §51.1-145 of the *Code of Virginia*, as amended, but may be impacted as a result of funding provided to school divisions by the Virginia General Assembly. Employees are required to contribute 5.00% of their compensation toward their retirement. Each school division's contractually required contribution rate for the year ended June 30, 2024 was 16.62% of covered employee compensation. This rate was based on an actuarially determined rate from an actuarial valuation as of June 30, 2021. The actuarially determined rate, when combined with employee contributions, was expected to finance the costs of benefits earned by employee during the year, with an additional amount to finance any unfunded accrued liability. Contributions to the pension plan from the school division were \$10,416,976 and \$9,502,324 for the years ended June 30, 2024 and June 30, 2023, respectively.

In June 2023, the Commonwealth made a special contribution of approximately \$147.5 million to the VRS Teacher Employee Plan. This special payment was authorized by Chapter 2 of the Acts of Assembly of 2022, Special Session I, as amended by Chapter 769, 2023 Acts of Assemble Reconvened Session, and is classified as a non-employer contribution. The School Division's proportionate share is reflected in operating grants and contributions on Exhibit 2.

Notes to Financial Statements As of June 30, 2024

Note 12. Defined Benefit Pension Plan – Lynchburg City Schools Teacher Cost Sharing Plan (Continued)

General Information about the Teacher Cost Sharing Plan (Continued)

<u>Pension Liabilities, Pension Benefit, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to</u> <u>Pensions</u>

At June 30, 2024, the School Division reported a liability of \$60,871,923, for its proportionate share of the Net Pension Liability. The Net Pension Liability was measured as of June 30, 2023 and the total pension liability used to calculate the Net Pension Liability was determined by an actuarial valuation performed as of June 30, 2022, and rolled forward to the measurement date of June 30, 2023. The School Division's proportion of the Net Pension Liability was based on the School Division's actuarially determined employer contributions to the pension plan for the year ended June 30, 2023 relative to the total of the actuarially determined employer contributions for all participating employers. At June 30, 2023, the school division's proportion was 0.623% as compared to 0.618% at June 30, 2022.

For the year ended June 30, 2024, the School Division recognized pension expense of \$4,415,026. Since there was a change in proportionate share between measurement dates, a portion of the pension expense was related to deferred amounts from changes in proportion and from differences between employer contributions and the proportionate share of employer contributions. Beginning with the June 30, 2022 measurement date, the difference between the expected and actual contributions is included with the pension expense calculation.

At June 30, 2024, the school division reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources		 Deferred Inflows of Resources
Differences between expected and actual experience	\$	5,228,950	\$ 2,375,482
Change in assumptions		2,759,537	-
Net difference between projected and actual earnings on pension plan investments		-	3,957,903
Changes in proportion and differences between Employer contributions and proportionate share of contributions		938,685	2,134,843
Employer contributions subsequent to the measurement date		10,416,976	 <u> </u>
Total	\$	19,344,148	\$ 8,468,228

Notes to Financial Statements As of June 30, 2024

Note 12. Defined Benefit Pension Plan – Lynchburg City Schools Teacher Cost Sharing Plan (Continued)

General Information about the Teacher Cost Sharing Plan (Continued)

<u>Pension Liabilities, Pension Benefit, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to</u> <u>Pensions</u> (Continued)

The \$10,416,976 reported as deferred outflows of resources related to pensions resulting from the school division's contributions subsequent to the measurement date will be recognized as a reduction of the Net Pension Liability in the Fiscal Year ending June 30, 2025. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ended June 30,	 Increase (Reduction) to Pension Expense
2025	\$ (2,095,570)
2026	(3,896,268)
2027	5,183,199
2028	1,267,583
2029	-
Thereafter	-

Net Pension Liability

The net pension liability (NPL) is calculated separately for each system and represents that particular system's total pension liability determined in accordance with GASB Statement No. 67, less that system's fiduciary net position. As of June 30, 2023, NPL amounts for the VRS Teacher Employee Retirement Plan is as follows (amounts expressed in thousands):

	 Teacher Employee Retirement Plan
Total Pension Liability	\$ 57,574,609
Plan Fiduciary Net Position	 47,467,405
Employers' Net Pension Liability (Asset)	\$ 10,107,204
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	82.45%

The total pension liability is calculated by the System's actuary, and each plan's fiduciary net position is reported in the System's financial statements. The net pension liability is disclosed in accordance with the requirements of GASB Statement No. 67 in the System's notes to the financial statements and required supplementary information.

Notes to Financial Statements As of June 30, 2024

Note 12. Defined Benefit Pension Plan – Lynchburg City Schools Teacher Cost Sharing Plan (Continued)

<u>Sensitivity of the School Division's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate</u>

The following presents the school division's proportionate share of the net pension liability of the school division using the discount rate of 6.75%, as well as what the school division's proportionate share of the net pension liability would be if it were calculated using a discount rate that is one percentage point lower (5.75%) or one percentage point higher (7.75%) than the current rate:

	1.00% Decrease	Ι	Current Discount Rate	1.00% Increase
School division's proportionate share of the VRS Teacher Employee Retirement plan	 (5.75%)		(6.75%)	 (7.75%)
net pension liability	\$ 107,904,210	\$	60,871,923	\$ 22,207,516

Pension Plan Fiduciary Net Position

Detailed information about the VRS Teacher Retirement Plan's Fiduciary Net Position is available in the separately issued VRS 2023 Annual Comprehensive Financial Report (Annual Report). A copy of the 2023 VRS Annual Report may be downloaded from the VRS website at <u>http://www.varetire.org/Pdf/Publications/2023-annual-report.pdf</u>, or by writing to the System's Chief Financial Officer at P.O. Box 2500, Richmond, VA, 23218-2500.

Payables to the Pension Plan

At June 30, 2024, \$1,188,345 was payable to the Virginia Retirement System for the legally required contributions related to June 2024 payroll.

Notes to Financial Statements As of June 30, 2024

Note 13. Summary of Pension Benefit Elements

A summary of pension financial statement elements are as follows:

	Governmental Activities			Business-Type Activities		otal Primary Government
Deferred outflows of resources						
Pension contributions subsequent to measurement date	\$	13,620,157	\$	1,967,113	\$	15,587,270
Differences between expected and actual experience	Ŷ	1,333,409	Ŷ	192,579	Ŷ	1,525,988
Changes of assumptions		2,681,935		387,342		3,069,277
Total deferred outflow of resources	\$	17,635,501	\$	2,547,034	\$	20,182,535
Net pension liability	\$	77,148,672	\$	11,142,323	\$	88,290,995
Deferred inflows of resources Differences between projected and actual earnings on investments Differences between expected and actual	\$	4,713,825	\$	680,802	\$	5,394,627
experience		3,199,137		462,041		3,661,178
Total deferred inflow of resources	\$	7,912,962	\$	1,142,843	\$	9,055,805
Pension Expense						
VRS	\$	7,253,409	\$	1,047,585	\$	8,300,994
Total pension expense	\$	7,253,409	\$	1,047,585	\$	8,300,994

Notes to Financial Statements As of June 30, 2024

Note 13. Summary of Pension Benefit Elements (Continued)

Lynchburg City Schools

The Schools participate in two pension plans as described in Notes 11 and 12. Following is a summary of key pension-related financial statement elements lifted from those notes.

	School Board Component Uni	
Deferred outflows of resources:		
Changes in proportion and related differences – cost sharing		
plans VRS Teacher cost sharing plan	\$	938,685
Changes in assumptions		
VRS Teacher cost sharing plan		2,759,537
Difference between expected and actual experience		17.550
VRS – nonprofessionals		17,558
VRS Teacher cost sharing plan		5,228,950
Contributions subsequent to measurement date		107 006
VRS – nonprofessionals VRS Teacher cost sharing plan		187,886 10,416,976
VKS Teacher cost sharing plan		10,410,970
	\$	19,549,592
Net VRS liability (asset)liability:		
VRS – nonprofessionals	\$	(836,877)
VRS Teacher cost sharing plan		60,871,923
	\$	60,035,046
	<u> </u>	
Deferred inflows of resources:		
Difference between expected and actual experience		
VRS – nonprofessionals	\$	77,598
VRS Teacher cost sharing plan		2,375,482
Net difference between projected and actual earnings on		
pension plan investments VRS – nonprofessionals		299,858
VRS Teacher cost sharing plan		3,957,903
Changes in proportion and related differences – cost sharing		5,957,905
plans VRS Teacher cost sharing plan		2,134,843
pland the reaction cost chaining plan		2,13 1,0 13
	\$	16,445,242
Net VRS expense (benefit)		
VRS – nonprofessionals	\$	(191,078)
VRS Teacher cost sharing plan		4,415,026
	\$	4,223,948

Notes to Financial Statements As of June 30, 2024

Note 14. Other Post-Employment Benefits – Healthcare

City of Lynchburg

Plan Description

The City provides certain benefits for retired employees through a single-employer defined benefit plan. The City may change, add, or delete benefits with City Council approval. The plan does not grant retirees vested health or dental coverage benefits.

Benefits Provided

The City provides post-employment health and dental benefits to its retirees, through its self-insured health plan. Retirees may continue to participate in the group health and dental plans based upon the date of full time hire in accordance with the provisions outlined below.

- (1) Full time Classified employees hired on or after July 1, 1996 are currently eligible to participate in the City's health and dental plans at the retiree's expense when they retire directly from the City with at least fifteen (15) years of full-time service with the City. The retiree must pay the current premium value of the medical coverage.
- (2) Full time Classified employees hired on or after July 1, 1990 but before July 1, 1996 are currently eligible to participate in the City's health and dental plans and receive City contributions for the coverage when they retire directly from the City with at least fifteen (15) years of full-time service with the City and the retiree worked for the City five (5) of the fifteen (15) years immediately preceding retirement.
- (3) Full time Classified employees hired prior to July 1, 1990 are currently eligible for health and dental plan participation and receive City contributions for their coverage when they retire directly from the City.

The City does not provide prescription coverage for Medicare eligible retirees.

Membership

The number of participants as of the most recent valuation, January 1, 2024, was as follows:

Actives	1,154
Retired/Dependents	458
Total Participants	1,612

Total OPEB Liability

The City's total OPEB liability of \$32,999,353 was measured as of June 30, 2024, and was determined by an actuarial valuation as of January 1, 2024.

Actuarial Assumptions

In the January 1, 2024 actuarial valuation, the Entry Age actuarial cost method was used to develop the AAL and the Normal Cost. Under this method, the postretirement health costs are assumed to be earned ratably from date of hire to the participant's full retirement eligibility age (age 50 or older with 15 or more years of service). The actuarial assumptions used a 4.00% discount rate, and an initial annual healthcare cost trend of 6.0% reduced by decrements each year to arrive at an ultimate healthcare cost trend rate of 4.25%. Mortality rates were PUB-2010 for Males and Females projected generationally to 2020 with Scale SSA.

Notes to Financial Statements As of June 30, 2024

Note 14. Other Post-Employment Benefits – Healthcare (Continued)

City of Lynchburg (Continued)

Changes in OPEB Liability

	 2024			
Service Cost	\$ 266,425			
Interest	1,410,943			
Difference between expected and actual experience	(5,022,789)			
Changes in assumptions	1,404,750			
Benefit payments, including implicit subsidies	 (2,480,520)			
Net Change in Total OPEB Liability	(4,421,191)			
Total OPEB Liability – Beginning of Year	 37,420,544			
Total OPEB Liability – End of Year	\$ 32,999,353			

Sensitivity of the Net OPEB Liability to Changes in the Discount Rate

The following presents the net OPEB liability of the plans, calculated using the discount rate of 4.00%, as well as what each plan's net OPEB liability would be if it were calculated using a discount rate that is 1.00% lower or 1.00% higher than the current rate:

	 1.00% Decrease (3.00%)		Current Discount Rate (4.00%)		1.00% Increase (5.00%)
Total OPEB Liability	\$ 37,444,236	\$	32,999,353	\$	29,393,960
Net OPEB Liability	\$ 37,444,236	\$	32,999,353	\$	29,393,960
Ratio of Plan Net Position to Total OPEB Liability	0.0%		0.0%		0.0%

Sensitivity of the Net OPEB Liability to Changes in the Healthcare Cost Trend Rate

The following presents the net OPEB liability of the plans, calculated using the healthcare cost trend rate of from 6.00% to an ultimate rate of 4.25%, as well as what each plan's net OPEB liability would be if it were calculated using a healthcare cost trend rate that is 1.00% lower or 1.00% higher than the current rate:

	Current1.00%UltimateDecreaseTrend Rate(3.25%)(4.25%)		1.00% Increase (5.25%)	
Total OPEB Liability	\$ 29,290,369	\$	32,999,353	\$ 37,524,250
Net OPEB Liability	\$ 29,290,369	\$	32,999,353	\$ 37,524,250
Ratio of Plan Net Position to Total OPEB Liability	0.0%		0.0%	0.0%

Notes to Financial Statements As of June 30, 2024

Note 14. Other Post-Employment Benefits – Healthcare (Continued)

<u>City of Lynchburg</u> (Continued)

OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB

For the year ended June 30, 2024, the City recognized OPEB expense of \$(6,811,211). At June 30, 2024, the City reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of <u>Resources</u>		Deferred Inflows of Resources		
Differences between expected and actual experience	\$	-	\$	19,704,483	
Change in actuarial assumptions		4,313,386		4,993,067	
Total	\$	4,313,386	\$	24,697,550	

Amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Year ended June 30,	N	et Amount of /(Inflow)
2025	\$	(4,934,474)
2026		(5,791,532)
2027		(5,791,538)
2028		(1,253,669)
2029		(1,613,542)
After 2029		(999,409)
Total Amount to be Recognized	\$	(20,384,164)

Lynchburg City Schools

Plan Description

The Schools provide full-time active employees eligibility to receive postretirement medical and dental benefits after retiring from active service from the Schools under the VRS Teachers Retirement Plan under the normal or early retirement plan provisions. The employee must have worked for the Schools for 10 continuous years prior to retirement. The earliest retirement eligibility is age 50 with at least 10 years of service.

Benefits Provided

Lynchburg City Schools currently provides medical, dental and vision benefits to its retirees and their eligible dependents that elect to stay in the plan. At retirement, retirees may stay in an Anthem KeyCare Plan with prescription drug benefits. The plan is an Anthem KeyCare 25 plan with a \$750 deductible.

Dental benefits are offered through Anthem and the vision benefits are offered through EyeMed Vision. Since the retiree pays the full rates for both of these plans, we assumed there was no GASB liability for either of these plans.

Retirees can continue coverage under all the benefits until age 65. If the spouse is covered, he or she can continue until the retiree turns 65. If the spouse turns 65 before the retiree, they may remain in the plan with the same benefits or elect to leave the plan and go on Medicare. It is assumed that spouses would remain in the plan since this was the more conservative approach and there have been spouses over age 65 in the plan.

Notes to Financial Statements As of June 30, 2024

Note 14. Other Post-Employment Benefits – Healthcare (Continued)

Lynchburg City Schools (Continued)

Employees Covered by Benefit Terms

As of the July 1, 2022 actuarial valuation, the following employees were covered by the benefit terms of the plan:

30
1,271
1.301

Total OPEB Liability

The School's total OPEB liability of \$9,049,059 was measured as of June 30, 2023 and was determined based on an actuarial valuation performed as of July 1, 2022.

Actuarial Assumptions and Other Inputs

The total OPEB liability was determined using the following assumptions, applied to all periods included in the measurement, unless otherwise specified:

Inflation 2.5%

Mortality rates: Pub-2010 Teachers Headcounted – Weighted Mortality Table with projections Scale MP-2021.

The actuarial assumptions used in the July 1, 2022 valuation were based on the results of an actuarial experience study for the period from July 1, 2016 through June 30, 2020 for the VRS.

Changes in assumptions and other inputs reflect a change in the discount rate based on GASB 75 rules.

Changes in the Total OPEB Liability

Balance at June 30, 2022	\$ 8,096,672
Changes for the year:	
Service cost	735,812
Interest	324,100
Assumption or other input changes	(8,959)
Benefit payments	 (98,566)
Net changes	 952,387
Balance at June 30, 2023	\$ 9,049,059

Notes to Financial Statements As of June 30, 2024

Note 14. Other Post-Employment Benefits – Healthcare (Continued)

Lynchburg City Schools (Continued)

Sensitivity of the Total OPEB Liability to Changes in the Discount Rate

The following presents the total OPEB liability of the Schools, as well as what the Schools' total OPEB liability would be if it were calculated using a discount rate that is one percentage point lower (2.86%) or one percentage point higher (4.86%) than the current discount rate:

		1.00% Decrease (2.86%)		Decrease		Decrease Discount Rate		1.00% Increase (4.86%)
Total OPEB liability	\$	10,112,578	\$	9,049,059	\$	8,117,871		

Sensitivity of the Total OPEB Liability to Changes in the Healthcare Cost Trend Rates

The following presents the total OPEB liability of the Schools, as well as what the Schools' total OPEB liability would be if it were calculated using healthcare cost trend rates that are one percentage point lower (7.00%) or one percentage point higher (9.00%) than the current healthcare cost trend rates:

	Current					
	 1.00% Decrease (7.00%)	-	althcare Cost Frend Rate (8.00%)		1.00% Increase (9.00%)	
Total OPEB liability	\$ 7,827,228	\$	9,049,059	\$	10,540,510	

OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB

For the year ended June 30, 2024, the Schools recognized OPEB expense of \$730,552. At June 30, 2024, the political subdivision reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources		Deferred Inflows of Resources		
Differences between expected and actual experience	\$	-	\$	3,746,083	
Change in assumptions		438,575		59,575	
Employer contributions subsequent to the measurement date		127,823			
Total	\$	566,398	\$	3,805,658	

Notes to Financial Statements As of June 30, 2024

Note 14. Other Post-Employment Benefits – Healthcare (Continued)

Lynchburg City Schools (Continued)

The \$127,823 reported as deferred outflows of resources related to OPEB resulting from the Schools' contributions subsequent to the measurement date will be recognized as a reduction of the OPEB Liability in the year ending June 30, 2025. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Year Ended June 30,]	Reduction to OPEB Expense
2025	\$	(854,102)
2026		(854,102)
2027		(916,855)
2028		(348,572)
2029		(392,170)
Thereafter		(1,282)

Note 15. Other Post-Employment Benefits – Group Life Insurance

City of Lynchburg

Summary of Significant Accounting Policies

Group Life Insurance

The Virginia Retirement System (VRS) Group Life Insurance Program is a multiple employer, cost-sharing plan. It provides coverage to state employees, teachers, and employees of participating political subdivisions. The Group Life Insurance Program was established pursuant to §51.1-500 et seq. of the *Code of Virginia*, as amended, and which provides the authority under which benefit terms are established or may be amended. The Group Life Insurance Program is a defined benefit plan that provides a basic group life insurance benefit for employees of participating employers. For purposes of measuring the net Group Life Insurance Program OPEB liability, deferred outflows of resources and deferred inflows of resources related to the Group Life Insurance Program OPEB, and Group Life Insurance Program OPEB and the additions to/deductions from the VRS Group Life Insurance Program OPEB's net fiduciary position have been determined on the same basis as they were reported by VRS. In addition, benefit payments are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

General Information about the Group Life Insurance Program

Plan Description

All full-time, salaried permanent employees of the state agencies, teachers and employees of participating political subdivisions are automatically covered by the VRS Group Life Insurance Program upon employment. This plan is administered by the Virginia Retirement System (the System), along with pensions and other OBEB plans, for public employer groups in the Commonwealth of Virginia.

Notes to Financial Statements As of June 30, 2024

Note 15. Other Post-Employment Benefits – Group Life Insurance (Continued)

<u>City of Lynchburg</u> (Continued)

General Information about the Group Life Insurance Program (Continued)

Plan Description (Continued)

In addition to the Basic Group Life Insurance benefit, members are also eligible to elect additional coverage for themselves as well as a spouse or dependent children through the Optional Group Life Insurance Program. For members who elect the optional group life insurance coverage, the insurer bills employers directly for the premiums. Employers deduct these premiums from members' paychecks and pay the premiums to the insurer. Since this is a separate and fully insured program, it is not included as part of the Group Life Insurance Program OPEB.

Specific information for the GLI is available at <u>https://www.varetire.org/members/benefits/life-insurance/basic-group-life-insurance.asp</u>.

Contributions

The contribution requirements for the Group Life Insurance Program are governed by §51.1-506 and §51.1-508 of the *Code of Virginia*, as amended, but may be impacted as a result of funding provided to state agencies and school divisions by the Virginia General Assembly. The total rate for the Group Life Insurance Program was 1.34% of covered employee compensation. This was allocated into an employee and an employer component using a 60/40 split. The employee component was 0.80% (1.34% x 60%) and the employer component was 0.54% (1.34% x 40%). Employers may elect to pay all or part of the employee contribution; however, the employer must pay all of the employer contribution. Each employee compensation. This rate was based on an actuarially determined rate from an actuarial valuation as of June 30, 2021. The actuarially determined rate, when combined with employee contributions, was expected to finance the costs of benefits payable during the year, with an additional amount to finance any unfunded accrued liability. Contributions to the Group Life Insurance Program from the City were \$399,369 and \$365,000 for the years ended June 30, 2024 and June 30, 2023, respectively.

OPEB Liabilities, OPEB Expense, and Deferred Inflows and Outflows of Resources Related to OPEB

At June 30, 2024, the City reported a liability of \$3,432,315 for its proportionate share of the Net GLI OPEB Liability. The Net GLI OPEB Liability was measured as of June 30, 2023 and the total GLI OPEB liability used to calculate the Net GLI OPEB Liability was determined by an actuarial valuation performed as of June 30, 2022 and rolled forward to the measurement date of June 30, 2023. The covered employer's proportion of the Net GLI OPEB Liability was based on the covered employer's actuarially determined employer contributions to the Group Life Insurance Program for the year ended June 30, 2023, the City's proportion was 0.28619% as compared to 0.27204% at June 30, 2022.

For the year ended June 30, 2024, the City recognized GLI OPEB expense of \$135,265. Since there was a change in proportionate share between measurement dates, a portion of the GLI OPEB expense was related to deferred amounts from changes in proportion.

Notes to Financial Statements As of June 30, 2024

Note 15. Other Post-Employment Benefits – Group Life Insurance (Continued)

City of Lynchburg (Continued)

OPEB Liabilities, OPEB Expense, and Deferred Inflows and Outflows of Resources Related to OPEB (Continued)

At June 30, 2024, the City reported deferred outflows of resources and deferred inflows of resources related to the GLI OPEB from the following sources:

	0	Deferred utflows of desources	I	Deferred nflows of desources
Differences between expected and actual experience	\$	342,804	\$	104,188
Net difference between projected and actual earnings				
on GLI OPEB program investments		-		137,930
Changes in Actuarial Assumptions		73,367		237,804
Changes in Proportionate Share		153,583		99,788
Employer contributions subsequent to the		,		
measurement date		399,369		
Total	\$	969,123	\$	579,710

\$399,369 reported as deferred outflows of resources related to the GLI OPEB resulting from the City's contributions subsequent to the measurement date will be recognized as a reduction of the Net GLI OPEB Liability in the Fiscal Year ending June 30, 2025. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to the GLI OPEB will be recognized in the GLI OPEB expense in future reporting periods as follows:

Year Ended June 30,	(Re	Increase eduction) to EB Expense
2025	\$	(35,925)
2026		(139,624)
2027		69,537
2028		32,701
2029		63,355
Thereafter		-

Notes to Financial Statements As of June 30, 2024

Note 15. Other Post-Employment Benefits – Group Life Insurance (Continued)

<u>City of Lynchburg</u> (Continued)

Actuarial Assumptions

The total GLI OPEB liability was based on an actuarial valuation as of June 30, 2022, using the Entry Age Normal actuarial cost method and the following assumptions, applied to all periods included in the measurement and rolled forward to the measurement date of June 30, 2023.

Inflation	2.50%
Salary increases, including inflation:	
 Locality – General employees 	3.50 - 5.35%
 Locality – Hazardous Duty employees 	3.50 - 4.75%
Healthcare cost trend rates:	
• Under age 65	7.00 - 4.75%
• Ages 65 and older	5.25 - 4.75%
Investment rate of return	6.75%, net of investment expenses,
	including inflation

Mortality rates used for the various VRS OPEB plans are the same as those used for the actuarial valuations of the VRS pension plans.

Net GLI OPEB Liability

The net OPEB liability (NOL) for the Group Life Insurance Program represents the program's total OPEB liability determined in accordance with GASB Statement No. 74, less the associated fiduciary net position. As of June 30, 2023, NOL amounts for the Group Life Insurance Program is as follows (amounts expressed in thousands):

	GLI OPEB Program		
Total GLI OPEB Liability Plan Fiduciary Net Position	\$	3,907,052 2,707,739	
Employers' Net GLI OPEB Liability (Asset)	\$	1,199,313	
Plan Fiduciary Net Position as a Percentage of the Total GLI OPEB Liability		69.30%	

The total GLI OPEB liability is calculated by the VRS actuary, and each plan's fiduciary net position is reported in the VRS financial statements. The net GLI OPEB liability is disclosed in accordance with the requirements of GASB Statement No. 74 in the VRS notes to the financial statements and required supplementary information.

Notes to Financial Statements As of June 30, 2024

Note 15. Other Post-Employment Benefits – Group Life Insurance (Continued)

<u>City of Lynchburg</u> (Continued)

Long-Term Expected Rate of Return

The long-term expected rate of return on the VRS investments was determined using a log- normal distribution analysis in which best-estimate ranges of expected future real rates of return (expected returns, net of System's investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The target asset allocation and best estimate of arithmetic real rates of return for each major asset class are summarized in the following table:

Target Allocation	Arithmetic Long-Term Expected Rate of Return	Weighted Average Long-Term Expected Rate of Return
34.00 %	6.14 %	2.09 %
15.00	2.56	0.38
14.00	5.60	0.78
14.00	5.02	0.70
16.00	9.17	1.47
4.00	4.50	0.18
2.00	7.18	0.14
1.00	1.20	0.01
100.00 %		5.75 %
	2.50 %	
	8.25 %	
	Allocation 34.00 % 15.00 14.00 14.00 16.00 4.00 2.00 1.00	Long-Term Expected Rate of Allocation Return 34.00 % 6.14 % 15.00 2.56 14.00 5.60 14.00 5.02 16.00 9.17 4.00 4.50 2.00 7.18 1.00 1.20 100.00 % 2.50 %

* The above allocation provides for a one-year return of 8.25%. However, one-year returns do not take into account the volatility present in each of the asset classes. In setting the long-term expected rate of return for the System, stochastic projections are employed to model future returns under various economic conditions. The results provide a range of returns over various time periods that ultimately provide a median return of 7.14%, including expected inflation of 2.50%. On June 15, 2023, the VRS Board elected a long-term rate of 6.75% which is roughly at the 45th percentile of expected long-term results of the VRS fund asset allocation at that time, providing a median return of 7.14, including inflation of 2.50%.

Notes to Financial Statements As of June 30, 2024

Note 15. Other Post-Employment Benefits – Group Life Insurance (Continued)

City of Lynchburg (Continued)

Discount Rate

The discount rate used to measure the total GLI OPEB Liability was 6.75%. The projection of cash flows used to determine the discount rate assumed that employer contributions will be made in accordance with the VRS funding policy and at rates equal to the actuarially determined contribution rates adopted by the VRS Board of Trustees. Through the fiscal year ending June 30, 2023, the rate contributed by the entity for the GLI OPEB will be subject to the portion of the VRS Board certified rates that are funded by the Virginia General Assembly which was 113% of the actuarially determined contribution rate. From July 1, 2023 on, employers are assumed to contribute to contribute 100% of the actuarially determined contribution rates. Based on those assumptions, the GLI OPEB's fiduciary net position was projected to be available to make all projected future benefit payments of eligible employees. Therefore the long-term expected rate of return was applied to all periods of projected benefit payments to determine the total GLI OPEB Liability.

Sensitivity of the Net GLI OPEB Liability to Changes in the Discount Rate

The following presents the City's proportionate share of the net GLI OPEB liability using the discount rate of 6.75%, as well as what the City's proportionate share of the net GLI OPEB liability would be if it were calculated using a discount rate that is one percentage point lower (5.75%) or one percentage point higher (7.75%) than the current rate:

	1.00% Decrease (5.75%)	D	Current iscount Rate (6.75%)	1.00% Increase (7.75%)	
Total GLI OPEB Liability	\$ 5,087,764	\$	3,432,315	\$	2,093,874

Group Life Insurance Program Fiduciary Net Position

Detailed information about the Group Life Insurance Program's Fiduciary Net Position is available in the separately issued VRS 2023 Annual Comprehensive Financial Report (Annual Report). A copy of the 2023 VRS Annual Report may be downloaded from the VRS website at <u>http://varetire.org/pdf/publications/2023-annual-report.pdf</u> or by writing to the System's Chief Financial Officer at P.O. Box 2500, Richmond, VA, 23218-2500.

Payables to the VRS Group Life Insurance OPEB Plan

At June 30, 2024 the City reported a payable of \$196,061 for the outstanding amount of contributions to VRS required for the year ended June 30, 2024.

Lynchburg City Schools

Plan Descriptions

All full-time teachers and employees of political subdivisions are automatically covered by the VRS Group Life Insurance (GLI) Program upon employment.

In addition to the Basic Group Life Insurance Benefit, members are also eligible to elect additional coverage for themselves as well as a spouse or dependent children through the Optional Group Life Insurance Program. For members who elect the optional group life insurance coverage, the insurer bills employers directly for the premiums. Employers deduct these premiums from members' paychecks and pay the premiums to the insurer. Since this is a separate and fully insured program, it is not included as part of the GLI Program OPEB.

Specific information for the GLI is available at <u>https://www.varetire.org/members/benefits/life-insurance/basic-group-life-insurance.asp</u>

Notes to Financial Statements As of June 30, 2024

Note 15. Other Post-Employment Benefits – Group Life Insurance (Continued)

Lynchburg City Schools (Continued)

Contributions

The contribution requirements for the Group Life Insurance Program are governed by §51.1-506 and §51.1-508 of the *Code of Virginia*, as amended, but may be impacted as a result of funding provided to state agencies and school divisions by the Virginia General Assembly. The total rate for the Group Life Insurance Program was 1.34% of covered employee compensation. This was allocated into an employee and an employer component using a 60/40 split. The employee component was 0.80% (1.34% x 60%) and the employer component was 0.54% (1.34% x 40%). Employers may elect to pay all or part of the employee contribution; however, the employer must pay all of the employer contribution. Each employee compensation. This rate was based on an actuarially determined rate from an actuarial valuation as of June 30, 2020. The actuarially determined rate, when combined with employee contributions, was expected to finance the costs of benefits payable during the year, with an additional amount to finance any unfunded accrued liability. Contributions to the Group Life Insurance Program from the Schools General plan were \$26,390 and \$24,540 for the years ended June 30, 2024 and June 30, 2023, respectively. Contributions to the Group Life Insurance Program from the Schools Teachers plan were \$357,917 and \$324,688 for the years ended June 30, 2024 and June 30, 2023, respectively. In June 2023, the Commonwealth made a special contribution of approximately \$10.1 million to the Group Life Insurance plan. This special payment was authorized by Chapter 2 of the Acts of Assembly of 2022, Special Session I, as amended by Chapter 769, 2023 Acts of Assembly Reconvened Session.

OPEB Liabilities, OPEB Expense, and Deferred Inflows and Outflows of Resources Related to OPEB

At June 30, 2024, the Schools General plan reported a liability of \$233,822 for its proportionate share of the Net GLI OPEB Liability. The Net GLI OPEB Liability was measured as of June 30, 2023 and the total GLI OPEB liability used to calculate the Net GLI OPEB Liability was determined by an actuarial valuation performed as of June 30, 2022 and rolled forward to the measurement date of June 30, 2023. The covered employer's proportion of the Net GLI OPEB Liability was based on the covered employer's actuarially determined employer contributions to the Group Life Insurance Program for the year ended June 30, 2023 relative to the total of the actuarially determined employer contributions for all participating employers. At June 30, 2023, the Schools General plan proportion was 0.02014% as compared to 0.02023% at June 30, 2022.

For the year ended June 30, 2024, the Schools General plan recognized GLI OPEB expense of \$8,912. Since there was a change in proportionate share between measurement dates, a portion of the GLI OPEB expense was related to deferred amounts from changes in proportion.

At June 30, 2024, the Schools General plan reported deferred outflows of resources and deferred inflows of resources related to the GLI OPEB from the following sources:

	Ou	eferred tflows of ssources	In	eferred flows of esources
Differences between expected and actual experience	\$	23,353	\$	7,098
Changes in actuarial assumptions		4,998		16,200
Net difference between projected and actual				
earnings on GLI OPEB program investments		-		9,397
Changes in proportion		10,476		5,856
Employer contributions subsequent to the				
measurement date		26,390		-
Total	\$	65,217	\$	38,551

Notes to Financial Statements As of June 30, 2024

Note 15. Other Post-Employment Benefits – Group Life Insurance (Continued)

Lynchburg City Schools (Continued)

OPEB Liabilities, OPEB Expense, and Deferred Inflows and Outflows of Resources Related to OPEB (Continued)

\$26,390 reported as deferred outflows of resources related to the GLI OPEB resulting from the School's contributions subsequent to the measurement date will be recognized as a reduction of the Net GLI OPEB Liability in the Fiscal Year ending June 30, 2025. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to the GLI OPEB will be recognized in the GLI OPEB expense in future reporting periods as follows:

Year Ended June 30,	Increase (Reduction) to OPEB Expense	•
2025	\$ (1,860)	
2026	(7,332)	
2027	6,145	
2028	1,200	
2029	2,123	
Thereafter	-	

At June 30, 2024, the Schools Teachers plan reported a liability of \$3,082,875 for its proportionate share of the Net GLI OPEB Liability. The Net GLI OPEB Liability was measured as of June 30, 2023 and the total GLI OPEB liability used to calculate the Net GLI OPEB Liability was determined by an actuarial valuation performed as of June 30, 2022 and rolled forward to the measurement date of June 30, 2023. The covered employer's proportion of the Net GLI OPEB Liability was based on the covered employer's actuarially determined employer contributions to the Group Life Insurance Program for the year ended June 30, 2023 relative to the total of the actuarially determined employer contributions for all participating employers. At June 30, 2023, the Schools Teachers plan proportion was 0.26554% as compared to 0. 26709% at June 30, 2022.

For the year ended June 30, 2024, the Schools Teachers plan recognized GLI OPEB expense of 35,979. Since there was a change in proportionate share between measurement dates, a portion of the GLI OPEB expense was related to deferred amounts from changes in proportion.

At June 30, 2024, the Schools Teachers plan reported deferred outflows of resources and deferred inflows of resources related to the GLI OPEB from the following sources:

	0	Deferred utflows of Resources	Iı	Deferred nflows of esources
Differences between expected and actual experience	\$	307,904	\$	93,581
Changes in actuarial assumptions		65,897		213,594
Net difference between projected and actual				
earnings on GLI OPEB program investments		-		123,888
Changes in proportion		25,952		180,681
Employer contributions subsequent to the				
measurement date		357,917		
Total	\$	757,670	\$	611,744

Notes to Financial Statements As of June 30, 2024

Note 15. Other Post-Employment Benefits – Group Life Insurance (Continued)

Lynchburg City Schools (Continued)

OPEB Liabilities, OPEB Expense, and Deferred Inflows and Outflows of Resources Related to OPEB (Continued)

\$357,917 reported as deferred outflows of resources related to the GLI OPEB resulting from the School's contributions subsequent to the measurement date will be recognized as a reduction of the Net GLI OPEB Liability in the Fiscal Year ending June 30, 2025. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to the GLI OPEB will be recognized in the GLI OPEB expense in future reporting periods as follows:

Year Ended June 30,	Increase (Reduction) to OPEB Expense
2025	\$ (102,406)
2026	(173,702)
2027	27,204
2028	9,611
2029	27,302
Thereafter	-

Actuarial Assumptions

The total GLI OPEB liability was based on an actuarial valuation as of June 30, 2022, using the Entry Age Normal actuarial cost method and the following assumptions, applied to all periods included in the measurement and rolled forward to the measurement date of June 30, 2022.

Inflation	2.50%
Salary increases, including inflation:	
• Locality – General employees	3.50 - 5.35%
Teachers	3.50 - 5.95%
Healthcare cost trend rates:	
• Under age 65	7.00 - 4.75%
• Ages 65 and older	5.375 - 4.75%
Investment rate of return	6.75%, net of investment expenses,
	including inflation

Mortality rates used for the various VRS OPEB plans are the same as those used for the actuarial valuations of the VRS pension plans.

Net OPEB Liability

The net OPEB liability (NOL) for the Group Life Insurance Program represents the program's total OPEB liability determined in accordance with GASB Statement No. 74, less the associated fiduciary net position. As of June 30, 2023, NOL amounts for the Group Life Insurance Program is as follows (amounts expressed in thousands):

	GLI OPEB Program			
Total GLI OPEB Liability Plan Fiduciary Net Position	\$	3,907,052 2,707,739		
Employers' Net GLI OPEB Liability (Asset)	\$	1,199,313		
Plan Fiduciary Net Position as a Percentage of the Total GLI OPEB Liability		69.30%		

Notes to Financial Statements As of June 30, 2024

Note 15. Other Post-Employment Benefits – Group Life Insurance (Continued)

Lynchburg City Schools (Continued)

Net OPEB Liability (Continued)

The total GLI OPEB liability is calculated by the VRS actuary, and each plan's fiduciary net position is reported in the VRS financial statements. The net GLI OPEB liability is disclosed in accordance with the requirements of GASB Statement No. 74 in the VRS notes to the financial statements and required supplementary information.

Long-Term Expected Rate of Return

The long-term expected rate of return on the VRS investments was determined using a log- normal distribution analysis in which best-estimate ranges of expected future real rates of return (expected returns, net of System's investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The target asset allocation and best estimate of arithmetic real rates of return for each major asset class are summarized in the following table:

Asset Class (Strategy)	Target Allocation	Arithmetic Long-Term Expected Rate of Return	Weighted Average Long-Term Expected Rate of Return
Public Equity	34.00 %	6.14 %	2.09 %
Fixed Income	15.00	2.56	0.38
Credit Strategies	14.00	5.60	0.78
Real Assets	14.00	5.02	0.70
Private Equity	16.00	9.17	1.47
MAPS – Multi-Asset Public Strategies	4.00	4.50	0.18
PIP – Private Investment Partnership	2.00	7.18	0.14
Cash	1.00	1.20	0.01
Total	100.00 %		5.75 %
Inflation		2.50 %	
Expected arithmetic nominal return*		8.25 %	

* The above allocation provides for a one-year return of 8.25%. However, one-year returns do not take into account the volatility present in each of the asset classes. In setting the long-term expected rate of return for the System, stochastic projections are employed to model future returns under various economic conditions. The results provide a range of returns over various time periods that ultimately provide a median return of 7.14%, including expected inflation of 2.50%. On June 15, 2023, the VRS Board elected a long-term rate of 6.75% which is roughly at the 45th percentile of expected long-term results of the VRS fund asset allocation at that time, providing a median return of 7.14, including inflation of 2.50%.

Notes to Financial Statements As of June 30, 2024

Note 15. Other Post-Employment Benefits – Group Life Insurance (Continued)

Lynchburg City Schools (Continued)

Discount Rate

The discount rate used to measure the GLI and HIC OPEB liabilities was 6.75%. The projection of cash flows used to determine the discount rate assumed that System member contributions will be made per the VRS Guidance and the employer contributions will be made in accordance with the VRS funding policy at rates equal to the difference between actuarially determined contribution rates adopted by the VRS Board of Trustees and the member rate. Through the fiscal year ending June 30, 2023, the rate contributed by the employer for the OPEB liabilities will be subject to the portion of the VRS Board-certified rates that are funded by the Virginia General Assembly which was 113% of the actuarially determined contribution rate for GLI and 100% of the actuarially determined contribution rates. Based on those assumptions, the OPEB plans' fiduciary net position was projected to be available to make all projected future benefit payments of eligible employees. Therefore, the long-term expected rate of return was applied to all periods of projected benefit payments to determine the total OPEB liability.

Sensitivity of the Net GLI OPEB Liability to Changes in the Discount Rate

The following presents the School's proportionate share of the net GLI OPEB liability using the discount rate of 6.75%, as well as what the School's proportionate share of the net GLI OPEB liability would be if it were calculated using a discount rate that is one percentage point lower (5.75%) or one percentage point higher (7.75%) than the current rate:

	1.00% Decrease (5.75%)	D	Current iscount Rate (6.75%)	 1.00% Increase (7.75%)
Total GLI OPEB Liability – General	\$ 346,597	\$	233,822	\$ 142,643
Total GLI OPEB Liability – Teachers	\$ 4,569,785	\$	3,082,875	\$ 1,880,699

Group Life Insurance Program Fiduciary Net Position

Detailed information about the Group Life Insurance Program's Fiduciary Net Position is available in the separately issued VRS 2023 Annual Comprehensive Financial Report (Annual Report). A copy of the 2023 VRS Annual Report may be downloaded from the VRS website at <u>http://www.varetire.org/Pdf/Publications/2023-annual-report.pdf</u> or by writing to the System's Chief Financial Officer at P.O. Box 2500, Richmond, VA, 23218-2500.

Payables to the VRS Group Life Insurance OPEB Plan

At June 30, 2024 the School's General plan and Teachers plan reported payables of \$7,302 and \$79,256, respectively for the outstanding amount of contributions to VRS required for the year ended June 30, 2024.

Notes to Financial Statements As of June 30, 2024

Note 16. Other Post-Employment Benefits – Health Insurance Credit (HIC)

Lynchburg City Schools

Summary of Significant Accounting Policies

Teacher Employee Health Insurance Credit Program

The Virginia Retirement System (VRS) Teacher Employee Health Insurance Credit Program is a multiple-employer, cost-sharing plan. The Teacher Employee Health Insurance Credit Program was established pursuant to §51.1-1400 et seq. of the Code of Virginia, as amended, and which provides the authority under which benefit terms are established or may be amended. The Teacher Employee Health Insurance Credit Program is a defined benefit plan that provides a credit toward the cost of health insurance coverage for retired teachers. For purposes of measuring the net Teacher Employee Health Insurance Credit Program OPEB liability, deferred outflows of resources and deferred inflows of resources related to the Teacher Employee Health Insurance Credit Program OPEB, and the Teacher Employee Health Insurance Credit Program OPEB expense, information about the fiduciary net position of the Virginia Retirement System (VRS) Teacher Employee Health Insurance Credit Program's net fiduciary position have been determined on the same basis as they were reported by VRS. For this purpose, benefit payments are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

General Information about the Teacher Employee Health Insurance Credit Program

Plan Description

All full time, salaried permanent (professional) employees of public-school divisions are automatically covered by the VRS Teacher Employee Health Insurance Credit (HIC) Program. Members earn one month of service credit toward the benefit for each month they are employed and for which their employer pays contributions to VRS. The health insurance credit is a tax-free reimbursement in an amount set by the General Assembly for each year of service credit against qualified health insurance premiums retirees pay for single coverage, excluding any portion covering the spouse or dependents. The credit cannot exceed the amount of the premiums and ends upon the retiree's death. Specific information about the Teacher HIC is available at https://www.varetire.org/retirees/insurance/healthinscredit/index.asp

General Information about the General Employee Health Insurance Credit Program

Plan Description

The General Employee Health Insurance Credit Program (HIC) is available for all full time, salaried employees of local government entities other than teachers. The General Employee HIC provides all the same benefits as the Teacher HIC, except that this plan is considered a multi-employer agent plan.

As of the June 30, 2023 actuarial valuation, the following employees were covered by the benefit terms of the General Employee Health Insurance Credit Program:

Inactive members or their beneficiaries currently receiving benefits	21
Inactive members:	
Vested inactive members	5
Total inactive members	26
Active elsewhere in VRS	31
Active members	137
Total covered employees	194

Notes to Financial Statements As of June 30, 2024

Note 16. Other Post-Employment Benefits – Health Insurance Credit (Continued)

Lynchburg City Schools (Continued)

General Information about the General Employee Health Insurance Credit Program (Continued)

Contributions

The contribution requirement for active employees is governed by § 51.1-1401(E) of the Code of Virginia, as amended, but may be impacted as a result of funding provided to school divisions by the Virginia General Assembly. Each school division's contractually required employer contribution rate for the year ended June 30, 2024, was 1.21% of covered employee compensation for employees in the VRS Teacher Employee Health Insurance Credit Program. This rate was based on an actuarially determined rate from an actuarial valuation as of June 30, 2021. The actuarially determined rate was expected to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. Contributions to the Teacher Employee Health Insurance Credit Program from the Schools were \$807,175 and \$732,276 for the years ended June 30, 2024 and June 30, 2023, respectively. Contributions to the General Employee Health Insurance Credit Program from the Schools were \$33,937 and \$31,560 for the years ended June 30, 2024 and June 30, 2023, respectively. In June 2023, the Commonwealth made a special contribution of approximately \$4.0 million to the VRS Teacher Health Insurance Credit Program. This special payment was authorized by Chapter 2 of the Acts of Assembly of 2022, Special Session I, as amended by Chapter 769, 2023 Acts of Assembly Reconvened Session, and is classified as a non-employer contribution.

OPEB Liabilities, OPEB Expense, and Deferred Inflows and Outflows of Resources Related to OPEB

At June 30, 2024, the School's reported a liability of \$7,346,284 for its proportionate share of the Teacher Net HIC OPEB Liability. The Teacher Net HIC OPEB Liability was measured as of June 30, 2023 and the total HIC OPEB liability used to calculate the Net HIC OPEB Liability was determined by an actuarial valuation performed as of June 30, 2022 and rolled forward to the measurement date of June 30, 2023. The covered employer's proportion of the Teacher Net HIC OPEB Liability was based on the covered employer's actuarially determined employer contributions to the HIC Program for the year ended June 30, 2023 relative to the total of the actuarially determined employer contributions for all participating employers. At June 30, 2023, the School's proportion was 0.62707% as compared to 0. 62232% at June 30, 2022.

For the year ended June 30, 2024, the School's recognized Teacher HIC OPEB expense of \$400,243. Since there was a change in proportionate share between measurement dates, a portion of the HIC OPEB expense was related to deferred amounts from changes in proportion.

At June 30, 2024, the School's reported deferred outflows of resources and deferred inflows of resources related to the Teacher HIC OPEB from the following sources:

		Deferred Outflows of Resources		Deferred Inflows of Resources	
Differences between expected and actual experience	\$	-	\$	323,347	
Changes in actuarial assumptions		171,009		7,403	
Net difference between projected and actual					
earnings on HIC OPEB program investments		3,687		-	
Changes in proportion		104,305		491,103	
Employer contributions subsequent to the					
measurement date		807,175		-	
Total	\$	1,086,176	\$	821,853	

Notes to Financial Statements As of June 30, 2024

Note 16. Other Post-Employment Benefits – Health Insurance Credit (Continued)

Lynchburg City Schools (Continued)

OPEB Liabilities, OPEB Expense, and Deferred Inflows and Outflows of Resources Related to OPEB (Continued)

\$807,175 reported as deferred outflows of resources related to the Teacher HIC OPEB resulting from the School's contributions subsequent to the measurement date will be recognized as a reduction of the Teacher Net HIC OPEB Liability in the Fiscal Year ending June 30, 2025. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to the Teacher HIC OPEB will be recognized in the HIC OPEB expense in future reporting periods as follows:

Reduction to OPEB Expense			
\$ (193,252)			
(161,342)			
(87,828)			
(70,205)			
(24,722)			
(5,503)			

At June 30, 2024, the School's reported deferred outflows of resources and deferred inflows of resources related to the General Employee HIC OPEB from the following sources:

	Out	DeferredDeferredOutflows ofInflows ofResourcesResources		flows of
Differences between expected and actual experience	\$	- 5 179	\$	101,822
Changes in actuarial assumptions		5,178		-
Net difference between projected and actual earnings on OPEB plan investments		764		-
Employer contributions subsequent to the				
measurement date		33,937		
Total	\$	39,879	\$	101,822

\$33,937 reported as deferred outflows of resources related to the General Employee HIC OPEB resulting from the School's contributions subsequent to the measurement date will be recognized as a reduction of the Net HIC OPEB Liability in the Fiscal Year ending June 30, 2025. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to the HIC OPEB will be recognized in the HIC OPEB expense in future reporting periods as follows:

Year Ended June 30,	Reduction to OPEB Expense
2025	\$ (29,574)
2026	(30,372)
2027	(27,721)
2028	(8,213)
2029	-
Thereafter	-

Notes to Financial Statements As of June 30, 2024

Note 16. Other Post-Employment Benefits – Health Insurance Credit (Continued)

Lynchburg City Schools (Continued)

OPEB Liabilities, OPEB Expense, and Deferred Inflows and Outflows of Resources Related to OPEB (Continued)

Actuarial Assumptions

The total HIC OPEB liability was based on an actuarial valuation as of June 30, 2022, using the Entry Age Normal actuarial cost method and the following assumptions, applied to all periods included in the measurement and rolled forward to the measurement date of June 30, 2023.

Inflation	2.50%
Salary increases, including inflation:	
 Locality – General employees 	3.50 - 5.35%
• Locality – Teachers	3.50 - 5.95 %
Healthcare cost trend rates:	
• Under age 65	7.00 - 4.75%
• Ages 65 and older	5.375 - 4.75%
Investment rate of return	6.75%, net of investment expenses,
	including inflation

Mortality rates used for the various VRS OPEB plans are the same as those used for the actuarial valuations of the VRS pension plans.

Net OPEB Liability

The net OPEB liability (NOL) for the HIC Program represents the program's total OPEB liability determined in accordance with GASB Statement No. 74, less the associated fiduciary net position. As of June 30, 2023, NOL amounts for the HIC Program is as follows (amounts expressed in thousands):

	HIC OPEB Program			
Total HIC OPEB Liability Plan Fiduciary Net Position	\$	1,475,471 264,054		
Employers' Net HIC OPEB Liability (Asset)	\$	1,211,417		
Plan Fiduciary Net Position as a Percentage of the Total HIC OPEB Liability		17.90%		

The total HIC OPEB liability is calculated by the VRS actuary, and each plan's fiduciary net position is reported in the VRS financial statements. The net HIC OPEB liability is disclosed in accordance with the requirements of GASB Statement No. 74 in the VRS notes to the financial statements and required supplementary information.

Notes to Financial Statements As of June 30, 2024

Note 16. Other Post-Employment Benefits – Health Insurance Credit (Continued)

Lynchburg City Schools (Continued)

Long-Term Expected Rate of Return

The long-term expected rate of return on the VRS investments was determined using a log- normal distribution analysis in which best-estimate ranges of expected future real rates of return (expected returns, net of System's investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The target asset allocation and best estimate of arithmetic real rates of return for each major asset class are summarized in the following table:

Asset Class (Strategy)	Target Allocation	Arithmetic Long-Term Expected Rate of Return	Weighted Average Long-Term Expected Rate of Return
Public Equity	34.00 %	6.14 %	2.09 %
Fixed Income	15.00	2.56	0.38
Credit Strategies	14.00	5.60	0.78
Real Assets	14.00	5.02	0.70
Private Equity	16.00	9.17	1.47
MAPS – Multi-Asset Public Strategies	4.00	4.50	0.18
PIP – Private Investment Partnership	2.00	7.18	0.14
Cash	1.00	1.20	0.01
Total	100.00 %		5.75 %
Inflation		2.50 %	
Expected arithmetic nominal return*		8.25 %	

* The above allocation provides for a one-year return of 8.25%. However, one-year returns do not take into account the volatility present in each of the asset classes. In setting the long-term expected rate of return for the System, stochastic projections are employed to model future returns under various economic conditions. The results provide a range of returns over various time periods that ultimately provide a median return of 7.14%, including expected inflation of 2.50%. On June 15, 2023, the VRS Board elected a long-term rate of 6.75% which is roughly at the 45th percentile of expected long-term results of the VRS fund asset allocation at that time, providing a median return of 7.14, including inflation of 2.50%.

Discount Rate

The discount rate used to measure the total HIC OPEB liability was 6.75%. The projection of cash flows used to determine the discount rate assumed that member contributions will be made per the VRS guidance and the employer contributions will be made in accordance with the VRS funding policy at rates equal to the difference between actuarially determined contribution rates adopted by the VRS Board of Trustees and the member rate. Through the fiscal year ending June 30, 2023, the rate contributed by the entity for the HIC OPEB will be subject to the portion of the VRS Board-certified rates that are funded by the Virginia General Assembly. From July 1, 2023 on, employers are assumed to contribute 100% of the actuarially determined contribution rates. Based on those assumptions, the HIC OPEB's fiduciary net position was projected to be available to make all projected future benefit payments of eligible employees. Therefore, the long-term expected rate of return was applied to all periods of projected benefit payments to determine the total HIC OPEB liability.

Notes to Financial Statements As of June 30, 2024

Note 16. Other Post-Employment Benefits – Health Insurance Credit (Continued)

Lynchburg City Schools (Continued)

Changes in Net OPEB Liability

	Increase (Decrease)					
		Total OPEB Liability (a)]	Plan Fiduciary Net Position (b)		Net OPEB Liability (a) – (b)
Balances at June 30, 2022	<u>\$</u>	337,630	\$	48,120	\$	289,510
Changes for the year:						
Service cost		3,178		-		3,178
Interest		22,565		-		22,565
Differences between expected						
and actual experience		(114,135)		-		(114,135)
Contributions – employer		-		31,558		(31,558)
Net investment income		-		3,914		(3,914)
Benefit payments		(10,056)		(10,056)		-
Administrative expenses		-		(105)		105
Other changes		-		380		(380)
Net changes		(98,448)		25,691		(124,139)
Balances at June 30, 2023	\$	239,182	\$	73,811	\$	165,371

In addition, for the year ended June 30, 2024, the School's recognized OPEB expense of \$7,639 related to the General Employee Health Insurance Credit Program.

Sensitivity of the Net HIC OPEB Liability to Changes in the Discount Rate

The following presents the School's proportionate share of the net HIC OPEB liability using the discount rate of 6.75%, as well as what the School's proportionate share of the net HIC OPEB liability would be if it were calculated using a discount rate that is one percentage point lower (5.75%) or one percentage point higher (7.75%) than the current rate:

	1.00% Decrease (5.75%)		Current Discount Rate (6.75%)		1.00% Increase (7.75%)	
Teacher HIC Net OPEB Liability	\$	8,309,468	\$	7,346,284	\$	6,530,070
General Employee HIC Net OPEB Liability		191,412		165,371		143,261

Health Insurance Credit Program Fiduciary Net Position

Detailed information about the Health Insurance Credit Program's Fiduciary Net Position is available in the separately issued VRS 2023 Annual Comprehensive Financial Report (Annual Report). A copy of the 2023 VRS Annual Report may be downloaded from the VRS website at <u>http://www.varetire.org/Pdf/Publications/2023-annual-report.pdf</u>, or by writing to the System's Chief Financial Officer at P.O. Box 2500, Richmond, VA, 23218-2500.

Notes to Financial Statements As of June 30, 2024

Note 16. Other Post-Employment Benefits – Health Insurance Credit (Continued)

Lynchburg City Schools (Continued)

Health Insurance Credit Program Fiduciary Net Position (Continued)

Payables to the VRS HIC OPEB Plan

At June 30, 2024 the School's reported a payable of \$71,627 and \$2,393 for the outstanding amount of contributions to VRS required for the year ended June 30, 2024 for the Teachers and General Employee HIC, respectively.

Note 17. Other Post-Employment Benefits – Line of Duty Act (LODA)

City of Lynchburg

General Information about the Line of Duty Act

Plan Description

The City of Lynchburg is a non-participating employer of the State's Line of Duty Act (LODA), and therefore directly funds the cost of benefits provided under LODA in a single-employer plan. Public safety employees and volunteers of the City who are disabled or killed in the line of duty and their eligible family members are eligible.

Benefits Provided

The City pays the LODA Health Benefit Plans premiums for any claimant and/or eligible spouse and family members to the Department of Health Resources and Management (DHRM), Virginia; pays death benefit of \$100,000 to eligible family members if death occurs as a direct result of performing duty (amount may vary for other causes of death) and funeral benefits (if requested); any administrative fees associated with the LODA claims and retroactive health insurance premium reimbursements, if applicable. Effective July 1, 2017, benefits are not covered upon eligibility for Medicare due to age, income greater than pre-disability income, surviving spouses who remarry. Existing participants with a death or disability eligibility date prior to July 1, 2017 and current/existing spouses who remarry prior to July 1, 2017 are grandfathered.

Membership

The number of participants as of the most recent valuation, January 1, 2024, was as follows:

Actives	397
Disabled Participants/Dependents	30
Total Participants	427

Total OPEB Liability

The City's total OPEB liability of \$9,102,585 was measured as of June 30, 2024, and was determined by an actuarial valuation as of January 1, 2024.

Actuarial Assumptions

The total OPEB liability was determined by an actuarial valuation as of January 1, 2024, using a Healthcare Trend: 6.00% initially, grading down to 4.25% ultimate. Mortality rates were PUB2010 for Males and Females projected using scale MP 2020. The Entry Age method is used for accounting/GASB purposes.

Notes to Financial Statements As of June 30, 2024

Note 17. Other Post-Employment Benefits – Line of Duty Act (LODA) (Continued)

<u>City of Lynchburg</u> (Continued)

General Information about the Line of Duty Act (Continued)

Changes in OPEB Liability

Total OPEB Liability		2024		
Service Cost	\$	201,225		
Interest		228,450		
Differences between expected and actual experience		3,308,910		
Changes in assumptions		(152,902)		
Benefit payments		(366,488)		
Net Change in Total OPEB Liability		3,219,195		
Total OPEB Liability – Beginning of Year		5,883,390		
Total OPEB Liability – End of Year	\$	9,102,585		

Sensitivity of the Net OPEB Liability to Changes in the Discount Rate

The following presents the net OPEB liability of the plans, calculated using the discount rate of 4.00%, as well as what each plan's net OPEB liability would be if it were calculated using a discount rate that is 1.00% lower or 1.00% higher than the current rate:

	1.00% Decrease (3.00%)	Current Discount Rate (4.00%)	1.00% Increase (5.00%)	
Total OPEB Liability	\$ 10,503,489	\$ 9,102,585	\$ 7,990,457	
Net OPEB Liability Ratio of Plan Net Position to	\$ 10,503,489	\$ 9,102,585	\$ 7,990,457	
Total OPEB Liability	0.0%	0.0%	0.0%	

Sensitivity of the Net OPEB Liability to Changes in the Healthcare Cost Trend Rate

The following presents the net OPEB liability of the plans, calculated using the healthcare cost trend rate of from 6.00% to an ultimate rate of 4.25%, as well as what each plan's net OPEB liability would be if it were calculated using a healthcare cost trend rate that is 1.00% lower or 1.00% higher than the current rate:

	1.00% Decrease (3.25%)	Current Ultimate Trend Rate (4.25%)	1.00% Increase (5.25%)	
Total OPEB Liability	\$ 7,917,062	\$ 9,102,585	\$ 10,584,306	
Net OPEB Liability Ratio of Plan Net Position to	\$ 7,917,062	\$ 9,102,585	\$ 10,584,306	
Total OPEB Liability	0.0%	0.0%	0.0%	

Notes to Financial Statements As of June 30, 2024

Note 17. Other Post-Employment Benefits – Line of Duty Act (LODA) (Continued)

<u>City of Lynchburg</u> (Continued)

General Information about the Line of Duty Act (Continued)

OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB

For the year ended June 30, 2024, the City recognized OPEB expense of \$470,228. At June 30, 2024, the City reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources			Deferred Inflows of Resources	
Differences between expected and actual experience Change in actuarial assumptions	\$	2,877,848 1,006,827	\$	1,997,386 963,868	
Total	\$	3,884,675	\$	2,961,254	

Amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Year ended June 30,		Net Amount of Inflow		
2025	\$	40,554		
2026		(50,106)		
2027		(50,106)		
2028		(50,106)		
2029		(50,107)		
After 2029		1,083,292		
Total Amount to be Recognized	\$	923,421		

Notes to Financial Statements As of June 30, 2024

Note 18. Summary of Other Postemployment Benefit Elements

A summary of other postemployment benefit ("OPEB") financial statement elements are as follows:

	Governmental Activities	Business-Type Activities	Total Primary Government
Deferred outflows of resources - OPEB			
OPEB contributions subsequent to measurement date			
Group life insurance	\$ 348,969	\$ 50,400	\$ 399,369
OPEB Difference between expected and actual	φ 510,505	φ 50,100	φ 377,507
experience			
Group life insurance	299,542	43,262	342,804
Line of duty	2,877,848	-	2,877,848
OPEB Change in proportionate share			
Group life insurance	134,201	19,382	153,583
OPEB Changes of assumptions			
Group life insurance	64,108	9,259	73,367
Health	3,744,020	569,366	4,313,386
Line of duty	1,006,827		1,006,827
Total deferred outflow of resources - OPEB	\$ 8,475,515	\$ 691,669	\$ 9,167,184
Net OPEB liability			
Group life insurance	\$ 2,999,157	\$ 433,158	\$ 3,432,315
Health - Local plan	28,643,438	4,355,915	32,999,353
Line of duty	9,102,585	-	9,102,585
Total net OPEB liability	\$ 40,745,180	\$ 4,789,073	\$ 45,534,253
Deferred inflows of resources - OPEB			
Difference between expected and actual experience			
Group life insurance	\$ 91,039	\$ 13,149	\$ 104,188
Health - Local plan	17,103,492	2,600,991	19,704,483
Line of duty	1,997,386	-	1,997,386
Difference between projected and actual investment			
earnings			
Group life insurance	120,523	17,407	137,930
Change of assumptions			
Group life insurance	207,793	30,011	237,804
Health - Local plan	4,333,982	659,085	4,993,067
Line of duty	963,868	-	963,868
Change in proportionate share	05.105	10 500	00 - 00
Group life insurance	87,195	12,593	99,788
Total deferred inflow of resources - OPEB	\$ 24,905,278	\$ 3,333,236	\$ 28,238,514
PEB expense			
Health - Local plan	\$ (5,951,636)	\$ (859,575)	\$ (6,811,211)
VRS GLI	118,195	17,070	135,265
Line of duty	470,228	-	470,228
Total OPEB expense	\$ (5,363,213)	\$ (842,505)	\$ (6,205,718)

Notes to Financial Statements As of June 30, 2024

Note 18. Summary of Other Postemployment Benefit Elements (Continued)

A summary of other postemployment benefit ("OPEB") financial statement elements are as follows:

		Component Unit School Board
Deferred outflows of resources:		
Difference between expected and actual experience		
Local OPEB	\$	-
GLI – general employees		23,353
GLI – teachers		307,904
Net difference between projected and actual earnings on OPEB plan investments		
HIC – teachers		3,687
Changes in assumptions		
Local OPEB		438,575
GLI – general employees		4,998
GLI – teachers		65,897
HIC – general employees		5,178
HIC – teachers		171,009
Changes in proportion and related differences – cost sharing plans		
GLI – general employees		10,476
GLI – teachers		25,952
HIC – teachers		104,305
OPEB pan investments		-
HIC – general employees		764
OPEB contributions subsequent to measurement date		
Local OPEB		127,823
GLI – general employees		26,390
GLI – teachers		357,917
HIC – general employees		33,937
HIC – teachers		807,175
	\$	2,515,340
Net OPEB liability		
Local OPEB	\$	9,049,059
GLI – general employees	φ	233,822
GLI – general employees GLI – teachers		3,082,875
HIC – general employees		165,371
HIC – teachers		7,346,284
	\$	19,877,411

Notes to Financial Statements As of June 30, 2024

Note 18. Summary of Other Postemployment Benefit Elements (Continued)

A summary of other postemployment benefit ("OPEB") financial statement elements are as follows:

	Component Unit School Board
Deferred inflows of resources:	
Difference between expected and actual experience	
Local OPEB	\$ 3,746,083
GLI – general employees	7,098
GLI – teachers	93,581
HIC – general employees	101,822
HIC – teachers	323,347
Difference between projected and actual earnings on	
OPEB plan investments	
GLI – general employees	9,397
GLI – teachers	123,888
Changes in assumptions	
Local OPEB	59,575
GLI – general employees	16,200
GLI – teachers	213,594
HIC – teachers	7,403
Changes in proportion and related differences – cost sharing plans	
GLI – general employees	5,856
GLI – teachers	180,681
HIC – teachers	 491,103
	\$ 5,379,628
Net OPEB expense (benefit)	
Local OPEB	\$ 730,552
GLI – general employees	8,912
GLI – teachers	35,979
HIC – general employees	(7,639)
HIC – teachers	 400,243
	\$ 1,168,047

Notes to Financial Statements As of June 30, 2024

Note 19. Leases and Subscription-Based Information Technology Arrangements (SBITA's) – City of Lynchburg

Primary Government:

Lessee:

For the year ended June 30, 2022, the financial statements included the adoption of GASB Statement No. 87, *Leases*. The primary objective of this statement is to enhance the relevance and consistency of information about governments' leasing activities. This statement establishes a single model of lease accounting based on the principle that leases are financings of the right to use an underlying asset. Under this Statement, a lessee is required to recognize a lease liability and an intangible right-to-use lease asset. For additional information, refer to the disclosures below.

Governmental Activities:

The City has forty-nine (49) leases as lessee for the use of copiers and a postage meter. As of June 30, 2024, the value of the lease liability is \$198,055. The City is required to make fixed monthly or quarterly payments ranging between \$17 and \$561; totaling approximately \$103,172 per year. The leases have an interest rate of 0.5140% to 3.3050%. The value of the right to use asset as of June 30, 2024 is \$296,623 with accumulated amortization of \$101,574 for a net book value of \$195,049.

The City has four (4) leases as lessee for the use of infrastructure and buildings. As of June 30, 2024, the value of the lease liability is \$2,470,157. The City is required to make fixed monthly, annual, and quarterly payments ranging between \$561 to \$36,688; totaling approximately \$129,308 per year. The leases have an interest rate of 0.3160% to 2.5830%. The value of the right to use asset as of June 30, 2024 is \$2,554,859 with accumulated amortization of \$134,633 for a net book value of \$2,420,226.

Business-type Activities:

The City has nine (9) leases as lessee for the use of copiers. As of June 30, 2024, the value of the lease liability is \$66,069. The City is required to make fixed monthly and annual payments ranging between \$54 and \$4,916; totaling approximately \$17,816 per year. The leases have an interest rate of 0.3870% to 3.5110%. The value of the right to use asset as of June 30, 2024 is \$82,613 with accumulated amortization of \$14,969 for a net book value of \$67,644.

Notes to Financial Statements As of June 30, 2024

Note 19. Leases and Subscription-Based Information Technology Arrangements (SBITA's) – City of Lynchburg

Primary Government: (Continued)

Lessee: (Continued)

Lesee Principal and Interest Requirements to Maturity:

	Governmental Activities							
Year Ending June 30	Princij	oal Payments	Interest	Payments	Total	Payments		
2025	\$	105,845	\$	67,199	\$	173,044		
2026		69,035		64,995		134,030		
2027		58,090		63,504		121,594		
2028		46,172		62,288		108,460		
2029		36,965		61,262		98,227		
2030 - 2034		99,616		298,471		398,087		
2035 - 2039		79,221		287,654		366,875		
2040 - 2044		90,068		276,807		366,875		
2045 - 2049		102,400		264,475		366,875		
2050 - 2054		116,420		250,455		366,875		
2055 - 2059		132,361		234,514		366,875		
2060 - 2064		150,484		216,391		366,875		
2065 - 2069		171,088		195,787		366,875		
2070 - 2074		194,513		172,362		366,875		
2075 - 2079		221,146		145,729		366,875		
2080 - 2084		251,426		115,449		366,875		
2085 - 2089		285,851		81,024		366,875		
2090 - 2094		324,990		41,885		366,875		
2095 - 2096		132,521		4,619		137,140		
	\$	2,668,212	\$	2,904,870	\$:	5,573,082		

	Business-Type Activities						
Year Ending June 30	Principal	Payments	Interest	Payments	Total	Payments	
2025	\$	15,349	\$	1,450	\$	16,799	
2026		16,740		1,067		17,807	
2027		17,133		674		17,807	
2028		10,995		274		11,269	
2029		5,852		41		5,893	
	\$	66,069	\$	3,506	\$	69,575	

Notes to Financial Statements As of June 30, 2024

Note 19. Leases and SBITA's – City of Lynchburg (Continued)

Lessor:

For the year ended June 30, 2022, the financial statements included the adoption of GASB Statement No. 87, *Leases*. The primary objective of this statement is to enhance the relevance and consistency of information about governments' leasing activities. This statement establishes a single model of lease accounting based on the principle that leases are financings of the right to use an underlying asset. Under this Statement, a lesse is required to recognize a lease liability and an intangible right-to-use lease asset, and a lessor is required to recognize a lease receivable and a deferred inflow of resources. For additional information, refer to the disclosures below.

Governmental Activities:

The City has seven (7) leases as lessor, with a time frame of 36 to 349 months. As of June 30, 2024, the value of the lease receivable is \$1,099,369. The lessee is required to make either annual or monthly fixed payments ranging from \$1,000 to \$37,316; totaling approximately \$203,036 per year. The leases have an interest rate of 0.7270% to 2.5630%. The value of the deferred inflow of resources as of June 30, 2024 was \$1,066,982, and the City recognized lease revenue of \$181,452 during the fiscal year.

Business-type Activities:

The City has four (4) leases as lessor, with a time frame of 71 to 144 months. As of June 30, 2024, the value of the lease receivable is \$72,600. The lessee is required to make an annual fixed payment ranging from \$100 to \$10,350; totaling approximately \$14,438 per year. The leases have an interest rate of 0.5140% to 3.3310%. The value of the deferred inflow of resources as of June 30, 2024 was \$70,522, and the City recognized lease revenue of \$14,104 during the fiscal year.

Lynchburg City Schools

The Schools' has SBITAs for software platforms with periods expiring April 2025 through November 2025. The Schools' uses its estimated incremental borrowing rate ranging from 0.00% to 3.25% as the discount rate as none of the subscription arrangements have an explicitly stated interest rate. The value of the right-to-use subscription asset and related accumulated amortization as of year-end are disclosed in Note 8. The related liability as well as principal and interest requirements to maturity are disclosed in Note 9.

Note 20. Risk Management

The Risk Management Programs of the City are as follows:

<u>Workers' Compensation</u>: The City is self-insured for workers' compensation claims. All settled claims are paid through the General Fund and then charged to the Proprietary funds as appropriate. The liability for worker's compensation claims, including an estimate of incurred but not reported claims based on prior experience, to be paid in the next fiscal year and in future years is reflected in the statement of net position. Total claims paid for the year ended June 30, 2024 amounted to \$769,935.

<u>General Liability and Other</u>: The City is contingently liable with respect to lawsuits and other claims that arise in the normal course of operations. The City is self-insured for general liability and automobile liability claims and purchases insurance coverage for risks related to property, boiler and machinery, surety bonds, and airport liability. City property is insured up to a limit of approximately \$552 million per occurrence. Other liability policies provide up to \$60,000,000 coverage in the aggregate. Police professional liability and public officials' liability claims with a \$500,000 deductible per claim are covered through a policy with the Virginia Association of Counties Group Self-Insurance Risk Pool (VaCorp). Total premiums for purchased coverage for the year ended June 30 were \$1,198,804. The City has designated a portion of its fund balance in the General Fund to fund future general liability claims. City management believes any incurred but not reported claims at June 30 would be insignificant.

Notes to Financial Statements As of June 30, 2024

Note 20. Risk Management (Continued)

The Risk Management Programs of the City are as follows: (Continued)

<u>Healthcare</u>: The City's professionally administered self-insurance program provides healthcare coverage for employees and retirees of the City on a cost-plus basis. Dependents of employees and retirees are also covered by the program provided they pay a premium to the City. Under the program, the City is obligated for claims payments and administrative costs. A stop loss insurance contract executed with an insurance carrier covers claims in excess of \$400,000 per covered individual per contract year. Included in accrued payroll related liabilities for the year ended June 30 were claims payables of \$1,143,004. Administrative fees, Affordable Care Act fees, and stop loss premiums for the year ended June 30 totaled \$1,312,608.

Changes in aggregate liabilities were as follows:

		Beginning of Year			Claims and Reserves		Claim Payments		End of Year	
Workers' Compensation	2024 2023	\$ \$	3,133,132 2,507,766	\$ \$	965,993 1,714,093	\$ \$	769,935 1,088,727	\$ \$	3,329,190 3,133,132	
General/Automotive Liability	2024 2023	\$ \$	-	\$ \$	678,435 352,826	\$ \$	678,435 352,826	\$ \$	-	
Healthcare	2024 2023	\$ \$	500,000 550,000	\$ \$	15,801,951 14,337,209	\$ \$	15,158,947 14,387,209	\$ \$	$1,143,004 \\ 500,000$	

General/Automobile Liability and Healthcare are considered current liabilities and are included in accounts payable and accrued liabilities in the Statement of Net Position. The Workers' Compensation breakdown between current and noncurrent is shown in Note 9.

The Risk Management Programs of the Schools are as follows:

<u>Workers' Compensation</u>: The Schools is a member of the School System of Virginia for its workers' compensation claims. The membership is funded through the school operating budget.

<u>General Liability and Other</u>: The Schools carry commercial insurance for all risk of loss. Settled claims have not exceeded commercial insurance coverage and there have not been any significant reductions in insurance coverage over the previous year.

<u>Healthcare:</u> The Schools' professionally administered self-insurance program provides healthcare coverage for employees and retirees of the Schools on a cost-plus basis. Dependents of employees and retirees are also covered by the program provided they pay a premium to the Schools. Under the program, the Schools are obligated for claims payments and administrative costs. A stop loss insurance contract executed with an insurance carrier covers claims in excess of \$400,000 per covered individual per contract year. Total claims expense of \$14,771,656 was incurred in the current year, and there were no claims above the per individual limit that would have been covered by the stop loss policy. Administrative fees, affordable care act fees, and stop loss premiums for the current year totaled \$1,157,149. Estimated incurred, but not reported, claims at June 30 based on prior experience totaled \$1,000,034 and have been recorded as a liability by the Schools and is included with accrued payroll and related liabilities on the statement of net position.

Changes in aggregate liabilities were as follows:

		Beginning		Claims and	Claim		End		
			of Year		Reserves	Payments		of Year	
Healthcare	2024	\$	652,186	\$	14,771,656	\$ 14,423,808	\$	1,000,034	
	2023	\$	375,265	\$	13,235,507	\$ 12,958,586	\$	652,186	

Notes to Financial Statements As of June 30, 2024

Note 21. Significant Transactions of the City and Discretely Presented Component Unit – Schools

Certain transactions between the City and Schools are explained here to provide a more informed understanding of the operational relationship of the two entities and how such transactions are presented in the financial statements.

- The Schools can neither levy taxes nor incur debt under Virginia law. Therefore, the City issues debt "on behalf" of the Schools. The debt obligation is recorded as a liability of the City's governmental activities. The proceeds from such debt are recorded in the City's General Fund. Funding in an amount equal to the proceeds is then provided to the Schools to pay for capital expenditures. Unspent funds at year-end are reported as deposits and investments of the City in the School Capital Projects Fund.
- 2. The City's budgeting process provides funding in the General Fund for Schools debt service payments. GAAP requires that debt issued "on behalf" of the Schools and related debt service payments be reported by the City for financial reporting purposes. Therefore, debt service payments for Schools' bonded debt is reported as part of the City for financial reporting purposes in the Statement of Revenues, Expenditures and Changes in Fund Balances Governmental Funds. Debt and related debt service for other than bonded debt is reported by the Schools.
- 3. If all economic resources associated with school activities were reported with the Schools, its total expenses/expenditures would be as follows:

Expenses of Schools - Component Unit (Exhibit 2)	\$ 143,831,578
Principal and other debt service expenses included in City	 7,880,935
Total expenses/expenditures for School activities	\$ 151,712,513

Note 22. Commitments and Contingencies

Combined Sewer Overflow (CSO):

In 1994, the Virginia Department of Environmental Quality (VDEQ) and the State Water Control Board entered into a Consent Special Order with the City to address its combined sewers. That Consent Special Order required the City to implement a CSO Long-Term Control Plan and to undertake certain combined sewer management practices designed to minimize CSO discharge until the sewer system was completely separated. The order established a project priority listing for implementation of the CSO control plan.

On July 31, 2015 VDEQ and State Water Control Board issued a revised Consent Special Order which significantly changed the CSO Long-Term Control Plan. The revised plan includes an alternate list of new projects designed to integrate the CSO program with overarching water quality standards that encompass both CSO and stormwater management impacts. As of June 30, 2024, the revised program has an estimated remaining cost \$121 million.

The Consent Special Order does not contain a strict compliance schedule for implementing the CSO Long-Term Control Plan, but rather provides for implementation based on criteria reflecting the limits of the City's financial capability. The current Consent Special Order requires the City to meet several specific criteria such as: maintain a sewer operating fund debt coverage ratio within a range of 1.1 to 1.5 computed on a rolling three year average; ensure sewer fund reserves equal no more than 40 percent of the subsequent years' budgeted operating expenditures; and at least every other year adjust sewer rates and fees so that the annual sewer billing for a residential customer equals or exceeds 1.25% of the median household income (MHI) based on 7 hcf (hundred cubic feet) of use per month. The City has successfully implemented its CSO Long-Term Control Plan since 1994 in accordance with the requirements of its permit and Consent Special Order. The City is also required by the current Special Order of Consent to submit an annual report by December 10 of each year to VDEQ on its compliance with the order and its progress with the CSO Long-Term Control Plan implementation. The report includes a review of the required financial targets by an independent consultant. VDEQ has not cited the City for any noncompliance on our original Consent Special Order.

Notes to Financial Statements As of June 30, 2024

Note 22. Commitments and Contingencies (Continued)

Grant Programs:

Under the terms of federal and state grants, periodic audits are required and certain costs may be questioned as to being appropriate expenditures under terms of the grants. Such audits could lead to reimbursement to the grantor agencies. Management believes disallowances, if any, related to such audits would not be material to the financial position of the City at June 30, 2024.

Arbitrage:

The City has certain debt instruments subject to arbitrage regulations. As of June 30, 2024, the arbitrage rebate liability estimate was zero.

Encumbrance Commitments:

The City had the following outstanding encumbrances as of June 30.

MAJOR FUNDS	
General Fund	\$ 6,391,362
City Capital Projects Fund	44,386,249
School Capital Projects	2,828,437
Total Major Funds	53,606,048
NONMAJOR FUNDS	
City Federal State Aid	205.005
Lynchburg Regional Juvenile Detention Center	16,441
, , , , , , , , , , , , , , , , , , , ,	
Total Nonmajor Funds	221,446
TOTAL ENCUMBRANCES	\$ 53,827,494

Construction Commitments:

Included in the encumbrances above are construction commitments of \$44,386,249 in the City Capital Projects fund and \$2,828,437 in the School Capital Projects fund. The City also had construction commitments of \$2,454,804 in the Water fund; \$86,724,635 in the Sewer fund; \$462,159 in the Stormwater Fund; and \$730,730 in the Airport fund as of June 30, 2024.

Note 23. Tax Abatements

The City provides tax abatements through Economic Development for two grants. The grants are provided to local developers through the Economic Development Authority (EDA) of the City of Lynchburg. To qualify for the grant, local developers must complete projects that promote economic development within the City. The projects must generate additional tax revenue; as well as create new jobs, and services that will benefit the City. Performance agreements between the City, the developer, and EDA are approved by City Council. Local taxes collected from the businesses located in these developments are used to fund the grants. The applicable taxes include real estate, business personal property, business license, sales and use, meals, and lodging tax. Total taxes abated for the two grants during FY2024 were \$1,121,911.

Notes to Financial Statements As of June 30, 2024

Note 23. Tax Abatements (Continued)

The maximum total tax abatements, over a fifteen-year period, for the two current grants is \$3,000,000 plus interest for a conduit loan by the EDA and \$5,879,794 for reimbursement of the cost to construct a road in a mixed-use development.

The City has real estate tax abatement agreements with individuals and businesses who have renovated property within City limits in accordance with the City Code. The abatement is available for an existing residential structure, which is no less than fifty years of age, and which has been improved as to increase the assessed value of the structure by no less than forty percent. For multifamily (five units or more), commercial, or industrial real estate; the abatement is for a substantially rehabilitated or renovated structure which is no less than twenty-five years of age, and which has been so improved as to increase the assessed value of the structure by no less than sixty percent. The tax exemption is effective for a period of up to ten years for individual, commercial, and industrial and up to eight years for multifamily for any completed approved rehabilitation/renovation during the preceding fiscal year. Currently, the total active real estate rehabilitation credits are \$162,994,050 on a total of 517 parcels equating to \$1,450,647 in real estate tax.

Note 24. New Accounting Standards

In June 2022, the GASB issued **Statement No. 101**, *Compensated Absences*. This statement updates the recognition and measurement guidance for compensated absences and amends certain previously required disclosures. The requirements of this Statement are effective for reporting periods beginning after December 15, 2023.

In December 2023, the GASB issued **Statement No. 102**, *Certain Risk Disclosures*. This statement defines and requires governments to disclose the risks related to concentrations of inflows or outflows of resources. The requirements of this Statement are effective for reporting periods beginning after June 15, 2024.

In April 2024, the GASB issued **Statement No. 103**, *Financial Reporting Model Improvements*. This statement improves key components of the financial reporting model to enhance its effectiveness in providing information that is essential for decision making and assessing a government's accountability as well as addresses certain application issues. The requirements of this Statement are effective for reporting periods beginning after June 15, 2025.

Management has not determined the effects these new GASB Statements may have on prospective financial statements.

REQUIRED SUPPLEMENTAL INFORMATION

Required Supplementary Information

Primary Government

Schedule of Changes in Net Pension Liability and Related Ratios

For the Year Ended June 30, 2024

	Plan Year										
	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	
Total Pension Liability											
Service cost	\$ 6,203,323	\$ 6,349,597	\$ 6,346,042	\$ 6,432,589	\$ 6,654,862	\$ 6,625,713	\$ 6,986,017	\$ 7,087,893	\$ 6,786,710	\$ 7,591,733	
Interest on total pension liability	22,279,728	22,979,376	23,599,711	24,063,948	24,449,704	25,140,219	25,463,249	25,997,865	27,758,411	28,109,009	
Difference between expected and actual experience	-	(1,322,839)	(3,091,281)	(5,899,588)	120,722	(2,629,680)	(1,859,042)	(6,001,569)	(5,754,737)	2,153,966	
Changes in assumptions	-	-	-	2,149,134	-	10,427,997	-	16,038,052	-	-	
Benefit payments, including refunds of employee contributions	(18,346,084)	(18,630,099)	(19,658,299)	(20,786,742)	(21,683,819)	(21,037,746)	(21,916,092)	(23,423,878)	(24,229,710)	(24,573,005)	
Net change in total pension liability	10,136,967	9,376,035	7,196,173	5,959,341	9,541,469	18,526,503	8,674,132	19,698,363	4,560,674	13,281,703	
Total pension liability - beginning	327,454,876	337,591,843	346,967,878	354,164,051	360,123,392	369,664,861	388,191,364	396,865,496	416,563,859	421,124,533	
Total pension liability - ending	337,591,843	346,967,878	354,164,051	360,123,392	369,664,861	388,191,364	396,865,496	416,563,859	421,124,533	434,406,236	
Plan Fiduciary Net Position											
Contributions - employer	10,482,447	10,640,498	10,888,855	9,920,997	10,083,118	10,150,416	10,510,166	10,801,810	11,256,065	13,684,223	
Contributions - employee	2,545,602	2,623,103	2,647,107	2,766,837	2,676,472	2,655,886	2,783,330	2,717,344	2,889,376	3,171,043	
Net investment income	32,917,551	10,830,296	4,079,524	28,939,509	19,156,055	17,849,423	5,343,056	74,989,208	(244,636)	21,311,201	
Benefit payments, including refunds of employee contributions	(18,346,084)	(18,630,099)	(19,658,299)	(20,786,742)	(21,683,819)	(21,037,746)	(21,916,092)	(23,423,878)	(24,229,710)	(24,573,005)	
Administrative expenses	(180,075)	(151,038)	(152,831)	(171,345)	(169,088)	(180,734)	(184,881)	(190,993)	(214,575)	(213,135)	
Other	1,737	(2,273)	(1,774)	(25,640)	(16,908)	(11,250)	(7,513)	7,042	7,818	8,569	
Net change in plan fiduciary net position	27,421,178	5,310,487	(2,197,418)	20,643,616	10,045,830	9,425,995	(3,471,934)	64,900,533	(10,535,662)	13,388,896	
Plan fiduciary net position - beginning	211,183,720	238,604,898	243,915,385	241,717,967	262,361,583	272,407,413	281,833,408	278,361,474	343,262,007	332,726,345	
Plan fiduciary net position - ending	238,604,898	243,915,385	241,717,967	262,361,583	272,407,413	281,833,408	278,361,474	343,262,007	332,726,345	346,115,241	
Net pension liability - ending	\$ 98,986,945	\$ 103,052,493	\$ 112,446,084	\$ 97,761,809	\$ 97,257,448	\$ 106,357,956	\$118,504,022	\$ 73,301,852	\$ 88,398,188	\$ 88,290,995	
Plan fiduciary net position as a percentage of total pension liability	71%	70%	68%	73%	74%	73%	70%	82%	79%	80%	
Covered payroll	\$ 49,759,064	\$ 50,441,350	\$ 51,326,626	\$ 52,930,961	\$ 54,235,867	\$ 54,656,679	\$ 56,091,908	\$ 57,485,897	\$ 55,542,571	\$ 58,884,988	
Net pension liability as a percentage of covered payroll	199%	204%	219%	185%	179%	195%	211%	128%	159%	150%	

The plan years above are reported in the entity's financial statements in the fiscal year following the plan year - i.e., plan year 2014 information was presented in the entity's fiscal year 2015 financial report.

Required Supplementary Information

Schools - Non Professional Employees

Schedule of Changes in Net Pension Liability and Related Ratios

For the Year Ended June 30, 2024

		Plan Year								
	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Total Pension Liability										
Service cost	\$ 408,027	\$ 408,652	\$ 390,047	\$ 388,263	\$ 369,905	\$ 363,374	\$ 386,485	\$ 373,612	\$ 368,960	\$ 401,410
Interest on total pension liability	935,168	975,621	1,013,096	1,012,802	1,013,987	1,047,533	1,048,986	1,113,455	1,201,099	1,210,831
Difference between expected and actual experience	-	(47,318)	(601,120)	(438,840)	(45,578)	(326,795)	486,898	(66,595)	(492,204)	32,046
Changes in assumptions	-	-	-	(126,476)	-	397,376	-	495,368	-	-
Benefit payments, including refunds of employee contributions	(736,082)	(794,492)	(808,719)	(803,718)	(833,932)	(884,234)	(927,192)	(1,007,349)	(965,408)	(966,840)
Net change in total pension liability	607,113	542,463	(6,696)	32,031	504,382	597,254	995,177	908,491	112,447	677,447
Total pension liability - beginning	13,727,582	14,334,695	14,877,158	14,870,462	14,902,493	15,406,875	16,004,129	16,999,306	17,907,797	18,020,244
Total pension liability - ending	14,334,695	14,877,158	14,870,462	14,902,493	15,406,875	16,004,129	16,999,306	17,907,797	18,020,244	18,697,691
Plan Fiduciary Net Position										
Contributions - employer	382,008	327,719	332,290	228,134	229,132	179,891	192,366	211,631	225,247	187,018
Contributions - employee	192,487	183,717	185,375	182,067	183,766	174,448	188,186	190,176	202,816	215,389
Net investment income	1,844,193	609,217	236,379	1,651,561	1,096,860	1,024,271	306,074	4,271,921	(14,982)	1,209,247
Benefit payments, including refunds of employee contributions	(736,082)	(794,492)	(808,719)	(803,718)	(833,932)	(884,234)	(927,192)	(1,007,349)	(965,408)	(966,840)
Administrative expenses	(9,987)	(8,505)	(8,626)	(9,732)	(9,621)	(10,452)	(10,658)	(10,929)	(12,221)	(12,248)
Other	98	(127)	(101)	(1,460)	(969)	(642)	(357)	400	(1,084)	484
Net change in plan fiduciary net position	1,672,717	317,529	(63,402)	1,246,852	665,236	483,282	(251,581)	3,655,850	(565,632)	633,050
Plan fiduciary net position - beginning	11,769,997	13,442,714	13,760,243	13,696,841	14,943,693	15,608,929	16,092,211	15,840,630	19,496,480	18,930,848
Plan fiduciary net position - ending	13,442,714	13,760,243	13,696,841	14,943,693	15,608,929	16,092,211	15,840,630	19,496,480	18,930,848	19,563,898
Net pension liability - ending	\$ 891,981	\$ 1,116,915	\$ 1,173,621	\$ (41,200)	\$ (202,054)	\$ (88,082)	\$ 1,158,676	\$ (1,588,683)	\$ (910,604)	\$ (866,207)
Plan fiduciary net position as a percentage of total pension liability	94%	92%	92%	100%	101%	101%	93%	109%	105%	105%
Covered payroll	\$ 3,851,034	\$ 3,727,782	\$ 3,613,671	\$ 3,593,865	\$ 3,654,690	\$ 3,837,637	\$ 3,971,969	\$ 4,080,952	\$ 4,399,742	\$ 4,723,819
Net pension liability as a percentage of covered payroll	23%	30%	32%	-1%	-6%	-2%	29%	-39%	-21%	-18%

The plan years above are reported in the entity's financial statements in the fiscal year following the plan year - i.e., plan year 2014 information was presented in the entity's fiscal year 2015 financial report.

Required Supplementary Information Schedule of Pension Contributions For the Year Ended June 30, 2024

Entity Fiscal Year Ended June 30	Ľ	Contributions in Relation to cctuarially Actuarially etermined Determined ontribution Contribution			Defi	ribution iciency xcess)	Соч	vered Payroll	Contributions as a Percentage of Covered Payroll	
Primary Gover	rnmer	nt								
2024	\$	15,587,270	\$	15,587,270	\$	-	\$	67,218,938	23.19%	
2023	\$	14,240,279	\$	14,240,279	\$	-	\$	58,884,988	24.18%	
2022	\$	11,141,125	\$	11,141,125	\$	-	\$	55,542,571	20.06%	
2021	\$	11,088,357	\$	11,088,357	\$	-	\$	57,485,897	19.29%	
2020	\$	10,870,219	\$	10,870,219	\$	-	\$	56,091,908	19.38%	
2019	\$	10,377,528	\$	10,377,528	\$	-	\$	54,656,679	18.99%	
2018	\$	10,288,625	\$	10,288,625	\$	-	\$	54,235,867	18.97%	
2017	\$	9,920,997	\$	9,920,997	\$	-	\$	52,930,961	18.74%	
2016	\$	10,951,053	\$	10,951,053	\$	-	\$	51,326,626	21.34%	
2015	\$	10,728,502	\$	10,728,502	\$	-	\$	50,441,350	21.27%	
Schools - Nonp	rofess	sional Employe	es							
2024	\$	194,471	\$	194,471	\$	-	\$	5,085,997	3.82%	
2023	\$	186,799	\$	186,799	\$	-	\$	4,723,819	3.95%	
2022	\$	225,247	\$	225,247	\$	-	\$	4,399,742	5.12%	
2021	\$	211,631	\$	211,631	\$	-	\$	4,080,952	5.19%	
2020	\$	192,396	\$	192,396	\$	-	\$	3,971,969	4.84%	
2019	\$	179,891	\$	179,891	\$	-	\$	3,837,637	4.69%	
2018	\$	229,094	\$	229,094	\$	-	\$	3,654,691	6.27%	
2017	\$	235,433	\$	235,433	\$	-	\$	3,593,865	6.55%	
2016	\$	340,611	\$	340,611	\$	-	\$	3,613,671	9.43%	
2015	\$	330,294	\$	330,294	\$	-	\$	3,727,782	8.86%	

The covered payroll amounts above are for the entity's fiscal year - i.e. the covered payroll on which required contributions were based for the same year.

The Notes to Required Supplementary Information are an integral part of this statement.

Required Supplementary Information

Schedule of Employer's Share of Net Pension Liability

VRS Teacher Retirement Plan

For the Year Ended June 30, 2024

School Division Fiscal Year Ended June 30	Employer's Proportion of the Net Pension Liability	Prop	Employer's portionate Share he Net Pension Liability	Employer's Covered Payroll	Employer's Proportionate Share of the Net Pension Liability as a Percentage of its Covered Payroll	Plan Fiduciary Net Position as a Percentage of the Total Pension Liability
2024	0.62%	\$	63,005,282	\$ 62,501,211	100.81%	82.45%
2023	0.62%	\$	58,868,718	\$ 57,947,892	101.59%	82.61%
2022	0.61%	\$	47,405,591	\$ 54,503,957	86.98%	85.46%
2021	0.64%	\$	92,940,347	\$ 56,477,224	164.56%	71.47%
2020	0.65%	\$	82,501,054	\$ 51,957,981	158.78%	73.51%
2019	0.69%	\$	80,732,000	\$ 53,894,780	149.80%	74.81%
2018	0.71%	\$	87,249,000	\$ 53,942,322	161.74%	72.92%
2017	0.73%	\$	102,102,000	\$ 50,669,701	201.51%	68.28%
2016	0.71%	\$	88,962,000	\$ 51,468,623	172.85%	70.68%
2015	0.70%	\$	84,602,000	\$ 51,468,623	164.38%	70.88%

The covered payroll amounts above are for the measurement period, which is the twelve months prior to the School Division's fiscal year.

Required Supplementary Information Schedule of Pension Contributions VRS Teacher Retirement Plan For the Year Ended June 30, 2024

School Division Fiscal Year Ended June 30	Contractually Required Contribution		Contributions in Relation to Contractually Required Contribution	in Relation to Contractually Contribu Required Deficie		Cov	vered Payroll	Contributions as a Percentage of Covered Payroll
2024	\$	10,782,057	\$ 10,782,057	\$	-	\$	68,980,189	15.63%
2023	\$	9,822,234	\$ 9,822,234	\$	-	\$	62,501,211	15.72%
2022	\$	9,161,578	\$ 9,161,578	\$	-	\$	57,947,892	15.81%
2021	\$	8,629,023	\$ 8,629,023	\$	-	\$	54,503,957	15.83%
2020	\$	8,469,585	\$ 8,469,585	\$	-	\$	56,477,224	15.00%
2019	\$	8,313,426	\$ 8,313,426	\$	-	\$	51,957,981	16.00%
2018	\$	8,869,387	\$ 8,869,387	\$	-	\$	53,894,780	16.46%
2017	\$	8,261,471	\$ 8,261,471	\$	-	\$	53,942,322	15.32%
2016	\$	7,972,259	\$ 7,972,259	\$	-	\$	50,669,701	15.73%
2015	\$	7,458,200	\$ 7,458,200	\$	-	\$	51,468,623	14.49%

The covered payroll amounts above are for the school division's fiscal year - i.e. the covered payroll on which required contributions were based for the same year.

Required Supplementary Information

Primary Government

Schedule of Changes in Net OPEB for Healthcare Liability and Related Ratios

For the Year Ended June 30, 2024

				Fiscal Year			
	2018	2019	2020	2021	2022	2023	2024
Total OPEB Liability							
Service cost	\$ 350,020	\$ 360,521	\$ 371,336	\$ 356,717	\$ 367,419	\$ 258,665	\$ 266,425
Interest on OPEB liability	3,559,674	2,771,030	2,600,222	1,148,518	930,937	1,412,267	1,410,943
Difference between expected and actual experience	(24,181,307)	-	(38,403,363)	-	(1,453,248)	-	(5,022,789)
Changes in assumptions	(697,398)	5,999,406	2,100,461	2,879,001	(7,077,885)	(759,186)	1,404,750
Benefit payments, including refunds of member contributions	(2,632,827)	(2,333,984)	(2,898,368)	(2,796,080)	(2,774,048)	(2,983,684)	(2,480,520)
Net change in total OPEB liability	(23,601,838)	6,796,973	(36,229,712)	1,588,156	(10,006,825)	(2,071,938)	(4,421,191)
Total OPEB liability - beginning	100,945,728	77,343,890	84,140,863	47,911,151	49,499,307	39,492,482	37,420,544
Total OPEB liability - ending	\$ 77,343,890	\$ 84,140,863	\$ 47,911,151	\$ 49,499,307	\$ 39,492,482	\$ 37,420,544	\$ 32,999,353
Covered employee payroll	\$ 55,870,874	\$ 60,897,864	\$ 63,032,343	\$ 64,452,592	\$ 68,360,485	\$ 75,162,775	\$ 82,412,912
Net OPEB liability as a percentage of covered employee payroll	138.4%	138.2%	76.0%	76.8%	57.8%	49.8%	40.0%

Required Supplementary Information

Lynchburg City Schools

Schedule of Changes in Net OPEB for Healthcare Liability and Related Ratios

For the Year Ended June 30, 2024

				Fiscal Year				
	2018	2019	2020	2021	2022	2023	2024	
Total OPEB Liability								
Service cost	\$ 629,101	\$ 523,630	\$ 858,868	\$ 956,878	\$ 890,149	\$ 944,891	\$ 735,812	
Interest on OPEB liability	271,525	253,909	424,127	437,213	213,079	233,096	324,100	
Difference between expected and actual experience	(2,319,827)	3,458,793	-	(4,301,568)	-	(2,663,577)	-	
Changes in assumptions	(638,060)	(310,331)	439,283	323,568	305,192	(72,654)	(8,959)	
Benefit payments, including refunds of member contributions	(175,271)	(368,838)	(419,802)	(155,894)	(243,252)	(383,304)	(98,566)	
Net change in total OPEB liability	(2,232,532)	3,557,163	1,302,476	(2,739,803)	1,165,168	(1,941,548)	952,387	
Total OPEB liability - beginning	8,985,748	6,753,216	10,310,379	11,612,855	8,873,052	10,038,220	8,096,672	
Total OPEB liability - ending	6,753,216	10,310,379	11,612,855	8,873,052	10,038,220	8,096,672	9,049,059	
Covered employee payroll	\$ 61,142,865	\$ 61,045,540	\$ 61,045,540	\$ 66,302,035	\$ 63,870,989	\$ 70,540,583	\$ 76,402,326	
Net OPEB liability as a percentage of covered employee payroll	11.0%	16.9%	19.0%	13.4%	15.7%	11.5%	11.8%	

Required Supplementary Information

Lynchburg City Schools

Schedule of Changes in Net OPEB for Healthcare Liability and Related Ratios for Health Insurance Credit Schools

For the Year Ended June 30, 2024

	2022			cal Year 2023	2024
Total OPEB Liability					
Service cost		,471	\$	5,571	\$ 3,286
Interest on OPEB liability	21	,260		23,589	23,333
Difference between expected and actual experience		(1)		(26,858)	(118,021)
Changes in assumptions	6	,656		5,840	-
Benefit payments		-		(8,908)	 (10,398)
Net change in total OPEB liability	33	,386		(766)	(101,800)
Total OPEB liability - beginning	314	,969		348,355	 347,589
Total OPEB liability - ending	348	,355		347,589	 245,789
Plan Fiduciary Net Position					
Contributions - employer	26	,119		28,159	32,633
Net investment income	3	,593		(496)	4,047
Benefit payments		-		(8,908)	(10,398)
Administrative expenses		(116)		(97)	(109)
Other		-		341	 19
Net change in plan fiduciary net position	29	,596		18,999	26,192
Plan fiduciary net position - beginning		-		29,596	 48,595
Plan fiduciary net position - ending	29	,596		48,595	 74,787
Net OPEB liability - ending	\$ 318	,759	\$	298,994	\$ 171,002
Plan fiduciary net position as a percentage of total OPEB liability		8.5%		14.0%	 30.4%
Covered payroll	\$ 4,082	,596	\$4	,399,742	\$ 4,723,819
Net OPEB liability as a percentage of covered payroll		7.8%		6.8%	3.6%

Required Supplementary Information

Primary Government

Schedule of Changes in Net OPEB for Line of Duty Act (LODA)

For the Year Ended June 30, 2024

				Fiscal Year			
	2018	2019	2020	2021	2022	2023	2024
Total OPEB Liability							
Service cost	\$ 163,599	\$ 168,507	\$ 173,562	\$ 228,263	\$ 235,111	\$ 195,364	\$ 201,225
Interest on OPEB liability	287,149	294,269	281,173	176,727	150,318	221,043	228,450
Difference between expected and actual experience	-	-	(3,213,464)	-	(585,976)	-	3,308,910
Changes in assumptions	-	634,614	1,192,943	532,826	(1,227,410)	(139,056)	(152,902)
Benefit payments, including refunds of member contributions	(250,836)	(267,213)	(228,753)	(288,639)	(369,297)	(374,427)	(366,488)
Net change in total OPEB liability	199,912	830,177	(1,794,539)	649,177	(1,797,254)	(97,076)	3,219,195
Total OPEB liability - beginning	7,892,993	8,092,905	8,923,082	7,128,543	7,777,720	5,980,466	5,883,390
Total OPEB liability - ending	\$ 8,092,905	\$ 8,923,082	\$ 7,128,543	\$ 7,777,720	\$ 5,980,466	\$ 5,883,390	\$ 9,102,585
Covered employee payroll	\$ 18,941,025	\$ 21,770,826	\$ 20,775,959	\$ 21,101,725	\$ 23,692,611	\$ 26,581,417	\$ 29,230,865
Net OPEB liability as a percentage of covered employee payroll	42.7%	41.0%	34.3%	36.9%	25.2%	22.1%	31.1%

Required Supplementary Information Schedule of OPEB Contributions Group Life Insurance For the Year Ended June 30, 2024

Entity Fiscal Year Ended June 30	Contractually Required Contribution		R Coi F	cributions in elation to ntractually Required ntribution	Defi	ibution ciency cess)	Employer's vered Payroll	Contributions as a Percentage of Covered Payroll
Primary Gover	nment							
2024	\$	399,369	\$	399,369	\$	-	\$ 68,034,046	0.59%
2023	\$	365,000	\$	365,000	\$	-	\$ 60,514,320	0.60%
2022	\$	303,902	\$	303,902	\$	-	\$ 55,542,571	0.55%
2021	\$	303,246	\$	303,246	\$	-	\$ 57,485,897	0.53%
2020	\$	303,560	\$	303,560	\$	-	\$ 56,091,908	0.54%
2019	\$	290,819	\$	290,819	\$	-	\$ 54,656,679	0.53%
2018	\$	279,734	\$	279,734	\$	-	\$ 54,235,867	0.52%

Required Supplementary Information

Schedule of OPEB Contributions Group Life Insurance - Schools General Employees

For the Year Ended June 30, 2024

Entity Fiscal Year Ended June 30	R	ntractually Required ntribution	Ro Cor R	ributions in elation to atractually equired ntribution	Defi	ribution ciency ccess)	mployer's ered Payroll	Contributions as a Percentage of Covered Payroll
Schools Genera	al Emp	loyees						
2024	\$	27,261	\$	27,261	\$	-	\$ 5,085,997	0.54%
2023	\$	25,320	\$	25,320	\$	-	\$ 4,723,819	0.54%
2022	\$	23,583	\$	23,583	\$	-	\$ 4,399,742	0.54%
2021	\$	21,949	\$	21,949	\$	-	\$ 4,094,871	0.54%
2020	\$	20,871	\$	20,871	\$	-	\$ 3,666,419	0.57%
2019	\$	19,912	\$	19,912	\$	-	\$ 3,983,065	0.50%
2018	\$	20,062	\$	20,062	\$	-	\$ 3,617,185	0.55%

Required Supplementary Information

Schedule of OPEB Contributions Group Life Insurance - School Teachers

For the Year Ended June 30, 2024

Entity Fiscal Year Ended June 30	Contractually Required Contribution		R Coi F	tributions in elation to ntractually Required ntribution	Defi	ribution ciency access)	Employer's vered Payroll	Contributions as a Percentage of Covered Payroll
Schools Teach	ers							
2024	\$	369,734	\$	369,734	\$	-	\$ 68,980,189	0.54%
2023	\$	335,006	\$	335,006	\$	-	\$ 62,501,211	0.54%
2022	\$	311,145	\$	311,145	\$	-	\$ 58,049,523	0.54%
2021	\$	292,433	\$	292,433	\$	-	\$ 54,558,390	0.54%
2020	\$	296,299	\$	296,299	\$	-	\$ 54,925,031	0.54%
2019	\$	288,302	\$	288,302	\$	-	\$ 55,019,401	0.52%
2018	\$	293,909	\$	293,909	\$	-	\$ 52,992,834	0.55%

Required Supplementary Information

Schedule of OPEB Contributions for Health Insurance Credit - School Teachers and General Employees For the Year Ended June 30, 2024

Entity Fiscal Year Ended June 30	Contractually Required Contribution		R Coi F	cributions in elation to ntractually Required ntribution	Defi	ribution ciency ccess)	Employer's vered Payroll	Contributions as a Percentage of Covered Payroll
School Teacher	rs							
2024	\$	834,660	\$	834,660	\$	-	\$ 68,980,189	1.21%
2023	\$	732,276	\$	732,276	\$	-	\$ 62,501,211	1.17%
2022	\$	701,169	\$	701,169	\$	-	\$ 57,947,892	1.21%
2021	\$	654,498	\$	654,498	\$	-	\$ 54,503,956	1.20%
2020	\$	677,727	\$	677,727	\$	-	\$ 54,925,031	1.23%
2019	\$	659,100	\$	659,100	\$	-	\$ 55,019,401	1.20%
2018	\$	688,326	\$	688,326	\$	-	\$ 53,104,064	1.30%

Schedule is intended to show information for 10 years. Since 2018 was the first year for this presentation, only seven years of data is available. Additional years will be included as they become available. The covered payroll amounts above are for the entity's fiscal year - i.e. the covered payroll on which required contributions were based for the same year.

Entity Fiscal Contractually Year Ended Required June 30 Contribution		Re Con R	Contributions in Relation to Contractually Required Contribution		Contribution Deficiency (Excess)		mployer's ered Payroll	Contributions as a Percentage of Covered Payroll	
General Emplo	oyees								
2024	\$	35,093	\$	35,093	\$	-	\$	5,085,997	0.69%
2023	\$	32,594	\$	32,594	\$	-	\$	4,723,819	0.69%
2022	\$	28,158	\$	28,158	\$	-	\$	4,399,742	0.64%

Schedule is intended to show information for 10 years. Since 2022 was the first year for this presentation, only three years of data is available. Additional years will be included as they become available. The covered payroll amounts above are for the entity's fiscal year - i.e. the covered payroll on which required contributions were based for the same year.

The Notes to Required Supplementary Information are an integral part of this statement.

Required Supplementary Information

Schedule of Employer's Share of Net OPEB Liability - Group Life Insurance

City of Lynchburg

For the Year Ended June 30, 2024

Fiscal Year Ended June 30	Employer's Proportion of the Net OPEB Liability	Employer's Proportionate Share of the Net OPEB Liability		Employer's Covered Employee Payroll	Employer's Proportionate Share of the Net OPEB Liability as a Percentage of its Covered Employee Payroll	Fiduciary Net Position as a Percentage of the Total OPEB Liability	
Primary G	overnment						
2024	0.28619%	\$	3,432,315	\$ 60,514,320	5.67%	69.30%	
2023	0.27204%	\$	3,275,624	\$ 55,542,571	5.90%	67.21%	
2022	0.27445%	\$	3,195,343	\$ 57,485,897	5.56%	67.45%	
2021	0.27948%	\$	4,664,064	\$ 56,091,908	8.32%	52.64%	
2020	0.28214%	\$	4,591,169	\$ 54,656,679	8.40%	52.00%	
2019	0.28865%	\$	4,384,000	\$ 54,235,867	8.08%	51.22%	
2018	0.29164%	\$	4,388,000	\$ 52,930,961	8.29%	48.86%	

Required Supplementary Information

Schedule of Employer's Share of Net OPEB Liability Group Life Insurance - Schools General Employees Lynchburg City Schools

For the Year Ended June 30, 2024

Fiscal Year Ended June 30	Employer's Proportion of the Net OPEB Liability	Propo of th	Employer's oportionate Share f the Net OPEB Liability		Employer's Covered Employee Payroll	Employer's Proportionate Share of the Net OPEB Liability as a Percentage of its Covered Employee Payroll	Fiduciary Net Position as a Percentage of the Total OPEB Liability
Schools Ge	neral Employees						
2024	0.20140%	\$	241,542	\$	4,723,819	5.11%	69.30%
2023	0.02023%	\$	243,589	\$	4,399,742	5.54%	67.21%
2022	0.01983%	\$	230,875	\$	4,094,871	5.64%	67.45%
2021	0.01936%	\$	323,086	\$	3,666,419	8.81%	52.64%
2020	0.01870%	\$	304,000	\$	3,983,065	7.63%	52.00%
2019	0.02014%	\$	306,000	\$	3,617,185	8.46%	51.22%
2018	0.02039%	\$	307,000	\$	3,617,185	8.49%	48.86%

Required Supplementary Information

Schedule of Employer's Share of Net OPEB Liability Group Life Insurance - School Teachers

Lynchburg City Schools

For the Year Ended June 30, 2024

Fiscal Year Ended June 30	Employer's Proportion of the Net OPEB Liability	Employer's Proportionate Share of the Net OPEB Liability			Employer's Covered Employee Payroll	Employer's Proportionate Share of the Net OPEB Liability as a Percentage of its Covered Employee Payroll	Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability
School Teac	chers						
2024	0.26554%	\$	3,184,657	\$	62,501,211	5.10%	69.30%
2023	0.26709%	\$	3,216,021	\$	58,049,523	5.54%	67.21%
2022	0.26424%	\$	3,076,470	\$	54,558,390	5.64%	67.45%
2021	0.27477%	\$	4,585,461	\$	54,925,031	8.35%	52.64%
2020	0.29000%	\$	4,567,000	\$	55,019,401	8.30%	52.00%
2019	0.29500%	\$	4,481,000	\$	52,992,834	8.46%	51.22%
2018	0.30644%	\$	4,612,000	\$	52,992,834	8.70%	48.86%

Required Supplementary Information

Schedule of Employer's Share of Net OPEB Liability Health Insurance Credit - School Teachers

Lynchburg City Schools

For the Year Ended June 30, 2024

Fiscal Year Ended June 30	Employer's Employer's Proportion of Proportionate Share the Net OPEB of the Net OPEB Liability Liability		Employer's Covered Employee Payroll	Employer's Proportionate Share of the Net OPEB Liability as a Percentage of its Covered Employee Payroll	Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability	
School Tea	chers					
2024	0.62707%	\$	7,596,435	\$ 62,501,211	12.15%	17.90%
2023	0.62232%	\$	7,773,066	\$ 57,947,892	13.41%	15.08%
2022	0.61628%	\$	7,910,380	\$ 54,503,957	14.51%	13.15%
2021	0.64426%	\$	8,404,478	\$ 54,925,031	15.30%	9.95%
2020	0.65486%	\$	8,573,000	\$ 55,019,401	15.58%	8.97%
2019	0.69210%	\$	8,787,000	\$ 53,104,064	16.55%	8.08%
2018	0.71414%	\$	9,060,000	\$ 53,104,064	17.06%	7.04%

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION June 30, 2024

Note 1. Changes of Benefit Terms

Pension

There have been no actuarially material changes to the Virginia Retirement System (the "System") benefit provisions since the prior actuarial valuation.

Other Postemployment Benefits (OPEB)

There have been no actuarially material changes to the System benefit provisions since the prior actuarial valuation.

Note 2. Changes of Assumptions

The actuarial assumptions used in the June 30, 2022, valuation were based on the results of an actuarial experience study for the period from July 1, 2016, through June 30, 2020, except the change in the discount rate, which was based on VRS Board action effective as of July 1, 2021. Changes to the actuarial assumptions as a result of the experience study and VRS Board action are as follows:

Largest 10 – Non-Hazardous Duty:

- Update mortality table to PUB2010 public sector mortality tables. For future mortality improvements, replace load with a modified Mortality Improvement Scale MP-2020.
- Adjusted retirement rates to better fit experience for Plan 1; set separate rates based on experience for Plan2/Hybrid; changed final retirement age from 75 to 80 for all.
- Adjusted withdrawal rates to better fit experience at each age and service through 9 years of service.
- No change to disability rates.
- No change to salary scale.
- No change to line of duty rates.
- No change to discount rate.

Largest 10 – Hazardous Duty/Public Safety Employees:

- Update mortality table to PUB2010 public sector mortality tables. For future mortality improvements, replace load with a modified Mortality Improvement Scale MP-2020.
- Adjusted retirement rates to better fit experience and changed final retirement age from 65 to 70.
- Decreased withdrawal rates.
- No change to disability rates.
- No change to salary scale.
- No change to line of duty rates.
- No change to discount rate.

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION June 30, 2024

Note 2. Changes of Assumptions (Continued)

All Others (Non 10 Largest) – Non-Hazardous Duty:

- Update mortality table to PUB2010 public sector mortality tables. For future mortality improvements, replace load with a modified Mortality Improvement Scale MP-2020.
- Adjusted retirement rates to better fit experience for Plan 1; set separate rates based on experience for Plan2/Hybrid; changed final retirement age from 75 to 80 for all.
- Adjusted withdrawal rates to better fit experience at each age and service through 9 years of service.
- No change to disability rates.
- No changes to salary scale.
- No change to line of duty rates.
- No change to discount rate.

All Others (Non 10 Largest) – Hazardous Duty/Public Safety Employees:

- Update mortality table to PUB2010 public sector mortality tables. For future mortality improvements, replace load with a modified Mortality Improvement Scale MP-2020.
- Adjusted retirement rates to better fit experience and changed final retirement age from 65 to 70.
- Decreased withdrawal rates and changed from rates based on age and service to rates based on service only to better fit experience and to be more consistent with Locals Largest 10 Hazardous Duty.
- No change to disability rates.
- No change to salary scale.
- No change to line of duty rates.
- No change to discount rate.

Teacher cost-sharing pool

- Update mortality table to PUB2010 public sector mortality tables. For future mortality improvements, replace load with a modified Mortality Improvement Scale MP-2020.
- Adjusted retirement rates to better fit experience for Plan 1; set separate rates based on experience for Plan2/Hybrid; changed final retirement age from 75 to 80 for all.
- Adjusted withdrawal rates to better fit experience at each age and service through 9 years of service.
- No change to disability rates.
- No changes to salary scale.
- No change to discount rate.

THIS PAGE INTENTIONALLY BLANK

OTHER SUPPLEMENTAL INFORMATION

Notes to Combining and Individual Fund Statements and Schedules – Nonmajor Governmental Funds

Nonmajor Governmental Funds:

Nonmajor governmental funds consist of special revenue funds.

Special Revenue Funds are used to account for the proceeds of specific revenue sources (other than major capital projects) that are legally restricted to expenditures for specified purposes.

Funds in this category include:

- City Federal/State Aid Fund Accounts for various federal and state grants for such purposes as building projects, certain social service and community development programs, and public safety.
- Community Development Block Grant Fund Accounts for revenues from the Department of Housing and Urban Development which are used for various development projects.
- Lynchburg Business Development Centre Fund Accounts for revenues received to support a local business incubator and for monies received from the Economic Development Administration for a revolving loan fund and certain other economic development assistance.
- Lynchburg Regional Juvenile Detention Center Fund Accounts for revenues received and expenditures made to support the operations of the City's Juvenile Detention Home.
- Forfeited Assets Fund Accounts for revenues received from the sale of confiscated assets which are related to illegal drug sales and are used for law enforcement expenditures.
- Lynchburg Expressway Appearance Fund Accounts for the revenues and expenditures associated with beautification of the Lynchburg Expressway Area.
- Children's Services Act Fund Accounts for revenues received and expenditures made to support the Children's Services Act for At-Risk Youth and Families adopted by the Virginia General Assembly.
- HOME Investment Partnerships Program Fund Accounts for revenues received from the Department of Housing and Urban Development for support of affordable housing needs in the City.

Combining Balance Sheet Nonmajor Special Revenue Funds June 30, 2024

	City Federal State Aid	ommunity velopment Block Grant	Ë Dev	vnchburg Business velopment Centre	I	Forfeited Assets	Children's Services Act
Assets							
Cash and cash equivalents	\$ -	\$ -	\$	171	\$	382,029	\$ -
Receivables, net of allowance:						-	
Other	1,379,548	-		-		-	8,727
Due from other funds	55,242	-		-		-	350,485
Due from other governments	535,487	334,506		-		-	1,379,154
Due from component unit	-	-		125,000		-	-
Other assets	-	-		213		-	-
Restricted assets:							
Cash and cash equivalents	3,300,341	-		-		-	-
Total assets	\$ 5,270,618	\$ 334,506	\$	125,384	\$	382,029	\$ 1,738,366
Liabilities							
Accounts payable and other liabilities	196,650	\$ 127,220	\$	-	\$	297	\$ 1,000,340
Accrued payroll and related liabilities	72,418	4,184		-		-	2,121
Due to other funds	437,298	203,102		-		-	525,710
Due to other governments	310,216	-		-		-	-
Total liabilities	 1,016,582	 334,506		-		297	 1,528,171
Deferred Inflows of Resources							
Unavailable revenue	2,978,488	-		-		-	-
Total deferred inflows of resources	 2,978,488	 -		-		-	 -
Fund Balances							
Restricted	1,275,548	-		-		381,732	210,195
Committed	-	-		125,384		-	-
Assigned	-	-		-		-	-
Total fund balances	 1,275,548	 -		125,384		381,732	 210,195
Total liabilities, deferred inflows of							
resources, and fund balances	\$ 5,270,618	\$ 334,506	\$	125,384	\$	382,029	\$ 1,738,366

Combining Balance Sheet Nonmajor Special Revenue Funds June 30, 2024

	Lynchburg Expressway Appearance		Inv Par	IOME /estment tnerships rogram	R	nchburg Legional Juvenile ntion Center	Total Nonmajor Special Revenue		
Assets									
Cash and cash equivalents	\$	199,493	\$	5,834	\$	299,590	\$	887,117	
Receivables, net of allowance:									
Other		-		867		-		1,389,142	
Due from other funds		-		-		152,017		557,744	
Due from other governments		-		7,341		108,570		2,365,058	
Due from component unit		-		-		-		125,000	
Other assets		-		-		-		213	
Restricted assets:									
Cash and cash equivalents		-		-		-		3,300,341	
Total assets	\$	199,493	\$	14,042	\$	560,177	\$	8,624,615	
Liabilities									
Accounts payable and other liabilities	\$	3,126	\$	-	\$	31,000	\$	1,358,633	
Accrued payroll and related liabilities		-		1,032		86,475		166,230	
Due to other funds		-		7,176		109,081		1,282,367	
Due to other governments		-				57,524		367,740	
Total liabilities		3,126		8,208		284,080		3,174,970	
Deferred Inflows of Resources									
Unavailable revenue		-		-		-		2,978,488	
Total deferred inflows of resources				-		-		2,978,488	
Fund Balances									
Restricted		196,367		5,834		275,863		2,345,539	
Committed		-				-		125,384	
Assigned		-		-		234		234	
Total fund balances		196,367		5,834		276,097		2,471,157	
Total liabilities, deferred inflows of									
resources, and fund balances	\$	199,493	\$	14,042	\$	560,177	\$	8,624,615	

Combining Statement of Revenues, Expenditures, and Changes in Fund Balances Nonmajor Special Revenue Funds For the Year Ended June 30, 2024

	 City Federal State Aid		Community Development Block Grant		Development Block		Lynchburg Business Development Centre		Business Development		Forfeited Assets				Children's Services Act
Revenues															
Intergovernmental	\$ 5,433,760	\$	678,401	\$	-	\$	78,606	\$	7,407,021						
Revenue from use of money and property			-		13,598		6,700		-						
Charges for services	836,197		-		-		-		3,158,634						
Miscellaneous	431,347		-		-		-		110,707						
Total revenues	 6,701,304		678,401		13,598		85,306		10,676,362						
Expenditures															
Current operating expenditures:															
General government	-		-		-		-		-						
Judicial	1,666,448		-		-		12,414		-						
Public safety	3,193,479		-		-		4,460		-						
Public works	72,884		-		-		-		-						
Health and human services	1,537,417		-		-		-		10,550,906						
Community development	305,095		678,401		13,598		-		-						
Debt service:															
Principal retirements	-		-		-		-		-						
Interest payments and other fiscal charges	 -		-		-		-		-						
Total expenditures	 6,775,323		678,401		13,598		16,874		10,550,906						
Excess (deficiency) of revenues over expenditures	 (74,019)				-		68,432		125,456						
Other financing sources															
Transfers in	 385,022		-		-		-		-						
Total other financing sources	 385,022		-		-		-		-						
Net changes in fund balances	311,003		-		-		68,432		125,456						
Fund balances - beginning	 964,545				125,384		313,300		84,739						
Fund balances - ending	\$ 1,275,548	\$		\$	125,384	\$	381,732	\$	210,195						

EXHIBIT A-2 PAGE 1

Combining Statement of Revenues, Expenditures, and Changes in Fund Balances Nonmajor Special Revenue Funds For the Year Ended June 30, 2024

	Lynchburg Expressway Appearance		HOME Investment Partnerships Program		1	ynchburg Regional Juvenile ntion Center	Total Nonmajor Special Revenue	
Revenues								
Intergovernmental	\$	-	\$	115,610	\$	1,302,603	\$	15,016,001
Revenue from use of money and property		-		-		-		20,298
Charges for services		-		-		2,179,212		6,174,043
Miscellaneous		8,000		-		2,100		552,154
Total revenues		8,000		115,610		3,483,915		21,762,496
Expenditures								
Current operating expenditures:								
General government		-		-		5,434		5,434
Judicial		-		-		-		1,678,862
Public safety		-		-		3,413,263		6,611,202
Public works		26,229		-		-		99,113
Health and human services		-		-		-		12,088,323
Community development		-		115,610		-		1,112,704
Debt service:								
Principal retirements		-		-		8,808		8,808
Interest payments and other fiscal charges		-		-		2,773		2,773
Total expenditures		26,229		115,610		3,430,278		21,607,219
Excess (deficiency) of revenues over expenditures		(18,229)		-		53,637		155,277
Other financing sources								
Transfers in		-						385,022
Total other financing sources		-		-		-		385,022
Net changes in fund balance		(18,229)		-		53,637		540,299
Fund balances - beginning	2	214,596		5,834		222,460		1,930,858
Fund balances - ending	\$	196,367	\$	5,834	\$	276,097	\$	2,471,157

Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual City/Federal/State Aid Fund For the Year Ended June 30, 2024

	 Budgeted	Amou	unts	Actual		Variance with Final Budget Positive (Negative)	
	Original		Final				
Revenues	 						
Intergovernmental	\$ 3,684,192	\$	8,964,183	\$	5,433,760	\$	(3,530,423)
Charges for services	738,700		738,700		836,197		97,497
Miscellaneous	 31,755		990,559		431,347		(559,212)
Total revenues	 4,454,647		10,693,442		6,701,304		(3,992,138)
Expenditures							
Current operating expenditures:							
General government	-		5,472		-		5,472
Judicial	1,368,320		3,051,777		1,666,448		1,385,329
Public safety	1,385,391		4,444,452		3,193,479		1,250,973
Public works	-		76,125		72,884		3,241
Health and human services	1,702,006		3,759,594		1,537,417		2,222,177
Cultural and recreational	-		-		-		-
Community development	 223,600		545,970		305,095		240,875
Total expenditures	 4,679,317		11,883,390		6,775,323		5,108,067
Excess (deficiency) of revenues							
over expenditures	 (224,670)		(1,189,948)		(74,019)		1,115,929
Other financing sources							
Transfers in	 220,814		362,444		385,022		22,578
Total other financing sources	 220,814		362,444		385,022		22,578
Net changes in fund balance	(3,856)		(827,504)		311,003		1,138,507
Fund balance - beginning	 964,545		964,545		964,545		-
Fund balance - ending	\$ 960,689	\$	137,041	\$	1,275,548	\$	1,138,507

Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual Community Development Block Grant Fund For the Year Ended June 30, 2024

		Budgetee	l Amo	_		Variance with Final Budget		
	(Original	Final		Actual		(Positive Negative)
Revenues	Original		1 11141		netuai			(eguite)
Intergovernmental	\$	708,843	\$	1,834,480	\$	678,401	\$	(1,156,079)
Total revenues		708,843		1,834,480		678,401		(1,156,079)
Expenditures								
Current operating expenditures:								
Community development		708,843		1,137,677		678,401		459,276
Total expenditures		708,843		1,137,677		678,401		459,276
Net changes in fund balance		-		696,803		-		(696,803)
Fund balance - beginning		-		-				
Fund balance - ending	\$		\$	696,803	\$		\$	(696,803)

Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual Forfeited Assets Fund For the Year Ended June 30, 2024

	 Budgeted	l Amo			Variance witl Final Budget Positive		
	Original		Final		Actual		egative)
Revenues	 8					`	0 /
Intergovernmental	\$ -	\$	-	\$	78,606	\$	78,606
Revenue from use of money and property	-		-		6,700		6,700
Total revenues	-		-		85,306		85,306
Expenditures							
Current operating expenditures:							
Judicial	-		68,641		12,414		56,227
Public safety	-		286,781		4,460		282,321
Total expenditures	 -		355,422		16,874		338,548
Net changes in fund balance	-		(355,422)		68,432		423,854
Fund balance - beginning	 313,300		313,300		313,300		-
Fund balance (deficit)- ending	\$ 313,300	\$	(42,122)	\$	381,732	\$	423,854

Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual Children's Services Act Fund For the Year Ended June 30, 2024

	 Budgetee	l Am			Variance with Final Budget Positive		
	Original		Final	Actual		(Negative)	
Revenues	 						8 /
Intergovernmental	\$ 4,738,816	\$	7,661,856	\$	7,407,021	\$	(254,835)
Charges for services	2,280,179		3,158,684		3,158,634		(50)
Miscellaneous	48,600		48,600		110,707		62,107
Total revenues	 7,067,595		10,869,140		10,676,362		(192,778)
Expenditures							
Current operating expenditures:							
Health and human services	7,067,595		10,949,140		10,550,906		398,234
Total expenditures	 7,067,595		10,949,140		10,550,906		398,234
Net changes in fund balance	-		(80,000)		125,456		205,456
Fund balance - beginning	 84,739		84,739		84,739		
Fund balance - ending	\$ 84,739	\$	4,739	\$	210,195	\$	205,456

Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual Lynchburg Expressway Appearance Fund For the Year Ended June 30, 2024

		Budgeted	Amo			Fina	ance with Il Budget ositive	
	(Original	Final		Actual		(Negative)	
Revenues								
Miscellaneous	\$	-	\$	-	\$	8,000	\$	8,000
Total revenues		-		-		8,000		8,000
Expenditures								
Current operating expenditures:								
Public works		75,000		75,000		26,229		48,771
Total expenditures		75,000		75,000		26,229		48,771
Net changes in fund balance		(75,000)		(75,000)		(18,229)		56,771
Fund balance - beginning		214,596		214,596		214,596		-
Fund balance - ending	\$	139,596	\$	139,596	\$	196,367	\$	56,771

Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual HOME Investment Partnerships Program Fund For the Year Ended June 30, 2024

		Budgetee	l Amo			Variance with Final Budget Positive (Negative)		
	(Original		Final	Actual			
Revenues		Jight		1 11141			(1	
Intergovernmental	\$	378,083	\$	781,765	\$	115,610	\$	(666,155)
Charges for Services		-		43,976		-		(43,976)
Total revenues		378,083		825,741		115,610		(710,131)
Expenditures								
Current operating expenditures:								
Community development		378,083		818,613		115,610		703,003
Total expenditures		378,083		818,613		115,610		703,003
Net changes in fund balance		-		7,128		-		(7,128)
Fund balance - beginning		5,834		5,834		5,834		
Fund balance - ending	\$	5,834	\$	12,962	\$	5,834	\$	(7,128)

EXHIBIT A-9

Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual Lynchburg Regional Juvenile Detention Center Fund For the Year Ended June 30, 2024

	Budgeted Amounts				Variance with Final Budget Positive			
		Original		Final		Actual		lositive legative)
Revenues		8			-		`	<u> </u>
Intergovernmental	\$	1,084,329	\$	1,084,329	\$	1,302,603	\$	218,274
Charges for services		1,996,546		2,427,301		2,179,212		(248,089)
Miscellaneous		1,400		1,400		2,100		700
Total revenues		3,082,275		3,513,030		3,483,915		(29,115)
Expenditures								
Current operating expenditures:								
General government		5,316		5,435		5,434		1
Public safety		3,067,014		3,492,411		3,413,263		79,148
Debt service:								
Principal retirements		7,175		7,175		8,808		(1,633)
Interest payments and other fiscal charges		2,770		2,770		2,773		(3)
Total expenditures		3,082,275		3,507,791		3,430,278		77,513
Net changes in fund balance		-		5,239		53,637		48,398
Fund balance - beginning		222,460		222,460		222,460		
Fund balance - ending	\$	222,460	\$	227,699	\$	276,097	\$	48,398

Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual City Capital Projects For the Year Ended June 30, 2024

	Budgeted Amounts Original Final				Actual	Variance with Final Budget Positive (Negative)	
Revenues	Oligi			l'IIIai	 Actual	(Regative)	
Intergovernmental	\$ 10,5	57,124	\$ 6	58,744,663	\$ 10,225,951	\$ (58,518,712)	
Revenue from use of money and property	. ,	-		751,268	847,914	96,646	
Miscellaneous		-		331,632	196,284	(135,348)	
Total revenues	10,53	57,124	6	59,827,563	11,270,149	 (58,557,414)	
Expenditures							
Current operating expenditures:							
Public works	8,08	80,624		8,693,732	4,493,568	4,200,164	
Cultural and recreational	83	53,000		2,389,841	1,333,996	1,055,845	
Community development		-		1,273,005	244,832	1,028,173	
Capital outlay:							
Capital general government	29,80	02,005	17	1,690,263	47,037,194	124,653,069	
Total expenditures	38,7.	35,629	18	34,046,841	 53,109,590	130,937,251	
Deficiency of revenues over expenditures	(28,1)	78,505)	(11	4,219,278)	(41,839,441)	 72,379,837	
Other financing sources							
Issuance of bonds	17,52	26,797	e	64,175,119	7,504,225	(56,670,894)	
Transfers in	10,63	51,708	2	21,136,708	21,136,708	-	
Total other financing sources	28,1	78,505	8	35,311,827	 28,640,933	 (56,670,894)	
Net changes in fund balance		-	(2	28,907,451)	(13,198,508)	15,708,943	
Fund balance - beginning	73,38	83,585	7	3,383,585	 73,383,585	 	
Fund balance - ending	\$ 73,3	83,585	\$ 4	4,476,134	\$ 60,185,077	\$ 15,708,943	

Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual School Capital Projects For the Year Ended June 30, 2024

	Budgeted Amounts					Variance with Final Budget Positive		
		Original		Final		Actual	(Negative)
Revenues								
Intergovernmental	\$	-	\$	8,574,269	\$	4,287,544	\$	(4,286,725)
Revenue from use of money and property	+	-	+	-	*	170,080	*	170,080
Total revenues		-		8,574,269		4,457,624		(4,116,645)
Expenditures								
Current operating expenditures:								
Education		3,593,800		5,273,043		1,884,228		3,388,815
Capital outlay:								
Capital general government		112,500		9,505,260		4,674,491		4,830,769
Total expenditures		3,706,300		14,778,303		6,558,719		8,219,584
Deficiency of revenues over expenditures		(3,706,300)		(6,204,034)		(2,101,095)		4,102,939
Other financing sources								
Issuance of bonds		3,373,300		3,015,609		294,705		(2,720,904)
Transfers in		333,000		333,000		333,000		-
Total other financing sources		3,706,300		3,348,609		627,705		(2,720,904)
Net changes in fund balance		-		(2,855,425)		(1,473,390)		1,382,035
Fund balance - beginning		6,041,887		6,041,887		6,041,887		
Fund balance - ending	\$	6,041,887	\$	3,186,462	\$	4,568,497	\$	1,382,035

Discretely Presented Component Unit - Lynchburg City Schools Combining Balance Sheet June 30, 2024

	School Operating	School Federal Aid	School Cafeteria	School Activities	Total Governmental	
Assets Cash and cash equivalents	\$ -	\$ 612,880	\$ 1,879,739	\$ 1,152,095	\$ 3,644,714	
Receivables, net of allowance	¢ 79,085		104,048	-	183,133	
Due from other funds	-	1,860,210	12,223	-	1,872,433	
Due from other governments	2,511,366	5,047,967	-	-	7,559,333	
Due from primary government- local funding	8,360,355	-	-	-	8,360,355	
Prepaid expenses and other assets	345,963	-	-	-	345,963	
Inventory Total assets	\$ 11,296,769	\$ 7,521,057	<u>142,808</u> \$ 2,138,818	\$ 1,152,095	<u>142,808</u> \$ 22,108,739	
				<u> </u>	<u> </u>	
Liabilities						
Accounts payable and other liabilities	\$ 665,332	\$ 269,876	\$ 104,226	\$ -	\$ 1,039,434 7,205,742	
Accrued payroll and related liabilities Due to other funds	6,015,316	1,158,835	221,591	-	7,395,742	
Unearned revenue	1,872,433	6,091,174	-	-	1,872,433 6,091,174	
Due to primary government- return of local funding	47,950	0,091,174	-	-	47,950	
Due to primary government- other	76,065	-	-	-	76,065	
Total liabilities	8,677,096	7,519,885	325,817		16,522,798	
Deferred Inflows of Resources						
Unavailable revenue	1,043,435			-	1,043,435	
Total deferred inflows of resources	1,043,435				1,043,435	
Fund balances						
Nonspendable: Prepaid expenses	345,963				345,963	
Inventory	545,905	-	142,808	-	142,808	
Restricted for:			1.2,000		1 12,000	
Nutrition	-	-	1,670,193	-	1,670,193	
Committed for:						
Education	1,230,275	1,172	-	-	1,231,447	
Assigned for:						
Student activities	1.55(.000	- 1.172	-	1,152,095	1,152,095	
Total fund balances	1,576,238	1,172	1,813,001	1,152,095	4,542,506	
Total liabilities, deferred inflows of resources and fund balances	\$, <u>\$ 11,296,769</u>	\$ 7,521,057	\$ 2,138,818	\$ 1,152,095		
Amounts reported for governmental activities in the S Capital assets used in governmental activities are not fi			ause:			
reported in the funds.					9,559,023	
Receivables on the Statement of Net Position that do n reported as unavailable revenue in the funds.	ot provide current fina	ncial resources are			1,043,435	
Financial statement elements related to pensions are ap not reported in the funds. Deferred outflows related to:	plicable to future perio	ods and, therefore, are				
Pensions Other postemployment benefits				19,549,592 2,515,340		
Deferred inflows related to: Pensions Other postemployment benefits				(8,845,684) (5,379,628)		
Net pension asset				836,877		
Net pension liablity				(60,871,923)		
Other postemployment benefits				(19,877,411)	(72,072,837)	
Long-term liabilities are not due and payable in the cur	rent period and, theref	fore, are not reported			(4 51 5 50=)	
in the funds.					(4,515,297)	
Net position of governmental activities					\$ (61,443,170)	

Discretely Presented Component Unit - Lynchburg City Schools Combining Statement of Revenues, Expenditures, and Changes in Fund Balances For the Year Ended June 30, 2024

	School Operating	School Federal Aid	School Cafeteria	School Activities	Total Governmental	
Revenues						
Intergovernmental:						
State and Federal	\$ 68,151,331	\$ 30,226,245	\$ 6,345,499	\$ -	\$ 104,723,075	
City of Lynchburg	41,195,985	-	-	-	41,195,985	
Charges for services	399,864	-	255,893	1,639,194	2,294,951	
Miscellaneous	1,305,091	92,415	74,387	-	1,471,893	
Total revenues	111,052,271	30,318,660	6,675,779	1,639,194	149,685,904	
Expenditures						
Education:						
Instruction	78,109,660	19,624,774	-	1,592,737	99,327,171	
Administration, attendance and health	7,564,310	4,002,233	-	-	11,566,543	
Pupil transportation services	5,896,309	-	-	-	5,896,309	
Operations and maintenance	13,124,602	752,049	-	-	13,876,651	
Food services and other non-instructional operations	1,093	1,116,158	7,040,831	-	8,158,082	
Facilities	9,686	-	-	-	9,686	
Technology	9,150,568	474,282	-	-	9,624,850	
Capital outlay	1,121,496	4,318,337	402,531	-	5,842,364	
Debt service:						
Principal retirement	3,008,548	-	-	-	3,008,548	
Interest payments	2,588	-	-	-	2,588	
Total expenditures	117,988,860	30,287,833	7,443,362	1,592,737	157,312,792	
Excess (deficiency) of revenues over expenditures	(6,936,589)	30,827	(767,583)	46,457	(7,626,888)	
Other financing sources (uses)						
Issuance of subscription liablity	6,068,069				6,068,069	
Transfers in	-	-	32,923	-	32,923	
Transfers out	-	(32,923)	-	-	(32,923)	
Total other financing sources (uses)	6,068,069	(32,923)	32,923		6,068,069	
Net changes in fund balances	(868,520)	(2,096)	(734,660)	46,457	(1,558,819)	
Fund balances - beginning	2,444,758	3,268	2,547,661	1,105,638		
Fund balances - ending	\$ 1,576,238	\$ 1,172	\$ 1,813,001	\$ 1,152,095		

Amounts reported for governmental activities in the Statement of Activities are different because: Governmental funds report capital outlays as expenditures. However, in the Statement Statement of Activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation and amortization expense. This is the amount by which capital outlay of \$7,827,032 wexceeded depreciation and amortization expense of (\$4,585,998)	3,241,034
Governmental funds report employer pension contributions as expenditures. However, in the Statement of Activities the cost of pension benefits earned net of employee contributions is reported as pension expense.	
Employer pension contributions Pension benefit	10,604,862 (3,242,624)
Governmental funds report other postemployment benefit contributions as expenditures. However, in the Statement of Activities the cost of these benefits earned net of employee contributions is reported as other postemployment benefit expense.	
Employer other postemployment contributions Other postemployment expense	1,353,242 (1,098,474)
Compensated absences are not due and payable at June 30, and therefore are not reported in the fund statements.	(385,374)
Revenues in the Statement of Activities that do not provide current financial resources are not reported as revenues in the funds.	106,296
The issuance of long term debt (e.g. subscription liabilities) provides current financial resources to governmental funds, but has no effect on net assets.	(6,068,069)
Principal payments on subscription liabilities consumes the current financial resources of governmental funds, but has no effect on net assets.	3,008,548
Change in net position of governmental activities.	\$ 5,960,622

Discretely Presented Component Unit - Lynchburg City Schools School Operating Fund Schedule of Revenues, Expenditures, and Changes in Fund Balances Budget and Actual For the Year Ended June 30, 2024

								riance with inal Budget	
	Budgeted Amounts				Positiv		Positive		
	Original			Final		Actual		(Negative)	
Revenues									
Intergovernmental:									
State and Federal	\$	69,062,129	\$	67,046,137	\$	68,151,331	\$	1,105,194	
City of Lynchburg, before return of funds		39,360,355		41,196,601		41,196,601		-	
Charges for services		481,000		481,000		399,864		(81,136)	
Miscellaneous		407,000		4,842,751		1,305,091		(3,537,660)	
Total revenues		109,310,484		113,566,489		111,052,887		(2,513,602)	
Expenditures									
Education:									
Instruction		82,904,543		78,996,249		78,109,660		886,589	
Administration, attendance and health		9,982,166		7,965,212		7,564,310		400,902	
Pupil transportation services		6,596,842		5,910,424		5,896,309		14,115	
Operations and maintenance		12,088,310		12,196,610		13,124,602		(927,992)	
Food service and other		42,145		42,145		1,093		41,052	
Facilities		20,230		20,230		9,686		10,544	
Technology		5,607,408		7,313,814		3,082,499		4,231,315	
Capital outlay		692,119		1,121,805		1,121,496		309	
Debt service		-		-		3,011,136		(3,011,136)	
Total expenditures		117,933,763		113,566,489		111,920,791		1,645,698	
Excess of revenues over expenditures		(8,623,279)				(867,904)		(867,904)	
Net changes in fund balances	\$	(8,623,279)	\$			(867,904)	\$	(867,904)	
Less return of funds to the City						(616)			
					\$	(868,520)			

The adopted budget does not include the impacts of accounting for subscription liabilities and subscription right-to-use assets.

EXHIBIT C-4

CITY OF LYNCHBURG, VIRGINIA

Discretely Presented Component Unit - Lynchburg City Schools Statement of Fiduciary Net Position June 30, 2024

	Total Custodial Funds
Assets	
Cash and cash equivalents	\$ 805,932
Prepaid expenses	12,971
Total assets	818,903
Liabilities	
Accounts payable and other liabilities	342
Accrued payroll and related liabilities	55,438
Unearned revenue	220,100
Total liabilities	275,880
Net Position	
Restricted for individuals and organizations	543,023
Total net position	\$ 543,023

Discretely Presented Component Unit - Lynchburg City Schools Combining Statement of Fiduciary Net Position June 30, 2024

	Governor'sStep withGLCT- StepSchoolSTEMLinkswith Links		 Total			
Assets						
Cash and cash equivalents	\$	343,760	\$ 99,640	\$ 53,696	\$ 308,836	\$ 805,932
Prepaid expenses		8,108	3,364	1,499	-	12,971
Total assets		351,868	 103,004	 55,195	 308,836	 818,903
Liabilities						
Accounts payable and other liabilities		342	-	-	-	342
Accrued payroll and related liabilities		51,608	3,830	-	-	55,438
Unearned revenue		131,600	88,500	-	-	220,100
Total liabilities		183,550	 92,330	 -	 -	 275,880
Net Position						
Restricted for individuals and organizations		168,318	10,674	55,195	308,836	543,023
Total net position	\$	168,318	\$ 10,674	\$ 55,195	\$ 308,836	\$ 543,023

Discretely Presented Component Unit - Lynchburg City Schools Statement of Changes in Fiduciary Net Position For the Year Ended June 30, 2024

	Governor's School		STEM	ep with Links	LCT- Step ith Links	 Total
Additions						
Contributions:						
Donations	\$ -	\$	9,219	\$ 6,000	\$ -	\$ 15,219
Tuition	662,700		354,000	-	-	1,016,700
Other fees	-		5,014	-	50	5,064
Intergovernmental- state and federal	626,677		-	-	-	626,677
Investment earnings:						
Interest and capital gains			-	 -	 41,869	 41,869
Total additions	1,289,377		368,233	 6,000	 41,919	 1,705,529
Deductions						
Investment expenses	-		-	-	4,337	4,337
Instruction	1,089,182		390,613	16,091	-	1,495,886
Operations and maintenance	111,142		-	-	-	111,142
Technology	10,429		-	-	-	10,429
Capital outlay	111,596		-	 -	 -	 111,596
Total deductions	1,322,349		390,613	 16,091	 4,337	 1,733,390
Net increase (decrease) in fiduciary net position	(32,972)	(22,380)	 (10,091)	 37,582	 (27,861)
Net position - beginning	201,290		33,054	 65,286	 271,254	 570,884
Net position - ending	\$ 168,318	\$	10,674	\$ 55,195	\$ 308,836	\$ 543,023

Combining Statement of Net Position Other Component Units June 30, 2024

			Cor	nponent Units		
	De	Business velopment entre, Inc.]	Greater Lynchburg Transit Company		Total
				- Jimpanj		
Assets						
Current assets:						
Cash and cash equivalents	\$	1,401,004	\$	939,521	\$	2,340,525
Receivables, net of allowance		223,213		119,405		342,618
Due from other governments		-		777,737		777,737
Inventory		-		284,168		284,168
Prepaids and other assets		-		64,277		64,277
Capital assets:						
Nondepreciable		-		2,724,202		2,724,202
Depreciable/Amortizable, net	_	-		31,147,583		31,147,583
Total assets		1,624,217		36,056,893		37,681,110
Deferred Outflows of Resources						
Deferred outflows related to other postemployment benefits		_		168,624		168,624
Total deferred inflows of resources				168,624		168,624
T L L L L L L L						
Liabilities Current liabilities:						
		75,480		775 527		801,017
Accounts payable and other liabilities				725,537		
Due to other governments		759,708		-		759,708
Due to primary government		125,000		941,284		1,066,284
Subscription liabilities, current portion		-		1,120		1,120
Net other postemployment benefit liability, current portion		-		25,625		25,625
Total current liabilities		960,188		1,693,566		2,653,754
Noncurrent liabilities:						
Net other postemployment benefit liability		-		230,626		230,626
Subscription liabilities, net of current portion		-		11,200		11,200
Compensated absences	_	-		152,967		152,967
Total noncurrent liabilities		-		394,793		394,793
Total liabilities		960,188		2,088,359		3,048,547
Deferred Inflows of Resources						
Deferred inflows related to other postemployment benefits		-		67,954		67,954
Total deferred inflows of resources		-		67,954		67,954
Not position		_	_		_	
Net position				21 160 502		24 160 592
Net investment in capital assets		-		34,169,583		34,169,583
Restricted		-		81,464		81,464
Unrestricted	ŕ	664,029	¢	(181,843)	¢	482,186
Total net position	\$	664,029	\$	34,069,204	\$	34,733,233

Combining Statement of Revenues, Expenses, and Changes in Fund Net Position Other Component Units For the Year Ended June 30, 2024

	Business Development Centre, Inc.	Component Units Greater Lynchburg Transit Company	Total
Operating revenues			
Charges for services and other operating revenues	\$ 309,624	\$ 710,847	\$ 1,020,471
Total operating revenues	309,624	710,847	1,020,471
Operating expenses			
Operations	213,188	6,027,589	6,240,777
Administration	450	2,494,443	2,494,893
Maintenance and repairs	33,228	2,282,731	2,315,959
Total operating expenses	246,866	10,804,763	11,051,629
Operating income (loss)	62,758	(10,093,916)	(10,031,158)
Nonoperating revenue			
Subsidy of operations- City of Lynchburg	-	1,974,463	1,974,463
Subsidy of operations- Counties	-	81,690	81,690
Subsidy of operations- State aid for public transportation	-	1,790,245	1,790,245
Subsidy of operations- Federal operating grant	-	4,026,091	4,026,091
Miscellaneous revenue		349,181	349,181
Total nonoperating revenue		8,221,670	8,221,670
Capital contributions		1,702,337	1,702,337
Change in net position	62,758	(169,909)	(107,151)
Total net position - beginning	601,271	34,239,113	34,840,384
Total net position - ending	\$ 664,029	\$ 34,069,204	\$ 34,733,233

Combining Statement of Cash Flows Other Component Units For the Year Ended June 30, 2024

			Co	mponent Units		
	De	Business evelopment entre, Inc.		Greater Lynchburg Transit Company		Total
Operating activities						
Cash received from operations	\$	632,230	\$	725,462	\$	1,357,692
Cash paid to employees	Ŷ	(96,037)	Ψ	(4,229,532)	Ψ	(4,325,569)
Cash paid to suppliers for goods and services		(145,070)		(4,494,358)		(4,639,428)
Net cash used in operating activities		391,123		(7,998,428)		(7,607,305)
Noncapital financing activities						
Subsidies		-		7,372,767		7,372,767
Net cash provided by noncapital financing activities		-		7,372,767		7,372,767
Capital and related financing activities						
Capital contributions received		-		1,540,946		1,540,946
Proceeds from short term City loan		-		941,284		941,284
Purchases of capital assets		-		(1,416,378)		(1,416,378)
Principal payments on long-term liabilities		-		(1,120)		(1,120)
Proceeds from sale of capital assets		-		-		-
Repayment of amounts due to Lynchburg Economic Development Authority		(513,811)		-		(513,811)
Net cash used in capital and related financing activities		(513,811)		1,064,732		550,921
Net decrease in cash and cash equivalents		(122,688)		439,071		316,383
Cash and cash equivalents						
Beginning of year		1,523,692		500,450		2,024,142
End of year	\$	1,401,004	\$	939,521	\$	2,340,525
Reconciliation of operating income (loss) to net cash used in						
operating activities	¢	(0)	<i></i>		¢	
Operating income (loss)	\$	62,758	\$	(10,093,916)	\$	(10,031,158)
Adjustments to reconcile operating income (loss) to net						
cash used in operating activities:				1 201 700		1 901 700
Depreciation		-		1,801,799 14,615		1,801,799
Decrease in receivables		320,356		· · ·		334,971
Decrease in prepaids and other assets Decrease in inventory		453		180,781 5,201		181,234 5,201
Increase in accounts payable and other current liabilities		7,556		68,033		75,589
Increase in compensated absences		7,550		21,799		21,799
Increase in other postemployment benefits		-		3,260		3,260
Net cash used in operating activities	\$	391,123	\$	(7,998,428)	\$	(7,607,305)
Supplemental cash flow information						
Non-cash transactions:						
Capital assets additions financed by accounts payable	¢		\$	361,192	\$	361,192

THIS PAGE INTENTIONALLY BLANK

SUPPLEMENTAL SCHEDULES

Federal Granting Agency/ Recipient State Agency/ Grant Program	Assistance Listing Number (ALN)	Grant Agency Number	Passed Through to Sub-Recipients	Federal Expenditures	Total Cluster	Total By ALN
rimary Government						
Department of Agriculture						
Passed through Commonwealth of Virginia:						
Department of Social Services:						
SNAP Cluster	10.5(1	1711/1 (0702514		2 222 210		
Supplemental Nutrition Assistance Program	10.561	171VA407S2514	2	2,237,218		
Supplemental Nutrition Assistance Program - Community Market	10.561	171VA407S2514		33,635	2 270 052	2 250
Total SNAP Cluster				\$	2,270,853 \$	2,270,8
Child Nutrition Cluster	10.555			10 (20		10
National School Lunch Program	10.555 10.553	16161VA347N2535		48,630 36,685		48,0
National School Breakfast Program Department of Parks & Recreation:	10.553	16161VA347N2535		36,685		36,
Food Insecurity Nutritional Incentive (FINI) Double-Dollars Grant	10.331	2015-70018-2330		28,715		28,
Total Department of Agriculture			-			2,384,
epartment of Health and Human Services						
Passed through Commonwealth of Virginia:						
Department of Social Services:						
Family Preservation and Support	93.556	1801VAFPSS		85,745	\$	85
TANF Block Grant	93.558	1901VATANF	94,566	895,202		989
Refugee and Entrant Assistance State - Administered Programs	93.566	1801VARSOC		5,710		5
Low Income Energy Assistance	93.568	18B1VALIEA		189,123		189
CCDF Cluster - Child Care Assistance	93.575	1801VACCDF		942		
CCDF Cluster - Child Care Development Fund	93.596	1801VACCDF		204,903		204
Total CCDF Cluster				\$	205,845	
Chafee Education and Training Vouchers Program (ETV)	93.599	1801VACETV		4,258		4
Child Welfare Services	93.645	1801VACWSS		1,031		1
Foster Care - Title IV-E	93.658	1901VAFOST		1,190,251		1,190
Adoption Assistance	93.659	1901VAADPT		3,386,502		3,386
Social Services Block Grant	93.667	1801VASOSR		868,803		868
Independent Living	93.674	1801VACILP		41,570		41
Children's Insurance Program	93.767	1905VA0301		18,773		18
Medicaid Cluster - Medicaid Assistance	93.778	1805VA5MAP	_	1,697,937		1,697.
Total Medicaid Cluster					1,697,937	

Total Department of Health and Human Services

\$ 8,685,316

Federal Granting Agency/ Recipient State Agency/ Grant Program	Assistance Listing Number (ALN)	Grant Agency Number	Passed T Sub-Re	hrough to cipients	Federal Expenditures	Total Cluster	Total By ALN
artment of Housing and Urban Development							
Direct Payments:							
Entitlement Grants Cluster - Community Block Development Grant	14 219	D 10 MC 51 0014		¢			
Community Development Block Grant FY19	14.218	B-18-MC-51-0014		\$	-		
Passed through to:		D 10 10 0 10 0011					
Lynchburg Redevelopment and Housing Authority	14.218	B-18-MC-51-0014	\$	21,184	21,184		
Community Development Block Grant FY20	14.218	B-19-MC-51-0014			-		
Passed through to:							
COVID-19 Coronavirus Relief Supplement	14.218	B-19-MC-51-0014		21,711	30,041		
Community Development Block Grant FY21	14.218	B-20-MC-51-0014		-	2,474		
Community Development Block Grant FY22	14.218	B-21-MC-51-0014			278,527		
Community Development Block Grant FY23	14.218	B-22-MC-51-0014			98,837		
Passed through to:							
Lynchburg Redevelopment and Housing Authority	14.218	B-22-MC-51-0014		100,000	100,000		
Community Development Block Grant FY24	14.218	B-22-MC-51-0014			75,025		
Passed through to:							
Miriam's House	14.218	B-23-MC-51-0014		61,751	61,751		
Blue Ridge Mtns Council Boy Scouts	14.218	B-23-MC-51-0014		10,562	10,562		
Total Entitlement Grants Cluster - Community Development Block Grant					\$	678,401 \$	678,4
Home Investment Partnership Program							
Home Investment Partnership Program FY21	14.239	M-20-MC-51-0211			160		
Passed through to:							
Habitat for Humanity	14.239	M-20-MC-51-0211		51,772	51,772		
COVID-19 American Rescue Plan Relief Supplement	14.239	M-20-MC-51-0211			22,799		
Home Investment Partnership Program FY22	14.239	M-21-MC-51-0211			18,972		
Home Investment Partnership Program FY23	14.239	M-22-MC-51-0211			11,907		
Passed through to:							
Rush Homes	14.239	M-22-MC-51-0211		10,000	10,000		115,0
Total Department of Housing and Urban Development							794.(

Federal Granting Agency/ Recipient State Agency/ Grant Program	Assistance Listing Number (ALN)	Grant Agency Number		Through to Recipients	Federal Expenditures	Total Cluster	Total I	By ALN
epartment of Justice Direct Payments:								
Office of Violence Against Women - Improving Criminal Responses Program	16.590	2016-WE-AX-0020	\$	47.693 \$	111,192		s	158,885
Bulletproof Vest Partnership 2022	16.607	2022-BUBX-1608-2768	J.	47,075 \$	26,090		3	150,005
Bulletproof Vest Partnership 2022 Bulletproof Vest Partnership 2023	16.607	2023-BUBX-1608-2768			28,962			55,052
Edward Byrne Memorial Justice Assistance Grant Program - Equipment 2023	16.738	15PBJA-22-GG-02382-JAGX			47,138			47,138
Federal Asset Forfeiture	16.922	131 2011 22 00 02002 011011			4,460			4,460
Passed through Commonwealth of Virginia:								
Department of Criminal Justice Services:								
Victim-Witness Services	16.575	24-00981VW20			232,426			232,426
Violence Against Women Formula Grant	16.588	23-M6141VA21			48,740			
Violence Against Women Formula Grant	16.588	24-N6141VA22			33,907			82,647
Total Department of Justice							\$	580,608
epartment of Labor								
Passed through Commonwealth of Virginia:								
Virginia Community College System (VCCS):								
WIOA Cluster								
WIA Adult Program	17.258 A	A-33260-22-55-A-51	\$	80,648 \$	80,648			
WIA Adult Program	17.258 A	A-34799-23-55-A-51		379,593	379,593		\$	460,241
WIA Youth Activities	17.259 A	A-33260-22-55-A-51		46,893	46,893			
WIA Youth Activities	17.259 A	A-34799-23-55-A-51		373,383	373,383			420,276
WIA Dislocated Workers	17.278 A	A-34799-22-55-A-51		20,340	20,340			
WIA Dislocated Workers	17.278 A	A-33260-23-55-A-51		136,268	136,268			156,608
Total WIOA Cluster					\$	1,037,125		
Total Department of Labor							\$	1,037,125
epartment of Homeland Security								
Direct Payments:								
Transportation Security Administration:								
Airport LEO Cooperative Agreement	97.090	HSTS02-16-H-SLR753		\$	76,196		\$	76,196
2021 Assistance to Firefighters Grant (AFG)		EMW-2021-FG-06375			913,700			913,700

Federal Granting Agency/ Recipient State Agency/ Grant Program	Assistance Listing Number (ALN)	Grant Agency Number	Passed Through to Sub-Recipients	Federal Expenditures	Total Cluster	Total By ALN
Department of Treasury						
Passed through Commonwealth of Virginia:						
Virginia Department of Criminal Justice Services COVID-19 DCJS ARPA Law Enforcement Equipment & Technology Grant	21.027	2023-507591		274,238		
Virginia Department of Environmental Quality	21.027	2025-507571		274,250		
COVID-19 Coronavirus State and Local Fiscal Recovery Fund	21.027			\$ 5,970,954		\$ 6,245,192
Total Department of Treasury						\$ 6,245,192
Department of Transportation						
Passed through Commonwealth of Virginia:						
Virginia Department of Transportation						
Highway Planning and Construction Graves Mill Road Adaptive Signal System	20.205	HSIP-118-295		\$ 144,072		
Kemper Street Bike and Pedestrian Improvements	20.205	HSIP-118-295		3,474		
Nationwide Drive Pedestrian Improvements	20.205	HSIP-118-296		25,338		
Pedestrian Improvements - Old Forest Road	20.205	HSIP-118-294		33,843		
Route 501/221 One-Way Pairs	20.205	U000-118-286		73,484		\$ 280,211
Passed through Commonwealth of Virginia:						
Highway Safety Cluster						
DMV Selective Enforcement - Speed FY23	20.600	BPT-2023-53145-23145		19,008		
DMV Selective Enforcement - Speed FY24	20.600	BPT-2024-53145-23145	-	16,022		35,030
Total Highway Safety Cluster	20.007	ENTE 11 2022 52120 22120		11.106	\$ 35,030	
DMV Selective Enforcement - Alcohol FY23 DMV Selective Enforcement - Alcohol FY24	20.607 20.607	ENF-AL-2023-53120-23120 ENF-AL-2024-53120-23120		11,186 9,519		20,705
Total Department of Transportation	20.007	ENT NE 2021 35120 25120		,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,		\$ 335,946
Environmental Protection Agency						¢ 555,740
Passed through Commonwealth of Virginia:						
Virginia Resources Authority:						
Capitalization Grants for Drinking Water State Revolving Funds (1)	66,468	BIL-04L-22		\$ 772,134		772,134
Total Environmental Protection Agency			-	· · · · · · · · · · · · · · · · · · ·		\$ 772,134
Federal Aviation Administration						
Direct Payments:						
Department of Aviation:						
Airport Improvement Program	20.106	3-51-0029-045-2020		\$ 991,877		
COVID-19 - Airport Improvement Program (CRRSA)	20.106	3-51-0029-047-2021		524,070		
COVID-19 - Airport Improvement Program (ARPA)	20.106	3-51-0029-048-2022	-	1,229,342		\$ 2,745,289
Total Federal Aviation Administration						\$ 2,745,289
						· · · ·

Pased through Channonwealth of Vigninis 97.042 7196 \$ 23,423 \$ 23, Virginia Department of Throngeny Management: 97.067 \$82.6 70.000 129 State Honeland Security Program Grant - Fuice 97.067 \$8.66 70.000 129 State Honeland Security Program Grant - Fuice 97.067 \$8.66 70.000 129 Total Folderal Emergency Management Agency \$ 25.200 129 129 State Honeland Security Program Grant - Fuice \$ 202,2 129 State Honeland Security Program Grant - Fuice \$ 202,2 129 State Honeland Security Program Grant - State State \$ 202,2 \$ 202,2 State Honeland Security Program Grant - State State \$ 202,2 \$ 202,2 State Honeland Security Program Grant - State	Federal Granting Agency/ Recipient State Agency/ Grant Program	Assistance Listing Number (ALN)	Grant Agency Number	Passed Through to Sub-Recipients	Federal Expenditures	Total Cluster	Total By ALN
Virginite Department of Conception Management - Imrangion, Management Professional Contant - Faire 97.062 7196 \$ 24,237 \$ 20, 54,277 State Introductal Security Program Criant - Faire 97.067 88.62 53.200 179 State Introductal Security Program Criant - Faire 97.067 88.66 70.000 179 State International Security Program Criant - Police 2023 97.067 88.76 55.200 179 Total Federal Energency Management Agency \$ 2002 179 2002 Compared Lint - IntelNang Schools \$ 97.067 88.70 87.000 2 2002 Contract Contract \$ 97.067 88.10 87.00 2 2002	Federal Emergency Management Agency						
Emergency Management Performance Crants 97.042 77.96 8 23.23 5 23.23 State Honeland Security Program Grant - Fuic 97.067 88.26 70.000 70.	Passed through Commonwealth of Virginia:						
State Inomedia Security Program Grant - Frie 97.067 92.26 45.277 State Homediand Security Program Grant - Pulies 2023 97.067 83.00 179. State Homediand Security Program Grant - Pulies 2023 97.067 83.00 - 80.00 179. Contract Federal Emergency Management Agency 2 2 200. Component Unit - Lynchburg Schools - 5 39.20 5 39.20 Page attraction of Agriculture Program of Virginis: - 5 39.20 5 39.80 Post frontig Commonwealt of Virginis: 0.552 5 39.20 5 39.80 National School Ibcock forgram 10.552 3.945.708							
State Homeland Security Program Grant - Prior 97.007 846. 70.000 State Homeland Security Program Grant - Police 2023 97.007 8510 - 8770 55.290 179. Total Federal Energency Management Agency \$\$ 2000 \$\$ 2000 Compared Unit - Lonchburg Schools \$\$ 93.200 \$\$ 93.000 Papartment of Agriculture \$\$ 93.230 \$\$ 93.000 Child Nutrition Charr \$\$ 93.230 \$\$ 93.000 Child Nutrition Charr \$\$ 93.240.000 \$\$ 93.000,000 Nutrition School Lanch Program 10.552 \$\$ 93.240.000 \$\$ 3.94.700.000,000,000,000,000,000,000,000,000	Emergency Management Performance Grants		7196		\$ 23,423	\$	23,42
State Homeland Security Program Grant - Police 2023 97.067 8310 - 8376 55,290 179. Total Federal Energency Management Agency \$ 300.00000 300.000000 <td></td> <td></td> <td></td> <td></td> <td>· · · · · · · · · · · · · · · · · · ·</td> <td></td> <td></td>					· · · · · · · · · · · · · · · · · · ·		
Total Federal Emergency Management Agency s 2020 Component Utif - L'unchburz Schools Passed through Commonweith of Virginia: Passed through Commonweith of Virginia: Department of Agriculture Child Natrition Chater 5 9,230 \$ 9,33 Stational School Lanch Pergam 10,552 \$ 9,447,08 3,948,708 3,9			S# 66		70,000		
Component Unit - Lunchburg Schools Spartment of Agriculture Passed through Commonwealth of Virginia: Department of Education: Child Nutrision Cluster Presh Print and Vegetables 10.552 \$ 93,230 \$ 93,348 National School Beachtaris Program 10.555 \$ 3,948,708 3,949,709 68,709,70 68,709,70	State Homeland Security Program Grant - Police 2023	97.067	8510 - S#76		55,290		179,56
Appartment of Agriculture S 9,2,20 S 9,3,20 S 9,3,30 9,3,4,30 9,3,9,3,30 9,3,4,30 9,3,9,3,30 9,3,4,30 9,3,9,3,30 9,3,43,30 9,3,4,30 9,3,4,30 9,3,4,	Total Federal Emergency Management Agency					\$	202,99
Pased through "Ommowealth of Virginia: Department of Education: 1 3 9,2,30 S 9,3,30 Child Murtition Cluster Fresh Fruit and Vegetables 0.555 3,94,708 3,944,708 1,652,400 3,000,400 2,100 2,100 2,100 2,100 2,100 2,100 2,100 2,100 2,100 2,100 3,256 3,256 3,256 3,256 3,256 <td< td=""><td>Component Unit - Lynchburg Schools</td><td></td><td></td><td></td><td></td><td></td><td></td></td<>	Component Unit - Lynchburg Schools						
Department of Education: S 93,230 S </td <td>Department of Agriculture</td> <td></td> <td></td> <td></td> <td></td> <td></td> <td></td>	Department of Agriculture						
Child Nutrition Cluster 5 9,2,30 5 9,3,40 Fresh Fruit and Vegetables 10.552 3,948,708 3,948,708 3,948,708 National School Lunch Program 10.553 1,632,420 1,632,420 1,632,420 Summer Food Service Program 10.559 164,911 164,911 1,632,420 1,632,420 1,64,911 Total Child Nutrition Cluster (10.555, 10.553, 10.559) 5 5,839,269 124,366 12							
Fresh Fruit and Vegetables 10,582 \$ 93,230 \$ 93,230 National School Lunch Program 10,555 3,948,708 3,948,708 3,948,708 National School Lunch Program 10,553 16,522,420 16,622,420 16,622,420 Summer Food Service Program 10,559 164,911 164,911 164,911 CACFP 10,558 10,558 5,839,269 124,366 CNP Team Nutrition 10,574 2,100 2,200 CNP Team Nutrition 10,579 68,790 68,790 COVID-19 Pandemic EBT Administrative Costs 10,649 3,256 68,790 Total Department of Agriculture \$ 10,649 3,256 68,790 68,790 Passed through Commonwealth of Virginia: * * * * * * * * * * * * * * * * * * *	•						
National School Lunch Program 10.555 3,948,708 3,948,708 3,948,708 3,948,708 3,948,708 3,948,708 1,652,420,420,420 1,652,420,420,420,420,420 <td< td=""><td></td><td>10 500</td><td></td><td></td><td>¢ 02.220</td><td>0</td><td></td></td<>		10 500			¢ 02.220	0	
National School Breakfast Program 10.553 16.632,420 16.632,420 Summer Food Service Program 10.559 164,911 164,911 Total Child Nutrition Cluster (10:555, 10.553, 10.559) 5,839,269 124,366 124, CACEP 10.558 124,366 124, 124,366 124, CNP Team Nutrition 10.579 68,790 69,793 761 761 761 761 761 761 761 761 761 761 761 761 761 761 761 760 761 765 77161 77161 77161 77161 77161 77161 77161 77161 77161 77161 77161 77161 77161 77161 77161 77161 77161 77161 77						\$, .
Summer Food Service Program 10,559 164,911 164,							
Total Child Nutrition Cluster (10.555, 10.553) \$ 5,839,269 CACFF 10,558 124,366 124, CNP Team Nutrition 10.574 2,100 2,2 CN School Meals Equip Grant 10.579 68,790 68, COVID-19 Pandemic EBT Administrative Costs 10.649 3,256 3, Total Department of Agriculture \$ 6,037, repartment of Education \$ 17,605 \$ 17,605 Passed through Commonwealth of Virginia: \$ 17,605 1,322,929 \$ 4,010 Title 1- Part A - Improving Basic Programs 324 84,010 \$ 010A220046 \$ 1,322,929 \$ 4,289, Title 1- Part A - Improving Basic Programs 324 84,010 \$ 010A220046 3 10 \$ 4,289, Title 1- Part D - Neglected or Delinquent 115 84,013 \$ 010A220046 \$ 1,322,929 \$ 4,289, Title 1- Part D - Neglected or Delinquent 115 84,013 \$ 010A220046 \$ 1,322,929 \$ 4,289, Title 1- Part D - Neglected or Delinquent 115 84,013 \$ 010A220046 \$ 1,322,929 \$ 4,289, Title 1- Part D - Neglected or Delinquent 115 84,013 \$ 010A220046 \$ 0,170 \$ 4,289, Titl							
CACFP 10.558 124,366 126,376		10.559				5 000 0 00	164,91
CNP Team Nutrition 10.574 2,100 2, CN School Meals Equip Grant 10.579 68,790 68, COVID-19 Pandemic EBT Administrative Costs 10.649 3,256 3, Total Department of Agriculture \$ 6,037, \$ 6,037, Passed through Commonwealth of Virginia: \$ 17,605 \$ 6,037, Passed through Commonwealth of Virginia: \$ 17,605 \$ 1,322,929 Title 1- Part A - Improving Basic Programs 224 84,010 \$010A220046 \$ 1,322,929 Title 1- Part A - Improving Basic Programs 324 84,010 \$010A220046 \$ 2,949,224 \$ 4,289, Title 1- Part D - Neglected or Delinquent 115 84,013 \$010A220046 \$ 1,4207 \$ 4,289, Title 1- Part D - Neglected or Delinquent 315 84,013 \$010A220046 \$ 1,4207 \$ 4,289, Title 1- Part D - Neglected or Delinquent 315 84,013 \$ 010A220046 \$ 1,4207 \$ 1,207 Title 1- Part D - Neglected or Delinquent 315 84,013 \$ 010A220046 \$ 0,170 \$ 1,22,275 Title 1- Part D - Neglected or Delinquent 315 84,013 \$ 010A220046 \$ 0,170 \$ 1,22,75 Title 1- Part D - Neglected or Delinquent 315 <td>Total Child Nutrition Cluster (10.555, 10.553, 10.559)</td> <td></td> <td></td> <td></td> <td>\$</td> <td>5,839,269</td> <td></td>	Total Child Nutrition Cluster (10.555, 10.553, 10.559)				\$	5,839,269	
CN School Meals Equip Grant 10.579 68,790 68,790 68,790 68,790 68,790 68,790 68,790 3,256	CACFP	10.558			124,366		124,36
CN School Meals Equip Grant 10.579 68,790 68,790 68,790 68,790 68,790 68,790 68,790 68,790 3,256	CNP Team Nutrition	10.574					2,10
COVID-19 Pandemic EBT Administrative Costs10.6493,2563,Total Department of Agriculture\$ 6,037,epartment of Education Passed through Commonwealth of Virginia: Tritle 1- Part A - Improving Basic Programs 22484.010\$010A210046\$ 17,605Title 1- Part A - Improving Basic Programs 22484.010\$010A220046\$ 1,322,929\$ 4,289,Title 1- Part A - Improving Basic Programs 42484.010\$010A220046310Title 1- Part D - Neglected or Delinquent 11584.013\$010A20046310Title 1- Part D - Neglected or Delinquent 21584.013\$010A220046310Title 1- Part D - Neglected or Delinquent 11584.013\$010A220046310Title 1- Part D - Neglected or Delinquent 11584.013\$010A22004632	CN School Meals Equip Grant	10.579					68,79
epartment of Education Passed through Commonwealth of Virginia: Passed through Commonwealth of Virginia: Title I - Part A - Improving Basic Programs 224 Title I - Part A - Improving Basic Programs 324 Title I - Part A - Improving Basic Programs 424 Title I - Part A - Improving Basic Programs 424 Title I - Part D - Neglected or Delinquent 115 Title I - Part D - Neglected or Delinquent 215 Title I - Part D - Neglected or Delinquent 315 Title I - Part D - Neglected or Delinquent 415 Statistic I - Part D - Neglected or Delinquent 415 Statistic I - Part D - Neglected or Delinquent 415 Statistic I - Part D - Neglected or Delinquent 415 Statistic I - Part D - Neglected or Delinquent 415 Statistic I - Part D - Neglected or Delinquent 415 Statistic I - Part D - Neglected or Delinquent 415 Statistic I - Part D - Neglected or Delinquent 415 Statistic I - Part D - Neglected or Delinquent 415 Statistic I - Part D - Neglected or Delinquent 415 Statistic I - Part D - Neglected or Delinquent 415 Statistic I - Part D - Neglected or Delinquent 415 Statistic I - Part D - Neglected or Delinquent 415 Statistic I - Part D - Neglected or Delinquent 415 Statistic I - Part D - Neglected or Delinquent 415 Statistic I - Part D - Neglected or Delinquent 415 Statistic I - Part D - Neglected or Delinquent 415 Statistic I - Part D - Neglected or Delinquent 415 Statistic I - Part D - Neglected or Delinquent 415 Statistic I - Part D - Neglected or Delinquent 51 Statistic I - Part D - Neglected or Delinquent 51 Statistic I - Part D - Neglected or Delinquent 51 Statistic I - Part D - Neglected or Delinquent 51 Statistic I - Part D - Neglected or Delinquent 51 Statistic I - Part D - Neglected or Delinquent 51 Statistic I - Part D - Neglected or Delinquent 51 Statistic I - Part D - Neglected or Delinquent 51 Statistic I - Part D - Neglected or Delinquent 51 Statistic I - Part D - Neglected or Delinquent 51 Statistic I - Part D - Neglected or Delinquent 51 Statistic I - Part D - Neglected Or Delinquent 51 St		10.649					3,25
Passed through Commonwealth of Virginia: Passed through Commonwealth of Virginia: Title I - Part A - Improving Basic Programs 224 84.010 \$010A210046 \$1,322,929 Title I - Part A - Improving Basic Programs 324 84.010 \$010A220046 1,322,929 Title I - Part A - Improving Basic Programs 424 84.010 \$010A230046 2,949,224 \$ 4,289, Title I - Part D - Neglected or Delinquent 115 84.013 \$010A20046 310 \$ 4,207 Title I - Part D - Neglected or Delinquent 215 84.013 \$010A220046 \$ 0,170 \$ 14,207 Title I - Part D - Neglected or Delinquent 415 84.013 \$010A230046 \$ 2,275 \$ 5,170 Title I - Part D - Neglected or Delinquent 415 84.013 \$010A230046 \$ 2,275 \$ 5,170	Total Department of Agriculture					\$	6,037,78
Passed through Commonwealth of Virginia: Title I - Part A - Improving Basic Programs 224 84.010 \$010A210046 \$17,605 Title I - Part A - Improving Basic Programs 324 84.010 \$010A220046 1,322,929 Title I - Part A - Improving Basic Programs 424 84.010 \$010A230046 2,949,224 \$4,289, Title I - Part D - Neglected or Delinquent 115 84.013 \$010A20046 310 42,07 Title I - Part D - Neglected or Delinquent 315 84.013 \$010A220046 50,170 5 Title I - Part D - Neglected or Delinquent 415 84.013 \$010A230046 2,275 5 Title I - Part D - Neglected or Delinquent 415 84.013 \$010A230046 2,275 5 Title I - Part D - Neglected or Delinquent 415 84.013 \$010A230046 2,275 5	•						
Title I - Part A - Improving Basic Programs 224 84.010 \$010A210046 \$17,605 Title I - Part A - Improving Basic Programs 324 84.010 \$010A220046 1,322,929 Title I - Part A - Improving Basic Programs 424 84.010 \$010A230046 2,949,224 \$4289, Title I - Part D - Neglected or Delinquent 115 84.013 \$010A200046 310 1 Title I - Part D - Neglected or Delinquent 215 84.013 \$010A210046 310 1 Title I - Part D - Neglected or Delinquent 315 84.013 \$010A210046 310 1 1 Title I - Part D - Neglected or Delinquent 415 84.013 \$010A220046 30,70 1 2 1 1 1							
Title I - Part A - Improving Basic Programs 324 84.010 \$010A220046 1,322,929 Title I - Part A - Improving Basic Programs 424 84.010 \$010A230046 2,949,224 \$ 4,289, Title I - Part D - Neglected or Delinquent 115 84.013 \$010A200046 310 Title I - Part D - Neglected or Delinquent 215 84.013 \$010A210046 14,207 Title I - Part D - Neglected or Delinquent 315 84.013 \$010A220046 50,170 Title I - Part D - Neglected or Delinquent 415 84.013 \$010A230046 2,275 Title I - Neglected and Delinquent Children 118 84.013 \$013A200046 732	e e						
Title I - Part A - Improving Basic Programs 424 84.010 S010A230046 2,949,224 \$ 4,289, Title I - Part D - Neglected or Delinquent 115 84.013 S010A200046 310 Title I - Part D - Neglected or Delinquent 215 84.013 S010A210046 14,207 Title I - Part D - Neglected or Delinquent 315 84.013 S010A220046 50,170 Title I - Part D - Neglected or Delinquent 415 84.013 S010A230046 2,275 Title I - Neglected and Delinquent Children 118 84.013 S013A200046 732							
Title I - Part D - Neglected or Delinquent 115 84.013 S010A200046 310 Title I - Part D - Neglected or Delinquent 215 84.013 S010A210046 14,207 Title I - Part D - Neglected or Delinquent 315 84.013 S010A220046 50,170 Title I - Part D - Neglected or Delinquent 415 84.013 S010A230046 2,275 Title I - Neglected and Delinquent Children 118 84.013 S013A200046 732						-	
Title I - Part D - Neglected or Delinquent 215 84.013 \$010A210046 14,207 Title I - Part D - Neglected or Delinquent 315 84.013 \$010A220046 50,170 Title I - Part D - Neglected or Delinquent 415 84.013 \$010A230046 2,275 Title I - Neglected and Delinquent Children 118 84.013 \$013A200046 732						\$	4,289,75
Title I - Part D - Neglected or Delinquent 315 84.013 \$010A220046 \$0,170 Title I - Part D - Neglected or Delinquent 415 84.013 \$010A230046 \$2,275 Title I - Neglected and Delinquent Children 118 84.013 \$013A200046 732	e i						
Title I - Part D - Neglected or Delinquent 415 84.013 \$010A230046 2,275 Title I - Neglected and Delinquent Children 118 84.013 \$013A200046 732							
Title I - Neglected and Delinquent Children 11884.013\$013A200046732	e :						
	ē i				· · · · ·		
	Title I - Neglected and Delinquent Children 118 Title I - Neglected and Delinquent Children 218	84.013 84.013	S013A200046 S013A210046		732 8,186		75,88

Federal Granting Agency/ Recipient State Agency/ Grant Program	Assistance Listing Number (ALN)	Grant Agency Number	Passed Through to Sub-Recipients	Federal Expenditures	Total Cluster	Total By ALN
mponent Unit - Lynchburg Schools (Continued)						
partment of Education (Continued)						
Passed through Commonwealth of Virginia:						
Special Education Cluster						
CARES SPED 611 278	84.027			253,769		
IDEA - Part B Section 611 - Special Education 229	84.027	H027A210107	5	420,035		
IDEA - Part B Section 611 - Special Education 329	84.027	H027A220107		1,044,504		
Flow-through CEIS/CCEIS 395	84.027	H027A220107		260,266		1,978,5
CARES PRESCHOOL 619 279	84.173			26,121		
IDEA - Part B Section 619 - Special Education Preschool 313	84.173	H173A220112		43,937	_	70,
Total Special Education Cluster (84.027, 84.173)				- \$	2,048,632	
				-		
Elementary and Secondary Education Act (ESEA):						
Title III Part A - Language Acquisition State Grant 221	84.365	S265A210046		5,534		
Title III Part A - Language Acquisition State Grant 321	84.365	S265A220046		23,322		
Title III Part A - Language Acquisition State Grant 421	84.365	S265A230046		4,756		33.
Title II - Part A - Supporting Effective Instruction State Grants 116	84.367	S367A200044		73,824		
Title II - Part A - Supporting Effective Instruction State Grants 216	84.367	S367A210044		84,949		
Title II - Part A - Supporting Effective Instruction State Grants 316	84.367	S367A220044		81,936		
Title II - Part A - Supporting Effective Instruction State Grants 416	84.367	S367A230044		42,519		283,
Title IV - Student Support and Academic Enrichment 159	84.424	S424A200048		114,116		
Title IV - Student Support and Academic Enrichment 259	84.424	S424A210048		98,057		
Title IV - Student Support and Academic Enrichment 359	84.424	S424A220048		155,437		
Title IV - Student Support and Academic Enrichment 459	84.424	S424A230048		63,482		
Title IV - Part A - SCG LEA - Stronger Connections Grant 496	84.424	S424F220048		222,211		653
Vocational Education:						
CTE Basic Grants to States 310	84.048	V048A220046		37,017		
CTE Basic Grants to States 410	84.048	V048A230046		257,301		294,
McKenney - Vento Homeless Education Assistance Improvements Act of 2001:						
Title X-C - No Child Left Behind Act 237	84.000	S196A210048		4,601		
Title X-C - No Child Left Behind Act 337	84.000	S196A220048		15,999		20
Esser II SEL and Mental Health 280	84.425D	S425D210008		41,749		
ESSER III 176	84.425U	S425U210008		11,697,432		
Before & After School 1037.283	84.425U	S425U210008		196,617		
Unfinished Learning 0119.283	84.425U	S425U210008		165,823		
Summer Learning 0619.283	84.425U	S425U210008		72,344		
HVAC-ARP-CSLFRF-CPVID19 284	21.027	SLFRP1026		1,479,964		1,479
ARP ESSER III - RIPE 486	84.425U	S425U210008		22,500		12,154
COVID-19 CRRSA ESSER II 175	84.425D	S425D210008		2,164,875		2,206

Total Department of Education

\$ 23,540,635

Federal Granting Agency/ Recipient State Agency/ Grant Program	Assistance Listing Number (ALN)	Grant Agency Number	Passed Through to Sub-Recipients	Federal Expenditures	Total Cluster	Total By ALN
Primary Government		Donated Food Received				
Department of Agriculture Passed through Commonwealth of Virginia: Department of Social Services:						
Child Nutrition Cluster - Juvenile Detention Home (Commodities)	10.555	16161VA347N2535		\$ 2,655		\$ 2,655
Component Unit - Lynchburg Schools						
Department of Agriculture Passed through Commonwealth of Virginia: Department of Education: Child Nutrition Cluster - National School Lunch Program (Commodities)	10.555	16161VA347N2535	_	185,038		185,038
TOTAL						\$ 187,693
TOTAL SEFA						\$ 54,539,499

(1) This amount includes expenditures incurred in prior years of \$445,433 that were approved for reimbursement in the current year.

(2) This amount includes expenditures incurred in prior years of \$3,287,386 that were approved for reimbursement in the current year.

Notes to Schedule of Expenditures of Federal Awards As of June 30, 2024

Note 1. Significant Accounting Policy

Basis of Accounting:

The accompanying schedule of federal awards is prepared on the modified accrual basis of accounting.

Note 2. Business Development Centre, Inc. – Revolving Loan Fund

The Centre administers the Economic Development Administration Special Economic Adjustment Assistance Revolving Loan Fund Program CFDA 11.307 (01-49-03245) on behalf of the City of Lynchburg. Loans under this program are subject to various restrictions as determined by the Economic Development Administration.

The Centre received the funds indicated as follows through the fiscal year ended June 30, 1998. No funds have been received since that date.

	 Federal	 State	Local		
Amount received through June 30, 1993	\$ 45,000	\$ -	\$	24,000	
Amount received through June 30, 1994	127,836	-		33,612	
Amount received through June 30, 1995	44,027	-		14,676	
Amount received through June 30, 1996	108,201	-		36,067	
Bad debt charge off for the year ended					
June 30, 1996	(3,005)	-		(1,002)	
Amount received through June 30, 1997	10,268	-		3,423	
Recapitalized from earnings for the year					
ended June 30, 1997	3,005	-		1,002	
Amount received through June 30, 1998	 159,668	 40,000		13,222	
	\$ 495,000	\$ 40,000	\$	125,000	

Note 3. Non-monetary Assistance

Non-monetary assistance is reported in the Schedule of Federal Awards at the fair market value of the food commodities.

Note 4. Indirect Costs

The City has elected to use the de minimis 10% cost rate for certain grants.

Notes to Schedule of Expenditures of Federal Awards As of June 30, 2024

Note 5. Subgrantees

The federal expenditures for the Community Development Block Grant, the Home Investment Trust, and the Workforce Investment Act Cluster programs include grants to subrecipients as follows:

Community Development Block Grant	HOME Investment Partnerships Program	Workforce Investment Act Cluster		
21,711	-	-		
-	51,772	-		
121,184	-	-		
-	-	1,037,124		
61,751	-	-		
10,562	-	-		
-	10,000	-		
\$ 215,208	\$ 61,772	\$ 1,037,124		
	Development Block Grant 21,711 121,184 61,751 10,562	Community Development Block Grant Investment Partnerships Program 21,711 - - 51,772 121,184 - - - 61,751 - 10,562 - - 10,000		

Note 6. Program Income

The City received no program income during FY2024 for the Community Development Block grant.

Note 7. Virginia Revolving Loan Fund (CFDA 66.458)

As of June 30, 2024, the City had an outstanding balance through the Virginia Revolving Loan Fund in the amount of \$27,175,000 which includes federal funded loans. Expenditures associated with federally funded loans in FY 2024 totaled \$772,134.

Schedule of Passenger Facility Charges As of June 30, 2024

	July-Sept		Oct-Dec		Jan-March		April-June			
	<u>1st Quarter</u>			2nd Quarter		<u>3rd Quarter</u>		Quarter	<u>Totals for Year</u>	
Beginning Collections on Hand	\$	28,545	\$	28,892	\$	45,486	\$	33,890	\$	28,545
Revenues										
Receipts		75,185		91,266		67,713		73,873		308,037
Interest		162		328		327		251		1,068
Total revenues received		75,347		91,594		68,040		74,124		309,105
Expenditures Application #5/6										
06-001 PFC Dev. & Admin		-		-		4,636		-		4,636
06-008 Extend RW 4-55 Constr		75,000		75,000		75,000		75,000		300,000
Total Application 5/6		75,000		75,000		79,636		75,000		304,636
Total Expenditures		75,000		75,000		79,636		75,000		304,636
Ending Collections on Hand	\$	28,892	\$	45,486	\$	33,890	\$	33,014	\$	33,014

SCHEDULE 3

Schedule of Expenditures of Passenger Facility Charges As of June 30, 2024

Expenditures of Passenger Facility Charges:

Project	PFC Expenditures	
Application 6 (12-06-C-00-LYH)		
PFC Development & Admin Costs "State" Expense Reimbursements	\$ 4,636 300,000	
Total PFC expenditures	\$ 304,636	

The accompanying schedule of expenditures of passenger facility charges includes the passenger facility charge activity of the City, and is presented on the cash basis of accounting. Therefore, some amounts presented in these schedules may differ from amounts presented in, or used in preparation of, the basic financial statements.

STATISTICAL SECTION

STATISTICAL SECTION

This section presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information indicates about the government's overall financial condition.

CONTENTS

Pages

MISCELLANEOUS STATISTICAL DATA

This section provides additional information about the City, form of government, taxable subjects for 160-165 local taxation, City's Fund Balance, Debt Management, Budget, and Investment policies.

FINANCIAL TRENDS

Tables 1-11 contain trend information to help the reader understand how the City's financial166-178performance and well-being have changed over the time.166-178

REVENUE CAPACITY

Tables 12-19 contain information to help the reader assess the City's most significant local revenue	179-186
sources, property taxes.	

DEBT CAPACITY

Tables 20-25 present information to help the reader assess the affordability of the City's current levels187-192of outstanding debt and the City's ability to issue additional debt in the future.

DEMOGRAPHIC AND ECONOMIC INDICATORS

Tables 26-27 offer demographic and economic indicators to help the reader understand the193-194environment within which the City's financial activities take place.193-194

OPERATING INFORMATION

Tables 28-31 contain service and infrastructure data to help the reader understand how the information 195-198 in the City's financial report relates to the services it provides and the activities it performs.

Source: Unless otherwise noted, the information in these schedules is derived from the annual comprehensive financial reports for the relevant year.

MISCELLANEOUS STATISTICAL DATA June 30, 2024

DATE OF INCORPORATION

Lynchburg was founded by John Lynch in 1757, established as a town in October 1786, incorporated as a town on January 10, 1805 and received independent city status in 1852.

AREA OF CITY

The area of the City consists of 50.107 square miles.

POPULATION

United States Census 2017 (1)	80,380
United States Census 2018 (1)	81,339
United States Census 2019 (1)	80,783
United States Census 2020 (1)	81,266
United States Census 2021 (1)	80,054
United States Census 2022 (1)	80,127
United States Census 2023 (1)	

(1) Source: Weldon Cooper Center for Public Service, www.coopercenter.org

FORM OF GOVERNMENT

Lynchburg is organized under the Council – Manager form of government. The City Council, comprised of seven members, is elected on either an at-large (3 members) or ward (4 members) representative basis for four-year staggered terms of office. From among the elected City Council members, they choose on or near July 1 of each election year by simple majority vote a Mayor, who serves a two-year term.

Appointed by the City Council, the City Manager serves as the chief administrative officer of the municipal corporation. The City Manager performs the City's administrative and policy-related duties, directs business procedures and has the power of appointment and removal of the heads of all administrative departments as well as other employees of the City. The City Manager's primary focus is on helping Council set priorities, interpreting City Council's actions to the appropriate department, outside organizations and citizens, and providing professional leadership in executing the adopted policies of City Council.

SEGREGATION OF TAXABLE SUBJECTS FOR LOCAL TAXATION ONLY

By an Act of the General Assembly of Virginia, approved March 31, 1926, all real estate, tangible personal property, and machinery used for manufacturing purposes, were segregated to the City, and these subjects are not liable to any general tax except the City tax.

ASSESSMENTS

The City Assessor of real property appraises the market value of real estate on a biannual assessment cycle. The entire City is reviewed every other year (with values effective the first day of July of the odd years) and adjustments are made where necessary based upon market evidence indicating a change in the value.

The Commissioner of Revenue is required by law to assess vehicles and motorcycles by means of a recognized pricing guide. For most other personal property, the assessed value is based on a percentage of original cost.

MISCELLANEOUS STATISTICAL DATA June 30, 2024

TAX RATES

The Commissioner of Revenue, as required by the *Code of Virginia*, assesses tangible personal property and machinery and tools. The City prorates personal property on a monthly basis.

Real Property:

- \$0.89 per \$100 assessed value: 2024
- \$1.11 per \$100 assessed value: 2013-2023
- \$1.05 per \$100 assessed value: 2008-2012
- \$1.11 per \$100 assessed value: 1998-2007
- \$1.13 per \$100 assessed value: 1997
- \$1.16 per \$100 assessed value: 1995-1996
- \$1.18 per \$100 assessed value: 1990-1994

Tangible Personal Property:

- \$3.80 per \$100 assessed value: 2005-2024
- \$3.30 per \$100 assessed value: 1990-2004

Machinery and Tools:

• \$3.00 per \$100 assessed value: 1990-2024

Local Sales Tax:

- 1% + 4.3% VA tax: 2014-2024
- 1% + 4.0% VA tax: 2005-2013
- 1% + 3.5% VA tax: 1998-2004

Utility Consumers' Tax:

- Electricity:
 - Residential the greater of: \$0.0046 for the first 1,000 kwh (or a fraction thereof) plus \$0.0026 for each kwh over the first 1,000 kwh, or 7% of the minimum monthly charge.
 - Commercial the greater of: \$0.0048 for the first 1,000 kwh (or a fraction thereof) plus \$0.0092 for each kwh over the first 1,000 kwh, or 7% of the minimum monthly charge.
 - Industrial the greater of: \$0.00375 for the first 1,000 kwh (or a fraction thereof) plus \$0.0026 for each kwh over the first 1,000 kwh, or 7% of the minimum monthly charge.

Business, Professional, and Occupational License:

- Effective January 1, 2024 the City of Lynchburg will no longer issue a Business License for any business with gross receipts/purchases of \$150,000 or less.
- If gross receipts/purchases are greater than \$150,000 the following schedule is utilized:
 - > Retail merchants \$0.19 per \$100 of gross receipts
 - > Contractors \$0.15 per \$100 of gross receipts
 - Business/personal service \$0.34 per \$100 of gross receipts
 - > Professional service \$0.55 per \$100 of gross receipts
 - ▶ Wholesale merchants \$20.00 plus \$0.26 per \$100 of gross purchases

MISCELLANEOUS STATISTICAL DATA June 30, 2024

TAX RATES (Continued)

Motor Vehicle License:

- \$29.50 for vehicles weighing 4,000 pounds or less: 2005-2024
- \$34.50 for vehicles weighing greater than \$4,000 pounds: 2005-2024
- \$25.00 for all types of vehicles: 1990-2004

Tobacco Tax:

- \$0.35 on pack of twenty cigarettes: 2004-2024
- \$0.15 on pack of twenty cigarettes: 1990-2003

Lodging Tax:

• A tax of 6.5% of the charge made for each room rented per night. In FY 2018, Lynchburg changed the lodging tax from 5.5% to 6.5% plus \$1 per room per night.

Meals Tax:

• A tax of 6.5% on prepared meals sold in the City in addition to Sales Tax. In FY 2005, Lynchburg changed the meals tax from 6.0% to 6.5%.

Ambulance Services:

- Basic Life Services
 - > Non-emergency transport fee \$350
 - ≻ Emergency transport fee \$500
- Advanced Life Support
 - > Non-emergency transport fee \$425
 - ≻ Emergency transport fee \$600
 - Emergency transport fee if three or more different medications combined with at least one Advanced Life Support procedure are administered- \$850
- A fee of \$12/mile is charged for each mile that the patient is transported
- A fee of \$100 is charged when the patient is evaluated and treated by emergency medical services personnel when no transport occurs.

TAXES DUE

Real estate taxes are levied as of the first day of July each year. Supplemental real estate taxes are levied throughout the year to reflect construction in progress during the fiscal year. Real estate taxes are payable in four quarterly installments on November 15, January 15, March 15, and May 15. If paid thereafter, a 10% penalty and interest at the rate of 10% per annum is added.

Personal property taxes are payable in two equal installments on June 5 and December 5. Supplemental billings for personal property acquisitions are due March 5 and September 5.

DELINQUENT TAXES

Real estate and personal property taxes are reported delinquent the day after the due date. Therefore, the day after each installment due date, if the taxes are unpaid, they are considered delinquent.

MISCELLANEOUS STATISTICAL DATA June 30, 2024

OVERLAPPING AREAS AND DEBT

The City of Lynchburg is autonomous and entirely independent of any county or any other political subdivision of the state, being a separate and distinct political unit since 1852.

It is not coterminous with, nor subject to any county or school district taxation, and is not liable for any indebtedness other than its own. It has the power to levy taxes on all real and tangible personal property without limitation of rate or amount.

FUND BALANCE POLICY

The City council adopted a resolution in 1999 that was reaffirmed in 2010, revised in 2011, revised in 2013, revised in 2016, revised in 2019, and reaffirmed in 2023 which established major policy goal of maintaining the Unassigned General Fund Balance at a level to provide the City with sufficient working capital and a comfortable margin of safety to address emergencies and unexpected declines in revenue without borrowing. The Fund Balance Policy for the General Fund states:

- The City shall not use the Unassigned General Fund Balance to finance recurring operating expenditures.
- The City will maintain an Unassigned General Fund Balance (UGFB) equal to a minimum of 10% of General Fund revenues with a goal of 15% as the City strives to grow incrementally each year subject to revenues available. In the event the UGFB is used to provide for temporary funding of unforeseen emergency needs, the City shall restore the Unassigned General Fund Balance to the previous level within three years.
- The City will balance moving towards the 15% targeted fund balance with its annual "Pay as you go" capital improvement requirements.

Enterprise Funds:

- Water Fund: Minimum ending fund balance shall not be less than 25% of total fund appropriations with a target balance of 40% of total fund appropriations. In the event the ending fund balance falls below the minimum of 25% of total fund appropriations, the City shall restore the fund balance to the minimum of 25% within three years.
- Sewer Fund: In accordance with the Virginia Department of Environmental Quality Special Order, the City shall annually adjust sewer system reserve funds to no more than 40% of the subsequent fiscal years' budgeted operating expenses and debt service. Minimum ending fund balance shall not be less than 25% of total fund appropriations. In the event the ending fund balance falls below the minimum of 25% of total fund appropriations, the City shall restore the fund balance to the minimum of 25% within three years.
- Stormwater Fund: Minimum ending fund balance shall not be less than 15% of total fund appropriations with a target balance of 20% of total fund appropriations. In the event the ending fund balance falls below the minimum of 15% of total fund appropriations, the City shall restore the fund balance to the minimum of 15% within three years.

MISCELLANEOUS STATISTICAL DATA June 30, 2024

DEBT MANAGEMENT POLICY

The City council adopted a resolution on August 10, 1999, which was reaffirmed in 2004, revised in 2010, revised in 2013, revised in 2016, revised in 2019 and reaffirmed in 2023, establishing guidelines for the planning, issuance and management of debt, for and on behalf of City of Lynchburg. The City will issue debt for the purpose of acquiring or constructing capital projects and for making major renovations to existing capital projects. The City shall comply with all its undertakings in accordance with Securities and Exchange Commission Rule 15c2-12 and will follow the Government Finance Officers' Association and Securities and Exchange Commission requirements for continuing disclosure. Two types of debt obligations are used by the City:

- Tax supported obligations are those that are expected to be repaid from the General Fund tax revenue of the City of Lynchburg. These include general obligation bonds (except self-supporting bonds) and capital leases. General obligation bonds issued for self-supporting enterprise funds are not included in calculations of tax-supported bonds.
- Revenue-supported obligations are those for which the debt service is payable solely from the revenue generated from the operation of the project being financed or a category of facilities (i.e. water and sewer). These are not considered tax-supported debt of the City.

The City may use the Virginia Public School Authority (VPSA) or State Literary Fund loans to finance school capital projects. City bonds sold to the VPSA and Literary Fund loans constitute general obligation debt of the City. City Council shall approve any application to the VPSA or the Department of Education for a Literary Fund loan. City Council shall approve the issuance of the bonds as required by the Public Finance Act. The School Board shall recommend such financings before a proposed financing is brought to City Council for approval.

BUDGET POLICY

The City council adopted a resolution November 14, 2000 which was revised in 2008, reaffirmed in 2010, revised in 2013, revised in 2016, and reaffirmed in 2019 and 2023.

Principles

- Public participation in the budgetary process will be encouraged.
- The City will avoid dedicating revenue to a specific project or program because of the constraint this may place on flexibility in resource allocation except in instances where programs are expected to be self-sufficient or where revenue is dedicated to a program for statutory or policy reasons.
- The budget process will be coordinated in a way that major policy issues are identified for City Council several months
 prior to consideration of budget approval. This will allow adequate time for appropriate decisions and analysis of financial
 impacts.

QUARTERLY FINANCIAL REPORTING

The City Manager will present to the City Council's Finance Committee (with copies to the remainder of Council) quarterly financial reports identifying meaningful trends in revenues and expenditures for the General, Water, Sewer, Stormwater, Airport, Children's Services Act, Juvenile Detention, and Greater Lynchburg Transit Company Funds.

Third Quarter Review

In March, Budget staff will evaluate all expenditures and revenues as compared to budget and make recommendations to City Council regarding possible budget adjustments. Section 15.2-2507 of the *Code of Virginia* requires that a public hearing be held prior to City Council action when a proposed amendment of the budget exceeds one percent of the total expenditures shown in the currently adopted budget.

MISCELLANEOUS STATISTICAL DATA June 30, 2024

INVESTMENT POLICY

The City council adopted an investment policy on September 25, 2001, which was revised in 2008, reaffirmed in 2010, revised in 2013, reaffirmed in 2016 and 2019, and revised in 2023, establishing specific requirements or limitations imposed upon the investment of Bond Proceeds, Debt Service Funds and Debt Service Reserve Funds. It is the policy of the City of Lynchburg that the investment and administration of its funds be made in accordance with the Code of Virginia Investment of Public Funds Act, the applicable provisions of any outstanding bond indebtedness, and this policy. It is the intent of the City to be in complete compliance with all applicable federal, state and local laws, and other regulations and statutes governing the investment of public funds. Within those parameters, the goal of this policy is to achieve the highest rate of return that is reasonable. The City will establish an Investment Committee consisting of the City Manager, Deputy City Manager, and Director of Financial Services. This Committee will provide broad policy oversight over investments. This policy will be reviewed on an annual basis. Any changes must be approved by the Investment Committee and be reaffirmed by City Council.

NET POSITION BY COMPONENT, LAST TEN FISCAL YEARS

(accrual basis of accounting)

		Fiscal Year												
	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024				
Governmental activities														
Net investment in capital assets	\$ 192,860,159	\$ 210,809,815	\$ 215,193,933	\$ 233,197,296	\$ 236,283,981	\$ 235,958,968	\$ 241,380,873	\$ 240,095,381	\$ 252,787,740	\$ 273,368,917				
Restricted	9,483,640	4,879,215	2,743,988	2,929,713	3,540,436	3,232,537	3,497,836	3,300,380	2,310,836	10,020,934				
Unrestricted	(20,298,752)	(26,991,866)	(29,668,951)	(119,179,431)	(106,684,248)	(91,350,597)	(71,751,034)	(35,063,679)	15,423,616	17,313,919				
Total governmental activities net position	\$ 182,045,047	\$ 188,697,164	\$ 188,268,970	\$ 116,947,578	\$ 133,140,169	\$ 147,840,908	\$ 173,127,675	\$ 208,332,082	\$ 270,522,192	\$ 300,703,770				
Business-type activities														
Net investment in capital assets	\$ 205,192,151	\$ 209,526,622	\$ 218,449,553	\$ 224,892,828	\$ 235,078,795	\$ 250,754,162	\$ 250,988,554	\$ 258,965,814	\$ 263,568,578	\$ 277,718,929				
Restricted	7,231	3,478	108,833	46,465	3,621	53,350	53,539	51,547	28,545	33,014				
Unrestricted	10,828,849	16,266,676	16,867,521	7,589,878	12,507,989	12,477,023	22,052,865	26,356,473	36,049,246	33,567,183				
Total business-type activities net position	\$ 216,028,231	\$ 225,796,776	\$ 235,425,907	\$ 232,529,171	\$ 247,590,405	\$ 263,284,535	\$ 273,094,958	\$ 285,373,834	\$ 299,646,369	\$ 311,319,126				
Primary government														
Net investment in capital assets	\$ 398,052,310	\$ 420,336,437	\$ 433,643,486	\$ 458,090,124	\$ 471,362,776	\$ 486,713,130	\$ 492,369,427	\$ 499,061,195	\$ 516,356,318	\$ 551,087,846				
Restricted	9,490,871	4,882,693	2,852,821	2,976,178	3,544,057	3,285,887	3,551,375	3,351,927	2,339,381	10,053,948				
Unrestricted	(9,469,903)	(10,725,190)	(12,801,430)	(111,589,553)	(94,176,259)	(78,873,574)	(49,698,169)	(8,707,206)	51,472,862	50,881,102				
Total primary government net position	\$ 398,073,278	\$ 414,493,940	\$ 423,694,877	\$ 349,476,749	\$ 380,730,574	\$ 411,125,443	\$ 446,222,633	\$ 493,705,916	\$ 570,168,561	\$ 612,022,896				

Note 1: GASB Statement No. 68 was adopted in Fiscal Year 2015.

Note 2: GASB Statement No. 75 was adopted in Fiscal Year 2018.

CHANGES IN NET POSITION, LAST TEN FISCAL YEARS (accrual basis of accounting)

	Fiscal Year										
	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	
Expenses											
Governmental Activities:											
General Government	\$ 13,675,189	\$ 14,564,945	\$ 15,669,122	\$ 15,034,844	\$ 13,734,751	\$ 14,379,320	\$ 16,049,250	\$ 14,375,451	\$ 16,333,475	\$ 15,623,936	
Judicial	6,245,737	6,294,658	6,719,652	6,596,638	6,673,671	6,499,282	6,815,593	6,783,137	7,125,161	8,309,017	
Public Safety	48,732,161	48,490,912	50,797,418	49,506,763	49,901,450	49,480,578	50,913,682	49,446,622	59,028,000	68,687,070	
Public Works	24,846,090	26,656,472	28,964,652	28,254,520	29,588,360	29,026,793	27,411,647	28,546,799	31,199,359	31,886,711	
Health and Human Services	27,317,037	28,802,640	29,306,224	28,447,078	28,193,609	30,842,359	31,485,493	29,917,851	32,786,726	36,925,707	
Culture and Recreation	9,771,210	10,090,164	11,126,401	10,551,172	10,792,828	10,353,308	11,327,151	11,755,843	12,667,898	14,808,839	
Community Development	6,742,294	7,764,713	6,216,395	6,423,270	6,618,561	6,420,082	9,107,983	6,553,744	7,398,674	7,474,318	
Education	42,608,354	52,163,773	50,225,729	46,418,469	45,787,500	45,019,250	48,894,927	45,367,275	46,904,280	47,942,770	
Interest Payments and Fiscal Charges	6,317,148	7,012,279	7,354,890	6,876,234	7,000,819	6,157,813	5,225,235	5,788,846	6,030,025	94,580	
Issuance Costs	875,409	268,267		346,067		744,889	118,668		314,600	570,853	
Total governmental activities expenses	187,130,629	202,108,823	206,380,483	198,455,055	198,291,549	198,923,674	207,349,629	198,535,568	219,788,198	232,323,801	
Business-type activities:											
Stormwater	1,988,044	2,250,406	2,303,672	2,796,349	3,114,545	3,335,424	3,287,239	3,746,417	3,835,023	4,114,184	
Airport	4,572,562	4,590,497	4,793,694	4,734,183	5,019,188	5,134,437	5,322,098	5,604,299	5,478,548	6,004,562	
Water	13,192,403	14,392,767	13,767,772	14,801,886	14,845,315	15,046,373	14,158,717	14,239,005	16,073,660	16,477,619	
Sewer	18,408,180	19,032,652	19,382,060	19,689,327	20,301,884	21,004,040	22,199,335	24,398,177	26,871,087	27,951,606	
Total business-type activities expenses	38,161,189	40,266,322	40,247,198	42,021,745	43,280,932	44,520,274	44,967,389	47,987,898	52,258,318	54,547,971	
Total primary government expenses	\$ 225,291,818	\$ 242,375,145	\$ 246,627,681	\$ 240,476,800	\$ 241,572,481	\$ 243,443,948	\$ 252,317,018	\$ 246,523,466	\$ 272,046,516	\$ 286,871,772	

(Continued)

CHANGES IN NET POSITION

LAST TEN FISCAL YEARS

(accrual basis of accounting)

	Fiscal Year									
	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Program Revenues (see Table 3) Governmental Activities:										
Charges for services:										
General government	\$ 505,564	\$ 521,930	\$ 529,426	\$ 533,921	\$ 675,679	\$ 586,554	\$ 582,252	\$ 828,663	\$ 851,443	\$ 870,587
Judicial	785,268	807,987	628,411	558,501	445,007	581,557	448,904	418,146	1,420,972	1,403,273
Public safety	6,419,638	6,566,743	5,881,973	6,432,759	6,526,492	6,249,834	6,597,181	6,613,570	8,066,769	8,564,368
Public works	1,304,063	1,310,028	1,540,998	1,291,023	1,334,424	1,826,242	2,048,826	2,912,898	3,073,903	1,065,528
Health and human services	2,452,554	2,817,336	2,837,112	3,174,813	2,967,498	2,785,781	2,853,616	2,970,167	3,436,132	4,367,759
Cultural and Recreational	776,379	860,612	955,311	905,158	927,578	770,955	647,351	988,256	1,032,872	1,005,368
Community development	1,172,941	1,352,602	1,120,860	1,249,908	1,913,803	1,355,950	1,238,625	1,599,327	1,703,563	1,734,572
Education	-	-	-	-	-	-	-	9,513	-	-
Operating Grants and Contributions	42,055,609	43,418,231	44,712,908	44,119,995	44,733,375	46,966,908	61,690,682	49,640,088	53,409,922	56,743,640
Capital Grants and Contributions	1,516,624	12,039,460	6,501,142	18,953,042	8,265,018	4,217,888	4,218,171	2,242,135	6,095,825	8,477,218
Total governmental activities program services	56,988,640	69,694,929	64,708,141	77,219,120	67,788,874	65,341,669	80,325,608	68,222,763	79,091,401	84,232,313
Business-type activities:										
Charges for services:										
Stormwater	3,268,776	3,209,504	3,208,044	3,212,572	3,227,746	3,265,521	3,197,089	3,495,968	3,587,623	3,867,235
Airport	2,254,531	2,446,873	2,522,138	2,470,025	2,775,975	2,533,763	2,114,485	2,635,988	2,955,151	3,247,790
Water	14,703,923	14,811,555	15,177,716	15,362,052	15,127,793	15,564,799	15,725,568	16,130,624	16,693,515	17,586,124
Sewer	20,216,758	21,264,506	22,640,530	22,635,664	23,723,563	23,231,507	24,695,077	25,879,520	28,268,219	31,133,713
Operating Grants and Contributions	417,601	409,592	394,959	395,048	397,320	1,119,787	2,843,139	2,876,820	2,891,383	1,942,143
Capital Grants and Contributions	6,601,428	7,416,609	5,326,856	5,871,418	11,794,517	12,863,845	5,797,854	8,959,209	2,623,088	5,390,622
Total business-type activities program revenues	47,463,017	49,558,639	49,270,243	49,946,779	57,046,914	58,579,222	54,373,212	59,978,129	57,018,979	63,167,627
Total primary government program revenues	\$ 104,451,657	\$ 119,253,568	\$ 113,978,384	\$ 127,165,899	\$ 124,835,788	\$ 123,920,891	\$ 134,698,820	\$ 128,200,892	\$ 136,110,380	\$ 147,399,940
Net (Expense) Revenue										
Governmental Activities	\$ (130,141,989)	\$ (132,413,894)	\$ (141,672,342)	\$ (121,235,935)	\$ (130,502,675)	\$ (133,582,005)	\$ (127,024,021)	\$ (130,312,805)	\$ (140,696,797)	\$ (148,091,488)
Business-type Activities	9,301,828	9,292,317	9,023,045	7,925,034	13,765,982	14,058,948	9,405,823	11,990,231	4,760,661	8,619,656
Total Primary Government Net Expenses	\$ (120,840,161)	\$ (123,121,577)	\$ (132,649,297)	\$ (113,310,901)	\$ (116,736,693)	\$ (119,523,057)	\$ (117,618,198)	\$ (118,322,574)	\$ (135,936,136)	\$ (139,471,832)

(Continued)

CHANGES IN NET POSITION

LAST TEN FISCAL YEARS

(accrual basis of accounting)

	Fiscal Year										
	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	
General Revenues and Other Changes in Net F	osition										
Governmental Activities:											
Taxes											
Property taxes	\$ 75,714,767	\$ 77,654,736	\$ 78,396,772	\$ 79,798,396	\$ 81,396,201	\$ 85,485,322	\$ 87,068,948	\$ 93,778,345	\$ 96,269,352	\$ 95,704,628	
Local sales and use taxes	15,006,326	14,995,131	15,351,347	15,282,741	15,913,730	16,478,533	18,586,355	20,685,254	21,956,963	21,856,033	
Meals taxes	13,756,602	14,188,513	14,881,552	14,097,828	14,958,842	13,540,536	15,114,569	17,916,644	19,550,773	20,105,919	
Consumer utility taxes	4,575,492	4,660,389	4,569,906	4,768,971	4,673,911	4,527,250	4,581,154	4,733,521	4,452,989	4,287,295	
Business license taxes	8,219,996	8,826,486	9,377,091	8,736,403	9,503,954	9,685,320	9,522,473	10,270,020	11,079,681	11,568,350	
Communications sales and use taxes	3,382,915	3,282,767	3,202,076	3,101,975	2,877,715	2,812,099	2,497,779	2,424,362	2,354,000	2,212,151	
Other taxes	6,785,275	6,862,577	7,137,128	7,397,005	7,745,217	6,672,235	6,897,558	8,387,255	8,529,742	6,896,111	
Unrestricted intergovernmental	6,223,664	6,291,034	6,292,632	6,330,816	6,415,005	6,330,695	6,535,819	6,445,454	39,758,359	6,474,228	
Interest	312,688	477,313	504,776	889,609	1,642,727	1,375,991	155,574	(412,442)	4,687,941	8,212,404	
IRS interest subsidy - Build America bonds	272,388	272,975	273,563	273,856	274,884	137,736	-	-	-	-	
Miscellaneous	2,141,167	1,374,166	1,164,928	1,060,093	733,225	1,028,422	859,247	960,543	1,521,111	613,007	
Transfers	(60,658)	-	-	(135,751)	154,228	-	-	(24,000)	(7,500,000)	-	
Gain (Loss) on sale of assets	324,443	179,924	92,377	588,918	405,627	208,605	491,312	352,256	225,996	342,940	
Total governmental activities	136,655,065	139,066,011	141,244,148	142,190,860	146,695,266	148,282,744	152,310,788	165,517,212	202,886,907	178,273,066	
Business-type activities:											
Interest	96,910	136,484	231,789	546,939	1,064,934	916,795	179,790	70,680	1,857,112	2,898,633	
IRS interest subsity - Build America Bonds	275,978	276,573	277,168	277,466	278,508	139,551	-	-	-	-	
Miscellaneous	22,966	56,305	90,785	93,369	90,949	500,294	210,838	182,058	132,794	102,650	
Transfers	60,658	-	-	135,751	(154,228)	-	-	24,000	7,500,000	-	
Gain (loss) on sale of assets	9,825	6,866	6,344	47,162	15,089	78,542	13,972	11,907	21,968	51,818	
Total business-type activities	466,337	476,228	606,086	1,100,687	1,295,252	1,635,182	404,600	288,645	9,511,874	3,053,101	
Total primary government	\$ 137,121,402	\$ 139,542,239	\$ 141,850,234	\$ 143,291,547	\$ 147,990,518	\$ 149,917,926	\$ 152,715,388	\$ 165,805,857	\$ 212,398,781	\$ 181,326,167	
Changes in Net Position											
Governmental activities	\$ 6,513,076	\$ 6,652,117	\$ (428,194)	\$ 20,954,925	\$ 16,192,591	\$ 14,700,739	\$ 25,286,767	\$ 35,204,407	\$ 62,190,110	\$ 30,181,578	
			p (420,194)	p 20,934,923	J 10,192,391	p 14,700,739	φ 23,200,707	\$ 55,204,407	φ 02,190,110	φ 30,101,378	
Ducinoss type estivities				0.025.721	15 061 224	15 604 120	0.810.422	12 278 976	14 272 525	11 672 757	
Business-type activities	9,768,165	9,768,545	9,629,131	9,025,721	15,061,234	15,694,130	9,810,423	12,278,876	14,272,535	11,672,757	

PROGRAM REVENUES BY FUNCTION/PROGRAM,

LAST TEN FISCAL YEARS (accrual basis of accounting)

	Fiscal Year											
	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024		
Function/Program												
Governmental Activities:												
General government	\$ 822,568	\$ 6,315,850	\$ 852,147	\$ 14,731,586	\$ 1,296,467	\$ 990,778	\$ 2,281,911	\$ 1,488,144	\$ 1,301,317	\$ 1,429,065		
Judicial	4,556,364	4,613,026	4,528,778	4,494,336	4,366,657	4,486,505	4,442,397	4,719,983	6,026,174	6,373,915		
Public safety	12,043,156	12,167,299	12,562,382	12,682,717	13,101,997	13,328,228	18,895,845	13,532,229	15,036,459	16,353,422		
Public works	13,462,198	18,900,766	19,394,584	17,786,121	20,888,553	17,410,171	18,586,893	17,037,159	20,506,810	21,073,622		
Health and human services	22,626,330	23,708,853	24,089,638	24,012,556	23,752,553	24,828,227	25,788,088	26,464,286	28,260,751	30,761,788		
Cultural and recreational	1,010,645	1,153,738	1,201,444	1,177,805	1,193,224	1,894,496	1,941,303	1,398,721	1,344,686	1,367,000		
Community development	2,467,379	2,755,042	1,943,831	2,213,229	2,864,423	2,403,264	6,381,727	3,167,257	3,649,829	2,585,957		
Education	-	80,355	135,337	120,770	325,000	-	2,007,444	414,984	2,965,375	4,287,544		
Subtotal governmental activities	56,988,640	69,694,929	64,708,141	77,219,120	67,788,874	65,341,669	80,325,608	68,222,763	79,091,401	84,232,313		
Business-type activities:												
Stormwater	3,543,776	3,484,504	3,572,102	4,042,606	3,502,746	4,096,871	3,903,728	3,861,250	3,891,437	4,142,235		
Airport	5,786,312	5,163,799	5,786,943	4,913,857	5,312,847	6,696,743	9,045,487	12,151,471	7,946,535	8,452,311		
Water	14,708,923	15,174,472	15,387,716	15,362,052	15,397,448	15,568,073	15,725,568	16,130,624	16,693,515	18,554,394		
Sewer	23,424,006	25,735,864	24,523,482	25,628,264	32,833,873	32,217,535	25,698,429	27,834,784	28,487,492	32,018,687		
Subtotal business-type activities	47,463,017	49,558,639	49,270,243	49,946,779	57,046,914	58,579,222	54,373,212	59,978,129	57,018,979	63,167,627		
Total primary government	\$ 104,451,657	\$ 119,253,568	\$ 113,978,384	\$ 127,165,899	\$ 124,835,788	\$ 123,920,891	\$ 134,698,820	\$ 128,200,892	\$ 136,110,380	\$ 147,399,940		

FUND BALANCES, GOVERNMENTAL FUNDS,

LAST TEN FISCAL YEARS

(modified accrual basis of accounting)

	Fiscal Year											
	2015	2016	2017	2018	2019		2020	2021	2022	2023		2024
General Fund												
Restricted	\$ -	\$ -	\$ -	\$ 14,401,700	\$ 14,093,629	\$	-	\$ -	\$ -	\$ -	\$	-
Committed	14,803,075	12,139,666	13,970,703	12,739,188	15,920,227		16,944,527	14,606,255	14,477,110	15,738,181		13,491,924
Assigned	6,118,051	5,232,752	3,838,602	8,071,697	9,083,748		10,054,580	9,693,184	9,576,402	12,516,535		21,113,223
Unassigned	32,089,924	25,589,098	27,147,729	29,197,526	29,364,685		34,579,844	49,771,343	66,394,917	68,092,249		40,362,724
Total General Fund	\$ 53,011,050	\$ 42,961,516	\$ 44,957,034	\$ 64,410,111	\$ 68,462,289	\$	61,578,951	\$ 74,070,782	\$ 90,448,429	\$ 96,346,965	\$	74,967,871
All Other Governmental Funds												
Nonspendable	\$ 350,000	\$ 300,000	\$ 250,000	\$ 200,000	\$ -	\$	-	\$ -	\$ -	\$ -	\$	-
Restricted	9,483,641	4,879,215	2,743,988	2,929,713	3,540,436		3,232,537	3,497,836	3,300,380	2,310,836		10,020,934
Committed	68,602,388	52,840,854	33,170,926	21,141,975	17,551,255		44,853,501	35,302,180	26,581,307	79,045,260		57,203,563
Assigned	100,012	100,012	100,012	100,012	122,328		-	-	-	234		234
Unassigned	(50,067)	-	-	-	-		-	-	-	-		-
Total All Other Governmental Funds	\$ 78,485,974	\$ 58,120,081	\$ 36,264,926	\$ 24,371,700	\$ 21,214,019	\$	48,086,038	\$ 38,800,016	\$ 29,881,687	\$ 81,356,330	\$	67,224,731

CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS LAST TEN FISCAL YEARS (modified accrual basis of accounting)

	Fiscal Year									
	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Revenues										
Taxes	\$127,770,651	\$130,022,195	\$ 132,895,836	\$ 134,835,168	\$ 137,222,286	\$ 139,065,653	\$ 144,180,960	\$ 157,712,379	\$ 164,305,615	\$ 162,175,603
Regulatory licenses, permits and privilege fees	1,000,222	1,108,694	1,071,926	1,101,285	1,106,893	1,162,650	980,572	1,266,228	1,386,510	1,429,983
Intergovernmental	49,874,673	55,070,162	55,784,306	55,565,967	57,603,524	57,356,173	71,914,607	57,937,519	99,049,715	71,341,823
Fines and forfeitures	637,417	570,242	505,829	406,905	363,010	323,366	319,307	263,529	301,250	376,208
Revenue from use of money and property	820,000	1.051.355	1,243,844	1,496,011	2,296,990	2,003,967	838,458	291,796	5,101,989	8,374,311
Charges for services	14,365,457	14,484,302	13,397,141	14,716,870	15,500,824	14,934,876	15,501,347	17,231,881	19,254,592	19,123,716
Miscellaneous	2,807,317	3,033,445	3,317,877	1,808,108	3,636,735	1,300,132	1,323,168	1,316,965	1,965,807	1,380,178
Total revenues	197,275,737	205,340,395	208,216,759	209,930,314	217,730,262	216,146,817	235,058,419	236,020,297	291,365,478	264,201,822
Expenditures										
General government	16,152,572	16,255,049	16,987,863	17,359,357	16,547,404	17,235,539	18,747,740	18,121,052	20,360,967	19,691,265
Judicial	5,717,080	5,654,176	6,042,746	6,201,171	6,326,561	6,295,896	6,491,200	6,922,706	7,269,495	8,274,198
Public Safety	48,818,343	48,233,548	49,659,468	50,284,130	51,881,221	51,550,558	52,351,968	54,518,372	63,787,826	73,254,795
Public Works	18,097,502	19,790,108	20,593,526	20,211,943	21,227,308	20,678,139	18,739,719	20,944,237	23,881,442	24,135,587
Health and human services	27,443,758	28,554,889	28,892,687	28,900,411	28,731,703	31,511,665	31,869,858	32,012,799	35,097,151	38,907,445
Cultural and recreational	8,821,557	8,928,603	9,623,473	8,910,592	9,428,732	9,079,179	9,830,865	10,636,191	11,493,956	13,562,113
Community development	6,681,436	7,623,841	5,995,399	6,385,505	6,578,169	6,413,185	9,040,985	6,885,262	7,735,839	7,717,863
Education	37,562,551	42,897,772	43,216,739	39,017,813	38,318,576	37,423,267	42,161,777	39,140,844	40,972,185	41,757,835
Capital Outlay										
Capital general government (1) Debt Services	53,408,143	56,618,269	29,017,350	19,728,578	21,053,810	21,721,700	26,541,658	25,332,880	32,961,878	56,419,613
Principal Retirement	10,296,872	10,134,827	10,972,265	10,678,219	11,719,848	17,285,515	11,258,024	11,285,733	19,510,421	12,243,729
Interest payments and other fiscal charges	7,435,810	7,306,428	7,324,880	7,407,067	7,390,213	6,517,496	6,660,521	6,471,676	6,131,640	5,794,432
Issuance costs	875,409	268,267		346,067		744,889	118,668		314,600	570,853
Total expenditures	241,311,033	252,265,777	228,326,396	215,430,853	219,203,545	226,457,028	233,812,983	232,271,752	269,517,400	302,329,728
Excess (deficiency) of revenues										
over expenditures	(44,035,296)	(46,925,382)	(20,109,637)	(5,500,539)	(1,473,283)	(10,310,211)	1,245,436	3,748,545	21,848,078	(38,127,906)
Other financing sources (uses)										
Proceeds from debt issues	83,225,000	15,680,000	-	182,562	2,274,450	40,931,365	2,330,131	1,553,482	42,313,228	7,952,880
Premium on debt proceeds	7,792,446	1,505,630	-	-	-	3,691,148	-	-	3,591,482	-
Issuance of refunding bonds	23,292,975	7,243,402	-	15,221,555	-	-	9,196,740	-	-	57,787,236
Premium on refunding debt issuance	-	909,464	-	1,700,762	-	-	2,018,070	-	-	5,620,150
Payments to escrow agent	(23,114,836)	(8,065,760)	-	(2,160,352)	-	(13,850,000)	(9,358,669)	-	-	(62,991,738)
Refunded bond principal payments	-	-	-	-	-	-	(1,733,158)	-	-	-
Lease financing	-	-	-	-	-	-	-	2,801,592	104,333	180,834
Transfers in	11,606,390	15,442,682	6,456,092	4,746,481	7,642,818	7,345,416	7,465,685	9,806,494	37,660,172	21,854,730
Transfers out	(11,702,990)	(16,205,463)	(6,206,092)	(6,630,618)	(7,549,488)	(7,819,037)	(7,958,426)	(10,450,795)	(48,144,114)	(27,786,879)
Total other financing sources (uses)	91,098,985	16,509,955	250,000	13,060,390	2,367,780	30,298,892	1,960,373	3,710,773	35,525,101	2,617,213
Net change in fund balances	\$ 47,063,689	\$ (30,415,427)	\$ (19,859,637)	\$ 7,559,851	\$ 894,497	\$ 19,988,681	\$ 3,205,809	\$ 7,459,318	\$ 57,373,179	\$ (35,510,693)
Debt Service as a percentage of										
noncapital expenditures (2)	9.44%	8.91%	9.18%	9.24%	9.64%	11.63%	8.64%	8.58%	10.84%	7.34%

Beginning with restating FY 2006, and going forward, capital outlay was adjusted to reflect all capital expenditures. The functional categories of current expenditures were adjusted to reflect the reduction for capital expenditures already reported.
 The Debt Service ratio has been updated to only include the principal and interest components of debt service expenditures in the ratio.

COMPARATIVE STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES GENERAL FUND LAST TEN FISCAL YEARS

	Fiscal Year									
	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Revenues:										
Taxes	\$ 127,770,651	\$ 130,022,195	\$ 132,895,836	\$ 134,835,168	\$ 137,222,286	\$ 139,065,653	\$ 144,180,960	\$ 157,712,379	\$ 164,305,615	\$ 162,175,603
Regulatory licenses, permits, and privilege fees	1,000,222	1,108,694	1,071,926	1,101,285	1,106,893	1,162,650	980,572	1,266,228	1,386,510	1,429,983
Intergovernmental	34,604,123	36,644,986	37,432,488	36,917,105	37,433,967	38,090,501	38,592,078	39,843,467	74,208,652	41,812,327
Fines & forfeitures	637,417	570,242	505,829	406,905	363,010	323,366	319,307	263,529	301,250	376,208
Revenues from use of money & property	697,756	916,257	1,125,893	1,434,901	2,213,643	1,908,132	753,752	242,292	4,414,051	7,336,019
Charges for services	10,750,591	10,356,244	9,938,717	10,743,235	10,970,514	11,168,427	11,334,318	13,025,106	14,462,495	12,949,673
Miscellaneous	1,154,870	1,234,853	1,050,756	1,380,263	781,049	1,052,246	821,512	835,869	1,177,840	631,740
Total revenues	176,615,630	180,853,471	184,021,445	186,818,862	190,091,362	192,770,975	196,982,499	213,188,870	260,256,413	226,711,553
Expenditures:										
Current operating expenditures:										
General government	16,298,894	16,490,338	17,106,909	17,389,996	16,893,676	17,521,050	17,925,675	17,896,501	20,969,644	19,782,932
Judicial	4,696,403	4,788,676	4,832,773	5,032,655	5,088,929	5,176,741	5,255,436	5,516,524	5,754,828	6,595,336
Public safety	44,421,121	44,391,282	45,274,306	46,414,215	47,769,024	47,642,493	42,690,099	50,078,262	59,250,368	67,701,519
Public works	14,600,543	16,009,423	16,364,853	15,920,299	17,926,578	16,707,843	17,156,557	17,428,616	21,119,869	21,528,506
Health and human services	19,825,954	21,018,515	21,401,062	21,441,064	21,133,854	22,938,513	22,746,911	23,106,733	24,632,938	26,833,708
Cultural & recreational	8,558,412	8,394,652	9,034,143	8,825,071	9,320,532	8,906,758	8,926,841	9,925,705	11,321,205	12,241,117
Community development	4,819,261	4,590,547	3,804,380	4,817,967	5,041,335	4,905,846	3,462,940	4,867,147	5,220,220	6,392,162
Education	36,389,604	42,691,567	42,943,004	38,894,037	38,257,161	37,411,557	40,002,658	39,128,643	40,787,588	41,195,985
Capital outlay:	50,507,001	12,001,007	12,9 13,001	50,05 1,057	50,257,101	57,111,557	10,002,000	55,120,015	10,707,200	.1,195,965
Capital general government		-	_	649,712	37.309	12,102	810,907	3,597,518	139,091	185,502
Debt service:				049,712	51,507	12,102	010,007	5,577,510	157,071	105,502
Principal retirements	9,959,146	9,837,962	10,683,800	10,416,914	10,649,783	17,254,960	11,250,149	11,276,319	19,500,638	12,234,921
Interest payments and other fiscal charges	7,276,813	7,281,382	7,294,605	7,380,164	7,321,643	6,514,725	6,658,383	6,468,169	6,128,493	5,791,659
Issuance costs	443,933	171,746		346,067		374,779	118,505		230,542	570,853
Total expenditures	167,290,084	175,666,090	178,739,835	177,528,161	179,439,824	185,367,367	177,005,061	189,290,137	215,055,424	221,054,200
Excess of revenues										
over expenditures	9,325,546	5,187,381	5,281,610	9,290,701	10,651,538	7,403,608	19,977,438	23,898,733	45,200,989	5,657,353
Other financing sources (uses):										
Issuance of bonds	412,470	83,298	-	103,342	-	6,138,453	-	-	7,925,739	153,950
Premium on debt proceeds	-	-	-	1,700,762	-	593,822	-	-	726,179	-
Issuance of refunding bonds	22,823,100	8,152,866	-	15,221,555	-	-	9,124,115	-	-	57,787,236
Premium on refunding debt issuance	-	-	-	-	-	-	2,002,105	-	-	5,620,150
Refunded bond principal payments	-	-	-	-	-	-	(1,644,732)	-	-	-
Payments to escrow agent	(22,647,772)	(8,065,760)	-	(2,160,352)	-	(13,850,000)	(9,358,669)	-	-	(62,991,738)
Lease financing	-	-	-	-	-	-	-	2,794,413	104,333	180,834
Transfers in	325,036	366,572	1,585,000	252,397	643,814	274,908	175,000	65,000	25,000	
Transfers out	(11,373,362)	(15,773,891)	(4,871,092)	(4,955,328)	(7,243,174)	(7,444,129)	(7,783,426)	(10,380,499)	(48,083,704)	(27,786,879)
Total other financing sources (uses)	(10,460,528)	(15,236,915)	(3,286,092)	10,162,376	(6,599,360)	(14,286,946)	(7,485,607)	(7,521,086)	(39,302,453)	(27,036,447)
Net changes in fund balances	(1,134,982)	(10,049,534)	1,995,518	19,453,077	4,052,178	(6,883,338)	12,491,831	16,377,647	5,898,536	(21,379,094)
Fund balance - beginning, as restated	54,146,032	53,011,050	42,961,516	44,957,034	64,410,111	68,462,289	61,578,951	74,070,782	90,448,429	96,346,965
Fund balance - ending	\$ 53,011,050	\$ 42,961,516	\$ 44,957,034	\$ 64,410,111	\$ 68,462,289	\$ 61,578,951	\$ 74,070,782	\$ 90,448,429	\$ 96,346,965	\$ 74,967,871

COMPARATIVE STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE SCHOOL FUND LAST TEN FISCAL YEARS

	Fiscal Year										
	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	
Revenues:											
Intergovernmental	\$ 84,423,859	\$ 89,797,227	\$ 93,028,379	\$ 90,439,558	\$ 91,790,234	\$ 90,816,094	\$ 99,931,412	\$ 98,783,518	\$ 106,515,754	\$ 109,347,316	
Charges for services	1,169,484	1,491,359	1,820,727	1,640,533	1,723,917	2,706,961	464,205	510,448	492,565	399,864	
Miscellaneous	726,730	1,365,368	412,650	632,056	803,639	1,432,973	321,090	1,022,427	1,429,395	1,305,091	
	,								-,,		
Total revenues	86,320,073	92,653,954	95,261,756	92,712,147	94,317,790	94,956,028	100,716,707	100,316,393	108,437,714	111,052,271	
Expenditures:											
Education:											
Instruction	61,909,077	65,839,840	68,909,218	67,276,868	66,430,018	68,039,938	68,140,244	68,296,053	70,472,281	78,109,660	
Administration, attendance, and health	4,865,032	5,426,428	5,717,931	6,376,477	5,675,250	5,953,847	7,208,116	7,983,324	9,239,258	7,564,310	
Pupil transportation services	4,828,845	4,762,678	5,016,591	5,335,508	5,668,771	5,322,011	4,302,460	5,659,041	6,840,626	5,896,309	
Operations and maintenance	10,665,930	10,485,381	10,157,853	10,296,919	10,899,422	10,554,930	10,945,726	11,539,043	12,758,198	13,124,602	
Food service and other	24,670	21,358	12,153	16,691	15,344	8,986	30,194	19,510	18,155	1,093	
Facilities	10,163	14,825	20,758	26,138	20,959	18,434	175	2,288	2,751	9,686	
Technology	3,525,049	3,230,426	3,034,004	3,060,199	3,104,473	3,748,479	6,280,494	5,940,881	7,536,584	9,150,568	
Capital outlay	742,418	2,813,555	1,147,768	1,445,076	1,759,244	1,070,693	2,740,740	1,690,511	771,916	1,121,496	
Debt service:											
Principal retirements	-	-	-	-	-	-	-	-	-	3,008,548	
Interest payments	-			-						2,588	
Total expenditures	86,571,184	92,594,491	94,016,276	93,833,876	93,573,481	94,717,318	99,648,149	101,130,651	107,639,769	117,988,860	
Excss (deficiency) of revenues over expenditures	(251,111)	59,463	1,245,480	(1,121,729)	744,309	238,710	1,068,558	(814,258)	797,945	(6,936,589)	
Other financing sources (uses):											
Issuance of subscription liability	-	-	-	-	-	-	-	-	-	6,068,069	
Transfers in (out)							(229,754)				
Total other financing sources (uses)							(229,754)			6,068,069	
Net change in fund balances	(251,111)	59,463	1,245,480	(1,121,729)	744,309	238,710	838,804	(814,258)	797,945	(868,520)	
Fund balance - beginning	707,145	456,034	515,497	1,760,977	639,248	1,383,557	1,622,267	2,461,071	1,646,813	2,444,758	
Fund balance - ending	\$ 456,034	\$ 515,497	\$ 1,760,977	\$ 639,248	\$ 1,383,557	\$ 1,622,267	\$ 2,461,071	\$ 1,646,813	\$ 2,444,758	\$ 1,576,238	

COMPARATIVE STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET POSITION WATER FUND LAST TEN FISCAL YEARS

	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Operating revenues:										
Charges for services and other operating revenues	\$ 14,703,923	\$ 14,811,555	\$ 15,177,716	\$ 15,362,052	\$ 15,127,793	\$ 15,564,799	\$ 15,725,568	\$ 16,130,624	\$ 16,693,515	\$ 17,586,124
Total operating revenues	14,703,923	14,811,555	15,177,716	15,362,052	15,127,793	15,564,799	15,725,568	16,130,624	16,693,515	17,586,124
Operating expenses:										
Personal services and benefits	4,350,457	5,061,596	5,173,210	4,779,528	5,076,126	5,960,956	5,896,481	4,804,038	6,110,702	5,968,160
Operation and maintenance	1,550,252	1,788,171	945,920	1,750,445	1,301,725	1,269,534	1,272,141	1,873,850	1,670,452	2,477,060
Supplies and materials	1,210,601	1,229,613	1,378,106	1,435,848	1,362,100	1,210,432	973,583	1,152,654	1,379,085	1,739,200
Administration	1,462,335	1,335,499	1,196,167	1,431,196	1,550,316	1,610,286	1,576,052	1,532,789	1,619,864	1,770,389
Other charges	77,950	87,808	90,180	86,149	89,138	93,493	87,911	121,944	157,830	145,501
Depreciation	2,852,246	2,916,684	3,048,763	3,116,981	3,231,814	3,225,638	3,278,090	3,402,047	3,471,402	3,435,275
Total operating expenses	11,503,841	12,419,371	11,832,346	12,600,147	12,611,219	13,370,339	13,084,258	12,887,322	14,409,335	15,535,585
Operating income	3,200,082	2,392,184	3,345,370	2,761,905	2,516,574	2,194,460	2,641,310	3,243,302	2,284,180	2,050,539
Nonoperating revenues (expenses):										
Interest income	21,514	41,904	75,939	229,606	501,029	435,285	82,440	(14,082)	441,444	551,004
Miscellaneous	2,781	1,028	1,131	1,001	33,101	220,157	154,952	70,140	32,801	21,214
Gain (loss) on disposition of assets	9,219	6,128	5,172	18,282	5,798	9,621	7,877	10,313	11,640	(10,909)
Interest on long-term debt	(1,678,042)	(1,971,229)	(1,911,073)	(2,204,019)	(2,208,099)	(1,663,343)	(1, 138, 518)	(1,400,233)	(1,716,158)	(907,473)
IRS interest subsidy - Build America Bonds	233,357	233,860	234,363	234,615	235,496	117,999				-
Total nonoperating revenues (expenses)	(1,411,171)	(1,688,309)	(1,594,468)	(1,720,515)	(1,432,675)	(880,281)	(893,249)	(1,333,862)	(1,230,273)	(346,164)
Income before contributions and transfers	1,788,911	703,875	1,750,902	1,041,390	1,083,899	1,314,179	1,748,061	1,909,440	1,053,907	1,704,375
Capital contributions	5,000	362,917	210,000	-	269,655	3,274	-	-	-	968,270
Transfers in	-	-	-	67,298	93,215	-	-	-	-	-
Transfers out							(48,494)	(63,463)	(12,631)	(15,626)
Change in net position	1,793,911	1,066,792	1,960,902	1,108,688	1,446,769	1,317,453	1,699,567	1,845,977	1,041,276	2,657,019
Total net position - beginning, as restated (1) (2)	31,448,108	33,242,019	34,308,811	29,985,889	31,094,577	32,541,346	33,858,799	35,558,366	37,404,343	38,445,619
Ending net position:										
Net investment in capital assets	28,620,307	27,610,452	29,430,618	29,134,568	30,347,378	31,506,001	34,204,364	35,416,138	36,420,501	39,333,435
Unrestricted	4,621,712	6,698,359	6,839,095	1,960,009	2,193,968	2,352,798	1,354,002	1,988,205	2,025,118	1,769,203
Total net position - ending	\$ 33,242,019	\$ 34,308,811	\$ 36,269,713	\$ 31,094,577	\$ 32,541,346	\$ 33,858,799	\$ 35,558,366	\$ 37,404,343	\$ 38,445,619	\$ 41,102,638

(1) Total net position - beginning, was restated as of June 30, 2014. See Note 20, City of Lynchburg's Annual Comprehensive Financial Report for FY 2015 for an explanation. (2) Total net position - beginning, was restated as of June 30, 2017. See Note 25, City of Lynchburg's Annual Comprehensive Financial Report for FY 2018 for an explanation.

COMPARATIVE STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET POSITION SEWER FUND LAST TEN FISCAL YEARS

	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Operating revenues:										
Charges for services and other operating revenues	\$ 20,216,758	\$ 21,264,506	\$ 22,640,530	\$ 22,635,664	\$ 23,723,563	\$ 23,231,507	\$ 24,695,077	\$ 25,879,520	\$ 28,268,219	\$ 31,133,713
Total operating revenues	20,216,758	21,264,506	22,640,530	22,635,664	23,723,563	23,231,507	24,695,077	25,879,520	28,268,219	31,133,713
Operating expenses:										
Personal services and benefits	2,944,024	3,390,178	3,424,756	3,274,735	3,355,976	3,365,150	3,633,749	3,297,274	4,209,082	4,605,872
Operation and maintenance	2,697,307	2,906,172	3,071,702	3,533,634	3,636,697	3,649,979	4,062,291	4,288,688	4,481,546	4,962,643
Supplies and materials	1,336,709	1,489,227	1,562,481	1,386,495	1,661,637	1,738,027	2,098,779	2,322,572	2,954,211	2,955,880
Administration	2,573,784	2,341,346	2,316,721	2,467,815	2,580,626	2,802,473	3,191,245	3,169,432	3,376,388	3,943,232
Other charges	66,946	51,118	106,560	74,387	66,021	69,826	111,934	106,719	250,166	192,206
Depreciation	7,584,388	7,635,836	7,888,946	7,898,587	8,037,676	8,131,718	8,434,452	10,441,598	10,554,426	10,565,850
Total operating expenses	17,203,158	17,813,877	18,371,166	18,635,653	19,338,633	19,757,173	21,532,450	23,626,283	25,825,819	27,225,683
Operating income	3,013,600	3,450,629	4,269,364	4,000,011	4,384,930	3,474,334	3,162,627	2,253,237	2,442,400	3,908,030
Nonoperating revenues (expenses):										
Interest income	73,142	85,086	124,705	241,852	409,567	350,086	79,817	49,315	774,628	1,326,274
Governmental grants	-	-	219	-	-	-	-	-	-	-
Miscellaneous	10,400	11,821	19,605	47,687	47,717	270,958	53,235	100,365	87,420	61,223
Gain (loss) on disposition of assets	606	738	1,172	16,393	2,259	(175,771)	(213,716)	1,594	(62,149)	851
Interest on long-term debt	(1,086,336)	(1,129,426)	(985,817)	(1,068,072)	(1,077,985)	(1,119,367)	(585,733)	(901,840)	(1,154,335)	(913,379)
IRS interest subsidy - Build America Bonds	42,621	42,713	42,805	42,851	43,012	21,552				
Total nonoperating revenues (expenses)	(959,567)	(989,068)	(797,311)	(719,289)	(575,430)	(652,542)	(666,397)	(750,566)	(354,436)	474,969
Income before contributions and transfers	2,054,033	2,461,561	3,472,053	3,280,722	3,809,500	2,821,792	2,496,230	1,502,671	2,087,964	4,382,999
Capital contributions	3,207,248	4,471,358	1,882,733	2,992,600	9,110,310	8,986,028	1,003,352	1,955,264	219,273	884,974
Transfers in	126,734	126,734	-	50,729	64,082		48,494	87,463	7,512,631	15,626
										· · · ·
Change in net position	5,388,015	7,059,653	5,354,786	6,324,051	12,983,892	11,807,820	3,548,076	3,545,398	9,819,868	5,283,599
Total net position - beginning, as restated (1) (2)	140,651,555	146,039,570	153,099,223	154,135,205	160,459,256	173,443,148	185,250,968	188,799,044	192,344,442	202,164,310
Ending net position:										
Net investment in capital assets	138,595,419	144,934,435	148,010,757	154,280,143	164,363,686	177,570,472	174,740,303	177,500,410	180,993,177	187,569,934
Unrestricted	7,444,151	8,164,788	10,443,252	6,179,113	9,079,462	7,680,496	14,058,741	14,844,032	21,171,133	19,877,975
Total net position - ending	\$ 146,039,570	\$ 153,099,223	\$ 158,454,009	\$ 160,459,256	\$ 173,443,148	\$ 185,250,968	\$ 188,799,044	\$ 192,344,442	\$ 202,164,310	\$ 207,447,909

Total net position - beginning, was restated as of June 30, 2014. See Note 20, City of Lynchburg's Annual Comprehensive Financial Report for FY 2015 for an explanation.
 Total net position - beginning, was restated as of June 30, 2017. See Note 25, City of Lynchburg's Annual Comprehensive Financial Report for FY 2018 for an explanation.

COMPARATIVE STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET POSITION STORMWATER FUND LAST TEN FISCAL YEARS

	2015	2016	2015	2010	2010	2020	2021	2022	2022	2024
	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Operating revenues:										
Charges for services and other operating revenues	\$ 3,268,776	\$ 3,209,504	\$ 3,208,044	\$ 3,212,572	\$ 3,227,746	\$ 3,265,521	\$ 3,197,089	\$ 3,495,968	\$ 3,587,623	\$ 3,867,235
Intergovernmental	275,000	275,000	275,000	275,000	275,000	275,000	275,000	275,000	275,000	275,000
Total operating revenues	3,543,776	3,484,504	3,483,044	3,487,572	3,502,746	3,540,521	3,472,089	3,770,968	3,862,623	4,142,235
Operating expenses:										
Personal services and benefits	362,502	446,320	651,860	531,569	673,639	680,361	554,455	781,650	627,178	835,558
Operation and maintenance	306,678	285,560	327,657	451,961	511,138	418,487	369,085	563,868	581,585	762,956
Supplies and materials	104,029	136,741	131,321	127,008	168,543	186,793	152,042	160,879	177,890	163,695
Administration	1,227,229	1,353,809	1,160,256	1,576,573	1,528,109	1,767,225	1,805,945	1,792,075	1,911,548	1,722,443
Other charges	11,916	5,289	16,864	23,538	16,045	11,939	21,071	20,455	19,945	24,326
Depreciation	33,662	67,558	76,239	142,092	275,261	295,876	419,151	456,956	400,339	442,271
Total operating expenses	2,046,016	2,295,277	2,364,197	2,852,741	3,172,735	3,360,681	3,321,749	3,775,883	3,718,485	3,951,249
Operating income	1,497,760	1,189,227	1,118,847	634,831	330,011	179,840	150,340	(4,915)	144,138	190,986
Newsystem										
Nonoperating revenue: Interest Income		1,213	9,477	31,120	60,794	39,235	5,873	3,223	128,896	182,282
Governmental Grants	-	1,213	9,477	51,120	00,794	39,233	9,822	21,311	28,814	162,262
Miscellaneous	61	23,452	2	491	-	3,203	(19,583)	(14)	20,014	552
Gain (loss) on disposition of assets	01	23,432	-	4)1		5,205	(1),505)	(14)	(9,041)	-
Interest on long-term debt	-	_		(4,672)	(106)	(37,254)	(20,751)	(29,871)	(166,071)	(232,487)
Total nonoperating revenue	61	24,665	9,479	26,939	60,688	5,184	(24,639)	(5,351)	(17,402)	(49,653)
							(,,	(*)***)	((1),000)
Income before contributions and transfers	1,497,821	1,213,892	1,128,326	661,770	390,699	185,024	125,701	(10,266)	126,736	141,333
Capital contributions	-	-	89,058	555,034	-	556,350	421,817	68,971	-	-
Transfers in	-	-	-	8,593	9,543	-	-	-	-	-
Transfers out	(162,676)	(126,734)	-	(4,215)	(337,500)					
Change in net position	1,335,145	1,087,158	1,217,384	1,221,182	62,742	741,374	547,518	58,705	126,736	141,333
Total net position - beginning, as restated (1) (2)	2,428,919	3,764,064	4,851,222	5,656,260	6,877,442	6,940,184	7,681,558	8,229,076	8,287,781	8,414,517
Ending net position:										
Net investment in capital assets	2,002,495	2,484,986	3,950,070	4,336,742	4,894,032	6,496,175	6,717,478	6,546,769	6,831,579	6,326,276
Unrestricted	1,761,569	2,366,236	2,118,536	2,540,700	2,046,152	1,185,383	1,511,598	1,741,012	1,582,938	2,229,574
Total net position - ending	\$ 3,764,064	\$ 4,851,222	\$ 6,068,606	\$ 6,877,442	\$ 6,940,184	\$ 7,681,558	\$ 8,229,076	\$ 8,287,781	\$ 8,414,517	\$ 8,555,850

Total net position - beginning, was restated as of June 30, 2014. See Note 20, City of Lynchburg's Annual Comprehensive Financial Report for FY 2015 for an explanation.
 Total net position - beginning, was restated as of June 30, 2017. See Note 25, City of Lynchburg's Annual Comprehensive Financial Report for FY 2018 for an explanation.

COMPARATIVE STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET POSITION AIRPORT FUND LAST TEN FISCAL YEARS

	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
	2015	2010	2017	2018	2019	2020	2021	2022	2023	2024
perating revenues:										
Charges for services and other operating revenues	\$ 2,254,531	\$ 2,446,873	\$ 2,522,138	\$ 2,470,025	\$ 2,775,975	\$ 2,533,763	\$ 2,114,485	\$ 2,635,988	\$ 2,955,151	\$ 3,247,790
Intergovernmental	142,601	134,592	119,740	120,048	122,320	844,787	2,558,317	2,580,509	2,587,569	1,667,143
					,,.					
Total operating revenues	2,397,132	2,581,465	2,641,878	2,590,073	2,898,295	3,378,550	4,672,802	5,216,497	5,542,720	4,914,933
perating expenses: (1)										
Personal services and benefits	1,006,709	1,018,464	1,058,236	1,097,115	1,151,858	1,199,829	980,321	951,481	885,798	1,141,699
Operation and maintenance	1,166,823	1,011,546	1,134,897	965,901	1,064,812	1,281,301	1,658,459	2,013,978	1,909,294	1,797,579
Supplies and materials	12,803	137,041	141,930	114,948	145,406	53,306	183,642	192,569	184,840	280,10
Administration	239,614	235,287	258,123	272,997	300,143	282,978	260,306	336,678	316,815	335,18
Other charges	24,384	20,637	27,399	29,752	31,762	28,466	28,242	28,254	39,716	54,70
Depreciation	2,115,435	2,141,357	2,145,813	2,240,282	2,284,681	2,247,024	2,179,385	2,050,505	2,100,784	2,349,84
	4,565,768			4,720,995		5,092,904	5,290,355	5,573,465	5,437,247	
Total operating expenses	4,505,708	4,564,332	4,766,398	4,720,995	4,978,662	5,092,904	5,290,355	5,5/3,465	5,437,247	5,959,123
perating loss	(2,168,636)	(1,982,867)	(2,124,520)	(2,130,922)	(2,080,367)	(1,714,354)	(617,553)	(356,968)	105,473	(1,044,190
onoperating revenues (expenses):										
Interest income	2,254	8,281	21,668	44,361	93,544	92,189	11,660	32,224	512,144	839,07
Miscellaneous	9,724	20,004	70,047	44,190	10,131	5,976	22,234	11,567	12,573	19,66
Gain (Loss) on disposition of assets	-	-	-	12,487	7,032	421	-	-	-	
Interest on long-term debt	(8,061)	(27,422)	(24,752)	(11,781)	(38,239)	(33,252)	(30,048)	(26,675)	(40,217)	(44,466
Total nonoperating revenues (expenses)	3,917	863	66,963	89,257	72,468	65,334	3,846	17,116	484,500	814,268
ncome (loss) before contributions and transfers	(2,164,719)	(1,982,004)	(2,057,557)	(2,041,665)	(2,007,899)	(1,649,020)	(613,707)	(339,852)	589,973	(229,922
Capital contributions	3,065,217	2,264,831	2,824,123	1,985,329	2,054,429	2,992,979	4,139,246	6,632,385	2,105,501	3,229,342
Passenger facility charges (2)	323,963	317,503	320,942	338,455	360,123	325,214	233,439	302,589	298,314	308,030
Transfers in	96,600			13,346	16,432	- <u></u>				
hange in net position	1,321,061	600,330	1,087,508	295,465	423,085	1,669,173	3,758,978	6,595,122	2,993,788	3,307,450
otal net position - beginning, as restated (1) (3)	35,756,707	37,077,768	37,678,098	37,858,123	38,153,588	38,576,673	40,245,846	44,004,824	50,599,946	53,593,734
nding net position:										
Net investment in capital assets	35,973,930	34,496,749	37,058,108	37,141,375	35,473,699	35,181,514	35,326,409	39,502,497	39,323,321	44,489,28
Restricted	7,231	3,478	108,833	46,465	3,621	53,350	53,539	51,547	28,545	33,014
TT	1,096,607	3,177,871	1,598,665	965,748	3,099,353	5,010,982	8,624,876	11,045,902	14,241,868	12,378,892
Unrestricted	1,090,007	5,177,071	1,570,005	705,740	5,077,555	5,010,702	0,021,070	11,010,702	1 1,2 11,000	12,570,07

(1) Total net position - beginning, was restated as of June 30, 2014. See Note 20, City of Lynchburg's Annual Comprehensive Financial Report for FY 2015 for an explanation.

(2) Beginning in FY 2013, Passenger facility charges are reported with capital contributions and transfers.
 (3) Total net position - beginning, was restated as of June 30, 2017. See Note 25, City of Lynchburg's Annual Comprehensive Financial Report for FY 2018 for an explanation.

TAX REVENUES BY SOURCE, GOVERNMENTAL FUNDS, LAST TEN FISCAL YEARS

(modified accrual basis of accounting)

	Fiscal Year												
	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024			
Real Estate	\$ 54,894,485	\$ 55,825,934	\$ 56,473,104	\$ 56,927,450	\$ 57,541,054	\$ 60,268,655	\$ 61,597,048	\$ 66,268,468 \$	\$ 67,170,299 \$	65,307,64			
PSC Taxes	2,267,069	2,371,493	2,419,023	2,522,219	2,596,128	2,608,746	2,738,081	2,652,828	2,776,319	2,318,40			
Personal Property Tax	17,578,905	18,390,620	18,747,247	19,635,406	20,347,254	21,556,547	21,619,044	23,456,075	25,019,655	26,479,54			
Penalties & Interest	1,299,858	1,198,049	1,385,475	1,275,152	1,218,007	1,154,905	1,236,751	1,269,376	1,586,477	1,547,024			
Sales & Use Tax	15,006,326	14,995,131	15,351,346	15,282,741	15,913,730	16,478,533	18,586,355	20,685,254	21,956,963	21,856,03			
Utility Tax	4,575,492	4,660,389	4,569,906	4,768,971	4,673,597	4,527,034	4,581,154	4,733,518	4,452,987	4,287,27			
Business License Tax	8,535,544	8,464,009	9,258,208	9,095,288	9,398,263	9,553,844	9,294,844	10,049,251	11,058,315	11,054,35			
Franchise License Tax		10,100	500	-	-	-	-	-	-				
Communication Sales & Use Tax	3,382,915	3,282,767	3,202,076	3,101,975	2,877,715	2,812,099	2,497,779	2,424,362	2,354,000	2,212,15			
Motor Vehicle Licenses	1,701,647	1,722,007	1,764,571	1,765,907	1,800,426	1,863,819	1,760,977	1,792,935	1,791,784	343,574			
Bank Stock Taxes	831,103	836,320	834,986	829,988	953,307	519,806	870,383	955,810	950,835	1,022,23			
Taxes on Recordation and Wills	592,113	504,432	614,673	629,846	694,483	699,608	1,015,647	1,177,889	939,214	886,23			
Tobacco Taxes	936,024	900,484	903,846	870,084	846,122	840,871	786,583	796,786	698,822	680,90			
Admission and Amusement Taxes	667,212	678,870	762,657	847,388	820,805	624,430	302,249	756,599	854,490	869,35			
Hotel and Motel Room Taxes	2,066,200	2,100,391	2,226,551	2,583,241	2,648,042	2,100,355	2,180,981	2,856,364	3,274,962	3,446,13			
Restaurant Food Taxes	13,435,756	14,081,199	14,381,667	14,699,512	14,893,353	13,456,401	15,113,084	17,836,864	19,420,493	19,864,72			
otal General Government Tax Revenues	\$ 127,770,649	\$ 130,022,195	\$ 132,895,836	\$ 134,835,168	\$ 137.222.286	\$ 139.065.653	\$ 144,180,960	\$ 157,712,379 \$	\$ 164,305,615 \$	162,175,60			

Source: Chief Financial Officer, City of Lynchburg, Virginia.

ASSESSED VALUE OF TAXABLE REAL PROPERTY, LAST TEN FISCAL YEARS (1)

(in thousands of dollars)

Fiscal Year	 Residential Property (3)	 Commercial Property	 Industrial Property]	Fotal Taxable Assessed Value (2) (4)	Direct Tax Rate
2015	\$ 3,358,581,200	\$ 1,312,217,000	\$ 356,639,200	\$	5,027,437,400	1.11
2016	3,383,069,800	1,396,087,500	364,092,500		5,143,249,800	1.11
2017	3,417,714,400	1,395,683,100	364,597,600		5,177,995,100	1.11
2018	3,461,934,400	1,404,744,500	362,786,100		5,229,465,000	1.11
2019	3,503,663,800	1,440,950,200	362,489,500		5,307,103,500	1.11
2020	3,702,964,600	1,535,445,000	367,252,100		5,605,661,700	1.11
2021	3,773,293,400	1,561,696,200	361,916,500		5,696,906,100	1.11
2022	4,187,446,900	1,589,336,500	390,144,300		6,166,927,700	1.11
2023	4,207,702,500	1,577,534,200	392,477,800	6,177,714,500	6,177,714,500	1.11
2024	5,353,280,300	1,753,230,300	482,942,000		7,589,452,600	0.89

Source: Real Estate Assessor, City of Lynchburg, Virginia

(1) Assessed value is as of July 1 of each fiscal year.

(2) Excludes tax-exempt property.

(3) These figures include assessments that qualify for land use exemptions. Title 58.1-3230 through 3244 of the Code of Virginia provides for the assessment of land based on use value rather than market value. Use value is the assessment of the land for a specific purpose and is generally lower than market value. This is a local option statute adopted by the City of Lynchburg.

(4) Fiscal Years 2017, 2018 and 2020 are restated due to correction of prior year's data.

	Real Property (1)						Personal Prop	erty (3)		Machinery and	Tools		
Fiscal Year	Residential Property (2)(6)	Commercial Property (2)(7)	Public Service Corporation	Total	Tax Rate	Personal Property	Public Service Corporation	Total	Tax Rate	Machinery and Tools (2)	Tax Rate	Total Assessed Value of Taxable Property	Total Direct Tax Rate (8)
2015	\$ 3,358,581,200	\$ 1,668,856,200	\$ 175,223,235	\$ 5,202,660,635	1.11	\$ 622,453,513 (4)	\$ 25,979,883	\$ 648,433,396	3.80	\$ 155,103,327 (4)	3.00	\$ 6,006,197,358	7.91
2016	3,383,069,800	1,760,180,000	185,088,590	5,328,338,390	1.11	625,528,817 (4)	28,004,949	653,533,766	3.80	159,879,989 (4)	3.00	6,141,752,145	7.91
2017	3,417,070,700	1,760,280,700	188,976,706	5,366,328,106	1.11	658,107,572 (4)	26,479,912	684,587,484	3.80	158,933,643 (4)	3.00	6,209,849,233	7.91
2018	3,460,374,300	1,767,530,600	193,804,645	5,421,709,545	1.11	676,603,014 (4)	31,249,795	707,852,809	3.80	169,680,373 (4)	3.00	6,299,242,727	7.91
2019	3,503,663,800	1,803,439,700	205,907,581	5,513,011,081	1.11	718,416,481 (4)	26,991,933	745,408,414	3.80	175,657,733 (4)	3.00	6,434,077,228	7.91
2020	3,709,717,400	1,902,697,100	200,755,250	5,813,169,750	1.11	723,862,510 (4)	33,531,033	757,393,543	3.80	157,661,606 (4)	3.00	6,728,224,899	7.91
2021	3,773,293,400	1,923,612,700	214,754,922	5,911,661,022	1.11	795,541,727 (4)	31,097,593	826,639,320	3.80	158,532,445 (4)	3.00	6,896,832,787	7.91
2022	4,187,446,900	1,979,480,800	209,009,697	6,375,937,397	1.11	812,007,960 (4)	29,459,641	841,467,601	3.80	165,805,534 (4)	3.00	7,383,210,532	7.91
2023	4,207,702,500	1,970,012,000	220,176,366	6,397,890,866	1.11	863,955,841 (4)	29,353,165	893,309,006	3.80	173,660,754 (4)	3.00	7,464,860,626	7.91
2024	5,353,280,300	2,236,172,300	228,209,953	7,817,662,553	0.89	774,344,309 (5)	31,428,197	805,772,506	3.80	163,242,732 (5)	3.00	8,786,677,791	7.69

Sources: Real Estate Assessor and Commissioner of Revenue, City of Lynchburg, Virginia

(1) Assessed value is as of July 1 of the fiscal year noted.

(2) Real estate and machinery and tools are assessed at 100% of fair market value.

(3)Personal property tax is assessed according to the National Automobile Dealers Association (NADA) pricing guide. Tax year 2022 was assessed at 75% of the NADA and tax year 2023 was assessed at 90% of the NADA value.

All other tax years were assessed at 100% value.

(4) These figures have been updated to reflect all billings associated with the levy.

(5) 2024 Personal Property Tax Levy in FY 2024. These figures only reflect two of the four billings associated with this levy. These figures will be updated in FY 2025 to reflect all four billings.

(6) These figures are net of land use exemptions. Title 58.1-3230 through 3244 of the Code of Virginia provides for the assessment of land based on use value rather than market value.

Use value is the assessment of the land for a specific purpose and is generally lower than market value. This is a local option statute adopted by the City of Lynchburg.

(7) Commercial property also includes industrial property.

(8) When a government's individual direct rates apply to the same proportion of the revenue base, and does not apply to only a portion (such as residential, commercial, industrial) the Total Direct Rate is the sum of individual direct rates.

PRINCIPAL PROPERTY TAXPAYERS, CURRENT YEAR AND NINE YEARS AGO

					2024				2015	
Тахрауег	Type of Business	As	Taxable sessed Value	Rank	Percentage of Total Taxable Assessed Value	2024 Total Tax Levy	Percentage of Total Tax Levy	Taxable Assessed Value	Rank	Percentage of Total Taxable Assessed Value
AEP - American Electric Power	Utility	s	128,429,087	1	1.46 %	\$ 1,148,671	1.12 %	\$ 80.513.40	4 1	1.36 %
Frito Lav, Inc.	Food Manufacturer		64,823,590	2	0.74	1,406,658	1.38	54,214,90	1 2	0.92
River Ridge, Ltd.	Shopping Mall		62,985,772	3	0.72	590,078	0.58	46,604,40		0.79
Framatome (fmr Areva NP, Inc.)	Nuclear Power Design & Fuel		53,207,251	4	0.61	1,013,357	0.99	53,326,33		0.90
Triangle West Edge (fmr TPB Enterprises LLC)	Apartments		51,804,619	5	0.59	461,463	0.45			
REA Lynchburg LLC	Apartments		43,425,834	6	0.49	389,602	0.38			
Columbia Gas of Virginia, Inc.	Utility		37,085,378	7	0.42	335,101	0.33	28,830,46	4 9	0.49
Wal-Mart Real Estate Business Trust	Retail		36,526,086	7	0.42	391,881	0.38	37,819,14		0.64
Eleven 25 of Virginia	Apartments		35,360,600	8	0.40	314,709	0.31			
C.B. Fleet Co.	Pharmaceuticals		33,943,093	9	0.39	591,018	0.58	20,025,85	9 11	0.34
Verizon Va, Inc.	Utility		30,415,457	10	0.35	272,051	0.27	39,612,86	0 6	0.67
Gardens on Timberlake LLC (fmr Carriage Sq)	Apartment complex		29,953,100	11	0.34	266,583	0.26			
J Crew Inc.	Clothing		28,197,789	12	0.32	513,582	0.50	23,410,76	5 10	0.40
MMAC FCA (fmr Central Virginia Prof)	Medical Office		26,692,300	13	0.30	237,561	0.23			
Genworth Financial, Inc.	Life Insurance		23,939,990	14	0.27	473,219	0.46	42,584,24	95	0.72
Rosedale Investments LLC	Apartments/shopping		24,000,000	14	0.27	168,249	0.16			
Logans Landing LLC	Apartments		22,935,200	15	0.26	204,123	0.20			
Vistas LP	Apartments		22,682,000	15	0.26	201.870	0.20			
Azdel Inc	Thermoplastic manufacturer		22,369,012	16	0.25	431,859	0.42			
Southwood Overlook LLC (fmr CL Overlook LP)	Apartments		22,364,809	16	0.25	199,300	0.20			
LU Candlers Station Holdings LLC	Shopping Center		21,500,000	17	0.24	191,350	0.19	17,588,40	0 13	0.30
Old Mill Investments LLC	Apartments		17,940,500	18	0.20	159,670	0.16			
Virginian Hotel & Restaurant	Hotel/conference center		17,787,463	18	0.20	181,224	0.18			
L3 Harris Corp.	Radio communications		16,285,789	19	0.19	145,275	0.14			
IREIT Lynchburg Lakeside LLC	Shopping Center		16,226,000	20	0.18	144,411	0.14			
Lynchburg Hospitality LLC	Hotel		15,500,000	20	0.18	137,950	0.13			
Lynchburg (Wards Crossing) LLC	Retail		15,110,600	21	0.17	133,071	0.13			
Reserve at Burton Creek	Apartments		15,108,100	21	0.17	134,462	0.13			
Delta Star Inc	Power Transformer Manufacturing		13,811,000	22	0.16	122,214	0.12			
Old Mill Acquisitions LLC	Apartments		14,052,200	22	0.16	125,065	0.12			
Lynchburg Hotel Group	Hotels		12,734,650	23	0.14	134,274	0.13			
700 Main Street LLC (Pacific Life Insurance)	Office building		11,500,000	24	0.13	102,350	0.10			
Summit SNF Property Holdings, LLC	Nursing Home/Assisted Living		11,500,000	24	0.13	102,350	0.10			
Virgina Baptist Homes, Inc (fmr CCRC, Inc.)	Nursing Home/Assisted Living		-		0.00	-	0.00	18,802,10	0 12	0.32
LSC Communications (fmr RR Donnelley)	Periodical Publication Printing		-		0.00	-	0.00	32,157,37	7 8	0.54
Total		\$	1,000,197,269		11.38 %	\$ 11,424,601	11.18 %	\$ 495,490,25	6	8.39 %
T-4-1 A		¢	9 796 677 701					\$ 5 00 <i>6 644</i> 75	2	
Total Assessed Valuation:		\$	8,786,677,791					\$ 5,906,644,75	3	
Tax Levy:										
Real Estate			\$ 67,547,496							
Railroads and Pipelines			205,144							
Public Service Corporations			2,113,263							
Personal Property		·	32,337,471							
Total Tax Levy:			\$ 102,203,374							

Source: Real Estate Assessor and Commissioner of Revenue, City of Lynchburg, Virginia

PROPERTY TAX LEVIES AND COLLECTIONS LAST TEN FISCAL YEARS

	Tax Levied						Collected v Fiscal Year				Total Collect	ions to Date		
Fiscal Year	for the Fiscal Year (1)	Adjustm	ents (2)		Adjusted Levy		_		Amount	Percer of Lev		nquent Tax lections (4)	 Amount	Percentag of Levy (3
2015	\$ 81,223,917	\$ 3	374,235	\$ 81	,598,152	\$	78,731,871	96.9	3%	\$ 2,849,838	\$ 81,581,709	99.98%		
2016	82,721,284	1	79,324	82	,900,608		80,478,895	97.2	9%	2,399,514	82,878,409	99.97%		
2017	83,923,034	6	517,068	84	,540,102		81,750,492	97.4	1%	2,748,551	84,499,043	99.95%		
2018	85,534,487	6	559,702	86	,194,189		83,113,348	97.1	7%	3,043,863	86,157,211	99.96%		
2019	87,349,894	8	324,495	88	,174,389		84,635,267	96.8	9%	3,389,160	88,024,427	99.83%		
2020	90,985,488	4	198,453	91	,483,941		88,831,389	97.6	3%	2,479,323	91,310,712	99.81%		
2021	94,112,716	6	593,927	94	,806,643		90,819,949	96.5	0%	3,721,491	94,541,440	99.72%		
2022	100,695,312	5	532,490	101	,227,802		97,067,294	96.4	0%	3,703,438	100,770,732	99.55%		
2023	102,967,953	7	759,273	103	,727,226		99,601,117	96.7	3%	2,899,501	102,500,618	98.82%		
2024	102,307,038	(6	553,507)	101	.653.531		98,227,848	96.0	1%	-	98,227,848	96.63%		

Source: Chief Financial Officer, City of Lynchburg, Virginia

(1) Total tax levy is calculated based on the sum of the initial Real Estate Tax and Personal Property Tax levies.

(2) Adjustments include supplemental billings and exonerations attributable to the year the tax was levied. The current year only includes exonerations.

(3) These columns represent the amount and percentage of the tax levy within the respective tax year reporting period.

(4) These columns represent collections in subsequent years for the tax levied in the noted fiscal year.

PROPERTY TAX RATES LAST TEN FISCAL YEARS

(per \$100 of assessed valuation)

	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Real Estate										
Locally Assessed	\$ 1.11	\$ 1.11	\$ 1.11	\$ 1.11	\$ 1.11	\$ 1.11	\$ 1.11	\$ 1.11	\$ 1.11	\$ 0.89
Personal Property										
Locally Assessed	3.80	3.80	3.80	3.80	3.80	3.80	3.80	3.80	3.80	3.80
Machinery and Tools	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00
Automobiles, Trucks and										
Business Equipment	3.80	3.80	3.80	3.80	3.80	3.80	3.80	3.80	3.80	3.80
Public Service Corporations										
Equalized	1.11	1.11	1.11	1.11	1.11	1.11	1.11	1.11	1.11	0.89
Automobiles and Trucks	3.80	3.80	3.80	3.80	3.80	3.80	3.80	3.80	3.80	3.80
Total Direct Tax Rate	7.91	7.91	7.91	7.91	7.91	7.91	7.91	7.91	7.91	7.69

Note: There is no overlapping government taxation.

Source:

City of Lynchburg Adopted Budget Fiscal Year 2024 Commissioner of the Revenue for City of Lynchburg, Virginia www.lynchburgva.gov

TAXABLE RETAIL SALES AND TAXABLE RETAIL SALES PER CAPITA LAST TEN FISCAL YEARS

Fiscal Year	Population (1)	Tax	Taxable Retail Sales Per Capita (2)			
2015	79,318	\$	1,353,815,269	\$	17,068	
2016	79,977		1,345,647,515		16,825	
2017	7 80,667		1,373,101,289		17,022	
2018	80,690		1,388,422,136		17,207	
2019	80,772		1,426,885,543		17,666	
2020	80,327		1,415,058,859		17,616	
2021	80,054		1,621,386,030		20,254	
2022	80,127		1,803,280,572		22,505	
2023	80,736		1,830,041,726		22,667	
2024	80,736		*		*	

(1) Weldon Cooper Center for Public Service, University of Virginia www.coopercenter.org Figures given are the final estimate for that year. Since the estimate for the current fiscal year is not available at this time, the prior year data is given. 2015 through 2023 are all based on calendar year sales published on January 31, 2024Intercensal estimates for 2020-2023 were last published on January 29,2024.

(2) Weldon Cooper Center for Public Service, University of Virginia https://ceps.coopercenter.org/taxable-sales Information provided courtesy of the Virginia Department of Taxation, information is as of January 31st

* Information unavailable

WATER. SEWER AND STORMWATER RATES LAST TEN FISCAL YEARS

						Wate	er, Se	wer and S	torm	water Ra	tes							
	FY	2015	F	Y 2016	F	Y 2017	F	FY 2018	F	Y 2019	F	Y 2020	F	Y 2021	F	Y 2022	FY 2023	FY 2024
Water																		
Volume Rate/hcf*	\$	2.43	\$	2.43	\$	2.55	\$	2.68	\$	2.68	\$	2.68	\$	2.68	\$	2.68	2.77	2.83
Hydrant charge or 8" or smaller fire line		19.79		19.79		20.58		20.58		20.58		20.58		20.58		20.58	20.58	20.58
10" fire line		35.53		35.53		36.95		36.95		36.95		36.95		36.95		36.95	36.95	36.95
12" fire line		56.38		56.38		58.64		58.64		58.64		58.64		58.64		58.64	58.64	58.64
Sewer																		
Volume Rate/hcf*	\$	5.65	\$	5.83	\$	6.02	\$	6.02	\$	6.02	\$	6.02	\$	6.14	\$	6.14	7.22	8.30
<u>Stormwater</u>																		
Single Family Unit Rate	\$	4.00	\$	4.00	\$	4.00	\$	4.00	\$	4.00	\$	4.00	\$	4.00	\$	4.00	\$ 4.17	\$ 4.48

* hundred cubic feet

Monthly Service Charge Table FY 2015 FY 2016 FY 2017 FY 2018 FY 2019 FY 2020 FY 2021 FY 2022 FY 2023 FY 2024 Meter Size 5/8" \$ 7.69 \$ 7.69 7.69 \$ 7.69 \$ 7.69 \$ 7.69 \$ 7.69 \$ 7.69 \$ 7.69 \$ 7.69 \$ 314" 9.69 9.69 9.69 9.69 9.69 9.69 9.69 9.69 9.69 9.69 1" 13.69 13.69 13.69 13.69 13.69 13.69 13.69 13.69 13.69 13.69 1-1/2" 23.69 23.69 23.69 23.69 23.69 23.69 23.69 23.69 23.69 23.69 2" 35.69 35.69 35.69 35.69 35.69 35.69 35.69 35.69 35.69 35.69 3" 63.69 63.69 63.69 63.69 63.69 63.69 63.69 63.69 63.69 63.69 4" 123.69 123.69 123.69 123.69 123.69 123.69 123.69 123.69 123.69 123.69 6" 243.69 243.69 243.69 243.69 243.69 243.69 243.69 243.69 243.69 243.69 8" 363.69 363.69 363.69 363.69 363.69 363.69 363.69 363.69 363.69 363.69 10" 603.69 603.69 603.69 603.69 603.69 603.69 603.69 603.69 603.69 603.69

Source: Director of Water Resources, City of Lynchburg, Virginia.

RATIOS OF OUTSTANDING DEBT BY TYPE LAST TEN FISCAL YEARS (dollars expressed in thousands, except for per capita amounts)

		Govern	mental Activi	ties				Bus	iness-type Activ	ities			Total Primary Government - Net Outstanding Debt Rati				
Fiscal Year	General Obligation Bonds	Direct Borrowings ⁽¹⁾	General Obligation Notes	Note Payable and Other	Leases	Net Deferred Amounts ⁽²⁾	General Obligation Bonds	Direct Borrowings ⁽¹⁾	General Obligation Notes	Public Utility Revenue Bonds	Leases	Net Deferred Amounts ⁽²⁾	Total Primary Government (Principal Only)	Total Primary Government - Net (Includes Net Deferred Amounts)	Percentage of Personal Income ⁽³⁾	Total Primary Government - Net Bonded Debt Per Capita ⁽³⁾	
2015	\$ 186,515	\$ -	s -	\$ 1,580	s -	\$ 11,087	\$ 70,415	\$ -	\$ -	\$ 111,236	s -	\$ 2,871	\$ 369,746	\$ 383,704	13.14%	\$ 4,877	
2016	191,848	-	-	1,400	-	12,877	76,395	-	-	104,998	-	4,722	374,641	392,240	13.16%	4,932	
2017	180,737	-	-	1,220	-	12,143	71,917	-	-	99,530	-	4,483	353,404	370,030	11.94%	4,604	
2018	169,882	12,496	183	4,978	-	12,610	79,953	1,400	618	93,217	-	5,709	362,727	381,046	11.60%	4,685	
2019	160,508	10,851	2,457	3,500	-	11,792	76,582	1,130	5,619	118,825	-	5,412	379,472	396,676	11.90%	4,910	
2020	173,528	9,188	551	3,063	-	14,594	72,970	856	81	113,934	-	5,914	374,171	394,679	11.16%	4,857	
2021	163,143	6,246	4,529	2,625	-	14,849	69,349	-	3,169	109,284	-	6,234	358,345	379,428	10.00%	4,740	
2022	152,733	5,163	7,910	2,188	2,658	13,789	66,040	-	10,575	102,640	2	5,874	349,909	369,572	9.56%	4,612	
2023	184,219	4,072	-	1,750	2,611	16,674	88,028	-	-	96,103	28	6,346	376,811	399,831	10.26%	4,952	
2024	175,507	3,330	449	1,313	2,668	15,810	83,400	-	11,532	90,342	66	5,969	368,607	390,386	10.02%	4,835	

Source: Chief Financial Officer, City of Lynchburg, Virginia.

Note: Details regarding the City's outstanding debt can be found in the Notes to the Financial Statements.

The City of Lynchburg is autonomous and entirely independent of any county or any other political subdivision of the Commonwealth of Virginia.

Therefore, there is no direct and no overlapping debt related to governmental activities.

(1) Direct Borrowings were split out from General Obligation Bonds starting with FY 2018 to meet GASB 88 disclosure requirements.

(2) Net Deferred Amounts include Premiums and Discounts.

(3) See Table 26 for population and per capita personal income information. For FY 2024 and FY 2023, the FY 2022 amount for per capita personal income of \$48,255 was utilized to calculate the Percentage of Personal Income.

RATIOS OF NET GENERAL BONDED DEBT OUTSTANDING, LAST TEN FISCAL YEARS

(dollars in thousands, except per capita)

Fiscal Year	Population (1)	ssed Valuation housands) (1)	Gross Bonded Debt (2)	Net Deferred Amounts (3)	Net Bonded Debt (Includes Net Deferred Amounts)	Net Bonded Debt To Assessed Value (Includes Net Deferred Amounts)	Debt P (Inclu Def	Bonded er Capita udes Net ferred ounts)	Paya En	led Debt ble From terprise Revenues (4)	De Ar Ent	Net eferred nounts terprise nds (4)	Gov	t Bonded Debt ernmental Is Only (4)	Net Bonded Debt Governmental Funds Only To Assessed Value (Includes Net Deferred Amounts) (4)
2015	79,318	\$ 6,006,197 (5)	\$ 256,930	\$ 13,958	\$ 270,888	4.51%	\$	3,415	\$	70,415	\$	2,871	\$	197,602	3.29%
2016	79,977	6,141,752 (5)	268,243	17,599	285,842	4.65%		3,574		76,395		4,722		204,725	3.33%
2017	80,667	6,209,849 (5)	252,654	16,626	269,280	4.34%		3,338		71,917		4,483		192,880	3.11%
2018	80,690	6,299,243 (5)	264,532	18,319	282,851	4.49%		3,505		81,971		5,709		195,171	3.10%
2019	80,772	6,434,077 (5)	257,147	17,204	274,351	4.26%		3,397		83,331		5,412		185,608	2.88%
2020	80,327	6,728,225 (5)	257,174	20,508	277,682	4.13%		3,457		73,907		5,914		197,861	2.94%
2021	80,054	6,896,833 (5)	246,436	21,083	267,519	3.88%		3,342		72,518		6,234		188,767	2.74%
2022	80,127	7,383,211 (5)	242,421	19,663	262,084	3.55%		3,271		76,615		5,874		179,595	2.43%
2023	80,736	7,464,861 (5)	276,319	23,020	299,339	4.01%		3,708		88,028		6,346		204,965	2.75%
2024	80,736	8,786,678 (6)	274,218	21,779	295,997	3.37%		3,666		94,932		5,969		195,096	2.22%

Source: Chief Financial Officer, City of Lynchburg, Virginia.

(1) See Table 14 for Assessed Valuations and Table 26 for population information.

(2) Includes governmental and business type activity general obligation principal only and excludes City of Lynchburg Public Utility revenue bonds.

(3) Net Deferred Amounts include Premiums and Discounts.

(4) Per City Council Adopted Debt Polices, total tax-supported debt will not exceed 4.5% of the net assessed valuation of taxable property in the City of Lynchburg.

For the purpose of this policy, tax-supported obligations are defined as those that are expected to be repaid from General Fund tax revenue of the City of Lynchburg.

These include general obligation bonds (except self-supporting bonds) and capital leases. General obligation bonds issued for self-supporting enterprise funds are not included in the calculations of tax-supported bonds. The City is including a ratio of Governmental Fund debt only to prove adherance to internal debt policies.

(5) These figures have been updated to reflect all billings associated with the personal property tax levy.

(6) These figures only reflect two of the four billings associated with the personal property tax levy.

These figures will be updated in FY 2025 to reflect all four billings.

Note: Details regarding the City's outstanding debt can be found in the Notes to the Financial Statements.

LEGAL DEBT MARGIN INFORMATION, LAST TEN FISCAL YEARS

(dollars in thousands)

Legal Debt Margin Calculation for Fiscal Year 2024

Real Property Assessed Value Public Service Corporations Real Property Assessed Value Total Real Property Assessed Value (1)	\$ 7,589,453 228,210 7,817,663
Debt limit (10% of assessed value)	781,766
Debt applicable to limit: Less: General Obligation Debt	(274,218)
Legal Debt Margin	\$ 507,548

					Fis	cal Years				
Description	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Debt limit	\$ 520,266	\$ 532,834	\$ 536,633	\$ 542,171	\$ 551,301	\$ 581,317	\$ 591,166	\$ 637,594	\$ 639,789	\$ 781,766
Total net debt applicable to limit	256,930	268,243	252,654	264,532	257,147	257,174	246,436	242,421	276,319	274,218
Legal debt margin	\$ 263,336	\$ 264,591	\$ 283,979	\$ 277,639	\$ 294,154	\$ 324,143	\$ 344,730	\$ 395,173	\$ 363,470	\$ 507,548
Total net debt applicable to the limit as a percentage of the debt limit	49.38%	50.34%	47.08%	48.79%	46.64%	44.24%	41.69%	38.02%	43.19%	35.08%

Source: Chief Financial Officer, City of Lynchburg, Virginia.

(1) See Table 14 for Real Property Assessed Value information.

Note: The Constitution of Virginia, Article 7, Section 10(a) sets forth the City's legal debt limit at ten percent (10%) of its assessed valuation of real estate subject to taxation for the City's issuance of any bonds or other interest-bearing obligations. In August 1999, City Council adopted a Debt Management Policy that limits tax-supported debt to five percent (5%) of its assessed valuation of real estate subject to taxation. In December 2006, City Council amended the Debt Management Policy that limits tax-supported debt to four and a half percent (4.5%) of its assessed valuation of real estate subject to taxation. All debt information included in this Table includes principal only as required by Virginia law.

PLEDGED REVENUE COVERAGE WATER FIRST FISCAL YEAR

	Fiscal Year
	2024
Water Fund Operating Income	\$ 2,050,539
Plus:	
Depreciation & amortization	3,435,275
Interest income received	551,004
Governmental grants & miscellaneous income	21,214
Intergovernmental transfer	
Capitalized cost	139,016
Net Revenue per Indenture	\$ 6,197,048
Debt Service	
General obligation bonds	
Principal	\$ 1,997,104
Interest	1,805,928
Total	3,803,032
Revenue bonds	
Principal	
Interest	
Total	
Total Debt Service Principal and Interest	\$ 3,803,032
Debt Coverage	1.63

PLEDGED REVENUE COVERAGE SEWER LAST TEN FISCAL YEARS

		Fiscal Year													
	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024					
Sewer Fund Operating Income	\$ 3,013,600	\$ 3,450,629	\$ 4,269,364	\$ 4,000,011	\$ 4,384,930	\$ 3,474,334	\$ 3,162,627	\$ 2,253,237	\$ 2,442,400	\$ 3,908,030					
Plus:															
Depreciation & amortization	7,584,388	7,635,836	7,888,946	7,898,587	8,037,676	8,131,718	8,434,452	10,441,598	10,554,426	10,565,850					
Interest income received Capital contributions from members	73,142	85,086	124,705	241,852	409,567	350,086	79,817	49,315	774,628	1,326,274					
Regional Sewerage Treatment Plant	1,015,339	525,856	616,250	549,989	504,507	1,027,533	592,329	903,795	527,051	604,695					
Governmental grants & miscellaneous income	10,400	11,821	19,824	47,687	47,717	270,958	53,235	100,365	87,420	61,223					
Intergovernmental transfer (3)	126,734	126,734	-	-	-	-	-	-	-	-					
Capitalized cost (2)	151,044	131,088	163,662	135,257	103,546	114,211	124,984	147,661	162,000	191,426					
Net Revenue per Indenture (1)	\$11,974,647	\$11,967,050	\$ 13,082,751	\$ 12,873,383	\$ 13,487,943	\$ 13,368,840	\$ 12,447,444	\$ 13,895,971	\$ 14,547,925	\$16,657,498					
Debt Service															
General obligation bonds															
Principal (4) (5)	\$ 1,962,544	\$ 1,990,110	\$ 2,059,474	\$ 1,863,830	\$ 1,607,228	\$ 1,384,934	\$ 1,326,351	\$ 1,395,513	\$ 1,390,302	\$ 1,570,614					
Interest	1,058,566	1,046,664	891,725	987,085	1,052,708	1,100,070	1,059,949	981,590	1,111,845	1,275,280					
Total	3,021,110	3,036,774	2,951,199	2,850,915	2,659,936	2,485,004	2,386,300	2,377,103	2,502,147	2,845,894					
Revenue bonds															
Principal	6,034,143	6,238,057	6,274,745	6,312,571	6,351,572	5,816,174	6,055,995	6,449,022	6,449,022	6,449,022					
Interest	210,084	174,501	137,815	99,989	60,988	20,775	5,345		-						
Total	6,244,227	6,412,558	6,412,560	6,412,560	6,412,560	5,836,949	6,061,340	6,449,022	6,449,022	6,449,022					
Total Debt Service Principal and Interest	\$ 9,265,337	\$ 9,449,332	\$ 9,363,759	\$ 9,263,475	\$ 9,072,496	\$ 8,321,953	\$ 8,447,640	\$ 8,826,125	\$ 8,951,169	\$ 9,294,916					
Debt Coverage	1.29	1.27	1.40	1.39	1.49	1.61	1.47	1.57	1.63	1.79					

(1) On August 19, 1994, the Virginia Department of Environmental Quality(VDEQ) issued the City a discharge permit and a special Consent Order which established a compliance schedule and project priorities for implementation of a Combined Sewer Overflow (CSO) Control Plan. The compliance schedule did not contain fixed dates for finished CSO Control Plan Projects for achieving complete sewer system separation , but rather provided implementation that reflects the Citys financial capability. On July 31, 2015, VDEQ issued a revised Consent Special Order which significantlychanged the CSO Long Term Control Plan that includes an alternate list of projects. The former Consent Order included a debt coverage requirement for determining Citys financial capability within a annual range of 1.1 to 1.5. The revised Consent Order includes a debt coverage ratio requirement within a range of 1.1 to 1.5 computed under a a rolling three war average.

(2) Capitalizable cost includes internal labor charges applicable to time spent on capital project activities.

(3) For FY2012, the General Fund transferred \$688,036 to the Sewer Fund for maintenance and operation of the City's storm sewer system. For FY2014, FY2015, and FY2016, the Stormwater Operating Fund transferred \$126,734 to the Sewer Operating Fund which were annual installments to reimburse the Sewer Operating Fund for Stormwater Operating Fund's set up costs.

(4) For FY2020, the payment of \$2,125,000 for the defeased August 13, 2009 Series B Bonds were excluded from Debt Service.

(5) For FY2020, Bond Anticipation Note of \$6,645,700 was paid with the issuance of January30, 2020 General Obligation Bonds and therefore was excluded from Debt Service.

PLEDGED REVENUE COVERAGE STORMWATER LAST SIX FISCAL YEARS

			Fisca	al Yea	ar		
	 2019	 2020	 2021		2022	 2023	 2024
Stormwater Fund Operating Income Plus:	\$ 330,011	\$ 179,840	\$ 150,340	\$	(4,915)	\$ 144,138	\$ 190,986
Depreciation & amortization	275,261	295,876	419,151		456,956	400,339	442,271
Interest income received	60,794	39,235	5,873		3,223	128,896	182,282
Governmental grants & miscellaneous income	00,794	3,203	(9,761)		(14)	128,890	552
Intergovernmental transfer (1)	(337,500)	5,205	(),/01)		(14)		552
Capitalized cost (2)	33,883	48,319	33,256		31,299	55,254	66,492
1	 	 · · · ·	 <u> </u>		<u> </u>	 · · · ·	 <u> </u>
Net Revenue per Indenture	\$ 362,449	\$ 566,473	\$ 598,859	\$	486,549	\$ 728,627	\$ 882,583
Debt Service							
General obligation bonds							
Principal	\$ -	\$ -	\$ 15,000	\$	15,000	\$ 15,000	\$ 55,000
Interest	106	28,374	22,623		31,689	104,021	219,137
Total	106	28,374	37,623		46,689	 119,021	274,137
Revenue bonds							
Principal	40,331	67,142	93,950		93,950	87,619	87,618
Interest	-	-	-		-	-	-
Total	 40,331	 67,142	 93,950		93,950	 87,619	 87,618
Total Debt Service Principal and Interest	\$ 40,437	\$ 95,516	\$ 131,573	\$	140,639	\$ 206,640	\$ 361,755
Debt Coverage	 8.96	 5.93	 4.55		3.46	 3.53	 2.44

(1) For FY2019, the Stormwater Fund transferred \$337,500 to the General Fund to help mitigate cost impacts related to the August 2, 2018 Flood Event.

(2) Capitalizable cost includes internal labor charges applicable to time spent on capital project activities.

DEMOGRAPHIC AND ECONOMIC STATISTICS LAST TEN CALENDAR YEARS

Calendar Year	Population (1)	(th	conal Income cousands of ollars) (2)	Р	r Capita ersonal come (3)	Median Age (4)	School Enrollment (5)	Unemployment Rate (6)
2015	79,318	\$	2,922,551	\$	36,846	39.9	8,577	5.8
2016	79,977		2,966,987		37,098	40.3	8,566	4.7
2017	80,667		3,086,481		38,262	39.8	8,477	4.8
2018	80,690		3,198,390		39,638	39.9	8,413	3.9
2019	80,772		3,312,298		41,008	39.9	8,286	3.6
2020	80,327		3,547,722		44,166	40.0	8,238	7.8
2021	80,054		3,799,043		47,456	40.0	7,961	4.8
2022	80,127		3,866,528		48,255	40.1	7,879	3.4
2023	80,736		*		*	39.5	7,903	3.6
2024	80,736		*		*	*	7,794	3.7

Source: Chief Financial Officer, City of Lynchburg, Virginia.

(1) Weldon Cooper Center for Public Service, University of Virginia www.coopercenter.org Figures given are the final estimate for that year. Since the estimate for the current fiscal year is not available at this time, the prior year data is given. 2015 through 2019 based on a July 1st estimate published on January 30, 2023. Intercensal estimates for 2020-2023 were last published on January 29, 2024.

(2) U.S. Department of Commerce, Economic and Statistic Administration, Bureau of Economic Analysis Per Capita Personal Income multiplied by Population. Annual dollars revised due to revisions in Per Capita Personal Income (see note 3 below).

(3) U.S. Department of Commerce, Economic and Statistic Administration, Bureau of Economic Analysis Report MAINC1 - Personal Income Summary: https://apps.bea.gov/iTable/iTable.cfm?reqid=70&step=1&isuri=1&acrdn=7#reqid=70&step=1&isuri=1&acrdn=7 MSA Map corroborates 2019 number - https://apps.bea.gov/regional/bearfacts/action.cfm The information was last updated November 16, 2023. The Table has been revised to reflect these changes.

(4) United States Census - 2023

Report S0101 https://data.census.gov/table/ACSST1Y2023.S0101?g=310XX00US31340

- (5) Virginia Department of Education reported by Lynchburg City Schools. Enrollment as of September 30 for each year. These figures were previously reported based on preliminary information provided by Lynchburg City Schools and have been updated with the information available from the Virginia Department of Education. The figures given are as of September 30 of the prior year. https://p1pe.doe.virginia.gov/apex/f?p=180:1:7684774037451:
- (6) Virginia Employment Commission & U.S. Department of Labor, Bureau of Labor Statistics, as of October 2, 2024 2015-2024 Unemployment Rates have been adjusted to reflect the most current data available. https://data.bls.gov/timeseries/LASST5100000000003 | https://www.bls.gov/news.release/metro.t01.htm

* Information unavailable

PRINCIPAL EMPLOYERS CURRENT YEAR AND NINE YEARS AGO

	2024	2015
Employer	Employees	Employees (1)
Centra Health, Inc.	7000-7500	6000-6999
Liberty University (2)(3)	3500-3999	8000 +
City of Lynchburg	1000-1499	1000-1499
Framatome (4)	1000-1499	1500-1999
Lynchburg City Schools	1000-1499	1500-1999
Central Virginia Community College	500-999	500-999
Delta Star, Inc.	500-999	
Frito-Lay, Inc.	500-999	250-499
Horizon Behavioral Health (5)	500-999	500-999
J. Crew Outfitters	500-999	1000-1499
Kroger, Inc.	500-999	500-999
Southern Air, Inc.	500-999	500-999
University of Lynchburg (7)	500-999	250-499
Wal-Mart Stores, Inc.	500-999	500-999
C.B. Fleet Company, Inc.	250-499	
Genworth Financial Inc.	250-499	1000-1499
L3Harris	250-499	500-999
Lowes	250-499	
Pacific Life	250-499	
Randolph College	250-499	
US Pipe	250-499	
Westminster-Canterbury	250-499	
Belvac Production Machinery	150-199	
Bausch & Lomb	100-249	
LSC Communicatons (8)	-	250-499
Nationwide Insurance Company	-	0-249
KDC (6)	-	250-499
Employed Civilian Labor Force (June 202	24) Lynchburg City - Virginia	
Employment Commission Employed Civilian Labor Force (June 201	,	36,511
Employed Civinal Labor Force (June 20) Employment Commission	<i>To f Eynonourg City - virgillia</i>	36,293

Source: FY2024 numbers are derived from Office of Economic Development and Tourism, City of Lynchburg, VA, or employer contact, as of June 30, 2024.

Source: FY2015 numbers are derived from City of Lynchburg Annual Report.

(1) Numbers as reported in the FY2015 Annual Comprehensive Financial Report.(2) Liberty University operates an online higher education institution, and as a result a number of employees live outside of the City.

- (3) Combined numbers for TRBC and Liberty University for 2015
- (4) Formerly Areva
- (5) Formerly Central Virginia Community Services
- (6) Formerly Tri-Tech Laboratories
- (7) Formerly Lynchburg College
- (8) Fomerly R.R. Donnelley

FULL-TIME-EQUIVALENT CITY GOVERNMENT EMPLOYEES BY FUNCTION/PROGRAM LAST TEN FISCAL YEARS

				Full-Ti	ime Equivalent E	mployees as of Ju	ne 30			
	Actual	Actual	Actual	Actual	Actual	Actual	Actual	Actual	Actual	Adopted
unctions/Programs	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024 ⁽¹⁾
rimary government:										
City Council and Clerk ⁽⁶⁾	-		-	-			-			1.5
Council Manager Offices	6.0	6.0	7.0	7.0	7.0	8.0	8.0	8.0	8.0	7.0
Parking Division ⁽⁵⁾	5.7	5.7	5.7	5.7	5.7	5.7	4.7	-	-	
City Assessor	9.6	9.0	9.0	9.0	9.0	9.0	9.0	9.0	9.0	8.
City Attorney	6.9	6.9	6.9	6.9	7.9	7.9	7.9	7.9	9.1	9.
Commissioner of Revenue (State)	6.0	6.0	6.0	6.0	6.0	6.0	6.0	6.0	6.0	6.
Commissioner of Revenue (City)	4.4	4.4	4.6	4.6	4.6	4.6	4.6	4.6	4.6	4.
Communications and Public Engagement	4.0	4.0	4.0	4.0	4.0	4.0	4.0	4.0	10.0	10.
Local Government Channel ⁽⁴⁾	2.0	2.0	2.0	2.0	2.0	2.0	2.0	4.0		10.
Citizens First Customer Service Center ⁽⁴⁾	3.0	3.0	3.0	3.0	3.0	3.0	3.0	2.0		
Financial Services	41.7	41.7	40.7	39.0	39.0	38.5	38.5	39.5	40.5	40.
Financial Services-Human Services ⁽²⁾	5.7	5.7	40.7	39.0	39.0	58.5	58.5	39.5	40.5	40.
	9.6	9.6	9.6	9.5	9.6	8.7	7.7	8.7	9.1	10.
Human Resources										
Information Technology	30.0	32.0	32.0	32.0	33.8	33.6	33.6	33.6	33.0	36.
Registrar and Electoral Board (State)	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.
Registrar and Electoral Board (City)	1.5	1.5	1.5	1.5	1.5	1.5	2.0	2.0	2.0	2.
State Treasurer (State)	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.
State Treasurer (City)	-	-	-	0.7	0.7	0.7	-	-	-	
Risk Management Fund	2.9	2.9	2.9	3.1	3.1	3.1	3.1	3.1	3.1	3.
Circuit Court Clerk (State)	13.0	13.0	13.0	13.0	13.0	13.0	13.0	13.0	13.0	13.
Circuit Court Clerk (City)	15.0	15.0	15.0	1.0	1.0	1.0	1.0	1.0	1.0	1.5.
Circuit Court Judges	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2
Commonwealth Attorney (State)	15.2	14.0	14.0	14.0	14.0	14.0	14.0	14.0	14.0	16.
	13.2	2.2	5.7	4.8	3.8	4.8	5.0	4.0	5.5	4.
Commonwealth Attorney (City)	22.0	2.2	21.0	4.8	3.8 18.0	4.8	17.0	4.0	5.5	
Sheriff (State)										16.
Sheriff (City)	8.0	8.4	8.4	8.3	8.4	8.4	11.3	11.3	11.3	13.
Regional Juvenile Detention Center Fund	45.1	45.1	41.1	44.1	44.1	45.1	45.1	45.1	40.6	40.
Police Department	199.8	200.8	204.3	204.0	207.1	207.1	206.3	209.3	213.3	227.
Emergency Services	35.6	36.6	36.6	36.6	36.6	36.6	36.6	36.6	42.6	43.
Fire Department	187.5	189.5	189.5	189.5	189.5	189.5	189.5	198.5	199.5	208
	10.7	10.7	10.0	10.0	10.0	10.0	10.0	10.0	10.0	10
Public Works Administration	10.7	10.7	10.0	10.0	10.0	10.0	10.0	10.0	10.0	10.
Buildings and Grounds Maintenance	72.3	74.2	74.3	74.3	74.3	72.3	72.3	72.3	72.3	72.
Engineering Division	31.2	32.2	32.2	32.7	32.7	33.7	33.7	33.7	34.2	34
Street, Traffic, and Refuse Maintenance	48.5	46.3	47.0	46.2	46.2	46.9	48.9	50.0	50.0	52
Health and Human Services	167.9	170.5	176.3	173.3	175.3	177.3	177.3	180.3	182.1	185
Cultural and Recreational	94.6	97.0	95.0	94.0	85.2	80.5	81.5	82.6	84.5	90
Community Development	22.0	23.0	23.0	23.8	23.8	24.3	25.3	25.5	26.5	27
Economic Development, Tourism, and Visitor Center ⁽³⁾		12.3	12.3	9.8	19.8	18.7	18.7	19.7	18.4	19.
Economic Development ⁽³⁾	3.0			-			-	-	-	
Tourism and Visitor Center ⁽³⁾	11.8									
Fleet Services Fund	11.0	10.6	11.1	11.4	11.4	10.0	11.0	12.0	14.1	14
usiness-type activities:	17.7	17.7	17.7	17.7	10.2	10.2	19.2	10.2	10 7	10
Airport Fund	17.7	17.7	17.7	17.7	18.3	18.3		19.2	18.7	18
Water Fund Sewer Fund	69.0	70.4	72.4	73.4	75.4	77.4	77.4 55.9	80.4 57.9	83.4	84
	52.5	53.5	55.5	55.5	56.5	56.5			59.9	62
Stormwater Fund	7.1	7.1	9.1	9.0	10.1	11.1	11.1	11.1	11.1	11.
	1,291.2	1,302.5	1,309.4	1,304.4	1,316.4	1,314.8	1,320.2	1.340.7	1,361.3	1,411.

Source: Adopted Budget Documents, City of Lynchburg, Virginia

FY2024 actual will be available with the FY2025 adopted budget.
 Financial Services-Human Services joined with Health and Human Services in FY2017.
 Tourism and Visitor Center were formed in FY2014 and joined with Economic Development in FY2016.
 Citizens First and Local Government Channel will join with Communications and Marketing beginning in FY2024.
 Parking Management was split and joined between Financial Services and the Police Department in FY2023.
 City Council and Clerk reported separately beginning in FY2024.

OPERATING INDICATORS BY FUNCTION/PROGRAM LAST TEN FISCAL YEARS

					Fiscal Y	ear				
	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Function/Program										
Police										
Physical Arrests (5)	5,435	5,047	4,608	4,614	5,084	5,014	4,703	4,263	4,623	4,595
Traffic Violations	10,344	8,581	5,667	5,887	6,064	5,746	4,323	3,753	5,772	6,823
Parking Violations (6)	6,812	5,718	6,642	5,916	5,807	4,954	4,635	3,417	5,831	5,610
Fire										
Number of Fire calls answered (per month)	241	277	296	284	175	220	195	266	268	275
Number of inspections conducted (2) (3) (4)	192	441	332	465	587	519	365	440	471	474
Number of EMS calls	19,426	19,169	19,296	15,509	11,776	12,190	12,931	13,836	15,740	15,085
Sanitation and Refuse										
Refuse collected (tons/day)	55.70	63.17	65.37	65.50	69.53	61.27	67.47	63.29	60.64	61.47
Recyclables collected (tons/day)	4.10	7.09	6.04	5.27	4.27	5.59	4.41	4.13	3.81	4.26
Airport										
Total number of passengers	153,729	154,218	159,523	157,452	172,449	147,139	109,328	143,022	144,162	147,044
Sewage										
Number of service connections (1)	19,060	19,083	19,149	19,186	19,363	19,493	19,606	19,662	19,834	20,124
Average daily treatment in million gallons	11.33	12.97	11.19	11.53	14.80	12.71	14.45	11.74	11.86	12.36
Maximum daily average capacity of treatment plant in										
million gallons	22	22	22	22	22	22	22	22	22	22
Maximum daily capacity of treatment plant in million		22	22	22		22	22		22	22
gallons	44	44	44	44	44	44	44	44	44	44
Water										
Number of service connections (1)	22,640	22,716	22,786	22,807	22,982	23,119	23,214	23,268	23,451	23,75
Average daily consumption of plant in million gallons	10	22,710	22,780	10	10	25,119	25,214	23,208	23,431	23,73
Maximum daily capacity of plant in million gallons	26	26	26	26	26	26	26	26	26	26

Source: City Departments, City of Lynchburg, Virginia

(1) The amounts reported do not include stormwater accounts.

(2) In FY2015, number of inspectors in the Fire Marshal's Office dropped from 3 to 2 due to retirement.

(3) In FY2016, the Fire department trained additional field employees to conduct inspections and the inspections were conducted off-duty with paid overtime funds.

(4) In FY2017, fewer field employees were available to conduct off-duty inspections due to staffing issues.

(5) Physical arrests are considered incidents in which individuals are physically detained and brought into the police station.

(6) Parking violations include violations from Parking Management and the Police Department.

CAPITAL ASSETS STATISTICS BY FUNCTION/PROGRAM LAST TEN FISCAL YEARS

					Fiscal Y	lear				
	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Function/Program										
Police										
Stations	1	1	1	1	1	1	1	1	1	1
Number of patrol units (7)	60	83	91	81	116	114	90	86	85	108
Fire										
Stations	8	8	8	8	8	8	8	8	8	8
Refuse collection										
Collection Trucks	20	20	19	21	19	18	23	23	21	23
Highways and Streets										
Street (miles)	378.10	378.95	378.95	381.32	381.32	383.53	384.50	382.11	385.71	387.49
Streetlights	10,347	10,347	10,378	10,504	10,521	10,535	10,649	10,649	10,906	10,944
Traffic signals	121	120	116	113	113	113	104	103	102	104
Culture and Recreation										
Community centers	7	7	6	6	6	7	7	7	7	2
Senior centers	1	1	1	1	1	1	1	1	1	1
Parks	21	21	21	21	21	21	21	21	21	21
Parks acreage (1)	948	948	948	948	948	953	953	953	953	953
Swimming pools	2	2	2	2	2	2	2	2	2	2
Tennis courts (2)	40	40	40	40	40	40	40	40	40	40
Gymnasiums	7	7	7	7	7	7	7	7	7	-
Sewage system										
Storm sewers (miles) (3)	not mapped									
Water										
Fire hydrants	3,210	3,230	3,253	3,289	3,303	3,347	3,364	3,400	3,446	3,467
Storage capacity (thousands of gallons)	33,000	33,000	33,000	33,000	33,000	33,000	33,000	33,000	33,000	33,000
Sewer										
Average daily sewage treatment (MGD)	11.33	12.97	11.19	11.53	14.80	12.71	14.45	11.74	11.86	12.30
Maximum daily sewage treatment (MGD)	30.47	38.82	32.95	47.04	55.40	33.80	33.82	28.75	31.63	37.65
Transit - route service buses (4)	39	39	39	39	39	39	34	36	32	32
Transit - paratransit service buses (5)	14	17	13	13	13	13	13	13	13	11
Transit - paratransit service buses (9)	-	-	-	-	-	-	-	-	-	:
Facility and service not included in the reporting entity:										
Education										
Number of elementary schools (6)	11	11	11	11	11	11	11	11	11	11
Number of secondary schools	5	5	5	5	5	5	5	5	5	4
Number of community colleges	1	1	1	1	1	1	1	1	1	1
Number of universities or colleges	4	4	4	4	4	4	4	4	4	4
Hospitals		-			-			-		
Number of hospitals	2	2	2	2	2	2	2	2	2	

Source: City Departments, City of Lynchburg, Virginia

(1) Including Blackwater Creek Natural Area.

(2) 10 locations with a total of 40 courts - including schools.

(3) Mapping is under development. Complete information is not available.

(4) GLTC no longer provides service to Liberty University, and is reducing the fleet size through attrition to meet the Federal Transit Administration's (FTA) spare ratio requirement

(5) GLTC purchased new parantransit buses to better serve the elderly population.

(6) Kizer Elementary School used for Special Education, therefore, excluded from total number of elementary schools for reporting purposes.

(7) Patrol units are defined as vehicles used by the Police department and Animal Control in their daily operations.

(8) FY2019 reported the number of licensed beds; this amount has been updated to report the actual number of patient beds.

CITY OF LYNCHBURG, VIRGINIA LYNCHBURG CITY SCHOOLS STUDENT ENROLLMENT, EMPLOYEES AND SCHOOLS BY FISCAL YEAR LAST TEN YEARS

_	Student Enrollment, Employees and Schools by Fiscal Year									
Description	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Elementary School Membership	3,921	3,982	3,985	3,839	3,723	3,683	3,420	3,433	3,477	3,607
Secondary School Membership	4,216	4,191	4,270	4,213	4,258	4,250	4,245	4,126	4,083	4,102
Total Membership	8,137	8,173	8,255	8,052	7,981	7,933	7,665	7,559	7,560	7,709
Instructional and Administrators (1)	967	1,019	994	948	1,003	1,018	1,046	1,044	1,156	1,142
Support (1)	426	434	479	404	373	389	349	273	329	376
Total Employees	1,393	1,453	1,473	1,352	1,376	1,407	1,395	1,317	1,485	1,518
Elementary Schools (2)	11	11	11	11	11	11	11	11	11	11
Secondary Schools (3)	5	5	5	5	5	5	5	5	5	5
Total Buildings	16	16	16	16	16	16	16	16	16	16

(1) Includes only full-time equivalent positions funded through the operating budget. For 2010 - 2018, the classification of instruction assistants were not consistent. Beginning with 2019, all instructional assistants are included in the Instructional and Administrators category.

FY2023 has been updated to reflect the corrected number per ASR Report. The original numbers were overstated.

(2) Does not include LAUREL Regional Program, now being used for special education students.

(3) Does not include the Empowerment Academy, an alternative education environment that provides high school students in the need of credit recovery, SOL support, and/or specialized academic assistance with an intimate, individualized instructional setting that will ensure that they achieve their academic and post-graduate goals.

_			(Daseu on Se	ptember 50t	n Actual En	ronnent)			
<u>Grade</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>
К	567	667	670	636	630	664	543	566	621	609
1	719	701	653	664	625	614	615	563	581	656
2	696	677	695	630	626	595	565	607	567	591
3	658	675	675	624	594	610	564	560	582	574
4	638	637	662	653	623	585	574	565	563	602
5	643	625	630	632	625	615	559	572	563	575
6	615	619	630	591	626	604	600	542	550	571
7	608	597	616	609	595	627	591	577	554	562
8	585	597	613	595	601	564	629	582	581	576
9	639	610	641	646	660	636	618	755	636	673
10	596	619	595	623	632	643	624	567	675	610
11	612	591	605	549	587	600	604	556	540	578
12	561	558	570	600	557	576	579	547	547	532
Total	8,137	8,173	8,255	8,052	7,981	7,933	7,665	7,559	7,560	7,709

Actual Average Daily Student Enrollment by Grade and Fiscal Year (Based on September 30th Actual Enrollment)

COMPLIANCE SECTION



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*

To the Honorable Members of the City Council and the City Manager City of Lynchburg, Virginia

We have audited, in accordance with the auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and *the Specifications for Audits of Counties*, *Cities, and Towns*, issued by the Auditor of Public Accounts of the Commonwealth of Virginia, the financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the City of Lynchburg, Virginia (the "City"), as of and for the year ended June 30, 2024, and the related notes to the financial statements, which collectively comprise the City's basic financial statements, and have issued our report thereon dated December 5, 2024.

Report on Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the City's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control. Accordingly, we do not express an opinion on the effectiveness of the City's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that have not been identified. We identified a deficiency in internal control, described in the accompanying schedule of findings and questioned costs, as Item 2024-001, that we consider to be a material weakness.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the City's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed an instance of noncompliance that is required to be reported under *Government Auditing Standards*, which is described in the accompanying schedule of findings and questioned costs, as item 2024-002.

City's Response to Findings

Government Auditing Standards requires the auditor to perform limited procedures on the City's response to the findings identified in our audit and described in the accompanying schedule of findings and questioned costs. The City's response was not subjected to the other auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on the response.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Brown, Edwards & Company, S. L. P.

CERTIFIED PUBLIC ACCOUNTANTS

Roanoke, Virginia December 5, 2024



INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE

To the Honorable Members of the City Council and the City Manager City of Lynchburg, Virginia

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited the City of Lynchburg, Virginia's (the "City") compliance with the types of compliance requirements identified as subject to audit in the *OMB Compliance Supplement* that could have a direct and material effect on each of the City's major federal programs for the year ended June 30, 2024. The City's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, the City of Lynchburg complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2024.

Basis for Opinion on Each Major Federal Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of the City of Lynchburg, Virginia and to meet our other ethical responsibilities, in accordance with relevant ethical requirements related to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major federal program. Our audit does not provide a legal documentation of the City of Lynchburg, Virginia's compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules, and provisions of contracts or grant agreements applicable to the City of Lynchburg, Virginia's federal programs.

Report on Compliance for Each Major Federal Program (Continued)

Auditor's Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the City's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the City's compliance with the requirements of each major federal program as a whole.

In performing an audit in accordance with generally accepted auditing standards, *Government Auditing Standards*, and the Uniform Guidance, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risk of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the City of Lynchburg, Virginia's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of the City of Lynchburg, Virginia's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of the City of Lynchburg, Virginia's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

Report on Internal Control over Compliance

A *deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A *material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency in internal control over compliance* is a deficiencies, in internal control over compliance with a type of deficiencies, in internal control over compliance with a type of deficiencies, in internal control over compliance with a type of deficiencies, in internal control over compliance with a type of deficiencies, in internal control over compliance with a type of deficiencies, in internal control over compliance with a type of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Report on Internal Control over Compliance (Continued)

Our consideration of internal control over compliance was for the limited purpose described in the Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses as defined above. However, material weaknesses or significant deficiencies in internal control over compliance that we consider to be material weaknesses as defined above. However, material weaknesses or significant deficiencies in internal control over compliance that we consider to be material weaknesses as defined above. However, material weaknesses or significant deficiencies in internal control over compliance that have not been identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

Brown, Edwards & Company, S. L. P.

CERTIFIED PUBLIC ACCOUNTANTS

Roanoke, Virginia December 5, 2024



INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE WITH REQUIREMENTS APPLICABLE TO THE PASSENGER FACILITY CHARGE PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE IN ACCORDANCE WITH THE PASSENGER FACILITY CHARGE PROGRAM AUDIT GUIDE

To the Honorable Members of the City Council and the City Manager City of Lynchburg, Virginia

Report on Compliance

Opinion on Compliance

We have audited the City of Lynchburg, Virginia's (the "City") compliance with the types of compliance requirements described in the *Passenger Facility Charge Audit Guide for Public Agencies* (the "Guide"), issued by the Federal Aviation Administration, for its passenger facility program (the "Program") for the year ended June 30, 2024.

In our opinion, the City of Lynchburg complied, in all material respects, with the types of compliance requirements referred to above that are applicable to the Program for the year ended June 30, 2024.

Basis for Opinion

We conducted our audit of compliance in accordance with requirements described in the *Passenger Facility Charge Audit Guide for Public Agencies* (the "Guide"), issued by the Federal Aviation Administration, for its passenger facility program (the "Program") and in accordance with the auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of the City of Lynchburg, Virginia and to meet our other ethical responsibilities, in accordance with relevant ethical requirements related to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance with the Program. Our audit does not provide a legal documentation of the City of Lynchburg, Virginia's compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules, and provisions of contracts or grant agreements applicable to the Program.

Report on Compliance (Continued)

Auditor's Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the City's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards, *Government Auditing Standards*, and the Guide will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the City's compliance with the requirements of the Program as a whole.

In performing an audit in accordance with generally accepted auditing standards, *Government Auditing Standards*, and the Guide, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risk of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the City of Lynchburg, Virginia's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of the City of Lynchburg, Virginia's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Guide, but not for the purpose of expressing an opinion on the effectiveness of the City of Lynchburg, Virginia's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

Report on Internal Control over Compliance

A *deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of the Program on a timely basis. A *material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of the Program will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control of deficiencies, in internal control over compliance that there is a reasonable possibility that material noncompliance with a type of compliance requirement of the Program will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of the Program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Report on Internal Control over Compliance (Continued)

Our consideration of internal control over compliance was for the limited purpose described in the Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses as defined above. However, material weaknesses or significant deficiencies in internal control over compliance that we consider to be material control over compliance that we consider to be material weaknesses as defined above. However, material weaknesses or significant deficiencies in internal control over compliance that have not been identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Guide. Accordingly, this report is not suitable for any other purpose.

Brown, Edwards & Company, S. L. P.

CERTIFIED PUBLIC ACCOUNTANTS

Roanoke, Virginia December 5, 2024

SUMMARY OF COMPLIANCE MATTERS June 30, 2024

As more fully described in the 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*, we performed tests of the City's compliance with certain provisions of the laws, regulations, contracts, and grants shown below.

STATE COMPLIANCE MATTERS

<u>Code of Virginia</u> Budget and Appropriation Laws Cash and Investment Laws Conflicts of Interest Act Local Retirement Systems Debt Provisions Procurement Laws Comprehensive Services Act Uniform Disposition of Unclaimed Property Act Sheriff Internal Controls State Agency Requirements Education Social Services Stormwater Utility Program Urban Highway Maintenance Fire Programs Aid to Localities Opioid Abatement Program

FEDERAL COMPLIANCE MATTERS

Compliance Supplement for Single Audits of State and Local Governments

Provisions and conditions of agreements related to federal programs selected for testing.

FEDERAL AVIATION ADMINISTRATION COMPLIANCE MATTERS

Passenger Facility Charge Audit Guide for Public Agencies

Requirements of laws and regulations required by the Federal Aviation Administration in relation to the passenger facility charge program.

SCHEDULE OF FINDINGS AND QUESTIONED COSTS Year Ended June 30, 2024

A. SUMMARY OF AUDITOR'S RESULTS

- 1. The auditor's report expresses an **unmodified opinion** on the financial statements.
- 2. No significant deficiencies and one material weakness relating to the audit of the financial statements were reported in the 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 *Governmental Auditing Standards*.
- 3. No instances of noncompliance material to the financial statements were disclosed.
- 4. **No significant deficiencies and no material weaknesses** relating to the audit of the major federal award programs were reported in the Independent Auditor's Report on Compliance for Each Major Program and on Internal Control over Compliance Required by the Uniform Guidance.
- 5. The auditor's report on compliance for the major federal award programs expresses an **unmodified opinion**.
- 6. The audit disclosed no audit findings relating to the major programs.
- 7. The major programs of the City are:

Name of Program	Assistance Listing #	
COVID-19 – Coronavirus State and Local Fiscal Recovery Funds	21.027	
COVID-19 – Elementary and Secondary School Emergency Relief Fund	84.425D	
COVID-19 – American Rescue Plan – Elementary and Secondary School		
Emergency Relief	84.425U	
Adoption Assistance Program	93.659	
Medicaid Cluster – Medical Assistance Program	93.778	
-		

- 8. The threshold for distinguishing Type A and B programs was \$1,636,185.
- 9. The City of Lynchburg was **not** determined to be a **low-risk auditee**.
- 10. Passenger Facility Charge Program:
 - a. **No significant deficiencies** relating to the audit of the Passenger Facility Charge Program were reported in the Independent Auditor's Report on Compliance with Requirements Applicable to the Passenger Facility Charge Program and on Internal Control over Compliance in Accordance with the *Passenger Facility Charge Program Audit Guide*.
 - b. The auditor's report on compliance for the Passenger Facility Program expresses an **unmodified opinion**.
 - c. The audit disclosed no audit findings relating to the Passenger Facility Charge Program.

SCHEDULE OF FINDINGS AND QUESTIONED COSTS Year Ended June 30, 2024

B. FINDINGS – FINANCIAL STATEMENT AUDIT

2024-001: Timely Reconciliations and Financial Reporting (Material Weakness)

Condition:

As part of the Schools' audit, we proposed multiple significant adjustments related to cash and accrued liabilities, including estimates of future insurance claims, resulting in significant adjustments to amounts due to/from the primary government balances.

Criteria:

Reconciliations and adjustments are key functions in proper financial reporting.

Cause:

Lack of reconciliations and adjustments throughout the year.

Effect:

Significant adjustments were required for accurate year-end financial reporting.

Recommendation:

We suggest management implement procedures, such as monthly reviews and reconciliations of account balance for accounting implications, periodic comparison of estimates with actual results, and consideration of other accounting policies for appropriateness. Additionally, all adjustments that were made as a result of our current year audit should be reviewed during the next year as a reminder of matters requiring accounting attention in preparing for the 2025 audit.

Views of Responsible Officials and Planned Corrective Action:

We reviewed this recommendation and agreed with the need for improvement in this area. To address this finding, we implemented the following corrective action plan in FY 2025.

- 1. Monthly Reconciliations: We enforced a structured process for monthly reconciliations and review of all account balances, ensuring accuracy and identifying discrepancies promptly. Included in this monthly process were P-Cards, Grants, Bank Statements, Payroll & Benefits (twice per month), Health Insurance (upon receipt of the bill from Lynchburg City), and monthly Financial Reports presented to the School Board.
- 2. Staff Training: Comprehensive training sessions and training manuals were provided to address knowledge gaps and enhance the team's proficiency in financial processes and reconciliations.
- 3. Improved Oversight: We established a formal review schedule and appointed supervisory oversight for reconciliation accuracy and procedure compliance.
- 4. Year-end Health Insurance Adjustment: For FY 2025 and beyond we will request the Health Insurance Lag Report be provided by the consultants prior to the June 30th deadline going forward.
- 5. Year-end Adjusting Journal Entries: For FY 2025 and beyond we will ensure that known end of year adjustment entries be made prior to audit commencement.

SCHEDULE OF FINDINGS AND QUESTIONED COSTS Year Ended June 30, 2024

C. FINDINGS AND QUESTIONED COSTS – MAJOR FEDERAL AWARD PROGRAMS AUDIT

None.

D. FINDINGS - COMMONWEALTH OF VIRGINIA

2024-002: VDSS Information Security Policy

Condition:

Social Services could not locate the VDSS Information Security – Policy Acknowledgement and Nondisclosure agreement for two employees selected in a sample of three to ensure that employees are performing security training each year. Additionally, Social Services did not have documentation noting annual review of employee system access for all three employees selected to ensure that accesses provided are appropriate for the employee's approved job responsibilities.

Criteria:

Security acknowledgement and annual system access are significant controls for employee awareness and ensuring employees have access to only programs they are authorized for.

Effect:

Employees that don't receive proper security training could increase vulnerability to outside threats and not reviewing system access can result in employees having unauthorized access.

Recommendation:

We recommend maintaining copies of all forms to ensure that systems access and job responsibilities are reflected accurately and that employees with these accesses are receiving systems training once a year.

Views of Responsible Officials and Planned Corrective Action:

We have established a process to ensure that these forms are maintained each year and in each employee file.

E. FINDINGS AND QUESTIONED COSTS – PASSENGER FACILITY CHARGE PROGRAM

None.

SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS Year Ended June 30, 2024

B. FINDINGS – FINANCIAL STATEMENT AUDIT

2023-001: Timely Reconciliations and Financial Reporting (Material Weakness)

Condition:

As part of the Schools' audit, we proposed multiple significant adjustments related to cash and accrued liabilities, including estimates of future insurance claims, resulting in significant adjustments to amounts due to/from the primary government balances.

Recommendation:

We suggest management implement procedures, such as monthly reviews and reconciliations of account balance for accounting implications, periodic comparison of estimates with actual results, and consideration of other accounting policies for appropriateness. Additionally, all adjustments that were made as a result of our current year audit should be reviewed during the next year as a reminder of matters requiring accounting attention in preparing for the 2024 audit.

Current status:

Condition still exists in the current year. See finding 2024-001.

D. FINDINGS – COMMONWEALTH OF VIRGINIA

2023-002: Budget Appropriations

Condition:

The School Operating Fund expenditures exceeded budgeted appropriations in instruction and operations and maintenance at the functional level for the year ended June 30, 2023.

Recommendation:

Steps should be taken to ensure that excess expenditures over budgeted appropriations are approved by the School Board and the budget amended accordingly.

Current Status:

Condition no longer exists in the current year.