

# City of Williamsburg, Virginia



## Annual Comprehensive Financial Report For the Year Ended June 30, 2024



**CITY OF WILLIAMSBURG, VIRGINIA**

**ANNUAL COMPREHENSIVE FINANCIAL REPORT**

**FOR THE YEAR ENDED JUNE 30, 2024**

**PREPARED BY:**

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Department of Finance

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ANNUAL COMPREHENSIVE FINANCIAL REPORT  
FOR THE YEAR ENDED JUNE 30, 2024

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## *INTRODUCTORY SECTION*

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## CITY OF WILLIAMSBURG

### Department of Finance

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December 26, 2024

To the Honorable Mayor, Members of the City Council, and Citizens of the City of Williamsburg:

The Annual Comprehensive Financial Report (ACFR) of the City of Williamsburg, Virginia, for the fiscal year ending June 30, 2024, is hereby submitted. The City is required by the *Code of Virginia*, Section 15.2-2511, to publish at the close of each fiscal year a complete set of financial statements in conformity with accounting principles generally accepted in the United States of America (GAAP) and audited in accordance with *Government Auditing Standards* by an independent firm of certified public accountants. The Department of Finance has prepared this report in accordance with all governmental accounting and financial reporting standards as prescribed by the Governmental Accounting Standards Board (GASB), the Financial Accounting Standards Board (FASB), where applicable, and the Commonwealth of Virginia's Auditor of Public Accounts (APA).

Responsibility for the accuracy of the data and the completeness and fairness of presentation, including all disclosures, rests with City management. To provide a reasonable basis for making these representations, the management of the City has established a comprehensive internal control framework designed to protect the City's assets from loss, theft, or misuse and to compile sufficient reliable information for the preparation of the City's financial statements. Because the cost of internal controls should not outweigh their benefits, the City's comprehensive framework of internal controls has been designed to provide reasonable rather than an absolute assurance that the financial statements will be free from material misstatement. To the best of our knowledge and belief, this financial report is complete and reliable in all material respects and presents fairly the financial position and results of operations of the various funds of the City.

This report is intended to provide informative and relevant financial information for the citizens of the City, the City Council, investors, creditors, and other concerned readers. GAAP requires that management provide a narrative introduction, overview, and analysis to accompany the basic financial statements in the form of Management's Discussion and Analysis (MD&A). This letter of transmittal is designed to complement the MD&A and should be read in conjunction with it. The City's MD&A can be found immediately following the independent auditor's report.

### **Independent Audit**

The City's financial statements have been audited by the independent accounting firm Robinson, Farmer, Cox Associates. The goal of the independent audit was to provide reasonable assurance that the City's financial statements for the fiscal year ended June 30, 2024, are free of material misstatement. The independent audit involved examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, and evaluating the overall financial statement presentation. The independent auditor concluded, based upon the audit, that there was a reasonable basis for rendering an unmodified opinion that the City of Williamsburg's financial statements for the fiscal year ended June 30, 2024, are fairly presented in conformity with accounting principles generally accepted in the United States of America (GAAP). The independent auditor's report is presented as the first component of the financial section of this report.

The independent audit of the City's financial statements was part of a broader, federally mandated "Single Audit" designed to meet the special needs of federal grantor agencies. The standards governing Single Audit engagements require the independent auditor to report on the fair presentation of the financial statements and the City's compliance with the financial and administrative requirements applicable to each of the City's major federal programs. These reports are available in the Compliance Section of this report.

## **Profile of the City**

The City of Williamsburg was established by the General Assembly of the Commonwealth of Virginia in 1699 and was incorporated by the British Royal Charter in 1722. Today, it operates under the Council-Manager form of government substantially as established in the City Charter of 1932 and as an independent city under the Constitution and laws of the Commonwealth of Virginia. Policy-making and legislative authority are vested in a governing City Council consisting of the Mayor and four other members. The City Council members serve four-year staggered terms. The Mayor is chosen from among City Council members every two years. The City Council is responsible, among other things, for passing ordinances, adopting the budget, appointing committees, and hiring both the City Manager and City Attorney. The City Manager is responsible for carrying out the policies and ordinances of the City Council, overseeing the day-to-day operations of the City, and appointing the heads of the various departments.

Williamsburg encompasses some nine square miles located between the James and York Rivers on the Virginia Peninsula in Southeastern Virginia. The 2020 United States Census showed Williamsburg's population at 15,425, up 9.64% from the 2010 United States Census. The City is home to two premier institutions: William & Mary, established in 1693, and the Colonial Williamsburg Foundation, a living history museum that recreates the days when Williamsburg was the Capital of Colonial Virginia, from 1699 to 1780.

The financial reporting entity includes all the funds of the City of Williamsburg. The financial reporting entity consists of (a) the primary government, (b) organizations for which the primary government is financially accountable, and (c) other organizations for which the nature and significance of their relationship with the primary government are such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete. The City has included the financial data of the Williamsburg Redevelopment & Housing Authority (WRHA) and the Economic Development Authority as discrete component units. Additional information is in Note 1 of this report.

The City provides the full range of municipal services, including public safety (police, fire, and emergency medical services, parking garage), public works (street construction and maintenance, landscaping, stormwater management, engineering, refuse collection, and a public cemetery), economic development, planning and zoning, code compliance, human and public housing services, parks and recreation, and general administrative services. The City also provides water and sewer services to approximately 3,900 residential and 900 commercial customers, with user charges set by the City Council to ensure adequate coverage of operating and capital expenses.

The City provides education jointly by contract with neighboring James City County for both localities through the Williamsburg-James City County Public Schools (W-JCC Schools). This strong partnership between the City and County governments has served the K-12 education needs of the jurisdictions for over 50 years. In May 2022, a new contract was signed, effective July 1, 2022, for FY 2023 through FY 2027. The contract covers board membership, operational and capital funding allocations, use of School surplus operating and capital funds, and equity interest in School property.

The City also provides library services jointly by contract with James City County through the Williamsburg Regional Library. The joint contract provides for board membership, operational funding, and responsibilities for repairing and maintaining the facilities and grounds of each locality's respective library building. In June 2013, City Council approved an amendment to the joint contract to include neighboring York County. The agreement represents another step forward for regionalism in the Historic Triangle to benefit the citizens of all three jurisdictions.

### **Budget Process**

The annual budget serves as the foundation for the City's financial planning and control. The budget process incorporates City Council's strategic plan, "Biennial Goals, Initiatives, and Outcomes," and defines, communicates, and funds the City's programs and priorities. The completed budget is City Council's road map and a primary management tool for the City Manager and Department Heads. The annual Budget Guide is a formal call for all departments of the City and agencies associated with it to prepare and submit an estimate of the resources required for the next fiscal year. It includes a set of procedures for building a comprehensive budget for the City Manager to present to the City Council each year. City Council is required to hold public hearings on the proposed budget and

tax rates and to adopt a final budget resolution no later than June 30. Activities of the following governmental funds are included in the annual appropriation resolution and the adopted budget: General Fund, Capital Project Fund, Tourism Development Fund, and Public Assistance Fund. Also included in the annual appropriation resolution and the adopted budget are the Utility Fund (enterprise fund), and the Quarterpath Community Development Authority Fund (fiduciary fund). The level of budgetary control (the level at which expenditures cannot legally exceed the appropriated amount) is established at the individual fund level. Management control is maintained at the department level, with all departments having online access to expenditure account information. Budget-to-actual comparisons are provided in this report for each governmental fund for which an appropriated annual budget has been adopted. For the General Fund, this comparison is presented as part of the required supplementary information other than management's discussion and analysis under the combining and individual funds tab of the report.

Cities in Virginia have sole jurisdiction over the entire area within their boundaries and operate independently of any county government. There are no overlapping jurisdictions, and consequently, citizens of Virginia cities are not subject to overlapping debt or taxation. Further, cities in Virginia are prohibited from annexation to adjust their boundaries.

## **Factors Affecting Financial Condition**

The information presented in the financial statements is perhaps best understood when considered from the broader perspective of the specific environment within which the City operates.

### **Economic Condition and Outlook:**

The economy of the City of Williamsburg is driven by tourism and education. Tourism – including major attractions and the hospitality industry – continues to provide the most significant source of the tax base for the city government. Within the city limits are 66 hotels/motels with approximately 2,669 rooms, 13 operating beds and breakfasts with approximately 60 rooms, and three timeshares with 283 rooms. There are also 134 eating establishments, one meadery (a winery that produces honey wines and meads, a historic drink), two breweries, one distillery, sixteen food trucks, and one wine-tasting room.

The lynchpin of tourism is the Colonial Williamsburg Foundation, which operates the nation's most extensive living history museum. Encompassing 589 restored or reconstructed buildings and employing approximately 1,600 people, the foundation interprets the 18<sup>th</sup>-century history of America in Virginia's colonial capital. Other nearby attractions not located in the City include Jamestown (site of the first permanent English settlement in 1607), Yorktown (site of Washington's victory over Cornwallis in the Revolutionary War), Great Wolf Lodge, Busch Gardens, and Water Country USA, amusement parks. Next to tourism, higher education drives the Williamsburg economy. William & Mary, located within the City, is the nation's second-oldest University. The University owns 22.6% of the City's land area, enrolls 10,003 graduate and undergraduate students, and employs 3,434 faculty and staff.

The City's tourism and hospitality industry's improvements since the COVID-19 pandemic remained steady in FY 2024. The annual average unemployment rate (unadjusted) for calendar year 2023 was 4.0% for the City of Williamsburg, 2.9% for the Commonwealth of Virginia, and 3.6% for the United States. The June 2024 unemployment rate (unadjusted) increased slightly with Williamsburg at 5.1%, the Commonwealth of Virginia at 3.0%, and the United States at 4.3%. The median household income (2019-2023) according to the United States Census Bureau was \$70,206 for Williamsburg, \$90,974 for the Commonwealth of Virginia, and \$78,538 for the United States.

The City was originally allocated \$18.4 million from the American Rescue Plan Act (ARPA) funds. The Commonwealth of Virginia approved additional ARPA spending plans for the City: \$670 thousand for aid to the tourism industry and \$265 thousand through the Virginia Department of Criminal Justice Services for the purchase police equipment aimed at reducing violent crime. Of the \$0.49 million of ARPA funding received in FY 2024, \$268 thousand was the final portion of the tourism aid spending plan and \$230 thousand was related to the police equipment program.

Historically, the City's most significant revenue streams in the General Fund have been real estate taxes, personal property taxes, meal taxes, lodging taxes, and State revenues. In FY 2024 these five classes of revenue account for an average of 81% of total General Fund revenue. Since FY 2019, these five classes of revenue have comprised between 62% and 81% of total General Fund revenue, as follows:

	<b>% of Total Revenues **</b>	<b>% of Total Revenues</b>
	<b>FY 2024</b>	<b>Average FY 2019 – FY 2023</b>
Real Estate*	38%	34%
Personal Property*	7%	7%
Meals Taxes	18%	15%
Lodging Taxes	8%	7%
Revenue from State	9%	11%
Total	81%	74%

\*Includes public service corporation taxes

\*\*For comparison purposes, total revenue excludes ARPA and CARES Federal funding

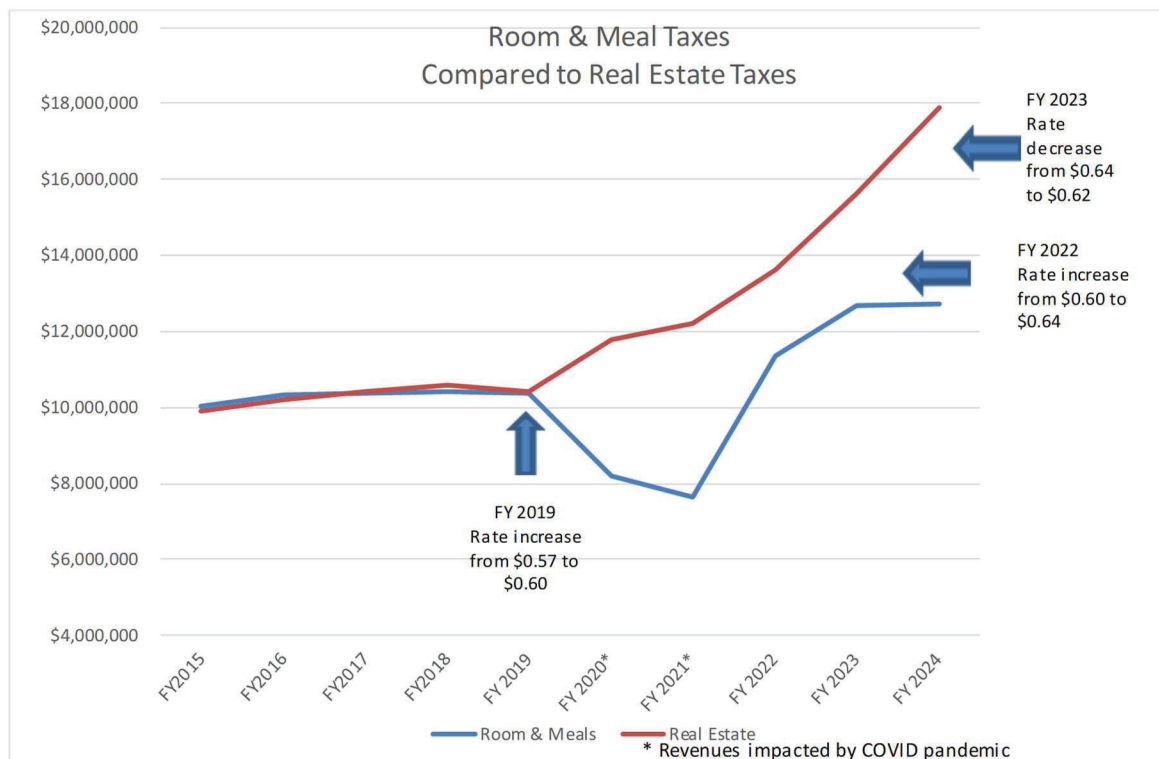
The City of Williamsburg takes pride in providing a high level of public services to its residents at a reasonable cost. The real estate tax rate of 62¢ per \$100 of assessed value continues to be the lowest city tax rate in Virginia. Real estate taxable assessed values increased by 16.6% (including new construction) compared with the FY 2023 assessed values. On average, residential real estate assessments for FY 2024 increased by 23.8%, while taxable commercial real estate assessments increased by 3.7% (including new construction). Over the ten-year period from FY 2015 through FY 2024, taxable real estate assessments have increased by 67.4%. The increased revenue was primarily used to bolster strategic reserves to provide a buffer for future economic uncertainty, invest in personnel via salary increases and benefit enhancements to address sector-wide staffing challenges, and to cover increased funding requests from schools also related to staffing challenges. City staff continues to monitor the real estate assessment to sales ratio each month by closely tracking sales activity. The ratio is important in analyzing neighborhood sales trends and is vital to the City Assessor's job of assessing properties at market value each year. As of June 30, 2024, the City's assessment-to-sales ratio of residential sales since July 1, 2023, on average, is approximately 90%, which shows current assessments are lower than the overall market value.

Effective beginning in FY 2023, the City adopted the hybrid approach for real estate billing. For the hybrid approach, a calendar year is used to assess real estate values, and a fiscal year is used to bill for real estate taxes. This approach was adopted so that residents would know the impact of their reassessment before the public hearings for real estate rates for the upcoming budget year.

From the mid-1980s through FY 2009, which was the first year many local governments felt the effects of the Great Recession, room and meal taxes had provided the largest funding source for City services. Rising property assessments after the Great Recession increased real estate tax revenues and thus changed the proportion of total General Fund revenues generated by real estate versus room and meals taxes. The trend of real estate taxes exceeding the combined room and meal taxes has generally continued through FY 2024, apart from FY 2014, when meals and lodging taxes slightly exceeded real estate taxes.

In FY 2024, real estate taxes comprised 37.1% of total General Fund revenues, excluding public service corporation taxes and ARPA transfers, compared with 25.3% in FY 2015. This shifting of the tax base is more pronounced when comparing actual tax revenues. From FY 2015 through FY 2024, room and meal taxes increased from \$10.0 million to \$12.7 million, a 26.8% increase. Real estate tax revenue increased 80.7% from FY 2015 to FY 2024. During that time, there were two rate increases and one rate decrease: an increase of 3 cents in FY 2019, an increase of 4 cents in FY 2022, and a decrease of 2 cents in FY 2023. The increase in real estate tax revenues is attributable mainly to overall increases in assessed values and less to rate changes.

Since FY 2017, real estate taxes have exceeded room and meal taxes. The following graph shows that disruptions to the tourism industry during the COVID-19 pandemic broadened the gap between room and meal taxes and real estate taxes. While the gap narrowed between FY 2022 and 2023, the dramatic increase in real estate assessments has further widened the gap between the two revenue streams, despite the 2-cent real estate tax rate decrease in FY 2023.



Overall, FY 2024 total revenues in the General Fund (excludes ARPA funds) increased by \$2.6 million or 5.6% over FY 2023 as the economy continued to recover from the impacts of the pandemic. Real Estate, Personal Property, Meal taxes, and Business, Professional, and Occupational Licenses (BPOL) accounted for most of the revenue increase, and were partially offset by decreases in permits, recovered costs, and federal revenues. General Fund revenues are discussed further in the Management's Discussion and Analysis section of this report.

Though the City has experienced an overall increase in General Fund revenues over the past three fiscal years, the FY 2025 budget was formed around slower revenue growth. Revenues such as meals and lodging taxes have begun to demonstrate slower growth or even a negative trend. As a tourism economy, the City's financial stability is reliant upon at least modest growth in tourism taxes. In addition, unemployment remains relatively low, and the public sector is continuing to experience a talent shortage. The City's FY 2025 budget addresses attraction and retention of talent through salary increases and benefit enhancements. To provide a buffer for these external pressures, the City maintains a healthy fund balance. At June 30, 2024, the Unassigned Fund Balance in the General Fund was 52.6% of total General Fund revenues.



## **Economic Development Activity:**

Recent economic development activity in the City includes the following commercial development projects:

- In 2017, Broad St LLC purchased the 20-acre Williamsburg Shopping Center and the 5-acre Monticello Shopping Center at Midtown. This \$120 million vertical mixed-use project was completed in 2021 despite COVID-19 impacts. Phase I of the project included an \$8+ million renovation of the Monticello Shopping Center and the location of the Earth Fare grocery store. Phase II was completed, with Marshalls relocating to a new space on Richmond Road, facing the portion of the renovated Williamsburg Shopping Center. Phase III was completed in the fall of 2022 and included the construction of four 5-story vertical mixed-use buildings and a parking garage. City Staff continues to work with Broad Street Realty to recruit commercial tenants for the development.
- "Quarterpath at Williamsburg" is a 350-acre mixed-use development in the southeast quadrant of the City that will offer retail, class-A office space, mixed-residential options, and a 40-bed acute care hospital at buildout. The \$22 million, 227-unit Attain at Quarterpath apartments opened in 2016 and remains fully leased. H.H. Hunt has constructed townhomes as part of the project, and demand continues to exceed the supply of these units. The 40-bed Riverside Doctor's Hospital Williamsburg (RDHW) opened in May 2013 and is part of Riverside Health System. In the Spring of 2024, RDHW completed the construction of a 67,000-square-foot medical office building which houses more than 30 medical and surgical specialists supported by more than 125 support team members. In September 2022, Resort Lifestyle Communities (RLC) announced a \$30 million, 180,000-square-foot Virginia Greens Retirement Community at Quarterpath, RLC's second location in Virginia. This age-restricted, 55+ retirement community will create more than 35 local jobs upon completion, which is anticipated to occur in the fall of 2024. In May 2024, Peninsula Dermatology completed a 12,500-square-foot dermatology center. Overlook at Tutter's Neck is a four-phase, 86-townhouse development off Battery Blvd in Quarterpath announced in 2023.
- Downtown redevelopment continues with the Campus Shop, Walkabout Outfitter, Eleva Coffee Lounge, Williamsburg Downtown, and Monkees of Williamsburg, opening in renovated spaces.
- New business openings after renovating existing spaces between July 1, 2023, and June 30, 2024 include Blessings and Blooms Florist, Tabitha Sewer Studio, The Big Scoop, Starbucks, Yum Yum Sushi & Boba, Dollar Tree, Cook's Burger Bar, Grit Coffee, Certapro Painters, Youthful Beginnings Med Spa, and several professional service operations (marketing and design, medical, counseling, etc.).

Tourism is a vital part of the City's economy. Below are some key elements and recent projects underway to strengthen this economic segment:

- In FY 2018, the Virginia General Assembly approved Senate Bill 942, which levies a one percent sales tax in the Historic Triangle, which includes the City of Williamsburg, James City County, and York County. Half of the funds collected from the additional sales tax fund go to the Historic Triangle Marketing Fund, and the other half is distributed to the locality in which the sales tax was collected. The sole purpose of the Historic Triangle Marketing Fund is to market and promote the Historic Triangle area as a tourist destination.
- The Williamsburg City Council established a Tourism Fund using the City's share of the Historic sales tax as one of the revenue sources for the Fund. The Fund's purpose is to provide financial assistance and reinvestment in tourism products through public-private partnerships, place-making projects, and special events designed to promote the City's economic growth. While the COVID-19 pandemic delayed the program, five projects from the first round of grant applications have been completed or are underway and include the following:



## Tourism projects, continued

- **Indoor Sports Complex.** The Historic Triangle Recreational Facilities Authority (HTRFA) was formed to oversee the construction and management of regional recreational facilities as part of the redevelopment of the Colonial Williamsburg Visitors Center. The board comprises Williamsburg, York County, and James City County representatives. In September 2022, the HTRFA selected a firm to design and build a regional sports facility on property in the City of Williamsburg. The sports facility will be at least 200,000 square feet and include 12 basketball courts that can be converted to 24 volleyball courts and 36 pickleball courts. The HTRFA has entered into an interim agreement to create 35% of design documents. On June 12, 2024, the HTRFA voted unanimously to approve an interim agreement with MEB General Contractors, Inc. to design a live performance venue on property in the City of Williamsburg. When constructed, these facilities will have significant positive economic and fiscal impacts on the region and the City.
- **Wayfinding Signage.** After a public procurement process, the City hired a nationally known firm to design a Wayfinding Master Plan. A design was selected in early 2021 after a comprehensive public input process. Phases 2 & 3 involve constructing parking signage and installing digital kiosks. Phase 4, in conjunction with the Williamsburg Public Art Council, involves installation of lantern art pieces to designate gateway entrances to the City. Initial entrances will be at Richmond Road (Route 60 West) and Monticello Avenue at Ironbound Road.

## Major Initiatives

The City has accomplished, or significant work is underway to complete, initiatives in the City Council's strategic plan, "Biennial Goals, Initiatives, and Outcomes." Some of the key initiatives underway during FY 2024 are highlighted below.

- **Equity Program** - In July 2021, the City Council formed the Truth and Reconciliation Committee to study the impact of racism, disenfranchisement, and racial injustice, both historically and presently, on residents of the City to present findings and recommendations to City Council for further action. The Committee presented its report to the City Council on July 10, 2023. On October 10, 2024, the City Council voted unanimously to approve the establishment of the Williamsburg Descendants Scholarship Program, with the City providing \$250,000 in seed money. The scholarship would be available to City residents with African American ancestors who lived in the City of Williamsburg prior to 1964, which is the year the Civil Rights Act was passed. The purpose of the scholarship fund is to address disparities caused by the generational effects of racism. The City is currently working to find an organization to administer the scholarship program.
- **African American Heritage Trail (AAHT)** – The City convened members of the descendent community to form an Advisory Committee to work with the public to create the content of an African American Trail. The goal is to develop an uplifting narrative that shares the until, under-told, under-heard, and overlooked stories of people, places, and events that are important to the African American community in and around the City. The physical location of the trail has been identified, the physical trail structure has been engineered, and \$327,000 of federal funds has been awarded to construct the first phase of the trail. The Committee selected JMI and Share More Stories to continue community engagement work and to develop the narrative of the trail. On December 12, 2024, the City Council unanimously voted to approve the narrative for the AAHT.
- **Affordable Housing** – Affordable housing continues to be a priority of the Williamsburg City Council. In its 2023-2024 Goals, Initiatives, and Outcomes, five of the seven initiatives in the One Williamsburg goal category relate to affordable housing, including:

## Major initiatives, continued

- Seeking Community Development Rehabilitation Block grants designed to provide funding for residential improvements in certain neighborhoods to enable aging in place and to preserve affordable housing.
  - A Direct Loan program, in partnership with a qualified lender, to assist income-qualified homeowners or homebuyers with improvement and preservation projects.
  - A Hotel-to-Affordable Housing Conversion program, designed to convert underperforming hotel properties to restricted affordable housing. To meet this goal, on December 8, 2022, the City Council approved the amendment of Chapter 21, Zoning, Division 15, Section 21-483.1, Planned Development Housing District (PDH), to increase the number of allowable units. The ordinance also ensured hotel conversion projects are strategically located to benefit residents and future economic development opportunities, that the units meet affordability criteria, and that a diversity of family sizes are accommodated. City Council approved the first hotel conversion project under the new ordinance on May 11, 2023.
- **Modernize Police and Fire Stations** – Reconstruction of Fire Station #1 was completed in October 2023. Construction on the new 43,400-square-foot Police Station began in April 2024. In July 2024, the city celebrated the progress of the construction with a beam signing ceremony.

## Long-Term Financial Planning and Financial Policies

Formal, conservative financial policies enable the City to maintain core services and minimize the impact on residents, businesses, and employees. The comprehensive set of financial policies adopted by the City provides a framework for long-term planning and sound financial management to strengthen the City's financial position further. These include policies on Fund Balance for the General Fund, Financial Planning, Revenue and Expenditure, Long-Term Debt, and the Tourism Development Fund policy. In addition, in FY 2021, the City Council adopted a Real Estate Tax Review Policy, a Utility Fund Working Capitalization policy and revised the Long-Term Debt Policy.

The City's adopted Financial Planning Policies include requirements for structurally balanced budgets and long-range planning. Before FY 2019, the City's General Fund and Capital Improvement Program Fund were combined for financial reporting purposes. Beginning with FY 2019, the General Fund and the Capital Improvement Program Fund are reported separately for transparency.

Long-range planning is an integral part of the budget process each year and includes the following actions to develop a framework for developing the budget: (1) preparing five-year forecasts of revenues and expenditures for the General, Capital Improvement Program, and Water and Sewer Funds to identify significant issues and key factors that may impact the City's fiscal outlook; (2) Planning Commission review of current and future capital projects; (3) consideration of revenue, expenditure, and service implications of continuing existing programs, or adding new programs; (4) condition assessment of major buildings, roads, sidewalks, bridges, water lines, vehicles, and equipment; (5) maintaining, at a minimum, the City's 35% of total operating revenues as its unassigned fund balance, which can only be used for emergencies, non-recurring expenditures, or major capital purchases that cannot be acquired on a pay-as-you-go basis and developing strategies to fund the Budget stabilization fund.

## Awards

On September 13, 2023, the Virginia Municipal League (VML) announced the winners of its 2023 Innovation Awards in Local Government. For the third consecutive year, the City of Williamsburg won an innovation award, this time for the City's Future Festivals under VML's Communications category. The City's Future Festivals are a unique approach to gaining public input into the City's strategic plan. To encourage attendance by the public, the City implemented an extensive communication plan through news releases, videos, and recurring and varied social media promotions. More than 900 people attended the Future Festivals, with more than 700 people answering a Goals, Initiatives, and Objectives-related survey, resulting in more comprehensive data from a more diverse participant pool than ever before.

## Awards, continued

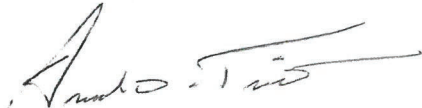
The City received the Government Finance Officers Association of the United States and Canada (GFOA) Distinguished Budget Presentation Award for its annual budget document for the fiscal year beginning July 1, 2022 (FY 2023). This is the 32<sup>nd</sup> consecutive year that the City has won this award. To qualify for the Distinguished Budget Presentation Award, the City's Budget document was judged to be proficient in several categories, including as a policy document, a financial plan, an operations guide, and a communications device. Both prestigious awards serve to continually improve the City's annual financial reports and budget documents by implementing professional suggestions from GFOA staff and reviewers across the country.

The City intends to submit this FY 2024 report to the GFOA for the Certificate of Achievement for Excellence in Financial Reporting. To be awarded a Certificate of Achievement, a governmental unit must publish an easily readable and efficiently organized comprehensive annual financial report with contents conforming to program standards. This report satisfied both generally accepted accounting principles and applicable legal requirements. A Certificate of Achievement is valid for a period of one year only. We believe our current report continues to conform to the Certificate of Achievement Program requirements and look forward to submitting it to the GFOA to determine its eligibility for another certificate.

## Acknowledgments

The preparation of this report has been accomplished with the efficient and dedicated services of the City Department of Finance. We want to express our appreciation to all members of the departments who assisted and contributed to its preparation. In addition, the accounting firm of Robinson, Farmer, Cox Associates is congratulated for its substantial contributions to the design, counsel, and interpretation of recent guidelines and in planning and implementing the requirements of all GASB standards. We also wish to thank the Mayor and City Council members for their unfailing support in planning and conducting the financial operations of the City of Williamsburg in a responsible and progressive manner.

Respectfully Submitted,



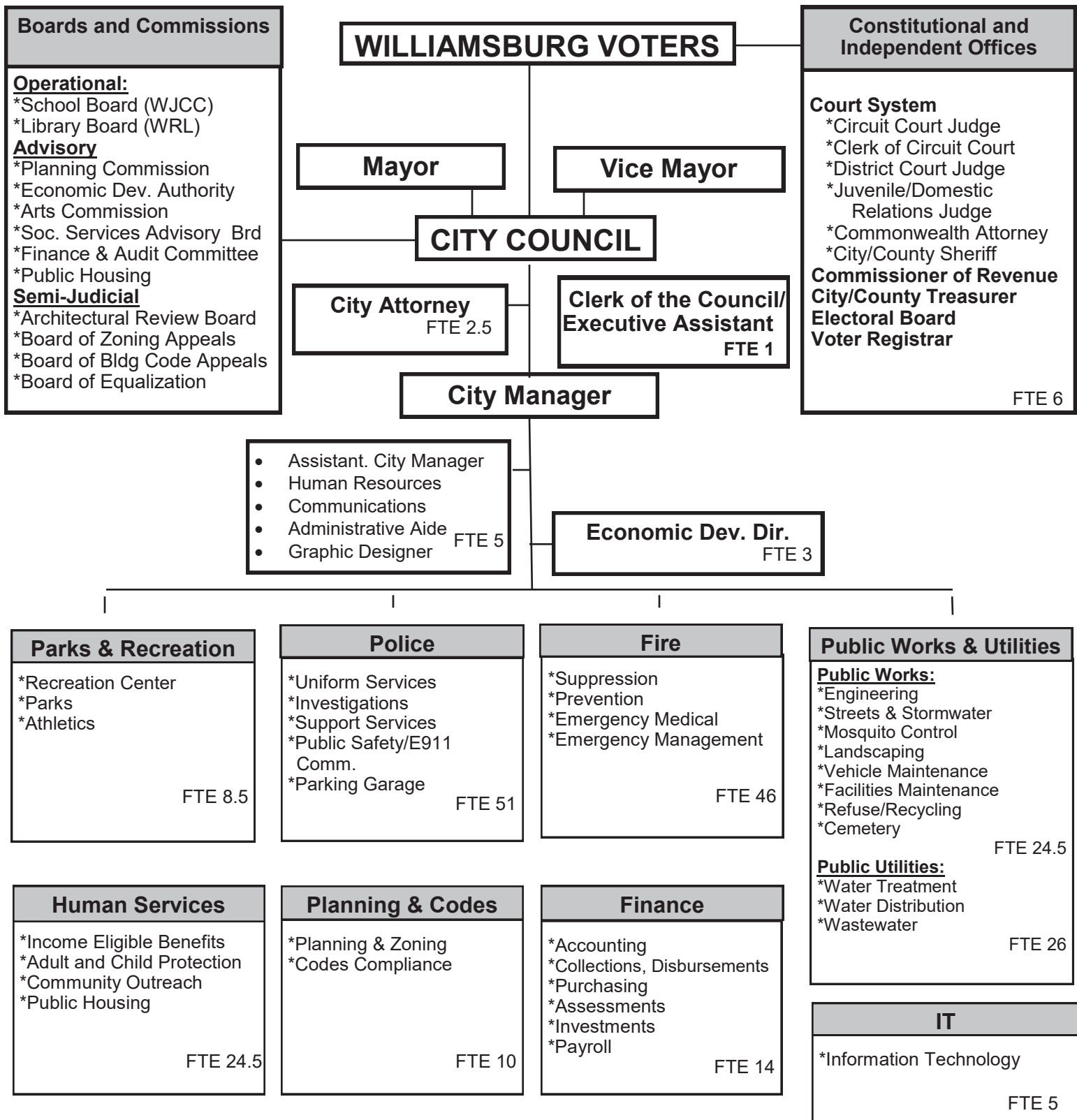
Andrew O. Trivette  
City Manager



Barbara A. Dameron, CPA  
Director of Finance

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# CITY OF WILLIAMSBURG ORGANIZATIONAL CHART



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# CITY OF WILLIAMSBURG, VIRGINIA

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## Members of the City Council as of July 1, 2024

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	Douglas G. Pons, Mayor	
	W. Pat Dent, Vice-Mayor	
Stacy Kern-Scheerer		Barbara L. Ramsey
Caleb T. Rogers		Dustie McCay, Clerk of Council

## City Officials

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City Manager .....	Andrew O. Trivette
Director of Finance .....	Barbara A. Dameron
Assistant City Manager .....	Michele Mixner DeWitt
Commonwealth's Attorney .....	Nate R. Green
City Attorney .....	Christina Shelton
Treasurer .....	Jennifer Otey Tomes
Commissioner of Revenue .....	Lara M. S. Overy
Clerk of Circuit Court.....	Mona A. Foley
Sheriff.....	David J. Hardin
Director of Public Works & Utilities.....	Jack Reed
Director of Planning .....	Tevya Griffin
Director of Human Services .....	Wendy Evans
Director of Information Technology.....	Mark A. Barham
Director of Recreation .....	Robbi Hutton
Acting Director of Economic Development.....	Yuri Adams
Interim Chief, Fire Department.....	Larry Synder
Chief, Police Department.....	Sean Dunn
WHRA Executive Director .....	Tyrone Franklin

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## *FINANCIAL SECTION*

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# ROBINSON, FARMER, COX ASSOCIATES, PLLC

*Certified Public Accountants*

## **Independent Auditors' Report**

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**To the Honorable Members of the City Council  
City of Williamsburg  
Williamsburg, 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 discretely presented component units, each major fund, and the aggregate remaining fund information of the City of Williamsburg, Virginia, 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 financial position of the governmental activities, the business type activities, the discretely presented component units, each major fund, and the aggregate remaining fund information of the City of Williamsburg, Virginia, as of and for the year ended June 30, 2024, and the respective changes in financial position, and, where applicable, cash flows thereof 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 the *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 Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of City of Williamsburg, Virginia, 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.

#### ***Responsibilities of Management for the Financial Statements***

Management is responsible for the preparation and fair presentation of the 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 City of Williamsburg, Virginia'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.

## ***Auditors' 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 auditors' 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, *Government Auditing Standards*, and the *Specifications for Audits of Counties, Cities, and Towns* 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, *Government Auditing Standards*, and the *Specifications for Audits of Counties, Cities, and Towns*, 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 City of Williamsburg, Virginia'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 City of Williamsburg, Virginia'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.

## ***Required Supplementary Information***

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, budgetary comparison information, and schedules related to pension and OPEB funding 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

### ***Required Supplementary Information (Continued)***

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. The budgetary comparison information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

### ***Supplementary Information***

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise City of Williamsburg, Virginia's basic financial statements. The other supplementary information 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. 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 other supplementary information and the schedule of expenditures of federal awards 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 auditors' 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.

### ***Other Reporting Required by Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated December 9, 2024, on our consideration of City of Williamsburg, Virginia'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 City of Williamsburg, Virginia'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 City of Williamsburg, Virginia's internal control over financial reporting and compliance.

*Robinson, Farmer, Cox Associates*

Richmond, Virginia  
December 9, 2024

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The Management's Discussion and Analysis (MD&A) offers readers of the City's financial statements a narrative overview and analysis of the City's financial activities for the fiscal year ended June 30, 2024. Readers are encouraged to consider the information presented in conjunction with additional information furnished in our letter of transmittal, the financial statements, and the notes to the financial statements (which immediately follow this discussion).

## **FINANCIAL HIGHLIGHTS**

### **Government-wide:**

- The City's assets and deferred outflows exceeded its liabilities and deferred inflows (net position) at the close of the Fiscal Year 2024 by \$153.3 million. The unrestricted portion of the net position is \$50.2 million for governmental activities and \$5.2 million for business-type activities, for a total of \$55.4 million. In the current year, the unrestricted net position decreased by \$1.3 million in governmental activities and by \$3.6 million in business-type activities.
- The City's total net position increased by \$3 million from the prior fiscal year, of which the governmental activities increased by \$4.8 million, and business-type activities decreased by \$1.8 million.

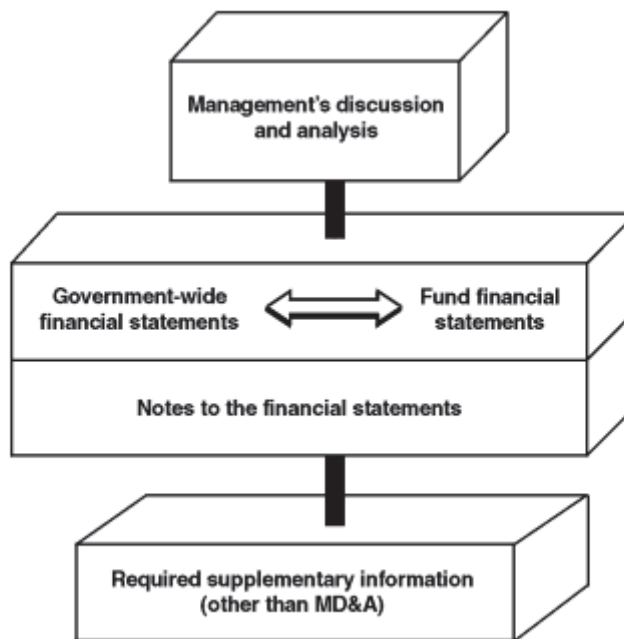
### **Fund Level:**

- Total General Fund revenues were \$48.7 million for FY 2024, an increase of \$2.6 million compared with FY 2023. General property tax receipts were \$22.1 million, an increase of 14.5% compared with last year. Other local taxes increased by 3.6% or \$605 thousand compared with FY 2023. The increase in other local taxes was primarily due to increased revenue in business and professional licenses (BPOL), bank stock, and meal taxes, offset by decreased revenue in lodging and recordation taxes. The increased revenue streams resulted from increased gross receipts generated by a combination of higher sales volume and the impact of inflation. The decreased revenue in lodging resulted from a reduction in the sales volume for hotel, motel, and bed breakfast guest rooms and in recordation from a lower volume of deeds and marriage licenses.
- In the General Fund, intergovernmental revenues total \$4.8 million, a decrease of \$195 thousand or 3.9% compared with FY 2023. The \$4.8 million is comprised of \$4.6 million from the Commonwealth, and \$201 thousand was from the federal government.
- Total General Fund expenditures increased by \$5.9 million or 16.2% compared with FY 2023. Most of this increase occurred in the General Administration, Public Safety, Education, Public Works, Parks and Recreation, and Community Development categories. Increased expenditures were primarily due to professional services to conduct studies of various City-provided services, community engagement events, temporary employees in Finance due to staff turnover, the addition of an Assistant City Attorney, increase in the City's share of operational costs for the Williamsburg-James City County Public School System, and in salary and benefits resulting from the cost-of-living wage adjustment.
- Spending on capital projects increased by \$1.2 million, or 7.4%, compared with last year. Debt service expenditures increased \$1.1 million compared with FY 2023 because of the Series 2022 Bonds issued to finance the construction of a new Police Station and other public facilities.
- The City's General Fund bonded debt increased by \$9 million due to a bond issue of \$10.2 million and scheduled ongoing debt principal on existing debt being paid down.
- The City's governmental funds reported combined fund balances of \$97.6 million, an increase of \$6.8 million from the prior year. Fund balances are further categorized as Nonspendable (\$3.9 million land held for inventory and a very small portion for prepaid expenditures), Restricted (\$33.8 million for general obligation bonds issued for public safety facilities, \$972 thousand for American Rescue Plan Fund, and \$744 thousand for the Public Assistance Fund and \$9 thousand for the Law Enforcement Block Grant Fund), Assigned (\$28.6 million of carryover and future capital projects and \$3.9 million for investment in tourism projects), and Unassigned (\$25.6 million). The unassigned fund balance is 52.6% of the General Fund operating revenues.

- Business-type activities (Utility Fund) reported a net position on June 30, 2024, of \$26.2 million. Capital assets (net of depreciation and related debt) account for 80.2% of this amount, with the remaining net position of \$5.2 million available without restriction. The Utility Fund reports investments at year-end of \$8.9 million, with total current liabilities of \$4.7 million, including the current portion (due within one year) of compensated absences and bonds payable.

## OVERVIEW OF THE FINANCIAL STATEMENTS

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



### Government-wide Financial Statements

There are two government-wide financial statements designed to provide readers with a broad overview of the City's finances in a manner similar to a private-sector business. Both government-wide financial statements distinguish functions of the City that are principally supported by taxes and intergovernmental revenues (*governmental activities*) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (*business-type activities*). The governmental activities include general government, judicial, public safety, public works, health and welfare, education, parks and recreation, cultural, community development, and debt service. The sole business-type activity of the City of Williamsburg is the water utility.

The government-wide financial statements (Exhibits 1 and 2) include the City itself (known as the primary government), the legally separate Economic Development Authority (EDA), and the Housing Authority for which the City is financially accountable. Financial information for these *component units* is reported separately from the financial information presented for the primary government itself.

The *Statement of Net Position* presents information on all the City's assets and liabilities, with the difference between the two reported as net position. This statement serves a purpose similar to that of the balance sheet of a private-sector business. Over time, increases or decreases in net position may serve as a useful indicator



of whether the City's financial position is improving or deteriorating. However, this is just one indicator of the financial health of the City. Other indicators include the condition of the City's infrastructure systems (roads, drainage systems, bridges, etc.), changes in the property tax base, and general economic conditions within the City.

The Statement of Activities presents information showing how the government's net position changed during the most recent fiscal year. Because it separates program revenue (revenue generated by specific programs through charges for services, grants, and contributions) from general revenue (revenue provided by taxes and other sources not tied to a particular program), it shows to what extent each program has to rely on taxes for funding. All changes in net position are reported using the accrual basis of accounting, similar to the method used by most private-sector companies. The accrual basis of accounting requires that revenues be reported when they are earned, and expenses are reported when the goods and services are received, regardless of the timing of the cash flow. Items such as uncollected taxes, unpaid vendor invoices for items received before June 30, 2024, and earned but unused vacation and sick leave will be included in the statement of activities as revenue and expense, even though the cash associated with these items will not be received or distributed until after June 30, 2024.

### **Fund Financial Statements**

A *fund* is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The City of Williamsburg, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. Each of the City of Williamsburg funds can be divided into three categories: governmental funds, proprietary funds, and fiduciary funds. Governmental Funds are used to account for most, if not all, of a government's tax-supported activities. Proprietary Funds are used to account for a government's business-type activities, where all or part of the costs of activities are supported by fees and charges that are paid directly by those who benefit from the activities. Fiduciary Funds are used to account for resources that the government holds in a trustee capacity or as a custodian for individuals, private organizations, other governmental units, or other funds. The resources of fiduciary funds cannot be used to support the government's own programs.

*Governmental Funds.* The Governmental Fund Balance Sheet and the Governmental Fund Statement of Revenues, Expenditures, and Changes in Fund Balances present separate columns of financial data for the General Fund. GASB Statement No. 34 defines a major fund as a fund whose assets, liabilities, revenues, or expenditures comprise: 1) at least 10% of the total dollar amount of the same category within either all government or all enterprise funds, as appropriate; and 2) at least 5% of the total dollar amount of all governmental and enterprise funds combined for the same category. The General Fund is always considered a major fund. The governmental fund financial statements can be found immediately following the government-wide financial statements.

Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike government-wide financial statements' use of accrual accounting, governmental fund financial statements focus on near-term inflows and outflows of spendable resources and balances of spendable resources available at the end of the fiscal year. Such information is useful in evaluating a government's near-term financing requirements in comparison to near-term resources available.

Because the focus of governmental fund financial statements is narrower than that of government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to the governmental activities column in the government-wide statements to facilitate this comparison.

The City maintains budgetary controls over its operating funds. The objective of budgetary controls is to ensure compliance with legal provisions embodied in the annual appropriated budget. Budgets for governmental funds are established in accordance with state law and are adopted at the fund level. Personnel services are budgeted for full-time positions. Capital outlays are approved on an item-by-item basis or project basis. A budgetary comparison statement is provided for the General and Tourism Funds to demonstrate compliance with the budget. Major and nonmajor fund information follows the notes to the financial statements. Budgetary variances for the General Fund are discussed in some detail later in this section.

*Proprietary Funds.* The City uses an enterprise fund to account for its water utility operations. Enterprise Funds are used to report the same functions presented as business-type activities in the government-wide financial statements.

Proprietary fund statements follow the governmental fund statements in this report. They provide the same type of information as the government-wide financial statements, only in more detail, since both apply the accrual basis of accounting. The proprietary fund financial statements provide information for the Water Utility Fund, which is the only major proprietary fund of the City. There are no reconciling differences from the Proprietary Fund Statement of Net Position to the business-type activity column on the Government-Wide Statement of Net Position.

*Fiduciary Funds.* Fiduciary funds are used to account for resources held for the benefit of parties outside the government. Fiduciary funds are not reflected in the government-wide financial statement because the resources of those funds are not available to support the City's own programs. The accounting used for fiduciary funds is much like that used for proprietary funds. The City of Williamsburg has one type of fiduciary fund - Custodial Funds (which are clearing accounts for assets held by the City in its role as a custodian until the funds are allocated to the organizations or government agencies to which they belong). The Statement of Fiduciary Net Position can be found following the proprietary fund financial statements.

## **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. The notes to the financial statements can be found immediately following the basic financial statements in this report.

## **Other Information**

In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information (RSI) concerning the (1) General and Tourism Funds revenues, expenditures, and changes in fund balances-budget and actual; and (2) the City's progress in funding its obligations to provide pension and other post-employment benefits to its current and future retirees. This required supplementary information can be found in Exhibits 12 through 23 of this report.

The combining financial statements for the Capital Project Fund and other nonmajor special revenue funds and fiduciary funds immediately follow the required supplementary information at exhibits 24 through 29 of this report.

This report also contains a statistical section that supplements the basic financial statements by presenting detailed trend information to assist the users in assessing the economic condition of the City. We encourage readers to review the statistical section to better understand the City's operations, services, and financial condition.

The last section of this report contains a compliance section, including the City's Schedule of Expenditures of Federal Awards and related notes and the independent auditors' required reports on compliance and internal control.

## GOVERNMENT-WIDE FINANCIAL ANALYSIS

### Statement of Net Position

As noted earlier, changes in net position may serve as a useful indicator of a City's financial position over time. The City's net position totaled \$153.3 million on June 30, 2024. The following table reflects the condensed Government-Wide Statement of Net Position:

#### City of Williamsburg - Summary of Net Position

	Governmental Activities		Business-type Activities		Total	
	<u>2024</u>	<u>2023</u>	<u>2024</u>	<u>2023</u>	<u>2024</u>	<u>2023</u>
Current and other Assets	\$ 106,272,571	\$ 97,628,581	\$ 9,655,947	\$ 13,331,341	\$ 115,928,518	\$ 110,959,922
Capital Assets	<u>92,199,337</u>	<u>83,143,188</u>	<u>22,926,797</u>	<u>21,661,858</u>	<u>115,126,134</u>	<u>104,805,046</u>
Total Assets	\$ 198,471,908	\$ 180,771,769	\$ 32,582,744	\$ 34,993,199	\$ 231,054,652	\$ 215,764,968
Deferred Outflow of Resources	<u>\$ 3,982,970</u>	<u>\$ 3,872,485</u>	<u>\$ 438,569</u>	<u>\$ 393,450</u>	<u>\$ 4,421,539</u>	<u>\$ 4,265,935</u>
Long-term Liabilities	\$ 61,927,386	\$ 52,739,116	\$ 2,826,369	\$ 3,660,446	\$ 64,753,755	\$ 56,399,562
Other Liabilities	<u>9,382,882</u>	<u>4,301,366</u>	<u>1,867,199</u>	<u>1,176,301</u>	<u>11,250,081</u>	<u>5,477,667</u>
Total Liabilities	\$ 71,310,268	\$ 57,040,482	\$ 4,693,568	\$ 4,836,747	\$ 76,003,836	\$ 61,877,229
Deferred Inflow of Resources	<u>\$ 4,092,235</u>	<u>\$ 5,368,019</u>	<u>\$ 2,108,283</u>	<u>\$ 2,484,558</u>	<u>\$ 6,200,518</u>	<u>\$ 7,852,577</u>
Net Position:						
Net Invested in Capital Assets	\$ 76,885,626	\$ 70,767,336	\$ 21,017,765	\$ 19,281,426	\$ 97,903,391	\$ 90,048,762
Restricted for:						
Fire and Police Capital	-	-	-	-	-	-
Unrestricted	<u>50,166,749</u>	<u>51,468,415</u>	<u>5,201,697</u>	<u>8,783,918</u>	<u>55,368,446</u>	<u>60,252,333</u>
Total Net Position	<u>\$ 127,052,375</u>	<u>\$ 122,235,751</u>	<u>\$ 26,219,462</u>	<u>\$ 28,065,344</u>	<u>\$ 153,271,837</u>	<u>\$ 150,301,095</u>

The City of Williamsburg's total assets were \$231 million as of June 30, 2024. The City's investment in capital assets, less any related debt used to acquire the assets that are still outstanding, is \$97.9 million or 42.4% of total assets. The City uses these capital assets to provide services to citizens; consequently, these assets are *not* available for future spending. Although the City's investment in capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources since the capital assets themselves cannot be used to liquidate these liabilities. Of the remaining City assets, approximately \$100 million is accounted for in cash, cash equivalents, and pooled investments, \$5 million in accounts and notes receivable, \$4 million in inventories, \$3 million due from other governmental units, and \$4 million in leases receivable.

On June 30, 2024, outstanding liabilities were \$76 million, with \$71 million in general obligation bonds payable, compensated absences, and net pension and other post-employment (OPEB) liabilities. Of the bonds payable, \$1.5 million is due within one year, with the remainder due at various dates until 2051. Additional information on the City's long-term debt obligations is included in Note 8 in the notes to the financial statement. Included in other liabilities above are \$4.1 million in accounts payable, \$1.8 million in compensated absences, \$1.7 million in accrued liabilities, \$937 thousand in accrued interest payable, \$537 thousand in customer deposits payable, \$350 thousand in unearned revenue, and \$330 thousand in lease and subscription liabilities.

As of June 30, 2024, the City had positive balances in all categories of net position for the government as a whole and its separate governmental and business-type activities.

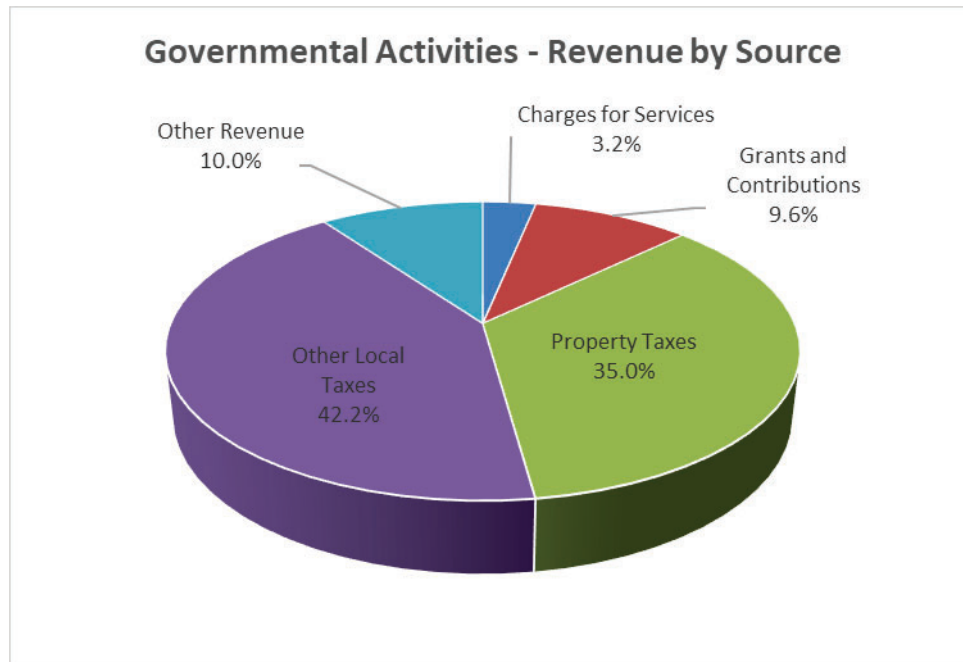
The following schedule summarizes the Statement of Activities of the primary government for the fiscal years ended June 30, 2024, and 2023:

**City of Williamsburg - Summary of Changes in Net Position**

	<b>Governmental Activities</b>		<b>Business-type Activities</b>		<b>Total</b>	
	<b><u>2024</u></b>	<b><u>2023</u></b>	<b><u>2024</u></b>	<b><u>2023</u></b>	<b><u>2024</u></b>	<b><u>2023</u></b>
Revenues:						
Program Revenues:						
Charges for Services	\$ 2,051,078	\$ 1,869,003	\$ 8,112,465	\$ 9,147,275	\$ 10,163,543	\$ 11,016,278
Operating Grants and Contributions	5,633,195	11,210,269	-	-	5,633,195	11,210,269
Capital Grants and Contributions	467,947	1,884,375	-	-	467,947	1,884,375
General Revenues:			-	-		
Property Taxes	22,203,141	19,513,531	-	-	22,203,141	19,513,531
Other Local Taxes	26,825,780	25,756,432	-	-	26,825,780	25,756,432
Transfers	1,796,000	194,864	(1,796,000)	(194,864)	-	-
Other	<u>6,325,384</u>	<u>6,956,222</u>	<u>624,579</u>	<u>346,069</u>	<u>6,949,963</u>	<u>7,302,291</u>
Total Revenues	<u>\$ 65,302,525</u>	<u>\$ 67,384,696</u>	<u>\$ 6,941,044</u>	<u>\$ 9,298,480</u>	<u>\$ 72,243,569</u>	<u>\$ 76,683,176</u>
Expenses						
General Government	\$ 8,293,256	\$ 6,259,696	\$ -	\$ -	\$ 8,293,256	\$ 6,259,696
Judicial Administration	655,411	572,862	-	-	655,411	572,862
Public Safety	14,126,578	16,144,432	-	-	14,126,578	16,144,432
Public Works	8,215,970	4,653,005	-	-	8,215,970	4,653,005
Health and Welfare	3,977,464	3,822,049	-	-	3,977,464	3,822,049
Education	10,764,416	9,333,226	-	-	10,764,416	9,333,226
Parks, Recreation, & Cultural	3,934,891	3,173,203	-	-	3,934,891	3,173,203
Community Development	8,851,166	8,327,028	-	-	8,851,166	8,327,028
Interest Expense	1,666,749	1,220,074	-	-	1,666,749	1,220,074
Water	<u>-</u>	<u>-</u>	<u>8,786,926</u>	<u>8,470,176</u>	<u>8,786,926</u>	<u>8,470,176</u>
Total Expenses	<u>\$ 60,485,901</u>	<u>\$ 53,505,575</u>	<u>\$ 8,786,926</u>	<u>\$ 8,470,176</u>	<u>\$ 69,272,827</u>	<u>\$ 61,975,751</u>
Changes in Net Position	\$ 4,816,624	\$ 13,879,121	\$ (1,845,882)	\$ 828,304	\$ 2,970,742	\$ 14,707,425
Net Position - Beginning	<u>122,235,751</u>	<u>108,356,630</u>	<u>28,065,344</u>	<u>27,237,040</u>	<u>150,301,095</u>	<u>135,593,670</u>
Net Position - Ending	<u>\$ 127,052,375</u>	<u>\$ 122,235,751</u>	<u>\$ 26,219,462</u>	<u>\$ 28,065,344</u>	<u>\$ 153,271,837</u>	<u>\$ 150,301,095</u>

## Governmental Activities – Revenues

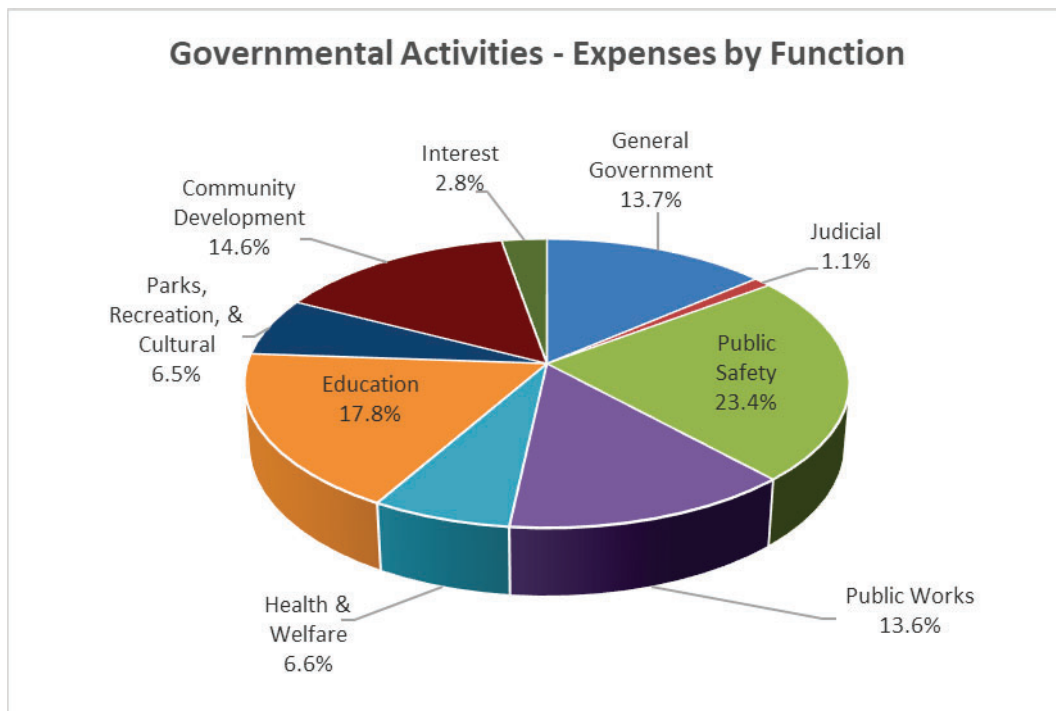
The City's total revenues from governmental activities were \$65.3 million for FY 2024, a decrease of \$2.1 million from last year. Percentages of FY 2024 governmental revenues by source are as follows:



Taxes are the largest City revenue source, with property and other local taxes accounting for 77.2% of the City's governmental activities. General property tax revenues were \$ 22.2 million, an increase of 13.8%, or \$2.7 million, compared with last year due to the increase in assessments. Other local taxes totaled \$26.8 million during FY 2024, an increase of 4.2%, or \$1.1 million, due to increased tourism and the impact of inflation on the sources that are the base for the taxes. The majority of the increases in other local taxes in FY 2024 are attributed to increases in business licenses, bank stock taxes, and meal taxes over FY 2023.

## Governmental Activities – Expenses

The City's FY 2024 total expenses for governmental activities were \$60.5 million, an increase of 13.0% or \$7.0 million compared with FY 2023. The Governmental Fund expenditures increased by \$7.8 million, and the major variances are further discussed in the Financial Analysis of the City's Funds section. In the transition from fund statements to government-wide, some expenses are reported in the Statement of Activities that do not require the use of current financial resources; therefore, these items are not reported as expenditures in the governmental funds. An example would be expense accruals for compensated absences that are not reported as expenditures in the fund statements. There are also some expenditures reported in the governmental funds that are not reported as expenses in the Statement of Activities. An example would be capital assets that are purchased or constructed are reported as expenditures in the governmental funds; however, for government-wide, the asset is reported in the Statement of Net Position, and the cost of the asset is allocated over its useful life as depreciation expense.



**Business-type activities** – The Utility Fund is the City's only business-type activity. The utility rate structure recovers as much as possible of the operating expenses incurred to meet service demands through user charges. Change in the fund's net position is the difference between revenues and expenses, which for FY 2024 resulted in a decrease in net position of \$1.8 million. More information on the operation of the Utility Fund is shown in the Funds section of this discussion.

## FINANCIAL ANALYSIS OF THE CITY'S FUNDS

As noted earlier, the City of Williamsburg uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. The following is a financial analysis of the City's governmental and proprietary funds.

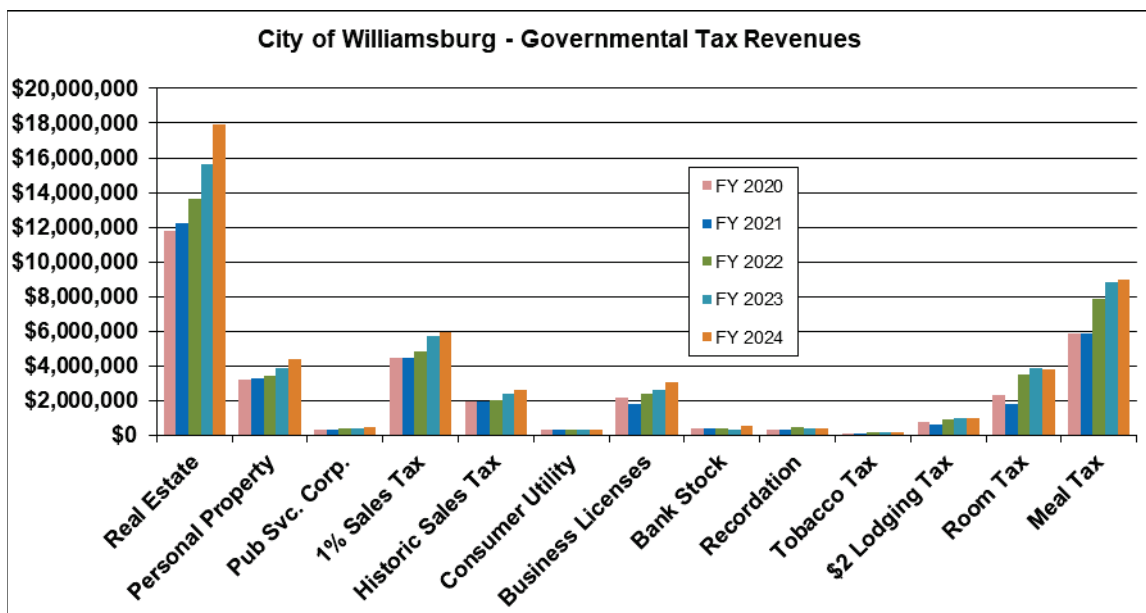
The Governmental Funds include the General Fund, Tourism Fund, American Rescue Plan Fund, Capital Projects Fund, Public Assistance Fund, and the Law Enforcement Block Grant Fund. The general governmental functions are contained in the General Fund, the City's chief operating fund. The City's governmental funds focus on near-term inflows, outflows, and balances of spendable resources. On June 30, 2024, the total fund balance of the General Fund was \$25.6 million. A small portion of the fund balance, \$26 thousand, is *Nonspendable*, consisting of prepaid expenditures. The majority of the fund balance is *Unassigned*, representing 52.6% of operating revenue, in compliance with the City's unassigned fund balance policy of at least 35% of operating revenues for the year.

**Revenues Classified by Source  
Governmental Funds**

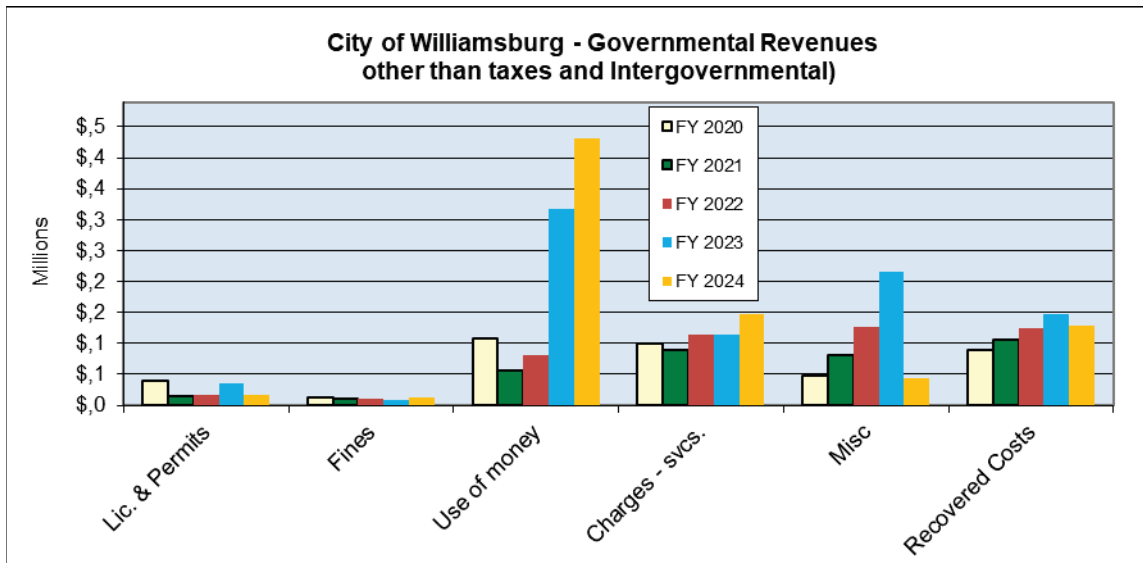
	June 30, 2024		June 30, 2023		Increase/(Decrease)	
	Amount	% of Total	Amount	% of Total	Amount	% of Change
Revenue by Source:						
General Property Taxes	\$ 22,082,840	34.1%	\$ 19,287,183	28.2%	\$ 2,795,657	14.5%
Other Local Taxes	26,825,780	41.5%	25,756,432	37.6%	1,069,348	4.2%
Permits, privilege fees, and regulatory licenses	261,270	0.4%	446,096	0.7%	(184,826)	-41.4%
Fines and forfeitures	216,748	0.3%	187,316	0.3%	29,432	15.7%
Use of Money and Property	4,420,229	6.8%	3,274,368	4.8%	1,145,861	35.0%
Charges for Services	1,573,060	2.4%	1,235,591	1.8%	337,469	27.3%
Miscellaneous	526,522	0.8%	2,258,600	3.3%	(1,732,078)	-76.7%
Recovered Costs	1,384,214	2.1%	1,578,766	2.3%	(194,552)	-12.3%
Intergovernmental	7,418,361	11.5%	14,438,393	21.1%	(7,020,032)	-48.6%
Total Revenues:	\$ 64,709,024	100.0%	\$ 68,462,745	100.0%	\$ (3,753,721)	-5.5%

The following provides more detailed information about General Fund operating revenue collection and significant revenue impacts in other Governmental Funds during FY 2024:

- General Property Taxes** – This category consists of real and personal property tax receipts. Real property tax assessments increased 16.6% in FY 2024, and receipts were \$17.9 million, an increase of \$2.3 million or 14.6%, compared with FY 2023. Personal property tax receipts for individuals and businesses include reimbursement from the State's Car Tax relief block grant program and total \$4.4 million, an increase of \$457 thousand, or 11.7%, compared with last year, primarily because of the increased assessments of motor vehicles.
- Other Local Taxes** – Overall, these revenues increased by \$1.1 million compared to last year. The majority of the increase was in the City's share of the Historic Triangle sales tax (Tourism Fund) of \$262 thousand and the state sales tax (Capital Projects Fund) of \$227 thousand, business licenses of \$422 thousand, and bank stock taxes of \$173 thousand. The increase in other local taxes of 4.2%, compared to FY 2023, was not as dramatic as the increase of 11.9% that occurred in FY 2023, in comparison to FY 2022, as the economy rebounded from the pandemic and experienced significant inflation. However, the current increase is the result of continued activity in the local economy at a more modest pace, as well as the impact of inflation on tax revenue.







- **Licenses and Permits** – This category of revenues decreased \$185 thousand, or 41.4%, compared with FY 2023 due to a decrease in building, electrical, plumbing, and permits compared to the large number of permits issued in FY 2023.
- **Fines and Forfeitures** – This category includes court fines and forfeitures, and parking fines. This revenue increased by \$29 thousand compared with FY 2023 due to a slight increase in court fines and forfeitures. Parking fines remained about level compared to FY 2023.
- **Revenue from the Use of Money and Property** – Revenue in this category is primarily generated from the interest income, the rental of property, and the sale of surplus equipment. In FY 2024, this category of revenue increased by \$1.2 million, primarily due to increased interest income in the Capital Projects Fund.
- **Charges for Services** – This category consists mainly of EMS medical transport fees, recreation programs and facility rentals, and cemetery lots and fees. Overall revenues in this category increased by \$337 thousand compared with FY 2023, or 27.3%. The majority of this increase, or \$282 thousand, was related to increased use of EMS medical transport services, with the remaining \$55 thousand is primarily due to increased participation in Parks and Recreation classes and use of facilities for which fees charged, as well as a slight increase in fee accessed by the Emergency Services agreement with William & Mary University.
- **Miscellaneous** – This category comprises fiscal agent fees, payments in lieu of taxes, and other revenues that are either small in amount or infrequent, or both. FY 2024 revenues in this category decreased by \$613K thousand compared with FY 2023. Delinquent payment in lieu of taxes totaling \$183 thousand and a one-time revenue received in FY 2023 contributed to the decrease.
- **Recovered Costs** – These include reimbursements for Utility Fund overhead charges, public safety overtime, stormwater management fees, and James City County's reimbursed portion of annual Arts Commission grants. FY 2024 recovered cost revenue decreased by \$195 thousand compared with FY 2023, primarily due to a decrease in Utility Fund Overhead charges.
- **Intergovernmental** – Intergovernmental revenue in the General Fund for FY 2024 was \$4.8 million: \$4.6 million was from the Commonwealth of Virginia and \$200 thousand from the federal government. Intergovernmental revenue from the Commonwealth of Virginia increased by \$88 thousand compared with FY 2023, due primarily to increased revenue for maintenance of streets and sidewalks of \$200 thousand, offset by a decrease of \$130 thousand in a grant for school resource officers. Revenue from the federal government decreased in FY 2024 by \$283 thousand compared to FY 2023. The



major contributing factors to the decrease were a FEMA reimbursement received in FY 2023 and a reduction in a SAFER grant to fund Firefighters in FY 2024, as the grant was available for only a portion of FY 2024.

### Governmental Funds Expenditure – Analysis

The following table represents governmental expenditures by function compared with amounts for the previous year.

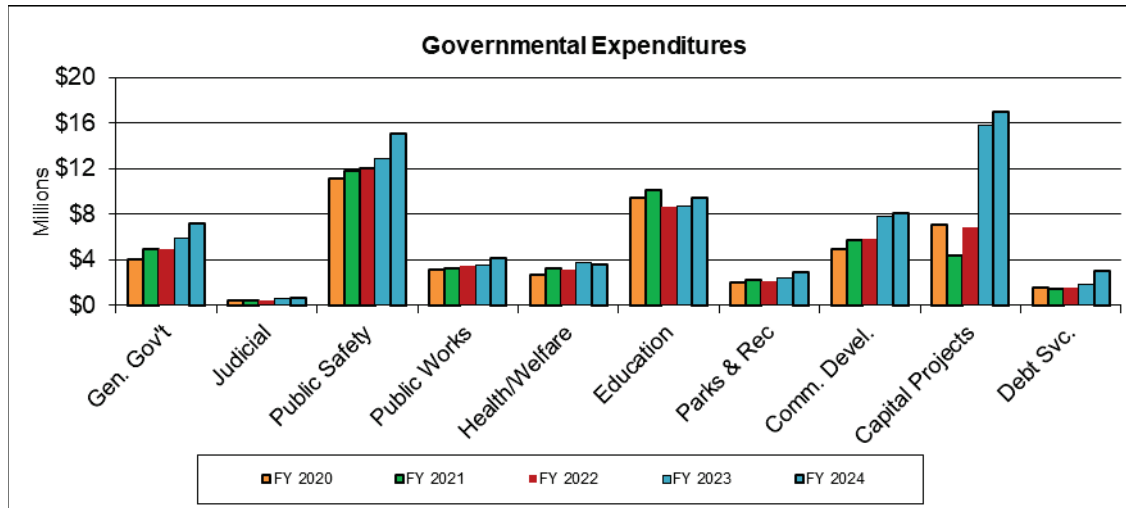
	Expenditures by Function Governmental Funds					
	June 30, 2024		June 30, 2023		Increase/(Decrease)	
	Amount	% of Total	Amount	% of Total	Amount	% of Change
Expenditures by Function:						
General government administration	\$ 7,155,647	10.0%	\$ 5,905,236	9.3%	\$ 1,250,411	21.2%
Judicial administration	655,411	0.9%	572,862	0.9%	82,549	14.4%
Public safety	15,111,098	21.2%	12,832,957	20.2%	2,278,141	17.8%
Public works	4,123,585	5.8%	3,536,104	5.6%	587,481	16.6%
Health and welfare	3,906,778	5.5%	3,819,544	6.0%	87,234	2.3%
Education	9,398,953	13.2%	8,727,917	13.8%	671,036	7.7%
Parks, recreation, and cultural	2,907,844	4.1%	2,389,123	3.8%	518,721	21.7%
Community development	8,078,596	11.3%	7,855,738	12.4%	222,858	2.8%
Capital projects	17,035,831	23.9%	15,856,171	25.0%	1,179,660	7.4%
Principal retirement	1,376,949	1.9%	1,062,600	1.7%	314,349	29.6%
Interest and other fiscal charges	1,656,049	2.3%	824,806	1.3%	831,243	100.8%
Total Expenditures:	<u>\$ 71,406,741</u>	<u>100.0%</u>	<u>\$ 63,383,058</u>	<u>100.0%</u>	<u>\$ 8,023,683</u>	<u>12.7%</u>

The City's FY 2024 adopted budget included \$853 thousand in the General Fund to adjust public safety and general employee salaries. The employer contribution rate during FY 2024 for full-time employees covered by the Virginia Retirement System was 17.1% of salaries, with covered employees contributing their 5% share above the employer rate. Healthcare premiums for the City's plan with Anthem's Local Choice program administered by the state stayed level with the FY 2023 premiums.

The following analysis provides additional information on the City's expenditures by function compared to amounts for the previous year.

- **General Government Administration** - increased \$1.3 million in FY 2024 compared to FY 2023. Contributing factors to the increase were \$461 thousand for temporary employees to fill vacant positions, \$296 thousand to cover cost-of-living increases, adding an Assistant City Attorney position and changes in healthcare benefit plans selected by employees, \$264 thousand in professional services related to the study of certain City services and community events, \$149 thousand contribution to the Economic Development Authority to fund tax incentives, and \$72 thousand for increases in property insurance.
- **Public Safety** - consists of the Police Department, Dispatch for Fire and Police (E911), Line of Duty Act Insurance, Prince George Parking Garage, Building Inspections, and the City's share of the cost for regional Juvenile Detention, Jail, and Group Home. Public Safety costs increased by \$2.3 million in FY 2024 compared with FY 2023. Significant contributors to the increase were cost-of-living adjustments and associated benefits of \$1.5 million, a \$368 thousand increase in the City's share of regional Juvenile Detention, Jail, Group Home, and Animal Control, and \$305 thousand for the increased cost of gasoline, electricity and heating, maintenance for motor vehicles, professional health services, and supplies.
- **Public Works** – Public Works expenditures in the General Fund increased by \$587 thousand compared to FY2023. Contributing factors to the increase were salary and benefits of \$225 thousand due to the cost-of-living increases, \$104 thousand for machinery and equipment, an increase of \$54 thousand for maintenance of the building, an increase of \$51 thousand in the cost for service contract and electricity and an increase of \$42 thousand for contracted garbage collection.

- **Education** – Education costs were \$ 9.4 million, an increase of \$671 thousand compared with FY 2023. The City's share of the jointly operated Williamsburg-James City County Schools for FY 2024 was 10.07%. FY 2024 was the second year of a five-year renegotiated joint agreement, with operating funding based on the City's share of the student population multiplied by a 14% factor, then averaged over the past three years. The City also funds approved capital projects at the same rate.



### Budget Variances

Included in the Final Budget column of the Schedule of Revenues, Expenditures, and Changes in Fund Balance – Budget and Actual – are carryover funds for Capital Projects. Since most planned projects are multi-year in nature and, therefore, rarely completed by fiscal year-end, this carryover is required to complete planned and previously approved projects.

General Fund operating revenues were over budget by \$1.3 million, or 2.8%. Revenues that exceeded the budget by a significant amount were:

- Increase of \$430 thousand in revenue from the Commonwealth of Virginia. The largest portion of this increase was an increase of \$357 thousand for the maintenance of streets and sidewalks and funding of public safety.
- General property taxes exceeded the budget by \$612 thousand. Real Estate and Personal Property taxes exceeded the estimated collection rate.
- Other local taxes exceeded the budget by \$502 thousand. Business licenses, Bank Stock taxes, and Meal taxes made up the largest portion of the increase. These revenues were budgeted conservatively due to the concern that inflation would have a negative impact on disposable income.

These positive variances in General Fund revenue were offset by negative variances in Miscellaneous revenue of \$312 thousand and revenue from the federal government of \$156 thousand. \$114 thousand of the decrease in Miscellaneous resulted from Payment in Lieu of Taxes that were delinquent and other one-time revenues that were under budget by \$198 thousand.

General Fund operating expenditures were under budget by \$544 thousand. Contingency funds were budgeted for \$2.6 million to cover the overages of \$2.4 million in salaries and benefits for the cost-of-living adjustment and temporary employment services to cover vacant positions. Section 22.1-100 of the Code of Virginia requires that schools' unspent funds at year-end revert back to the locality that funded the appropriation. The City's share of the surplus from the operating budget of the schools totaled \$982 thousand. Other expenditures that exceeded budget by a significant amount included professional services by \$240 thousand, increased cost for gas, office supplies, and machinery and equipment exceeded their collective

budgets by \$238 thousand, and principal and interest recognized for leases and subscription-based information technology arrangements were over budget by \$160 thousand.

**Capital Projects** - \$17 million was expended on capital projects in FY 2024. As mentioned earlier, capital project funding and expenditures vary each year, depending on the five-year plan. The budget balances of any appropriated capital projects not completed at year-end carry forward to the next fiscal year, as provided for in the City's Financial Policies. More information is provided in the Capital Assets section of this analysis.

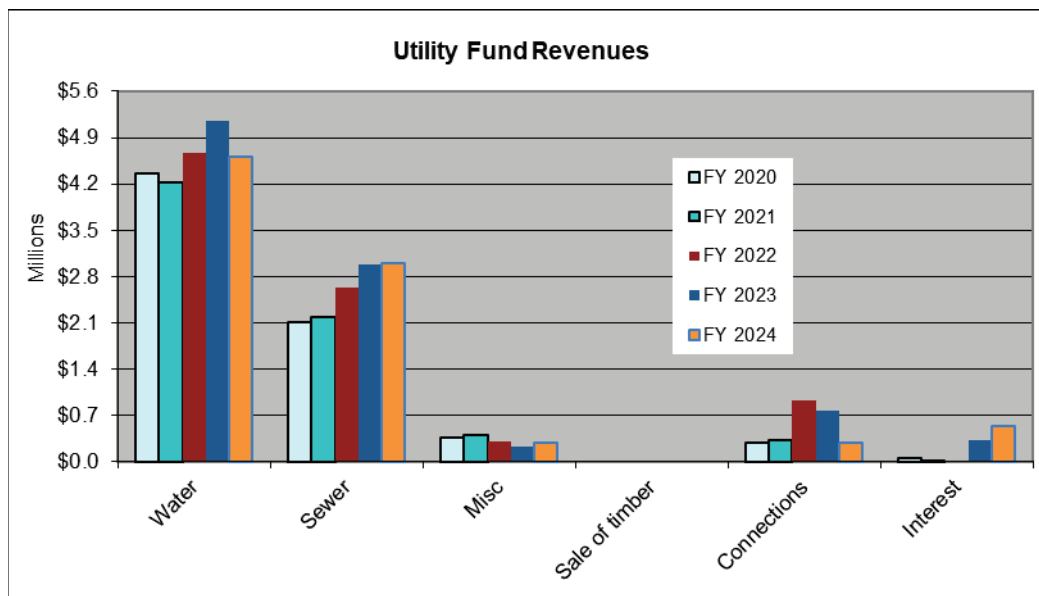
### Fund Balance

The total Fund Balance for the General Fund increased from \$23.3 million to \$25.6 million for the year. Of that, \$26 thousand is nonspendable and represents prepaid expenditures, and the remaining amount is unassigned. The increase in fund balance is primarily attributed to increases in property tax, other local taxes, charges for services, and street maintenance revenues, which were offset by decreases in miscellaneous and grant revenues. The school system's operating surplus was the primary expenditure under budget, and funds were budgeted to cover overages in salaries and benefits due to the cost-of-living adjustment and temporary staffing to cover vacancies.

### Enterprise Funds Revenue/Expense Analysis

The business-type activity (water and sewer services of the Utility Fund) operating revenues for the year were \$8.2 million, a decrease of \$964 thousand, or 10.5%, compared with last year. There was no increase in water rates, which are \$5.30 per 1,000 gallons. Highlights include:

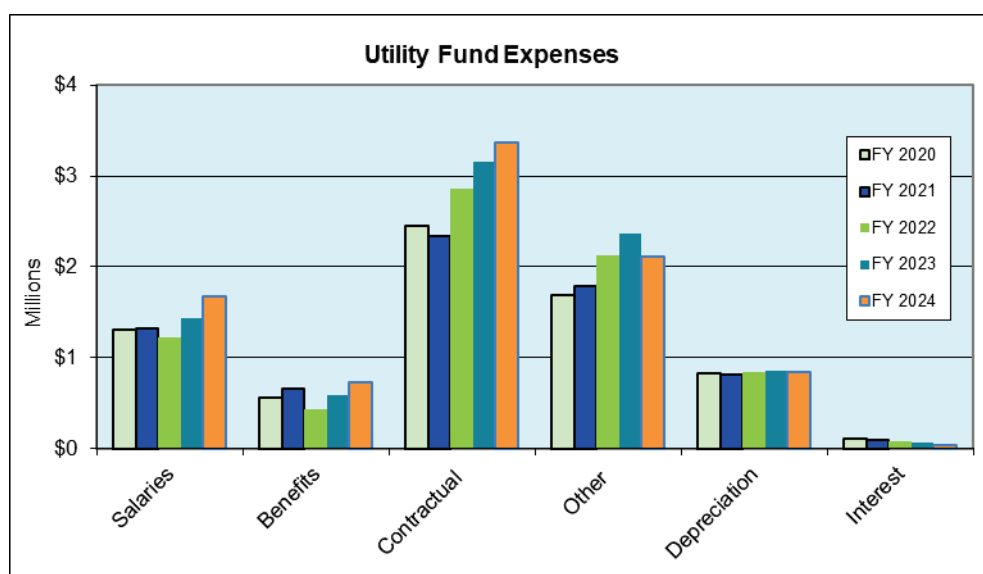
- Total billed water consumption for FY 2024 was 857 million gallons, a decrease of 0.14% compared with the 858 million gallons consumed last year.
- Water revenues were \$4.6 million, a 10.6% decrease compared with FY 2023.
- Sewer revenues were \$3.0 million, a 0.7% increase compared with last year.
- Tap and availability fees were \$281 thousand, a 64.0% decrease compared with last year.
- Rental fees from cell phone providers using water tanks as a base for telecommunications equipment were \$182 thousand, a 2.6% decrease from FY 2023.
- Investment earnings were \$543 thousand in FY 2024, an increase of \$208 thousand compared to the interest earned in FY 2023 of \$335 thousand. This increase is due to the increase in interest rates.



Utility Fund operating expenses totaled \$8.7 million, an increase of \$338 thousand, or 4.0%, compared with FY 2023. This increase is primarily attributed to:

- Personnel services increased by \$244 thousand compared to FY 2023, which was due to the cost-of-living increases that occurred in FY 2024.
- Fringe benefits increased by \$146 thousand compared with last year. This increase is primarily due to the impact of the cost-of-living adjustment and the increase in benefits designed to attract and retain employees.
- Contractual services increased by \$215 thousand, or 6.8%, compared to last year. The majority of the increase is attributed to an increase in pass-thru payments to the Hampton Roads Sewer District for sewage treatment fees collected on their behalf.
- Other charges decreased by \$255 thousand, or 10.8%, compared with FY 2023. The majority of the decrease is attributed to a reduction in overhead fees paid to the General Fund.
- Depreciation expense decreased by \$12 thousand compared with last year. Depreciation charges include a portion of the 25-lease amortization of the total \$12.5 million costs of the Newport News Water agreement, classified as intangible water rights in the Utility Fund.

In FY 2024, the Utility Fund reported an operating loss of \$551 thousand compared with \$750 thousand in operating income in FY 2023. The total net position of the Utility Fund decreased by \$1.8 million or 6.6% in FY 2024. The total net position for FY 2024 was \$26.2 million, down from \$28.1 million in FY 2023.



### Original and Final Amended Budgets

By resolution, the FY 2024 General Fund Budget was amended by \$956 thousand. Grants of \$300 thousand were appropriated, which funded \$12 thousand for the Election office's travel, training, and supplies; \$188 thousand for Public Safety salaries and supplies; and \$100 thousand to assist with rent and utilities. \$656 thousand in additional property tax and other local tax revenue was appropriated to fund salary and benefits and provide contingency to fund unforeseen expenditures.

### CAPITAL ASSET AND DEBT ADMINISTRATION

#### Capital Assets

The City of Williamsburg's total investment in capital assets for its governmental and business-type activities as of June 30, 2024, was \$115 million, net of accumulated depreciation. This investment in capital assets includes land, buildings, machinery and equipment, and recreation and park facilities. Major capital assets of

the Utility Fund consist of all assets used to provide water and sewer services to City residents, including the significant investments in the Waller Mill Reservoir and all properties adjacent to this watershed and intangible water rights with the Newport News water agreement.

Major capital project fund activities during the current fiscal year included the following:

Government Funds (Capital Projects Fund):

- Fire Station – The construction of the new fire station was completed in the fall of calendar year 2023, with \$3.3 million expended in FY 2024. The total budget for this project was \$16.7 million.
- Public safety expenditures totaled \$1.2 million and included law enforcement and Fire Department equipment, lease outlay for equipment, and subscription-based information technology arrangements outlays for public safety software.
- Police Station Construction – Work on the construction of a new police station continued with \$3.1 million expended in FY 2024. The total budget for this project is \$22 million.
- Street construction and repaving costs during the year totaled \$4 million. Street construction included \$2.8 million expended on the redesign of Capitol Landing Road, the major entrance into the City of Williamsburg.
- Vehicles were replaced citywide under the replacement plan at a cost of \$673 thousand.
- The school system expended \$1.4 million of the City's share of funding for the school's CIP, which includes renovations to existing facilities.
- Parks and recreation expenditures totaled \$791 thousand for park and facility improvements and repairs.
- Principal and Interest Payments – Total principal payments on the General Government's debt during FY 2024 totaled \$1 million, and interest payments on outstanding debt totaled \$1.4 million. Details on long-term debt obligations are included in the notes to the financial statements.

Utility Fund:

The Utility Fund's capital improvements totaled \$1.3 million in FY 2024 and included sewer system rehabilitation, watershed protection, and pump station upgrade projects. Additionally, the Utility Fund transferred \$1.8 million to the General Government Capital Projects Fund to fund water main upgrades for the Capitol Landing Road Redesign Project.

Additional information on the City of Williamsburg's capital assets can be found in Note 6 – Capital Assets, of the Notes to the Financial Statements section of this report.

**Long-Term Debt**

On June 30, 2024, the City of Williamsburg's total outstanding bonded debt was \$49.8 million. Bonds payable for Governmental Activities were \$47.8 million, while business-type activities owed \$2 million at the end of FY 2024. The full faith and credit of the government back these instruments. The City's total bonded debt increased by \$8.6 million because of general obligation bonds issued during the year totaling \$10.2 million, less debt service, and premium amortization totaling \$1.6 million. The City's remaining legal debt capacity on June 30, 2024, is approximately \$ 241 million.

City staff continues to work with financial advisors, Davenport and Company, to analyze all aspects of capital borrowing needs to secure the best interest rates if and when future borrowing is necessary. Additional information on the City's long-term debt can be found in Note 8 – Long-Term Obligations, of the Notes to the Financial Statements section of this report.

## **ECONOMIC FACTORS AND THE FY 2025 BUDGET**

In preparing for the FY 2025 budget, many factors and challenges were taken into consideration in meeting both the current funding needs and preparing for future needs while preserving the City's stable and strong financial foundation. The FY 2025 Budget accomplishes these goals and the continued commitment to accomplishing the City Council's Goal Initiatives and Objectives. The goals and initiatives addressed in the FY 2025 Budget include:

- Fully fund the joint school system's request for an additional \$8 million in funding, of which the City's share is 10% or \$886 thousand.
- To plan for future debt service requirements for the City's major public infrastructure renewal projects. This FY 2025 budget includes \$1.2 million to meet this need.
- Maintain the progress made on the City's recruitment and retention initiative to attract and retain talent. The FY 2025 Budget includes funds of \$593 thousand for cost-of-living and merit adjustments, as well as recommended increases recommended through the biennial benchmarking process.
- The City takes pride in providing outstanding services to City residents. Each year, the costs of providing services increase. The FY 2025 Budget includes \$819 thousand to accommodate increases in contractual services, maintenance costs, increases for the Public Assistance Fund, and increases in general service costs.
- City services are augmented through 70 outside agencies. The FY 2025 Budget includes \$671 thousand to meet approved outside agencies' request for increased funding.

## **REQUEST FOR INFORMATION**

This financial report is designed to provide a general overview of the City of Williamsburg's finances for all those interested in its finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Director of Finance, City of Williamsburg, 401 Lafayette Street, Williamsburg, VA 23185.

## *BASIC FINANCIAL STATEMENTS*

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## *GOVERNMENT-WIDE FINANCIAL STATEMENTS*

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City of Williamsburg, Virginia  
Statement of Net Position  
June 30, 2024

Exhibit 1

	Primary Government			Component Units	
	Governmental Activities	Business-type Activities	Total	Williamsburg Redevelopment and Housing Authority	Williamsburg Economic Development Authority
<b>ASSETS</b>					
Cash and cash equivalents	\$ 4,287,357	\$ -	\$ 4,287,357	\$ 868,848	\$ 134,685
Investments	52,658,664	8,925,958	61,584,622	276,010	279,499
Investments in custody of others	33,822,178	-	33,822,178	-	-
Receivables (net of allowance for uncollectibles):					
Taxes receivable	1,379,231	-	1,379,231	-	-
Accounts receivable	1,749,963	1,456,454	3,206,417	50,543	186,107
Notes receivable	114,000	-	114,000	-	-
Leases receivable	2,153,495	2,140,958	4,294,453	-	-
Internal balances	2,867,423	(2,867,423)	-	-	-
Due from other governmental units	3,322,784	-	3,322,784	-	-
Inventories	3,891,624	-	3,891,624	49,783	-
Prepaid items	25,852	-	25,852	28,609	-
Capital assets (net of accumulated depreciation):					
Land and land improvements and open easement	9,497,497	8,087,569	17,585,066	2,377,895	-
Works of art	175,818	-	175,818	-	-
Buildings and system	31,499,150	3,466,609	34,965,759	982,730	-
Improvements other than buildings	5,475,749	2,297,380	7,773,129	5,891	-
Lease equipment	337,287	-	337,287	-	-
Subscription assets	1,128,233	-	1,128,233	-	-
Machinery and equipment	6,932,554	1,152,408	8,084,962	26,556	-
Intangibles	790,091	7,818,402	8,608,493	-	-
Infrastructure	29,278,865	48,119	29,326,984	-	-
Construction in progress	7,084,093	56,310	7,140,403	-	-
Total assets	\$ 198,471,908	\$ 32,582,744	\$ 231,054,652	\$ 4,666,865	\$ 600,291
<b>DEFERRED OUTFLOWS OF RESOURCES</b>					
Pension related items	\$ 3,153,775	\$ 359,382	\$ 3,513,157	\$ -	\$ -
OPEB related items	820,509	19,104	839,613	-	-
Deferred charges on refunding	8,686	60,083	68,769	-	-
Total deferred outflows of resources	\$ 3,982,970	\$ 438,569	\$ 4,421,539	\$ -	\$ -
<b>LIABILITIES</b>					
Accounts payable	\$ 3,184,722	\$ 912,340	\$ 4,097,062	\$ 19,974	\$ 147,557
Accrued liabilities	1,644,937	48,656	1,693,593	14,629	-
Refundable deposits	463,258	73,537	536,795	42,308	-
Accrued interest payable	893,979	43,346	937,325	-	-
Unearned revenue	170,288	180,000	350,288	2,489	-
Long-term liabilities:					
Due within one year	3,025,698	609,320	3,635,018	-	-
Due in more than one year	48,547,857	1,592,163	50,140,020	114,000	-
Net pension liability, due in more than one year	11,089,032	1,164,680	12,253,712	-	-
Net OPEB liability, due in more than one year	2,290,497	69,526	2,360,023	-	-
Total liabilities	\$ 71,310,268	\$ 4,693,568	\$ 76,003,836	\$ 193,400	\$ 147,557
<b>DEFERRED INFLOWS OF RESOURCES</b>					
Pension related items	\$ 1,182,794	\$ 109,029	\$ 1,291,823	\$ -	\$ -
OPEB related items	899,211	12,811	912,022	-	-
Lease related	2,010,230	1,986,443	3,996,673	-	-
Total deferred inflows of resources	\$ 4,092,235	\$ 2,108,283	\$ 6,200,518	\$ -	\$ -
<b>NET POSITION</b>					
Net Investment in capital assets	\$ 76,885,626	\$ 21,017,765	\$ 97,903,391	\$ 3,279,072	\$ -
Unrestricted	50,166,749	5,201,697	55,368,446	1,194,393	452,734
Total net position	\$ 127,052,375	\$ 26,219,462	\$ 153,271,837	\$ 4,473,465	\$ 452,734

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

City of Williamsburg, Virginia  
Statement of Activities  
For the Year Ended June 30, 2024

		Program Revenues		
<u>Functions/Programs</u>	<u>Expenses</u>	<u>Charges for Services</u>	<u>Operating Grants and Contributions</u>	<u>Capital Grants and Contributions</u>
PRIMARY GOVERNMENT:				
Governmental activities:				
General government administration	\$ 8,293,256	\$ -	\$ 222,835	\$ -
Judicial administration	655,411	216,748	-	-
Public safety	14,126,578	1,335,740	1,362,131	-
Public works	8,215,970	-	2,459,322	268,661
Health and welfare	3,977,464	-	1,575,094	-
Education	10,764,416	-	-	-
Parks, recreation, and cultural	3,934,891	498,590	-	-
Community development	8,851,166	-	13,813	199,286
Interest on long-term debt	1,666,749	-	-	-
Total governmental activities	<u>\$ 60,485,901</u>	<u>\$ 2,051,078</u>	<u>\$ 5,633,195</u>	<u>\$ 467,947</u>
Business-type activities:				
Utility Fund	\$ 8,786,926	\$ 8,112,465	\$ -	\$ -
Total business-type activities	<u>\$ 8,786,926</u>	<u>\$ 8,112,465</u>	<u>\$ -</u>	<u>\$ -</u>
Total primary government	<u>\$ 69,272,827</u>	<u>\$ 10,163,543</u>	<u>\$ 5,633,195</u>	<u>\$ 467,947</u>
COMPONENT UNITS:				
WRHA	\$ 1,345,558	\$ 527,530	\$ 392,067	\$ 307,291
EDA	283,361	7,913	-	-
Total component units	<u>\$ 1,628,919</u>	<u>\$ 535,443</u>	<u>\$ 392,067</u>	<u>\$ 307,291</u>

General revenues and transfers:

General property taxes  
Local sales and use taxes  
Restaurant food taxes  
Hotel and motel taxes  
\$2 lodging taxes  
Business license taxes  
Other local taxes  
Unrestricted revenues from use of money  
Miscellaneous  
Grants and contributions not restricted to specific programs  
Payment from City of Williamsburg  
Transfers  
Total general revenues and transfers  
Change in net position  
Net position - beginning  
Net position - ending

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

Net (Expense) Revenue and Changes in Net Position					
Primary Government			Component Units		
Governmental Activities	Business-type Activities	Total	Williamsburg Redevelopment and Housing Authority	Williamsburg Economic Development Authority	
\$ (8,070,421)	\$ -	\$ (8,070,421)	\$ -	\$ -	
(438,663)	-	(438,663)	-	-	
(11,428,707)	-	(11,428,707)	-	-	
(5,487,987)	-	(5,487,987)	-	-	
(2,402,370)	-	(2,402,370)	-	-	
(10,764,416)	-	(10,764,416)	-	-	
(3,436,301)	-	(3,436,301)	-	-	
(8,638,067)	-	(8,638,067)	-	-	
(1,666,749)	-	(1,666,749)	-	-	
<u>\$ (52,333,681)</u>	<u>\$ -</u>	<u>\$ (52,333,681)</u>	<u>\$ -</u>	<u>\$ -</u>	
\$ -	\$ (674,461)	\$ (674,461)			
\$ -	\$ (674,461)	\$ (674,461)			
<u>\$ (52,333,681)</u>	<u>\$ (674,461)</u>	<u>\$ (53,008,142)</u>			
			\$ (118,670)	\$ -	
			-	(275,448)	
			<u>\$ (118,670)</u>	<u>\$ (275,448)</u>	
\$ 22,203,141	\$ -	\$ 22,203,141	\$ -	\$ -	
8,559,106	-	8,559,106	-	-	
8,953,255	-	8,953,255	-	-	
3,764,481	-	3,764,481	-	-	
953,926	-	953,926	-	-	
3,060,145	-	3,060,145	-	-	
1,534,867	-	1,534,867	-	-	
4,420,229	542,731	4,962,960	12,796	15,425	
587,936	81,848	669,784	2,554	1,204	
1,317,219	-	1,317,219	-	-	
-	-	-	-	321,944	
1,796,000	(1,796,000)	-	-	-	
<u>\$ 57,150,305</u>	<u>\$ (1,171,421)</u>	<u>\$ 55,978,884</u>	<u>\$ 15,350</u>	<u>\$ 338,573</u>	
<u>\$ 4,816,624</u>	<u>\$ (1,845,882)</u>	<u>\$ 2,970,742</u>	<u>\$ (103,320)</u>	<u>\$ 63,125</u>	
122,235,751	28,065,344	150,301,095	4,576,785	389,609	
<u>\$ 127,052,375</u>	<u>\$ 26,219,462</u>	<u>\$ 153,271,837</u>	<u>\$ 4,473,465</u>	<u>\$ 452,734</u>	

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## *FUND FINANCIAL STATEMENTS*

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City of Williamsburg, Virginia  
Balance Sheet  
Governmental Funds  
June 30, 2024

	<u>General Fund</u>	<u>Tourism Fund</u>	<u>American Rescue Plan Fund</u>	<u>Capital Projects Fund</u>	<u>Other Governmental Funds</u>	<u>Total</u>
<b>ASSETS</b>						
Cash and cash equivalents	\$ 1,521,073	\$ 2,148,691	\$ -	\$ -	\$ 617,593	\$ 4,287,357
Investments	18,173,059	1,639,295	10,516,453	22,329,857	-	52,658,664
Investments in custody of others	-	-	-	33,822,178	-	33,822,178
Receivables (net of allowance for uncollectibles):						
Taxes receivable	1,379,231	-	-	-	-	1,379,231
Accounts receivable	1,503,252	98,614	-	147,987	110	1,749,963
Notes receivable	114,000	-	-	-	-	114,000
Leases receivable	2,153,495	-	-	-	-	2,153,495
Due from other funds	4,140,967	-	-	8,816,865	6,500	12,964,332
Due from other governmental units	1,087,883	472,920	498,147	1,083,644	180,190	3,322,784
Inventories	-	-	-	3,891,624	-	3,891,624
Prepaid items	25,852	-	-	-	-	25,852
Total assets	<u>\$ 30,098,812</u>	<u>\$ 4,359,520</u>	<u>\$ 11,014,600</u>	<u>\$ 70,092,155</u>	<u>\$ 804,393</u>	<u>\$ 116,369,480</u>
<b>LIABILITIES</b>						
Accounts payable	\$ 537,653	\$ 415,462	\$ -	\$ 2,228,138	\$ 3,469	\$ 3,184,722
Accrued liabilities	585,239	68,360	-	991,338	-	1,644,937
Refundable deposits	85,635	-	-	377,623	-	463,258
Due to other funds	6,500	-	10,042,978	-	47,431	10,096,909
Unearned revenue	170,288	-	-	-	-	170,288
Total liabilities	<u>\$ 1,385,315</u>	<u>\$ 483,822</u>	<u>\$ 10,042,978</u>	<u>\$ 3,597,099</u>	<u>\$ 50,900</u>	<u>\$ 15,560,114</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>						
Unavailable revenue - property taxes	\$ 1,091,868	\$ -	\$ -	\$ -	\$ -	\$ 1,091,868
Opioid settlement	-	-	-	140,919	-	140,919
Lease related	2,010,230	-	-	-	-	2,010,230
Total deferred inflows of resources	<u>\$ 3,102,098</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 140,919</u>	<u>\$ -</u>	<u>\$ 3,243,017</u>
<b>FUND BALANCES</b>						
Nonspendable	\$ 25,852	\$ -	\$ -	\$ 3,891,624	\$ -	\$ 3,917,476
Restricted	-	-	971,622	33,822,178	753,493	35,547,293
Assigned	-	3,875,698	-	28,640,335	-	32,516,033
Unassigned	25,585,547	-	-	-	-	25,585,547
Total fund balances	<u>\$ 25,611,399</u>	<u>\$ 3,875,698</u>	<u>\$ 971,622</u>	<u>\$ 66,354,137</u>	<u>\$ 753,493</u>	<u>\$ 97,566,349</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 30,098,812</u>	<u>\$ 4,359,520</u>	<u>\$ 11,014,600</u>	<u>\$ 70,092,155</u>	<u>\$ 804,393</u>	<u>\$ 116,369,480</u>

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

City of Williamsburg, Virginia  
Reconciliation of the Balance Sheet of Governmental Funds  
To the Statement of Net Position  
June 30, 2024

Amounts reported for governmental activities in the statement of net position are different because:

Total fund balances per Exhibit 3 - Balance Sheet - Governmental Funds	\$	97,566,349
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Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.	\$	92,199,337	92,199,337
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Other long-term assets are not available to pay for current-period expenditures and, therefore, are reported as deferred inflows of resources in the funds. The following is a summary of items supporting this adjustment:

Unavailable revenue - property taxes	\$	1,091,868	
Unavailable revenue - opioid settlement		140,919	1,232,787

Deferred outflows of resources are not available to pay for current-period expenditures and, therefore, are not reported in the funds.

Deferred charge on refunding	\$	8,686	
Pension related items		3,153,775	
OPEB related items		820,509	3,982,970

Long-term liabilities, including bonds payable, are not due and payable in the current period and, therefore, are not reported in the funds. The following is a summary of items supporting this adjustment:

General obligation bonds	\$	(47,813,376)	
Net OPEB liability		(2,290,497)	
Net pension liability		(11,089,032)	
Lease liabilities		(320,322)	
Subscription liabilities		(1,010,877)	
Accrued interest payable		(893,979)	
Compensated absences		(2,428,980)	(65,847,063)

Deferred inflows of resources are not due and payable in the current period and, therefore, are not reported in the funds.

OPEB related items	\$	(899,211)	
Pension related items		(1,182,794)	(2,082,005)

Net position of governmental activities	\$	127,052,375
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The notes to the financial statements are an integral part of this statement.

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

	General Fund	Tourism Fund	American Rescue Plan Fund	Capital Projects Fund	Other Governmental Funds	Total
<b>REVENUES</b>						
General property taxes	\$ 22,082,840	\$ -	\$ -	\$ -	\$ -	\$ 22,082,840
Other local taxes	17,312,748	3,573,677	-	5,939,355	-	26,825,780
Permits, privilege fees, and regulatory licenses	261,270	-	-	-	-	261,270
Fines and forfeitures	216,748	-	-	-	-	216,748
Revenue from the use of money and property	806,195	109,292	580,381	2,924,361	-	4,420,229
Charges for services	1,573,060	-	-	-	-	1,573,060
Miscellaneous	255,142	-	-	(112,621)	384,001	526,522
Recovered costs	1,384,214	-	-	-	-	1,384,214
Intergovernmental:						
Commonwealth	4,570,102	-	-	180,022	725,418	5,475,542
Federal	200,862	-	498,147	381,634	862,176	1,942,819
Total revenues	\$ 48,663,181	\$ 3,682,969	\$ 1,078,528	\$ 9,312,751	\$ 1,971,595	\$ 64,709,024
<b>EXPENDITURES</b>						
Current:						
General government administration	\$ 7,155,647	\$ -	\$ -	\$ -	\$ -	\$ 7,155,647
Judicial administration	655,411	-	-	-	-	655,411
Public safety	15,097,998	-	-	-	13,100	15,111,098
Public works	4,123,585	-	-	-	-	4,123,585
Health and welfare	531,418	-	-	-	3,375,360	3,906,778
Education	9,398,953	-	-	-	-	9,398,953
Parks, recreation, and cultural	2,907,844	-	-	-	-	2,907,844
Community development	2,209,214	5,601,382	268,000	-	-	8,078,596
Capital projects	-	-	-	17,035,831	-	17,035,831
Debt service:						
Principal retirement	159,832	-	-	1,217,117	-	1,376,949
Interest and other fiscal charges	3,129	-	-	1,652,920	-	1,656,049
Total expenditures	\$ 42,243,031	\$ 5,601,382	\$ 268,000	\$ 19,905,868	\$ 3,388,460	\$ 71,406,741
Excess (deficiency) of revenues over (under) expenditures	\$ 6,420,150	\$ (1,918,413)	\$ 810,528	\$ (10,593,117)	\$ (1,416,865)	\$ (6,697,717)
<b>OTHER FINANCING SOURCES (USES)</b>						
Transfers in	\$ -	\$ 2,205,000	\$ -	\$ 3,033,047	\$ 1,327,427	\$ 6,565,474
Transfers out	(4,122,427)	(416,900)	(230,147)	-	-	(4,769,474)
Issuance of bonds	-	-	-	10,195,000	-	10,195,000
Issuance of leases	-	-	-	330,423	-	330,423
Issuance of subscription liabilities	45,180	-	-	1,141,356	-	1,186,536
Total other financing sources (uses)	\$ (4,077,247)	\$ 1,788,100	\$ (230,147)	\$ 14,699,826	\$ 1,327,427	\$ 13,507,959
Net change in fund balances	\$ 2,342,903	\$ (130,313)	\$ 580,381	\$ 4,106,709	\$ (89,438)	\$ 6,810,242
Fund balances - beginning	23,268,496	4,006,011	391,241	62,247,428	842,931	90,756,107
Fund balances - ending	\$ 25,611,399	\$ 3,875,698	\$ 971,622	\$ 66,354,137	\$ 753,493	\$ 97,566,349

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

**City of Williamsburg, Virginia**  
**Reconciliation of Statement of Revenues,**  
**Expenditures, and Changes in Fund Balances of Governmental Funds**  
**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		\$ 6,810,242
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 amount by which the capital outlay exceeded the depreciation expense in the current period. The following is a summary of items supporting this adjustment:		
Capital outlay	\$ 14,489,105	
Depreciation expense	<u>(5,324,306)</u>	9,164,799
The net effect of various miscellaneous transactions involving capital assets (i.e., sales, trade-ins, and donations) is to increase net position.		(108,650)
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.		
Property taxes	\$ 120,301	
Opioid settlement	<u>61,414</u>	181,715
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 items. The following is a summary of items supporting this adjustment:		
Principal retirement on general obligation bonds	\$ 1,003,800	
Issuance of bond	(10,195,000)	
Issuance of leases	(330,423)	
Issuance of subscription liabilities	(1,186,536)	
Principal retirement on subscription liabilities	294,715	
Principal retirement on lease liabilities	<u>78,434</u>	(10,335,010)
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. The following is a summary of items supporting this adjustment:		
Change in compensated absences	\$ (644,944)	
Change in OPEB related items	(118,708)	
Change in pension related items	(122,120)	
Amortization of premium	100,342	
Amortization of deferred charges on refunding	(2,171)	
Change in accrued interest payable	<u>(108,871)</u>	(896,472)
Change in net position of governmental activities		<u>\$ 4,816,624</u>

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

City of Williamsburg, Virginia  
Statement of Net Position  
Proprietary Funds  
June 30, 2024

	Utility Fund
<b>ASSETS</b>	
Current assets:	
Investments	\$ 8,925,958
Accounts receivable (net of allowances for uncollectibles)	1,456,454
Leases receivable	2,140,958
Total current assets	<u>\$ 12,523,370</u>
Noncurrent assets:	
Capital assets:	
Land and land improvement and open easement	\$ 8,087,569
Construction in progress	56,310
Buildings and system	12,121,333
Improvements other than buildings	9,112,476
Machinery and equipment	3,717,718
Intangibles	12,531,346
Infrastructure	93,472
Accumulated depreciation	(22,793,427)
Net capital assets	<u>\$ 22,926,797</u>
Total noncurrent assets	<u>\$ 22,926,797</u>
Total assets	<u>\$ 35,450,167</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>	
Deferred charges on refundings	\$ 60,083
Pension related items	359,382
OPEB related items	19,104
Total deferred outflows of resources	<u>\$ 438,569</u>
<b>LIABILITIES</b>	
Current liabilities:	
Accounts payable	\$ 912,340
Accrued liabilities	48,656
Refundable deposits	73,537
Accrued interest payable	43,346
Due to other funds	2,867,423
Compensated absences - current portion	167,060
Unearned revenue	180,000
General obligation bonds - current portion	442,260
Total current liabilities	<u>\$ 4,734,622</u>

City of Williamsburg, Virginia  
Statement of Net Position  
Proprietary Funds  
June 30, 2024

	Utility Fund
<b>LIABILITIES (Continued)</b>	
Noncurrent liabilities:	
General obligation bonds - net of current portion	\$ 1,526,855
Net pension liability	1,164,680
Net OPEB liability	69,526
Compensated absences - net of current portion	65,308
Total noncurrent liabilities	<u>\$ 2,826,369</u>
Total liabilities	<u>\$ 7,560,991</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>	
Pension related items	\$ 109,029
OPEB related items	12,811
Lease related	1,986,443
Total deferred inflows of resources	<u>\$ 2,108,283</u>
<b>NET POSITION</b>	
Net investment in capital assets	\$ 21,017,765
Unrestricted	5,201,697
Total net position	<u><u>\$ 26,219,462</u></u>

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

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

	<u>Utility Fund</u>
<b>OPERATING REVENUES</b>	
Charges for services:	
Water revenues	\$ 4,611,691
Sewer revenues	3,005,930
Tap and availability fees	281,090
Penalty and interest	29,729
Lease revenue	182,425
Miscellaneous	81,848
Total operating revenues	<u>\$ 8,192,713</u>
<b>OPERATING EXPENSES</b>	
Personnel services	\$ 1,681,112
Fringe benefits	731,595
Contractual services	3,367,626
Other charges	2,114,258
Depreciation	849,241
Total operating expenses	<u>\$ 8,743,832</u>
Operating income (loss)	<u>\$ (551,119)</u>
<b>NONOPERATING REVENUES (EXPENSES)</b>	
Investment income	\$ 542,731
Interest and other fiscal charges	(43,094)
Connection fees	1,600
Total nonoperating revenues (expenses)	<u>\$ 501,237</u>
Income before transfers	<u>\$ (49,882)</u>
Transfers out	(1,796,000)
Change in net position	<u>\$ (1,845,882)</u>
Net position - beginning	28,065,344
Net position - ending	<u><u>\$ 26,219,462</u></u>

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

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

	<u>Utility Fund</u>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>	
Receipts from customers and users	\$ 8,456,539
Payments to suppliers	(5,423,843)
Payments to and for employees	(2,336,589)
Net cash provided by (used for) operating activities	<u>\$ 696,107</u>
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>	
Connection fees	\$ 1,600
Transfers from other funds	1,071,423
Net cash provided by (used for) noncapital financing activities	<u>\$ 1,073,023</u>
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>	
Purchases of capital assets	\$ (2,114,180)
Principal payments on bonds	(421,200)
Principal payments on subscription liabilities	(6,462)
Interest expense	(97,365)
Net cash provided by (used for) capital and related financing activities	<u>\$ (2,639,207)</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>	
Interest received	\$ 50,126
Net cash provided by (used for) investing activities	<u>\$ 50,126</u>
Net increase (decrease) in cash and cash equivalents	\$ (819,951)
Cash and cash equivalents - beginning	819,951
Cash and cash equivalents - ending	<u><u>\$ -</u></u>
<b>Reconciliation of operating income (loss) to net cash provided by (used for) operating activities:</b>	
Operating income (loss)	<u>\$ (551,119)</u>
Adjustments to reconcile operating income to net cash provided by (used for) operating activities:	
Depreciation	\$ 849,241
(Increase) decrease in accounts receivable	313,849
(Increase) decrease in lease receivable	166,776
(Increase) decrease in deferred outflows of resources related to pension and OPEB	(60,140)
Increase (decrease) in compensated absences	53,326
Increase (decrease) in accounts payable	58,041
Increase (decrease) in accrued liabilities	48,656
Increase (decrease) in unearned revenue	(5,000)
Increase (decrease) refundable deposits	3,137
Increase (decrease) in net pension liability	196,961
Increase (decrease) in net OPEB liability	(1,346)
Increase (decrease) in deferred inflows of resources related to leases	(214,936)
Increase (decrease) in deferred inflows of resources related to pension and OPEB	(161,339)
Total adjustments	<u>\$ 1,247,226</u>
Net cash provided by (used for) operating activities	<u><u>\$ 696,107</u></u>

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



City of Williamsburg, Virginia  
Statement of Fiduciary Net Position  
Fiduciary Funds  
June 30, 2024

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	<u>Custodial Funds</u>
<b>ASSETS</b>	
Cash and cash equivalents	\$ 6,365,406
Investments, at fair value:	
Other investments	1,514,611
Other assets	192,098
Total assets	<u>\$ 8,072,115</u>
<b>LIABILITIES</b>	
Accounts payable	\$ 2,469,667
Accrued liabilities	50,742
Total liabilities	<u>\$ 2,520,409</u>
<b>NET POSITION</b>	
Restricted for:	
Individuals	\$ 137,407
Organizations	330,330
Other governments	5,083,969
Total net position	<u><u>\$ 5,551,706</u></u>

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

City of Williamsburg, Virginia  
Statement of Changes in Fiduciary Net Position  
Fiduciary Funds  
For the Year Ended June 30, 2024

	<b>Custodial Funds</b>
<b>ADDITIONS</b>	
Contributions:	
Other governmental entities	\$ 11,063,968
Participant fees	298,279
Miscellaneous	105,454
Investment earnings:	
Interest and dividends	453,608
Special assessment tax collected for other governments	357,042
Miscellaneous	25,489
Total additions	<u>\$ 12,303,840</u>
<b>DEDUCTIONS</b>	
Recipient payments	\$ 6,604
Administrative expenses	8,637
Payment of special assessment taxes to governments	187,958
Payments for personnel	5,953,199
Payments for operations	10,820,560
Purchases for supplies	685,517
Principal retirement	106,788
Interest and other fiscal charges	10,156
Total deductions	<u>\$ 17,779,419</u>
Net increase (decrease) in fiduciary net position	<u>\$ (5,475,579)</u>
Net position, beginning	<u>\$ 11,027,285</u>
Net position, ending	<u><u>\$ 5,551,706</u></u>

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

## CITY OF WILLIAMSBURG, VIRGINIA

### Notes to Financial Statements As of June 30, 2024

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#### ***Note 1—Summary of Significant Accounting Policies:***

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The City of Williamsburg, Virginia (the "City") was established by the General Assembly of the Commonwealth of Virginia in 1699 and was incorporated by British Royal Charter in 1722. The City is a municipal corporation governed by an elected mayor and four-member council. The accompanying financial statements present the government and the entities for which the government is considered to be financially accountable.

The financial statements of the City of Williamsburg, Virginia, Virginia have been prepared in conformity with the specifications promulgated by the Auditor of Public Accounts (APA) of the Commonwealth of Virginia and accounting principles generally accepted in the United States as specified by the Governmental Accounting Standards Board. The more significant of the government's accounting policies are described below.

#### Financial Statement Presentation

##### Government-wide and Fund Financial Statements

Government-wide financial statements - The reporting model includes financial statements prepared using full accrual accounting for all of the government's activities. This approach includes not just current assets and liabilities but also capital assets and long-term liabilities (such as buildings and general obligation debt).

The government-wide financial statements (i.e., the Statement of Net Position and the Statement of Activities) report information on all of the nonfiduciary activities of the primary government. For the most part, the effect of interfund activity has been removed from these statements. Governmental activities, which normally are supported by taxes, intergovernmental revenues, and other nonexchange transactions, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support. Likewise, the primary government is reported separately from certain legally separate component units for which the primary government is financially accountable.

Statement of Net Position - The Statement of Net Position is designed to display financial position of the primary government (governmental and business-type activities) and its discretely presented component units. Governments will report all capital assets in the government-wide Statement of Net Position and will report depreciation expense - the cost of "using up" capital assets - in the Statement of Activities. The net position of a government will be broken down into three categories - 1) net investment in capital assets; 2) restricted; and 3) unrestricted.

Statement of Activities - The government-wide Statement of Activities reports expenses and revenues in a format that focuses on the cost of each of the government's functions. The expense of individual functions is compared to the revenues generated directly by the function (for instance, through user charges or intergovernmental grants).

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment is offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenues include 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as general revenues.

Separate financial statements are provided for governmental funds, proprietary funds, and fiduciary funds, even though the latter are excluded from the government-wide financial statements. Major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statements.

Notes to Financial Statements (Continued)  
As of June 30, 2024

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***Note 1—Summary of Significant Accounting Policies: (Continued)***

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Budgetary comparison schedules - Demonstrating compliance with the adopted budget is an important component of a government's accountability to the public. Many citizens participate in one way or another in the process of establishing the annual operating budgets of state and local governments, and have a keen interest in following the actual financial progress of their governments over the course of the year. Many governments revise their original budgets over the course of the year for a variety of reasons. The budgetary comparison schedules present the original budget, the final budget, and the actual activity of the major governmental funds.

**A. Financial Reporting Entity**

The basic criterion for determining whether a governmental department, agency, institution, commission, public authority, or other governmental organization should be included in a primary governmental unit's reporting entity for the basic financial statements is financial accountability. Financial accountability includes the appointment of a voting majority of the organization's governing body and the ability of the primary government to impose its will on the organization or if there is a financial benefit/burden relationship. In addition, an organization which is fiscally dependent on the primary government should be included in its reporting entity. These financial statements present the City of Williamsburg (the primary government) and its component units. Blended component units, although legally separate entities, are in substance, part of the government's operations and so data from these units are combined with data of the primary government. Each discretely presented component unit, on the other hand, is reported in a separate column in the government-wide financial statements to emphasize it is both legally separate from the government.

**B. Individual Component Unit Disclosures**

*Blended Component Unit* - The City has no blended component units to be included for the fiscal year ended June 30, 2024.

*Discretely Presented Component Units* - The Williamsburg Redevelopment and Housing Authority (WRHA) is responsible for operating a low income housing program in the City which provides housing for eligible families, for operating redevelopment and conservation programs and for delivering of services to citizens of low income housing and urban renewal areas through the encouragement and development of social and economic opportunities. The Commissioners of the Authority are the members of City Council in addition to a Member-at-Large and a Public Housing Resident Member. The Authority is fiscally dependent on the City. The City does not have operational responsibility for the WRHA. The City is involved in the day-to-day fiscal operations of the WRHA, including the processing of their payroll, accounts payable and other managerial functions and therefore, the WRHA is included in the City's financial statements as a discrete presentation for the year ended June 30, 2024. WRHA's fiscal year of October 1 to September 30 differs from the City's fiscal year of July 1 to June 30. A copy of the separately issued financial statements may be obtained for the WRHA by writing to Williamsburg Redevelopment and Housing Authority, 401 Lafayette Street, P.O. Box 411, Williamsburg, VA 23185 or by calling (757) 220-3477.

The Williamsburg Economic Development Authority (EDA) is responsible for industrial prospective bond issues and commercial development in the City. The Authority consists of seven members appointed by the City Council. The Authority is fiscally dependent on the City as the City is involved in the day-to-day operations of the EDA, including the approval of private activity prospective bond issues and therefore, it is included in the City's financial statements as a discrete presentation for the year ended June 30, 2024. Separate audited financial statements are available from the EDA, 401 Lafayette Street, Williamsburg, VA 23185 or by calling (757) 220-6104.

CITY OF WILLIAMSBURG, VIRGINIA

Notes to Financial Statements (Continued)  
As of June 30, 2024

**Note 1—Summary of Significant Accounting Policies: (Continued)**

**C. Other Related Organizations**

Not included in the City's financial statements are certain entities created as separate governments under the laws of the Commonwealth of Virginia. These agencies are separate legal entities having governmental character and sufficient autonomy in the management of their own affairs to distinguish them as separate from the administrative organization of the City, although certain members of their governing bodies are appointed by the City Council. Specific information on the nature of the individual agencies and description of their financial transactions affecting the City are provided in the following paragraphs:

1. **The City of Williamsburg - County of James City, Virginia Joint Public Schools** - Under the terms of an agreement dated January 14, 1954, and subsequently revised, between the governing bodies and the school boards of the City of Williamsburg, Virginia and the County of James City, Virginia, effective July 1, 1955, the two localities consolidated the operations of their schools. The latest agreement was amended in May 2022 and effective July 1, 2022, for Fiscal Years 2023 through 2027. A letter of agreement signed by the Chief Administrative Officers of the City of Williamsburg and James City County extends this agreement to June 2028, subject to the renegotiation of the school contract, which is currently ongoing. That agreement provides that the City's share of operational costs will be equivalent to the percentage of City students each year, times an add-on factor, then averaged over the two past fiscal year funding shares. The add-on factor for Fiscal Year 2024 and forward is as follows:

<u>Fiscal Year</u>	<u>Factor</u>
2024	1.14
2025	1.14

Summary financial information on the school operations (General Fund) as of June 30, 2024, is as follows:

Total assets	\$ 32,046,080
Liabilities	\$ 30,662,402
Deferred inflows of resources	\$ 352,628
Fund balance and other credits	1,031,050
Total liabilities, deferred inflows, fund balance, and other credits	\$ 32,046,080
Revenues and other financing sources	\$ 166,437,105
Expenditures and other financing uses	166,308,990
Excess of expenditures and other financing uses over revenues and other financing sources	\$ 128,115
Fund balance, beginning	902,935
Fund balance, ending	\$ 1,031,050

General long-term obligations of the joint school operations consists of liabilities for early retirement, compensated absences, pensions, and obligations under lease liabilities. Each participating government is responsible for its own debt related to school properties.

Notes to Financial Statements (Continued)  
As of June 30, 2024

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***Note 1—Summary of Significant Accounting Policies: (Continued)***

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C. Other Related Organizations (Continued)

2. Williamsburg Regional Library - The Library is a joint operation of the City of Williamsburg and the Counties of James City and York, Virginia, operating under a contract dated September 26, 2013. It receives funding from the Commonwealth of Virginia, the federal government, and some private sources. The Library's board is split between City and County appointees. During the current fiscal year, the City contributed \$1,011,574 to the Library's operating budget, or 13.08% of its net appropriated support. Separate financial statements are prepared and are available, which reflect the details of its operations.
3. Other Agencies - Certain agencies and commissions service both the City of Williamsburg and surrounding localities. Board membership is allocated among the localities and their governing bodies make appointments. These agencies include: Hampton Roads Planning District Commission (HRPDC), Colonial Behavioral Health, Virginia Peninsula Regional Jail, Colonial Group Home Commission, Middle Peninsula Juvenile Detention Commission, Peninsula Agency on Aging, Community Action Agency, Virginia Peninsula Public Service Authority, Greater Williamsburg Partnership, and the Williamsburg Area Arts Commission.

D. Measurement Focus, Basis of Accounting and Financial Statement Presentation

The accompanying financial statements are prepared in accordance with pronouncements issued by the Governmental Accounting Standards Board. The principles prescribed by GASB represent generally accepted accounting principles applicable to governmental units.

The accounting and financial reporting treatment is determined by the applicable measurement focus and basis of accounting. Measurement focus indicates the type of resources being measured such as current financial resources or economic resources. The basis of accounting indicates the timing of recognition in the financial statements of various kinds of transactions or events.

The government-wide, proprietary, and fiduciary fund financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are 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.

The government-wide Statement of Activities reflects both the gross and net cost per functional category (public safety, public works, health and welfare, etc.) which are otherwise being supported by general government revenues, (property, sales and use taxes, certain intergovernmental revenues, fines, permits and charges, etc.) The Statement of Activities reduces gross expenses (including depreciation) by related program revenues, operating and capital grants, and contributions. The program revenues must be directly associated with the function (public safety, public works, health and welfare, etc.) or a business-type activity.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. This is the manner in which these funds are normally budgeted. Revenues are recognized when they have been earned and 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 government considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service principal and interest expenditures on general long-term debt, including lease and subscription liabilities, as well as expenditures related to compensated absences, claims and judgments, postemployment benefits, and environmental obligations are recognized later based on specific accounting rules applicable to

Notes to Financial Statements (Continued)  
As of June 30, 2024

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**Note 1—Summary of Significant Accounting Policies: (Continued)**

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**D. Measurement Focus, Basis of Accounting and Financial Statement Presentation (Continued)**

each, generally when payment is due. General capital asset acquisitions, including entering into contracts giving the government the right to use lease and subscription assets, are reported as expenditures in the governmental funds. Issuance of long-term debt and financing through leases and subscriptions are reported as other financing sources.

The City's custodial funds are presented in the fund financial statements by type and have an economic resources measurement focus but use the accrual basis of accounting for asset, liability, additions and deductions recognition. Since by definition these assets are being held for the benefit of a third party and cannot be used to address activities or obligations of the government, these funds are not incorporated into the government-wide statements.

Property taxes, franchise taxes, licenses, and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. Accordingly, real and personal property taxes are recorded as revenues and receivables when billed, net of allowances for uncollectible amounts. Property taxes not collected within 60 days after year-end are reflected as unavailable revenues. Sales and utility taxes, which are collected by the state or utilities and subsequently remitted to the City, are recognized as revenues and receivables upon collection by the state or utility, which is generally within two months preceding receipt by the City.

Licenses, permits, fines and rents are recorded as revenues when received. Intergovernmental revenues, consisting primarily of federal, state and other grants for the purpose of funding specific expenditures, are recognized when earned or at the time of the specific expenditure. Revenues from general purpose grants are recognized in the period to which the grant applies. All other revenue items are considered to be measurable and available only when cash is received by the government.

In the fund financial statements, financial transactions and accounts of the City are organized on the basis of funds. The operation of each fund is considered to be an independent fiscal and separate accounting entity, with a self-balancing set of accounts recording cash and/or other financial resources together with all related liabilities and residual equities or balances, and changes therein, which are segregated for the purpose of carrying on specific activities or attaining certain objectives in accordance with special regulations, restrictions, or limitations.

**1. Governmental Funds**

Governmental Funds are those through which most governmental functions typically are financed. The City reports the General Fund as a major governmental fund.

The General Fund is the primary operating fund of the City. This fund is used to account for and report all financial transactions and resources except those required to be accounted for and reported in another fund. Revenues are derived primarily from property and other local taxes, state and federal distributions, licenses, permits, charges for service, and interest income.

Notes to Financial Statements (Continued)  
As of June 30, 2024

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***Note 1—Summary of Significant Accounting Policies: (Continued)***

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**D. Measurement Focus, Basis of Accounting and Financial Statement Presentation (Continued)**

**1. Governmental Funds (Continued)**

Special Revenue Funds account for and report the proceeds of specific revenue sources that are restricted, committed, or assigned to expenditure for specified purposes other than debt service or capital projects requiring separate accounting because of legal or regulatory provisions or administrative action. Special Revenue Funds consist of the Tourism Fund and the American Rescue Plan Fund, both of which are considered major funds and the following are nonmajor funds: Virginia Public Assistance Fund and Law Enforcement Block Grant Fund. The Virginia Public Assistance Fund accounts for the Social Services programs of the City and is funded primarily through intergovernmental revenues.

The Capital Projects Fund accounts for and reports financial resources that are restricted, committed or assigned to expenditure for capital outlays, except for those financed by proprietary funds or for assets held in trust for individuals, private organizations, or other governments. The Capital Projects Fund is considered a major fund.

**2. Proprietary Funds**

Proprietary Funds account for operations that are financed in a manner similar to private business enterprises. The Proprietary Fund measurement focus is upon determination of net income, financial position, and changes in financial position. Proprietary Funds consist of Enterprise Funds.

Enterprise 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. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses. The City's major Enterprise Fund consists of the Utility Fund.

**3. Fiduciary Funds**

Fiduciary Funds (Trust and Custodial Funds) account for assets held by the City unit in a trustee capacity or as custodian for individuals, private organizations, other governmental units, or other funds. Custodial funds include the Williamsburg Regional Library, the Williamsburg Tricentennial Fund, the Historic Triangle Recreational Facilities Authority Fund, the Farmers Market Fund, and the Special Welfare Fund. Fiduciary funds are not included in the government-wide financial statements.

**E. Cash and Cash Equivalents**

Cash and cash equivalents include cash on hand, demand deposits, and short-term investments with original maturities of three months or less from the date of acquisition. For purposes of the statement of cash flows, the City's proprietary funds consider their demand deposits and all highly liquid investments with an original maturity of three months or less when purchased to be cash equivalents.

**F. Investments**

Investments with a maturity of less than one year when purchased, non-negotiable certificates of deposit, other nonparticipating investments, and external investment pools are stated at cost or amortized cost. Investments with a maturity greater than one year when purchased are stated at fair value. Fair value is the price that would be received to sell an investment in an orderly transaction at year end.



Notes to Financial Statements (Continued)  
As of June 30, 2024

Note 1—Summary of Significant Accounting Policies: (Continued)

F. Investments (Continued)

State statutes authorize the government to invest in obligations of the U.S. Treasury, commercial paper, corporate bonds and repurchase agreements.

G. Receivables and payables

Activity between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as either “due to/from other funds” (i.e. the current portions of the interfund loans). All other outstanding balances between funds are reported as “advances to/from other funds.”

All trade and property tax receivables are shown net of an allowance for uncollectibles. The City calculates its allowance for uncollectible accounts using historical collection data and, in certain cases, specific account analysis. The allowance amounted to approximately \$234,155 at June 30, 2024 and is comprised of property taxes of \$96,279 and water and sewer charges of \$137,876.

Real and Personal Property Tax Data:

The tax calendars for real and personal property taxes are summarized below.

	Real Property	Personal Property
Levy	July 1	January 1
Due Date	December 1 / June	December 1
Lien Date	July 1	January 1

The City bills and collects its own property taxes. The City follows the practice of reassessing real estate annually and personal property annually.

H. Capital Assets

Capital assets are tangible and intangible assets, which include property, plant, equipment, lease, subscription, and infrastructure assets (e.g., roads, bridges, sidewalks, and similar items), and are reported in the applicable governmental or business-type activities column in the government-wide financial statements. Capital assets, except for infrastructure assets, are defined by the City as assets with an initial, individual cost of more than \$5,000 and an estimated useful life in excess of two years. For infrastructure asset the same estimated minimum useful life is used (in excess of two years), but only those infrastructure projects that cost more than \$50,000 are reported as capital assets.

As the City and Component Unit School Board constructs or acquires capital assets each period, including infrastructure assets, they are capitalized and reported at historical cost (except for intangible right-to-use lease and subscription assets, the measurement of which is discussed in more detail below). The reported value excludes normal maintenance and repairs, which are amounts spent in relation to capital assets that do not increase the asset’s capacity or efficiency or increases its estimated useful life. Donated capital assets are recorded at acquisition value at the date of donation. Acquisition value is the price that would be paid to acquire an asset with equivalent service potential on the date of the donation. Intangible assets follow the same capitalization policies as tangible capital assets and are reported with tangible assets in the appropriate capital asset class.

**Note 1—Summary of Significant Accounting Policies: (Continued)**

**H. Capital Assets (Continued)**

Land and construction in progress are not depreciated. The other tangible and intangible property, plant equipment, lease assets, subscription assets, and infrastructure of the primary government, as well as the component unit, are depreciated/amortized using the straight-line method over the following estimated useful lives:

Assets	Years
Buildings	40
Improvements other than buildings	20
Infrastructure	
Roads	30
Bridges and culverts	50
Water/sewer system	40
Lease equipment	4-5
Subscription asset	2-5
Machinery and equipment	3-10
Intangibles	40

**I. Leases and Subscription-Based IT Arrangements**

The City has various lease assets and subscription-based IT arrangements (SBITAs) requiring recognition. A lease is a contract that conveys control of the right to use another entity’s nonfinancial asset. Lease recognition does not apply to short-term leases, contracts that transfer ownership, leases of assets that are investments, or certain regulated leases. A SBITA is defined as a contract that conveys control of the right to use another party’s (a SBITA vendor’s) information technology (IT) software, alone or in combination with tangible capital assets (the underlying IT assets), as specified in the contract for a period of time in an exchange or exchange-like transaction.

*Lessee*

The City recognizes lease liabilities and intangible right-to-use lease assets (leased equipment) with an initial value of \$5,000, individually or in the aggregate in the government-wide financial statements. At the commencement of the lease, the lease liability is measured at the present value of payments expected to be made during the lease term (less any lease incentives). The lease liability is reduced by the principal portion of payments made. The leased equipment is measured at the initial amount of the lease liability, plus any payments made to the lessor at or before the commencement of the lease term and certain direct costs. The lease asset is amortized over the shorter of the lease term or the useful life of the underlying asset.

Notes to Financial Statements (Continued)  
As of June 30, 2024

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*Note 1—Summary of Significant Accounting Policies: (Continued)*

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I. Leases (Continued)

*Lessor*

The City recognizes leases receivable and deferred inflows of resources in the government-wide fund financial statements. At commencement of the lease, the lease receivable is measured at the present value of lease payments expected to be received during the lease term, reduced by the principal portion of lease payments received. The deferred inflow of resources is measured at the initial amount of the lease receivable, less lease payments received from the lessee at or before the commencement of the lease term (less any lease incentives).

*Subscriptions*

The City recognizes intangible right-to-use subscription assets (subscription assets) and corresponding subscription liabilities with an initial value of \$5,000, in individually or in the aggregate, in the government-wide financial statements. At the commencement of the subscription, the subscription liability is measured at the present value of payments expected to be made during the subscription liability term (less any contract incentives). The subscription liability is reduced by the principal portion of payments made. The subscription asset is measured at the initial amount of the subscription liability payments made to the SBITA vendor before commencement of the subscription term, and capitalizable implementation costs, less any incentives received from the SBITA vendor at or before the commencement of the subscription term. The subscription asset is amortized over the shorter of the subscription term or the useful life of the underlying IT asset.

*Key Estimates and Judgments*

Lease and subscription-based IT arrangement accounting includes estimates and judgments for determining the (1) rate used to discount the expected lease and subscription payments to present value, (2) lease and subscription term, and (3) lease and subscription payments.

- The City uses the interest rate stated in lease or subscription contracts. When the interest rate is not provided or the implicit rate cannot be readily determined, the City uses its estimated incremental borrowing rate as the discount rate for leases and subscriptions.
- The lease and subscription terms include the noncancellable period of the lease or subscription and certain periods covered by options to extend to reflect how long the lease or subscription is expected to be in effect, with terms and conditions varying by the type of underlying asset.
- Fixed and certain variable payments as well as lease or subscription incentives and certain other payments are included in the measurement of the lease receivable (lessor), lease liability (lessee) or subscription liability.

The City monitors changes in circumstances that would require a remeasurement or modification of its leases and subscriptions. The City will remeasure the lease receivable and deferred inflows of resources (lessor), the lease asset and liability (lessee) or the subscription asset and liability if certain changes occur that are expected to significantly affect the amount of the lease receivable, lease liability or subscription liability.

Notes to Financial Statements (Continued)  
As of June 30, 2024

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*Note 1—Summary of Significant Accounting Policies: (Continued)*

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J. Compensated Absences

Vested or accumulated vacation leave that is expected to be liquidated with expendable available financial resource is reported as an expenditure and liability of the governmental fund that will pay it when it is matured. Compensated absences are reported in governmental funds only if they have matured to include unused reimbursable leave still outstanding following an employee's resignation or retirement. Thus, the only portion of a compensated absences liability that is reported in the governmental funds would be the amount of reimbursable unused vacation leave or sick leave payable to employees who had terminated their employment as of June 30<sup>th</sup>. Amounts of vested or accumulated vacation leave that are not expected to be liquidated with expendable available financial resources are reported as an expense in the Statement of Activities and a long-term obligation in the Statement of Net Position. No liability is recorded for nonvesting accumulating rights to receive sick pay benefits. However, a liability is recognized for that portion of accumulating sick leave benefits that is estimated will be taken as "terminal leave" prior to retirement.

K. Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

L. Deferred Outflows/Inflows of Resources

In addition to assets, the statement of financial position includes a separate section for deferred outflows of resources. Deferred outflows of resources represent a consumption of net assets that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. The City has multiple items that qualify for reporting in this category. One item is the deferred charge on refunding reported in the government-wide statement of net position. A deferred charge on refunding resulted from the difference between the carrying value of refunded debt and its refunded or refunding debt. The other item is comprised of certain items related to pension and OPEB. For more detailed information on these items, reference the related notes.

In addition to liabilities, the statement of financial position includes a separate section for deferred inflows of resources. Deferred inflows of resources represent an acquisition of net assets that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The City has multiple items that qualify for reporting in this category. Under a modified accrual basis of accounting, unavailable revenue representing property taxes receivable is reported in the governmental funds balance sheet. This amount is comprised of uncollected property taxes due prior to June 30 and is deferred and recognized as an inflow of resources in the period that the amount becomes available. In addition, certain items related to pension, OPEB, opioid settlement, and leases are reported as deferred inflows of resources. For more detailed information on these items, reference the related notes.

M. Net Position

For government-wide reporting as well as in proprietary funds, the difference between assets and deferred outflows of resources less liabilities and deferred inflows of resources is called net position. Net position is comprised of three components: net investment in capital assets, restricted, and unrestricted.

Notes to Financial Statements (Continued)  
As of June 30, 2024

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*Note 1—Summary of Significant Accounting Policies: (Continued)*

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M. Net Position (Continued)

- Net investment in capital assets consists of capital assets, net of accumulated depreciation/amortization and reduced by outstanding balances of bonds, notes, and other debt that are attributable to the acquisition, construction, or improvement of those assets. Deferred outflows of resources and deferred inflows of resources that are attributable to the acquisition, construction, or improvement of those assets or related debt are included in this component of net position.
- Restricted net position consists of restricted assets reduced by liabilities and deferred inflows of resources related to those assets. Assets are reported as restricted when constraints are placed on asset use either by external parties or by law through constitutional provision or enabling legislation.
- Unrestricted net position is the net amount of the assets, deferred outflows of resources, liabilities, and deferred inflows of resources that does not meet the definition of the two preceding categories.

Sometimes the City will fund outlays for a particular purpose from both restricted (e.g. restricted bond or grant proceeds) and unrestricted resources. In order to calculate the amounts to report as restricted net position and unrestricted net position in the financial statements, a flow assumption must be made about the order in which the resources are considered to be applied. It is the City's policy to consider restricted net position to have been depleted before unrestricted net position is applied.

N. Pensions

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the City's Retirement Plan and the additions to/deductions from the City's Retirement Plan's fiduciary net 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.

O. Other Postemployment Benefits (OPEB)

For purposes of measuring the net VRS related OPEB liabilities, deferred outflows of resources and deferred inflows of resources related to the OPEB, and OPEB expense, information about the fiduciary net position of the VRS GLI and LODA OPEB Plans and the additions to/deductions from the VRS OPEB Plans' fiduciary net 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.

P. Long-term Obligations

In the government-wide financial statements, long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund type statement of net position. Bonds payable are reported net of the applicable bond premium or discount. In the fund financial statements, governmental fund types recognize bond premiums and discounts during the current period. The face amount of debt issued is reported as other financing sources while discounts on debt issuances are reported as other financing uses.

Notes to Financial Statements (Continued)  
As of June 30, 2024

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*Note 1—Summary of Significant Accounting Policies: (Continued)*

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Q. Prepaid Items

Certain payments to vendors represent costs applicable to future accounting periods and are recorded as prepaid items in the financial statements using the consumption method.

R. Inventory

Inventory is valued at cost using the weighted average method. Inventory consists of expendable supplies held for consumption and is recorded as expenditures when used (consumption method). Inventory in the Capital Projects Fund includes land purchased by the City and held for resale. These amounts are valued at the lower of cost or market value.

S. Fund Balance

In governmental fund types, the difference between assets and deferred outflows of resources less liabilities and deferred inflows of resources is called “fund balance”. City’s governmental funds report the following categories of fund balances, based on the nature of any limitations requiring the use of resources for specific purposes:

- Nonspendable fund balance - amounts that are either not in spendable form (such as inventory and prepaids) or are legally or contractually required to be maintained intact (corpus of a permanent fund);
- Restricted fund balance - amounts that can be spent only for the specific purposes stipulated by external resource providers such as grantors or enabling federal, state, or local legislation. Restrictions may be changed or lifted only with the consent of the resource providers;
- Committed fund balance - amounts that can be used only for the specific purposes determined by the adoption of an ordinance committing fund balance for a specified purpose by the City Manager prior to the end of the fiscal year. Once adopted, the limitation imposed by the ordinance remains in place until the resources have been spent for the specified purpose or the Manager adopts another ordinance to remove or revise the limitation;
- Assigned fund balance - amounts a government intends to use for a specific purpose but do not meet the criteria to be classified as committed; intent can be expressed by the governing body or by an official or body to which the governing body delegates the authority. Unlike commitments, assignments generally only exist temporarily. In other words, an additional action does not normally have to be taken for the removal of an assignment. Conversely, as discussed above, an additional action is essential to either remove or revise a commitment;
- Unassigned fund balance - amounts that are available for any purpose; positive amounts are only reported in the general fund. Additionally, any deficit fund balance within the other governmental fund types is reported as unassigned.

When fund balance resources are available for a specific purpose in more than one classification, it is the City’s policy to use the most restrictive funds first in the following order: restricted, committed, assigned, and unassigned as they are needed.

CITY OF WILLIAMSBURG, VIRGINIA

Notes to Financial Statements (Continued)  
As of June 30, 2024

**Note 1—Summary of Significant Accounting Policies: (Continued)**

**S. Fund Balance (Continued)**

City Council establishes (and modifies or rescinds) fund balance commitments by passage of a resolution. This is typically done through adoption and amendment of the budget. A fund balance commitment, which does not lapse at year end, is further indicated in the budget document as a designation or commitment of the fund (such as for special incentives).

Assigned fund balance is established by the City Manager, who has been given the delegated authority by the City Council to assign amounts for a specific purpose (such as the purchase of capital assets, construction, debt service, or for other purposes).

In the general fund, the City strives to maintain an unassigned fund balance to be used for unanticipated emergencies equal to a minimum of 35% of General Fund operating revenue as shown in the City's most recent annual comprehensive financial report.

The details of governmental fund balances, as presented in aggregate on Exhibit 3, are as follows:

	General Fund	Major Special Revenue Fund Tourism Fund	Major Special Revenue Fund American Rescue Plan Fund	Nonmajor Special Revenue Funds Virginia Public Assistance Fund	Nonmajor Special Revenue Funds Law Enforcement Block Grant Fund	Major Capital Projects Fund Capital Projects Fund	Total
<b>Fund Balances:</b>							
<b>Nonspendable:</b>							
Prepaid Items	\$ 25,852	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 25,852
Inventory of land held for resale	-	-	-	-	-	3,891,624	3,891,624
<b>Total Nonspendable</b>	<b>\$ 25,852</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 3,891,624</b>	<b>\$ 3,917,476</b>
<b>Restricted:</b>							
Social services	\$ -	\$ -	\$ -	\$ 744,444	\$ -	\$ -	\$ 744,444
Law enforcement	-	-	-	-	9,049	-	9,049
ARPA	-	-	971,622	-	-	-	971,622
Capital improvements	-	-	-	-	-	33,822,178	33,822,178
<b>Total Restricted</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 971,622</b>	<b>\$ 744,444</b>	<b>\$ 9,049</b>	<b>\$ 33,822,178</b>	<b>\$ 35,547,293</b>
<b>Assigned:</b>							
Future capital projects	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 28,640,335	\$ 28,640,335
Tourism	-	3,875,698	-	-	-	-	3,875,698
<b>Total Assigned</b>	<b>\$ -</b>	<b>\$ 3,875,698</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 28,640,335</b>	<b>\$ 32,516,033</b>
<b>Unassigned</b>	<b>\$ 25,585,547</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 25,585,547</b>
<b>Total Fund Balances</b>	<b>\$ 25,611,399</b>	<b>\$ 3,875,698</b>	<b>\$ 971,622</b>	<b>\$ 744,444</b>	<b>\$ 9,049</b>	<b>\$ 66,354,137</b>	<b>\$ 97,566,349</b>

## CITY OF WILLIAMSBURG, VIRGINIA

### Notes to Financial Statements (Continued) As of June 30, 2024

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#### **Note 2—Stewardship, Compliance, and Accounting:**

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The following procedures are used by the City in establishing the budgetary data reflected in the financial statements:

1. The City Charter requires the City Manager to submit to the City Council an annual budget for the ensuing fiscal year at least 60 days prior to the beginning of such fiscal year.
2. A public hearing on the budget is held after a synopsis of the budget is published in a local newspaper of general circulation. After a public hearing, the City Council may change any item in the budget (other than debt service or items required by law). A budget resolution must be adopted by the City Council prior to June 30 or as soon thereafter as is practicable.
3. The City utilizes the budget resolution of budgetary control whereby City Council adopts budgets for estimated revenues and expenditures on a departmental basis for the General Fund and Special Revenue Funds. Adopted budgets may be amended or superseded by action of City Council.
4. Budgets are also adopted by City Council for the Enterprise Funds. Budget to actual comparisons for these funds are not presented herein since there is no legal requirement for such presentation.
5. All operating budgets include proposed expenditures and the means of financing them. The City Manager has the authority to transfer amounts within the departments, so long as the total appropriation for a department is not adjusted. Budgeted amounts as presented in the financial statements reflect reallocations within budget categories through June 30, 2024.
6. Appropriation control is maintained at the department level. Appropriations lapse at year end. Encumbrances and committed fund balances outstanding at year end are re-appropriated in the succeeding year.
7. All budgets are adopted on a basis consistent with generally accepted accounting principles (GAAP).
8. The City utilizes a Finance and Audit Committee to assist City Council in carrying out its oversight responsibilities as they relate to financial reporting, internal controls and compliance with laws and regulations.
9. Expenditures and Appropriations  
Expenditures did exceed appropriations in the American Rescue Plan Fund.

#### **Note 3—Deposits and Investments:**

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##### **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 saving institutions holding public deposits in excess of the amount insured by the FDIC must pledge collateral to the Commonwealth of Virginia Treasury Board. Financial Institutions may choose between two collateralization methodologies and depending upon that choice, will pledge collateral that ranges in the amounts from 50% to 130% of excess deposits. Accordingly, all deposits of the Williamsburg Redevelopment and Housing Authority, a discretely presented component unit, are considered fully collateralized.



CITY OF WILLIAMSBURG, VIRGINIA

Notes to Financial Statements (Continued)  
As of June 30, 2024

**Note 3—Deposits and Investments: (Continued)**

**Investments**

Statutes authorize the City to invest in obligations of the United States or agencies thereof, obligations of the Commonwealth of Virginia or political subdivisions thereof, obligations of the International Bank for Reconstruction and Development (World Bank), the Asian Development Bank, the African Development Bank, “prime quality” commercial paper that has received at least two of the following ratings: P-1 by Moody’s Investors Service, Inc.; A-1 by Standard & Poor’s; or F1 by Fitch Ratings, Inc. (Section 2.2-4502), banker’s acceptances, repurchase agreements, and the State Treasurer’s Local Government Investment Pool (LGIP).

**Credit Risk of Debt Securities**

The City’s rated debt investments as of June 30, 2024 were rated by Standard and Poor’s and the ratings are presented below using the Standard and Poor’s rating scale. The City’s investment policy has an emphasis on high credit quality and known marketability. Holdings of commercial paper are not allowed to exceed thirty-five percent of the investment portfolio, and not more than 5% per issuer.

City's Rated Debt Investments' Values	
Rated Debt Investments	Fair Quality Ratings
	AAAm
Local Government Investment Pool	\$ 63,378,732
Virginia State Non-Arbitrage Pool	33,822,178
Total	<u>\$ 97,200,910</u>

**Interest Rate Risk**

According to the City’s investment policy, no more than 50% of the portfolio may be invested in securities maturing in greater than one year.

Investment Maturities (in years)			
Investment Type	Fair Value	Less Than 1 Year	1-5 Years
Local Government Investment Pool	\$63,378,732	\$63,378,732	\$ -
Virginia State Non-Arbitrage Pool	33,822,178	33,822,178	
Total	<u>\$97,200,910</u>	<u>\$97,200,910</u>	<u>\$ -</u>

CITY OF WILLIAMSBURG, VIRGINIA

Notes to Financial Statements (Continued)  
As of June 30, 2024

**Note 3—Deposits and Investments: (Continued)**

**External Investment Pools**

The fair value of the positions in the external investment pools (Local Government Investment Pool and State Non-Arbitrage Pool) is the same as the value of pool shares. As LGIP and SNAP are not SEC registered, regulatory oversight of the pool rests with the Virginia State Treasury. LGIP and SNAP are amortized cost basis portfolios. There are no withdrawal limitations or restrictions imposed on participants.

**Note 4—Due from Other Governments:**

At June 30, 2024, the City has receivables from other governments as follows:

	Governmental Activities
Other Local Governments:	
Williamsburg-James City County Public Schools	\$ 981,936
Commonwealth of Virginia:	
Communications tax	73,722
Car rental tax	12,468
CSA pool funds	89,252
Local sales tax	1,069,232
Rolling stock tax	7,908
Shared expenses	11,849
Social services	34,867
Asset forfeiture	281
Historic Triangle sales tax	472,920
Federal Government:	
ARPA funding	498,147
VDOT Highway planning and construction	14,131
Social Services	56,071
Total	<u>\$ 3,322,784</u>

**Note 5—Interfund Obligations:**

Details of the Primary Government's interfund receivables and payables as of June 30, 2024 are as follows:

Fund	Interfund Receivables	Interfund Payables
General	\$ 4,140,967	\$ 6,500
Capital Projects	8,816,865	-
American Rescue Plan	-	10,042,978
Virginia Public Assistance	-	47,431
Law Enforcement Block Grant	6,500	-
Utility	-	2,867,423
Total	<u>\$ 12,964,332</u>	<u>\$ 12,964,332</u>

CITY OF WILLIAMSBURG, VIRGINIA

Notes to Financial Statements (Continued)  
As of June 30, 2024

**Note 5—Interfund Obligations: (Continued)**

The outstanding balances between funds result mainly from the time lag between the dates that (1) interfund goods and services are provided or reimbursable expenditures occur, (2) transactions are recorded in the accounting system, and (3) payments between funds are made.

**Note 6—Capital Assets:**

The following is a summary of changes in capital assets for the fiscal year ended June 30, 2024:

	Balance July 1, 2023	Additions	Deletions	Balance June 30, 2024
<i>Governmental activities:</i>				
Capital assets not subject to depreciation:				
Land and land improvements	\$ 9,497,497	\$ -	\$ -	\$ 9,497,497
Works of art	135,798	40,020	-	175,818
Construction in progress	12,752,577	8,264,649	13,933,133	7,084,093
Total capital assets not subject to depreciation	\$ 22,385,872	\$ 8,304,669	\$13,933,133	\$ 16,757,408
Capital assets subject to depreciation:				
Buildings and system	\$ 43,946,021	\$ 13,967,415	\$ -	\$ 57,913,436
Improvements other than buildings	16,837,704	1,397,675	-	18,235,379
Infrastructure	70,763,630	-	-	70,763,630
Intangible	1,519,257	362	-	1,519,619
Lease equipment	145,394	413,170	-	558,564
Subscription asset	190,830	1,436,229	88,303	1,538,756
Machinery and equipment	17,429,089	2,902,718	155,040	20,176,767
Total capital assets subject to depreciation	\$150,831,925	\$ 20,117,569	\$ 243,343	\$170,706,151
Accumulated depreciation:				
Buildings and system	\$ 24,980,966	\$ 1,433,320	\$ -	\$ 26,414,286
Improvements other than buildings	12,294,331	465,299	-	12,759,630
Infrastructure	39,781,035	1,703,730	-	41,484,765
Intangible	662,660	66,868	-	729,528
Lease equipment	75,816	145,461	-	221,277
Subscription asset	87,096	411,730	88,303	410,523
Machinery and equipment	12,192,705	1,097,898	46,390	13,244,213
Total accumulated depreciation	\$ 90,074,609	\$ 5,324,306	\$ 134,693	\$ 95,264,222
Total capital assets subject to depreciation, net	\$ 60,757,316	\$ 14,793,263	\$ 108,650	\$ 75,441,929
Governmental activities capital assets, net	\$ 83,143,188	\$ 23,097,932	\$14,041,783	\$ 92,199,337

CITY OF WILLIAMSBURG, VIRGINIA

Notes to Financial Statements (Continued)  
As of June 30, 2024

**Note 6—Capital Assets: (Continued)**

The following is a summary of changes in capital assets for the fiscal year ended June 30, 2024:

	Balance July 1, 2022	Additions	Deletions	Balance June 30, 2023
<i>Business-type activities:</i>				
Capital assets not subject to depreciation:				
Land and land improvements	\$ 6,540,669	\$ 893,100	\$ -	\$ 7,433,769
Construction in progress	-	56,310	-	56,310
Open easement	653,800	-	-	653,800
Total capital assets not subject to depreciation	\$ 7,194,469	\$ 949,410	\$ -	\$ 8,143,879
Capital assets subject to depreciation:				
Buildings and system	\$ 12,121,333	\$ -	\$ -	\$12,121,333
Intangibles	12,525,344	6,002	-	12,531,346
Improvements other than buildings	8,668,204	444,272	-	9,112,476
Infrastructure	93,472	-	-	93,472
Subscription assets	6,462	-	6,462	-
Machinery and equipment	3,003,222	714,496	-	3,717,718
Total capital assets subject to depreciation	\$ 36,418,037	\$ 1,164,770	\$ 6,462	\$37,576,345
Accumulated depreciation:				
Buildings and system	\$ 8,432,683	\$ 222,041	\$ -	\$ 8,654,724
Intangibles	4,400,341	312,603	-	4,712,944
Improvements other than buildings	6,648,301	166,795	-	6,815,096
Infrastructure	42,016	3,337	-	45,353
Subscription assets	3,652	2,810	6,462	-
Machinery and equipment	2,423,655	141,655	-	2,565,310
Total accumulated depreciation	\$ 21,950,648	\$ 849,241	\$ 6,462	\$22,793,427
Total capital assets subject to depreciation, net	\$ 14,467,389	\$ 315,529	\$ -	\$14,782,918
Business-type activities capital assets, net	\$ 21,661,858	\$ 1,264,939	\$ -	\$22,926,797

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CITY OF WILLIAMSBURG, VIRGINIA

Notes to Financial Statements (Continued)  
As of June 30, 2024

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**Note 6—Capital Assets: (Continued)**

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Depreciation expense was charged to functions/programs as follows:

Governmental activities:	
General government administration	\$ 1,636,665
Public safety	1,620,029
Public works	1,636,916
Health and welfare	6,011
Parks, recreation and cultural	407,840
Community development	16,845
	<hr/>
Total depreciation expense - governmental activities	<u>\$ 5,324,306</u>
Business-type activities:	
Utility Fund	<u>\$ 849,241</u>

**Note 7— Interfund Transfers:**

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Interfund transfers for the year ended June 30, 2024, consisted of the following:

<u>Fund</u>	<u>Transfers In</u>	<u>Transfers Out</u>
General Fund	\$ -	\$ 4,122,427
Utility Fund	-	1,796,000
Capital Projects Fund	3,033,047	-
Special Revenue Fund:		
American Rescue Plan Fund	-	230,147
Tourism Fund	2,205,000	416,900
Virginia Public Assistance Fund	1,327,427	-
	<hr/>	<hr/>
Total	<u>\$ 6,565,474</u>	<u>\$ 6,565,474</u>

Transfers are used to (1) move revenues from the fund that statute or budget requires to collect them to the fund that statute or budget requires to expend them and (2) use unrestricted revenues collected in the General Fund to finance various programs accounted for in other funds in accordance with budgeting authorization.

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CITY OF WILLIAMSBURG, VIRGINIA

Notes to Financial Statements (Continued)  
As of June 30, 2024

**Note 8—Long-Term Obligations:**

The following is a summary of long-term obligation transactions of the City for the year ended June 30, 2024:

*Primary Government:*

	Balance July 1, 2023	Issuances/ Increases	Retirements/ Decreases	Balance June 30, 2024	Amounts Due Within One Year
<b>Governmental activities:</b>					
General obligation bonds	\$37,784,720	\$10,195,000	\$ 1,003,800	\$46,975,920	\$1,052,740
Lease liabilities	68,333	330,423	78,434	320,322	69,570
Subscription liabilities	119,056	1,186,536	294,715	1,010,877	260,602
Compensated absences	1,784,036	1,904,837	1,259,893	2,428,980	1,642,786
Net pension liability	9,735,601	8,045,132	6,691,701	11,089,032	-
Net OPEB liability	2,309,572	1,853,420	1,872,495	2,290,497	-
Adjustment for deferred amounts:					
For issuance premium	937,798	-	100,342	837,456	-
<b>Total Governmental activities</b>	<b>\$52,739,116</b>	<b>\$ 23,515,348</b>	<b>\$ 11,301,380</b>	<b>\$64,953,084</b>	<b>\$3,025,698</b>
<b>Business-type activities:</b>					
General obligation bond	\$ 2,155,280	\$ -	\$ 421,200	\$ 1,734,080	\$ 442,260
Compensated absences	179,042	184,092	130,766	232,368	167,060
Subscription liability	6,462	-	6,462	-	-
Net pension liability	967,719	894,578	697,617	1,164,680	-
Net OPEB liability	70,872	30,796	32,142	69,526	-
Adjustment for deferred amounts:					
For issuance premium	293,794	-	58,759	235,035	-
<b>Total Business-type activities</b>	<b>\$ 3,673,169</b>	<b>\$ 1,109,466</b>	<b>\$ 1,346,946</b>	<b>\$ 3,435,689</b>	<b>\$ 609,320</b>

Annual requirements to amortize long-term obligations and related interest are as follows:

Year Ended June 30	Governmental Activities						Business-type Activities	
	Lease Liabilities		Subscription Liabilities		General Obligation Bonds		General Obligation Bond	
	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest
2025	\$ 69,570	\$ 3,560	\$ 260,602	\$ 22,549	\$ 1,052,740	\$ 1,218,725	\$ 442,260	\$ 75,641
2026	40,556	3,009	218,044	17,723	1,106,680	1,164,737	463,320	53,001
2027	41,042	2,522	133,091	12,066	25,663,280	886,467	486,720	29,250
2028	41,535	2,030	96,098	8,944	1,051,530	761,524	166,140	12,929
2029	42,033	1,531	73,832	6,772	1,107,490	708,480	175,640	4,387
2030 - 2034	85,586	1,544	229,210	10,264	5,120,570	2,978,117	-	-
2035 - 2039	-	-	-	-	5,161,460	1,960,271	-	-
2040 - 2044	-	-	-	-	2,121,610	1,305,922	-	-
2045 - 2049	-	-	-	-	2,669,030	758,501	-	-
2050 - 2052	-	-	-	-	1,921,530	134,996	-	-
<b>Total</b>	<b>\$ 320,322</b>	<b>\$ 14,196</b>	<b>\$ 1,010,877</b>	<b>\$ 78,318</b>	<b>\$ 46,975,920</b>	<b>\$ 11,877,740</b>	<b>\$ 1,734,080</b>	<b>\$ 175,208</b>

CITY OF WILLIAMSBURG, VIRGINIA

Notes to Financial Statements (Continued)  
As of June 30, 2024

**Note 8—Long-Term Obligations: (Continued)**

Details of long-term indebtedness are as follows:

Long-Term Obligations, Governmental Activities:

Total  
Amount

General Obligation Bonds :

The City authorized and issued a \$7,370,000 general obligation refunding bond in December 2017 for the purpose of refunding a Series 2010 and a Series 2013 general obligation and enterprise fund obligation bonds. The bond is payable in annual principal installments plus semi-annual interest payments at 5.00%. Payments are due on July 1 and January 1. Payments began July 1, 2018 and end June 30, 2029. Carrying value of the debt allocable to general government is \$1,970,920 plus unamortized premium of \$207,548.

\$ 2,178,468

The City authorized and issued a \$12,260,000 general obligation public improvement bond to finance fire and police capital improvements in December 2017. The bond is payable in annual principal installments plus semi-annual interest payments at various coupon rates, 3.00% thru 5.00%. Payments are due on July 1 and January 1. Payments began July 1, 2018 and end June 30, 2038. Carrying value of the debt is \$10,310,000 plus unamortized premium of \$629,908.

10,939,908

The City authorized and issued a \$24,500,000 general obligation public improvement bond to finance the design, construction, and equipping of governmental facilities, including a police station. The bond is due in full on November 1, 2032 plus semi-annual interest payments at 3.10%.

24,500,000

The City authorized and issued a \$10,195,000 general obligation public improvement bond to finance the design, construction, and equipping of governmental facilities. The bond is payable in annual principal installments plus semi-annual interest payments at a coupon rate of 4.59%. Payments are due on July 15 and January 15. Payments began July 15, 2024 and end July 15, 2051.

10,195,000

Total general obligation bonds

\$ 47,813,376

Lease Liabilities:

As of 06/30/2024, City of Williamsburg, VA had 17 active subscriptions. The subscriptions have payments that range from \$0 to \$79,435 and interest rates that range from 0.3150% to 3.5330%. As of 06/30/2024, the total combined value of the subscription liability is \$1,010,877, and the total combined value of the short-term subscription liability is \$259,455. The combined value of the right to use asset, as of 06/30/2024 of \$1,538,757 with accumulated amortization of \$410,522 is included within the Subscription Class activities table found below. The subscriptions had \$0 of Variable Payments and \$0 of Other Payments, not included in the Subscription Liability, within the Fiscal Year.

\$ 320,322

Notes to Financial Statements (Continued)  
As of June 30, 2024

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**Note 8—Long-Term Obligations: (Continued)**

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Details of long-term indebtedness are as follows (Continued):

Subscription Liabilities:

As of 06/30/2024, City of Williamsburg, VA had 17 active subscriptions. The subscriptions have payments that range from \$0 to \$79,435 and interest rates that range from 0.3150% to 3.5330%. As of 06/30/2024, the total combined value of the subscription liability is \$1,010,877, and the total combined value of the short-term subscription liability is \$259,455. The combined value of the right to use asset, as of 06/30/2024 of \$1,538,757 with accumulated amortization of \$410,522 is included within the Subscription Class activities table found below. The subscriptions had \$0 of Variable Payments and \$0 of Other Payments, not included in the Subscription Liability, within the Fiscal Year.

	<u>\$ 1,010,877</u>
Compensated absences (payable from General Fund)	<u>\$ 2,428,980</u>
Net pension liability (payable from General Fund)	<u>\$ 11,089,032</u>
Net OPEB liability (payable from General Fund)	<u>\$ 2,290,497</u>
Total Long-Term Obligations, Governmental Activities	<u><u>\$ 64,953,084</u></u>

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## CITY OF WILLIAMSBURG, VIRGINIA

### Notes to Financial Statements (Continued) As of June 30, 2024

#### **Note 8—Long-Term Obligations: (Continued)**

Details of long-term indebtedness are as follows (Continued):

Long-Term Obligations, Business-type Activities:	Total Amount
<u>General Obligation Bond:</u>	
The City authorized and issued a \$7,370,000 general obligation refunding bond in December 2017 for the purpose of refunding a Series 2010 and a Series 2013 general obligation and enterprise fund obligation bonds. The bond is payable in annual principal installments plus semi-annual interest payments at 5.00%. Payments are due on July 1 and January 1. Payments began July 1, 2018 and end June 30, 2029. Carrying value of the debt allocable to the business-type activities is \$1,734,080 plus unamortized premium of \$235,035.	\$ 1,969,115
Total general obligation bond	\$ 1,969,115
Compensated absences (payable from Enterprise Fund)	\$ 232,368
Net pension liability (payable from Enterprise Fund)	\$ 1,164,680
Net OPEB liability (payable from Enterprise Fund)	\$ 69,526
Total Long-Term Obligations, Business-type Activities	\$ 3,435,689

#### **Note 9—Unearned and Unavailable Revenue:**

Unearned and unavailable revenue represents amounts for which asset recognition criteria have been met, but for which revenue recognition criteria have not been met. Under the modified accrual basis of accounting, such amounts are measurable, but not available. Under the accrual basis, assessments for future periods are deferred. Unavailable revenue of \$1,091,868 and unearned revenue of \$350,288 are comprised of the following:

Unavailable Property Tax Revenue: Unavailable revenue representing uncollected tax billings not available for funding of current expenditures totaled \$1,091,868 at June 30, 2024.

The General Fund reports unearned revenue of \$170,288 which represents local revenues not available for funding of current expenditures.

The Utility Fund reports unearned revenue of \$180,000 which represents a lease agreement paid in advance by the County of York.

#### **Note 10—Commitments and Contingencies:**

Federal programs in which the City participates were audited in accordance with the provisions of Title 2 U.S. Code of Federal Regulations (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*. Pursuant to the provisions of the Uniform Guidance all major programs and certain other programs were tested for compliance with applicable grant requirements.

Notes to Financial Statements (Continued)  
As of June 30, 2024

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***Note 10—Commitments and Contingencies: (Continued)***

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While no matters of noncompliance were disclosed by the audit, the Federal Government may subject grant programs to additional compliance tests which may result in disallowed expenditures. In the opinion of management, any future disallowance of current grant program expenditures, if any, would be immaterial.

The City is committed on a construction contract with David A. Nice Builders, Inc to build a new fire station. The construction contract total is \$1,964,710 with \$901,290 outstanding at June 30, 2024.

The City is committed on a construction contract with Henderson, Inc. for a police station. The construction contract total is \$19,240,250 with \$15,662,880 outstanding at June 30, 2024.

***Note 11—Litigation:***

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At June 30, 2024, there were no matters of litigation involving the City or which would materially affect the City's financial position should any court decisions on pending matters not be favorable to such entities.

***Note 12—Risk Management:***

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The City is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The City joined together with other local governments in Virginia to form the Virginia Municipal Liability Pool, a public entity risk pool currently operating as a common risk management and insurance program for participating local governments. The City pays annual premiums to the pool for its property, theft, auto liability, and general liability coverage. Settled claims for the City resulting from these risks have not exceeded insurance coverage for each of the past three years. There was no reduction in insurance coverage during fiscal year 2024.

The City is also a participating member in the Virginia Municipal Group Self Insurance Association. This non-profit entity provides workers' compensation coverage in compliance with the Virginia Workers' Compensation Code. Each Association member jointly and severally agrees to assume, pay and discharge any liability. The City pays Virginia Municipal Group contributions and assessments based upon classifications and rates into a designated cash reserve fund out of which expenses of the Association and claims and awards are to be paid.

In the event of a loss deficit and depletion of all available excess insurance, the pool may assess all members in the proportion, which the premium of each bears to the total premiums of all members in the year in which such deficit occurs. In addition, the City provides various surety bond coverage as required under regulations and at industry recommended levels. Settlements have not exceeded commercial insurance coverage in any of the three past years.

***Note 13—Pension Plan:***

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***Plan Description***

All full-time, salaried permanent employees of the City are automatically covered by a VRS Retirement Plan upon employment. This is an agent multiple-employer plan 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.

**Note 13—Pension Plan: (Continued)**

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***Benefit Structures***

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, as detailed below.

- a. Employees with a membership date before July 1, 2010, vested as of January 1, 2013, and have not taken a refund, are covered under Plan 1, a defined benefit plan. Non-hazardous duty employees are eligible for an unreduced retirement benefit beginning at age 65 with at least 5 years of service credit or age 50 with at least 30 years of service credit. Non-hazardous duty employees may retire with a reduced benefit as early as age 55 with at least 5 years of service credit or age 50 with at least 10 years of service credit. Hazardous duty employees (law enforcement officers, firefighters, and sheriffs) are eligible for an unreduced benefit beginning at age 60 with at least 5 years of service credit or age 50 with at least 25 years of service credit. Hazardous duty employees may retire with a reduced benefit as early as age 50 with at least 5 years of service credit.
- b. Employees with a membership date from July 1, 2010 to December 31, 2013, that have not taken a refund or employees with a membership date prior to July 1, 2010 and not vested before January 1, 2013, are covered under Plan 2, a defined benefit plan. Non-hazardous duty employees are eligible for an unreduced benefit beginning at their normal social security retirement age with at least 5 years of service credit or when the sum of their age plus service equals 90. Non-hazardous duty employees may retire with a reduced benefit as early as age 60 with at least 5 years of service credit. Hazardous duty employees are eligible for an unreduced benefit beginning at age 60 with at least 5 years of service credit or age 50 with at least 25 years of service credit. Hazardous duty employees may retire with a reduced benefit as early as age 50 with at least 5 years of service credit.
- c. Non-hazardous duty employees with a membership date on or after January 1, 2014 are covered by the Hybrid Plan combining the features of a defined benefit plan and a defined contribution plan. Plan 1 and Plan 2 members also had the option of opting into this plan during the election window held January 1 - April 30, 2014 with an effective date of July 1, 2014. Employees covered by this plan are eligible for an unreduced benefit beginning at their normal social security retirement age with at least 5 years of service credit, or when the sum of their age plus service equals 90. Employees may retire with a reduced benefit as early as age 60 with at least 5 years of service credit. For the defined contribution component, members are eligible to receive distributions upon leaving employment, subject to restrictions.

***Average Final Compensation and Service Retirement Multiplier***

The VRS defined benefit is a lifetime monthly benefit based on a retirement multiplier as a percentage of the employee's average final compensation multiplied by the employee's total service credit. Under Plan 1, average final compensation is the average of the employee's 36 consecutive months of highest compensation and the multiplier is 1.70% for non-hazardous duty employees, 1.85% for sheriffs and regional jail superintendents, and 1.70% or 1.85% for hazardous duty employees as elected by the employer. Under Plan 2, average final compensation is the average of the employee's 60 consecutive months of highest compensation and the retirement multiplier is 1.65% for non-hazardous duty employees, 1.85% for sheriffs and regional jail superintendents, and 1.70% or 1.85% for hazardous duty employees as elected by the employer. Under the Hybrid Plan, average final compensation is the average of the employee's 60 consecutive months of highest compensation and the multiplier is 1.00%. For members who opted into the Hybrid Retirement Plan from Plan 1 or Plan 2, the applicable multipliers for those plans will be used to calculate the retirement benefit for service credited in those plans.

**Note 13—Pension Plan: (Continued)**

***Cost-of-Living Adjustment (COLA) in Retirement and Death and Disability Benefits***

Retirees with an unreduced benefit or with a reduced benefit with at least 20 years of service credit are eligible for an annual COLA beginning July 1 after one full calendar year from the retirement date. Retirees with a reduced benefit and who have less than 20 years of service credit are eligible for an annual COLA beginning on July 1 after one calendar year following the unreduced retirement eligibility date. Under Plan 1, the COLA cannot exceed 5.00%. Under Plan 2 and the Hybrid Plan, the COLA cannot exceed 3.00%. The VRS also provides death and disability benefits. Title 51.1 of the Code of Virginia, as amended, assigns the authority to establish and amend benefit provisions to the General Assembly of Virginia.

***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:

	<u>Number</u>
Inactive members or their beneficiaries currently receiving benefits	<u>284</u>
Inactive members:	
Vested inactive members	57
Non-vested inactive members	64
Inactive members active elsewhere in VRS	<u>112</u>
Total inactive members	<u>233</u>
Active members	<u>183</u>
Total covered employees	<u>700</u>

***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 City’s contractually required employer contribution rate for the year ended June 30, 2024 was 17.10% 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 them were \$2,474,893 and \$2,114,322 for the years ended June 30, 2024 and June 30, 2023, respectively.

Notes to Financial Statements (Continued)  
As of June 30, 2024

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*Note 13—Pension Plan: (Continued)*

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**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 the City, 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 - General Employees**

The total pension liability for General Employees in the City’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%
Salary increases, including inflation	3.50% - 5.35%
Investment rate of return	6.75%, net of pension plan investment expense, including inflation

**Mortality rates:**

All Others (Non-10 Largest) - Non-Hazardous Duty: 15% of deaths are assumed to be service related

**Pre-Retirement:**

Pub-2010 Amount Weighted Safety Employee Rates projected generationally; 95% of rates for males; 105% of rates for females set forward 2 years

**Post-Retirement:**

Pub-2010 Amount Weighted Safety Healthy Retiree Rates projected generationally; 110% of rates for males; 105% of rates for females set forward 3 years

**Post-Disablement:**

Pub-2010 Amount Weighted General Disabled Rates projected generationally; 95% of rates for males set back 3 years; 90% of rates for females set back 3 years

**Beneficiaries and Survivors:**

Pub-2010 Amount Weighted Safety Contingent Annuitant Rates projected generationally; 110% of rates for males and females set forward 2 years

**Mortality Improvement:**

Rates projected generationally with Modified MP-2021 Improvement Scale that is 75% of the MP-2021 rates

Notes to Financial Statements (Continued)  
As of June 30, 2024

Note 13—Pension Plan: (Continued)

Actuarial Assumptions - General Employees (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:

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

Mortality Rates (pre-retirement, post-retirement healthy, and disabled)	Update to Pub-2010 public sector mortality tables. For future mortality improvements, replace load with a modified Mortality Improvement Scale MP-2020
Retirement Rates	Adjusted rates to better fit experience for Plan 1; set separate rates based on experience for Plan 2/Hybrid; changed final retirement age
Withdrawal Rates	Adjusted rates to better fit experience at each age and service decrement through 9 years of service
Disability Rates	No change
Salary Scale	No change
Line of Duty Disability	No change
Discount Rate	No change

Actuarial Assumptions - Public Safety Employees with Hazardous Duty Benefits

The total pension liability for Public Safety employees with Hazardous Duty Benefits in the City’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%
Salary increases, including inflation	3.50% - 4.75%
Investment rate of return	6.75%, net of pension plan investment expense, including inflation

Notes to Financial Statements (Continued)  
As of June 30, 2024

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**Note 13—Pension Plan: (Continued)**

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**Actuarial Assumptions - Public Safety Employees with Hazardous Duty Benefits (Continued)**

Mortality rates:

All Others (Non-10 Largest) - Hazardous Duty: 45% of deaths are assumed to be service related

Pre-Retirement:

Pub-2010 Amount Weighted Safety Employee Rates projected generationally with a Modified MP-2021 Improvement Scale; 95% of rates for males; 105% of rates for females set forward 2 years

Post-Retirement:

Pub-2010 Amount Weighted Safety Healthy Retiree Rates projected generationally with a Modified MP-2021 Improvement Scale; 110% of rates for males; 105% of rates for females set forward 3 years

Post-Disablement:

Pub-2010 Amount Weighted General Disabled Rates projected generationally with a Modified MP-2021 Improvement Scale; 95% of rates for males set back 3 years; 90% of rates for females set back 3 years

Beneficiaries and Survivors:

Pub-2010 Amount Weighted Safety Contingent Annuitant Rates projected generationally with a Modified MP-2021 Improvement Scale; 110% of rates for males and females set forward 2 years

Mortality Improvement:

Rates projected generationally with Modified MP-2021 Improvement Scale that is 75% of the MP-2021 rates

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:

Mortality Rates (pre-retirement, post-retirement healthy, and disabled)	Update to Pub-2010 public sector mortality tables. Increased disability life expectancy. For future mortality improvements, replace load with a modified Mortality Improvement Scale MP-2020
Retirement Rates	Adjusted rates to better fit experience and changed final retirement age from 65 to 70
Withdrawal Rates	Decreased 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
Disability Rates	No change
Salary Scale	No change
Line of Duty Disability	No change
Discount Rate	No change

Notes to Financial Statements (Continued)  
As of June 30, 2024

**Note 13—Pension Plan: (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)	Long-Term Target Asset 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 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 45<sup>th</sup> 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%.

**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; the City was also provided with an opportunity to use an alternative employer contribution rate. For the year ended June 30, 2023, the alternate rate was the employer contribution rate used



CITY OF WILLIAMSBURG, VIRGINIA

Notes to Financial Statements (Continued)  
As of June 30, 2024

**Note 13—Pension Plan: (Continued)**

**Discount Rate (Continued)**

in 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 and school divisions 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**

	Primary Government		
	Increase (Decrease)		
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (a) - (b)
Balances at June 30, 2023	\$ 83,035,628	\$ 72,332,308	\$ 10,703,320
Changes for the year:			
Service cost	\$ 1,618,172	\$	\$ 1,618,172
Interest	5,540,023		5,540,023
Changes of assumptions			-
Differences between expected and actual experience	1,685,163		1,685,163
Contributions - employer		2,114,231	(2,114,231)
Contributions - employee		621,161	(621,161)
Net investment income		4,602,483	(4,602,483)
Benefit payments, including refunds of employee contributions	(5,158,773)	(5,158,773)	-
Administrative expenses		(46,753)	46,753
Other changes		1,844	(1,844)
Net changes	\$ 3,684,585	\$ 2,134,193	\$ 1,550,392
Balances at June 30, 2024	\$ 86,720,213	\$ 74,466,501	\$ 12,253,712

CITY OF WILLIAMSBURG, VIRGINIA

Notes to Financial Statements (Continued)  
As of June 30, 2024

**Note 13—Pension Plan: (Continued)**

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

The following presents the net pension liability of the City using the discount rate of 6.75%, as well as what the City'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:

	Rate		
	1% Decrease	Current Discount	1% Increase
	(5.75%)	(6.75%)	(7.75%)
City Net Pension Liability	\$ 22,913,973	\$ 12,253,712	\$ 3,298,871

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

For the year ended June 30, 2024, the City recognized pension expense of \$2,577,092. At June 30, 2024, the City 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	\$ 1,019,091	\$ 67,069
Changes of assumptions	-	-
Net difference between projected and actual earnings on plan investments	-	1,205,581
Proportionate share	19,173	19,173
Employer contributions subsequent to the measurement date	2,474,893	-
Total	\$ 3,513,157	\$ 1,291,823

CITY OF WILLIAMSBURG, VIRGINIA

Notes to Financial Statements (Continued)  
As of June 30, 2024

**Note 13—Pension Plan: (Continued)**

***Pension Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (Continued)***

\$2,474,893 reported as deferred outflows of resources related to pensions resulting from the City'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 in future reporting periods as follows:

<u>Year ended June 30</u>	
2025	\$ (249,009)
2026	(1,086,613)
2027	1,042,736
2028	39,327
2029	-
Thereafter	-

***Pension Plan Data***

Information about the VRS Political Subdivision Retirement Plan is also 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 <http://www.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.

**Note 14—Surety Bonds:**

Surety bonds covered the following constitutional officers and City employees at June 30, 2024:

	<u>Amount</u>
<u>Travelers Casualty and Surety Company of America</u>	
Barbara A. Dameron, Director of Finance	\$ 500,000
Lara M.S. Overy, Commissioner of the Revenue	3,000
Mona A. Foley, Clerk of Circuit Court	103,000
David J. Hardin, Sheriff	30,000
<u>Other Insurance</u>	
Employees of Constitutional officers - blanket bond	1,000,000
Police Department - blanket bond	100,000
All City of Williamsburg employees except Constitutional Officers and their subordinates and the Police Department	100,000

**Note 15—Group Life Insurance (GLI) Plan (OPEB Plan):**

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***Plan Description***

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

In addition to the Basic GLI benefit, members are also eligible to elect additional coverage for themselves as well as a spouse or dependent children through the Optional GLI Plan. 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 plan, it is not included as part of the GLI Plan OPEB.

The specific information for GLI OPEB, including eligibility, coverage and benefits is described below:

***Eligible Employees***

The GLI Plan was established July 1, 1960, for state employees, teachers, and employees of political subdivisions that elect the plan. Basic GLI coverage is automatic upon employment. Coverage ends for employees who leave their position before retirement eligibility or who take a refund of their accumulated retirement member contributions and accrued interest.

***Benefit Amounts***

The GLI Plan is a defined benefit plan with several components. The natural death benefit is equal to the employee's covered compensation rounded to the next highest thousand and then doubled. The accidental death benefit is double the natural death benefit. In addition to basic natural and accidental death benefits, the plan provides additional benefits provided under specific circumstances that include the following: accidental dismemberment benefit, seatbelt benefit, repatriation benefit, felonious assault benefit, and accelerated death benefit option. The benefit amounts are subject to a reduction factor. The benefit amount reduces by 25% on January 1 following one calendar year of separation. The benefit amount reduces by an additional 25% on each subsequent January 1 until it reaches 25% of its original value. For covered members with at least 30 years of service credit, the minimum benefit payable was set at \$8,000 by statute in 2015. This will be increased annually based on the VRS Plan 2 cost-of-living adjustment calculation. The minimum benefit adjusted for the COLA was \$9,254 as of June 30, 2024.

***Contributions***

The contribution requirements for the GLI Plan 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 GLI Plan 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 employer's contractually required employer contribution rate for the year ended June 30, 2024 was 0.54% of covered employee compensation. This rate was the final approved General Assembly rate, which was based on an actuarially determined rate from an actuarial valuation as of June 30, 2021. The actuarially determined rate,

Notes to Financial Statements (Continued)  
As of June 30, 2024

**Note 15—Group Life Insurance (GLI) Plan (OPEB Plan): (Continued)**

**Contributions (Continued)**

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 entity were \$80,813 and \$68,974 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, and is classified as a special employer contribution. The entity's proportionate share is reflected in the grants and contributions not restricted to specific programs of the financial statements.

**GLI OPEB Liabilities, GLI OPEB Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to the Group Life Insurance Program OPEB**

At June 30, 2024, the entity reported a liability of \$650,388 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 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 GLI 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 participating employer's proportion was 005423% as compared to 0.05506% at June 30, 2022.

For the year ended June 30, 2024, the participating employer recognized GLI OPEB expense of \$29,872. 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 employer reported deferred outflows of resources and deferred inflows of resources related to the GLI OPEB from the following sources:

	<b>Deferred Outflows of Resources</b>	<b>Deferred Inflows of Resources</b>
Differences between expected and actual experience \$	64,958	\$ 19,743
Net difference between projected and actual earnings on GLI OPEB plan investments	-	26,136
Change of assumptions	13,902	45,061
Changes in proportionate share	19,038	28,900
Employer contributions subsequent to the measurement date	80,813	-
Total	<u>\$ 178,711</u>	<u>\$ 119,840</u>

**Note 15—Group Life Insurance (GLI) Plan (OPEB Plan): (Continued)**

**GLI OPEB Liabilities, GLI OPEB Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to the Group Life Insurance Program OPEB (Continued)**

\$80,813 reported as deferred outflows of resources related to the GLI OPEB resulting from the employer’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 OEPB will be recognized in the GLI OPEB expense in future reporting periods as follows:

<u>Year Ended June 30</u>	
2025	\$ (6,062)
2026	(29,332)
2027	11,597
2028	(2,835)
2029	4,690
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, 2023. The assumptions include several employer groups. Salary increases and mortality rates included herein are for relevant employer groups. Information for other groups can be referenced in the VRS Annual Report.

Inflation	2.50%
Salary increases, including inflation:	
Locality - General employees	3.50%-5.35%
Locality - Hazardous Duty employees	3.50%-4.75%
Investment rate of return	6.75%, net of investment expenses, including inflation

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Notes to Financial Statements (Continued)  
As of June 30, 2024

**Note 15—Group Life Insurance (GLI) Plan (OPEB Plan): (Continued)**

**Actuarial Assumptions: (Continued)**

**Mortality Rates - Non-Largest Ten Locality Employers - General Employees**

Pre-Retirement:

Pub-2010 Amount Weighted Safety Employee Rates projected generationally; males set forward 2 years; 105% of rates for females set forward 3 years

Post-Retirement:

Pub-2010 Amount Weighted Safety Healthy Retiree Rates projected generationally; 95% of rates for males set forward 2 years; 95% of rates for females set forward 1 year

Post-Disablement:

Pub-2010 Amount Weighted General Disabled Rates projected generationally; 110% of rates for males set forward 3 years; 110% of rates for females set forward 2 years

Beneficiaries and Survivors:

Pub-2010 Amount Weighted Safety Contingent Annuitant Rates projected generationally

Mortality Improvement Scale:

Rates projected generationally with Modified MP-2021 Improvement Scale that is 75% of the MP-2021 rates

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:

Mortality Rates (pre-retirement, post-retirement healthy, and disabled)	Update to Pub-2010 public sector mortality tables. For future mortality improvements, replace load with a modified Mortality Improvement Scale MP-2020
Retirement Rates	Adjusted rates to better fit experience for Plan 1; set separate rates based on experience for Plan 2/Hybrid; changed final retirement age from 75 to 80 for all
Withdrawal Rates	Adjusted rates to better fit experience at each age and service decrement through 9 years of service
Disability Rates	No change
Salary Scale	No change
Line of Duty Disability	No change
Discount Rate	No change

Notes to Financial Statements (Continued)  
As of June 30, 2024

**Note 15—Group Life Insurance (GLI) Plan (OPEB Plan): (Continued)**

**Actuarial Assumptions: (Continued)**

**Mortality Rates - Non-Largest Ten Locality Employers - Hazardous Duty Employees**

Pre-Retirement:

Pub-2010 Amount Weighted Safety Employee Rates projected generationally; 95% of rates for males; 105% of rates for females set forward 2 years

Post-Retirement:

Pub-2010 Amount Weighted Safety Healthy Retiree Rates projected generationally; 110% of rates for males; 105% of rates for females set forward 3 years

Post-Disablement:

Pub-2010 Amount Weighted General Disabled Rates projected generationally; 95% of rates for males set back 3 years; 90% of rates for females set back 3 years

Beneficiaries and Survivors:

Pub-2010 Amount Weighted Safety Contingent Annuitant Rates projected generationally; 110% of rates for males and females set forward 2 years

Mortality Improvement Scale:

Rates projected generationally with Modified MP-2021 Improvement Scale that is 75% of the MP-2021 rates

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:

Mortality Rates (pre-retirement, post-retirement healthy, and disabled)	Update to Pub-2010 public sector mortality tables. Increased disability life expectancy. For future mortality improvements, replace load with a modified Mortality Improvement Scale MP-2020
Retirement Rates	Adjusted rates to better fit experience and changed final retirement age from 65 to 70
Withdrawal Rates	Decreased 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 Top 10 Hazardous Duty
Disability Rates	No change
Salary Scale	No change
Line of Duty Disability	No change
Discount Rate	No change



Notes to Financial Statements (Continued)  
As of June 30, 2024

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*Note 15—Group Life Insurance (GLI) Plan (OPEB Plan): (Continued)*

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**NET GLI OPEB Liability**

The net OPEB liability (NOL) for the GLI Plan represents the plan’s total OPEB liability determined in accordance with GASB Statement No. 74, less the associated fiduciary net position. As of the measurement date of June 30, 2023, NOL amounts for the GLI Plan are as follows (amounts expressed in thousands):

		GLI OPEB Plan
		<hr/>
Total GLI OPEB Liability	\$	3,907,052
Plan Fiduciary Net Position		2,707,739
		<hr/>
GLI Net 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 System’s actuary, and each plan’s fiduciary net position is reported in the System’s financial statements. The net GLI OPEB liability is disclosed in accordance with the requirements of GASB Statement No. 74 in the System’s notes to the financial statements and required supplementary information.

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Notes to Financial Statements (Continued)  
As of June 30, 2024

**Note 15—Group Life Insurance (GLI) Plan (OPEB Plan): (Continued)**

**Long-Term Expected Rate of Return**

The long-term expected rate of return on the System's 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)	Long-Term Target Asset 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 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 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 45<sup>th</sup> 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%.

**Note 15—Group Life Insurance (GLI) Plan (OPEB Plan): (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 ended 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 continue 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 Employer’s Proportionate Share of the Net GLI OPEB Liability to Changes in the Discount Rate**

The following presents the employer’s proportionate share of the net GLI OPEB liability using the discount rate of 6.75%, as well as what the employer’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:

		Rate		
		1% Decrease	Current Discount	1% Increase
		(5.75%)	(6.75%)	(7.75%)
City's proportionate share of the GLI Plan				
Net OPEB Liability	\$	964,078	\$ 650,388	\$ 396,767

**GLI Plan Fiduciary Net Position**

Detailed information about the GLI 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 <http://www.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.

**Note 16—Line of Duty Act (LODA) Program:**

**Plan Description**

The Virginia Retirement System (VRS) Line of Duty Act Program (LODA) was established pursuant to §9.1-400 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 LODA Program provides death and health insurance benefits to eligible state employees and local government employees, including volunteers, who die or become disabled as a result of the performance of their duties as a public safety officer. In addition, health insurance benefits are provided to eligible survivors and family members. This is a cost-sharing multiple-employer plan administered by the Virginia Retirement System (the System). Participating employers made contributions to the program beginning in FY 2012. The employer contributions are determined by the System’s actuary using anticipated program costs and the number of covered individuals associated with all participating employers.

**Note 16—Line of Duty Act (LODA) Program: (Continued)**

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***Plan Description (Continued)***

The specific information for LODA OPEB, including eligibility, coverage and benefits is described below:

***Eligible Employees***

All paid employees and volunteers in hazardous duty positions in Virginia localities as well as hazardous duty employees who are covered under the Virginia Retirement System (VRS), the State Police Officers' Retirement System (SPORS), or the Virginia Law Officers' Retirement System (VaLORS) are automatically covered by the LODA Program. As required by statute, the Virginia Retirement System (the System) is responsible for managing the assets of the program.

***Benefit Amounts***

The LODA program death benefit is a one-time payment made to the beneficiary or beneficiaries of a covered individual. Amounts vary as follows: \$100,000 when a death occurs as the direct or proximate result of performing duty as of January 1, 2006, or after; \$25,000 when the cause of death is attributed to one of the applicable presumptions and occurred earlier than five years after the retirement date; or an additional \$20,000 benefit is payable when certain members of the National Guard and U.S. military reserves are killed in action in any armed conflict on or after October 7, 2001.

The LODA program also provides health insurance benefits. The health insurance benefits are managed through the Virginia Department of Human Resource Management (DHRM). The health benefits are modeled after the State Employee Health Benefits Program plans and provide consistent, premium-free continued health plan coverage for LODA-eligible disabled individuals, survivors and family members.

***Contributions***

The contribution requirements for the LODA Program are governed by §9.1-400.1 of the Code of Virginia, as amended, but may be impacted as a result of funding provided to state agencies by the Virginia General Assembly. Each employer's contractually required employer contribution rate for the LODA Program for the year ended June 30, 2024 was \$830 per covered full-time-equivalent employee. This rate was based on an actuarially determined rate from an actuarial valuation as of June 30, 2021 and represents the pay-as-you-go funding rate and not the full actuarial cost of the benefits under the program. The actuarially determined pay-as-you-go rate was expected to finance the costs and related expenses of benefits payable during the year. Contributions to the Line of Duty Act Program from the entity were \$66,400 and \$56,593 for the years ended June 30, 2024 and June 30, 2023, respectively.

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

At June 30, 2024, the entity reported a liability of \$1,709,635 for its proportionate share of the Net LODA OPEB Liability. The Net LODA OPEB Liability was measured as of June 30, 2023 and the total LODA OPEB liability used to calculate the Net LODA OPEB Liability was determined by an actuarial valuation as of June 30, 2022, and rolled forward to the measurement date of June 30, 2023. The entity's proportion of the Net LODA OPEB Liability was based on the entity's actuarially determined pay-as-you-go employer contributions to the LODA OPEB plan for the year ended June 30, 2023 relative to the total of the actuarially determined pay-as-you-go employer contributions for all participating employers. At June 30, 2023, the entity's proportion was 0.042655% as compared to 0.45380% at June 30, 2022.

CITY OF WILLIAMSBURG, VIRGINIA

Notes to Financial Statements (Continued)  
As of June 30, 2024

**Note 16—Line of Duty Act (LODA) Program: (Continued)**

**LODA OPEB Liabilities, LODA OPEB Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to the LODA OPEB: (Continued)**

For the year ended June 30, 2024, the entity recognized LODA OPEB expense of \$235,514. Since there was a change in proportionate share between measurement dates, a portion of the LODA OPEB expense was related to deferred amounts from changes in proportion.

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

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	\$ 91,194	\$ 321,923
Net difference between projected and actual earnings on LODA OPEB program investments	-	5,002
Change of assumptions	379,730	352,536
Changes in proportionate share	123,578	112,721
Employer contributions subsequent to the measurement date	66,400	-
Total	\$ 660,902	\$ 792,182

\$66,400 reported as deferred outflows of resources related to the LODA OPEB resulting from the entity's contributions subsequent to the measurement date will be recognized as a reduction of the Net LODA 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 LODA OPEB will be recognized in LODA OPEB expense in future reporting periods as follows:

<u>Year Ended June 30</u>	
2025	\$ (2,087)
2026	(1,930)
2027	534
2028	(8,907)
2029	(28,592)
Thereafter	(156,698)

Notes to Financial Statements (Continued)  
As of June 30, 2024

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**Note 16—Line of Duty Act (LODA) Program: (Continued)**

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**Actuarial Assumptions**

The total LODA 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. The assumptions include several employer groups. Salary increases and mortality rates included herein are for relevant employer groups. Information for other groups can be referenced in the VRS Annual Report.

Inflation	2.50%
Salary increases, including inflation:	
Locality employees	N/A
Medical cost trend rates assumption:	
Under age 65	7.00%-4.75%
Ages 65 and older	5.25%-4.75%
Year of ultimate trend rate:	
Under age 65	Fiscal year ended 2028
Ages 65 and older	Fiscal year ended 2023
Investment rate of return	3.86%, including inflation*

\* Since LODA is funded on a current-disbursement basis, the assumed annual rate of return of 3.86% was used since it approximates the risk-free rate of return.

**Mortality Rates - Non-Largest Ten Locality Employers with Public Safety Employees**

**Pre-Retirement:**

Pub-2010 Amount Weighted Safety Employee Rates projected generationally; 95% of rates for males; 105% of rates for females set forward 2 years

**Post-Retirement:**

Pub-2010 Amount Weighted Safety Healthy Retiree Rates projected generationally; 110% of rates for males; 105% of rates for females set forward 3 years

**Post-Disablement:**

Pub-2010 Amount Weighted General Disabled Rates projected generationally; 95% of rates for males set back 3 years; 90% of rates for females set back 3 years

**Beneficiaries and Survivors:**

Pub-2010 Amount Weighted Safety Contingent Annuitant Rates projected generationally; 110% of rates for males and females set forward 2 years

**Mortality Improvement Scale:**

Rates projected generationally with Modified MP-2021 Improvement Scale that is 75% of the MP-2021 rates

Notes to Financial Statements (Continued)  
As of June 30, 2024

Note 16—Line of Duty Act (LODA) Program: (Continued)

Actuarial Assumptions (Continued)

Mortality Rates - Non-Largest Ten Locality Employers with Public Safety Employees (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. Changes to the actuarial assumptions as a result of the experience study are as follows:

Mortality Rates (pre-retirement, post-retirement healthy, and disabled)	Update to Pub-2010 public sector mortality tables. Increased disability life expectancy. For future mortality improvements, replace load with a modified Mortality Improvement Scale MP-2020
Retirement Rates	Adjusted rates to better fit experience and changed final retirement age from 65 to 70
Withdrawal Rates	Decreased 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 Top 10 Hazardous Duty
Disability Rates	No change
Salary Scale	No change
Line of Duty Disability	No change

Net LODA OPEB Liability

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

	LODA Program
Total LODA OPEB Liability	\$ 406,211
Plan Fiduciary Net Position	5,311
Employers' Net OPEB Liability (Asset)	<u>\$ 400,900</u>
Plan Fiduciary Net Position as a Percentage of the Total LODA OPEB Liability	1.31%

The total LODA OPEB 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 OPEB liability is disclosed in accordance with the requirements of GASB Statement No. 74 in the System’s notes to the financial statements and required supplementary information.

**Note 16—Line of Duty Act (LODA) Program: (Continued)**

**Long-Term Expected Rate of Return**

The long-term expected rate of return on LODA OPEB Program’s investments was set at 3.86% for this valuation. Since LODA is funded on a current-disbursement basis, it is not able to use the VRS Pooled Investments 6.75% assumption. Instead, the assumed annual rate of return of 3.86% was used since it approximates the risk-free rate of return. This Single Equivalent Interest Rate (SEIR) is the applicable municipal bond index rate based on the Fidelity Fixed General Obligation 20-year Municipal Bond Index as of the measurement date of June 30, 2023.

**Discount Rate**

The discount rate used to measure the total LODA OPEB liability was 3.86%. The projection of cash flows used to determine the discount rate assumed that employer contributions will be made per the VRS Statutes and that they 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 ended June 30, 2023, the rate contributed by participating employers to the LODA OPEB Program will be subject to the portion of the VRS Board-certified rates that are funded by the Virginia General Assembly.

**Sensitivity of the Covered Employer’s Proportionate Share of the Net LODA OPEB Liability to Changes in the Discount Rate**

The following presents the covered employer’s proportionate share of the net LODA OPEB liability using the discount rate of 3.86%, as well as what the covered employer’s proportionate share of the net LODA 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 rate:

	Discount Rate		
	1% Decrease (2.69%)	Current (3.69%)	1% Increase (4.69%)
County's proportionate share of the total LODA Net OPEB Liability	\$ 1,916,907	\$ 1,709,635	\$ 1,534,285



**Note 16—Line of Duty Act (LODA) Program: (Continued)*****Sensitivity of the Covered Employer's Proportionate Share of the Net LODA OPEB Liability to Changes in the Health Care Trend Rate***

Because the LODA Program contains a provision for the payment of health insurance premiums, the liabilities are also impacted by the health care trend rates. The following presents the covered employer's proportionate share of the net LODA OPEB liability using the health care trend rate of 7.00% decreasing to 4.75%, as well as what the covered employer's proportionate share of the net LODA OPEB liability would be if it were calculated using a health care trend rate that is one percentage point lower (6.00% decreasing to 3.75%) or one percentage point higher (8.00% decreasing to 5.75%) than the current rate:

	Health Care Trend Rates		
	1% Decrease (6.00% decreasing to 3.75%)	Current (7.00% decreasing to 4.75%)	1% Increase (8.00% decreasing to 5.75%)
City's proportionate share of the LODA Net OPEB Liability	\$ 1,449,828	\$ 1,709,635	\$ 2,031,576

***LODA OPEB Fiduciary Net Position***

Detailed information about the LODA Program 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 <http://www.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.

***Aggregate OPEB Information***

	Primary Government			
	Deferred Outflows	Deferred Inflows	Net OPEB Liability	OPEB Expense
VRS OPEB Plans:				
Group Life Insurance Plan (Note 15)	\$ 178,711	\$ 119,840	\$ 650,388	\$ 29,872
Line of Duty Act Plan (Note 16)	660,902	792,182	1,709,635	235,514
Totals	<u>\$ 839,613</u>	<u>\$ 912,022</u>	<u>\$ 2,360,023</u>	<u>\$ 265,386</u>

CITY OF WILLIAMSBURG, VIRGINIA

Notes to Financial Statements (Continued)  
As of June 30, 2024

**Note 17—Leases Receivable:**

The City leases land and rights-of-way to tenants under various lease contracts. In fiscal year 2024, the City recognized lease and interest revenue in the amount of \$410,448 and \$58,679, respectively. A description of the leases is as follows:

Lease Description	Start Date	End Date	Frequency	Rate	Balance
24 parking spaces in parking terrace	7/1/2021	6/30/2025	Monthly	0.52%	\$ 12,994
City Square Lot 2 Parking and amenities	7/1/2021	12/31/1949	Quarterly	1.63%	593,531
City Square Lot 3 Parking and amenities	7/1/2021	12/31/1949	Monthly	1.63%	296,591
Municipal Center additional parking	3/1/2022	2/28/2027	Monthly	1.30%	44,533
Office space at Transportation Center	8/1/2021	7/31/2026	Monthly	1.19%	523,844
601 Prince George Street Bookstore	7/1/2021	5/31/2026	Monthly	0.55%	475,661
204 Armistead Street Bakery	7/1/2021	5/31/2026	Monthly	0.55%	142,888
603 Prince George Street	7/1/2021	7/31/2025	Monthly	0.50%	30,968
206 Armistead	7/1/2021	12/31/2021	Monthly	0.41%	32,485
Water Tower Usage for cellular antenna	7/1/2021	9/30/2024	Annually	1.41%	485,338
Water Tower Usage for cellular antenna	7/1/2021	10/15/2022	Annually	1.41%	579,154
Water Tower Usage for cellular antenna	7/1/2021	12/31/2026	Annually	0.22%	222,384
Water Tower Usage for cellular antenna	7/1/2021	9/30/1940	Annually	1.41%	854,082
Total					<u>\$ 4,294,453</u>

Expected future payments at June 30, 2024 are as follows:

Year Ended June 30	Governmental Activities			Business-type Activities		
	Principal	Interest	Total	Principal	Interest	Total
2025	209,380	24,420	233,800	173,012	27,676	200,688
2026	162,864	22,871	185,735	179,874	25,896	205,770
2027	157,471	21,471	178,942	181,750	24,020	205,770
2028	151,096	20,126	171,222	188,050	22,120	210,170
2029	155,253	18,795	174,048	134,136	20,132	154,268
2030 - 2034	543,322	74,856	618,178	757,871	70,492	828,363
2035 - 2039	275,362	49,638	325,000	469,105	22,673	491,778
2040 - 2044	220,630	32,497	253,127	57,160	10,481	67,641
2045 - 2049	278,117	13,573	291,690	-	-	-
			-	-	-	-
Total	<u>\$ 2,153,495</u>	<u>\$ 278,247</u>	<u>\$ 2,431,742</u>	<u>\$ 2,140,958</u>	<u>\$ 223,490</u>	<u>\$ 2,364,448</u>

Notes to Financial Statements (Continued)  
As of June 30, 2024

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**Note 18—Upcoming Pronouncements:**

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Statement No. 101, *Compensated Absences*, updates the recognition and measurement guidance for compensated absences. It aligns the recognition and measurement guidance under a unified model and amends certain previously required disclosures. The requirements of this Statement are effective for fiscal years beginning after December 15, 2023.

Statement No. 102, *Certain Risk Disclosures*, provides users of government financial statements with essential information about risks related to a government's vulnerabilities due to certain concentrations or constraints. The requirements of this Statement are effective for fiscal years beginning after June 15, 2024.

Statement No. 103, *Financial Reporting Model Improvements*, 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. The requirements of this Statement are effective for fiscal years beginning after June 15, 2025.

Management is currently evaluating the impact these standards will have on the financial statements when adopted.

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*REQUIRED SUPPLEMENTARY INFORMATION*

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City of Williamsburg, Virginia  
General Fund  
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual  
For the Year Ended June 30, 2024

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with</u>
	<u>Original</u>	<u>Final</u>	<u>Amounts</u>	<u>Final Budget -</u> <u>Positive</u> <u>(Negative)</u>
<b>REVENUES</b>				
General property taxes	\$ 21,398,766	\$ 21,470,736	\$ 22,082,840	\$ 612,104
Other local taxes	16,245,300	16,810,400	17,312,748	502,348
Permits, privilege fees, and regulatory licenses	112,250	163,950	261,270	97,320
Fines and forfeitures	210,000	210,000	216,748	6,748
Revenue from the use of money and property	862,151	862,151	806,195	(55,956)
Charges for services	1,348,375	1,348,375	1,573,060	224,685
Miscellaneous	464,700	566,975	255,142	(311,833)
Recovered costs	1,320,000	1,387,300	1,384,214	(3,086)
Intergovernmental:				
Commonwealth	4,123,358	4,139,905	4,570,102	430,197
Federal	176,000	357,553	200,862	(156,691)
Total revenues	<u>\$ 46,260,900</u>	<u>\$ 47,317,345</u>	<u>\$ 48,663,181</u>	<u>\$ 1,345,836</u>
<b>EXPENDITURES</b>				
Current:				
General government administration	\$ 7,963,068	\$ 8,658,742	\$ 7,155,647	\$ 1,503,095
Judicial administration	670,000	670,000	655,411	14,589
Public safety	14,064,693	14,323,465	15,097,998	(774,533)
Public works	3,532,645	3,534,644	4,123,585	(588,941)
Health and welfare	540,318	540,318	531,418	8,900
Education	10,380,889	10,380,889	9,398,953	981,936
Parks, recreation, and cultural	2,572,308	2,572,308	2,907,844	(335,536)
Community development	2,106,816	2,106,816	2,209,214	(102,398)
Debt service:				
Principal retirement	-	-	159,832	(159,832)
Interest and other fiscal charges	-	-	3,129	(3,129)
Total expenditures	<u>\$ 41,830,737</u>	<u>\$ 42,787,182</u>	<u>\$ 42,243,031</u>	<u>\$ 544,151</u>
Excess (deficiency) of revenues over (under) expenditures	<u>\$ 4,430,163</u>	<u>\$ 4,530,163</u>	<u>\$ 6,420,150</u>	<u>\$ 1,889,987</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers out	\$ (4,430,163)	\$ (4,530,163)	\$ (4,122,427)	\$ 407,736
Issuance of subscription liability	-	-	45,180	45,180
Total other financing sources (uses)	<u>\$ (4,430,163)</u>	<u>\$ (4,530,163)</u>	<u>\$ (4,077,247)</u>	<u>\$ 452,916</u>
Net change in fund balances	\$ -	\$ -	\$ 2,342,903	\$ 2,342,903
Fund balances - beginning	-	-	23,268,496	23,268,496
Fund balances - ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 25,611,399</u>	<u>\$ 25,611,399</u>

City of Williamsburg, Virginia  
Tourism Fund - Major Fund  
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual  
For the Year Ended June 30, 2024

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with</u>
	<u>Original</u>	<u>Final</u>	<u>Amounts</u>	<u>Final Budget -</u> <u>Positive</u> <u>(Negative)</u>
<b>REVENUES</b>				
Other local taxes	\$ 3,219,440	\$ 3,219,440	\$ 3,573,677	\$ 354,237
Revenue from the use of money and property	50,000	50,000	109,292	59,292
Total revenues	<u>\$ 3,269,440</u>	<u>\$ 3,269,440</u>	<u>\$ 3,682,969</u>	<u>\$ 413,529</u>
<b>EXPENDITURES</b>				
Current:				
Community development	\$ 5,474,440	\$ 7,926,684	\$ 5,601,382	\$ 2,325,302
Total expenditures	<u>\$ 5,474,440</u>	<u>\$ 7,926,684</u>	<u>\$ 5,601,382</u>	<u>\$ 2,325,302</u>
Excess (deficiency) of revenues over (under) expenditures	<u>\$ (2,205,000)</u>	<u>\$ (4,657,244)</u>	<u>\$ (1,918,413)</u>	<u>\$ 2,738,831</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	\$ 2,205,000	\$ 2,205,000	\$ 2,205,000	\$ -
Transfers out	-	(416,900)	(416,900)	-
Total other financing sources (uses)	<u>\$ 2,205,000</u>	<u>\$ 1,788,100</u>	<u>\$ 1,788,100</u>	<u>\$ -</u>
Net change in fund balances	\$ -	\$ (2,869,144)	\$ (130,313)	\$ 2,738,831
Fund balances - beginning	-	2,869,144	4,006,011	1,136,867
Fund balances - ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 3,875,698</u>	<u>\$ 3,875,698</u>



City of Williamsburg, Virginia  
American Rescue Plan Fund - Major Fund  
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual  
For the Year Ended June 30, 2024

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with</u>
	<u>Original</u>	<u>Final</u>	<u>Amounts</u>	<u>Final Budget -</u> <u>Positive</u> <u>(Negative)</u>
<b>REVENUES</b>				
Revenue from the use of money and property	\$ -	\$ -	\$ 580,381	\$ 580,381
Intergovernmental revenues:				
Federal	-	265,000	498,147	233,147
Total revenues	\$ -	\$ 265,000	\$ 1,078,528	\$ 813,528
<b>EXPENDITURES</b>				
Current:				
Community development	\$ -	\$ 265,000	\$ 268,000	\$ (3,000)
Total expenditures	\$ -	\$ 265,000	\$ 268,000	\$ (3,000)
Excess (deficiency) of revenues over (under) expenditures	\$ -	\$ -	\$ 810,528	\$ 810,528
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers out	\$ -	\$ -	\$ (230,147)	\$ (230,147)
Total other financing sources (uses)	\$ -	\$ -	\$ (230,147)	\$ (230,147)
Net change in fund balances	\$ -	\$ -	\$ 580,381	\$ 580,381
Fund balances - beginning	-	-	391,241	391,241
Fund balances - ending	\$ -	\$ -	\$ 971,622	\$ 971,622

CITY OF WILLIAMSBURG, VIRGINIA

Schedule of Changes in Net Pension Liability and Related Ratios  
For the Measurement Dates of June 30, 2014 through June 30, 2023

	2023	2022	2021
<b>Total pension liability</b>			
Service cost	\$ 1,618,172	\$ 1,490,899	\$ 1,383,990
Interest	5,540,023	5,429,380	4,994,877
Changes of assumptions	-	-	3,078,948
Difference between expected and actual experience	1,685,163	(228,679)	508,022
Benefit payments	(5,158,773)	(5,200,679)	(4,838,617)
<b>Net change in total pension liability</b>	\$ 3,684,585	\$ 1,490,921	\$ 5,127,220
<b>Total pension liability - beginning</b>	<u>83,035,628</u>	<u>81,544,707</u>	<u>76,417,487</u>
<b>Total pension liability - ending (a)</b>	<u>\$ 86,720,213</u>	<u>\$ 83,035,628</u>	<u>\$ 81,544,707</u>
<b>Plan fiduciary net position</b>			
Contributions - employer	\$ 2,114,231	\$ 1,808,284	\$ 1,801,653
Contributions - employee	621,161	615,393	578,702
Net investment income	4,602,483	(36,860)	16,460,541
Benefit payments	(5,158,773)	(5,200,679)	(4,838,617)
Administrator charges	(46,753)	(47,343)	(42,205)
Other	1,844	1,700	1,543
<b>Net change in plan fiduciary net position</b>	\$ 2,134,193	\$ (2,859,505)	\$ 13,961,617
<b>Plan fiduciary net position - beginning</b>	<u>72,332,308</u>	<u>75,191,813</u>	<u>61,230,196</u>
<b>Plan fiduciary net position - ending (b)</b>	<u>\$ 74,466,501</u>	<u>\$ 72,332,308</u>	<u>\$ 75,191,813</u>
<b>City's net pension liability - ending (a) - (b)</b>	\$ 12,253,712	\$ 10,703,320	\$ 6,352,894
<b>Plan fiduciary net position as a percentage of the total pension liability</b>	85.87%	87.11%	92.21%
<b>Covered payroll</b>	\$ 12,769,409	\$ 11,963,840	\$ 11,573,683
<b>City's net pension liability as a percentage of covered payroll</b>	95.96%	89.46%	54.89%

2020	2019	2018	2017	2016	2015	2014
\$ 1,338,975	\$ 1,272,636	\$ 1,203,231	\$ 1,169,362	\$ 1,192,219	\$ 1,178,813	\$ 1,182,529
4,840,945	4,806,679	4,691,888	4,592,124	4,472,336	4,331,841	4,155,774
-	1,969,052	-	(295,496)	-	-	-
854,275	(619,735)	(386,020)	(515,043)	(554,448)	(361,478)	-
(4,668,833)	(4,086,702)	(3,651,762)	(3,399,707)	(3,398,006)	(2,886,192)	(2,759,933)
\$ 2,365,362	\$ 3,341,930	\$ 1,857,337	\$ 1,551,240	\$ 1,712,101	\$ 2,262,984	\$ 2,578,370
74,052,125	70,710,195	68,852,858	67,301,618	65,589,517	63,326,533	60,748,163
<u>\$ 76,417,487</u>	<u>\$ 74,052,125</u>	<u>\$ 70,710,195</u>	<u>\$ 68,852,858</u>	<u>\$ 67,301,618</u>	<u>\$ 65,589,517</u>	<u>\$ 63,326,533</u>
\$ 1,487,194	\$ 1,453,252	\$ 1,464,447	\$ 1,390,195	\$ 1,666,704	\$ 1,649,556	\$ 1,558,890
539,231	567,049	520,088	494,042	487,862	506,966	478,336
1,185,570	3,979,585	4,279,006	6,434,478	915,305	2,381,156	7,179,163
(4,668,833)	(4,086,702)	(3,651,762)	(3,399,707)	(3,398,006)	(2,886,192)	(2,759,933)
(41,859)	(40,666)	(37,516)	(37,916)	(33,783)	(32,867)	(38,979)
(1,381)	(2,504)	(3,777)	(5,696)	(392)	(500)	379
<u>\$ (1,500,078)</u>	<u>\$ 1,870,014</u>	<u>\$ 2,570,486</u>	<u>\$ 4,875,396</u>	<u>\$ (362,310)</u>	<u>\$ 1,618,119</u>	<u>\$ 6,417,856</u>
62,730,274	60,860,260	58,289,774	53,414,378	53,776,688	52,158,569	45,740,713
<u>\$ 61,230,196</u>	<u>\$ 62,730,274</u>	<u>\$ 60,860,260</u>	<u>\$ 58,289,774</u>	<u>\$ 53,414,378</u>	<u>\$ 53,776,688</u>	<u>\$ 52,158,569</u>
\$ 15,187,291	\$ 11,321,851	\$ 9,849,935	\$ 10,563,084	\$ 13,887,240	\$ 11,812,829	\$ 11,167,964
80.13%	84.71%	86.07%	84.66%	79.37%	81.99%	82.36%
\$ 11,036,370	\$ 10,806,259	\$ 10,581,720	\$ 9,988,509	\$ 9,830,879	\$ 9,695,347	\$ 9,570,924
137.61%	104.77%	93.08%	105.75%	141.26%	121.84%	116.69%

Schedule of Employer Contributions - Pension Plan  
For the Years Ended June 30, 2014 through June 30, 2024

Date	Contributions in Relation to			Employer's Covered Payroll (4)	Contributions as a % of Covered Payroll (5)
	Contractually Required Contribution (1)*	Contractually Required Contribution (2)*	Contribution Deficiency (Excess) (3)		
2024	\$ 2,474,893	\$ 2,474,893	\$ -	\$ 14,965,399	16.54%
2023	2,114,322	2,114,322	-	12,769,409	16.56%
2022	1,795,434	1,795,434	-	11,963,840	15.01%
2021	1,744,139	1,744,139	-	11,573,683	15.07%
2020	1,484,653	1,484,653	-	11,036,370	13.45%
2019	1,460,073	1,460,073	-	10,806,259	13.51%
2018	1,464,447	1,464,447	-	10,581,720	13.84%
2017	1,407,381	1,407,381	-	9,988,509	14.09%
2016	1,675,182	1,675,182	-	9,830,879	17.04%
2015	1,652,087	1,652,087	-	9,695,347	17.04%

\*Excludes contributions (mandatory and match on voluntary) to the defined contribution portion of the Hybrid plan.

Notes to Required Supplementary Information - Pension Plan  
For the Year Ended June 30, 2024

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**Changes of benefit terms** - There have been no actuarially material changes to the System benefit provisions since the prior actuarial valuation.

**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:

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

Mortality Rates (pre-retirement, post-retirement healthy, and disabled)	Update to Pub-2010 public sector mortality tables. For future mortality improvements, replace load with a modified Mortality Improvement Scale MP-2020
Retirement Rates	Adjusted rates to better fit experience for Plan 1; set separate rates based on experience for Plan 2/Hybrid; changed final retirement age
Withdrawal Rates	Adjusted rates to better fit experience at each age and service decrement through 9 years of service
Disability Rates	No change
Salary Scale	No change
Line of Duty Disability	No change
Discount Rate	No change

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

Mortality Rates (pre-retirement, post-retirement healthy, and disabled)	Update to Pub-2010 public sector mortality tables. Increased disability life expectancy. For future mortality improvements, replace load with a modified Mortality Improvement Scale MP-2020
Retirement Rates	Adjusted rates to better fit experience and changed final retirement age from 65 to 70
Withdrawal Rates	Decreased 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
Disability Rates	No change
Salary Scale	No change
Line of Duty Disability	No change
Discount Rate	No change

## Schedule of City's Share of Net OPEB Liability

## Group Life Insurance (GLI) Plan

For the Measurement Dates of June 30, 2017 through June 30, 2023

Date (1)	Employer's Proportion of the Net GLI OPEB Liability (Asset) (2)	Employer's Proportionate Share of the Net GLI OPEB Liability (Asset) (3)	Employer's Covered Payroll (4)	Employer's Proportionate Share of the Net GLI OPEB Liability (Asset) as a Percentage of Covered Payroll (3)/(4) (5)	Plan Fiduciary Net Position as Percentage of Total GLI OPEB Liability (6)
2024	0.05423%	\$ 650,388	\$ 12,772,992	5.09%	69.30%
2022	0.05510%	662,975	11,978,035	5.53%	67.21%
2021	0.05610%	653,040	11,580,642	5.64%	67.45%
2020	0.05370%	897,000	11,057,270	8.11%	52.64%
2019	0.05534%	901,000	10,848,895	8.30%	52.00%
2018	0.05572%	846,000	10,594,918	7.98%	51.22%
2017	0.05415%	815,000	9,988,509	8.16%	48.86%

Schedule is intended to show information for 10 years. Information prior to the 2017 valuation is not available. However, additional years will be included as they become available.

## Schedule of Employer Contributions

## Group Life Insurance (GLI) Plan

For the Years Ended June 30, 2016 through June 30, 2024

Date	Contributions in Relation to			Employer's Covered Payroll	Contributions as a % of Covered Payroll
	Contractually Required Contribution	Contractually Required Contribution	Contribution Deficiency (Excess)		
	(1)	(2)	(3)	(4)	(5)
2024	\$ 80,813	\$ 80,813	\$ -	\$ 14,965,399	0.54%
2023	68,974	68,974	-	12,772,992	0.54%
2022	64,681	64,681	-	11,978,035	0.54%
2021	62,535	62,535	-	11,580,642	0.54%
2020	57,498	57,498	-	11,057,270	0.52%
2019	56,414	56,414	-	10,848,895	0.52%
2018	55,094	55,094	-	10,594,918	0.52%
2017	51,940	51,940	-	9,988,509	0.52%
2016	47,188	47,188	-	9,830,879	0.48%

Schedule is intended to show information for 10 years. Information is only available from 2016. Additional information will be added to table as it becomes available.

Notes to Required Supplementary Information  
Group Life Insurance (GLI) Plan  
For the Year Ended June 30, 2024

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**Changes of benefit terms** - There have been no actuarially material changes to the System benefit provisions since the prior actuarial valuation.

**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:

**Non-Largest Ten Locality Employers - General Employees**

Mortality Rates (pre-retirement, post-retirement healthy, and disabled)	Update to Pub-2010 public sector mortality tables. For future mortality improvements, replace load with a modified Mortality Improvement Scale MP-2020
Retirement Rates	Adjusted rates to better fit experience for Plan 1; set separate rates based on experience for Plan 2/Hybrid; changed final retirement age from 75 to 80 for all
Withdrawal Rates	Adjusted rates to better fit experience at each age and service decrement through 9 years of service
Disability Rates	No change
Salary Scale	No change
Line of Duty Disability	No change
Discount Rate	No change

**Non-Largest Ten Locality Employers - Hazardous Duty Employees**

Mortality Rates (pre-retirement, post-retirement healthy, and disabled)	Update to Pub-2010 public sector mortality tables. Increased disability life expectancy. For future mortality improvements, replace load with a modified Mortality Improvement Scale MP-2020
Retirement Rates	Adjusted rates to better fit experience and changed final retirement age from 65 to 70
Withdrawal Rates	Decreased 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 Top 10 Hazardous Duty
Disability Rates	No change
Salary Scale	No change
Line of Duty Disability	No change
Discount Rate	No change



Schedule of Employer's Share of Net LODA OPEB Liability  
Line of Duty Act (LODA) Program  
For the Measurement Dates of June 30, 2017 through 2023

Date (1)	Employer's Proportion of the Net LODA OPEB Liability (Asset) (2)	Employer's Proportionate Share of the Net LODA OPEB Liability (Asset) (3)	Covered- Employee Payroll * (4)	Employer's Proportionate Share of the Net LODA OPEB Liability (Asset) as a Percentage of its Covered-Employee Payroll (3)/(4) (5)	Plan Fiduciary Net Position as a Percentage of Total LODA OPEB Liability (6)
2023	0.42655% \$	1,709,635	N/A	N/A	1.31%
2022	0.45380% \$	1,717,469	N/A	N/A	1.87%
2021	0.44680%	1,970,218	N/A	N/A	1.68%
2020	0.41680%	1,745,455	N/A	N/A	1.02%
2019	0.42332%	1,518,814	N/A	N/A	0.79%
2018	0.41149%	1,290,000	N/A	N/A	0.60%
2017	0.39849%	1,047,000	N/A	N/A	1.30%

Covered payroll for the LODA Program is not a relevant measurement as 30% of covered participants are volunteers rather than employees.

\* The contributions for the Line of Duty Act Program are based on the number of participants in the Program using a per capita-based contribution versus a payroll-based contribution. Therefore, covered-employee payroll is the relevant measurement, which is the total payroll of the employees in the OPEB plan.

Schedule is intended to show information for 10 years. Since 2017 is the first year for this presentation, only one year of data is available. However, additional years will be included as they become available.

## Schedule of Employer Contributions

## Line of Duty Act (LODA) Program

For the Years Ended June 30, 2016 through June 30, 2024

Date	Contractually Required Contribution (1)	Contributions in Relation to Contractually Required Contribution (2)	Contribution Deficiency (Excess) (3)	Covered- Employee Payroll * (4)	Contributions as a % of Covered - Employee Payroll (5)
2024	\$ 66,400	\$ 66,400	\$ -	N/A	N/A
2023	56,593	56,593	-	N/A	N/A
2022	62,501	62,501	-	N/A	N/A
2021	61,509	61,509	-	N/A	N/A
2020	56,638	56,638	-	N/A	N/A
2019	56,814	56,814	-	N/A	N/A
2018	43,829	43,829	-	N/A	N/A
2017	42,978	42,978	-	N/A	N/A
2016	38,913	38,913	-	N/A	N/A

\* The contributions for the Line of Duty Act Program are based on the number of participants in the Program using a per capita-based contribution versus a payroll-based contribution. Therefore, covered-employee payroll is the relevant measurement, which is the total payroll of employees in the OPEB plan.

FY 2011 was the first year for the Line of Duty Act Program (LODA), however there were no contributions. Information is available beginning in 2016. Ten years of information will be accumulated moving forward.

Notes to Required Supplementary Information  
Line of Duty Act (LODA) Program  
For the Year Ended June 30, 2024

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**Changes of benefit terms** - There have been no actuarially material changes to the System benefit provisions since the prior actuarial valuation.

**Changes of assumptions** - The actuarial assumptions used in the June 30, 2022 valuation were based on results of an actuarial experience study for the period from July 1, 2016 through June 30, 2020. Changes to the actuarial assumptions as a result of the experience study are as follows:

**Employees in the Non-Largest Ten Locality Employers with Public Safety Employees**

Mortality Rates (pre-retirement, post-retirement healthy, and disabled)	Update to Pub-2010 public sector mortality tables. Increased disability life expectancy. For future mortality improvements, replace load with a modified Mortality Improvement Scale MP-2020
Retirement Rates	Adjusted rates to better fit experience and changed final retirement age from 65 to 70
Withdrawal Rates	Decreased 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 Top 10 Hazardous Duty
Disability Rates	No change
Salary Scale	No change
Line of Duty Disability	No change

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

	Budgeted Amounts		Actual	Variance with Final Budget - Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Amounts</u>	
<b>REVENUES</b>				
Other local taxes	\$ 5,483,750	\$ 5,483,750	\$ 5,939,355	\$ 455,605
Revenue from the use of money and property	700,000	700,000	2,924,361	2,224,361
Charges for services	40,000	40,000	-	(40,000)
Miscellaneous	-	114,681	(112,621)	(227,302)
Intergovernmental:				
Commonwealth	70,000	256,051	180,022	(76,029)
Federal	5,274,420	5,666,820	381,634	(5,285,186)
Total revenues	<u>\$ 11,568,170</u>	<u>\$ 12,261,302</u>	<u>\$ 9,312,751</u>	<u>\$ (2,948,551)</u>
<b>EXPENDITURES</b>				
Current:				
Capital projects	\$ 20,561,865	\$ 87,787,592	\$ 17,035,831	\$ 70,751,761
Debt service:				
Principal retirement	1,003,800	1,217,852	1,217,117	735
Interest and other fiscal charges	1,470,561	1,994,790	1,652,920	341,870
Total expenditures	<u>\$ 23,036,226</u>	<u>\$ 91,000,234</u>	<u>\$ 19,905,868</u>	<u>\$ 71,094,366</u>
Excess (deficiency) of revenues over (under) expenditures	<u>\$ (11,468,056)</u>	<u>\$ (78,738,932)</u>	<u>\$ (10,593,117)</u>	<u>\$ 68,145,815</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	\$ 2,386,000	\$ 3,067,900	\$ 3,033,047	\$ (34,853)
Issuance of general obligation bonds	2,900,000	13,400,000	10,195,000	(3,205,000)
Issuance of leases	-	-	330,423	330,423
Issuance of subscription liabilities	-	-	1,141,356	1,141,356
Total other financing sources (uses)	<u>\$ 5,286,000</u>	<u>\$ 16,467,900</u>	<u>\$ 14,699,826</u>	<u>\$ (1,768,074)</u>
Net change in fund balances	\$ (6,182,056)	\$ (62,271,032)	\$ 4,106,709	\$ 66,377,741
Fund balances - beginning	6,182,056	56,694,003	62,247,428	5,553,425
Fund balances - ending	<u>\$ -</u>	<u>\$ (5,577,029)</u>	<u>\$ 66,354,137</u>	<u>\$ 71,931,166</u>

City of Williamsburg, Virginia  
Combining Balance Sheet  
Nonmajor Special Revenue Funds  
June 30, 2024

	Virginia Public Assistance <u>Fund</u>	Law Enforcement Block Grant <u>Fund</u>	<u>Total</u>
<b>ASSETS</b>			
Cash and cash equivalents	\$ 615,044	\$ 2,549	\$ 617,593
Receivables (net of allowance for uncollectibles):			
Accounts receivable	110	-	110
Due from other funds	-	6,500	6,500
Due from other governmental units	180,190	-	180,190
Total assets	<u>\$ 795,344</u>	<u>\$ 9,049</u>	<u>\$ 804,393</u>
<b>LIABILITIES</b>			
Accounts payable	\$ 3,469	\$ -	\$ 3,469
Due to other funds	47,431	-	47,431
Total liabilities	<u>\$ 50,900</u>	<u>\$ -</u>	<u>\$ 50,900</u>
<b>FUND BALANCES:</b>			
Restricted	\$ 744,444	\$ 9,049	\$ 753,493
Total fund balances	<u>\$ 744,444</u>	<u>\$ 9,049</u>	<u>\$ 753,493</u>
Total liabilities and fund balances	<u>\$ 795,344</u>	<u>\$ 9,049</u>	<u>\$ 804,393</u>



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

	Virginia Public Assistance <u>Fund</u>	Law Enforcement Block Grant <u>Fund</u>	<u>Total</u>
<b>REVENUES</b>			
Miscellaneous	\$ 384,001	\$ -	\$ 384,001
Intergovernmental:			
Commonwealth	712,918	12,500	725,418
Federal	862,176	-	862,176
Total revenues	<u>\$ 1,959,095</u>	<u>\$ 12,500</u>	<u>\$ 1,971,595</u>
<b>EXPENDITURES</b>			
Current:			
Public safety	\$ -	\$ 13,100	\$ 13,100
Health and welfare	3,375,360	-	3,375,360
Total expenditures	<u>\$ 3,375,360</u>	<u>\$ 13,100</u>	<u>\$ 3,388,460</u>
Excess (deficiency) of revenues over (under) expenditures	<u>\$ (1,416,265)</u>	<u>\$ (600)</u>	<u>\$ (1,416,865)</u>
<b>OTHER FINANCING SOURCES (USES)</b>			
Transfers in	\$ 1,327,427	\$ -	\$ 1,327,427
Total other financing sources (uses)	<u>\$ 1,327,427</u>	<u>\$ -</u>	<u>\$ 1,327,427</u>
Net change in fund balances	\$ (88,838)	\$ (600)	\$ (89,438)
Fund balances - beginning	833,282	9,649	842,931
Fund balances - ending	<u><u>\$ 744,444</u></u>	<u><u>\$ 9,049</u></u>	<u><u>\$ 753,493</u></u>

City of Williamsburg, Virginia  
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual  
Nonmajor Special Revenue Funds  
For the Year Ended June 30, 2024

	Virginia Public Assistance Fund			
	Budgeted Amounts			Variance with
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	Final Budget Positive (Negative)
<b>REVENUES</b>				
Miscellaneous	\$ 519,742	\$ 519,742	\$ 384,001	\$ (135,741)
Recovered costs				
Intergovernmental:				
Local government				
Commonwealth	858,853	858,853	712,918	(145,935)
Federal	688,404	688,404	862,176	173,772
Total revenues	<u>\$ 2,066,999</u>	<u>\$ 2,066,999</u>	<u>\$ 1,959,095</u>	<u>\$ (107,904)</u>
<b>EXPENDITURES</b>				
Current:				
Public safety	\$ -	\$ -	\$ -	\$ -
Health and welfare	3,627,162	3,727,162	3,375,360	351,802
Total expenditures	<u>\$ 3,627,162</u>	<u>\$ 3,727,162</u>	<u>\$ 3,375,360</u>	<u>\$ 351,802</u>
Excess (deficiency) of revenues over (under) expenditures	<u>\$ (1,560,163)</u>	<u>\$ (1,660,163)</u>	<u>\$ (1,416,265)</u>	<u>\$ 243,898</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	\$ 1,560,163	\$ 1,660,163	\$ 1,327,427	\$ (332,736)
Total other financing sources (uses)	<u>\$ 1,560,163</u>	<u>\$ 1,660,163</u>	<u>\$ 1,327,427</u>	<u>\$ (332,736)</u>
Net change in fund balances	\$ -	\$ -	\$ (88,838)	\$ (88,838)
Fund balances - beginning	-	-	833,282	833,282
Fund balances - ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 744,444</u>	<u>\$ 744,444</u>

Law Enforcement Block Grant Fund				
Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)	
Original	Final			
\$ -	\$ -	\$ -	\$ -	-
-	-	12,500	12,500	
-	2,094	-	(2,094)	
\$ -	\$ 2,094	\$ 12,500	\$ 10,406	
\$ -	\$ -	\$ 13,100	\$ (13,100)	
-	-	-	-	
\$ -	\$ -	\$ 13,100	\$ (13,100)	
\$ -	\$ 2,094	\$ (600)	\$ (2,694)	
\$ -	\$ -	\$ -	\$ -	
\$ -	\$ -	\$ -	\$ -	
\$ -	\$ 2,094	\$ (600)	\$ (2,694)	
-	-	9,649	9,649	
\$ -	\$ 2,094	\$ 9,049	\$ 6,955	

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City of Williamsburg, Virginia  
Combining Statement of Fiduciary Net Position  
Fiduciary Funds  
June 30, 2024

	Custodial Funds							
	Williamsburg Regional Library Fund	Historic Triangle Recreational Facilities Authority	Williamsburg Tricentennial Fund	Quarterpath CDA Fund	Farmers Market Fund	Special Welfare Fund		Total
<b>ASSETS</b>								
Cash and cash equivalents	\$ 1,762,004	\$ 4,258,571	\$ -	\$ 169,084	\$ 38,340	\$ 137,407		\$ 6,365,406
Investments, at fair value:								
Other investments	1,384,132		7,706	-	122,773	-		1,514,611
Other assets	192,098	-	-	-	-	-		192,098
Total assets	\$ 3,338,234	\$ 4,258,571	\$ 7,706	\$ 169,084	\$ 161,113	\$ 137,407		\$ 8,072,115
<b>LIABILITIES</b>								
Accounts payable	\$ 92,148	\$ 2,371,427	\$ -	\$ -	\$ 6,092	\$ -		\$ 2,469,667
Accrued liabilities	49,261	-	-	-	1,481	-		50,742
Total liabilities	\$ 141,409	\$ 2,371,427	\$ -	\$ -	\$ 7,573	\$ -		\$ 2,520,409
<b>NET POSITION</b>								
Restricted for:								
Individuals	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 137,407		\$ 137,407
Organizations	-	-	7,706	169,084	153,540	-		330,330
Other governments	3,196,825	1,887,144	-	-	-	-		5,083,969
Total net position	\$ 3,196,825	\$ 1,887,144	\$ 7,706	\$ 169,084	\$ 153,540	\$ 137,407		\$ 5,551,706

City of Williamsburg, Virginia  
Combining Statement of Changes in Fiduciary Net Position  
Fiduciary Funds  
For the Year Ended June 30, 2024

	Williamsburg Regional Library Fund	Historic Triangle Recreational Facilities Authority
<b>ADDITIONS</b>		
Contributions:		
Other governmental entities	\$ 8,446,325	\$ 2,600,000
Participant fees	74,286	-
Miscellaneous	89,193	-
Investment earnings:		
Interest and dividends	73,618	369,642
Special assessment tax collected for other governments	-	-
Miscellaneous	25,489	-
Total additions	<u>\$ 8,708,911</u>	<u>\$ 2,969,642</u>
<b>DEDUCTIONS</b>		
Recipient payments	\$ -	\$ -
Administrative expenses	-	-
Payment of special assessment taxes to governments	-	-
Payments for personnel	5,863,437	-
Payments for operations	1,384,715	9,301,521
Purchases for supplies	679,886	-
Principal retirement	106,788	-
Interest and other fiscal charges	10,131	25
Total deductions	<u>\$ 8,044,957</u>	<u>\$ 9,301,546</u>
Net increase (decrease) in fiduciary net position	<u>\$ 663,954</u>	<u>\$ (6,331,904)</u>
Net position, beginning	\$ 2,532,871	\$ 8,219,048
Net position, ending	<u><u>\$ 3,196,825</u></u>	<u><u>\$ 1,887,144</u></u>

Custodial Funds					
Williamsburg Tricentennial <u>Fund</u>	Quarterpath CDA <u>Fund</u>	Farmers Market <u>Fund</u>	Special Welfare <u>Fund</u>	<u>Total</u>	
\$ -	\$ -	\$ 17,643	\$ -	\$	11,063,968
-	-	223,993	-		298,279
-	-	12,125	4,136		105,454
425	-	6,776	3,147		453,608
-	357,042	-	-		357,042
-	-	-	-		25,489
\$ 425	\$ 357,042	\$ 260,537	\$ 7,283	\$	12,303,840
\$ -	\$ -	\$ -	\$ 6,604	\$	6,604
-	-	8,637	-		8,637
-	187,958	-	-		187,958
-	-	89,762	-		5,953,199
-	-	134,324	-		10,820,560
-	-	5,631	-		685,517
-	-	-	-		106,788
-	-	-	-		10,156
\$ -	\$ 187,958	\$ 238,354	\$ 6,604	\$	17,779,419
\$ 425	\$ 169,084	\$ 22,183	\$ 679	\$	(5,475,579)
\$ 7,281	\$ -	\$ 131,357	\$ 136,728	\$	11,027,285
\$ 7,706	\$ 169,084	\$ 153,540	\$ 137,407	\$	5,551,706

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## *SUPPORTING SCHEDULES*

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City of Williamsburg, Virginia  
Schedule of Revenues - Budget and Actual  
Governmental Funds  
For the Year Ended June 30, 2024

Schedule 1  
Page 1 of 4

<u>Fund, Major and Minor Revenue Source</u>	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget - Positive (Negative)</u>
<b>General Fund:</b>				
Revenue from local sources:				
General property taxes:				
Real property taxes	\$ 17,660,000	\$ 17,660,000	\$ 17,897,682	\$ 237,682
Real and personal public service corporation taxes	371,500	443,470	443,261	(209)
Personal property taxes	1,723,728	1,723,728	1,915,249	191,521
Business property taxes	1,523,000	1,523,000	1,667,347	144,347
Penalties	87,538	87,538	104,817	17,279
Interest	33,000	33,000	54,484	21,484
Total general property taxes	<u>\$ 21,398,766</u>	<u>\$ 21,470,736</u>	<u>\$ 22,082,840</u>	<u>\$ 612,104</u>
Other local taxes:				
Consumers' utility taxes	\$ 292,400	\$ 292,400	\$ 286,206	\$ (6,194)
Business license taxes	2,500,000	3,027,900	3,060,145	32,245
Franchise license taxes	96,400	96,400	92,234	(4,166)
Bank stock taxes	380,000	417,200	571,032	153,832
Taxes on recordation and wills	300,000	300,000	353,657	53,657
Hotel and motel taxes	3,800,000	3,800,000	3,764,481	(35,519)
Restaurant food taxes	8,680,000	8,680,000	8,953,255	273,255
Tobacco taxes	150,000	150,000	167,040	17,040
Penalty and interest on other local taxes	46,500	46,500	64,698	18,198
Total other local taxes	<u>\$ 16,245,300</u>	<u>\$ 16,810,400</u>	<u>\$ 17,312,748</u>	<u>\$ 502,348</u>
Permits, privilege fees, and regulatory licenses:				
Animal licenses	\$ 2,000	\$ 2,000	\$ 1,500	\$ (500)
Transfer fees	50	50	371	321
Permits and other licenses	110,200	161,900	259,399	97,499
Total permits, privilege fees, and regulatory licenses	<u>\$ 112,250</u>	<u>\$ 163,950</u>	<u>\$ 261,270</u>	<u>\$ 97,320</u>
Fines and forfeitures:				
Court fines and forfeitures	\$ 210,000	\$ 210,000	\$ 216,748	\$ 6,748
Total fines and forfeitures	<u>\$ 210,000</u>	<u>\$ 210,000</u>	<u>\$ 216,748</u>	<u>\$ 6,748</u>
Revenue from use of money and property:				
Revenue from use of property	\$ 862,151	\$ 862,151	\$ 806,195	\$ (55,956)
Total revenue from use of money and property	<u>\$ 862,151</u>	<u>\$ 862,151</u>	<u>\$ 806,195</u>	<u>\$ (55,956)</u>
Charges for services:				
Charges for law enforcement and traffic control	\$ 1,300	\$ 1,300	\$ 3,461	\$ 2,161
Charges for emergency medical services	914,950	914,950	1,071,009	156,059
Charges for parks and recreation	432,125	432,125	498,590	66,465
Total charges for services	<u>\$ 1,348,375</u>	<u>\$ 1,348,375</u>	<u>\$ 1,573,060</u>	<u>\$ 224,685</u>
Miscellaneous:				
Miscellaneous	\$ 464,700	\$ 466,975	\$ 155,142	\$ (311,833)
Home First Sentara Grant	-	100,000	100,000	-
Total miscellaneous	<u>\$ 464,700</u>	<u>\$ 566,975</u>	<u>\$ 255,142</u>	<u>\$ (311,833)</u>

City of Williamsburg, Virginia  
Schedule of Revenues - Budget and Actual  
Governmental Funds  
For the Year Ended June 30, 2024

Schedule 1  
Page 2 of 4

<u>Fund, Major and Minor Revenue Source</u>	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget - Positive (Negative)</u>
<b>General Fund: (Continued)</b>				
Revenue from local sources: (Continued)				
Recovered costs:				
Enterprise fund	\$ 1,150,000	\$ 1,150,000	\$ 1,150,000	\$ -
Overtime - police and fire	86,000	153,300	150,214	(3,086)
Other recovered costs	84,000	84,000	84,000	-
Total recovered costs	<u>\$ 1,320,000</u>	<u>\$ 1,387,300</u>	<u>\$ 1,384,214</u>	<u>\$ (3,086)</u>
Total revenue from local sources	<u>\$ 41,961,542</u>	<u>\$ 42,819,887</u>	<u>\$ 43,892,217</u>	<u>\$ 1,072,330</u>
Intergovernmental:				
Revenue from the Commonwealth:				
Noncategorical aid:				
Rolling stock tax	\$ 11,000	\$ 11,000	\$ 15,201	\$ 4,201
Motor vehicle rental tax	52,000	52,000	59,761	7,761
Communications tax	506,000	506,000	468,685	(37,315)
Personal property tax relief funds	773,572	773,572	773,572	-
Total noncategorical aid	<u>\$ 1,342,572</u>	<u>\$ 1,342,572</u>	<u>\$ 1,317,219</u>	<u>\$ (25,353)</u>
Categorical aid:				
Shared expenses:				
Commissioner of revenue	\$ 95,000	\$ 95,000	\$ 132,082	\$ 37,082
Treasurer	-	-	20,425	20,425
Registrar/electoral board	65,000	65,000	70,328	5,328
Total shared expenses	<u>\$ 160,000</u>	<u>\$ 160,000</u>	<u>\$ 222,835</u>	<u>\$ 62,835</u>
Other categorical aid:				
599 Funds	\$ 415,176	\$ 415,176	\$ 480,106	\$ 64,930
Streets and sidewalks	2,167,610	2,167,610	2,459,322	291,712
Emergency services grant	30,000	30,000	30,000	-
Litter control	8,000	8,000	13,813	5,813
School resource officer grant	-	-	37,904	37,904
Miscellaneous grant	-	16,547	8,903	(7,644)
Total other categorical aid	<u>\$ 2,620,786</u>	<u>\$ 2,637,333</u>	<u>\$ 3,030,048</u>	<u>\$ 392,715</u>
Total categorical aid	<u>\$ 2,780,786</u>	<u>\$ 2,797,333</u>	<u>\$ 3,252,883</u>	<u>\$ 455,550</u>
Total revenue from the Commonwealth	<u>\$ 4,123,358</u>	<u>\$ 4,139,905</u>	<u>\$ 4,570,102</u>	<u>\$ 430,197</u>
Revenue from the Federal government:				
Categorical aid:				
SAFER grant	\$ 43,000	\$ 169,100	\$ 169,129	\$ 29
Police and fire grant	133,000	188,453	31,733	(156,720)
Total categorical aid	<u>\$ 176,000</u>	<u>\$ 357,553</u>	<u>\$ 200,862</u>	<u>\$ (156,691)</u>
Total revenue from the federal government	<u>\$ 176,000</u>	<u>\$ 357,553</u>	<u>\$ 200,862</u>	<u>\$ (156,691)</u>
Total General Fund	<u>\$ 46,260,900</u>	<u>\$ 47,317,345</u>	<u>\$ 48,663,181</u>	<u>\$ 1,345,836</u>
<b>Special Revenue Funds:</b>				
<b>Tourism Fund:</b>				
Revenue from local sources:				
Other local taxes:				
Local sales and use taxes	\$ 2,280,000	\$ 2,280,000	\$ 2,619,751	\$ 339,751
\$2 lodging taxes	939,440	939,440	953,926	14,486
Total other local taxes	<u>\$ 3,219,440</u>	<u>\$ 3,219,440</u>	<u>\$ 3,573,677</u>	<u>\$ 354,237</u>
Revenue from use of money and property:				
Revenue from the use of money	\$ 50,000	\$ 50,000	\$ 109,292	\$ 59,292
Total revenue from use of money and property	<u>\$ 50,000</u>	<u>\$ 50,000</u>	<u>\$ 109,292</u>	<u>\$ 59,292</u>
Total revenue from local sources	<u>\$ 3,269,440</u>	<u>\$ 3,269,440</u>	<u>\$ 3,682,969</u>	<u>\$ 413,529</u>
Total Tourism Fund	<u>\$ 3,269,440</u>	<u>\$ 3,269,440</u>	<u>\$ 3,682,969</u>	<u>\$ 413,529</u>

City of Williamsburg, Virginia  
Schedule of Revenues - Budget and Actual  
Governmental Funds  
For the Year Ended June 30, 2024

Schedule 1  
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<u>Fund, Major and Minor Revenue Source</u>	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget - Positive (Negative)</u>
<b>Special Revenue Funds: (Continued)</b>				
<b>American Rescue Plan Fund:</b>				
Revenue from local sources:				
Revenue from use of money and property:				
Revenue from the use of money	\$ -	\$ -	\$ 580,381	\$ 580,381
Total revenue from use of money and property	\$ -	\$ -	\$ 580,381	\$ 580,381
Total revenue from local sources	\$ -	\$ -	\$ 580,381	\$ 580,381
Revenue from the federal government:				
Categorical aid:				
ARPA funding	\$ -	\$ 265,000	\$ 498,147	\$ 233,147
Total categorical aid	\$ -	\$ 265,000	\$ 498,147	\$ 233,147
Total revenue from the federal government	\$ -	\$ 265,000	\$ 498,147	\$ 233,147
Total American Rescue Plan Fund	\$ -	\$ 265,000	\$ 1,078,528	\$ 813,528
<b>Virginia Public Assistance Fund:</b>				
Revenue from local sources:				
Miscellaneous:				
Workforce grant	\$ 106,202	\$ 106,202	\$ 87,991	\$ (18,211)
WHF grant	275,000	275,000	257,028	(17,972)
Housing navigator	63,540	63,540	38,982	(24,558)
Summer youth program	75,000	75,000	-	(75,000)
Total miscellaneous	\$ 519,742	\$ 519,742	\$ 384,001	\$ (135,741)
Total revenue from local sources	\$ 519,742	\$ 519,742	\$ 384,001	\$ (135,741)
Intergovernmental:				
Revenue from the Commonwealth:				
Categorical aid:				
Public assistance and welfare administration	\$ 577,069	\$ 577,069	\$ 425,941	\$ (151,128)
Comprehensive services act	281,784	281,784	286,977	5,193
Total categorical aid	\$ 858,853	\$ 858,853	\$ 712,918	\$ (145,935)
Total revenue from the Commonwealth	\$ 858,853	\$ 858,853	\$ 712,918	\$ (145,935)
Revenue from the federal government:				
Categorical aid:				
Public assistance and welfare administration	\$ 688,404	\$ 688,404	\$ 862,176	\$ 173,772
Total categorical aid	\$ 688,404	\$ 688,404	\$ 862,176	\$ 173,772
Total revenue from the federal government	\$ 688,404	\$ 688,404	\$ 862,176	\$ 173,772
Total Virginia Public Assistance Fund	\$ 2,066,999	\$ 2,066,999	\$ 1,959,095	\$ (107,904)
<b>Law Enforcement Block Grant Fund:</b>				
Intergovernmental:				
Revenue from the Commonwealth:				
Categorical aid:				
Law enforcement block grant	\$ -	\$ -	\$ 12,500	\$ 12,500
Total categorical aid	\$ -	\$ -	\$ 12,500	\$ 12,500
Total revenue from the Commonwealth	\$ -	\$ -	\$ 12,500	\$ 12,500
Total Law Enforcement Block Grant Fund	\$ -	\$ 2,094	\$ 12,500	\$ 10,406

City of Williamsburg, Virginia  
Schedule of Revenues - Budget and Actual  
Governmental Funds  
For the Year Ended June 30, 2024

Schedule 1  
Page 4 of 4

<u>Fund, Major and Minor Revenue Source</u>	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget - Positive (Negative)</u>
<b>Capital Projects Fund:</b>				
Revenue from local sources:				
Other local taxes:				
Local sales and use tax	\$ 5,483,750	\$ 5,483,750	\$ 5,939,355	\$ 455,605
Total other local taxes	<u>\$ 5,483,750</u>	<u>\$ 5,483,750</u>	<u>\$ 5,939,355</u>	<u>\$ 455,605</u>
Revenue from use of money and property:				
Revenue from the use of money	\$ 700,000	\$ 700,000	\$ 2,924,361	\$ 2,224,361
Total revenue from use of money and property	<u>\$ 700,000</u>	<u>\$ 700,000</u>	<u>\$ 2,924,361</u>	<u>\$ 2,224,361</u>
Charges for services:				
Charges for courthouse maintenance	\$ 40,000	\$ 40,000	\$ -	\$ (40,000)
Total charges for services	<u>\$ 40,000</u>	<u>\$ 40,000</u>	<u>\$ -</u>	<u>\$ (40,000)</u>
Miscellaneous:				
Opioid settlement	\$ -	\$ -	\$ 27,302	\$ 27,302
Other miscellaneous	-	114,681	(139,923)	(254,604)
Total miscellaneous	<u>\$ -</u>	<u>\$ 114,681</u>	<u>\$ (112,621)</u>	<u>\$ (227,302)</u>
Total revenue from local sources	<u>\$ 6,223,750</u>	<u>\$ 6,338,431</u>	<u>\$ 8,751,095</u>	<u>\$ 2,412,664</u>
Intergovernmental:				
Revenue from the Commonwealth:				
Categorical aid:				
Highway construction funds	\$ -	\$ -	\$ 31,665	\$ 31,665
Asset forfeiture	-	-	929	929
Emergency services	-	9,961	9,961	-
VRA demolition grant	70,000	246,090	137,467	(108,623)
Total categorical aid	<u>\$ 70,000</u>	<u>\$ 256,051</u>	<u>\$ 180,022</u>	<u>\$ (76,029)</u>
Total revenue from the Commonwealth	<u>\$ 70,000</u>	<u>\$ 256,051</u>	<u>\$ 180,022</u>	<u>\$ (76,029)</u>
Revenue from the federal government:				
Categorical aid:				
VDOT Highway planning and construction	\$ -	\$ -	\$ 236,996	\$ 236,996
Fire Station AFG Grant	-	-	82,819	82,819
EPA grant	5,274,420	5,666,820	61,819	(5,605,001)
Total categorical aid	<u>\$ 5,274,420</u>	<u>\$ 5,666,820</u>	<u>\$ 381,634</u>	<u>\$ (5,285,186)</u>
Total revenue from the federal government	<u>\$ 5,274,420</u>	<u>\$ 5,666,820</u>	<u>\$ 381,634</u>	<u>\$ (5,285,186)</u>
Total Capital Projects Fund	<u>\$ 11,568,170</u>	<u>\$ 12,261,302</u>	<u>\$ 9,312,751</u>	<u>\$ (2,948,551)</u>
Total Primary Government	<u>\$ 63,165,509</u>	<u>\$ 65,182,180</u>	<u>\$ 64,709,024</u>	<u>\$ (473,156)</u>

City of Williamsburg, Virginia  
Schedule of Expenditures - Budget and Actual  
Governmental Funds  
For the Year Ended June 30, 2024

Schedule 2  
Page 1 of 4

<u>Fund, Function, Activity and Elements</u>	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget - Positive (Negative)</u>
<b>General Fund:</b>				
General government administration:				
Legislative:				
City council	\$ 296,124	\$ 296,124	\$ 209,900	\$ 86,224
Clerk of council	30	30	5,517	(5,487)
Total legislative	<u>\$ 296,154</u>	<u>\$ 296,154</u>	<u>\$ 215,417</u>	<u>\$ 80,737</u>
General and financial administration:				
City manager	\$ 1,176,057	\$ 1,183,727	\$ 1,665,547	\$ (481,820)
City attorney	410,921	412,871	446,127	(33,256)
Human resources	177,360	178,487	194,262	(15,775)
Commissioner of revenue	414,554	414,554	383,296	31,258
Assessor	296,481	296,481	364,296	(67,815)
Treasurer	89,577	89,577	21,875	67,702
Finance	1,202,651	1,202,651	1,709,676	(507,025)
Information technology	1,264,336	1,264,336	1,325,600	(61,264)
Automotive/motor pool	322,132	322,132	425,382	(103,250)
Other general and financial administration	2,010,778	2,683,061	86,706	2,596,355
Total general and financial administration	<u>\$ 7,364,847</u>	<u>\$ 8,047,877</u>	<u>\$ 6,622,767</u>	<u>\$ 1,425,110</u>
Board of elections:				
Electoral board and officials	\$ 71,088	\$ 71,088	\$ 54,601	\$ 16,487
Registrar	230,979	243,623	262,862	(19,239)
Total board of elections	<u>\$ 302,067</u>	<u>\$ 314,711</u>	<u>\$ 317,463</u>	<u>\$ (2,752)</u>
Total general government administration	<u>\$ 7,963,068</u>	<u>\$ 8,658,742</u>	<u>\$ 7,155,647</u>	<u>\$ 1,503,095</u>
Judicial administration:				
Courts:				
Courthouse activities	<u>\$ 670,000</u>	<u>\$ 670,000</u>	<u>\$ 655,411</u>	<u>\$ 14,589</u>
Public safety:				
Law enforcement and traffic control:				
Police department	\$ 5,726,585	\$ 5,850,338	\$ 6,127,643	\$ (277,305)
Prince George parking garage	135,693	135,693	151,068	(15,375)
Line of Duty Act	70,000	70,000	66,400	3,600
E-911	653,700	653,700	653,695	5
Total law enforcement and traffic control	<u>\$ 6,585,978</u>	<u>\$ 6,709,731</u>	<u>\$ 6,998,806</u>	<u>\$ (289,075)</u>
Fire and rescue services:				
Fire department	\$ 5,552,383	\$ 5,687,402	\$ 6,154,928	\$ (467,526)
Total fire and rescue services	<u>\$ 5,552,383</u>	<u>\$ 5,687,402</u>	<u>\$ 6,154,928</u>	<u>\$ (467,526)</u>
Correction and detention:				
Juvenile detention commission	\$ 89,673	\$ 89,673	\$ 89,672	\$ 1
Regional jail	1,194,350	1,194,350	1,242,065	(47,715)
Group home commission	72,000	72,000	87,840	(15,840)
Total correction and detention	<u>\$ 1,356,023</u>	<u>\$ 1,356,023</u>	<u>\$ 1,419,577</u>	<u>\$ (63,554)</u>
Inspections:				
Building	<u>\$ 525,309</u>	<u>\$ 525,309</u>	<u>\$ 498,762</u>	<u>\$ 26,547</u>

City of Williamsburg, Virginia  
Schedule of Expenditures - Budget and Actual  
Governmental Funds  
For the Year Ended June 30, 2024

Schedule 2  
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<u>Fund, Function, Activity and Elements</u>	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget - Positive (Negative)</u>
<b>General Fund: (Continued)</b>				
Public safety: (Continued)				
Other protection:				
Animal control	\$ 45,000	\$ 45,000	\$ 25,925	\$ 19,075
Total other protection	\$ 45,000	\$ 45,000	\$ 25,925	\$ 19,075
Total public safety	\$ 14,064,693	\$ 14,323,465	\$ 15,097,998	\$ (774,533)
Public works:				
Maintenance of highways, streets, bridges and sidewalks:				
Highways, streets, bridges and sidewalks	\$ 999,553	\$ 1,001,552	\$ 1,156,335	\$ (154,783)
Engineering	307,704	307,704	333,538	(25,834)
Stormwater operations	170,248	170,248	292,173	(121,925)
Total maintenance of highways, streets, bridges and sidewalks	\$ 1,477,505	\$ 1,479,504	\$ 1,782,046	\$ (302,542)
Sanitation and waste removal:				
Refuse collection	\$ 836,900	\$ 836,900	\$ 758,176	\$ 78,724
Maintenance of general buildings and grounds:				
Maintenance of general buildings and grounds	\$ 609,106	\$ 609,106	\$ 786,252	\$ (177,146)
Landscaping	609,134	609,134	797,111	(187,977)
Total maintenance of general buildings and grounds	\$ 1,218,240	\$ 1,218,240	\$ 1,583,363	\$ (365,123)
Total public works	\$ 3,532,645	\$ 3,534,644	\$ 4,123,585	\$ (588,941)
Health and welfare:				
Health:				
Local health department	\$ 265,768	\$ 265,768	\$ 256,082	\$ 9,686
Total health	\$ 265,768	\$ 265,768	\$ 256,082	\$ 9,686
Mental health and mental retardation:				
Administration - mental health and retardation	\$ 271,000	\$ 271,000	\$ 271,000	\$ -
Total mental health and mental retardation	\$ 271,000	\$ 271,000	\$ 271,000	\$ -
Welfare:				
Transportation programs for elderly	\$ 3,550	\$ 3,550	\$ 4,336	\$ (786)
Total welfare	\$ 3,550	\$ 3,550	\$ 4,336	\$ (786)
Total health and welfare	\$ 540,318	\$ 540,318	\$ 531,418	\$ 8,900
Education:				
Other instructional costs:				
Contribution to local school board	\$ 10,380,889	\$ 10,380,889	\$ 9,398,953	\$ 981,936
Parks, recreation, and cultural:				
Parks and recreation:				
Supervision of parks and recreation	\$ 512,412	\$ 512,412	\$ 684,121	\$ (171,709)
Waller Mill park facility	424,978	424,978	496,039	(71,061)
Recreation facility programs	534,542	534,542	603,384	(68,842)
Cemeteries	88,802	88,802	110,687	(21,885)
Other parks and recreation	-	-	2,039	(2,039)
Total parks and recreation	\$ 1,560,734	\$ 1,560,734	\$ 1,896,270	\$ (335,536)



City of Williamsburg, Virginia  
Schedule of Expenditures - Budget and Actual  
Governmental Funds  
For the Year Ended June 30, 2024

Schedule 2  
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<u>Fund, Function, Activity and Elements</u>	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget - Positive (Negative)</u>
<b>General Fund: (Continued)</b>				
Library:				
Contribution to regional library	\$ 1,011,574	\$ 1,011,574	\$ 1,011,574	\$ -
Total library	\$ 1,011,574	\$ 1,011,574	\$ 1,011,574	\$ -
Total parks, recreation, and cultural	\$ 2,572,308	\$ 2,572,308	\$ 2,907,844	\$ (335,536)
Community development:				
Planning and community development:				
Planning	\$ 549,455	\$ 549,455	\$ 647,630	\$ (98,175)
Community development	847,866	847,866	862,356	(14,490)
Triangle building management	47,100	47,100	61,384	(14,284)
Economic development	310,995	310,995	315,900	(4,905)
Contribution to Economic Development Authority	351,400	351,400	321,944	29,456
Total planning and community development	\$ 2,106,816	\$ 2,106,816	\$ 2,209,214	\$ (102,398)
Total community development	\$ 2,106,816	\$ 2,106,816	\$ 2,209,214	\$ (102,398)
Debt service:				
Principal retirement	\$ -	\$ -	\$ 159,832	\$ (159,832)
Interest and other fiscal charges	-	-	3,129	(3,129)
Total debt service	\$ -	\$ -	\$ 162,961	\$ (162,961)
Total General Fund	\$ 41,830,737	\$ 42,787,182	\$ 42,243,031	\$ 544,151
<b>Special Revenue Funds:</b>				
<b>Tourism Fund:</b>				
Community development:				
Planning and community development:				
Administrative	\$ 271,840	\$ 271,840	\$ 159,186	\$ 112,654
Tourism marketing maintenance of effort	1,269,720	1,269,720	1,276,963	(7,243)
Tourism development	2,782,880	2,982,880	2,086,970	895,910
Tourism grant awards	1,150,000	3,040,688	2,078,263	962,425
Tourism resiliency	-	361,556	-	361,556
Total planning and community development	\$ 5,474,440	\$ 7,926,684	\$ 5,601,382	\$ 2,325,302
Total community development	\$ 5,474,440	\$ 7,926,684	\$ 5,601,382	\$ 2,325,302
Total Tourism Fund	\$ 5,474,440	\$ 7,926,684	\$ 5,601,382	\$ 2,325,302
<b>American Rescue Plan Fund:</b>				
Community development:				
Planning and community development:				
Destination Event	\$ -	\$ 265,000	\$ 268,000	\$ (3,000)
Total community development	\$ -	\$ 265,000	\$ 268,000	\$ (3,000)
Total American Rescue Plan Fund	\$ -	\$ 265,000	\$ 268,000	\$ (3,000)

City of Williamsburg, Virginia  
Schedule of Expenditures - Budget and Actual  
Governmental Funds  
For the Year Ended June 30, 2024

Schedule 2  
Page 4 of 4

<u>Fund, Function, Activity and Elements</u>	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget - Positive (Negative)</u>
<b>Special Revenue Funds: (Continued)</b>				
<b>Virginia Public Assistance Fund:</b>				
Health and welfare:				
Welfare and social services:				
Welfare administration	\$ 742,601	\$ 742,601	\$ 752,728	\$ (10,127)
Public assistance	2,367,240	2,467,240	2,156,661	310,579
Comprehensive services	517,321	517,321	465,971	51,350
Total welfare and social services	<u>\$ 3,627,162</u>	<u>\$ 3,727,162</u>	<u>\$ 3,375,360</u>	<u>\$ 351,802</u>
Total health and welfare	<u>\$ 3,627,162</u>	<u>\$ 3,727,162</u>	<u>\$ 3,375,360</u>	<u>\$ 351,802</u>
Total Virginia Public Assistance Fund	<u>\$ 3,627,162</u>	<u>\$ 3,727,162</u>	<u>\$ 3,375,360</u>	<u>\$ 351,802</u>
<b>Law Enforcement Block Grant Fund:</b>				
Public safety:				
Other protection:				
Other protection	\$ -	\$ -	\$ 13,100	\$ (13,100)
Total Law Enforcement Block Grant Fund	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 13,100</u>	<u>\$ (13,100)</u>
<b>Capital Projects Fund:</b>				
Capital projects expenditures:				
CIP Street construction	\$ 9,181,240	\$ 18,837,353	\$ 4,036,684	\$ 14,800,669
Pedestrian trail improvements	824,168	1,639,023	176,648	1,462,375
Stormwater management	225,000	1,605,429	333,061	1,272,368
Recreation facilities	1,629,000	4,048,678	790,934	3,257,744
Public safety equipment and facilities	1,279,000	25,302,048	3,608,781	21,693,267
Affordable housing initiative	-	950,000	-	950,000
Contingency/Studies	700,000	1,251,282	-	1,251,282
Vehicle replacement	640,000	1,263,398	673,090	590,308
Economic development	-	7,353,673	501,217	6,852,456
Redevelopment housing	215,000	3,613,856	242,326	3,371,530
General government facilities	1,012,000	10,645,270	118,338	10,526,932
Fire station	-	3,543,688	3,347,492	196,196
General government IT	297,000	341,126	331,161	9,965
Library renovations	450,000	450,000	12,250	437,750
Maintenance software	-	-	794,411	(794,411)
Public safety	-	-	677,369	(677,369)
School construction	3,843,137	6,488,083	1,365,463	5,122,620
Public art	226,320	414,685	26,606	388,079
Courthouse maintenance projects	40,000	40,000	-	40,000
Total capital projects	<u>\$ 20,561,865</u>	<u>\$ 87,787,592</u>	<u>\$ 17,035,831</u>	<u>\$ 70,751,761</u>
Debt service:				
Principal retirement	\$ 1,003,800	\$ 1,217,852	\$ 1,217,117	\$ 735
Interest and other fiscal charges	1,470,561	1,994,790	1,652,920	341,870
Total debt service	<u>\$ 2,474,361</u>	<u>\$ 3,212,642</u>	<u>\$ 2,870,037</u>	<u>\$ 342,605</u>
Total Capital Projects Fund	<u>\$ 23,036,226</u>	<u>\$ 91,000,234</u>	<u>\$ 19,905,868</u>	<u>\$ 71,094,366</u>
Total Primary Government	<u>\$ 73,968,565</u>	<u>\$ 145,706,262</u>	<u>\$ 71,406,741</u>	<u>\$ 74,299,521</u>

## *STATISTICAL SECTION*

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## Statistical Section

### Contents

### Tables

#### Financial Trends

These tables contain trend information to help the reader understand how the the City's financial performance and well-being have changed over time.

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#### Revenue Capacity

These tables contain information to help the reader assess the factors affecting the City's ability to generate its property and sales taxes.

5 - 9

#### Debt Capacity

These tables present information to help the reader assess the affordability of the City's current levels of outstanding debt and the City's ability to issue debt in the future.

10 - 12

#### Demographic and Economic Information

These tables offer demographic and economic indicators to help the reader understand the environment within which the City's financial activities take place and to help make comparisons over time and with other governments.

13-14

#### Operating Information

These tables contain information about the City's operations and resources to help the reader understand how the City's financial information relates to the services the City provides and the activities it performs.

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*Sources:* Unless otherwise noted, the information in these tables is derived from the comprehensive annual financial reports for the relevant year.

City of Williamsburg, Virginia  
Net Position by Component  
Last Ten Fiscal Years  
*(accrual basis of accounting)*

	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>
<b>Governmental activities</b>				
Net investment in capital assets	\$ 58,427,633	\$ 64,690,552	\$ 64,556,652	\$ 52,444,883
Restricted for:				
Fire and police capital improvements	-	-	-	13,144,192
Other restrictions	-	-	-	584,890
Unrestricted	24,496,187	22,521,523	20,966,196	19,099,322
<b>Total governmental activities net position</b>	<u>\$ 82,923,820</u>	<u>\$ 87,212,075</u>	<u>\$ 85,522,848</u>	<u>\$ 85,273,287</u>
<b>Business-type activities</b>				
Net investment in capital assets	\$ 17,981,499	\$ 18,084,285	\$ 18,835,808	\$ 18,769,281
Unrestricted	3,143,100	4,202,535	4,475,559	5,684,838
<b>Total business-type activities net position</b>	<u>\$ 21,124,599</u>	<u>\$ 22,286,820</u>	<u>\$ 23,311,367</u>	<u>\$ 24,454,119</u>
<b>Primary government</b>				
Net investment in capital assets	\$ 76,409,132	\$ 82,774,837	\$ 83,392,460	\$ 71,214,164
Restricted for:				
Fire and police capital improvements	-	-	-	13,144,192
Other restrictions	-	-	-	584,890
Unrestricted	27,639,287	26,724,058	25,441,755	24,784,160
<b>Total primary government net position</b>	<u>\$ 104,048,419</u>	<u>\$ 109,498,895</u>	<u>\$ 108,834,215</u>	<u>\$ 109,727,406</u>

Table 1

<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>
\$ 68,662,151	\$ 71,245,385	\$ 69,784,670	\$ 70,587,642	\$ 70,767,336	\$ 76,885,626
337,948	615,184	694,583	-	-	-
593,836	-	-	-	-	-
21,553,299	19,977,390	19,560,626	37,768,988	51,468,415	50,166,749
\$ 91,147,234	\$ 91,837,959	\$ 90,039,879	\$ 108,356,630	\$ 122,235,751	\$ 127,052,375
\$ 18,817,665	\$ 19,020,022	\$ 18,783,099	\$ 19,518,759	\$ 19,281,426	\$ 21,017,765
7,128,455	7,157,808	7,594,963	7,718,281	8,783,918	5,201,697
\$ 25,946,120	\$ 26,177,830	\$ 26,378,062	\$ 27,237,040	\$ 28,065,344	\$ 26,219,462
\$ 87,479,816	\$ 90,265,407	\$ 88,567,769	\$ 90,106,401	\$ 90,048,762	\$ 97,903,391
337,948	615,184	694,583	-	-	-
593,836	-	-	-	-	-
28,681,754	27,135,198	27,155,589	45,487,269	60,252,333	55,368,446
\$ 117,093,354	\$ 118,015,789	\$ 116,417,941	\$ 135,593,670	\$ 150,301,095	\$ 153,271,837

City of Williamsburg, Virginia  
Changes in Net Position  
Last Ten Fiscal Years  
*(accrual basis of accounting)*

	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>
<b>Expenses</b>				
Governmental activities:				
General government administration	\$ 3,998,879	\$ 4,072,768	\$ 6,828,770	\$ 5,009,427
Judicial administration	459,778	525,421	412,269	422,688
Public safety	9,777,938	10,290,497	10,805,800	10,746,688
Public works	5,056,076	3,721,977	5,792,493	4,716,472
Health and welfare	2,208,356	2,452,903	2,546,971	2,816,519
Education	9,132,615	8,929,127	10,121,948	10,936,896
Parks, recreation and cultural	2,455,296	2,285,504	2,875,228	2,648,545
Community development	4,666,769	5,055,084	5,036,866	5,013,184
Interest expense	207,260	185,452	158,220	596,354
Total governmental activities expenses	<u>\$ 37,962,967</u>	<u>\$ 37,518,733</u>	<u>\$ 44,578,565</u>	<u>\$ 42,906,773</u>
Business-type activities				
Water and sewer services	\$ 6,827,214	\$ 6,202,622	\$ 6,521,031	\$ 6,713,633
Total business-type activities expenses	<u>\$ 6,827,214</u>	<u>\$ 6,202,622</u>	<u>\$ 6,521,031</u>	<u>\$ 6,713,633</u>
Total primary government expenses	<u><u>\$ 44,790,181</u></u>	<u><u>\$ 43,721,355</u></u>	<u><u>\$ 51,099,596</u></u>	<u><u>\$ 49,620,406</u></u>
<b>Program Revenues</b>				
Governmental activities:				
Charges for services:				
General government administration	\$ -	\$ -	\$ -	\$ -
Judicial administration	256,600	315,991	192,412	249,548
Public safety	695,048	936,509	950,334	1,039,496
Public works	14,960	-	-	-
Parks, recreation and cultural	341,745	342,613	398,700	391,493
Community development	43,300	53,734	50,305	53,946
Operating grants and contributions	4,934,029	4,597,704	6,485,071	2,939,477
Capital grants and contributions	-	1,357,913	-	3,329,824
Total governmental activities program revenues	<u>\$ 6,285,682</u>	<u>\$ 7,604,464</u>	<u>\$ 8,076,822</u>	<u>\$ 8,003,784</u>
Business-type activities:				
Charges for services:				
Water and sewer	\$ 6,932,559	\$ 7,061,086	\$ 7,325,679	\$ 8,176,441
Total business-type activities program revenues	<u>\$ 6,932,559</u>	<u>\$ 7,061,086</u>	<u>\$ 7,325,679</u>	<u>\$ 8,176,441</u>
Total primary government program revenues	<u><u>\$ 13,218,241</u></u>	<u><u>\$ 14,665,550</u></u>	<u><u>\$ 15,402,501</u></u>	<u><u>\$ 16,180,225</u></u>



Table 2  
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<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>
\$ 4,272,998	\$ 4,908,020	\$ 5,917,023	\$ 5,093,268	\$ 6,259,696	\$ 8,293,256
434,188	409,373	449,662	482,442	572,862	655,411
11,328,192	12,357,675	12,835,007	12,811,708	16,144,432	14,126,578
5,447,775	5,065,484	4,842,879	6,107,188	4,653,005	8,215,970
2,815,978	2,691,147	3,220,829	3,064,367	3,822,049	3,977,464
11,403,225	10,355,107	10,156,551	8,937,883	9,333,226	10,764,416
2,626,637	3,289,491	3,118,164	1,751,740	3,173,203	3,934,891
4,874,645	5,471,338	5,090,986	6,235,582	8,327,028	8,851,166
573,264	540,857	530,466	485,833	1,220,074	1,666,749
\$ 43,776,902	\$ 45,088,492	\$ 46,161,567	\$ 44,970,011	\$ 53,505,575	\$ 60,485,901
\$ 6,511,048	\$ 6,946,980	\$ 7,034,704	\$ 7,572,444	\$ 8,470,176	\$ 8,786,926
\$ 6,511,048	\$ 6,946,980	\$ 7,034,704	\$ 7,572,444	\$ 8,470,176	\$ 8,786,926
\$ 50,287,950	\$ 52,035,472	\$ 53,196,271	\$ 52,542,455	\$ 61,975,751	\$ 69,272,827
\$ -	\$ 280	\$ -	\$ -	\$ -	\$ -
278,401	218,387	197,671	200,957	187,316	216,748
1,112,089	1,287,597	855,250	1,126,508	1,232,079	1,335,740
-	-	-	-	-	-
392,219	310,183	375,800	397,040	449,608	498,590
39,315	-	-	-	-	-
5,221,437	5,351,728	8,492,768	17,170,067	11,210,269	5,633,195
2,752,760	1,904,113	1,200,479	528,108	1,884,375	467,947
\$ 9,796,221	\$ 9,072,288	\$ 11,121,968	\$ 19,422,680	\$ 14,963,647	\$ 8,152,220
\$ 7,679,905	\$ 6,864,385	\$ 6,807,640	\$ 8,258,979	\$ 9,147,275	\$ 8,112,465
\$ 7,679,905	\$ 6,864,385	\$ 6,807,640	\$ 8,258,979	\$ 9,147,275	\$ 8,112,465
\$ 17,476,126	\$ 15,936,673	\$ 17,929,608	\$ 27,681,659	\$ 24,110,922	\$ 16,264,685

City of Williamsburg, Virginia  
Changes in Net Position  
Last Ten Fiscal Years  
*(accrual basis of accounting)*

	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>
<b>Net (Expense)/Revenue</b>				
Governmental activities	\$ (31,677,285)	\$ (29,914,269)	\$ (36,501,743)	\$ (34,902,989)
Business-type activities	105,345	858,464	804,648	1,462,808
Total primary government net expense	\$ (31,571,940)	\$ (29,055,805)	\$ (35,697,095)	(33,440,181)
<b>General Revenues and Other Changes in Net Position</b>				
Governmental activities:				
Taxes				
General property taxes	\$ 11,050,728	\$ 11,370,789	\$ 11,511,859	\$ 11,714,272
Sales taxes	4,352,601	4,298,743	4,388,596	4,706,583
Business property taxes	1,213,731	1,257,334	1,370,354	1,342,087
Consumer utility taxes	308,027	308,493	290,524	292,764
Business license taxes	1,685,718	1,790,395	1,833,991	2,049,988
Hotel and room taxes	3,220,638	3,319,625	3,316,634	3,358,649
\$2 lodging taxes	1,122,632	1,130,176	1,128,430	1,123,558
Meals taxes	6,819,384	7,022,994	7,043,184	7,062,010
Other local taxes	884,244	831,413	896,775	1,090,584
Use of Money & Property	794,410	888,071	962,887	1,200,582
Grants and contributions not restricted to specific programs	1,605,883	1,567,337	1,565,704	1,588,563
Miscellaneous	246,268	417,154	503,578	525,463
Payment to WRHA	-	-	-	-
Transfers	-	-	-	500,000
Total governmental activities	\$ 33,304,264	\$ 34,202,524	\$ 34,812,516	\$ 36,555,103
Business-type activities:				
Investment earnings	\$ 28,353	\$ 29,570	\$ 33,650	\$ 57,365
Miscellaneous	193,023	274,187	186,249	225,665
Transfers	-	-	-	(500,000)
Total business-type activities	\$ 221,376	\$ 303,757	\$ 219,899	\$ (216,970)
Total primary government	\$ 33,525,640	\$ 34,506,281	\$ 35,032,415	\$ 36,338,133
<b>Change in Net Position</b>				
Governmental activities	\$ 1,626,979	\$ 4,288,255	\$ (1,689,227)	\$ 1,652,114
Business-type activities	326,721	1,162,221	1,024,547	1,245,838
Total primary government	\$ 1,953,700	\$ 5,450,476	\$ (664,680)	\$ 2,897,952

Table 2  
Page 2 of 2

<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>
\$ (33,980,681)	\$ (36,016,204)	\$ (35,039,599)	\$ (25,547,331)	\$ (38,541,928)	\$ (52,333,681)
1,168,857	(82,595)	(227,064)	686,535	677,099	(674,461)
\$ (32,811,824)	\$ (36,098,799)	\$ (35,266,663)	\$ (24,860,796)	\$ (37,864,829)	\$ (53,008,142)
\$ 12,372,434	\$ 13,186,632	\$ 13,651,528	\$ 15,562,508	\$ 17,977,569	\$ 20,535,794
6,841,762	6,388,075	6,424,415	6,887,726	8,070,109	8,559,106
1,407,810	1,524,638	1,573,031	1,499,525	1,535,962	1,667,347
294,232	288,678	289,287	297,000	287,500	286,206
2,330,418	2,174,694	1,867,598	2,349,858	2,638,176	3,060,145
3,308,661	2,305,404	1,770,894	3,489,094	3,851,435	3,764,481
1,079,370	748,242	617,886	926,216	978,642	953,926
7,308,479	5,896,140	5,850,176	7,877,823	8,832,389	8,953,255
959,921	968,372	857,152	1,183,113	1,098,181	1,248,661
1,508,346	1,177,258	651,308	913,416	3,274,368	4,420,229
1,485,395	1,464,443	1,383,295	1,351,542	1,343,749	1,317,219
957,800	584,353	918,132	1,365,850	2,338,105	587,936
-	-	(848,124)	-	-	-
-	-	(71,796)	160,411	194,864	1,796,000
\$ 39,854,628	\$ 36,706,929	\$ 34,934,782	\$ 43,864,082	\$ 52,421,049	\$ 57,150,305
\$ 94,973	\$ 65,390	\$ 6,258	\$ 34,774	\$ 335,159	\$ 542,731
228,171	248,915	349,242	298,080	10,910	81,848
-	-	71,796	(160,411)	(194,864)	(1,796,000)
\$ 323,144	\$ 314,305	\$ 427,296	\$ 172,443	\$ 151,205	\$ (1,171,421)
\$ 40,177,772	\$ 37,021,234	\$ 35,362,078	\$ 44,036,525	\$ 52,572,254	\$ 55,978,884
\$ 5,873,947	\$ 690,725	\$ (104,817)	\$ 18,316,751	\$ 13,879,121	\$ 4,816,624
1,492,001	231,710	200,232	858,978	828,304	(1,845,882)
\$ 7,365,948	\$ 922,435	\$ 95,415	\$ 19,175,729	\$ 14,707,425	\$ 2,970,742

City of Williamsburg, Virginia  
Fund Balances, Governmental Funds,  
Last Ten Fiscal Years  
(modified accrual basis of accounting)

	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>
<b>General Fund</b>				
Nonspendable	\$ 1,918,709	\$ 1,919,711	\$ 3,201,923	\$ 2,770,074
Restricted	1,748,630	-	-	13,144,192
Assigned	20,318,269	18,818,825	15,458,283	15,788,818
Unassigned	11,991,519	12,382,517	12,649,882	12,918,770
Total General Fund	<u>\$ 35,977,127</u>	<u>\$ 33,121,053</u>	<u>\$ 31,310,088</u>	<u>\$ 44,621,854</u>
 Tourism Fund				
Assigned	\$ -	\$ -	\$ -	\$ -
Total Tourism Fund	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
 American Rescue Plan Fund				
Restricted	\$ -	\$ -	\$ -	\$ -
Total American Rescue Plan fund	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
 Capital Projects Fund				
Nonspendable	\$ -	\$ -	\$ -	\$ -
Restricted	-	-	-	-
Assigned	-	-	-	-
Total capital projects fund	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
 All Other Governmental Funds				
Restricted (Special Revenue funds)	\$ -	\$ -	\$ -	\$ -
Assigned (Special Revenue funds)	428,711	524,301	653,939	584,890
Total all other governmental funds	<u>\$ 428,711</u>	<u>\$ 524,301</u>	<u>\$ 653,939</u>	<u>\$ 584,890</u>

*\* Previously the Capital Projects Fund was combined with the General Fund for financial reports. Beginning in FY 2019, each fund is reported separately to improve transparency.*

Table 3

<u>2019*</u>	<u>2020*</u>	<u>2021*</u>	<u>2022*</u>	<u>2023*</u>	<u>2024*</u>
\$ 28,717	\$ 33,540	\$ 13,442	\$ 210,371	\$ 23,257	\$ 25,852
-	-	-	-	-	-
-	-	-	-	-	-
14,279,723	13,689,575	14,826,582	20,541,513	23,245,239	25,585,547
<u>\$ 14,308,440</u>	<u>\$ 13,723,115</u>	<u>\$ 14,840,024</u>	<u>\$ 20,751,884</u>	<u>\$ 23,268,496</u>	<u>\$ 25,611,399</u>
\$ 2,239,154	\$ 4,207,011	\$ 3,023,602	\$ 4,014,030	\$ 4,006,011	\$ 3,875,698
<u>\$ 2,239,154</u>	<u>\$ 4,207,011</u>	<u>\$ 3,023,602</u>	<u>\$ 4,014,030</u>	<u>\$ 4,006,011</u>	<u>\$ 3,875,698</u>
\$ -	\$ -	\$ -	\$ 19,127	\$ 391,241	\$ 971,622
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 19,127</u>	<u>\$ 391,241</u>	<u>\$ 971,622</u>
\$ 3,085,024	\$ -	\$ -	\$ -	\$ 3,778,524	\$ 3,891,624
13,470,129	13,698,910	13,279,855	10,988,495	26,523,198	33,822,178
13,158,095	12,910,930	13,514,791	24,084,913	31,945,706	28,640,335
<u>\$ 29,713,248</u>	<u>\$ 26,609,840</u>	<u>\$ 26,794,646</u>	<u>\$ 35,073,408</u>	<u>\$ 62,247,428</u>	<u>\$ 66,354,137</u>
\$ 593,836	\$ 780,983	\$ 910,324	\$ 932,277	\$ 842,931	\$ 753,493
-	-	-	-	-	-
<u>\$ 593,836</u>	<u>\$ 780,983</u>	<u>\$ 910,324</u>	<u>\$ 932,277</u>	<u>\$ 842,931</u>	<u>\$ 753,493</u>

City of Williamsburg, Virginia  
Changes in Fund Balances, Governmental Funds,  
Last Ten Fiscal Years  
(modified accrual basis of accounting)

	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>
<b>Revenues</b>					
Taxes	\$ 30,628,000	\$ 31,301,136	\$ 31,815,149	\$ 32,773,958	\$ 35,854,668
Licenses, fees, and permits	255,915	229,485	249,819	302,819	341,620
Fines and penalties	197,117	155,032	181,175	249,211	277,729
Use of money and property	794,407	888,063	962,887	1,200,582	1,508,346
Charges for services	898,621	1,264,330	1,160,757	1,182,453	1,202,675
Intergovernmental	6,539,912	7,522,954	7,317,493	6,712,840	8,125,667
Other revenues	1,181,005	1,375,375	1,499,843	1,552,045	1,982,218
Total revenues	\$ 40,494,977	\$ 42,736,375	\$ 43,187,123	\$ 43,973,908	\$ 49,292,923
<b>Expenditures</b>					
General government	\$ 3,493,522	\$ 3,475,742	\$ 3,786,601	\$ 3,852,694	\$ 3,954,853
Judicial	400,605	365,281	401,237	422,688	434,188
Police	4,368,153	4,515,626	4,566,572	4,952,575	5,306,406
Fire	3,556,562	3,734,705	3,727,221	3,981,397	4,153,194
Other public safety	1,718,468	1,793,039	1,740,769	1,707,999	1,700,142
Public works	2,936,678	2,786,405	2,890,124	2,986,028	3,145,566
Health and welfare	2,255,020	2,499,978	2,552,959	2,865,062	2,890,326
Education	8,540,794	8,388,204	8,817,150	8,962,074	9,605,544
Parks and recreation	1,138,321	1,120,804	1,218,835	1,245,196	1,236,425
Library	827,166	842,160	841,810	859,699	871,852
Community Development	4,599,954	4,776,918	4,799,435	4,896,820	4,842,357
Capital projects	6,180,712	9,958,807	8,289,153	6,323,793	7,913,834
Debt Service					
Principal	988,147	1,006,410	1,032,568	4,880,676	837,370
Interest	252,415	232,780	204,016	147,577	752,932
Total expenditures	\$ 41,256,517	\$ 45,496,859	\$ 44,868,450	\$ 48,084,278	\$ 47,644,989
Excess of revenues over (under) expenditures	\$ (761,540)	\$ (2,760,484)	\$ (1,681,327)	\$ (4,110,370)	\$ 1,647,934
<b>Other Financing Sources (Uses)</b>					
Issuance of bonds	\$ -	\$ -	\$ -	\$ 12,260,000	\$ -
Refunding bonds issued	-	-	-	3,920,700	-
Bond premium issuance	-	-	-	1,539,845	-
Bond issuance cost	-	-	-	(273,376)	-
Issuance of leases	-	-	-	-	-
Issuance of subscription liability	-	-	-	-	-
Redemption of refunded bonds	-	-	-	(561,403)	-
Disposal of capital asset	(156,804)	-	-	-	-
Transfers in	-	-	-	500,000	-
Transfers out	-	-	-	-	-
Total other financing sources (uses), net	(156,804)	-	-	17,385,766	-
<b>Net change in fund balances</b>	<b>\$ (918,344)</b>	<b>\$ (2,760,484)</b>	<b>\$ (1,681,327)</b>	<b>\$ 13,275,396</b>	<b>\$ 1,647,934</b>
Total debt service	1,240,562	1,239,190	1,236,584	5,028,253	1,590,302
Total expenditures	41,256,517	45,496,859	44,868,450	48,084,278	47,644,989
Less: capital outlay	(4,007,539)	(8,580,427)	(2,495,147)	(3,714,606)	(5,875,095)
Noncapital expenditures	\$ 37,248,978	\$ 36,916,432	\$ 42,373,303	\$ 44,369,672	\$ 41,769,894
Debt service as a percentage of noncapital expenditures	3.33%	3.36%	2.92%	11.33%	3.81%

Table 4

<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>
\$ 33,370,411	\$ 32,851,586	\$ 39,753,152	\$ 45,043,615	\$ 48,908,620
501,907	240,832	275,127	446,096	261,270
218,387	197,671	200,957	187,316	216,748
1,177,258	651,308	913,416	3,274,368	4,420,229
1,096,153	990,218	1,248,421	1,235,591	1,573,060
7,128,527	10,864,246	19,049,717	14,438,393	7,418,361
1,571,999	2,082,076	2,708,329	3,837,366	1,910,736
\$ 45,064,642	\$ 47,877,937	\$ 64,149,119	\$ 68,462,745	\$ 64,709,024
\$ 4,103,114	\$ 4,966,751	\$ 4,967,798	\$ 5,905,236	\$ 7,155,647
409,373	449,662	482,442	572,862	655,411
5,299,992	5,321,620	5,631,954	6,106,821	7,011,906
4,259,192	4,843,222	4,814,109	5,159,136	6,154,928
1,622,504	1,664,437	1,596,552	1,567,000	1,944,264
3,202,810	3,230,663	3,456,518	3,536,104	4,123,585
2,658,330	3,219,159	3,131,539	3,819,544	3,906,778
9,490,247	10,073,887	8,665,672	8,727,917	9,398,953
1,156,877	1,322,261	1,223,059	1,471,167	1,896,270
909,764	918,254	906,654	917,956	1,011,574
4,892,829	5,680,412	5,851,661	7,855,738	8,078,596
7,033,077	4,355,650	6,808,437	15,856,171	17,035,831
870,223	862,300	944,355	1,062,600	1,376,949
690,039	650,194	606,650	824,806	1,656,049
\$ 46,598,371	\$ 47,558,472	\$ 49,087,400	\$ 63,383,058	\$ 71,406,741
\$ (1,533,729)	\$ 319,465	\$ 15,061,719	\$ 5,079,687	\$ (6,697,717)
\$ -	\$ -	\$ -	\$ 24,500,000	\$ 10,195,000
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	330,423
-	-	-	190,830	1,186,536
-	-	-	-	-
-	-	-	-	-
-	6,352,951	26,894,889	19,139,595	6,565,474
-	(6,424,747)	(26,734,478)	(18,944,731)	(4,769,474)
-	(71,796)	160,411	24,885,694	13,507,959
\$ (1,533,729)	\$ 247,669	\$ 15,222,130	\$ 29,965,381	\$ 6,810,242
1,560,262	1,512,494	1,551,005	1,887,406	3,032,998
46,598,371	47,558,472	49,087,400	63,383,058	71,406,741
(5,675,387)	(3,690,017)	(5,586,699)	(12,661,960)	(14,489,105)
\$ 40,922,984	\$ 43,868,455	\$ 43,500,701	\$ 50,721,098	\$ 56,917,636
3.81%	3.45%	3.57%	3.72%	5.33%

City of Williamsburg, Virginia  
Tax Revenues by Source, Governmental Funds,  
Last Ten Fiscal Years  
(modified accrual basis of accounting)

Fiscal Year	Property	1% Sales & Use	Consumer Utility	Business License	Franchise	Tobacco
2015	12,234,756	4,352,601	308,027	1,685,718	123,048	156,911
2016	12,599,297	4,298,743	308,493	1,790,395	114,402	134,640
2017	12,917,015	4,388,595	290,524	1,833,991	119,948	130,032
2018	13,089,822	4,706,583	292,764	2,049,988	122,942	167,638
2019	13,731,825	6,841,762	294,232	2,330,418	120,660	140,211
2020	14,600,806	6,388,075	288,678	2,174,694	109,411	126,420
2021	15,174,178	6,424,415	289,288	1,770,953	96,664	129,061
2022	16,742,322	6,887,726	297,000	2,349,858	94,819	182,672
2023	19,287,183	8,070,108	287,500	2,638,176	93,554	166,866
2024	22,082,840	8,559,106	286,206	3,060,145	92,234	167,040



Table 5

Hotel & Motel	\$2 Lodging	Restaurant	Other	Total
3,220,638	1,122,632	6,819,384	604,285	30,628,000
3,319,625	1,130,176	7,022,994	582,371	31,301,136
3,316,633	1,128,430	7,043,184	646,797	31,815,149
3,358,649	1,123,558	7,062,010	800,004	32,773,958
3,308,661	1,079,370	7,308,479	699,050	35,854,668
2,305,404	748,242	5,896,140	732,541	33,370,411
1,770,894	617,886	5,850,176	728,072	32,851,586
3,489,094	926,216	7,877,823	905,622	39,753,152
3,851,435	978,642	8,832,389	837,763	45,043,615
3,764,481	953,926	8,953,255	989,388	48,908,620

City of Williamsburg, Virginia  
Assessed Value and Estimated Actual Value of Taxable Property  
Last Ten Fiscal Years

Table 6

Fiscal Year	Real Property		Personal Property		Less: Tax Exempt Real Property	Total Taxable Assessed Value	Total Direct Tax Rate
	Residential Property	Commercial Property <sup>1</sup>	Motor Vehicles <sup>2</sup>	Other			
2015	1,108,726,200	1,571,532,200	40,845,200	38,241,433	943,646,700	1,815,698,333	4.07
2016	1,168,895,100	1,581,516,100	42,220,440	36,393,827	964,234,400	1,864,791,067	4.07
2017	1,190,581,300	1,610,013,500	43,377,030	37,405,286	971,263,000	1,910,114,116	4.07
2018	1,216,085,400	1,620,357,700	44,053,770	39,765,792	976,996,200	1,943,266,462	4.07
2019	1,225,705,700	1,628,894,100	44,479,900	42,369,965	989,455,800	1,951,993,865	4.10
2020	1,322,641,400	1,709,250,800	47,608,960	43,749,786	1,043,197,900	2,080,053,046	4.10
2021	1,371,385,600	1,754,778,800	49,398,887	45,944,506	1,068,742,900	2,152,764,893	4.10
2022	1,192,790,550	2,104,599,350	65,402,520	38,797,064	1,147,301,800	2,254,287,684	4.14
2023	1,609,430,100	2,085,955,570	84,516,670	37,536,890	1,202,452,000	2,614,987,230	4.12
2024	1,991,990,700	2,354,714,200	93,006,420	38,320,880	1,438,834,200	3,039,198,000	4.12

**Source:** City of Williamsburg Assessor's Office, Commissioner of the Revenue

<sup>1</sup> Includes tax-exempt property.

<sup>2</sup> Motor vehicles are assessed at JD Power's NADA average loan value as of January 1st each year. In FY 2022, motor vehicle values are at 80% valuation.

**Note:** Real property in the City of Williamsburg is reassessed every year. Code of Virginia § 58.1-3201 requires that annual assessments of real estate shall be made at 100 percent fair market value.

City of Williamsburg, Virginia  
Direct Tax Rates  
Last Ten Fiscal Years

Table 7

Fiscal Year Ended June 30	Real Estate Tax <sup>1</sup>	Personal Property Tax <sup>1</sup>	Room Tax	Meal Tax	Retail Sales Tax <sup>2</sup>	Senate Bill 942 Sales Tax <sup>2</sup>	Total Direct Tax Rate
2015	\$0.57	\$3.50	5%	5%	1%		\$4.07
2016	\$0.57	\$3.50	5%	5%	1%		\$4.07
2017	\$0.57	\$3.50	5%	5%	1%		\$4.07
2018	\$0.57	\$3.50	5%	5%	1%		\$4.07
2019	\$0.60	\$3.50	5%	5%	1%	0.50%	\$4.10
2020	\$0.60	\$3.50	5%	5%	1%	0.50%	\$4.10
2021	\$0.60	\$3.50	5%	5%	1%	0.50%	\$4.10
2022	\$0.64	\$3.50	5%	5%	1%	0.50%	\$4.14
2023	\$0.62	\$3.50	5%	5%	1%	0.50%	\$4.12
2024	\$0.62	\$3.50	5%	5%	1%	0.50%	\$4.12

<sup>1</sup> per \$100 assessed value

<sup>2</sup> Collected by State, remitted monthly to City

The City of Williamsburg has no overlapping taxes.

City of Williamsburg, Virginia  
Principal Real Estate Property Taxpayers  
Current Year and Nine Years Ago

Table 8

Taxpayers	2015			2024		
	Taxable Assessed Value	Rank	Percentage of Total City Taxable Assessed Value	Taxable Assessed Value	Rank	Percentage of Total City Taxable Assessed Value
Colonial Williamsburg Foundation	\$ 260,792,300	1	14.90%	\$ 340,998,700	1	11.73%
Quarterpath Williamsburg, LLC	46,025,500	2	2.63%	46,420,200	7	1.60%
Riverside Healthcare Associates	31,975,400	3	1.82%	53,729,100	6	1.85%
High Street Retail Phase I LLC	21,144,900	4	1.21%			
Sterling Manor Apartments LLC	21,050,500	5	1.20%	63,532,800	4	2.18%
Bluegreen Vacations, Unlimited	19,202,800	6	1.10%			
SNL Quarterpath Associates LLC	14,614,900	7	0.83%			
Westgate Resorts, LTD	14,454,900	8	0.82%			
CGMT 2004-C2 Williamsburg	13,776,700	9	0.80%			
160 Merrimac Associates LLC	12,332,500	10	0.70%	24,843,000	8	0.85%
BSR Midtown LLC				118,937,900	2	4.09%
HS APT Land LC				112,157,700	3	3.86%
CCC Sterling Manor DE LLC						
BRG Quarterpath LLC				63,196,400	5	2.17%
GEI Ludwell LLC & TRP Ludwell, LLC				21,266,300	9	0.73%
AJJ Avalon Axis Parkway LLC				21,019,100	10	0.72%

City of Williamsburg, Virginia  
Property Tax Levies and Collections  
Last Ten Fiscal Years

Table 9

Fiscal Year Ended June 30	Taxes Levied for the Fiscal Year	Collected Within the Fiscal Year of the Levy		Collections in Subsequent Years	Total Collections to Date	
		Amount Collected	Percentage of Levy		Total Collections	Percentage of Levy
2015	12,632,981	12,409,075	98.23%	181,600	12,590,675	99.67%
2016	13,009,018	12,796,868	98.37%	148,154	12,945,022	99.51%
2017	13,314,963	13,079,983	98.24%	130,468	13,210,451	99.22%
2018	13,477,747	13,258,466	98.37%	150,159	13,408,625	99.49%
2019	14,165,997	13,886,696	98.03%	213,192	14,099,888	99.53%
2020	15,040,398	14,661,249	97.48%	307,700	14,968,950	99.52%
2021	15,601,477	15,202,930	97.45%	183,377	15,386,307	98.62%
2022	17,355,816	16,833,039	96.99%	217,500	17,050,539	96.99%
2023	19,790,249	19,298,041	97.51%	79,455	19,377,496	97.91%
2024	21,574,331	21,382,222	99.11%	N/A	21,382,222	99.11%

Source: City of Williamsburg Assessor's Office, Commissioner of Revenue, and Collection Office

Notes: Property in the City of Williamsburg is reassessed every year. Code of Virginia §58.1-3201 requires that annual assessments of real estate shall be made at 100 percent fair market value. Estimated actual taxable value is calculated by dividing taxable assessed value collection rate, depending on the relief rate set by the City each year.100%. The set amount of receipts from the State's Personal Property Tax Relief Act may skew the by

City of Williamsburg, Virginia  
Ratios of Outstanding Debt by Type  
Last Ten Fiscal Years

Table 10

Fiscal Year	Governmental Activities	Business-Type Activities	Total Primary Government	Debt Per Capita	Debt as Percentage of Personal Income
	General Obligation Bonds	General Obligation Bonds			
2015	9,241,038	6,819,945	16,060,983	1,081	0.3%
2016	8,193,018	6,184,269	14,377,287	932	0.3%
2017	7,118,840	5,526,750	12,645,590	821	0.2%
2018	19,235,458	5,033,028	24,268,486	1,598	0.4%
2019	18,256,137	4,412,553	22,668,690	1,474	0.4%
2020	17,243,961	3,764,931	21,008,892	1,366	0.3%
2021	16,281,320	3,343,471	19,624,791	1,225	0.3%
2022	15,275,059	2,905,632	18,180,691	1,135	0.2%
2023	38,722,557	2,449,074	41,171,631	2,538	0.5%
2024	47,813,416	1,969,115	49,782,531	3,176	0.6%

City of Williamsburg, Virginia  
 Ratios of General Bonded Debt Outstanding  
 Last Ten Fiscal Years

Table 11

<b>Fiscal Year</b>	<b>Total General Obligation Bonds</b>	<b>Percentage of Actual Taxable Value of Property<sup>1</sup></b>	<b>Per Capita<sup>2</sup></b>
2015	16,060,983	0.88%	1,081
2016	14,377,287	0.77%	932
2017	12,645,590	0.66%	821
2018	24,268,486	1.25%	1,598
2019	22,668,690	1.16%	1,474
2020	21,008,892	1.01%	1,312
2021	19,624,791	0.91%	1,225
2022	18,180,691	0.81%	1,121
2023	41,171,631	1.57%	2,627
2024	49,782,531	1.64%	3,176

<sup>1</sup> See Table 6 for property value data.

<sup>2</sup> Population data can be found in Table 13

City of Williamsburg, Virginia  
Legal Debt Margin Information  
Last Ten Fiscal Years

Table 12

	<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>
Debt Limit	\$173,661,170	\$178,617,680	\$182,933,180	\$185,944,690	\$186,514,400	\$198,869,430	\$205,742,150	\$215,008,810	\$249,293,367	\$290,787,070
Total net debt applicable to limit	16,060,983	14,377,287	12,645,590	24,268,486	22,668,690	21,008,892	19,624,791	18,180,691	41,171,631	49,782,531
Legal debt margin	157,600,187	164,240,393	170,287,590	161,676,204	163,845,710	177,860,538	186,117,359	196,828,119	208,121,736	241,004,539
Total net debt applicable to the limit as a percentage of debt limit	9.25%	8.05%	6.91%	13.05%	12.15%	10.56%	9.54%	8.46%	16.52%	17.12%

Legal Debt Margin Calculation for Fiscal Year 2024

Assessed Value	\$ 2,907,870,700
Debt Limit (10% of assessed value)	290,787,070
Debt applicable to limit:	
General obligation bonds	49,782,531
Legal debt margin	<u>\$ 241,004,539</u>

Note: Virginia statute limits bond issuing authority of Virginia cities to 10% of the assessed real estate value.  
The above calculation includes all debt secured by the full faith and credit of the City.



City of Williamsburg, Virginia  
Demographic and Economic Statistics  
Last Ten Fiscal Years

Table 13

Fiscal Year	City Population *	Area Population *	Personal Income (thousands of dollars) <sup>2</sup>	Per Capita Personal Income <sup>2</sup>	Public School Enrollment <sup>3</sup>	Unemployment Rate <sup>1</sup>
2015	14,860	88,199	5,160,028	58,504	11,116	6.3%
2016	15,429	89,044	5,344,090	59,632	11,303	5.6%
2017	15,404	90,555	5,646,096	60,350	11,431	4.4%
2018	15,183	91,020	6,016,740	65,906	11,477	4.6%
2019	15,383	91,477	6,065,503	66,306	11,461	4.3%
2020	16,017	92,871	6,341,149	68,279	11,448	8.1%
2021	16,015	95,472	6,872,205	71,981	10,858	4.9%
2022	16,224	97,108	7,369,663	75,891	11,018	4.4%
2023	15,675	98,501	8,053,579	81,761	11,308	4.3%
2024	**	**	**	**	11,324	5.1%

\* Population figures supplied by Weldon Cooper Center for Public Service (University of VA) & U.S. Bureau of Census

\*\* Not available

<sup>1</sup> Virginia Employment Commission (*calendar year figures*)

<sup>2</sup> Source - U.S. Bureau of Census, Bureau of Economic Analysis (BEA)  
population and per capita personal figures are only available for the City of Williamsburg and neighboring James City County combined

<sup>3</sup> Source - Williamsburg-James City County Public Schools

City of Williamsburg, Virginia  
Principal Employers  
Current Year and Nine Years Ago

Table 14

Employer	2015			2024		
	Employees <sup>1</sup>	Rank	Percentage of Total City Employment	Employees <sup>1</sup>	Rank	Percentage of Total City Employment
College of William & Mary	1,000+	1	19.06%	1,000+	1	29.01%
Colonial Williamsburg Foundation	1,000+	2	11.38%	500 to 999	2	6.91%
Colonial Williamsburg Company	1,000+	3	7.62%	500 to 999	3	4.53%
W-JCC Schools	250 to 499	4	2.21%	250 to 499	5	2.40%
City of Williamsburg	250 to 499	5	1.84%	100 to 249	7	1.99%
Sodexo	100 to 249	6	1.05%			
Riverside Doctors' Hospital	100 to 249	7	0.99%	250 to 499	6	2.39%
Walsingham Academy	100 to 249	8	0.71%			
National Center for State Courts	100 to 249	9	0.71%			
Red Lobster & The Olive Garden	100 to 249	10	0.71%			
Aramark				250 to 499	4	3.34%
Crescent Hospitality Corp.				100 to 249	8	1.81%
Mellow Mushroom Pizza Bakers				100 to 249	9	0.97%
OS Restaurant Services				50 to 99	10	0.71%

<sup>1</sup> includes part-time and seasonal employees

City of Williamsburg, Virginia  
Full-time-Equivalent City Employees by Function/Program  
Last Ten Fiscal Years

Table 15

	<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>
<b>General Government</b>										
City Manager	6.5	6.5	6.5	6.0	7.0	7.0	8.0	8.5	9.0	9.0
Clerk of Council	2.0	2.0	2.0	2.0	2.0	1.0	1.0	1.0	1.0	1.0
City Attorney	1.5	1.5	1.5	1.5	1.5	1.5	1.5	1.5	1.5	2.5
Commissioner of Revenue	3.0	3.0	3.0	3.0	4.0	4.0	4.0	4.0	4.0	4.0
Treasurer	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	0.0
Registrar	1.5	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0
Assessor	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0
Information Technology	3.0	3.0	3.0	3.0	4.0	4.0	4.0	4.5	4.5	5.0
Finance	8.0	8.0	9.0	9.0	9.0	9.0	10.0	10.0	11.0	12.0
<b>Police</b>										
Officers	35.0	36.0	36.0	38.0	41.0	41.0	42.0	43.0	45.0	45.0
Civilians	5.0	5.0	5.0	4.0	4.0	5.0	5.0	4.0	4.0	6.0
<b>Fire</b>										
Firefighters & officers	36.0	36.0	39.0	39.0	40.0	40.0	45.0	45.0	45.0	45.0
Civilians	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0
<b>Public Works</b>										
Engineering	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0
Streets & Storm Water	9.0	9.0	9.0	9.0	9.0	10.0	10.0	10.0	10.0	10.0
Landscape	7.0	7.0	7.0	7.0	7.5	7.5	7.5	7.5	7.5	7.5
Shop	3.0	3.0	3.0	3.0	3.0	3.0	3.0	3.0	3.0	3.0
Building Maintenance	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0
<b>Planning</b>	4.0	4.0	4.0	4.0	4.0	4.0	4.0	4.0	4.0	4.0
<b>Code Compliance</b>	5.0	5.0	5.0	5.0	5.0	5.0	6.0	6.0	6.0	6.0
<b>Recreation</b>	8.5	8.5	8.5	8.5	8.5	8.5	8.5	8.5	8.5	8.5
<b>Human Services/Public Housing</b>	19.0	19.0	19.0	19.0	19.0	19.0	22.0	23.5	29.5	31.5
<b>Public Utilities</b>	<u>26.0</u>	<u>26.0</u>	<u>26.0</u>	<u>26.0</u>	<u>26.0</u>	<u>26.0</u>	<u>26.0</u>	<u>26.0</u>	<u>26.0</u>	<u>26.0</u>
<b>Total</b>	<u>191.0</u>	<u>192.5</u>	<u>196.5</u>	<u>197.0</u>	<u>204.5</u>	<u>205.5</u>	<u>217.5</u>	<u>220.0</u>	<u>229.5</u>	<u>235.0</u>

Source: City Finance Department

Note: A full-time employee is scheduled to work 2,080 hours per year (including vacation and sick leave). Full-time-equivalent employment is calculated by dividing total labor hours by 2,080.

City of Williamsburg, Virginia  
Operating Indicators by Function/Program  
Last Ten Fiscal Years

Table 16

	<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>
General Government										
Real estate parcels appraised	4,299	4,313	4,318	4,319	4,335	4,345	4,343	4,770	4,790	4,801
Real estate property transfers	415	370	421	505	426	422	398	567	583	447
Police										
Calls for service	36,168	34,837	34,033	34,385	41,377	46,703	39,436	34,808	33,438	30,535
Moving violations	1,147	1,238	1,364	1,228	2,390	2,161	1,779	1,452	1,581	1,435
Part I offenses ^^	201	219	250	203	230	189	260	239	287	241
Fire										
Emergency fire responses	2,226	1,048	1,181	1,331	1,493	1,105	1,004	1,302	1,301	1,655
Emergency EMS responses	2,523	2,890	2,875	2,951	3,102	2,948	2,461	2,920	3,294	2,921
Public Works										
Tons of res. solid waste collected	1,814	1,925	2,063	2,170	2,050	1,942	1,997	1,997	2,209	2,252
Planning										
Subdivision lots approved	0	0	0	14	46	52	49	23	1	4
Site plans processed	1	2	0	18	11	14	16	17	13	25
Code Compliance										
Total permits issued	1,344	1,538	1,920	1,968	1,443	1,030	979	1,193	1,322	953
Total inspections performed	6,966	7,284	7,082	4,427	7,130	5,198	8,896	5,735	5,917	6,323
Recreation										
Program participants	21,684	23,135	23,706	16,159	13,958	9,571	3,404	7,466	8,756	11,106
Waller Mill Park attendance	112,854	95,312	107,036	137,894	103,461	79,254	134,355	127,079	131,575	82,290
Public Utilities										
Water consumed (million gallons)	99,700,000	95,900,000	95,300,000	91,800,000	91,300,000	82,200,000	84,200,000	89,500,000	10,200,000	10,280,000
Water leaks repaired	32	31	26	35	20	22	33	27	27	23
Sewer backups	35	47	22	31	40	33	50	38	48	35

Source: City operating departments

\*In FY 2018, some performance measures were modified, which may create variances in comparison with prior years.

^ Programs and operations were impacted as a result of the COVID-19 pandemic

^^ Due to variations in crime reporting systems, these statistics were restated to report Part I offenses only.

City of Williamsburg, Virginia  
Capital Asset Statistics by Function  
Last Ten Fiscal Years

Table 17

Function/Program	<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>
<b>General Government</b>										
Number of buildings	28	28	28	28	28	28	28	28	28	14
Number of parking structures	2	2	2	2	2	2	2	2	2	2
Total number of active vehicles in vehicle replacement plan	83	84	85	85	101	102	102	102	102	127
<b>Public Safety</b>										
Number of police stations	1	1	1	1	1	1	1	1	1	1
Number of fire stations	1	1	1	1	1	1	1	1	1	1
<b>Public Works</b>										
Lane miles of streets maintained	115.99	118.58	116.73	117.53	118.02	119.44	119.92	119.92	119.92	122.62
Number of Signalized Intersections	15	15	15	15	15	15	17	17	17	18
Bridges	4	4	4	4	4	4	4	4	4	4
<b>Education-Regional Schools</b>										
Grades: K - 5	9	9	9	9	9	9	9	9	9	9
Grades: 6 - 8	3	3	3	3	4	4	4	4	4	4
Grades: 9 -12	3	3	3	3	3	3	3	3	3	3
<b>Parks &amp; Recreation</b>										
Number of parks	10	10	10	10	11	11	12	12	12	12
Number of ball fields	6	6	6	6	6	6	6	6	7	7
Number of tennis courts	10	10	10	10	10	10	10	10	10	10
Number of total acres	2,036	2,036	2,036	2,787	2,787	2,787	2,787	2,787	2,787	2,787
<b>Culture</b>										
Number of public libraries (regional)	2	2	2	2	2	2	2	2	2	2
<b>Public Utilities</b>										
Miles of water distribution *	48	48	48	48	48	48	50	35	35	82
Number of water tanks	6	6	6	6	6	6	6	6	6	6
Number of pump stations -water & sewer	16	16	16	16	16	16	16	16	16	15

Source: City departments.

\*FY 2023 more accurate GIS mapping was completed

^ FY 2024 WRHA took on city houses

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## *COMPLIANCE SECTION*

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**Independent Auditors' 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***

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To the Honorable Members of the City Council  
City of Williamsburg  
Williamsburg, 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 discretely presented component units, each major fund, and the aggregate remaining fund information of City of Williamsburg, Virginia, as of and for the year ended June 30, 2024, and the related notes to the financial statements, which collectively comprise City of Williamsburg, Virginia's basic financial statements, and have issued our report thereon dated December 9, 2024.

**Report on Internal Control over Financial Reporting**

In planning and performing our audit of the financial statements, we considered City of Williamsburg, Virginia'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 City of Williamsburg, Virginia's internal control. Accordingly, we do not express an opinion on the effectiveness of City of Williamsburg, Virginia'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 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. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that were not identified.

## Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether City of Williamsburg, Virginia's financial statements are free from 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 financial statements. 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 no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

### 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 entity'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 entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

*Robinson, Farnum, Cox Associates*

Richmond, Virginia  
December 9, 2024



ROBINSON, FARMER, COX ASSOCIATES, PLLC

*Certified Public Accountants*

**Independent Auditors' Report on Compliance for Each Major Program and on  
Internal Control over Compliance Required by the Uniform Guidance**

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To the Honorable Members of the City Council  
City of Williamsburg  
Williamsburg, Virginia

**Report on Compliance for Each Major Federal Program**

***Opinion on Each Major Federal Program***

We have audited City of Williamsburg, Virginia's 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 City of Williamsburg, Virginia's major federal programs for the year ended June 30, 2024. City of Williamsburg, Virginia's major federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

In our opinion, City of Williamsburg, Virginia complied, in all material respects, with the 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 Auditors' Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of City of Williamsburg, Virginia and to meet our other ethical responsibilities, in accordance with 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 opinion on compliance for each major federal program. Our audit does not provide a legal determination of City of Williamsburg, 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 City of Williamsburg, Virginia's federal programs.

## ***Auditors' 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 City of Williamsburg, Virginia'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 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 City of Williamsburg, Virginia'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 risks 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 City of Williamsburg, 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 City of Williamsburg, 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 City of Williamsburg, 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 a 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 deficiency, or a combination 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.

Our consideration of internal control over compliance was for the limited purpose described in the Auditors' 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 may exist that were not identified.

## Report on Internal Control over Compliance (Continued)

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.

*Robinson, Farnum, Cox Associates*

Richmond, Virginia  
December 9, 2024

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City of Williamsburg, Virginia  
Schedule of Expenditures of Federal Awards  
For the Year Ended June 30, 2024

Federal Grantor/State Pass - Through Grantor/ Program Title	Federal Assistance Listing Number	Pass-Through Entity Identifying Number	Federal Expenditures
<i>Department of Health and Human Services:</i>			
Pass Through Payments:			
<i>Department of Social Services:</i>			
Title VI-E Prevention Program	93.472	1140122/1140123	\$ 2,428
Guardianship Assistance	93.090	1110122/1110123	172
MaryLee Allen Promoting Safe and Stable Families Program	93.556	0950122/0950123	3,500
Temporary Assistance for Needy Families	93.558	0400122/0400123	100,974
Refugee and Entrant Assistance - State/Replacement Designee Administered Programs	93.566	0500122/0500123	873
Low-Income Home Energy Assistance	93.568	0600422/0600423	17,926
Child Care Mandatory and Matching Funds of the Child Care and Development Fund (CCDF Cluster)	93.596	0760122/0760123	19,531
Stephanie Tubbs Jones Child Welfare Services Program	93.645	0900122/0900123	99
Foster Care - Title IV-E	93.658	1100122/1100123	72,286
Adoption Assistance	93.659	1120122/1120123	59,778
Social Services Block Grant	93.667	1000122/1000123	78,215
John H. Chafee Foster Care Program for Successful Transition to Adulthood	93.674	9150122/9150123	838
COVID-19 - Elder Abuse Prevention Interventions Program	93.747	8000222/8000223	2,776
Children's Health Insurance Program	93.767	0540122/0540123	2,069
Medical Assistance Program (Medicaid Cluster)	93.778	1200122/1200123	204,378
Total Department of Health and Human Services-pass through			<u>\$ 565,843</u>
Total Department of Health and Human Services			<u>\$ 565,843</u>
<i>Department of Agriculture:</i>			
Pass Through Payments:			
<i>Department of Social Services:</i>			
State Administrative Matching Grants for the Supplemental Nutrition Assistance Program (SNAP Cluster)	10.561	0010122/0010123	\$ 295,605
Total Department of Agriculture			<u>\$ 295,605</u>
<i>Department of Homeland Security:</i>			
Direct payments:			
Staffing for Adequate Fire and Emergency Response (SAFER)	97.083	N/A	\$ 169,129
Assistance to Firefighters Grant	97.044	N/A	82,819
Pass Through Payments:			
<i>Department of Emergency Management:</i>			
Emergency Management Performance Grants	97.042	775001-116308	<u>\$ 7,500</u>
Total Department of Homeland Security			<u>\$ 259,448</u>

City of Williamsburg, Virginia  
Schedule of Expenditures of Federal Awards  
For the Year Ended June 30, 2024

Federal Grantor/State Pass - Through Grantor/ Program Title	Federal Assistance Listing Number	Pass-Through Entity Identifying Number	Federal Expenditures
<i>Department of Justice:</i>			
Pass Through Payments:			
<i>Department of Criminal Justice Services:</i>			
Edward Byrne Memorial Justice Assistance Grant Program	16.738	12-J1208LO11	\$ 4,900
Total Department of Justice			\$ 4,900
<i>Department of Transportation:</i>			
Pass Through Payments:			
<i>Department of Transportation</i>			
Highway Planning and Construction	20.205	603023/4- 15000/15017/15078	\$ 236,996
<i>Department of Motor Vehicles:</i>			
Alcohol Open Container Requirements	20.607	605007-50235/51107	3,698
National Priority Safety Programs (Highway Safety Cluster)	20.616	605007-51132	\$ 2,194
		605007-	
State and Community Highway Safety (Highway Safety Cluster)	20.600	50238/50241/51128	13,441
Total Highway Safety Cluster			\$ 15,635
Total Department of Transportation			\$ 256,329
<i>Environmental Protection Agency:</i>			
Direct Payments:			
Brownfields Multipurpose, Assessment, Revolving Loan Fund, and Cleanup Cooperative Agreements	66.818	N/A	\$ 61,819
Total Environmental Protection Agency			\$ 61,819
<i>Department of Treasury:</i>			
Pass Through Payments:			
<i>Department of Accounts:</i>			
COVID-19 - Coronavirus State and Local Fiscal Recovery Funds	21.027	Not Available	\$ 498,875
Total Department of Treasury			\$ 498,875
Total Expenditures of Federal Awards			\$ 1,942,819

See accompanying notes to schedule of expenditures of federal awards.



**City of Williamsburg, Virginia**  
**Notes to Schedule of Expenditures of Federal Awards**  
**For the Year Ended June 30, 2024**

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Note 1 - Basis of Presentation

The accompanying schedule of expenditures of federal awards (the Schedule) includes the federal award activity of the City of Williamsburg, Virginia under programs of the federal government for the year ended June 30, 2024. The information in this Schedule is presented in accordance with the requirements of Title 2 *U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements of Federal Awards* (Uniform Guidance). Because the Schedule presents on a selected portion of the operations of the City of Williamsburg, Virginia, it is not intended to be and does not present the financial position, changes in net position, or cash flows of the City of Williamsburg, Virginia.

Note 2 - Summary of Significant Accounting Policies

- (1) Expenditures reported on the Schedule are reported on the accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement.
- (2) Pass-through entity identifying numbers are presented where available.

Note 3 - Food Donation

The value of federal awards expended in the form of noncash assistance for food commodities is reported in the schedule.

Note 4 - Relationship to Financial Statements

Federal expenditures, revenues, and capital contributions are reported in the City's basic financial statements as follows:

Intergovernmental federal revenues per the basic financial statements:

Primary government:

General fund	\$ 200,862
American Rescue Plan fund	498,147
Virginia public assistance fund	862,176
Capital projects fund	<u>381,634</u>

Total federal expenditures per the Schedule of Expenditures of Federal Awards	<u><u>\$ 1,942,819</u></u>
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Note 5 - Subrecipients

No awards were passed through to subrecipients.

Note 6 - De Minimis Cost Rate

The City did not elect to use the 10-percent de minimis indirect cost rate allowed under Uniform Guidance.

Note 7 - Loan Balances

The City has no loans or loan guarantees which are subject to reporting requirements for the current year.

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City of Williamsburg, Virginia  
Schedule of Findings and Questioned Costs  
For the Year Ended June 30, 2024

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**Section I-Summary of Auditors' Results**

**Financial Statements**

Type of auditors' report issued: unmodified

Internal control over financial reporting:

Material weakness(es) identified? \_\_\_\_\_ yes ✓ no

Significant deficiency(ies) identified that are  
not considered to be material weakness(es)? \_\_\_\_\_ yes ✓ none reported

Noncompliance material to financial statements noted? \_\_\_\_\_ yes ✓ no

**Federal Awards**

Internal control over major programs:

Material weakness(es) identified? \_\_\_\_\_ yes ✓ no

Significant deficiency(ies) identified? \_\_\_\_\_ yes ✓ no

Type of auditors' report issued on compliance  
for major programs: unmodified

Any findings disclosed that are required to be  
reported in accordance with 2 CFR section  
200.516 (a)? \_\_\_\_\_ yes ✓ no

Identification of major programs:

<u>Assistance Listing Number(s)</u>	<u>Name of Federal Program or Cluster</u>
21.027	COVID-19 - Coronavirus State and Local Fiscal Recovery Funds
10.561	State Administrative Matching Grants for the Supplemental Nutrition Assistance Program

Dollar threshold used to distinguish between type A  
and type B programs: \$750,000

Auditee qualified as low-risk auditee? \_\_\_\_\_ yes ✓ no

**Section II-Financial Statement Findings**

None

**Section III-Federal Award Findings and Questioned Costs**

None

**City of Williamsburg, Virginia  
Summary Schedule of Prior Audit Findings  
For the Year Ended June 30, 2024**

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There were no prior audit findings.