



**JAMES CITY COUNTY**

**THE COMPREHENSIVE ANNUAL FINANCIAL REPORT**

**FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

James City County, Virginia    ▪    [jamescitycountyva.gov](http://jamescitycountyva.gov)  
Prepared by the Department of Financial & Management Services

**County of James City, Virginia**  
Comprehensive Annual Financial Report  
*(With Independent Auditor's Report Thereon)*

For the Fiscal Year Ended  
June 30, 2020

Prepared by:  
Department of Financial and Management Services  
James City County, Virginia

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## **Introductory Section**

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## County of James City, Virginia

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**County of James City, Virginia**  
County Officials  
Year ended June 30, 2020

**Board of Supervisors**

Jim Icenhour, Jamestown District, Chairman  
Michael J. Hipple, Sr., Powhatan District, Vice Chairman  
Ruth Larson, Berkeley District  
John J. McGlennon, Roberts District  
Sue Sadler, Stonehouse District  
Scott Stevens, Clerk

**Officials**

Michael E. McGinty, Judge of the Circuit Court  
B. Elliott Bondurant, Judge of the Circuit Court  
Mona Foley, Clerk of the Circuit Court  
Nathan R. Green, Commonwealth's Attorney  
Richard W. Bradshaw, Commissioner of the Revenue  
Jennifer D. Tomes, Treasurer  
Colleen K. Killilea, Judge of the General District Court  
George C. Fairbanks, IV, Judge of the Juvenile and Domestic Relations Court  
David Hardin, Sheriff  
Bradley J. Rinehimer, Chief of Police  
Dr. Olwen E. Herron, Superintendent of Schools  
Scott Stevens, County Administrator  
Adam R. Kinsman, County Attorney

**Board of Directors, James City Service Authority**

Sue Sadler, Chairman  
Ruth Larson, Vice Chairman  
Michael J. Hipple, Sr.  
Jim Icenhour  
John J. McGlennon  
M. Douglas Powell, General Manager  
Stephanie A. Luton, Assistant Manager/Treasurer

**School Board, Williamsburg-James City County Public Schools**

Lisa L. Ownby, Chairman  
Julie Y. Hummel, Vice Chairman  
Jim Kelly  
James W. Beers  
Kyra Cook  
D. Greg Dowell, Jr.  
Sandra S. Young

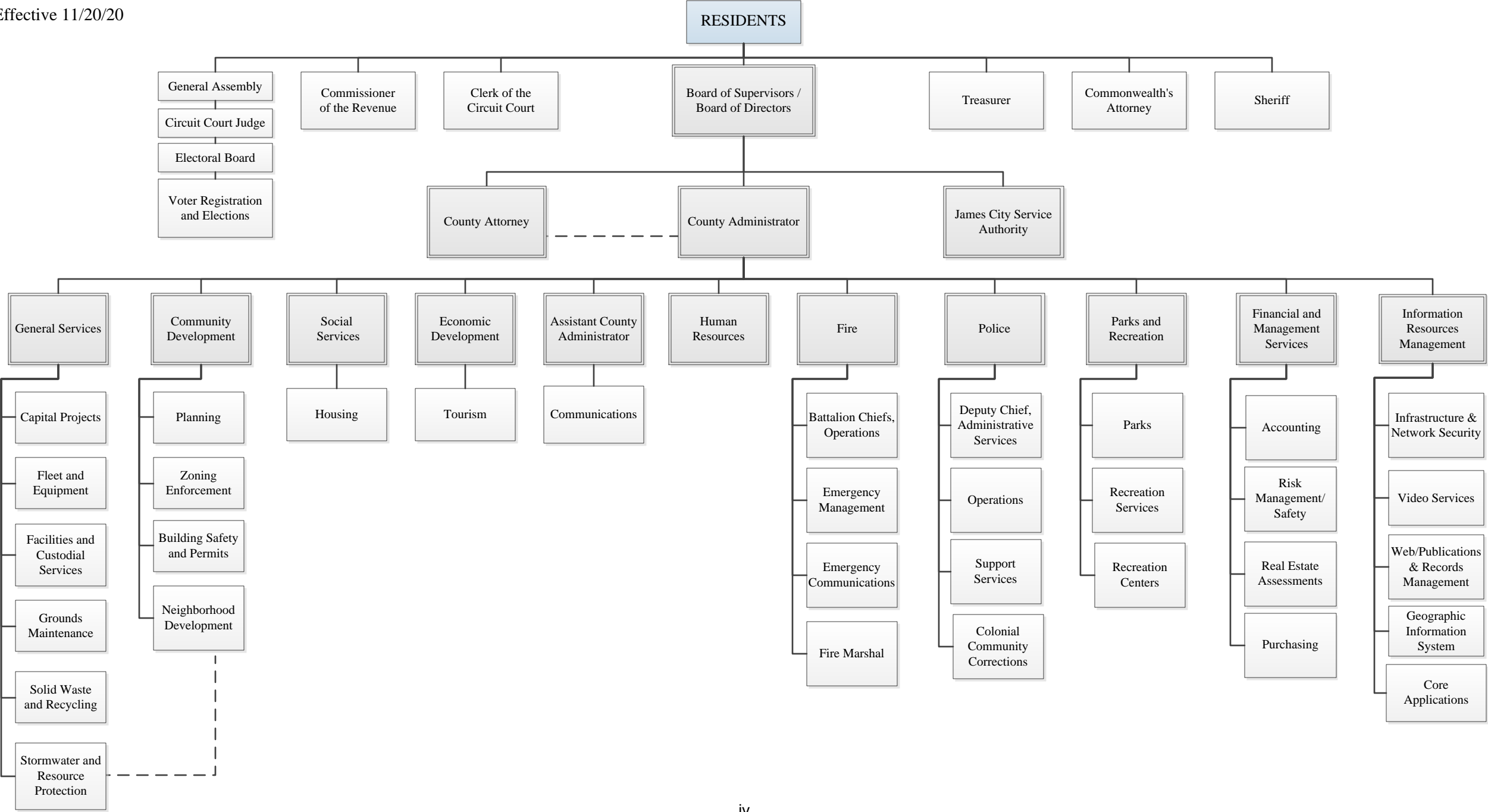
**Board Members, Economic Development Authority**

Vince Campana III, Chairman  
Thomas Tingle, Vice Chairman  
Lynn Meredith  
Brandon Nice  
Joseph Stanko  
Carlton Stockton  
William Turner



# James City County Organization Chart

Effective 11/20/20





Financial and Management Services  
101-F Mounts Bay Road  
P.O. Box 8784  
Williamsburg, VA 23187  
P: 757-253-6630  
[jamescitycountyva.gov](http://jamescitycountyva.gov)

December 8, 2020

The Members of the Board of Supervisors and the Citizens of James City County:

We are pleased to submit to you the Comprehensive Annual Financial Report of James City County, Virginia (the County), for the fiscal year ended June 30, 2020, as required by the *Code of Virginia*. The Department of Financial and Management Services has prepared this report in accordance with accounting principles generally accepted in the United States of America (GAAP), the standards of financial reporting prescribed by the Governmental Accounting Standards Board (GASB), and specifications of the Auditor of Public Accounts of the Commonwealth of Virginia. Section 15.1-67 of the *Code of Virginia* (1950, as amended) requires the County to have an annual audit of the books of account, financial records, and the transactions of the County. Brown, Edwards & Company L.L.P. was selected to perform the required audit. The unmodified report of Brown, Edwards & Company L.L.P., the highest possible result of the audit process, accompanies the financial statements in this report.

Responsibility for both the accuracy of the presented data and the fairness of the presentation, including all disclosures, rests with the County. To provide a reasonable basis for making these representations, management of the County has established a comprehensive internal control framework that is designed both to protect the County's assets from loss, theft, or misuse and to compile sufficient reliable information for the preparation of the County's financial statements. Because the cost of internal controls should not outweigh their benefits, the County's comprehensive framework of internal controls has been designed to provide reasonable, rather than absolute assurance, that the financial statements will be free from material misstatement. We believe the data, as presented, is accurate in all material respects; that it is presented in a manner designed to fairly set forth the financial position and the results of operations of the various funds of the County; and that all disclosures necessary to enable the reader to gain maximum understanding of the County's financial activity have been included.

The County government is required to undergo an annual single audit as required by Title 2 U.S. Code of Federal Regulations (CFR) Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance). Information related to this single audit, including the schedule of expenditures of federal awards, the schedule of findings and questioned costs, and the auditors' reports on internal control and compliance with applicable laws and regulations, are included in the compliance section of this report.

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 County's MD&A can be found immediately following the report of the independent auditors on pages 4-9 of this report.

### **Profile of the Government**

The County is located in southeastern Virginia and partially surrounds the City of Williamsburg. Although much of the County's 144 square miles consists of developed suburban areas, it has retained a considerable amount of undeveloped agricultural and forest land. There are no incorporated towns within the County. The County is empowered to levy a property tax on both real and personal properties located within its boundaries.

The County is organized under the County Administrator form of government (as defined under Virginia Law). Under this form of government, the Board of Supervisors appoints a County Administrator to serve as the Chief Executive Officer of the County. The Administrator serves at the pleasure of the Board of Supervisors, implements its policies, appoints division directors, and directs business and administrative procedures.

The Board of Supervisors is a five-member body; one member from each of the five districts, elected for a four-year staggered term by the voters of the district in which the member resides. The Chairman of the Board is elected annually by its members. This body enacts ordinances, appropriates funds, sets tax rates, and establishes policies for the administration of the County's public services.

The County provides a full range of services, including law enforcement, fire protection, and recreational activities. Water and sewer services are provided through the legally separate James City Service Authority (JCSA). The Board of Supervisors of James City County serves as the Board of Directors of the JCSA, and the County's Strategic Plan serves as basis for the budgetary and operational initiatives of both entities. The County is also financially accountable for the legally separate Williamsburg-James City County (WJCC) School Board and the legally separate James City County Economic Development Authority. All three of these entities are reported separately as discretely presented component units within the County's financial statements. Additional information on each of these legally separate entities can be found in Note 1 to the basic financial statements.

The annual budget serves as the foundation for the County's financial planning and control. In the spring of each year, departments and agencies of the County are required to submit requests for appropriation to the County Administrator. The County Administrator then submits to the Board of Supervisors a proposed operating and capital budget for the fiscal year commencing the following July 1. The operating budget and capital budget include proposed expenditures and the means of financing them. Public hearings are conducted to obtain citizen comments.

Prior to June 30, the budget is legally enacted through passage of an Appropriations Resolution. The Appropriations Resolution places legal restrictions on expenditures at the fund and function level. The appropriation for each fund and function can be revised only by the Board of Supervisors; however, the County Administrator may amend the budget within functions. Budget to actual comparisons are provided in this report for each individual governmental fund for which an appropriated annual budget has been adopted. For the general fund, this comparison is presented on pages 82-85 as part of the required supplementary information other than management's discussion and analysis. For governmental funds, other than the general fund, with appropriated budgets, these comparisons are presented in the other supplementary information subsection of this report which starts on page 100.

## **COVID-19**

During fiscal year 2020, the novel coronavirus disease (COVID-19) impacted the operational and financial activities of the County. COVID-19 was the name given by the World Health Organization (WHO) on February 11, 2020 for the disease caused by the novel coronavirus SARS-CoV-2. The first positive case of a James City County resident was reported on March 12, 2020. Since that time, federal, state, and local governments have been working to prevent the spread of this disease by educating our citizens, encouraging social distancing, restricting or closing non-essential businesses, cancelling large gatherings, and finally, developing a statewide plan for a phased reopening. The impact on our region, which is heavily dependent on tourism, and the loss of revenue to the County remains difficult to forecast. Footnote 18 contains more details regarding COVID-19 and its impacts on the County.

## **Economic Condition and Outlook**

James City County has experienced a gradual decrease in economic activity due to the effects from COVID-19. Overall, General Fund revenues increased 0.51% from last year. The majority of the increase was in property taxes due to real estate growth. Revenues are expected to decrease by approximately 7.4% in fiscal year 2021, primarily in tourism-related sources such as sales, meals and lodging taxes as a result of the impacts from COVID-19 to our area. The General Fund's expenditures were reduced accordingly in order to balance the budget.

In November 2019, Standard & Poor's and Moody's Investors Service reaffirmed the County's AAA bond rating, which is the highest possible rating. This bond rating is based on analysts' recommendations after a review of economic and fiscal performance, strong liquidity, fiscal policies and practices, evidence of financial planning to meet future capital needs. This rating is excellent for a community the size of James City County and gives the County additional leverage in the bond market for potential bond buyers and investors.

## **Major Initiatives**

For its fiscal year 2020 budget, the County was awarded the Government Finance Officers' Association of the United States and Canada's Distinguished Budget Presentation for the third consecutive year. Also during fiscal year 2020, the County continued the implementation of the results of a compensation study performed in fiscal year 2018. These results were phased in over a two year period, fiscal years 2019 and 2020.

In addition, the County transitioned to a fee for service based curbside recycling program in fiscal year 2020 as a result of changes in the international trade market on recyclables which increased contractors' net costs to provide pick up services.

## **Economic Development**

In fiscal year 2020, business expansion interests in James City County were very active. In February 2020, the condensing technology company Navien, Inc. announced plans to buy an existing 300,000 square foot facility and triple its existing size to establish their first North American manufacturing facility. Their commitment to invest \$77.5 million and create 180 high quality jobs over the next five years helped make fiscal year 2020 one of the best years for new or expanding businesses investment in James City County in over 20 years. Despite COVID-19's impact, Navien and other businesses have continued to move their projects forward and establish themselves within our community.

Launchpad, the Greater Williamsburg Business Incubator and the Greater Williamsburg Partnership continue to support regional economic development. Entrepreneurship remains a regional focus as well with unique events geared towards startup businesses and home-based businesses.

## **Capital Improvement Program**

Capital outlay expenditures (including County and school projects) totaled \$11,824,193 in fiscal year 2020. The largest capital expenditures were related to capital maintenance projects whose purpose is to improve and extend the useful life of County or School buildings and to replace major pieces of equipment. In fiscal year 2020, major projects included a land purchase, the replacement of fire apparatus, and stormwater projects. Significant school expenditures included a roof replacement at Lafayette High School, and HVAC replacements at Jamestown High School and Laurel Lane Elementary School.

James City County will continue to face challenges over the next several years. A steady growth in population has produced demands for public services and facilities. The five-year Capital Improvement Program totals \$120,809,000 and focuses on a wide variety of needs. In fiscal year 2021 and due to the unknown impacts of COVID-19, major capital projects were delayed a year; funding is included for the following maintenance and replacements: stormwater projects, building maintenance, HVAC replacement at the library, and fire apparatus replacements. Future planning includes a new pre-school, drainage projects, fire equipment and vehicle replacements, and other building maintenance projects.

An indication of anticipated impacts are included in the adopted budget and capital improvements program for the fiscal year beginning July 1, 2020.

## **Awards of Achievement**

The Government Finance Officers' Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to James City County, Virginia for its Comprehensive Annual Financial Report for the fiscal year ended June 30, 2019. This was the 35<sup>th</sup> consecutive year that the County has achieved this prestigious award. In order to be awarded a Certificate of Achievement, the County must publish an easily readable and efficiently organized comprehensive annual financial report. This report must satisfy both generally accepted accounting principles and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. We believe that our current comprehensive annual financial report continues to meet the Certificate of Achievement Program's requirements and we are submitting it to the GFOA to determine its eligibility for another certificate.

## Acknowledgments

The County has established and continues to maintain a strong and stable financial position through progressive management of financial operations and through sound accounting and financial reporting practices. Appreciation is expressed to the Members of the James City County Board of Supervisors and all of the Constitutional Officers for their interest and support in planning and conducting the financial operations of the County in a responsible and progressive manner.

The preparation of this report could not have been accomplished without the extensive effort and efficient services of the staff of Financial and Management Services. We would like to express our appreciation to each employee of the department who assisted with the annual audit and preparation of the financial statements.

Respectfully submitted,



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Scott A. Stevens  
County Administrator



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Sharon B. Day  
Director of Financial and Management Services



Government Finance Officers Association

Certificate of  
Achievement  
for Excellence  
in Financial  
Reporting

Presented to

**County of James City  
Virginia**

For its Comprehensive Annual  
Financial Report  
For the Fiscal Year Ended

June 30, 2019

*Christopher P. Morill*

Executive Director/CEO

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## **Financial Section**



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## INDEPENDENT AUDITOR'S REPORT

To the Board of Supervisors  
County of James City, Virginia  
Williamsburg, Virginia

### **Report on the Financial Statements**

We have audited the accompanying financial statements of the governmental activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the County of James City, Virginia as of and for the year ended June 30, 2020, and the related notes to the financial statements, which collectively comprise the County's basic financial statements as listed in the table of contents.

### ***Management's Responsibility for the Financial Statements***

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes 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.

### ***Auditor's Responsibility***

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and *Specifications for Audits of Counties, Cities, and Towns* issued by the Auditor of Public Accounts of the Commonwealth of Virginia. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

## ***Opinions***

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the County of James City, Virginia, as of June 30, 2020, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

## ***Other Matters***

### ***Required Supplementary Information***

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

### ***Other Information***

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the County's basic financial statements. The introductory section, supplementary information, and statistical section, as listed in the table of contents, are presented for purposes of additional analysis and are not a required part of the basic financial statements. The schedule of expenditures of federal awards is presented for purposes of additional analysis as required by *Title 2 U.S. Code of Federal Regulations (CFR) Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance), and is also not a required part of the basic financial statements.

The supplementary information and the schedule of expenditures of federal awards are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such 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 supplementary information and schedule of expenditures of federal awards are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

The introductory and statistical sections have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on them.

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

In accordance with *Government Auditing Standards*, we have also issued our report dated December 8, 2020, on our consideration of the County's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the County's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the County's internal control over financial reporting and compliance.

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

CERTIFIED PUBLIC ACCOUNTANTS

Newport News, Virginia  
December 8, 2020

**County of James City, Virginia**  
Management's Discussion and Analysis  
June 30, 2020

As management of James City County (County), we offer readers of the County's financial statements this narrative overview and analysis of the financial activities of the County for the fiscal year ended June 30, 2020. We encourage readers to consider the information presented here in conjunction with additional information in our letter of transmittal at the front of this report and the County's financial statements, which follow this analysis.

**Financial Highlights**

- The County's total net position increased by approximately \$24.9 million over the course of this year's operations, which represents an 8.3% increase from fiscal year 2019.
- The County's assets and deferred outflows of resources exceeded its liabilities and deferred inflows of resources as of June 30, 2020 by approximately \$323.4 million. Of this amount, approximately \$223.5 million, or 69.1% is the net investment in capital assets.
- General Fund revenues were \$3.3 million or 1.6% lower than the final budget. The decrease primarily related to the economic impact of the novel coronavirus (COVID-19) on the County's revenues. Additional information on the impacts of COVID-19 on the County's financial and operational activities can be found in Note 18 to the financial statements.
- For fiscal year 2020, the James City Service Authority (the Authority) is reported as a discretely presented component unit. In prior years, the Authority was reported as a blended component unit. As a result of this change, the financial analysis in this section no longer includes the Authority's financial information as part of the primary government. Additional information on this change in the reporting entity can be found in Note 1 to the financial statements.

**Overview of the Financial Statements**

The Comprehensive Annual Financial Report consists of four sections: introductory, financial, statistical, and compliance. The financial section consists of three primary components - government-wide financial statements, fund financial statements, and notes to the basic financial statements.

**Government-Wide Financial Statements**

The government-wide financial statements report information about the County as a whole using accounting methods similar to those used by private-sector companies. The statement of net position includes all of the government's assets, deferred outflows of resources, liabilities and deferred inflows of resources. The current year's revenues and expenses are accounted for in the statement of activities regardless of when cash is received or paid.

The two government-wide financial statements report the County's net position and how it has changed. Net position - the difference between the County's (1) assets and deferred outflows of resources and (2) liabilities and deferred inflows of resources, is one way to measure the County's financial health, or position.

Over time, increases or decreases in the County's net position serve as an indicator of whether its financial health is improving or deteriorating, respectively. To assess the overall health of the County, additional nonfinancial factors should be considered, such as changes in the County's property tax base.

The government-wide financial statements of the County are divided into two categories:

- *Governmental activities:* Most of the County's basic services are included here, such as the police, fire, parks and recreation, and general administration. Property taxes and state and federal funding finance most of these activities.
- *Component units:* The County includes three other entities in its report, the James City Service Authority, the Public Schools, and the Economic Development Authority. Although legally separate, these "component units" are important because of the County's financial accountability or financial integration with these entities.

**County of James City, Virginia**  
Management's Discussion and Analysis  
June 30, 2020

### Fund Financial Statements

The fund financial statements provide more detailed information about the County's most significant funds, not the County as a whole. Funds are accounting devices that the County uses to keep track of specific sources of funding and spending for particular purposes. Some funds are required by state law and by bond covenants.

Other funds are established to control and manage money for particular purposes or to show that the County is properly using certain taxes and grants.

The County has two kinds of funds:

- **Governmental funds:** Most of the County's basic services are included in governmental funds, which focus on (1) how cash and other financial assets can be readily converted to cash flow in and out and (2) the balances remaining at year end that are available for spending. Consequently, the governmental funds statements provide a detailed short-term view that helps in determining whether there are more or fewer financial resources that can be spent in the near future to finance the County's programs. Because this information does not encompass the additional long-term focus of the government-wide statements, further details are provided at the bottom of the governmental funds statement or on the subsequent page that explain the relationship (or differences) between them.
- **Fiduciary funds:** The County is responsible for assets of various agency funds. It is responsible for ensuring that the assets reported in these funds are used for their intended purposes. All of the County's fiduciary activities are reported in a separate statement of fiduciary net position and a statement of changes in fiduciary net position. These activities are excluded from the County's government-wide financial statements because the County cannot use their assets to finance its operations.

### Notes to the Basic Financial Statements

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

### Other Information

In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information concerning the County's General Fund budget and the County's obligation to provide pension and other post-employment benefits to its employees. The combining statements for nonmajor governmental funds are presented immediately following the required supplementary information.

### Financial Analysis

<b>Statements of Net Position</b>
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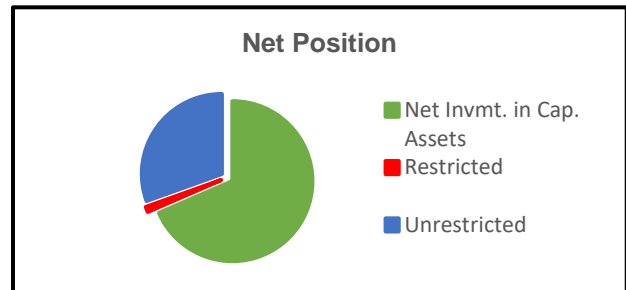
	Primary Government	
	6/30/2020	6/30/2019
Current and other assets	\$ 134,118,282	\$ 118,493,520
Capital assets, net	354,847,660	359,401,209
Total assets	488,965,942	477,894,729
Deferred outflows of resources	10,264,790	4,506,177
Total assets and deferred outflows	\$ 499,230,732	\$ 482,400,906
Long-term liabilities	\$ 164,618,730	\$ 173,138,580
Other liabilities	7,139,244	6,160,142
Total liabilities	171,757,974	179,298,722
Deferred inflows of resources	4,064,944	4,586,681
Net investment in capital assets	223,523,519	210,357,610
Restricted net position	3,349,486	11,388,517
Unrestricted net position, as restated	96,534,809	76,769,376
Total net position	323,407,814	298,515,503
Total liabilities, deferred inflows and net position	\$ 499,230,732	\$ 482,400,906

**County of James City, Virginia**  
**Management's Discussion and Analysis**  
June 30, 2020

The County's net position was \$323,407,814 at the close of the most recent fiscal year. The largest portion of the County's net position at June 30, 2020 (69.1%) reflects its investment in capital assets, less any related debt used to acquire those assets that are still outstanding. The County uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the County's investment in its 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, given that the capital assets themselves cannot be used to liquidate these liabilities.

The restricted net position (1.0%) is restricted for specific purposes. The unrestricted portion of net position (29.9%) may be used to meet the County's ongoing obligations to citizens and creditors. At the end of the current fiscal year, the County was able to report positive balances in all three categories of net position.

The County's overall net position increased 8.3% from last year. The reasons for the overall increase are discussed in the following sections.



**Statement of Activities**

Condensed Statement of Activities			
	Governmental activities		
	6/30/2020	6/30/2019	
Program revenues:			
Charges for services	\$ 17,824,271	\$ 18,522,375	
Operating grants and contributions	41,795,253	33,465,872	
Capital grants and contributions	180,635	1,125,513	
General revenues:			
Property taxes	138,698,177	134,846,403	
Other taxes	25,981,646	29,324,049	
Interest and investment earnings	966,252	795,865	
Miscellaneous	1,493,215	2,779,596	
Total revenues	226,939,449	220,859,673	
Expenses:			
General government admin.	15,165,784	11,011,081	
Judicial admin.	6,339,331	6,153,636	
Public safety	34,366,944	34,180,592	
Public works	9,918,359	9,128,572	
Health and welfare	9,523,747	8,482,617	
Education	101,088,169	100,445,268	
Parks, rec. and cultural	12,629,914	12,909,059	
Community development	9,095,405	9,481,249	
Interest on long-term debt	3,919,485	5,647,370	
Total expenses	202,047,138	197,439,444	
Change in net position	24,892,311	23,420,229	
Net position, beginning of year (as restated)	298,515,503	275,095,274	
Net position, end of year	\$ 323,407,814	\$ 298,515,503	

**Governmental Activities**

As of June 30, 2020, net position for governmental activities was \$323,407,814 which represents an increase of \$24,892,311 from last year.

**County of James City, Virginia**  
Management's Discussion and Analysis  
June 30, 2020

While the County experienced overall growth in property tax revenues during fiscal year 2020, the impact of COVID-19 on the local economy resulted in decreases in other tax revenues and charges for services. On the expenditure side, the County worked to offset anticipated losses related to COVID-19 by implementing restrictions on spending and a hiring freeze. Those efforts resulted in personnel and operating expense savings; however, total expenses increased for fiscal year 2020 as a result of costs incurred that were necessary to address and mitigate the spread of COVID-19.

For the fiscal year ended June 30, 2020, revenues from governmental activities totaled \$226,939,449. Of this amount, \$62,259,626, or 27.4%, is received from sources other than local tax revenue.

Real estate tax revenues, the County's largest single revenue source, totaled \$101,429,335. The County's assessed real property tax base for fiscal year 2020 was \$12,241,257,556, which was an increase of 1.3% from fiscal year 2019.

In fiscal year 2020, the County reported current year collections of \$25,981,643 in personal property taxes, and received reimbursement from the Commonwealth of Virginia of \$9,770,137. Under the provisions of the Personal Property Tax Relief Act (PPTRA), the state's share of local personal property tax was approximately 39.1% of most taxpayer's payments.

For the fiscal year ended June 30, 2020, expenses for governmental activities totaled \$202,047,138, including \$101,088,169 for Education expenses for the public school system. Total expenses had a net increase of 2.3% over fiscal year 2019, primarily due to the increased general government administration expenditures.

#### **Financial Analysis of the County's Governmental Funds**

**General Fund:** The County's General Fund is the chief operating fund of the County. At the end of fiscal year 2020, the General Fund had an overall increase in fund balance of \$12,691,074. This was primarily due to expenditure savings as a result restrictions on non-essential spending put into place due to the uncertain economic effects of COVID-19. The portion of the unassigned fund balance for fiscal liquidity totaled \$42,058,054, which was 17.3% of the total general governmental expenditures (from Table 11 in the Statistical section), including the County's share of the Public Schools' operating expenditures. The County's goal is to maintain a fund balance for fiscal liquidity between 10% and 12% of total general governmental expenditures.

**Capital Projects Fund:** The Capital Projects Fund is used by the County to account for the financing sources used to acquire and construct major capital projects for the general government. At the end of fiscal year 2020, the Capital Projects Fund's fund balance decreased by \$974,969, primarily due to the planned expenditures of ongoing projects. A major source of funding for the capital projects is transfers from the General Fund, which was \$9,190,047 for fiscal year 2020. During the year, capital project expenditures of \$11,824,193 included a land purchase, the replacement of fire apparatus, and stormwater projects. Significant school expenditures included the roof replacement at Lafayette High School, and HVAC replacements at Jamestown High School and Laurel Lane Elementary School.

**Debt Service Fund:** The Debt Service Fund is used by the County to account for the accumulation of resources for the repayment of long-term debt of the governmental funds. The primary source of funding is transfers from the General Fund.

**Non-major Governmental Funds:** The County maintains six non-major governmental funds. Information is presented separately in the governmental fund balance sheet and the governmental fund statement of revenues, expenditures and changes in fund balances for all funds, which can be found on pages 106-109. The non-major governmental funds had an increase in fund balance of \$2,899,872 in fiscal year 2020.

#### **General Fund Budgetary Highlights**

General Fund revenues were 1.6% or \$3,292,009 lower than the final budget but were 0.5% or \$1,069,736 higher than fiscal year 2019.



**County of James City, Virginia**  
Management's Discussion and Analysis  
June 30, 2020

The largest decrease in revenues from fiscal year 2019 to 2020 occurred in local meals taxes as the economic impacts of COVID-19 affected the last three months of the fiscal year. The local meals tax collections decreased by \$1,460,728 from fiscal year 2019. The County's largest revenue source, real estate tax revenues, increased by \$629,618. Personal property taxes, another large source of local tax funding, had combined collections from the state and local taxpayers of \$35,751,780. State revenues, excluding the personal property tax reimbursement, were \$249,065 more than budgeted and increased by \$1,166,281 from 2019. The significant factor in the increase was State sales tax for education.

General Fund budgeted expenditures were 9.3% below the final budget, or \$16,606,433, which was primarily due to reduced departmental spending due to the uncertainty of the effects of COVID-19 on the economy. Of this amount, \$834,391 is for encumbrances and is included in Assigned Fund Balance.

As a result of revenues above budget and underspending, the fund balance increased to \$59,580,371. This was an increase of \$12,691,074 or 27.1% from 2019.

### **Capital Assets**

At the end of fiscal year 2020, the County's investment in capital assets for its governmental activities totaled \$354,847,660 (net of accumulated depreciation). This total includes land and land improvements, construction in progress, intangibles, buildings and improvements, infrastructure, equipment, and vehicles. The County does not own its roads, and therefore they are not included in capital assets. In addition, the Public Schools own all school buildings and the related debt is County debt. The value associated with the purchase and/or construction of the Public Schools' buildings is reported as capital assets in the governmental activities of the County to properly match with the associated debt, as allowed by Virginia state law. In fiscal year 2020, the net value of school buildings and related construction reflected in the governmental activities of the County equals \$215,403,563, and the associated current year's depreciation expense of \$6,346,055 is reflected in Education expense in the County's governmental activities in the statement of net position.

<b>Summary of Capital Assets, Net</b>		
	<b>6/30/2020</b>	<b>6/30/2019</b>
	<b>Governmental activities</b>	
Non-depreciable, as restated	\$ 52,499,607	\$ 55,307,630
Depreciable	302,348,053	304,093,579
Total	<u>\$ 354,847,660</u>	<u>\$ 359,401,209</u>

Additional information about the County's capital assets can be found in Note 6 to the financial statements.

**County of James City, Virginia**  
Management's Discussion and Analysis  
June 30, 2020

**Long-Term Debt**

Below is a summary of the County's long-term debt as of June 30, 2020 and 2019, respectively.

<b>Summary of Long-Term Debt</b>		
	<b>6/30/2020</b>	<b>6/30/2019</b>
	<b>Governmental activities</b>	
General obligation bonds, net unamortized premium	\$ 29,479,003	\$ 33,966,163
Revenue bonds, net unamortized premium	102,028,321	112,183,815
Capital leases	1,086,117	2,146,958
Pension	19,504,820	12,492,414
OPEB	8,175,670	8,412,877
Compensated absences	4,162,759	3,757,356
Landfill	182,040	178,997
Total	<u>\$ 164,618,730</u>	<u>\$ 173,138,580</u>

Additional information about the County's long-term debt can be found in Note 9 to the financial statements.

**Economic Factors and Next Year's Budget and Tax Rates**

The County has a two-year budget cycle. The first year of a two-year cycle is adopted and appropriated and the second year is adopted for planning purposes. Fiscal year 2020 was the second year of the current two-year cycle. The fiscal year 2020 approved budget for the General Fund was \$211,825,000 (Note: for financial reporting purposes, the General Fund budget also includes \$310,000 for landfill user fees, for a total of \$212,135,000).

Fiscal year 2021 is the first year of the next two-year cycle. The fiscal year 2021 approved budget for the General Fund is \$196,238,400. This budget was adopted on June 9, 2020, and reflects a \$15,586,600, or a (7.4%), decrease over the fiscal year 2020 budget. The decrease is primarily due to anticipated reductions in other local taxes and State revenue as a result of the economic impacts of COVID-19.

Expenditures decreased as a result of the economic impacts of COVID-19. The County's general fund contribution to the Williamsburg-James City County School Board will be \$107,520,422, which is a 2.7% or \$3,025,614 decrease from fiscal year 2020.

**Contacting the County's Financial Management**

This financial report is designed to provide our citizens, taxpayers, customers, and investors and creditors with a general overview of the County's finances and to demonstrate the County's accountability for the money it receives. Questions concerning this report or requests for additional information should be directed to the Department of Financial and Management Services, 101-F Mounts Bay Road, P.O. Box 8784, Williamsburg, Virginia 23187-8784.

\* \* \* \* \*

**County of James City, Virginia**  
**Statement of Net Position**  
June 30, 2020

	<b>Primary government</b>	<b>Discretely presented component units</b>		
	<b>Governmental activities</b>	<b>James City Service Authority</b>	<b>Public schools</b>	<b>Economic Development Authority</b>
<b>Assets</b>				
Cash and cash equivalents (note 2)	\$ 70,079,711	\$ 3,088,624	\$ 19,964,161	\$ 584,397
Investments (note 2)	14,748,428	49,828,908	-	-
Restricted cash and cash equivalents (note 2)	4,956,986	9,401,879	-	-
Receivables, net of allowance for uncollectibles:				
Taxes, including penalties	27,779,842	-	-	-
Accounts	-	2,413,620	17,712	360
Interest	79,821	293,410	-	-
Loans (note 3)	525,804	-	-	-
Notes	-	1,090	-	20,638
Rent	-	-	-	26,531
Miscellaneous (note 3)	3,604,727	-	-	2,973
Due from primary government, net (note 7)	-	-	-	53,339
Due from component units, net (note 7)	3,775,545	-	-	-
Due from other governments, net (note 5)	8,246,032	-	2,344,364	-
Inventory	232,235	1,109,615	75,671	-
Other assets	89,151	-	-	-
Net pension asset (note 11)	-	-	1,738,743	-
Net OPEB health insurance credit asset (note 12)	-	-	18,173	-
Capital assets, net (note 6):				
Non-depreciable	52,499,607	6,111,331	9,425,841	911,505
Depreciable	302,348,053	146,471,081	48,027,452	642,771
Net capital assets	354,847,660	152,582,412	57,453,293	1,554,276
Total assets	488,965,942	218,719,558	81,612,117	2,242,514
<b>Deferred Outflows of Resources</b>				
Deferred charge on refundings, net	-	1,510,736	-	-
Deferred pensions (note 11)	9,256,193	815,631	24,750,684	-
Deferred OPEB retiree healthcare (note 12)	181,521	13,062	14,942	-
Deferred OPEB group life insurance (note 12)	684,741	77,029	1,408,751	-
Deferred OPEB health insurance credit (note 12)	142,335	11,901	1,329,641	-
Deferred OPEB Virginia local disability program (note 12)	-	-	104,256	-
Total deferred outflows of resources	10,264,790	2,428,359	27,608,274	-
Total assets and deferred outflow of resources	\$ 499,230,732	\$ 221,147,917	\$ 109,220,391	\$ 2,242,514
<b>Liabilities</b>				
Accounts payable	\$ 4,145,770	\$ 428,901	\$ 1,299,039	\$ 53,339
Accrued liabilities	470,024	352,149	14,397,781	-
Liabilities payable from restricted assets	1,626,177	-	-	-
Due to primary government, net (note 7)	-	494,045	3,334,839	-
Due to other governments	-	-	185,852	-
Advances for construction (note 16)	-	32,902	-	-
Amounts held for others	-	830,721	-	-
Unearned revenue (note 8)	897,273	-	1,774,017	-
Long-term liabilities (notes 9, 10, 11 and 12):				
Due within one year	17,570,717	1,694,336	610,859	-
Due in more than one year	147,048,013	31,173,797	137,243,738	-
Total liabilities	171,757,974	35,006,851	158,846,125	53,339
<b>Deferred Inflows of Resources</b>				
Deferred charge on refundings, net	760,953	-	-	-
Deferred pensions (note 11)	2,191,393	262,425	12,333,636	-
Deferred OPEB retiree healthcare (note 12)	812,800	76,605	813,977	-
Deferred OPEB group life insurance (note 12)	284,477	25,058	528,632	-
Deferred OPEB health insurance credit (note 12)	15,321	12,267	347,471	-
Deferred OPEB Virginia local disability program (note 12)	-	-	3,870	-
Total deferred inflows of resources	4,064,944	376,355	14,027,586	-
<b>Net Position</b>				
Net position:				
Net investment in capital assets	223,523,519	132,512,264	57,453,293	1,554,276
Restricted net position:				
Debt service	2,030,253	660,282	-	-
Capital projects	-	8,741,597	-	-
Net pension and OPEB asset	-	-	1,756,916	-
Other	1,319,233	-	556,189	-
Unrestricted	96,534,809	43,850,568	(123,419,718)	634,899
Total net position	323,407,814	185,764,711	(63,653,320)	2,189,175
Total liabilities, deferred inflows of resources and net position	\$ 499,230,732	\$ 221,147,917	\$ 109,220,391	\$ 2,242,514

See accompanying notes to basic financials statements

**County of James City, Virginia**  
Statement of Activities  
Year ended June 30, 2020

Functions/programs	Expenses	Net (expenses) revenues and changes in net assets						
		Program revenues			Primary Government	Discretely presented component units		
		Charges for services	Operating grants and contributions	Capital grants and contributions	Governmental activities	James City Service Authority	Public schools	Economic Development Authority
Primary government:								
Governmental activities:								
General government administration	\$ 15,165,784	\$ 7,864,966	\$ 12,953,994	\$ -	\$ 5,653,176	\$ -	\$ -	\$ -
Judicial administration	6,339,331	2,409,617	1,237,570	-	(2,692,144)	-	-	-
Public safety	34,366,944	2,854,882	5,790,394	64,095	(25,657,573)	-	-	-
Public works	9,918,359	1,519,402	10,998	-	(8,387,959)	-	-	-
Health and human services	9,523,747	-	5,186,904	116,540	(4,220,303)	-	-	-
Education (including School system)	101,088,169	-	14,818,558	-	(86,269,611)	-	-	-
Parks, recreation and cultural	12,629,914	2,844,953	6,900	-	(9,778,061)	-	-	-
Community development	9,095,405	330,451	1,789,935	-	(6,975,019)	-	-	-
Interest on long-term debt	3,919,485	-	-	-	(3,919,485)	-	-	-
Total governmental activities	<u>202,047,138</u>	<u>17,824,271</u>	<u>41,795,253</u>	<u>180,635</u>	<u>(142,246,979)</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total primary government	<u>\$ 202,047,138</u>	<u>\$ 17,824,271</u>	<u>\$ 41,795,253</u>	<u>\$ 180,635</u>	<u>\$ (142,246,979)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Component units:								
Economic Development Authority	\$ 110,297	\$ 104,601	\$ 5,223	\$ -	\$ -	\$ -	\$ -	\$ (473)
James City Service Authority	21,334,454	20,079,504	-	17,325	-	(1,237,625)	-	-
Public Schools	151,174,272	1,716,798	20,127,645	-	-	-	(129,329,829)	-
Total component units	<u>\$ 172,619,023</u>	<u>\$ 21,900,903</u>	<u>\$ 20,132,868</u>	<u>\$ 17,325</u>	<u>\$ -</u>	<u>\$ (1,237,625)</u>	<u>\$ (129,329,829)</u>	<u>\$ (473)</u>
General revenues:								
Property taxes, levied for general purposes					\$ 138,698,177	\$ -	\$ -	\$ -
Local sales and use taxes					14,660,594	-	-	-
Franchise license tax					484,998	-	-	-
Taxes on recordation and wills					1,532,445	-	-	-
Hotel and motel room taxes					2,768,935	-	-	-
Restaurant food taxes					6,049,097	-	-	-
Deeds of conveyance					412,922	-	-	-
Penalties and interest					72,655	-	-	-
Grants and contributions not restricted to specific programs					-	-	126,423,862	-
Interest and investment earnings					966,252	2,033,417	140,109	4,219
Miscellaneous					1,493,215	502,710	187,980	(95,933)
Total general revenues and transfers					<u>167,139,290</u>	<u>2,536,127</u>	<u>126,751,951</u>	<u>(91,714)</u>
Change in net position					24,892,311	1,298,502	(2,577,879)	(92,187)
Net position, beginning					298,515,503	184,466,209	(61,075,441)	2,281,362
Net position, ending					<u>\$ 323,407,814</u>	<u>\$ 185,764,711</u>	<u>\$ (63,653,320)</u>	<u>\$ 2,189,175</u>

See accompanying notes to basic financials statements.

**County of James City, Virginia**  
Balance Sheet  
Governmental Funds  
June 30, 2020

	<b>Major Funds</b>			<b>Nonmajor governmental funds</b>	<b>Total governmental funds</b>
	<b>General</b>	<b>Capital projects</b>	<b>Debt service</b>		
<b>Assets</b>					
Cash and cash equivalents (note 2)	\$ 41,865,493	\$ 17,338,045	\$ -	\$ 10,876,173	\$ 70,079,711
Investments (note 2)	-	14,748,428	-	-	14,748,428
Restricted cash and cash equivalents (note 2)	1,244,757	2,380,453	-	1,331,776	4,956,986
Receivables, net of allowance:					
Taxes	27,744,051	593	-	35,198	27,779,842
Interest	-	79,821	-	-	79,821
Loans, net (note 3)	-	-	-	525,804	525,804
Miscellaneous (note 3)	3,526,199	-	-	78,528	3,604,727
Due from other funds (note 4)	-	-	-	769,827	769,827
Due from component units (note 7)	6,056,772	-	-	-	6,056,772
Due from other governments, net (note 5)	7,101,625	-	-	1,144,407	8,246,032
Inventory	232,235	-	-	-	232,235
<b>Total assets</b>	<b>\$ 87,771,132</b>	<b>\$ 34,547,340</b>	<b>\$ -</b>	<b>\$ 14,761,713</b>	<b>\$ 137,080,185</b>
<b>Liabilities</b>					
Liabilities:					
Accounts payable	\$ 3,444,261	\$ 408,391	\$ -	\$ 293,118	\$ 4,145,770
Accrued liabilities	214,996	-	-	15,957	230,953
Payables from restricted assets	1,234,757	350,200	-	41,220	1,626,177
Due to other funds (note 4)	769,827	-	-	-	769,827
Due to component units (note 7)	1,720,853	438,536	-	121,838	2,281,227
Unearned revenue (note 8)	702,618	55,563	-	139,092	897,273
<b>Total liabilities</b>	<b>8,087,312</b>	<b>1,252,690</b>	<b>-</b>	<b>611,225</b>	<b>9,951,227</b>
<b>Deferred Inflows of Resources</b>					
Unavailable revenue (note 8)	20,103,449	593	-	456,134	20,560,176
<b>Fund Balances</b>					
Fund balances:					
Nonspendable:					
Inventory	232,235	-	-	-	232,235
Restricted					
Debt service - bond proceeds held in escrow	-	2,030,253	-	-	2,030,253
Other governmental funds	-	-	-	1,319,233	1,319,233
Assigned:					
General	9,436,272	-	-	-	9,436,272
Capital projects/reserve	7,853,810	31,263,804	-	-	39,117,614
Other governmental funds	-	-	-	12,375,121	12,375,121
Unassigned	42,058,054	-	-	-	42,058,054
<b>Total fund balances</b>	<b>59,580,371</b>	<b>33,294,057</b>	<b>-</b>	<b>13,694,354</b>	<b>106,568,782</b>
Total liabilities, deferred inflows of resources, and fund balances	<b>\$ 87,771,132</b>	<b>\$ 34,547,340</b>	<b>\$ -</b>	<b>\$ 14,761,713</b>	<b>\$ 137,080,185</b>

See accompanying notes to basic financials statements.

**County of James City, Virginia**  
**Balance Sheet**  
**Governmental Funds**  
**June 30, 2020**

Reconciliation of the balance sheet for governmental funds to the government-wide statement of net position:

Ending fund balance, governmental funds		\$ 106,568,782
Amounts reported for governmental activities in the balance sheet are different because:		
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.		354,847,660
Land held for resale and future development used in governmental activities are not financial resources and therefore are not reported in the funds.		89,151
Some receivables are not available to pay for current-period expenditures and therefore are unavailable revenue in the funds.		20,560,176
Deferred outflows of resources represent a consumption of net position applying to future periods and therefore, are not reported in the governmental funds.		
Deferred pension	\$ 9,256,193	
Deferred OPEB retiree healthcare	181,521	
Deferred OPEB group life insurance	684,741	
Deferred OPEB health insurance credit	<u>142,335</u>	10,264,790
Unmatured interest payable reported in governmental activities will not be paid with current financial resources and therefore is not reported in the funds.		(239,071)
Long-term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported in the funds.		
General obligation bonds	(27,220,000)	
Lease revenue bonds	(92,484,000)	
Unamortized bond premiums, net	(11,803,324)	
Capital leases	(1,086,117)	
Net pension liability	(19,504,820)	
Net OPEB liability	(8,175,670)	
Compensated absences	(4,162,759)	
Landfill postclosure care cost	<u>(182,040)</u>	(164,618,730)
Deferred inflows of resources represent an acquisition of net position that is applicable to a future reporting period and therefore, is not reported in the governmental funds.		
Deferred charge on refundings	(760,953)	
Deferred pension	(2,191,393)	
Deferred OPEB retiree healthcare	(812,800)	
Deferred OPEB GLI	(284,477)	
Deferred OPEB HIC	<u>(15,321)</u>	(4,064,944)
Net position, governmental activities		<u><u>\$ 323,407,814</u></u>

See accompanying notes to basic financials statements.

**County of James City, Virginia**  
**Statement of Revenues, Expenditures and Changes in Fund Balances**  
**Governmental Funds**  
**Year ended June 30, 2020**

	<b>Major Funds</b>			<b>Nonmajor governmental funds</b>	<b>Total governmental funds</b>
	<b>General</b>	<b>Capital projects</b>	<b>Debt service</b>		
Revenues:					
General property taxes	\$ 138,724,196	\$ -	\$ -	\$ -	\$ 138,724,196
Other local taxes	25,371,283	-	-	610,363	25,981,646
Permits, privilege fees and regulatory licenses	8,878,568	-	-	-	8,878,568
Fines and forfeitures	231,608	-	-	-	231,608
Use of money and property	198,996	706,842	60,414	-	966,252
Charges for services	6,291,204	-	-	-	6,291,204
Miscellaneous	221,688	771,280	39,929	460,318	1,493,215
Intergovernmental:					
Local	-	-	-	566,599	566,599
Commonwealth	28,905,026	-	-	3,795,275	32,700,301
Federal	93,428	-	-	10,977,977	11,071,405
Total revenues	<u>\$ 208,915,997</u>	<u>\$ 1,478,122</u>	<u>\$ 100,343</u>	<u>\$ 16,410,532</u>	<u>\$ 226,904,994</u>
Expenditures:					
Current:					
General government administration	\$ 11,712,490	\$ -	\$ -	\$ 1,192,750	\$ 12,905,240
Judicial administration	4,455,718	-	-	1,499,157	5,954,875
Public safety	26,892,393	-	-	4,209,892	31,102,285
Public works	8,635,840	-	-	16,998	8,652,838
Health and human services	2,470,939	-	-	6,912,221	9,383,160
Education	90,536,751	-	-	1,749,959	92,286,710
Parks, recreation and cultural	10,743,874	-	-	7,544	10,751,418
Community development	5,951,281	-	44,139	3,686,630	9,682,050
Nondepartmental	16,128	-	-	-	16,128
Debt service:					
Principal	-	-	14,282,841	-	14,282,841
Interest and other fiscal charges	-	-	5,447,279	-	5,447,279
Capital outlay - County activities	-	5,499,387	-	-	5,499,387
Capital outlay - School activities	-	6,324,806	-	-	6,324,806
Total expenditures	<u>161,415,414</u>	<u>11,824,193</u>	<u>19,774,259</u>	<u>19,275,151</u>	<u>212,289,017</u>
Excess (deficiency) of revenues over (under) expenditures	<u>47,500,583</u>	<u>(10,346,071)</u>	<u>(19,673,916)</u>	<u>(2,864,619)</u>	<u>14,615,977</u>
Other financing sources (uses):					
Transfers in (note 4)	102,833	9,908,147	19,673,916	6,548,379	36,233,275
Transfers out (note 4)	(34,912,342)	(537,045)	-	(783,888)	(36,233,275)
Total other financing sources (uses)	<u>(34,809,509)</u>	<u>9,371,102</u>	<u>19,673,916</u>	<u>5,764,491</u>	<u>-</u>
Net change in fund balances	<u>12,691,074</u>	<u>(974,969)</u>	<u>-</u>	<u>2,899,872</u>	<u>14,615,977</u>
Fund balances, beginning of year	46,889,297	34,269,026	-	10,794,482	91,952,805
Fund balances, end of year	<u>\$ 59,580,371</u>	<u>\$ 33,294,057</u>	<u>\$ -</u>	<u>\$ 13,694,354</u>	<u>\$ 106,568,782</u>

See accompanying notes to basic financials statements.

**County of James City, Virginia**  
**Statement of Revenues, Expenditures and Changes in Fund Balances**  
**Governmental Funds**  
**Year ended June 30, 2020**

Reconciliation of the statement of revenues, expenditures and changes in fund balances of governmental funds to the statement of activities:

Net change in fund balances, governmental funds \$ 14,615,977

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

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 amount represents the difference between depreciation expense and capital outlay expenditures. The details of this difference are as follows:

Depreciation expense	\$ (15,134,670)	
Capital outlay expenditures	10,678,766	
Loss on disposal of capital assets	<u>(97,645)</u>	(4,553,549)

Loss on land held for resale and future development is not reported in the governmental funds however, is reflected in the statement of activities. Other assets decreased by this amount this year. (126,203)

Because some revenues will not be collected for several months after the County's fiscal year end, they are not considered "available" revenues and are deferred in the governmental funds. Unavailable revenue increased by this amount this year. 34,456

The issuance of long-term debt 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 and refunding gains/losses, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. This amount is the net effect of these differences in the treatment of long-term debt and related accounts. The details of this difference are as follows:

Principal payments	14,282,841	
Amortization on premium	1,420,654	
Amortization on deferred charge on refundings	<u>(14,290)</u>	15,689,205

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 details of this difference is as follows:

Compensated absences	(405,403)	
Landfill	(3,043)	
Interest payable	121,430	
Net pension liability and related deferred inflows and outflows	(522,467)	
Net OPEB liability and related deferred inflows and outflows	<u>41,908</u>	(767,575)

Change in net position, governmental activities		<u><u>\$ 24,892,311</u></u>
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**Exhibit 5**

**County of James City, Virginia**  
**Statement of Fiduciary Net Position**  
**Fiduciary Funds**  
**June 30, 2020**

	<u><b>Agency funds</b></u>
<b>Assets</b>	
Cash, cash equivalents and investments (note 2)	\$ 9,617,567
Restricted cash, cash equivalents and investments (note 2)	
Money market funds	289,485
Bond mutual funds	4,642,405
Accounts receivable and due from other governmental units	<u>1,925,591</u>
Total assets	<u><u>\$ 16,475,048</u></u>
<b>Liabilities</b>	
Liabilities:	
Accounts payable and accrued liabilities	\$ 5,819,411
Amounts held for others	<u>10,655,637</u>
Total liabilities	<u><u>\$ 16,475,048</u></u>

See accompanying notes to basic financials statements.

**County of James City, Virginia**  
Notes to Basic Financial Statements  
June 30, 2020

**1) Summary of Significant Accounting Policies**

The County of James City (the County or the primary government) operates under the County Administrator form of government (as defined under Virginia Law). The elected five-member Board of Supervisors appoints a County Administrator to serve as the Chief Executive Officer of the County.

The accompanying financial statements of the County of James City, Virginia conform to U.S. generally accepted accounting principles (GAAP) applicable to government units promulgated by the Governmental Accounting Standards Board (GASB). The County's significant accounting and reporting policies are described below.

**The Financial Reporting Entity**

As defined by U.S. GAAP established by GASB, the financial reporting entity consists of the primary government and its component units, which are legally separate organizations for which the Board of Supervisors of the County is financially accountable or closely related. Financial accountability is defined as appointment of a voting majority of the component unit's board, and either (a) the ability to impose will by the primary government, or (b) the possibility that the component unit will provide a financial benefit or impose a financial burden on the primary government. In addition, an organization that is closely related to or financially integrated with a primary government should be reported as a component unit if the nature and significance of that relationship warrants the inclusion of the organization in the reporting entity.

These financial statements present the County and its component units. The component units discussed below are included in the County's reporting entity because of the significance of the operational or financial relationships with the County.

**Discretely Presented Component Units**

James City Service Authority (the Authority): The Authority was established on June 30, 1969, by resolution of the Board of Supervisors of James City County, Virginia and was chartered by the Commonwealth of Virginia State Corporation Commission in July 1969 to provide water and sewer service to County residents as permitted under the *Code of Virginia*, 1950, as amended (the Enabling Act).

The Authority serves all the citizens and businesses of the County and is governed by a Board of Directors that is comprised of the County's elected Board of Supervisors. The Authority is considered to be financially integrated with the County based on the nature and significance of its relationship with the County. The County's Strategic Plan includes a sustainable long-term water supply as a primary goal, which is to be achieved through the efforts of the Authority. In addition, the Authority has adopted other Strategic Plan goals in developing its initiatives. As a result, the County's Strategic Plan serves as the basis for budgetary and operational decisions of both the County and the Authority and financially integrates these entities.

In prior years, the Authority was presented as a blended component unit of the County, given that the County Administrator had certain operational responsibility for the Authority. The Board of Directors adopted a resolution to appoint the Authority's General Manager as its chief executive officer in 2018, and procedures have been implemented subsequently to remove operational responsibilities over the Authority from the County. The Authority remains financially integrated with the County; therefore, the Authority is included as a discretely presented component unit in the County's financial statements for reporting purposes. Additional information on this change is included in Note 19 to the financial statements.

The Authority's financial statements for the fiscal year ended June 30, 2020 may be obtained from the Department of Financial and Management Services, 101-F Mounts Bay Road, P.O. Box 8784, Williamsburg, Virginia 23187-8784.

Williamsburg-James City County Public Schools (the Public Schools): The Public Schools, pursuant to an agreement dated January 14, 1954, as amended, are responsible for educating the school-age population of the City of Williamsburg, Virginia (the City) and the County. Two members of the School Board are appointed by the City Council of the City. Five members of the School Board represent James City County and are elected by the citizens of James City County.

Although the Public Schools are legally separate, the County is financially accountable due to the significance of the fiscal dependency relationship with the Public Schools.

**County of James City, Virginia**  
Notes to Basic Financial Statements  
June 30, 2020

**1) Summary of Significant Accounting Policies, Continued**

Local costs related to operations of the Public Schools are apportioned between the participating localities in accordance with the agreement, as amended. For the fiscal year ended June 30, 2020, the apportionment of the Public Schools' operating costs to the City and County was \$9,606,147 (9.48%) and \$91,718,186 (90.52%), respectively. For the fiscal year ended June 30, 2020, the contributions for the Public Schools' capital project costs from the City and County were \$738,493 (12.7%) and \$5,070,285 (87.3%), respectively.

The Public Schools' financial statements for the fiscal year ended June 30, 2020 may be obtained from the Finance Department, 117 Ironbound Road, Williamsburg, Virginia 23185.

James City County Economic Development Authority (the Development Authority): The Development Authority is responsible for industrial and commercial development in the County. The Development Authority makes recommendations to the James City County Board of Supervisors. The Development Authority consists of seven members appointed by the James City County Board of Supervisors. Although the Development Authority is a legally separate entity, the County is financially accountable due to the significance of the fiscal dependency relationship with the Development Authority because the majority of their income is appropriated by the County.

From time to time, the Development Authority has issued Industrial Revenue Bonds (the Bonds) to provide financial assistance to private-sector entities for the acquisition and construction of industrial and commercial facilities deemed to be in the public interest. The Bonds are secured by the property financed and are payable solely from payments received on the underlying mortgage loans. Upon repayment of the Bonds, ownership of the acquired facilities transfers to the private-sector entity served by the bond issuance. Neither the County, the state, nor any political subdivision thereof is obligated in any manner for repayment of the Bonds. Accordingly, the Bonds are not reported as liabilities in the accompanying financial statements. As of June 30, 2020, there were 15 series of Industrial Revenue Bonds outstanding, with an aggregate principal amount payable of approximately \$180.5 million.

The Development Authority's financial statements for the fiscal year ended June 30, 2020 may be obtained from the Director of Economic Development, 101-D Mounts Bay Road, Williamsburg, Virginia 23185.

**Other Related Organizations and Joint Ventures**

Separate financial statements for the fiscal year ended June 30, 2020, for all other related organizations and joint ventures discussed below except the Colonial Community Corrections Program, Inc., the Virginia Peninsulas Public Service Authority, and the Williamsburg Regional Library, may be obtained from the Assistant Director of Financial and Management Services of James City County, 101-F Mounts Bay Road, P.O. Box 8784, Williamsburg, Virginia 23187-8784.

Williamsburg Area Medical Assistance Corporation (the Corporation): The Corporation was incorporated on February 19, 1993. The Corporation provides a primary medical care clinic to economically disadvantaged persons in the Counties of James City and York and the City of Williamsburg. The County appoints two board members to the Corporation. The Corporation is a legally separate organization, and the County cannot impose its will on the Corporation. The program is fiscally independent, and there is no financial benefit or burden relationship with the County. The County is fiscal agent for the Corporation, and as a result, the Corporation's financial transactions are included as an agency fund in the County's financial statements.

Colonial Community Corrections Program (the Program): The Program serves the Counties of James City, New Kent, York and Charles City, and the City of Williamsburg. The Program is fiscally independent, and there is no financial benefit or burden relationship with the County. The County is the fiscal and administrative agent and the Program is included as a special revenue fund in the County's financial statements.

**County of James City, Virginia**  
Notes to Basic Financial Statements  
June 30, 2020

**1) Summary of Significant Accounting Policies, Continued**

Virginia Peninsulas Public Service Authority (the Public Service Authority): The Public Service Authority was created pursuant to the *Code of Virginia*, 1950, as amended, between the Cities of Hampton, Newport News, Poquoson and Williamsburg, and the Counties of Essex, Gloucester, James City, King and Queen, King William, Mathews, Middlesex and York. Each jurisdiction appoints one board member. The Public Service Authority is a legally separate organization, and the County cannot impose its will on the Public Service Authority. The Public Service Authority is fiscally independent, and there is no financial benefit or burden relationship with the County; therefore, it is not included in the County's financial statements. The Public Service Authority's financial statements for the fiscal year ended June 30, 2020 may be obtained from the Public Service Authority, 475 McLaws Circle, Suite 3B, Williamsburg, Virginia 23185-5676.

Williamsburg Regional Library (the Library): The Library, pursuant to an agreement dated May 26, 1977, as amended, provides library services to the City of Williamsburg, James City County and York County. The Library is operated by a board of trustees. The County appoints 6 trustees, the City of Williamsburg appoints 4 trustees and York County appoints 1 trustee. The Library is a legally separate organization, and the County cannot impose its will on the trustees. The Library is fiscally independent, and there is no financial benefit or burden relationship with the County; therefore, it is not included in the County's financial statements. The Library's financial statements for the fiscal year ended June 30, 2020 may be obtained from the Library, 7770 Croaker Road, Williamsburg, Virginia 23188.

Virginia Peninsula Regional Jail Authority (the Jail Authority): The Jail Authority was organized and exists pursuant to resolutions adopted in 1993 by and between the Cities of Williamsburg and Poquoson and the Counties of James City and York. The Jail Authority is operated by a board. Each member jurisdiction appoints one member and the sheriff from that jurisdiction. The County, as fiscal agent, appoints one additional member. The Jail Authority is a legally separate organization, and the County cannot impose its will on the Jail Authority. The Jail Authority is fiscally independent, and there is no financial benefit or burden relationship with the County. The County is charged user fees based on inmate population in order to cover direct and indirect costs of the Jail Authority. The County is fiscal agent for the Jail Authority, and as such, the Jail Authority's financial transactions are included as an agency fund in the County's financial statements.

Middle Peninsula Juvenile Detention Commission (the Commission): The Commission was created as a political subdivision of the Commonwealth of Virginia by resolutions adopted in 1993. The member jurisdictions are as follows: Caroline County, Charles City County, Essex County, Gloucester County, Hanover County, James City County, King and Queen County, King William County, Lancaster County, Mathews County, Middlesex County, New Kent County, Northumberland County, City of Poquoson, Richmond County, Westmoreland County, City of Williamsburg and York County. The Commission is operated by a board. Each member jurisdiction appoints one member. The Commission is a legally separate organization, and the County cannot impose its will on the Commission. The Commission is fiscally independent, and there is no financial benefit or burden relationship with the County. The County is charged user fees based on juvenile population in order to cover direct and indirect costs of the Commission. The County is fiscal agent for the Commission, and as such, the Commission's financial statements are included as an agency fund in the County's financial statements.

Williamsburg Area Transit Authority (the Transit Authority): The Transit Authority was created as a political subdivision of the Commonwealth of Virginia by resolutions adopted in 2008. Members include the County, City of Williamsburg, County of York and the Colonial Williamsburg Foundation. The Transit Authority is governed by a board, consisting of five representatives appointed by the members. The Transit Authority is a legally separate organization, and the County cannot impose its will on the Transit Authority. The Transit Authority is fiscally independent from the County, and there is no financial benefit or burden relationship with the County. The County is fiscal agent for the Transit Authority, and as such, the Transit Authority's financial statements are included as an agency fund in the County's financial statements.

**County of James City, Virginia**  
Notes to Basic Financial Statements  
June 30, 2020

**1) Summary of Significant Accounting Policies, Continued**

**Basis of Presentation**

**Government-Wide and Fund Financial Statements**

The accompanying basic financial statements include both government-wide (based on the County as a whole) and fund financial statements. Both the government-wide and fund financial statements (within the basic financial statements) categorize primary activities as either governmental or business type. In the government-wide statement of net position, the governmental and business-type activities columns (a) are presented on a consolidated basis by column, and (b) are reflected, on a full accrual basis of accounting and economic resources measurement focus, which incorporates long-term assets and receivables as well as long-term debt and obligations. The County generally first uses restricted assets for expenses incurred for which both restricted and unrestricted assets are available. The County may defer the use of restricted assets based on a review of the specific transaction.

The government-wide statement of activities reflects both the gross and net cost per functional category that are otherwise being supported by general government revenues. 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 or a business-type activity. Program revenues include 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function and 2) grants and contributions that are restricted to meeting the operation or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported as general revenues. Administrative overhead charges are allocated to the programs and included in direct expenses. The operating grants include operating-specific and discretionary (either operating or capital) grants while the capital grants column reflects capital-specific grants.

In the fund financial statements, financial transactions and accounts of the County 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. The governmental fund statements are presented on a current financial resources measurement focus and modified accrual basis of accounting. Since the governmental fund statements are presented on a different measurement focus and basis of accounting than the government-wide statements' governmental activities column, a reconciliation is presented which explains the adjustments necessary to reconcile the fund financial statements to the governmental activities column of the government-wide financial statements. The County's fiduciary funds are presented in the fund financial statements. Given that, by definition, these assets are being held for the benefit of third parties and cannot be used to address activities or obligations of the County, these funds are not incorporated into the government-wide statements.

The County reports the following major governmental funds:

General Fund: The General Fund is the general operating fund of the County. It is used to account for all financial resources except those required to be accounted for in other funds. A significant part of the General Fund's revenues is contributed to the joint-school operations of the City and County or is transferred to other funds principally to fund debt service, capital projects and social services requirements.

Capital Projects Fund: The Capital Projects Fund is used to account for financial resources to be used for the acquisition or construction of major capital facilities.

Debt Service Fund: The Debt Service Fund is used to account for the accumulation of resources for, and the payment of principal, interest and related costs on long-term debt of governmental funds.

Additionally, the County reports the following fund types:

Nonmajor Governmental Funds: Nonmajor Governmental Funds include special revenue funds which account for revenue derived from specific sources that are restricted by legal and regulatory provisions to finance specific activities of the County. These funds consist of Virginia Public Assistance, Colonial Community Corrections, Community Development, Donation Trust, Tourism, and Grants and Special Projects.

**County of James City, Virginia**  
Notes to Basic Financial Statements  
June 30, 2020

**1) Summary of Significant Accounting Policies, Continued**

**Nonmajor Fiduciary Funds:** Nonmajor Fiduciary Funds are used to account for assets held by the County in a trustee capacity or as an agent for individuals, private organizations, other governmental units and/or other funds. The County's Fiduciary Funds includes the Agency Funds, which consist of Special Welfare, Williamsburg Area Medical Assistance Corporation, Regional Jail, Juvenile Detention, and Williamsburg Area Transit Authority.

**Basis of Accounting and Measurement Focus**

The accounting and financial reporting treatment applied to a fund is determined by its measurement focus. All governmental funds are accounted for using the current financial resources measurement focus. With this measurement focus, only current assets and current liabilities generally are included on the balance sheet in the funds statements. Long-term assets and long-term liabilities are included in the government-wide statements. Operating statements of the governmental funds present increases (i.e., revenues and other financing sources) and decreases (i.e., expenditures and other financing uses) in net current assets.

The accompanying fund financial statements of the governmental funds are maintained and reported on the modified accrual basis of accounting using the current financial resources measurement focus. Under this method of accounting, revenues are recognized in the period in which they become measurable and available to finance operations during the year. 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 45 days of the end of the current fiscal period. Expenditures, other than interest on long-term debt, are recorded when the fund liability is incurred. Interest on long-term debt is recorded when due.

In applying the modified accrual concept to intergovernmental revenues, the legal and contractual requirements of the numerous individual programs are used as guidance. There are, however, essentially two types of those revenues. In one, monies must be expended for the specific purpose or project before any amounts will be paid to the County, which is usually within 45 days; therefore, revenues are recognized based upon the expenditures recorded. In the other, monies are virtually unrestricted as to purpose of expenditure and are usually revocable only for failure to comply with prescribed compliance requirements. These resources are reflected as revenues at the time of receipt or earlier if the susceptible to accrual criteria are met.

Real estate and personal property taxes are recorded as revenues and receivables when levied and billed, net of allowances for uncollectible amounts. Property taxes levied but not collected within 45 days after year end are reflected as deferred revenue. Sales taxes, which are collected by the state and subsequently remitted to the County, are recognized as revenues and receivables upon execution of the sale, which is generally two months preceding receipt by the County.

License and permits, fines and rents are recorded as revenue when received in cash because they are generally not measurable until actually received. Investment earnings are recorded at fair value as earned since they are measurable and available.

The government-wide financial statements are accounted for on a flow of economic resources measurement focus. With this measurement focus, all assets and all liabilities associated with the operation of these activities are included on the statement of net position.

**Novel Coronavirus (COVID-19)**

Please refer to note 18 for information on the impact of COVID-19 on accounting and financial reporting during fiscal year 2020.

**Cash and Cash Equivalents**

For purpose of the statement of cash flows, cash equivalents are defined as short-term, highly liquid investments that are both (a) readily convertible to known amounts of cash, and (b) so near the maturity that they present insignificant risk of changes in value because of changes in interest rates. Generally, the County considers investments with original maturities of 90 days or less to be cash equivalents.

**County of James City, Virginia**  
Notes to Basic Financial Statements  
June 30, 2020

**1) Summary of Significant Accounting Policies, Continued**

**Investments**

Investments are reported at fair value except for the position in Virginia's Local Government Investment Pool (LGIP) which in accordance with state law, is reported at amortized cost. The County determines fair value in accordance with GASB Statement No. 72, *Fair Value Measurement and Application*. This statement requires the use of valuation techniques which are appropriate under the circumstances and are either a market approach, a cost approach, or an income approach. The statement establishes a hierarchy of inputs used to measure fair value consisting of three levels. Level 1 inputs are quoted prices in active markets for identical assets or liabilities. Level 2 inputs are inputs, other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly. The County uses a market approach as the valuation technique for Level 2 inputs. Level 3 inputs are unobservable inputs, such as management's assumption of the default rate among underlying mortgages of a mortgage-backed security. Statement No. 72 also contains note disclosure requirements regarding the hierarchy of valuation inputs and valuation techniques that was used for the fair value measurements.

**Allowance for Uncollectible Accounts**

The County calculates its allowance for uncollectible accounts using historical collection data and specific account analysis. The allowance for uncollectible accounts relating solely to property taxes was \$83,634 in the General Fund at June 30, 2020. Additionally, the County recorded an allowance for uncollectible accounts of \$16,852 related to business, professional and occupational license taxes and \$253,491 for the Advance Life Support/Basic Life Support (ALS/BLS) fees.

**Inventory**

All inventories, which consist of materials and supplies, are valued at cost using the average-cost method. Reported inventories are accounted for under the consumption method (i.e., recorded as expenditures when used) in the governmental funds. The cost is recorded as an expenditure at the time individual inventory items are consumed. Quantities on hand at year end are recorded at cost on the balance sheet with an offset to nonspendable fund balance, which indicates that they do not constitute available spendable resources.

**Capital Assets**

Capital outlays are recorded as expenditures of the governmental funds and as assets in the accompanying government-wide financial statements to the extent the County's capitalization threshold of \$5,000 is met. Depreciation is recorded on capital assets on a government-wide basis.

All capital assets are valued at historical cost or estimated historical cost if actual cost was not available. Contributed capital assets are valued at their acquisition value on the date donated.

Maintenance, repairs and minor equipment are charged to operations when incurred. Expenditures that materially change capacities or extend useful lives are capitalized. Upon sale or retirement of capital assets, the cost and related accumulated depreciation, if applicable, are eliminated from the respective accounts and any resulting gain or loss is included in the results of operations.

Depreciation of capital assets is calculated on the straight-line basis over the following estimated useful lives:

Buildings and improvements	10 to 50 years
Improvements other than buildings	6 to 40 years
Equipment and vehicles	3 to 20 years
Infrastructure	20 to 40 years

**Compensated Absences**

County employees are granted sick and vacation leave in varying amounts based on length of service. They may accumulate, subject to certain limitations, unused sick and vacation leave, and upon retirement, termination, or death, may be compensated for certain amounts at their then current rates of pay. The accumulated annual sick and vacation leave estimated to be payable upon separation are recorded in the accompanying government-wide financial statements.

**County of James City, Virginia**  
Notes to Basic Financial Statements  
June 30, 2020

**1) Summary of Significant Accounting Policies, Continued**

**Property Taxes**

Real property taxes are recognized as receivables when levied. Real property taxes attach as an enforceable lien on property automatically. Taxes are levied no later than October 1 and are due by December 5 and June 5.

Property taxes levied in the current and prior year have been recorded in governmental activities as receivables as of the date the County has the legal right to receive payments thereon. Personal property taxes create a lien on the assessed property. The receivables collected during the fiscal year and during the first 45 days of the succeeding fiscal year are recognized in the General Fund as revenues in the current fiscal year.

A penalty of 10% of the tax is assessed the business day after the due date on taxes outstanding as of those dates and interest at 10% per annum is added.

**Risk Management**

The County 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. Property, liability and line of duty coverages are provided through a group self-insurance risk pool. The County's retention is through deductibles on a per-claim basis.

There have been no reductions in insurance coverages from the prior year, and settled claims have not exceeded the amount of insurance coverage in any of the past three fiscal years.

Deductibles and coverage limits at June 30, 2020 are as follows:

	<b>Deductibles</b>	<b>Liability Coverage Limits</b>
Property insurance:		
Building and contents	\$ 10,000	Replacement cost
Inland marine	\$ 1,000	Functional cost/ actual cash value
Flood/earthquake (outside 100 year flood plain)	\$ 25,000	\$ 100,000,000
Business interruption/extra expense		\$ 3,000,000
Property in transit		\$ 5,000,000
Increased cost of construction/ordinance/demolition		\$ 20,000,000
Back-up of sewers and drains		\$ 10,000,000
Debris removal		\$ 25,000,000
Pollutant clean-up and removal		\$ 500,000
Utility services time element		\$ 5,000,000
Newly acquired locations for up to 120 days		\$ 25,000,000
Boiler/equipment breakdown	\$ 1,000	\$ 125,000,000
General liability	\$ 100,000	\$ 2,000,000
Public officials liability	\$ 100,000	\$ 1,000,000
Law enforcement liability	\$ 100,000	\$ 2,000,000
Automobile liability	\$ 100,000	\$ 2,000,000
Automobile comprehensive/collision	\$ 1,000	Actual cash value/ repair cost
Crime	\$ 250	\$ 500,000
Cyber risk	\$ 100,000	\$ 2,000,000
Environmental liability	\$ 100,000	\$ 1,000,000
Excess liability - General; Automotive; Law enforcement		\$ 7,000,000
Excess liability - Public officials		\$ 8,000,000
Worker's compensation; Line of duty		Statutory limits



**1) Summary of Significant Accounting Policies, Continued**

**Bond Premiums, Discounts and Issuance Costs**

In the accompanying government-wide financial statements, bond premiums and discounts are deferred and amortized over the terms of the related issues on a straight-line basis, which approximates the effective interest method.

In the accompanying fund financial statements, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs, during the current period. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

**Interfund Transactions**

Interfund transactions are reflected as either loans, services provided, reimbursements or transfers. Loans are reported as receivables and payables as appropriate and are subject to elimination upon consolidation. Services provided, deemed to be at market or near market rates, are treated as revenues and expenditures/expenses. Reimbursements occur when one fund incurs a cost, charges the appropriate benefiting fund and reduces its related cost as a reimbursement. All other interfund transactions are treated as transfers.

**Deferred Outflows and Inflows of Resources**

In addition to assets and liabilities, the statement of net position reports separate sections for deferred outflows of resources and deferred inflows of resources. Deferred outflows represent a consumption of net position that applies to future periods and so will not be recognized as an outflow of resources until then. Deferred inflows represent an acquisition of net position that is applicable to a future reporting period and, therefore, will not be recognized as an inflow of resources until that time.

The County has the following items that qualify for reporting in these categories:

- ***Deferred gain/loss on refunding:*** A deferred amount on refunding is a deferred outflow/inflow which results from the difference in the carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded or refunding debt.
- ***Contributions subsequent to the measurement date for pensions and OPEB:*** These contributions are always a deferred outflow, which will be applied to the net pension or OPEB liability in the next fiscal year.
- ***Differences between expected and actual experience for economic/demographic factors in the measurement of the total pension or OPEB liability:*** This difference will be recognized in pension or OPEB expense over the expected average remaining service life of all employees provided with benefits in the plan and may be reported as a deferred inflow or outflow as appropriate.
- ***Differences resulting from a changes in proportion of the collective net pension and OPEB liabilities:*** This difference will be recognized in pension and OPEB expense over the expected average remaining service life of all employees provided with benefits in the plan and may be reported as a deferred inflow or outflow as appropriate.
- ***Difference between projected and actual earnings on pension and OPEB plan investments:*** This difference will be recognized in pension or OPEB expense over the closed five year period and may be reported as a deferred outflow or inflow as appropriate.
- ***Differences resulting from changes in assumptions on pension plan or OPEB investments:*** These differences will be recognized in pension or OPEB expense over the estimated remaining service life of employees subject to the plan.

**County of James City, Virginia**  
Notes to Basic Financial Statements  
June 30, 2020

**1) Summary of Significant Accounting Policies, Continued**

**Encumbrances**

Encumbrance accounting in which purchase orders, contracts and other commitments for the expenditure of monies are recorded in order to reserve that portion of the applicable appropriations, is employed as an extension of formal budgetary integration. Outstanding encumbrances at year-end are reported in their appropriate fund balance classification in accordance with GASB Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*.

**Fund Balances**

Fund balance is classified as nonspendable, restricted, committed, assigned, and/or unassigned based primarily on the extent to which the County is bound to observe constraints imposed upon the use of the resources in the governmental funds. Fund balances are reported according to the following categories:

Nonspendable: Amounts that cannot be spent because they are not in spendable form, or are legally or contractually required to be maintained intact. This classification includes inventories, prepaid amounts, assets held for sale, and long-term receivables.

Restricted: Amounts that can be spent only for the specific purposes stipulated by constitution, external resource providers or through enabling legislation.

Committed: Amounts that can be used only for the specific purposes determined by formal action of the Board of Supervisors by adoption of an ordinance and cannot be used for any other purpose unless the County removes or changes the specified use by taking the same type of action it employed to previously commit those amounts. In contrast to fund balance that is restricted by enabling legislation, committed fund balance may be redeployed for other purposes with appropriate due process.

Assigned: Amounts that are intended to be used for specific purposes, but do not meet the criteria as restricted or committed. In governmental funds other than the general fund, assigned fund balance represents the remaining amount that is not restricted or committed. In the general fund, assigned amounts represent intended uses established by the Board of Supervisors, or as delegated to the Director of Financial and Management Services. The Board of Supervisors has, by resolution, authorized the Director of Financial and Management Services to assign fund balance. Unlike commitments, assignments generally only exist temporarily and an additional action is not normally required to be taken for the removal of an assignment.

Unassigned: Includes the residual classification for the County's general fund and includes all spendable amounts not contained in other classifications. Only the general fund can report a positive unassigned fund balance. This includes the County's goal of maintaining a fiscal liquidity balance between 10%-12% of the total general governmental expenditures.

The County's policy is to apply expenditures against restricted resources first when either restricted or unrestricted amounts are available. Within unrestricted fund balance, it is the County's policy to apply expenditures against committed amounts first, followed by assigned, and then unassigned amounts. In a governmental fund other than the general fund, a negative unassigned fund balance could result if expenditures incurred for a specific purpose exceeds the amounts in the fund that are restricted, committed, and assigned for that purpose.

The use of the general fund's unassigned fund balance may be necessary from time to time to meet unexpected events including, but not limited to: catastrophic (emergency funds in the event of natural or man-made disasters); financial opportunity (to enhance the well-being of James City County or other such global purpose to protect its long-term fiscal security); operational (provide additional funds for limited unexpected needs); and revenue shortfalls (to provide limited funds to smooth fluctuations caused by changes in economic conditions). It is the County's policy that if the use of the general fund's unassigned fund balance causes the balance to fall below the minimum fiscal liquidity balance of 10%, the Board of Supervisors will adopt a plan and a timeline for replenishing the balance to its minimum 10% level.

**County of James City, Virginia**  
Notes to Basic Financial Statements  
June 30, 2020

**1) Summary of Significant Accounting Policies, Continued**

The constraints placed on fund balance for the major governmental funds and non-major governmental funds in the aggregate at June 30, 2020 were as follows:

	<u>General</u>	<u>Capital Projects</u>	<u>Nonmajor governmental Funds</u>
Nonspendable:			
Inventory	\$ 232,235	\$ -	\$ -
Restricted:			
Debt service - bond proceeds held in escrow	-	2,030,253	-
Housing and neighborhood development	-	-	838,151
Fire and emergency management	-	-	129,366
Health initiative	-	-	33,611
Encumbrances	-	-	318,105
Total restricted	<u>-</u>	<u>2,030,253</u>	<u>1,319,233</u>
Assigned:			
General government	-	4,592,823	383,343
Judicial administration	-	58,700	689,970
Public safety	-	1,309,565	74,274
Public works	-	4,039,759	-
Health and welfare	-	-	2,237,991
Education	-	5,042,216	769,827
Parks, recreation and cultural	-	4,515,784	21,931
Community development	-	9,780,022	7,726,803
Other	-	190,293	-
Encumbrances	834,391	1,734,642	470,982
Health insurance reserve	4,091,481	-	-
Potential insurance losses	300,000	-	-
Capital reserve (debt reserve fund)	7,853,810	-	-
School operations	1,810,400	-	-
Subsequent year's budget - capital projects	2,400,000	-	-
Total assigned	<u>17,290,082</u>	<u>31,263,804</u>	<u>12,375,121</u>
Unassigned	<u>42,058,054</u>	<u>-</u>	<u>-</u>
Total fund balance	<u>\$ 59,580,371</u>	<u>\$ 33,294,057</u>	<u>\$ 13,694,354</u>

**Estimates**

The preparation of financial statements requires management to make estimates and assumptions that affect the reported amounts and disclosures. Accordingly, actual results could differ from those estimates and assumptions.

**Reclassification**

Certain amounts in the prior year financial presentations in the management's discussion and analysis and statistical sections have been reclassified for comparative purposes to conform to the current year presentation.

**County of James City, Virginia**  
Notes to Basic Financial Statements  
June 30, 2020

**2) Cash, Cash Equivalents and Investments**

**Primary Government**

The primary government's cash, cash equivalents and investments at June 30, 2020, consisted of the following:

Bank deposits	\$ 40,627,599
Petty cash	7,000
Amounts held for others	178
Money market	38,506,060
Investments	25,193,745
Total	<u>\$ 104,334,582</u>
Per Exhibit 1:	
Cash and cash equivalents	\$ 70,079,711
Investments	14,748,428
Restricted cash and cash equivalents	4,956,986
Per Exhibit 5:	
Cash, cash equivalents and investments	9,617,567
Restricted cash and investments	4,931,890
Total	<u>\$ 104,334,582</u>

The totals above include Agency Funds in the amount of \$14,549,457 from Exhibit 5, which are not a part of the government-wide financial statements.

Deposits with banks are fully covered by the Federal Deposit Insurance Corporation (FDIC) or collateralized in accordance with the Virginia Security for Public Deposits Act, Section 2.2-4400 et. seq. of the Code of Virginia.

The primary government's restricted cash, cash equivalents and investments at June 30, 2020 are detailed as follows:

Fund	Purpose	Amount	Total
Major governmental funds			
General	Subdivision escrow		\$ 1,244,757
Capital projects	Unspent bond proceeds	2,030,253	
	Developer escrow	<u>350,200</u>	2,380,453
Nonmajor governmental funds			
Housing and neighborhood development	Community rehabilitation	850,694	
Grants and special projects	Grants and special projects	<u>481,082</u>	1,331,776
Total			<u>\$ 4,956,986</u>

**Fair Value Hierarchy**

GASB Statement No. 72, *Fair Value Measurement and Application*, establishes a hierarchy of valuation techniques based on inputs used to measure the fair value of an asset. Level 1 inputs are quoted prices in active markets for identical assets or liabilities. Level 2 inputs are inputs, other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly. Level 3 inputs are unobservable inputs. The County uses a market approach as the valuation technique for Level 2 inputs.

**County of James City, Virginia**  
Notes to Basic Financial Statements  
June 30, 2020

**2) Cash, Cash Equivalents and Investments, Continued**

As of June 30, 2020, the primary government's investments were as follows:

<b>Investment Type</b>	<b>Cost</b>	<b>Fair value</b>	<b>Level 1</b>	<b>Level 2</b>	<b>Level 3</b>
U.S. Treasury securities	\$ 4,092,111	\$ 4,175,032	\$ -	\$ 4,175,032	\$ -
Federal agency notes and bonds	3,060,253	3,101,398	-	3,101,398	-
Corporate notes and bonds	1,605,842	1,647,266	-	1,647,266	-
Commercial paper	2,083,905	2,097,675	-	2,097,675	-
Certificates of deposit	1,700,457	1,715,987	-	1,715,987	-
Municipal notes and bonds	653,373	663,167	-	663,167	-
Federal agency collateralized mortgage obligation	812,840	828,412	-	828,412	-
Supra-National agency bond/note	514,416	519,491	-	519,491	-
<b>Total</b>	<b>\$ 14,523,197</b>	<b>\$ 14,748,428</b>	<b>\$ -</b>	<b>\$ 14,748,428</b>	<b>\$ -</b>

	<b>Fair value</b>	<b>Investment maturity (in years)</b>		
		<b>Less than 1</b>	<b>1-2</b>	<b>2-7</b>
U.S. Treasury securities	\$ 4,175,032	\$ 355,414	\$ 3,160,948	\$ 658,670
Federal agency notes and bonds	3,101,398	-	1,183,942	1,917,456
Corporate notes and bonds	1,647,266	-	649,563	997,703
Commercial paper	2,097,675	2,097,675	-	-
Certificates of deposit	1,715,987	1,406,876	-	309,111
Municipal notes and bonds	663,167	178,040	215,351	269,776
Federal agency collateralized mortgage obligation	828,412	47,213	233,895	547,304
Supra-National agency bond/note	519,491	-	276,637	242,854
<b>Total</b>	<b>\$ 14,748,428</b>	<b>\$ 4,085,218</b>	<b>\$ 5,720,336</b>	<b>\$ 4,942,874</b>

**Investment Policy**

In accordance with the Code of Virginia and other applicable law, including regulations, the County's Investment Policy (the Policy) permits investments in U.S. government obligations, municipal obligations, prime quality commercial paper, and certain corporate notes, bankers' acceptances, repurchase agreements, negotiable certificates of deposit, bank deposit notes, mutual funds, and the State Treasurer's Local Government Investment Pool (the Virginia LGIP, which measures its investments at amortized cost). The Treasury Board of the Commonwealth of Virginia has regulatory oversight of the LGIP.

The Policy establishes limitations on the holdings of non-U.S. government obligations. The maximum percentage of the portfolio (book value at the date of acquisition) permitted in each security is as follows:

U.S. Treasury obligations	100% maximum
Federal Agency obligations	100% maximum
Registered money market mutual funds	100% maximum
Commonwealth of Virginia LGIP	100% maximum
Bank deposits	100% maximum
Repurchase agreements	50% maximum
Bankers' acceptances	40% maximum
Commercial paper	35% maximum
Negotiable certificates of deposit/bank notes	20% maximum
Municipal obligations	20% maximum
Corporate notes	15% maximum

**County of James City, Virginia**  
Notes to Basic Financial Statements  
June 30, 2020

**2) Cash, Cash Equivalents and Investments, Continued**

**Credit Risk**

As required by state statute, the Policy requires that commercial paper have a short-term debt rating of no less than "A-1" (or its equivalent) from at least two of the following; Moody's Investors Service, Standard & Poor's, Fitch Investor's Service, and Duff and Phelps. Corporate notes must have a minimum of "Aa" long-term debt rating by Moody's Investors Service and a minimum of "AA" long-term debt rating by Standard & Poor's. Negotiable Certificates of Deposit and bank deposit notes maturing in less than one year must have a short-term debt rating of at least "A-1" by Standard & Poor's and "P-1" by Moody's Investors Service. Notes having a maturity of greater than one year must be rated "AA" by Standard & Poor's and "Aa" by Moody's Investors Service. Although state statute does not impose credit standards on repurchase agreement counterparties, bankers' acceptances or money market mutual funds, the County has established stringent credit standards for these investments to minimize portfolio risk.

The County's investments and cash equivalents as of June 30, 2020 were rated by Standard & Poor's, Moody's and Fitch and/or an equivalent national rating organization, and the ratings are as follows:

	Unrated	AAA	AA+	AA	AA-	A-1+	A-1	A+
Federal agency notes and bonds	-	-	3,101,398	-	-	-	-	-
Corporate notes and bonds	-	-	248,069	664,338	580,322	-	-	154,537
Commercial paper	-	-	-	-	-	299,304	1,798,371	-
Certificates of deposit	-	-	-	-	309,111	-	1,406,876	-
Municipal notes and bonds	123,094	75,000	85,493	121,896	257,684	-	-	-
Federal agency collateralized mortgage obligation	-	-	828,412	-	-	-	-	-
Supra-National agency bond and notes	-	519,491	-	-	-	-	-	-
US Treasury securities	-	-	4,175,032	-	-	-	-	-
LGIP	-	36,339,036	-	-	-	-	-	-
Money market	2,030,253	136,770	-	-	-	-	-	-
Total	\$ 2,153,347	\$37,070,297	\$ 8,438,404	\$ 786,234	\$ 1,147,117	\$ 299,304	\$ 3,205,247	\$ 154,537

**Concentration of Credit Risk**

The Policy establishes limitations on portfolio composition by issuer in order to control concentration of credit risk. No more than 5% of the County's portfolio will be invested in the securities of any single issuer with the following exceptions:

U.S. Treasury	100% maximum
Commonwealth of Virginia LGIP	100% maximum
Each bank deposit institution	100% maximum
Each money market mutual fund	50% maximum
Each federal agency	35% maximum
Each repurchase agreement counterparty	25% maximum

As of June 30, 2020, the portions of the County's portfolio, excluding U.S. Treasury securities, which exceed 5% of the total portfolio are as follows:

Issuer	% of portfolio
Freddie MAC	12.60%
Federal Home Loan Banks	7.30%
Fannie MAE	6.40%

**Interest Rate Risk**

As a means of limiting exposure to fair value losses arising from rising interest rates, the County's Policy limits the investment of short-term operating funds to an average weighted maturity of no more than 180 days, with a portion of the portfolio continuously invested in readily available funds. The operating fund core portfolio will be invested in permitted investments with a stated maturity of no more than five years from the date of purchase.

**County of James City, Virginia**  
Notes to Basic Financial Statements  
June 30, 2020

**2) Cash, Cash Equivalents and Investments, Continued**

To control the volatility of the core portfolio, the Treasurer will determine a duration target, not to exceed three years. Proceeds from the sale of bonds must be invested in compliance with the specific requirements of the bond covenants and may be invested in securities with longer maturities, so long as the maturity does not exceed the expected disbursement date of those funds.

**Custodial Credit Risk**

The Policy requires that all investment securities purchased by the County or held as collateral on deposits or investments shall be held by the County or by a third-party custodial agent who may not otherwise be a counterparty to the investment transaction. As of June 30, 2020, all of the County's investments are held in a bank's trust department in the name of James City County.

**Component Units**

The James City Service Authority's (Authority), Public School's, and the Economic Development Authority's (EDA) cash, cash equivalents and investments at June 30, 2020, consisted of the following:

	<u>Authority</u>	<u>Component Unit Public Schools</u>	<u>EDA</u>
Bank deposits	\$ 1,057,657	\$ 11,015,285	\$ 342,306
Petty cash	503	-	-
Money market	11,432,343	-	-
Investments	49,828,908	10,284,629	242,091
Total cash, cash equivalents and investments	<u>\$ 62,319,411</u>	<u>\$ 21,299,914</u>	<u>\$ 584,397</u>

The Public Schools' total includes Agency Funds of \$1,335,753 which are not part of the government-wide financial statements.

Deposits with banks are fully covered by the Federal Deposit Insurance Corporation (FDIC) or collateralized in accordance with the Virginia Security for Public Deposits Act, Section 2.2-4400 et. seq. of the Code of Virginia.

**3) Receivables**

Amounts due from miscellaneous sources at June 30, 2020 are detailed as follows:

	<u>General Fund</u>	<u>Nonmajor Governmental Funds</u>
Sales tax	\$ 1,481,728	\$ -
Historic 1% sales tax	508,617	-
Emergency medical services	450,650	-
Meals tax	358,040	-
Health insurance	176,926	-
Recordation tax	167,905	-
Business license	167,734	-
Charges for services	114,411	-
Deeds of conveyance	40,916	-
Utility consumption fee	27,658	-
Motor vehicle licenses	17,672	-
Fines and forfeitures	8,514	-
Other	5,428	78,528
Total	<u>\$ 3,526,199</u>	<u>\$ 78,528</u>

**County of James City, Virginia**  
Notes to Basic Financial Statements  
June 30, 2020

**3) Receivables, Continued**

The Housing and Neighborhood Development Fund provides loans related to certain programs. The balance receivable on these loans as of June 30, 2020 is presented on the balance sheet net of an allowance for forgiven and deferred loans, as shown below:

Gross loan balances outstanding	\$ 2,170,112
Less: Allowance	<u>(1,644,308)</u>
Loans receivable, net	<u><u>\$ 525,804</u></u>

**4) Interfund Receivables, Payables and Transfers**

Interfund receivable and payable balances are considered short-term in nature. All other balances resulted 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.

At June 30, 2020, the balances were as follows:

	Due from other funds		
	General	Capital Projects	Nonmajor governmental funds
<b>Due to other funds:</b>			
General	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 769,827</u>
			<u><u>\$ 769,827</u></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, (2) move receipts restricted to debt service from the funds collecting the receipts to the debt service fund as debt service payments become due, and (3) use unrestricted revenues collected in the General Fund to finance various programs accounted for in other funds in accordance with budgetary authorizations.

Interfund transfers for the year ended June 30, 2020, consisted of the following:

	Transfers In	Transfers Out
General fund	\$ 102,833	\$ (34,912,342)
Capital projects	9,908,147	(537,045)
Debt service	19,673,916	-
Nonmajor governmental	6,548,379	(783,888)
Total	<u>\$ 36,233,275</u>	<u>\$ (36,233,275)</u>

The transfer from the nonmajor governmental funds of \$65,788 to the General Fund was funding for a tourism-related position. The transfer from the Capital Projects Fund of \$37,045 to the General Fund was for the creation of a new position created in the General Fund for a part of FY2020.

Transfers from the General Fund of \$9,190,047 to the Capital Projects Fund represent the County's pay-as-you-go project funding. Transfers from the General Fund of \$19,673,916 to the Debt Service Fund were for the principal and interest on outstanding debt as the payments became due.

Transfers from the General Fund of \$6,048,379 to various nonmajor governmental funds represent the movement of funds collected in the General Fund to finance various programs accounted for in other funds in accordance with budgetary authorizations.

Transfers from the nonmajor governmental funds of \$718,100 to the Capital Projects Fund represent the movement of funds collected in various funds to finance capital projects related to tourism and other special projects.

Transfers from the Capital Projects Fund of \$500,000 to nonmajor governmental funds were to provide funding to assist with the economic impacts of COVID-19.



**County of James City, Virginia**  
Notes to Basic Financial Statements  
June 30, 2020

**5) Due from Other Governments**

Details of net amounts due from other governments as of June 30, 2020 are as follows:

<b>Primary Government</b>	<b>General</b>	<b>Nonmajor Governmental</b>	<b>Total</b>
Local:			
Wmbg. Regional Library	\$ 68,563	\$ -	\$ 68,563
Other	(7,482)	107,400	99,918
City of Williamsburg	61,564		61,564
WJCC Schools - Comprehensive Svcs. Act	-	6,178	6,178
Commonwealth of Virginia:			
Car rental tax	2,478	-	2,478
Communications sales and use tax	231,836	-	231,836
Compensation Board	203,384	-	203,384
Personal property tax relief	4,836,856	-	4,836,856
Comprehensive Services Act	-	364,269	364,269
E911 Wireless Board	19,715	-	19,715
Other	9,744	69,462	79,206
Rolling stock tax	9,948	-	9,948
Sales tax	1,648,478	-	1,648,478
Virginia Dept. of Aviation	-	89,600	89,600
Virginia Dept. of Social Services	-	126,790	126,790
Virginia Dept. of Criminal Justice Services	-	9,373	9,373
Virginia Dept. of Transportation	11,113	3,699	14,812
Federal:			
Dept. of Criminal Justice Services	-	13,615	13,615
Dept. of Homeland Security	-	74,437	74,437
Dept. of Housing & Community Development	-	300	300
Dept. of Justice	-	58,258	58,258
Dept. of Revenue	5,428	-	5,428
Dept. of Social Services	-	221,026	221,026
<b>Total</b>	<b>\$ 7,101,625</b>	<b>\$ 1,144,407</b>	<b>\$ 8,246,032</b>

**Component Unit - Public Schools**

Federal government	\$ 1,611,534
Commonwealth of Virginia	506,911
Fiduciary fund	225,919
<b>Total</b>	<b>\$ 2,344,364</b>

All amounts due from other governments are expected to be collected within one year.

**County of James City, Virginia**  
Notes to Basic Financial Statements  
June 30, 2020

**6) Capital Assets**

The following is a summary of changes in capital assets for the fiscal year ended June 30, 2020:

<b>Governmental activities:</b>	<b>Balances July 1, 2019</b>	<b>Increases</b>	<b>Decreases</b>	<b>Balances June 30, 2020</b>
Capital assets not being depreciated:				
Land and land improvements	\$ 30,276,667	\$ 1,475,878	\$ -	\$ 31,752,545
Construction in progress	16,204,614	9,072,597	13,356,498	11,920,713
Intangible assets - easements	8,826,349	-	-	8,826,349
Total capital assets not being depreciated	55,307,630	10,548,475	13,356,498	52,499,607
Capital assets being depreciated:				
Depreciable land improvements	5,099,303	525,381	-	5,624,684
Intangible assets, as reclassified	4,714,399	217,576	-	4,931,975
Buildings	370,268,523	4,343,548	-	374,612,071
Improvements other than buildings	37,272,225	2,993,595	20,668	40,245,152
Infrastructure	11,878,595	330,815	-	12,209,410
Equipment and vehicles, as reclassified	49,400,791	5,075,874	822,433	53,654,232
Total capital assets being depreciated	478,633,836	13,486,789	843,101	491,277,524
Less accumulated depreciation for:				
Depreciable land improvements	68,328	315,426	-	383,754
Intangible assets, as reclassified	3,667,979	400,752	-	4,068,731
Buildings	115,394,562	8,301,879	-	123,696,441
Improvements other than buildings	15,838,777	1,804,876	14,398	17,629,255
Infrastructure	5,087,682	430,938	-	5,518,620
Equipment and vehicles, as reclassified	34,482,929	3,880,799	731,058	37,632,670
Total accumulated depreciation	174,540,257	15,134,670	745,456	188,929,471
Total capital assets being depreciated, net	304,093,579	(1,647,881)	97,645	302,348,053
Total	\$ 359,401,209	\$ 8,900,594	\$ 13,454,143	\$ 354,847,660

Depreciation was charged to governmental functions as follows:

General government administration	\$ 962,100
Judicial administration	386,622
Public safety	3,913,763
Public works	701,168
Parks, recreation and cultural	2,095,330
Community development	486,575
Education	6,346,055
Health and welfare	243,057
Total	<u>\$ 15,134,670</u>

There was a reclassification of July 1, 2019 asset and accumulated depreciation balances based on a reclassification of certain assets. The impact of the restatement was as follows:

	<b>6/30/2019 Previously Reported</b>	<b>Reclassification</b>	<b>7/1/2019 As Reclassified</b>
Capital assets being depreciated:			
Intangible assets	\$ 817,721	\$ 3,896,678	\$ 4,714,399
Equipment and vehicles	\$ 53,297,469	\$ (3,896,678)	\$ 49,400,791
Accumulated depreciation for:			
Intangible assets	\$ 141,964	\$ 3,526,015	\$ 3,667,979
Equipment and vehicles	\$ 38,008,944	\$ (3,526,015)	\$ 34,482,929

**County of James City, Virginia**  
Notes to Basic Financial Statements  
June 30, 2020

**6) Capital Assets, Continued**

<b>Component Unit - Authority:</b>	<b>Balances July 1, 2019</b>	<b>Increases</b>	<b>Decreases</b>	<b>Balances June 30, 2020</b>
Capital assets not being depreciated:				
Land	\$ 1,741,991	\$ -	\$ -	\$ 1,741,991
Land - utility plant	955,995	-	-	955,995
Land improvements	13,183	-	-	13,183
Construction in progress	3,464,970	5,843,839	5,913,217	3,395,592
Intangible assets - easements	4,570	-	-	4,570
Total capital assets not being depreciated	<u>6,180,709</u>	<u>5,843,839</u>	<u>5,913,217</u>	<u>6,111,331</u>
Capital assets being depreciated:				
Water and sewer systems - utility plant	264,309,916	3,365,816	-	267,675,732
Land improvements (depreciable)	8,930	-	-	8,930
Buildings and improvements	4,435,895	798,941	49,425	5,185,411
Office fixtures and equipment	2,379,905	1,776,153	22,764	4,133,294
Automotive equipment	3,018,468	155,882	122,583	3,051,767
Intangible assets - water rights	25,000,000	-	-	25,000,000
Software	-	10,562	-	10,562
Infrastructure	91,798	-	-	91,798
Total capital assets being depreciated	<u>299,244,912</u>	<u>6,107,354</u>	<u>194,772</u>	<u>305,157,494</u>
Less accumulated depreciation for:				
Water and sewer systems - utility plant	139,083,418	6,888,955	-	145,972,373
Land improvements	223	446	-	669
Buildings and improvements	1,286,420	128,687	30,067	1,385,040
Office fixtures and equipment	1,534,952	217,247	22,764	1,729,435
Automotive equipment	2,549,256	263,732	122,583	2,690,405
Intangible assets - water rights	6,288,344	613,497	-	6,901,841
Infrastructure	3,590	3,060	-	6,650
Total accumulated depreciation	<u>150,746,203</u>	<u>8,115,624</u>	<u>175,414</u>	<u>158,686,413</u>
Total capital assets being depreciated, net	<u>148,498,709</u>	<u>(2,008,270)</u>	<u>19,358</u>	<u>146,471,081</u>
Total	<u>\$ 154,679,418</u>	<u>\$ 3,835,569</u>	<u>\$ 5,932,575</u>	<u>\$ 152,582,412</u>

Depreciation was charged to the Authority's operations as follows:

Water	\$ 5,119,420
Sewer	2,996,204
Total	<u>\$ 8,115,624</u>

**County of James City, Virginia**  
Notes to Basic Financial Statements  
June 30, 2020

**6) Capital Assets, Continued**

<b>Component Unit - Public Schools</b>	<b>Balances July 1, 2019</b>	<b>Increases</b>	<b>Decreases</b>	<b>Balances June 30, 2020</b>
Capital assets not being depreciated:				
Land improvements	\$ 8,435,126	\$ -	\$ -	\$ 8,435,126
Construction in progress	1,368,357	1,939,376	2,317,018	990,715
Total capital assets not being depreciated	9,803,483	1,939,376	2,317,018	9,425,841
Capital assets being depreciated:				
Buildings and improvements	66,852,811	2,577,510	-	69,430,321
Furniture and equipment	28,715,184	469,310	-	29,184,494
Total capital assets being depreciated	95,567,995	3,046,820	-	98,614,815
Less accumulated depreciation for:				
Buildings and improvements	26,756,987	2,704,589	-	29,461,576
Furniture and equipment	19,619,904	1,505,883	-	21,125,787
Total accumulated depreciation	46,376,891	4,210,472	-	50,587,363
Total capital assets being depreciated, net	49,191,104	(1,163,652)	-	48,027,452
Total	\$ 58,994,587	\$ 775,723	\$ 2,317,018	\$ 57,453,293

Depreciation of \$4,210,472 was charged to the Public Schools' governmental functions.

The total construction in progress for the Public Schools was \$8,028,799 at June 30, 2020. Capital outlay expenditures totaling \$7,038,084 are presented in the County's construction in progress balance in order to match the corresponding debt.

<b>Component Unit - EDA</b>	<b>Balances July 1, 2019</b>	<b>Increases</b>	<b>Decreases</b>	<b>Balances June 30, 2020</b>
Capital assets not being depreciated:				
Land	\$ 1,037,951	\$ -	\$ 327,156	\$ 710,795
Land improvements	34,200	-	-	34,200
Construction in progress	166,510	-	-	166,510
Total capital assets not being depreciated	1,238,661	-	327,156	911,505
Capital assets being depreciated:				
Land improvements	237,988	-	-	237,988
Buildings and improvements	290,095	-	-	290,095
Infrastructure	182,379	-	-	182,379
Total capital assets being depreciated	710,462	-	-	710,462
Less accumulated depreciation for:				
Buildings and improvements	12,087	7,252	-	19,339
Land improvements	19,832	11,899	-	31,731
Infrastructure	10,388	6,233	-	16,621
Total accumulated depreciation	42,307	25,384	-	67,691
Total capital assets being depreciated, net	668,155	(25,384)	-	642,771
Total	\$ 1,906,816	\$ (25,384)	\$ 327,156	\$ 1,554,276

**7) Due From and To Component Units**

The Authority owed the County \$494,045 at June 30, 2020, which primarily represented payroll expenses and purchase card expenses paid by the County on behalf of the Authority.

The County funds its construction costs for schools through the Capital Projects Fund for the component unit - Public Schools. In addition, the County receives sales tax for education payments from the State that are remitted directly to the Public Schools through the General Fund. At June 30, 2020, the County owed the Public Schools \$2,227,888, primarily for the sales tax for education payments related to fiscal year 2020, but received by the County from the State after year-end. For fiscal year 2020, the Public Schools owed the County \$5,562,727, primarily for local schools funds unexpended at year-end that are contractually required to be returned to the County. The net due from component unit – Public Schools was \$3,334,839 at June 30, 2020.

The County owed the Economic Development Authority \$53,339 for its contribution to fund enterprise zone grants and an incentive to a business under a performance based agreement.

**County of James City, Virginia**  
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June 30, 2020

**8) Unavailable Revenue and Unearned Revenue**

Unavailable revenue represents amounts that have been earned but are not available. Unavailable revenue consists of the following as of June 30, 2020:

	General fund	Capital projects	Other governmental funds	Total
Medic fees	\$ 273,758	\$ -	\$ -	\$ 273,758
Grants not collected within availability period	-	-	456,134	456,134
Property taxes not collected within availability period	19,829,691	593	-	19,830,284
	<u>\$ 20,103,449</u>	<u>\$ 593</u>	<u>\$ 456,134</u>	<u>\$ 20,560,176</u>

Unearned revenue represents amounts for which asset recognition criteria have been met, but for which revenue recognition criteria have not been met. Details of unearned revenue as of June 30, 2020 were as follows:

Primary government	General fund	Capital projects	Other governmental funds	Total
Prepaid property taxes and fees	\$ 702,618	\$ -	\$ -	\$ 702,618
CARES Act Relief	-	-	114,672	114,672
Insurance reimbursement	-	55,563	-	55,563
Grants received in advance	-	-	24,420	24,420
	<u>\$ 702,618</u>	<u>\$ 55,563</u>	<u>\$ 139,092</u>	<u>\$ 897,273</u>

**Component Unit - Public Schools**

James City County Cares Act	\$ 1,749,959
Behavioral intervention grant	17,404
Outdoor science grant	4,301
Math grant	2,353
	<u>\$ 1,774,017</u>

**9) Long-Term Liabilities**

**Primary Government**

A summary of the County's long-term liability activity for governmental activities for the fiscal year ended June 30, 2020, is presented below:

Governmental activities	Balance July 1, 2019	Additions	Reductions	Balance June 30, 2020	Due within one year
General obligation bonds	\$ 31,415,000	\$ -	\$ 4,195,000	\$ 27,220,000	\$ 2,710,000
Lease revenue/refunding bonds	101,511,000	-	9,027,000	92,484,000	9,172,000
Bond premiums, net	13,223,978	-	1,420,654	11,803,324	1,415,851
Capital leases	2,146,958	-	1,060,841	1,086,117	1,086,117
Landfill post-closure care	178,997	66,709	63,666	182,040	64,680
Compensated absences	3,757,356	4,369,449	3,964,046	4,162,759	3,122,069
Net pension liability	12,492,414	7,012,406	-	19,504,820	-
Net OPEB retiree healthcare liability	4,571,936	-	474,372	4,097,564	-
Net OPEB group life insurance liability	3,241,000	148,107	-	3,389,107	-
Net OPEB health insurance credit liability	599,941	89,058	-	688,999	-
Total	<u>\$ 173,138,580</u>	<u>\$ 11,685,729</u>	<u>\$ 20,205,579</u>	<u>\$ 164,618,730</u>	<u>\$ 17,570,717</u>

The General Fund or the Special Revenue Fund where the employees' salaries are charged generally liquidates compensated absences and the pension and OPEB liabilities.

**County of James City, Virginia**  
Notes to Basic Financial Statements  
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**9) Long-Term Liabilities, Continued**

**Arbitrage**

Arbitrage is the difference between the yield on an issuer's tax-exempt bonds and the investment income earned on the proceeds. Arbitrage restrictions imposed by the federal government prohibit an issuer from retaining arbitrage profits when investing bond proceeds at a yield that exceeds the yield on the bonds. Any excess arbitrage must be rebated to the U.S. Treasury. As of June 30, 2020, there was no rebate liability.

Details of long-term bond indebtedness at June 30, 2020 for governmental activities were as follows:

	Sale date	Original borrowing	Interest rates	Final maturity	Balance June 30, 2020
<b>General obligation bonds</b>					
Virginia Public School Authority bonds (Series A)	2011	1,000,000	4.25%	2031	\$ 600,000
General obligation refunding bonds	2014	21,610,000	2.00-5.00%	2028	15,460,000
General obligation refunding bonds (Series A)	2015	11,280,000	2.50-5.00%	2030	11,160,000
				<b>Total</b>	<b>\$ 27,220,000</b>
<b>Lease revenue/refunding bonds</b>					
Lease revenue bonds	2011	6,672,000	2.18%	2022	1,334,000
Lease revenue bonds	2012	26,380,000	3.00-5.00%	2033	14,050,000
Lease revenue refunding bonds	2014	12,575,000	3.00-4.00%	2026	7,510,000
Lease revenue refunding bonds	2015	49,815,000	4.00-5.00%	2026	26,675,000
Lease revenue bonds	2016	26,750,000	2.00-5.00%	2036	22,825,000
Lease revenue refunding bonds	2018	21,015,000	4.00-5.00%	2039	20,090,000
				<b>Total</b>	<b>\$ 92,484,000</b>
<b>Capital leases</b>					
Capital lease	2010	1,312,522	3.725%	2021	\$ 156,538
Capital lease	2017	4,736,044	2.160%	2021	929,579
				<b>Total</b>	<b>\$ 1,086,117</b>

The debt service requirements for the governmental activities' bond obligations are as follows:

Year ending June 30,	General obligation bonds		Lease revenue/refunding bonds	
	Principal	Interest	Principal	Interest
2021	\$ 2,710,000	\$ 1,062,788	\$ 9,172,000	\$ 3,814,511
2022	2,790,000	928,037	9,347,000	3,386,070
2023	2,885,000	789,038	8,855,000	2,956,650
2024	2,985,000	645,287	9,020,000	2,558,950
2025	3,055,000	516,813	9,205,000	2,090,700
2026-2030	12,740,000	1,241,013	25,245,000	6,078,614
2031-2035	55,000	21,250	15,980,000	2,539,237
2036-2039	-	-	5,660,000	449,450
	<b>\$ 27,220,000</b>	<b>\$ 5,204,226</b>	<b>\$ 92,484,000</b>	<b>\$ 23,874,182</b>

In November 2010, the County executed a regional lease purchase agreement with York County to purchase enhanced 911 equipment to service each respective jurisdiction's Dispatch Center and to be compatible with current technology and telephone systems. The amount included in capital assets at June 30, 2020 was \$1,008,200 and depreciation expense of \$100,820 was incurred during fiscal year 2020. Accumulated depreciation was \$974,593 as of June 30, 2020.

In July 2016, the County entered into a Memorandum of Understanding with York County to upgrade the joint public safety/public services radio communication system. The County's portion was \$4,736,044 and is included in capital assets. Depreciation expense of \$947,209 was incurred during fiscal year 2020, and accumulated depreciation was \$3,788,835 as of June 30, 2020.

**County of James City, Virginia**  
Notes to Basic Financial Statements  
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**9) Long-Term Liabilities, Continued**

The present value of future minimum capital lease payments of the County as of June 30, 2020 is as follows:

Year ending June 30:	
2021	1,112,027
Total minimum lease payments	1,112,027
Less amount representing interest	(25,910)
Present value of minimum capital lease payments	<u>\$ 1,086,117</u>

**Component Unit - Authority**

A summary of the Authority's long-term liability activity for the fiscal year ended June 30, 2020, is presented below:

	Balance July 1, 2019	Additions	Reductions	Balance June 30, 2020	Due within one year
Revenue refunding bonds	\$ 20,575,000	\$ -	\$ 655,000	\$ 19,920,000	\$ 690,000
Revenue bonds	-	9,135,000	-	9,135,000	584,000
Premium, net	1,331,388	-	63,907	1,267,481	63,907
Pension liability	523,170	742,158	-	1,265,328	-
Net retiree healthcare OPEB liability	432,969	-	51,533	381,436	-
Net group life insurance OPEB liability	340,000	29,227	-	369,227	-
Net health insurance credit OPEB liability	54,373	48	-	54,421	-
Compensated absences	416,497	502,416	443,673	475,240	356,429
Total	<u>\$ 23,673,397</u>	<u>\$ 10,408,849</u>	<u>\$ 1,214,113</u>	<u>\$ 32,868,133</u>	<u>\$ 1,694,336</u>

Details of long-term bond indebtedness at June 30, 2020 for the Authority were as follows:

	Sale date	Original borrowing	Interest rates	Final maturity	Balance June 30, 2020
Revenue refunding bonds					
Water and sewer system revenue refunding bonds	2016	\$ 22,595,000	3.00-5.00%	2040	\$ 19,920,000
Water and sewer system revenue bonds	2020	9,135,000	2.26%	2035	9,135,000

The debt service requirements for the Authority's debt obligations are as follows:

Year ending June 30,	Revenue refunding and revenue bonds	
	Principal	Interest
2021	\$ 1,274,000	\$ 802,305
2022	1,246,000	826,394
2023	1,283,000	792,886
2024	1,335,000	743,456
2025	1,382,000	691,754
2026-2030	7,609,000	2,762,408
2031-2035	8,716,000	1,654,658
2036-2040	6,210,000	569,700
Total	<u>\$ 29,055,000</u>	<u>\$ 8,843,561</u>

**County of James City, Virginia**  
Notes to Basic Financial Statements  
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**9) Long-Term Liabilities, Continued**

**Component Unit - Public Schools**

A summary of the Public Schools' long-term liability activity for the fiscal year ended June 30, 2020, is presented below:

<b>Component unit - Public Schools</b>	<b>Balance July 1, 2019</b>	<b>Additions</b>	<b>Reductions</b>	<b>Balance June 30, 2020</b>	<b>Due within one year</b>
Net pension liability	\$ 99,893,000	\$ 13,578,736	\$ -	\$ 113,471,736	\$ -
Other postemployment benefits	21,862,726	1,162,670	-	23,025,396	-
Compensated absences	1,075,038	1,120,353	837,926	1,357,465	610,859
Total	<u>\$ 122,830,764</u>	<u>\$ 15,861,759</u>	<u>\$ 837,926</u>	<u>\$ 137,854,597</u>	<u>\$ 610,859</u>

**10) Landfill Closure and Postclosure Care Cost**

The County closed its landfill during fiscal year 1994 and contracted with a third party to provide solid waste disposal services to its residents. This third party operates the site, collects fees based upon the source of the waste, and pays the associated expenditures. The County was responsible for construction of the transfer station and all major maintenance and repairs to it. State and federal laws and regulations require the County to perform certain maintenance and monitoring functions at the site for 10 to 30 years after closure.

The \$182,040 reported as landfill postclosure liability at June 30, 2020, represents the amount estimated to monitor the landfill for an average monitoring period of 25 years, and is based on what it would cost to perform all closure and postclosure care in 2020. The increase of \$3,043 from prior year is due to an inflation factor of 1.017, required by the Department of Environment Quality. Actual costs may be higher due to inflation, technology changes, or regulation changes. The County intends to fund these costs from the net revenues collected from the above contract and from any funds accumulated for this purpose in the County's General Fund.

**11) Pension Plan**

The County, Authority, and Public Schools' non-professional employees participate in a multi-employer, agent defined benefit pension plan (Political Subdivision Retirement Plan) administered by the Virginia Retirement System (VRS). The Public Schools' professional employees participate in a multi-employer, cost sharing defined benefit pension plan (Teacher Retirement Plan) administered by VRS. The VRS establishes a separate annual contribution requirement for the Public Schools' professional employees who participate in the VRS statewide teacher cost-sharing pool.

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 retirement plans and the additions to/deductions from the retirement plans' net fiduciary position have been determined on the same basis as they were reported by the 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.

***Plan Description***

All full-time, salaried regular employees of the County, Authority, and Public Schools (professional and non-professional) are automatically covered by VRS upon employment. These plans are administered by the VRS (the System) along with plans for other employer groups in the Commonwealth of Virginia. Members earn one month of service credit for each month they are employed and for which they and their employer pay contributions to VRS. Members are eligible to purchase prior service, based on specific criteria as defined in the *Code of Virginia*, as amended. Eligible prior service that may be purchased includes prior public service, active military service, certain periods of leave and previously refunded service.

The System administers three different benefit structures for covered employees - Plan 1, Plan 2 and Hybrid. Each of these benefit structures has a different eligibility criteria. The specific information for each plan and the eligibility for covered groups within each plan are set out below.



**County of James City, Virginia**  
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**11) Pension Plan, Continued**

<b>RETIREMENT PLAN PROVISIONS</b>		
<b>PLAN 1</b>	<b>PLAN 2</b>	<b>HYBRID RETIREMENT PLAN</b>
<p><b>About Plan 1</b> Plan 1 is a defined benefit plan. The retirement benefit is based on a member's age, service credit and average final compensation at retirement using a formula.</p>	<p><b>About Plan 2</b> Plan 2 is a defined benefit plan. The retirement benefit is based on a member's age, service credit and average final compensation at retirement using a formula.</p>	<p><b>About the Hybrid Retirement Plan</b> The Hybrid Retirement Plan combines the features of a defined benefit plan and a defined contribution plan.</p> <ul style="list-style-type: none"> <li>• The defined benefit is based on a member's age, service credit and average final compensation at retirement using a formula.</li> <li>• The benefit from the defined contribution component of the plan depends on the member and employer contributions made to the plan and the investment performance of those contributions.</li> <li>• In addition to the monthly benefit payment payable from the defined benefit plan at retirement, a member may start receiving distributions from the balance in the defined contribution account, reflecting the contributions, investment gains or losses, and any required fees.</li> </ul>
<p><b>Eligible Members</b> Employees are in Plan 1 if their membership date is before July 1, 2010, and they were vested as of January 1, 2013, and they have not taken a refund.</p> <p><i>Hybrid Opt-In Election</i> VRS non-hazardous duty-covered Plan 1 members were allowed to make an irrevocable decision to opt into the Hybrid Retirement Plan during a special election window held January 1 through April 30, 2014. The Hybrid Retirement Plan's effective date for eligible Plan 1 members who opted in was July 1, 2014.</p> <p>If eligible deferred members returned to work during the election window, they were also eligible to opt into the Hybrid Retirement Plan.</p>	<p><b>Eligible Members</b> Employees are in Plan 2 if their membership date is on or after July 1, 2010, or their membership date is before July 1, 2010, and they were not vested as of January 1, 2013.</p> <p><i>Hybrid Opt-In Election</i> Eligible Plan 2 members were allowed to make an irrevocable decision to opt into the Hybrid Retirement Plan during a special election window held January 1 through April 30, 2014. The Hybrid Retirement Plan's effective date for eligible Plan 2 members who opted in was July 1, 2014.</p> <p>If eligible deferred members returned to work during the election window, they were also eligible to opt into the Hybrid Retirement Plan.</p>	<p><b>Eligible Members</b> Employees are in the Hybrid Retirement Plan if their membership date is on or after January 1, 2014. This includes:</p> <ul style="list-style-type: none"> <li>• Political subdivision employees*</li> <li>• Members in Plan 1 or Plan 2 who elected to opt into the plan during the election window held January 1-April 30, 2014; the plan's effective date for opt-in members was July 1, 2014</li> </ul> <p><i>*Non-Eligible Members</i> Some employees are not eligible to participate in the Hybrid Retirement Plan. They include:</p> <ul style="list-style-type: none"> <li>• Political subdivision employees who are covered by enhanced benefits for hazardous duty employees</li> </ul>

**County of James City, Virginia**  
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**11) Pension Plan, Continued**

Members who were eligible for an optional retirement plan (ORP) and had prior service under Plan 1 were not eligible to elect the Hybrid Retirement Plan and remain as Plan 1 or ORP.	Members who were eligible for an optional retirement plan (ORP) and have prior service under Plan 2 were not eligible to elect the Hybrid Retirement Plan and remain as Plan 2 or ORP.	Those employees eligible for an optional retirement plan (ORP) must elect the ORP plan or the Hybrid Retirement Plan. If these members have prior service under Plan 1 or Plan 2, they are not eligible to elect the Hybrid Retirement Plan and must select Plan 1 or Plan 2 (as applicable) or ORP.
<b>Retirement Contributions</b> Employees contribute 5% of their compensation each month to their member contribution account through a pre-tax salary reduction. Member contributions are tax-deferred until they are withdrawn as part of a retirement benefit or as a refund. The employer makes a separate actuarially determined contribution to VRS for all covered employees. VRS invests both member and employer contributions to provide funding for the future benefit payment.	<b>Retirement Contributions</b> Same as Plan 1.	<b>Retirement Contributions</b> A member's retirement benefit is funded through mandatory and voluntary contributions made by the member and the employer to both the defined benefit and the defined contribution components of the plan. Mandatory contributions are based on a percentage of the employee's creditable compensation and are required from both the member and the employer. Additionally, members may choose to make voluntary contributions to the defined contribution component of the plan, and the employer is required to match those voluntary contributions according to specified percentages.
<b>Service Credit</b> Service credit includes active service. Members earn service credit for each month they are employed in a covered position. It also may include credit for prior service the member has purchased or additional service credit the member was granted. A member's total service credit is one of the factors used to determine their eligibility for retirement and to calculate their retirement benefit. It also may count toward eligibility for the health insurance credit in retirement, if the employer offers the health insurance credit.	<b>Service Credit</b> Same as Plan 1.	<b>Service Credit</b> <i>Defined Benefit Component:</i> Under the defined benefit component of the plan, service credit includes active_service. Members earn service credit for each month they are employed in a covered position. It also may include credit for prior service the member has purchased or additional service credit the member was granted. A member's total service credit is one of the factors used to determine their eligibility for retirement and to calculate their retirement benefit. It also may count toward eligibility for the health insurance credit in retirement, if the employer offers the health insurance credit.  <i>Defined Contributions Component:</i> Under the defined contribution component, service credit is used to determine vesting for the employer contribution portion of the plan.

**County of James City, Virginia**  
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**11) Pension Plan, Continued**

<p><b>Vesting</b> Vesting is the minimum length of service a member needs to qualify for a future retirement benefit. Members become vested when they have at least five years (60 months) of service credit. Vesting means members are eligible to qualify for retirement if they meet the age and service requirements for their plan. Members also must be vested to receive a full refund of their member contribution account balance if they leave employment and request a refund.</p> <p>Members are always 100% vested in the contributions that they make.</p>	<p><b>Vesting</b> Same as Plan 1.</p>	<p><b>Vesting</b> <i>Defined Benefit Component:</i> Defined benefit vesting is the minimum length of service a member needs to qualify for a future retirement benefit. Members are vested under the defined benefit component of the Hybrid Retirement Plan when they reach five years (60 months) of service credit. Plan 1 or Plan 2 members with at least five years (60 months) of service credit who opted into the Hybrid Retirement Plan remain vested in the defined benefit component.</p> <p><i>Defined Contributions Component:</i> Defined contribution vesting refers to the minimum length of service a member needs to be eligible to withdraw the employer contributions from the defined contribution component of the plan.</p> <p>Members are always 100% vested in the contributions that they make.</p> <p>Upon retirement or leaving covered employment, a member is eligible to withdraw a percentage of employer contributions to the defined contribution component of the plan, based on service.</p> <ul style="list-style-type: none"> <li>• After two years, a member is 50% vested and may withdraw 50% of employer contributions.</li> <li>• After three years, a member is 75% vested and may withdraw 75% of employer contributions.</li> <li>• After four or more years, a member is 100% vested and may withdraw 100% of employer contributions.</li> </ul> <p>Distributions not required, except as governed by law.</p>
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**County of James City, Virginia**  
Notes to Basic Financial Statements  
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**11) Pension Plan, Continued**

<p><b>Calculating the Benefit</b> The basic benefit is determined using the average final compensation, service credit and plan multiplier. An early retirement reduction is applied to this amount if the member is retiring with a reduced benefit. In cases where the member has elected an optional form of retirement payment, an option factor specific to the option chosen is then applied.</p>	<p><b>Calculating the Benefit</b> See definition under Plan 1.</p>	<p><b>Calculating the Benefit</b> <i>Defined Benefit Component:</i> See definition under Plan 1.</p> <p><i>Defined Contributions Component:</i> The benefit is based on contributions made by the member and any matching contributions made by the employer, plus net investment earnings on those contributions.</p>
<p><b>Average Final Compensation</b> A member's average final compensation is the average of the 36 consecutive months of highest compensation as a covered employee.</p>	<p><b>Average Final Compensation</b> A member's average final compensation is the average of their 60 consecutive months of highest compensation as a covered employee.</p>	<p><b>Average Final Compensation</b> Same as Plan 2. It is used in the retirement formula for the defined benefit component of the plan.</p>
<p><b>Service Retirement Multiplier</b> <b>VRS:</b> The retirement multiplier is a factor used in the formula to determine a final retirement benefit. The retirement multiplier for non-hazardous duty members is 1.70%.</p> <p><b>Sheriffs and regional jail superintendents:</b> The retirement multiplier for sheriffs and regional jail superintendents is 1.85%.</p> <p><b>Political subdivision hazardous duty employees:</b> The retirement multiplier of eligible political subdivision hazardous duty employees other than sheriffs and regional jail superintendents is 1.70% or 1.85% as elected by the employer.</p>	<p><b>Service Retirement Multiplier</b> <b>VRS:</b> Same as Plan 1 for service earned, purchased or granted prior to January 1, 2013. For non-hazardous duty members the retirement multiplier is 1.65% for service credit earned, purchased or granted on or after January 1, 2013.</p> <p><b>Sheriffs and regional jail superintendents:</b> Same as Plan 1.</p> <p><b>Political subdivision hazardous duty employees:</b> Same as Plan 1.</p>	<p><b>Service Retirement Multiplier</b> <i>Defined Benefit Component:</i> <b>VRS:</b> The retirement multiplier for the defined benefit component is 1.00%.</p> <p>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.</p> <p><b>Sheriffs and regional jail superintendents:</b> Not applicable.</p> <p><b>Political subdivision hazardous duty employees:</b> Not applicable.</p> <p><i>Defined Contributions Component:</i> Not applicable.</p>
<p><b>Normal Retirement Age</b> <b>VRS:</b> Age 65.</p> <p><b>Political subdivisions hazardous duty employees:</b> Age 60.</p>	<p><b>Normal Retirement Age</b> <b>VRS:</b> Normal Social Security retirement age.</p> <p><b>Political subdivisions hazardous duty employees:</b> Same as Plan 1.</p>	<p><b>Normal Retirement Age</b> <i>Defined Benefit Component:</i> <b>VRS:</b> Same as Plan 2.</p> <p><b>Political subdivisions hazardous duty employees:</b> Not applicable.</p> <p><i>Defined Contributions Component:</i> Members are eligible to receive distributions upon leaving employment, subject to restrictions.</p>

**County of James City, Virginia**  
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**11) Pension Plan, Continued**

<p><b>Earliest Unreduced Retirement Eligibility</b> <b>VRS:</b> Age 65 with at least five years (60 months) of service credit or at age 50 with at least 30 years of service credit.</p> <p><b>Political subdivisions hazardous duty employees:</b> Age 60 with at least five years of service credit or age 50 with at least 25 years of service credit.</p>	<p><b>Earliest Unreduced Retirement Eligibility</b> <b>VRS:</b> Normal Social Security retirement age with at least five years (60 months) of service credit or when their age plus service credit equals 90.</p> <p><b>Political subdivisions hazardous duty employees:</b> Same as Plan 1.</p>	<p><b>Earliest Unreduced Retirement Eligibility</b> <i>Defined Benefit Component:</i> <b>VRS:</b> Normal Social Security retirement age and have at least five years (60 months) of service credit or when their age plus service credit equals 90.</p> <p><b>Political subdivisions hazardous duty employees:</b> Not applicable.</p> <p><i>Defined Contributions Component:</i> Members are eligible to receive distributions upon leaving employment, subject to restrictions.</p>
<p><b>Earliest Reduced Retirement Eligibility</b> <b>VRS:</b> Age 55 with at least five years (60 months) of service credit or age 50 with at least 10 years of service credit.</p> <p><b>Political subdivisions hazardous duty employees:</b> Age 50 with at least five years of service credit.</p>	<p><b>Earliest Reduced Retirement Eligibility</b> <b>VRS:</b> Age 60 with at least five years (60 months) of service credit.</p> <p><b>Political subdivisions hazardous duty employees:</b> Same as Plan 1.</p>	<p><b>Earliest Reduced Retirement Eligibility</b> <i>Defined Benefit Component:</i> <b>VRS:</b> Age 60 with at least five years (60 months) of service credit.</p> <p><b>Political subdivisions hazardous duty employees:</b> Not applicable.</p> <p><i>Defined Contributions Component:</i> Members are eligible to receive distributions upon leaving employment, subject to restrictions.</p>
<p><b>Cost-of-Living Adjustment (COLA) in Retirement</b> The Cost-of-Living Adjustment (COLA) matches the first 3% increase in the Consumer Price Index for all Urban Consumers (CPI-U) and half of any additional increase (up to 4%) up to a maximum COLA of 5%.</p> <p><i>Eligibility:</i> For members who retire with an unreduced benefit or with a reduced benefit with at least 20 years of service credit, the COLA will go into effect on July 1 after one full calendar year from the retirement date. For members who retire with a reduced benefit and who have less than 20 years of service credit, the COLA will go into effect on July 1 after one calendar year following the unreduced retirement eligibility date.</p>	<p><b>Cost-of-Living Adjustment (COLA) in Retirement</b> The Cost-of-Living Adjustment (COLA) matches the first 2% increase in the CPI-U and half of any additional increase (up to 2%), for a maximum COLA of 3%.</p> <p><i>Eligibility:</i> Same as Plan 1.</p> <p><i>Exceptions to COLA Effective Dates:</i> Same as Plan 1.</p>	<p><b>Cost-of-Living Adjustment (COLA) in Retirement</b> <i>Defined Benefit Component:</i> Same as Plan 2.</p> <p><i>Defined Contributions Component:</i> Not applicable.</p> <p><i>Eligibility:</i> Same as Plan 1 and Plan 2.</p> <p><i>Exceptions to COLA Effective Dates:</i> Same as Plan 1 and Plan 2.</p>

**County of James City, Virginia**  
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June 30, 2020

**11) Pension Plan, Continued**

<p><i>Exceptions to COLA Effective Dates:</i> The COLA is effective July 1 following one full calendar year (January 1 to December 31) under any of the following circumstances:</p> <ul style="list-style-type: none"> <li>• The member is within five years of qualifying for an unreduced retirement benefit as of January 1, 2013.</li> <li>• The member retires on disability.</li> <li>• The member retires directly from short-term or long-term disability.</li> <li>• The member is involuntarily separated from employment for causes other than job performance or misconduct and is eligible to retire under the Workforce Transition Act or the Transitional Benefits Program.</li> <li>• The member dies in service and the member's survivor or beneficiary is eligible for a monthly death-in-service benefit. The COLA will go into effect on July 1 following one full calendar year (January 1 to December 31) from the date the monthly benefit begins.</li> </ul>		
<p><b>Disability Coverage</b> Members who are eligible to be considered for disability retirement and retire on disability, the retirement multiplier is 1.7% on all service, regardless of when it was earned, purchased or granted.</p>	<p><b>Disability Coverage</b> Members who are eligible to be considered for disability retirement and retire on disability, the retirement multiplier is 1.65% on all service, regardless of when it was earned, purchased or granted.</p>	<p><b>Disability Coverage</b> Employees of political subdivisions (including Plan 1 and Plan 2 opt-ins) participate in the Virginia Local Disability Program (VLDP) unless their local governing body provides and employer-paid comparable program for its members.</p> <p>Hybrid members (including Plan 1 and Plan 2 opt-ins) covered under VLDP are subject to a one-year waiting period before becoming eligible for non-work-related disability benefits.</p>
<p><b>Purchase of Prior Service</b> Members may be eligible to purchase service from previous public employment, active duty military service, an eligible period of leave or VRS refunded service as service credit in their plan. Prior service credit counts toward vesting, eligibility for retirement and the health insurance credit.</p>	<p><b>Purchase of Prior Service</b> Same as Plan 1.</p>	<p><b>Purchase of Prior Service</b> <i>Defined Benefit Component:</i> Same as Plan 1, with the following exceptions:</p> <ul style="list-style-type: none"> <li>• Hybrid Retirement Plan members are ineligible for ported service.</li> </ul> <p><i>Defined Contributions Component:</i> Not applicable.</p>

**County of James City, Virginia**  
Notes to Basic Financial Statements  
June 30, 2020

**11) Pension Plan, Continued**

Only active members are eligible to purchase prior service. Members also may be eligible to purchase periods of leave without pay.		
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**Agent Multiple-Employer Political Subdivision Retirement Plan**

**Employees Covered by Benefit Terms**

As of the June 30, 2018 actuarial valuation, the following employees were covered by the benefit terms of the pension plan:

	<u>Governmental Activities Number</u>	<u>Component unit- Authority Number</u>	<u>Component unit- Public Schools (non-professional) Number</u>
Inactive members or their beneficiaries currently receiving benefits	473	53	105
Inactive members:			
Vested	160	17	30
Non-vested	221	19	99
Long-term disability	-	-	2
Active elsewhere in VRS	277	26	51
Total inactive members	658	62	182
Active members	815	83	219
Total	1,946	198	506

**Contributions**

The contributions 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% of their compensation toward their retirement.

The County's, Authority's and Public Schools' contractually required contribution rates for the year ended June 30, 2020 were 10.11%, 5.67% and 3.54%, respectively, of covered employee compensation. These rates were based on actuarially determined rates from an actuarial valuation as of June 30, 2017.

These rates, when combined with employee contributions, were expected to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. Total contributions to the pension plan from the County were \$4,085,863 and \$3,816,392, the Authority were \$265,027 and \$250,534, and the Public Schools were \$172,427 and \$173,657 for years ended June 30, 2020 and 2019, respectively.

**Net Pension Liability**

The net pension liability (NPL) is calculated separately for each employer and represents that particular employer's total pension liability determined in accordance with GASB Statement No. 68, less that employer's fiduciary net position. The net pension liability was measured as of June 30, 2019. The total pension liability used to calculate the net pension liability was determined by an actuarial valuation performed as of June 30, 2018 rolled forward to the measurement date of June 30, 2019.

**Actuarial Assumptions - General Employees**

The total pension liability for general employees in the County's retirement plan was based on an actuarial valuation as of June 30, 2018, 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, 2019:

**County of James City, Virginia**  
Notes to Basic Financial Statements  
June 30, 2020

**11) Pension Plan, Continued**

Inflation	2.50%
Salary increases, including inflation	3.5% – 5.35%
Investment rate of return	6.75%, net of pension plan investment expenses, including inflation*

*\*Administrative expenses as a percent of the market value of assets for the last experience study were found to be approximately 0.06% of the market assets for all of the VRS plans. This would provide an assumed investment return rate for GASB purposes of slightly more than the assumed 6.75%. However, since the difference was minimal, and a more conservative 6.75% investment return assumption provided a projected plan net position that exceeded the projected benefit payments, the long-term expected rate of return on investments was assumed to be 6.75% to simplify preparation of pension liabilities.*

**Mortality rates:**

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

**Pre-Retirement:**

RP-2014 employee rates to age 80, healthy annuitant rates at age 81 and older projected with scale BB to 2020; males 95% of rates; females 105% of rates.

**Post-Retirement:**

RP-2014 employee rates to age 49, healthy annuitant rates at ages 50 and older projected with scale BB to 2020; males set forward 3 years; females 1.0% increase compounded from ages 70 to 90.

**Post-Disablement:**

RP-2014 disability mortality rates projected with scale BB to 2020; males set forward 2 years, 110% of rates; females 125% of rates.

The actuarial assumptions used in the June 30, 2018, valuation were based on the results of an actuarial experience study for the period from July 1, 2012, through June 30, 2016, except the change in the discount rate, which was based on VRS Board action effective as of July 1, 2019. 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:**

- Updated mortality rates (pre-retirement, post-retirement healthy, and disabled) to a more current mortality table – RP-2014 projected to 2020
- Lowered retirement rates at older ages and changed final retirement from 70 to 75
- Adjusted withdrawal rates to better fit experience at each year age and service through 9 years of service
- Lowered disability rates
- No change in salary scale
- Increase rate of line of duty disability from 14% to 15%
- Decreased discount rate from 7.00% to 6.75%

**Actuarial Assumptions - Public Safety Employees with Hazardous Duty Benefits**

The total pension liability for Public Safety employees with Hazardous Duty Benefits in the County's Retirement Plan was based on an actuarial valuation as of June 30, 2018, 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, 2019:



**County of James City, Virginia**  
Notes to Basic Financial Statements  
June 30, 2020

**11) Pension Plan, Continued**

Inflation	2.50%
Salary increases, including inflation	3.50% – 4.75%
Investment rate of return	6.75%, net of pension plan investment expenses, including inflation*

*\*Administrative expenses as a percent of the market value of assets for the last experience study were found to be approximately 0.06% of the market assets for all of the VRS plans. This would provide an assumed investment return rate for GASB purposes of slightly more than the assumed 6.75%. However, since the difference was minimal, and a more conservative 6.75% investment return assumption provided a projected plan net position that exceeded the projected benefit payments, the long-term expected rate of return on investments was assumed to be 6.75% to simplify preparation of pension liabilities.*

**Mortality rates:**

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

Pre-Retirement:

RP-2014 employee rates to age 80, healthy annuitant rates at age 81 and older projected with scale BB to 2020; males 90% of rates; females set forward 1 year.

Post-Retirement:

RP-2014 employee rates to age 49, healthy annuitant rates at ages 50 and older projected with scale BB to 2020; males set forward 1 year, 1.0% increase compounded from ages 70 to 90; females set forward 3 years.

Post-Disablement:

RP-2014 disability mortality rates projected with scale BB to 2020; males set forward 2 years; unisex using 100% male.

The actuarial assumptions used in the June 30, 2018, valuation were based on the results of an actuarial experience study for the period from July 1, 2012, through June 30, 2016, except the change in the discount rate, which was based on VRS Board action effective as of July 1, 2019. 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:

- Updated mortality rates (pre-retirement, post-retirement healthy, and disabled) to a more current mortality table – RP-2014 projected to 2020
- Increased retirement rates at age 50 and lowered rates at older ages
- Adjusted withdrawal rates to better fit experience at each year age and service through 9 years of service
- Adjusted disability rates to better fit experience
- No change in salary scale
- Decrease rate of line of duty disability from 60% to 45%
- Decreased discount rate from 7.00% to 6.75%

**Long Term Expected Rate of Return**

The long-term expected rate of return on pension System investments was determined using a lognormal 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.

**County of James City, Virginia**  
Notes to Basic Financial Statements  
June 30, 2020

**11) Pension Plan, Continued**

The target asset allocation and best estimate of arithmetic real rates of return for each major asset class are summarized in the following table:

Asset Class (Strategy)	Target Allocation	Arithmetic Long-Term Expected Rate of Return	Weighted Average Long-Term Expected Rate of Return*
Public equity	34.00%	5.61%	1.91%
Fixed income	15.00%	0.88%	0.13%
Credit strategies	14.00%	5.13%	0.72%
Real assets	14.00%	5.27%	0.74%
Private equity	14.00%	8.77%	1.23%
MAPS - Multi-Asset Public Strategies	6.00%	3.52%	0.21%
PIP- Private Investment Partnership	3.00%	6.29%	0.19%
Total	<u>100.00%</u>		<u>5.13%</u>
		Inflation	<u>2.50%</u>
		*Expected arithmetic nominal return	<u>7.63%</u>

*\*The above allocation provides a one-year return of 7.63%. 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. The results provide a range of returns over various time periods that ultimately provide a median return of 7.11%, including expected inflation of 2.50%. The VRS Board elected a long-term rate of 6.75%, which is roughly at the 40th percentile of expected long-term results of the VRS fund asset allocation.*

**Discount Rate**

The discount rate used to measure the total pension liability was 6.75%. The projection of cash flows used to determine the discount rate assumed that System member contributions will be made per the VRS Statutes and the employer contributions will be made in accordance with the VRS funding policy at rates equal to the difference between actuarially determined contribution rates adopted by the VRS Board of Trustees and the member rate. Consistent with the phased-in funding provided by the General Assembly for state and teacher employer contributions; political subdivisions were also provided with an opportunity to use an alternate employer contribution rate. For the year ended June 30, 2019, the alternate rate was the employer contribution rate used in FY 2012 or 100% of the actuarially determined employer contribution rate from the June 30, 2017, actuarial valuations, whichever was greater. From July 1, 2019, on, participating employers are assumed to continue to contribute 100% of the actuarially determined contribution rates. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore, the long-term expected rate of return was applied to all periods of projected benefit payments to determine the total pension liability.

**County of James City, Virginia**  
Notes to Basic Financial Statements  
June 30, 2020

**11) Pension Plan, Continued**

**Changes in Net Pension Liability**

		<b>Increase (decrease)</b>	
	<b>Total pension liability (a)</b>	<b>Plan fiduciary net pension (b)</b>	<b>Net pension liability (asset) (a) - (b)</b>
<b><u>Governmental activities</u></b>			
Balances at June 30, 2018	\$ 184,103,185	\$ 171,610,771	\$ 12,492,414
Changes for the year:			
Service cost	4,329,341	-	4,329,341
Interest	12,600,514	-	12,600,514
Change of assumptions	5,993,876	-	5,993,876
Difference between expected and actual experience	1,286,792	-	1,286,792
Contributions - employer	-	3,773,524	(3,773,524)
Contributions - employee	-	2,117,076	(2,117,076)
Net investment income	-	11,427,215	(11,427,215)
Benefit payments, including refunds of employee contributions	(8,191,674)	(8,191,674)	-
Administrative expenses	-	(112,489)	112,489
Other changes	-	(7,209)	7,209
Net changes	16,018,849	9,006,443	7,012,406
Balances at June 30, 2019	<u>\$ 200,122,034</u>	<u>\$ 180,617,214</u>	<u>\$ 19,504,820</u>
<b><u>Component Unit - Authority</u></b>			
Balances at June 30, 2018	\$ 17,437,059	\$ 16,913,889	\$ 523,170
Changes for the year:			
Service cost	378,585	-	378,585
Interest	1,198,755	-	1,198,755
Change of assumptions	546,875	-	546,875
Difference between expected and actual experience	182,506	-	182,506
Contributions - employer	-	235,463	(235,463)
Contributions - employee	-	212,351	(212,351)
Net investment income	-	1,128,516	(1,128,516)
Benefit payments, including refunds of employee contributions	(623,967)	(623,967)	-
Administrative expenses	-	(11,054)	11,054
Other changes	-	(713)	713
Net changes	1,682,754	940,596	742,158
Balances at June 30, 2019	<u>\$ 19,119,813</u>	<u>\$ 17,854,485</u>	<u>\$ 1,265,328</u>
<b><u>Component unit - Public Schools (non-professional)</u></b>			
Balances at June 30, 2018	\$ 18,987,586	\$ 20,806,703	\$ (1,819,117)
Changes for the year:			
Service cost	485,858	-	485,858
Interest	1,297,224	-	1,297,224
Changes of assumptions	528,041	-	528,041
Difference between expected and actual experience	(426,300)	-	(426,300)
Contributions - employer	-	173,657	(173,657)
Contributions - employee	-	268,278	(268,278)
Net investment income	-	1,377,110	(1,377,110)
Benefit payments, including refunds of employee contributions	(911,625)	(911,625)	-
Administrative expenses	-	(13,730)	13,730
Other changes	-	(866)	866
Net changes	973,198	892,824	80,374
Balances at June 30, 2019	<u>\$ 19,960,784</u>	<u>\$ 21,699,527</u>	<u>\$ (1,738,743)</u>

**County of James City, Virginia**  
Notes to Basic Financial Statements  
June 30, 2020

**11) Pension Plan, Continued**

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

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

	<b>1% Decrease (5.75%)</b>	<b>Current Discount Rate (6.75%)</b>	<b>1% Increase (7.75%)</b>
<b>Governmental activities</b>			
Net pension liability (asset)	\$ 46,734,426	\$ 19,504,820	\$ (2,161,492)
<b>Component unit - Authority</b>			
Net pension liability (asset)	\$ 3,723,268	\$ 1,265,328	\$ (702,029)
<b>Component unit - Public Schools (non-professional)</b>			
Net pension liability (asset)	\$ 576,264	\$ (1,738,743)	\$ (3,606,780)

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

For the year ended June 30, 2020, the County, Authority, and Public Schools (non-professional) recognized pension expense (recovery) of \$4,565,462, \$358,709 and (\$87,255), respectively. At June 30, 2020, deferred outflows of resources and deferred inflows of resources related to pensions from the following sources were reported:

	<b>Deferred outflows of resources</b>	<b>Deferred inflows of resources</b>
<b>Governmental activities</b>		
Differences between expected and actual experience	\$ 913,809	\$ 425,583
Changes of assumptions	4,256,521	242,497
Net difference between projected and actual earnings on pension plan investments	-	1,523,313
Employer contributions subsequent to the measurement date	4,085,863	-
Total	<u>\$ 9,256,193</u>	<u>\$ 2,191,393</u>
<b>Component unit - Authority</b>		
Differences between expected and actual experience	\$ 169,449	\$ 42,704
Changes of assumptions	381,155	67,086
Net difference between projected and actual earnings on pension plan investments	-	152,635
Employer contributions subsequent to the measurement date	265,027	-
Total	<u>\$ 815,631</u>	<u>\$ 262,425</u>
<b>Component unit - Public Schools (non-professional)</b>		
Differences between expected and actual experience	\$ -	\$ 402,916
Changes of assumptions	339,455	18,227
Net difference between projected and actual earnings on pension plan investments	-	187,831
Employer contributions subsequent to the measurement date	172,427	-
Total	<u>\$ 511,882</u>	<u>\$ 608,974</u>

**County of James City, Virginia**  
Notes to Basic Financial Statements  
June 30, 2020

**11) Pension Plan, Continued**

The County, Authority, and Public Schools reported deferred outflows of resources of \$4,085,863, \$265,027 and \$172,427, respectively, related to pensions resulting from contributions subsequent to the measurement date, which will be recognized as a reduction of the net pension liability in the year ending June 30, 2021. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense (recovery) as follows:

<b>Year ended</b>	<b>Governmental Activities</b>	<b>Component unit - Authority</b>	<b>Component unit - Public Schools (non-professional)</b>
2021	\$ 1,445,984	\$ 137,859	\$ (104,918)
2022	518,370	77,944	(172,777)
2023	914,423	62,601	(4,305)
2024	100,160	9,775	12,481
	<u>\$ 2,978,937</u>	<u>\$ 288,179</u>	<u>\$ (269,519)</u>

**Pension Plan Data**

Information about the VRS Political Subdivision Retirement Plans is also available in the separately issued VRS 2019 Comprehensive Annual Financial Report (CAFR). A copy of that report may be downloaded from the VRS website at <https://www.varetire.org/pdf/publications/2019-annual-report.pdf> or by writing to VRS' Chief Financial Officer at P.O. Box 2500, Richmond, VA, 23218-2500.

<b>Cost-Sharing Multiple-Employer Plan - Teacher Retirement Plan (Professional Plan)</b>
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**Contributions**

The contribution requirement for active employees is governed by §51.1-145 of the *Code of Virginia*, as amended, but may be impacted as a result of funding provided to school divisions by the Virginia General Assembly. Employees are required to contribute 5% of their compensation toward their retirement. The Public Schools' contractually required contribution rate for the year ended June 30, 2020 was 15.68% of covered employee compensation. This rate was based on an actuarially determined rate from an actuarial valuation as of June 30, 2017. The actuarial determined rate, when combined with employee contributions, was expected to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. Contributions to the pension plan from the Public Schools were \$11,431,558 and \$11,047,560 for the years ended June 30, 2020 and June 30, 2019, respectively.

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

At June 30, 2020, the Public Schools' reported a liability of \$113,471,736 for its proportionate share of the Net Pension Liability of the Teacher Retirement Plan. The Net Pension Liability was measured as of June 30, 2019 and the total pension liability used to calculate the Net Pension Liability was determined by an actuarial valuation performed as of June 30, 2018, and rolled forward to the measurement date of June 30, 2019.

The Public Schools' proportion of the Net Pension Liability was based on the Public Schools' actuarially determined employer contributions to the pension plan for the year ended June 30, 2019 relative to the total of the actuarially determined employer contributions for all participating employers. At June 30, 2019, the Public Schools' proportion was 0.86221% as compared to 0.84943% at June 30, 2018.

For the year ended June 30, 2020, the Public Schools recognized pension expense of \$12,023,046. Since there was a change in proportionate share between measurement dates, a portion of the pension expense was related to deferred amounts from changes in proportion and from differences between employer contributions and the proportionate share of employer contributions.

**County of James City, Virginia**  
Notes to Basic Financial Statements  
June 30, 2020

**11) Pension Plan, Continued**

At June 30, 2020, the Public Schools reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources for the Teacher Retirement Plan:

	<u>Deferred outflows of resources</u>	<u>Deferred inflows of resources</u>
<b>Component unit - Public Schools (professional plan)</b>		
Differences between expected and actual experience	\$ -	\$ 7,266,074
Change in assumptions	11,236,362	-
Changes in proportion and differences between employer contributions and proportionate share of contributions	1,570,882	1,967,018
Differences between expected and actual investment earnings on pension plan investments	-	2,491,570
Employer contributions subsequent to the measurement date	11,431,558	-
Total	<u>\$ 24,238,802</u>	<u>\$ 11,724,662</u>

Deferred outflows of resources report in the amount of \$11,431,558 related to pensions resulting from the Public Schools' contributions subsequent to the measurement date will be recognized as a reduction of the Net Pension Liability in the year ended June 30, 2021. 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</u>	<u>Component unit - Public Schools (professional plan)</u>
2021	\$ (216,256)
2022	(2,540,965)
2023	810,097
2024	1,991,545
2025	1,038,161
	<u>\$ 1,082,582</u>

**Actuarial Assumptions**

The total pension liability for the VRS Teacher Retirement Plan was based on an actuarial valuation as of June 30, 2018, 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, 2019.

- Inflation: 2.5%
- Salary increases, including inflation: 3.5% - 5.95%
- Investment rate of return: 6.75%, net of pension plan investment expenses, including inflation\*

\*Administrative expenses as a percent of the market value of assets for the last experience study were found to be approximately 0.06% of the market assets for all of the VRS plans. This would provide an assumed investment return rate for GASB purposes of slightly more than the assumed 6.75%. However, since the difference was minimal, and a more conservative 6.75% investment return assumption provided a projected plan net position that exceeded the projected benefit payments, the long-term expected rate of return on investments was assumed to be 6.75% to simplify preparation of pension liabilities.

**County of James City, Virginia**  
Notes to Basic Financial Statements  
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**11) Pension Plan, Continued**

Mortality rates

Pre Retirement:

RP-2014 White Collar Employee Rates to age 80, White Collar Healthy Annuitant Rates at ages 81 and older projected with scale BB to 2020.

Post-Retirement:

RP-2014 White Collar Employee Rates at age 49, White Collar Healthy Annuitant Rates at ages 50 and older projected with scale BB to 2020; males 1% increase compounded from ages 70 to 90; females set back 3 years with 1.5% increase compounded from ages 65 to 70 and 2.0% increase compounded from ages 75 to 90.

Post-Disablement:

RP-2014 Disability Mortality Rates projected with Scale BB to 2020; 115% of rates for males and females.

The actuarial assumptions used in the June 30, 2018 valuation were based on the results of an actuarial experience study for the four-year period from July 1, 2012 through June 30, 2016, except the change in the discount rate, which was based on VRS Board action effective as of July 1, 2019.

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)	Updated to a more current mortality table – RP-2014 projected to 2020
Retirement Rates	Lowered retirement rates at older ages and changed final retirement age from 70 to 75
Withdrawal Rates	Adjusted rates to better fit experience at each year age and service year through 9 years of service
Disability Rates	Adjusted rates to better match experience
Salary Scale	No change
Discount Rate	Decreased rate from 7.00% to 6.75%

**Net Pension Liability**

The net pension liability (NPL) is calculated separately for each system and represents that particular system's total pension liability determined in accordance with GASB Statement No. 67, less that system's fiduciary net position. As of June 30, 2019, NPL amounts for the VRS Teacher Employee Retirement Plan is as follows (amounts expressed in thousands):

	<b>Teacher Employee Retirement Plan</b>
Total Pension Liability	\$ 49,683,336
Plan Fiduciary Net Position	36,522,769
Employers' Net Pension Liability (Asset)	<u>\$ 13,160,567</u>
Plan Fiduciary Net Position as a % of the Total Pension Liability	73.51%

**County of James City, Virginia**  
Notes to Basic Financial Statements  
June 30, 2020

**11) Pension Plan, Continued**

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

**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:

<b>Asset Class (Strategy)</b>	<b>Target Allocation</b>	<b>Arithmetic Long-Term Expected Rate of Return</b>	<b>Weighted Average Long-Term Expected Rate of Return</b>
Public Equity	34.00%	5.61%	1.91%
Fixed Income	15.00%	0.88%	0.13%
Credit Strategies	14.00%	5.13%	0.72%
Real Assets	14.00%	5.27%	0.74%
Private Equity	14.00%	8.77%	1.23%
MAPS - Multi-Asset Public Strategies	6.00%	3.52%	0.21%
PIP - Private Investment Partnership	3.00%	6.29%	0.19%
<b>Total</b>	<b>100.00%</b>		<b>5.13%</b>
		Inflation	2.50%
		<b>*Expected arithmetic nominal return</b>	<b>7.63%</b>

\*The above allocation provides a one-year return of 7.63%. 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. The results provide a range of returns over various time periods that ultimately provide a median return of 7.11%, including expected inflation of 2.50%. The VRS Board elected a long-term rate of 6.75% which is roughly at the 40<sup>th</sup> percentile of expected long-term results of the VRS fund asset allocation.

**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 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.

Through the fiscal year ending June 30, 2019, the rate contributed by the school division for the VRS Teacher Retirement Plan will be subject to the portion of the VRS Board-certified rates that are funded by the Virginia General Assembly which was 100% of the actuarially determined contribution rate. From July 1, 2019 on, school divisions are assumed 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.

**Sensitivity of the Public Schools' Proportionate Share of the Net Pension Liability to Changes in the Discount Rate**

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



**County of James City, Virginia**  
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June 30, 2020

**11) Pension Plan, Continued**

<b>Component unit - Public Schools (professional plan)</b>	<b>1% Decrease (5.75%)</b>	<b>Current Discount Rate (6.75%)</b>	<b>1% Increase (7.75%)</b>
Net pension liability	\$ 170,824,258	\$ 113,471,736	\$ 66,051,822

**Pension Plan Fiduciary Net Position**

Detailed information about the VRS Teacher Retirement Plan's Fiduciary Net Position is available in the separately issued VRS 2019 Comprehensive Annual Financial Report (CAFR). A copy of the 2019 VRS CAFR may be requested from the System's Chief Financial Officer in writing at P.O. Box 2500, Richmond, VA 23218-2500 or by downloading a copy from the VRS website at: <https://www.varetire.org/pdf/publications/2019-annual-report.pdf>.

**12) Other Post-Employment Benefits (OPEB)**

**Multiple Employer Cost-Sharing Plan - Retiree Healthcare**

The County, Authority and Public Schools provide post-employment health care benefits for qualifying retired employees who are not yet eligible for Medicare through a cost-sharing, multiple-employer (County and Authority) and a single-employer (for the Public Schools) defined benefit plan. The plans are administered by the County and Schools, respectively, and the benefits, benefit levels, employee contributions and employer contributions are governed by the County and Public Schools and can be amended through their personnel manuals.

Valuation reports were prepared for the County, Authority and Schools by Bolton Partners. The County and Authority reports may be obtained from the James City County Department of Financial and Management Services, 101-F Mounts Bay Road, Williamsburg, Virginia 23187-8784. The Public Schools' report may be obtained from the Finance Department, 117 Ironbound Road, Williamsburg, Virginia 23185.

**Plan Description**

Participants must be eligible to retire under VRS and must be full-time active employees who retire directly from the County or Authority and are at least 55 years of age with 15 years of service. Each year, retirees participating in the County or Authority's sponsored plans will be given the opportunity to change plans or drop coverage during an open enrollment period. For fiscal year 2020, the pre-Medicare retirees have a choice of two plans offered by Cigna. Dental plans are available at the retiree's cost and therefore, have no employer obligation. There is no coverage for post-Medicare retirees.

The Public Schools provides a single-employer medical plan and a retiree health insurance premium contribution plan that covers retirees until they reach 65 years of age. There is no coverage for retirees or their spouses once they reach the age of 65 and are eligible for Medicare. Both plans were established under the authority of the Williamsburg-James City County School Board and any amendments to the plans must be approved by the School Board. The Public Schools' single-employer medical plan allows retirees under the age of 65 to remain in the same medical and dental plan as active employees if they have at least five years of service with the Public Schools and are a covered member under the plan at retirement and for at least 24 months prior to retiring. Retirees pay 100% of the premium, minus any applicable \$62.50 monthly contribution. The Public Schools' plan allows eligible retirees to receive a \$750 annual contribution toward their health insurance premium if they have a minimum of twelve continuous years of service. The Public Schools' current membership is 27.

**County of James City, Virginia**  
Notes to Basic Financial Statements  
June 30, 2020

**12) Other Post-Employment Benefits (OPEB), Continued**

**Funding Policy**

Retirees contribute towards their health insurance premiums based on a blended rate and therefore, the County and Authority have an implicit obligation. Retirees pay 100% of the published rates for individual and dependent coverage until age 65. The estimated contributions are based on the implicit rate subsidy payments made during the year by the retirees. The County, Authority and Public Schools do not intend to establish a trust to pre-fund their obligations. The anticipated growth in the net retiree healthcare OPEB liability is based on contributions to the benefit plan on a pay-as-you-go cost basis. The data has been projected into the future based on the assumption the current active population remains constant.

**Employees Covered by Benefit Terms**

As of the June 30, 2019 actuarial valuation, the following employees were covered by the benefit terms of the Public Schools' retiree healthcare OPEB plan:

	<b>Component unit - Public Schools Number</b>
Active employees	1,384
Retirees	27
Total	<u>1,411</u>

**Actuarial Methods and Assumptions**

For the actuarial valuation at January 1, 2020 (measurement date of June 30, 2019), the entry age normal funding method was used. The goal of this method is that the annual accrual (or normal cost) be a level percent of pay throughout an employee's career. This method requires a salary increase assumption. The normal cost percentage is equal to the present value of benefits divided by the present value of future salary determined when the employee was hired. The actuarial accrued liability is equal to the present value of benefits minus the normal cost percentage times the present value of future salaries at the valuation date.

The actuarial assumptions included calculations based on a discount rate of 3.13% for the unfunded liability. Benefits are discounted based on an index rate for 20-year tax exempt general obligation (GO) municipal bonds with an average rating of AA/Aa or higher.

The medical trend assumption for the County and Authority were changed from the previous valuation to an assumption developed using the Society of Actuaries (SOA) Long-Run Medical Cost Trend Model baseline assumptions. The SOA Model was released in October 2010 and revised in September 2019. The following assumptions were used as input variables into this model:

Inflation	2.50%
Rate of growth in real income/ GDP per capita	1.50%
Extra trend due to technology and other factors	1.10%
Expected health share of GDP in 2029	20.00%
Health share of GDP resistance point	25.00%
Year for limiting cost growth to GDP growth	2075

The medical trend assumption for the Public Schools was developed using the Society of Actuaries (SOA) Long-Run Medical Cost Trend Model baseline assumptions. The SOA Model was released in October 2010 and updated in September 2019. The following assumptions were used as input variables into this model:

Inflation	2.50%
Rate of growth in real income/ GDP per capita	1.50%
Extra trend due to technology and other factors	1.10%
Expected Health Share of GDP in 2019	20.00%
Health share of GDP resistance point	25.00%
Year for limiting cost growth to GDP growth	2075

## **12) Other Post-Employment Benefits (OPEB), Continued**

The SOA Long-Run Medical Cost Trend Model and its baseline projection are based on an econometric analysis of historical U.S. medical expenditures and the judgments of experts in the field. The long-run baseline projection, tolerance ranges and input variables have been developed under the guidance of an SOA Project Oversight Group.

The actuarial assumptions for the County and Authority included calculations based on salary increases of 3.15%-1.30% (general) and 2.55%-1.30% (public safety) based on years of service. The valuation assumed that 40% of participants currently with coverage will elect coverage upon retirement, and that 30% of participants electing coverage at retirement will elect coverage for their spouse.

Mortality decrements used in the January 1, 2020, valuation:

- Pre-Retirement
  - General: Pub-2010 General Employees Headcount-Weighted Mortality Projected with Fully Generational MP2019 Mortality Improvement Scale
  - LEOS: Pub-2010 Public Safety Employees Headcount-Weighted Mortality Projected with Fully Generational MP2019 Mortality Improvement Scale
- Post-Retirement
  - General: Pub-2010 General Retirees Headcount-Weighted Mortality Projected with Fully Generational MP2019 Mortality Improvement Scale
  - LEOS: Pub-2010 Public Safety Retirees Headcount-Weighted Mortality Projected with Fully Generational MP2019 Mortality Improvement Scale
- Disabled:
  - General: Pub-2010 General Disabled Retirees Headcount-Weighted Mortality Projected with Fully Generational MP2019 Mortality Improvement Scale
  - LEOS: Pub-2010 Public Safety Disabled Retirees Headcount-Weighted Mortality Projected with Fully Generational MP2019 Mortality Improvement Scale

The actuarial assumptions for the Public Schools included calculations based on a net of 2.5% inflation assumption. The valuation assumed that 25% of participants currently with coverage will elect coverage upon retirement.

Mortality decrements:

- Healthy Pre-Retirement: Pub-2010 Teachers Employees Headcount-Weighted Mortality Projected with Fully Generational MP2019 Mortality Improvement Scale
- Healthy Post-Employment: Pub-2010 Teachers Retirees Headcount-Weighted Mortality Projected with Fully Generational MP2019 Mortality Improvement Scale
- Healthy Surviving Spouses: Pub-2010 Teachers Contingent Survivors Headcount-Weighted Mortality Projected with Fully Generational MP2019 Mortality Improvement Scale
- Disabled: Pub-2010 Teachers Disable Retirees Headcount-Weighted Mortality Projected with Fully Generational MP2019 Mortality Improvement Scale

### **Changes in Assumptions Since Prior Valuation for the County and the Authority**

- Discount rate was updated to 3.15% (the latest 20-year municipal GO AA Index as of June 30, 2019).
- Mortality assumptions were updated to the latest SOA public sector experience study rates.
- Medical trend was updated based on SOA Long-Run Medical Cost Trend Model.

### **Changes in Assumptions Since Prior Valuation for the Public Schools**

- Discount rate was updated as required under the GASB 75 standard.
- Decrement assumptions were updated to the latest SOA public sector experience study rates.
- The medical trend was updated using the Society of Actuaries (SOA) Long-Run Medical Cost Trend Model baseline assumptions.

**County of James City, Virginia**  
Notes to Basic Financial Statements  
June 30, 2020

**12) Other Post-Employment Benefits (OPEB), Continued**

**Retiree Healthcare OPEB Liability for the County and the Authority**

At June 30, 2020, the County reported a retiree healthcare OPEB liability of \$4,097,564 for its proportionate share of the County's retiree healthcare OPEB liability, and the Authority reported a retiree healthcare OPEB liability of \$381,436 for its proportionate share of the County's retiree healthcare OPEB liability. The County's and the Authority's June 30, 2020, retiree healthcare OPEB liabilities were measured as of June 30, 2019, and were determined by an actuarial valuation performed January 1, 2020. The County's and the Authority's proportion of the County's retiree healthcare OPEB liability was based on each entity's projected long-term contribution effort to the OPEB plan as compared to the total projected long-term contribution effort of all contributing entities to determine each entity's proportion. At June 30, 2020, the County's proportion of the County's retiree healthcare OPEB liability was 78.42%, and the Authority's proportion of the County's retiree healthcare OPEB liability was 7.30%.

**Changes in Retiree Healthcare OPEB Liability for the Public Schools**

<b>Component unit - Public Schools</b>	<b>Increase (decrease)</b>		
	<b>Total OPEB liability (a)</b>	<b>Plan fiduciary net position (b)</b>	<b>Net OPEB liability (a) - (b)</b>
Balances at June 30, 2018	\$ 5,093,726	\$ -	\$ 5,093,726
Changes for the year:			
Service cost	448,112	-	448,112
Interest	180,316	-	180,316
Experience losses	(487,307)	-	(487,307)
ER contribution	-	9,510	(9,510)
Changes in assumptions	(61,871)	-	(61,871)
Benefit payments	(9,510)	(9,510)	-
Administrative expenses	-	-	-
Net changes	69,740	-	69,740
Balances at June 30, 2019	\$ 5,163,466	\$ -	\$ 5,163,466

**Sensitivity of the Retiree Healthcare OPEB Liability to Changes in the Discount Rate**

The following presents the retiree healthcare OPEB liability using the discount rate of 3.13%, as well as what the retiree healthcare OPEB liability would be if it were calculated using a discount rate that is one percentage point lower (2.13%) or one percentage point higher (4.13%) than the current rate:

	<b>1% Decrease (2.13%)</b>	<b>Current Discount Rate (3.13%)</b>	<b>1% Increase (4.13%)</b>
<b>Governmental activities</b>			
Retiree Healthcare OPEB liability	\$ 4,490,954	\$ 4,097,564	\$ 3,736,167
<b>Component unit - Authority</b>			
Retiree Healthcare OPEB liability	\$ 418,056	\$ 381,436	\$ 347,794
<b>Component unit - Public Schools</b>			
Total and Net OPEB liability	\$ 5,498,102	\$ 5,163,466	\$ 4,840,498

**Sensitivity of the Retiree Healthcare OPEB Liability to Changes in the Health Care Cost Trend Rate – the County and the Authority**

The following presents the retiree healthcare OPEB liability using the health care cost trend rate of 4.00%, as well as what the retiree healthcare OPEB liability would be if it were calculated using a health cost trend rate that is one percentage point lower (3.00%) or one percentage point higher (5.00%) than the current rate:

**County of James City, Virginia**  
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**12) Other Post-Employment Benefits (OPEB), Continued**

	1% Decrease (3.00%)	Ultimate Trend Rate (4.00%)	1% Increase (5.00%)
<b>Governmental activities</b>			
Retiree Healthcare OPEB liability	\$ 3,618,417	\$ 4,097,564	\$ 4,662,536
<b>Component unit - Authority</b>			
Retiree Healthcare OPEB liability	\$ 336,833	\$ 381,436	\$ 434,028

**Sensitivity of the Retiree Healthcare OPEB Liability to Changes in the Health Care Cost Trend Rate – Public Schools**

The following presents the retiree healthcare OPEB liability using the health care cost trend rate of 4.00%, as well as what the retiree healthcare OPEB liability would be if it were calculated using a health cost trend rate that is one percentage point lower (3.00%) or one percentage point higher (5.00%) than the current rate:

	1% Decrease (3.00%)	Ultimate Trend Rate (4.00%)	1% Increase (5.00%)
<b>Component unit - Public Schools</b>			
Total and Net OPEB liability	\$ 4,612,958	\$ 5,163,466	\$ 5,810,982

**Retiree Healthcare OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources**

For the year ended June 30, 2020, the County, Authority, and Public Schools recognized retiree healthcare OPEB expense of \$311,245, \$28,017, and \$474,330, respectively. At June 30, 2020, deferred outflows of resources and deferred inflows of resources related to retiree healthcare OPEB from the following sources were reported:

	Deferred outflows of resources	Deferred inflows of resources
<b>Governmental activities</b>		
Differences between expected and actual experience	\$ 139,672	\$ 437,519
Change of assumptions	-	370,724
Net difference between projected and actual earnings on OPEB plan investments	-	-
Employer contributions subsequent to the measurement date	-	-
Change in proportion	41,849	4,557
Total	<u>\$ 181,521</u>	<u>\$ 812,800</u>
<b>Component unit - Authority</b>		
Differences between expected and actual experience	\$ 13,002	\$ 40,728
Change of assumptions	-	34,509
Net difference between projected and actual earnings on OPEB plan investments	-	-
Employer contributions subsequent to the measurement date	-	-
Change in proportion	60	1,368
Total	<u>\$ 13,062</u>	<u>\$ 76,605</u>
<b>Component unit - Public Schools</b>		
Differences between expected and actual experience	\$ -	\$ 611,197
Change of assumptions	-	202,780
Net difference between projected and actual earnings on OPEB plan investments	-	-
Employer contributions subsequent to the measurement date	14,942	-
Total	<u>\$ 14,942</u>	<u>\$ 813,977</u>

**County of James City, Virginia**  
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**12) Other Post-Employment Benefits (OPEB), Continued**

Amounts reported as deferred outflows of resources and deferred inflows of resources related to retiree healthcare OPEB will be recognized in retiree healthcare OPEB expense (recovery) as follows:

<b>Year ended</b>	<b>Governmental Activities</b>	<b>Component unit - Authority</b>	<b>Component unit - Public Schools</b>
2021	\$ (135,504)	\$ (13,571)	\$ (154,098)
2022	(135,504)	(13,571)	(154,098)
2023	(135,504)	(13,571)	(154,098)
2024	(135,502)	(13,572)	(154,099)
2025	(89,258)	(9,262)	(119,130)
Thereafter	(7)	4	(78,454)
<b>Total</b>	<b>\$ (631,279)</b>	<b>\$ (63,543)</b>	<b>\$ (813,977)</b>

**Virginia Retirement System Plans**

In addition to their participation in the pension plans offered through the Virginia Retirement System (VRS), the County, Authority, and Public Schools also participate in various cost-sharing and agent multi-employer other postemployment benefit plans, described as follows.

**Plan Description**

General Employee Health Insurance Credit Program

All full-time, salaried permanent employees of participating political subdivisions are automatically covered by the VRS Political Subdivision Health Insurance Credit Program (HIC) upon employment. Members earn one month of service credit toward the benefit for each month they are employed and for which their employer pays contributions to VRS. The health insurance credit is a tax-free reimbursement in an amount set by the General Assembly for each year of service credit against qualified health insurance premiums retirees pay for single coverage, excluding any portion covering the spouse or dependents. The credit cannot exceed the amount of the premiums and ends upon the retiree's death. This plan is a multi-employer agent plan.

As of the June 30, 2018 actuarial valuation, the following employees were covered by the benefit terms of the General Employee Health Insurance Credit Program:

	<b>Governmental Activities</b>	<b>Component unit- Authority</b>	<b>Component unit- Public Schools (non-professional)</b>
	<b>Number</b>	<b>Number</b>	<b>Number</b>
Inactive members or their beneficiaries currently receiving benefits	167	14	38
Inactive members:			
Vested	-	-	-
Non-vested	-	-	-
Active elsewhere in VRS	-	-	-
Total inactive members	167	14	38
Active members	717	83	219
Total	884	97	257

Specific information about HIC is available at

<https://www.varetire.org/retirees/insurance/healthinscredit/index.asp>

## **12) Other Post-Employment Benefits (OPEB), Continued**

### Group Life Insurance Program

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

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

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

### Public Schools Professional Plan Health Insurance Credit Program

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

Specific information about the Teacher HIC is available at <https://www.varetire.org/retirees/insurance/healthinscredit/index.asp>

### Virginia Local Disability Program – Public Schools Non-Professional Plan

All full-time, salaried general employees; including local law enforcement officers, firefighters, or emergency medical technicians of political subdivisions who do not provide enhanced hazardous duty benefits; who are in the VRS Hybrid Retirement Plan benefit structure and whose employer has not elected to opt out of the VRS-sponsored program are automatically covered by the VRS Political Subdivision Employee Virginia Local Disability Program. Political subdivisions are required by Title 51.1 of the *Code of Virginia*, as amended to provide short-term and long-term disability benefits for their Hybrid employees either through a local plan or through the Virginia Local Disability Program (VLDP).

Specific information about VLDP is available at <https://www.varetirement.org/hybrid/benefits/disability/virginia-local-disability-program.html>

### Virginia Local Disability Program – Public Schools Professional Plan

All full-time, salaried permanent (professional) employees of public school divisions who are in the VRS Hybrid Retirement Plan benefit structure and whose employer has not elected to opt out of the VRS-sponsored program are automatically covered by the VRS Teacher Employee Virginia Local Disability Program. School divisions are required by Title 51.1 of the *Code of Virginia*, as amended to provide short-term and long-term disability benefits for their Hybrid employees either through a local plan or through the Virginia Local Disability Program (VLDP).

Specific information about VLDP is available at <https://www.varetirement.org/hybrid/benefits/disability/virginia-local-disability-program.html>

**County of James City, Virginia**  
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**12) Other Post-Employment Benefits (OPEB), Continued**

The GLI, Teacher HIC, VLDP non-professional, and Teacher VLDP are administered by the VRS along with pensions and other OPEB plans, for public employer groups in the Commonwealth of Virginia. All of these plans are considered multiple employer, cost sharing plans.

**Contributions**

Contributions to the VRS OPEB programs were based on actuarially determined rates from actuarial valuations as of June 30, 2017. The actuarially determined rates were expected to finance the cost of benefits earned by employees during the year, with an additional amount to fund any unfunded accrued liability. Specific details related to the contributions for the VRS OPEB programs are as follows:

General Employee Health Insurance Credit Program

	<b>Governmental Activities</b>	<b>Component unit - Authority</b>	<b>Component unit - Public Schools (non- professional)</b>
Governed by	<i>Code of Virginia</i> 51.1-1401(E) and may be impacted as a result of funding provided to governmental agencies by the Virginia General Assembly		
Total rate of employee compensation	0.21%	0.18%	0.16%
June 30, 2020 Contribution	\$ 74,360	\$ 8,413	\$ 9,712
June 30, 2019 Contribution	\$ 74,871	\$ 8,467	\$ 9,226

Group Life Insurance Program

	<b>Governmental Activities</b>	<b>Component unit - Authority</b>	<b>Component unit - Public Schools (non- professional)</b>
Governed by	<i>Code of Virginia</i> 51.1-506 and 51.1-508 and may be impacted as a result of funding provided to governmental agencies by the Virginia General Assembly		
Total rate of employee compensation*			1.31%
June 30, 2020 Contribution	\$ 211,767	\$ 24,492	\$ 429,752
June 30, 2019 Contribution	\$ 213,323	\$ 21,000	\$ 407,768

\*Rate is allocated 60/40; 0.79% employee and 0.52% employer. Employers may elect to pay all or part of the employee contribution.



**County of James City, Virginia**  
Notes to Basic Financial Statements  
June 30, 2020

**12) Other Post-Employment Benefits (OPEB), Continued**

Public Schools Professional Plan Health Insurance Credit Program

**Component unit - Public  
Schools (professional)**

Governed by	Code of Virginia 51.1-1401(E) and may be impacted as a result of funding provided to school divisions by the Virginia General Assembly.
Total rate of employee compensation	1.20%
June 30, 2020 Contribution	\$ 905,688
June 30, 2019 Contribution	\$ 864,798

Virginia Local Disability Program – Public Schools Non-Professional Plan

**Component unit - Public  
Schools (non-professional)**

Governed by	Code of Virginia 51.1-1178(C) and may be impacted as a result of funding provided to political subdivisions by the Virginia General Assembly.
Total rate of employee compensation	0.72%
June 30, 2020 Contribution	\$ 17,451
June 30, 2019 Contribution	\$ 15,074

Virginia Local Disability Program – Public Schools Professional Plan

**Component unit - Public  
Schools (professional)**

Governed by	Code of Virginia 51.1-1178(C) and may be impacted as a result of funding provided to school divisions by the Virginia General Assembly.
Total rate of employee compensation	0.41%
June 30, 2020 Contribution	\$ 76,043
June 30, 2019 Contribution	\$ 64,096

**County of James City, Virginia**  
Notes to Basic Financial Statements  
June 30, 2020

**12) Other Post-Employment Benefits (OPEB), Continued**

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

The net VRS OPEB liabilities were measured as of June 30, 2019 and the total VRS OPEB liabilities used to calculate the net VRS OPEB liabilities were determined by actuarial valuations as of that date.

General Employee Health Insurance Credit Program

Changes in net OPEB liability of the General Employee Health Insurance Credit Program were as follows:

	<b>Increase (decrease)</b>		
	<b>Total OPEB - HIC liability (a)</b>	<b>Plan fiduciary net position (b)</b>	<b>Net OPEB - HIC liability (asset) (a) - (b)</b>
<b>Governmental activities</b>			
Balances at June 30, 2018	\$ 1,322,893	\$ 722,952	\$ 599,941
Changes for the year:			
Service cost	31,239	-	31,239
Interest	89,705	-	89,705
Changes in benefit terms	-	-	-
Changes of assumptions	36,394	-	36,394
Difference between expected and actual experience	32,810	-	32,810
Contributions - employer	-	74,871	(74,871)
Contributions - employee	-	-	-
Net investment income	-	46,337	(46,337)
Benefit payments, including refunds of employee contributions	(82,782)	(82,782)	-
Administrative expenses	-	(1,004)	1,004
Other changes	-	(19,114)	19,114
Net changes	107,366	18,308	89,058
Balances at June 30, 2019	\$ 1,430,259	\$ 741,260	\$ 688,999
<b>Component unit - Authority</b>			
Balances at June 30, 2018	\$ 162,155	\$ 107,782	\$ 54,373
Changes for the year:			
Service cost	3,579	-	3,579
Interest	11,031	-	11,031
Changes in benefit terms	-	-	-
Changes of assumptions	4,095	-	4,095
Difference between expected and actual experience	(3,892)	-	(3,892)
Contributions - employer	-	8,002	(8,002)
Contributions - employee	-	-	-
Net investment income	-	6,922	(6,922)
Benefit payments, including refunds of employee contributions	(9,131)	(9,131)	-
Administrative expenses	-	(151)	151
Other changes	-	(8)	8
Net changes	5,682	5,634	48
Balances at June 30, 2019	\$ 167,837	\$ 113,416	\$ 54,421
<b>Component unit - Public Schools (non-professional)</b>			
Balances at June 30, 2018	\$ 316,613	\$ 339,112	\$ (22,499)
Changes for the year:			
Service cost	7,967	-	7,967
Interest	21,557	-	21,557
Changes in benefit terms	-	-	-
Changes of assumptions	7,656	-	7,656
Difference between expected and actual experience	(2,594)	-	(2,594)
Contributions - employer	-	9,260	(9,260)
Contributions - employee	-	-	-
Net investment income	-	21,491	(21,491)
Benefit payments, including refunds of employee contributions	(17,320)	(17,320)	-
Administrative expenses	-	(466)	466
Other changes	-	(25)	25
Net changes	17,266	12,940	4,326
Balances at June 30, 2019	\$ 333,879	\$ 352,052	\$ (18,173)

**County of James City, Virginia**  
Notes to Basic Financial Statements  
June 30, 2020

**12) Other Post-Employment Benefits (OPEB), Continued**

The covered employer's proportion of the net OPEB liabilities were based on the covered employer's actuarially determined employer contributions for the year ended June 30, 2019 relative to the total of the actuarially determined employer contributions for all participating employers.

Group Life Insurance Program

	<b>Governmental Activities</b>	<b>Component unit - Authority</b>	<b>Component unit - Public Schools (professional)</b>	<b>Component unit - Public Schools (non- professional)</b>
June 30, 2020 proportionate share of Liability	\$ 3,389,000	\$ 369,227	\$	6,531,846
June 30, 2019 proportion	0.20827%	0.02269%	0.37153%	0.02987%
June 30, 2018 proportion	0.21342%	0.02234%	0.36332%	0.02817%
June 30, 2020 expense	\$ 73,968	\$ 8,976	\$	149,814

Public Schools Professional Plan Health Insurance Credit Program

	<b>Component unit - Public Schools (professional)</b>
June 30, 2020 proportionate share of Liability	\$ 11,297,117
June 30, 2019 proportion	0.86297%
June 30, 2018 proportion	0.85004%
June 30, 2020 expense	\$ 916,556

Virginia Local Disability Program – Public Schools Non-Professional Plan

	<b>Component unit - Public Schools (non-professional)</b>
June 30, 2020 proportionate share of Liability	\$ 13,843
June 30, 2019 proportion	0.68330%
June 30, 2018 proportion	0.67880%
June 30, 2020 expense	\$ 16,276

Virginia Local Disability Program – Public Schools Professional Plan

	<b>Component unit - Public Schools (professional)</b>
June 30, 2020 proportionate share of Liability	\$ 19,124
June 30, 2019 proportion	3.28952%
June 30, 2018 proportion	3.37801%
June 30, 2020 expense	\$ 57,753

Given that there was a change in proportionate share between measurement dates, a portion of the VRS OPEB expense above was related to deferred amount from changes in proportion.

At June 30, 2020 the County, Authority, and Public Schools reported deferred outflows of resources and deferred inflows of resources related to VRS OPEB from the following sources.

**County of James City, Virginia**  
Notes to Basic Financial Statements  
June 30, 2020

**12) Other Post-Employment Benefits (OPEB), Continued**

General Employee Health Insurance Credit Program

	<b>Deferred outflows of resources</b>	<b>Deferred inflows of resources</b>
<b>Governmental activities</b>		
Differences between expected and actual experience	\$ 36,933	\$ -
Change of assumptions	31,042	6,150
Net difference between projected and actual earnings on OPEB plan investments	-	9,171
Employer contributions subsequent to the measurement date	74,360	-
Total	<u>\$ 142,335</u>	<u>\$ 15,321</u>
<b>Component unit - Authority</b>		
Differences between expected and actual experience	\$ -	\$ 8,797
Change of assumptions	3,488	2,267
Net difference between projected and actual earnings on OPEB plan investments	-	1,203
Employer contributions subsequent to the measurement date	8,413	-
Total	<u>\$ 11,901</u>	<u>\$ 12,267</u>
<b>Component unit - Public Schools (non-professional)</b>		
Differences between expected and actual experience	\$ -	\$ 12,685
Change of assumptions	6,230	5,401
Net difference between projected and actual earnings on OPEB plan investments	-	4,067
Employer contributions subsequent to the measurement date	9,712	-
Total	<u>\$ 15,942</u>	<u>\$ 22,153</u>

Group Life Insurance Program

	<b>Deferred outflows of resources</b>	<b>Deferred inflows of resources</b>
<b>Governmental activities</b>		
Differences between expected and actual experience	\$ 225,396	\$ 43,960
Change of assumptions	213,968	102,196
Net difference between projected and actual earnings on OPEB plan investments	-	69,615
Changes in proportionate share	33,610	68,706
Employer contributions subsequent to the measurement date	211,767	-
Total	<u>\$ 684,741</u>	<u>\$ 284,477</u>
<b>Component unit - Authority</b>		
Differences between expected and actual experience	\$ 24,556	\$ 4,789
Change of assumptions	23,311	11,134
Net difference between projected and actual earnings on OPEB plan investments	-	7,584
Changes in proportionate share	4,670	1,551
Employer contributions subsequent to the measurement date	24,492	-
Total	<u>\$ 77,029</u>	<u>\$ 25,058</u>
<b>Component unit - Public Schools</b>		
Differences between expected and actual experience	\$ 434,407	\$ 84,724
Change of assumptions	412,382	196,964
Net difference between projected and actual earnings on OPEB plan investments	-	134,169
Changes in proportionate share	132,210	112,775
Employer contributions subsequent to the measurement date	429,752	-
Total	<u>\$ 1,408,751</u>	<u>\$ 528,632</u>

**County of James City, Virginia**  
Notes to Basic Financial Statements  
June 30, 2020

**12) Other Post-Employment Benefits (OPEB), Continued**

Public Schools Professional Plan Health Insurance Credit Program

<b>Component Unit - Public Schools (professional)</b>	<b>Deferred outflows of resources</b>	<b>Deferred inflows of resources</b>
Differences between expected and actual experience	\$ -	\$ 63,988
Change of assumptions	262,936	78,499
Net difference between projected and actual earnings on OPEB plan investments	713	-
Changes in proportionate share	144,362	182,831
Employer contributions subsequent to the measurement date	905,688	-
Total	<u>\$ 1,313,699</u>	<u>\$ 325,318</u>

Virginia Local Disability Program – Public Schools Non-Professional Plan

<b>Component Unit - Public Schools non-professional</b>	<b>Deferred outflows of resources</b>	<b>Deferred inflows of resources</b>
Differences between expected and actual experience	\$ 6,943	\$ 425
Change of assumptions	397	530
Net difference between projected and actual earnings on OPEB plan investments	47	-
Changes in proportionate share	36	-
Employer contributions subsequent to the measurement date	17,451	-
Total	<u>\$ 24,874</u>	<u>\$ 955</u>

Virginia Local Disability Program – Public Schools Professional Plan

<b>Component Unit - Public Schools professional</b>	<b>Deferred outflows of resources</b>	<b>Deferred inflows of resources</b>
Differences between expected and actual experience	\$ -	\$ 2,308
Change of assumptions	3,265	-
Net difference between projected and actual earnings on OPEB plan investments	74	-
Changes in proportionate share	-	607
Employer contributions subsequent to the measurement date	76,043	-
Total	<u>\$ 79,382</u>	<u>\$ 2,915</u>

The deferred outflows of resources related to VRS OPEB resulting from the County's, Authority's and Public School's contributions subsequent to the measurement date will be recognized as a reduction of the net VRS OPEB liability in the year ended June 30, 2021. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to VRS OPEB will be recognized in VRS OPEB expense (recovery) as follows on the next page:

**County of James City, Virginia**  
Notes to Basic Financial Statements  
June 30, 2020

**12) Other Post-Employment Benefits (OPEB), Continued**

General Employee Health Insurance Credit Program

<b>Year ended</b>	<b>Governmental Activities</b>	<b>Component unit - Authority</b>	<b>Component unit - Public Schools (non-professional)</b>
2021	\$ 5,323	\$ (2,349)	\$ (6,377)
2022	5,321	(2,350)	(6,375)
2023	10,905	(1,550)	(3,185)
2024	11,114	(1,530)	(333)
2025	11,849	(1,023)	347
Thereafter	8,142	23	-
<b>Total</b>	<b>\$ 52,654</b>	<b>\$ (8,779)</b>	<b>\$ (15,923)</b>

Group Life Insurance Program

<b>Year ended</b>	<b>Governmental Activities</b>	<b>Component unit - Authority</b>	<b>Component unit - Public Schools</b>
2021	\$ 7,640	\$ 1,750	\$ 21,980
2022	7,643	1,750	21,986
2023	37,128	4,962	78,811
2024	62,182	8,139	131,908
2025	58,748	8,473	150,093
Thereafter	15,156	2,405	45,589
<b>Total</b>	<b>\$ 188,497</b>	<b>\$ 27,479</b>	<b>\$ 450,367</b>

Public Schools Professional Plan Health Insurance Credit Program

<b>Year ended</b>	<b>Component unit - Public Schools (professional)</b>
2021	\$ (2,506)
2022	(2,518)
2023	2,433
2024	776
2025	10,960
Thereafter	73,548
<b>Total</b>	<b>\$ 82,693</b>

Virginia Local Disability Program – Public Schools Non-Professional Plan

<b>Year ended</b>	<b>Component unit - Public Schools (non-professional)</b>
2021	\$ 1,343
2022	1,334
2023	1,327
2024	1,341
2025	1,282
Thereafter	(159)
<b>Total</b>	<b>\$ 6,468</b>

**County of James City, Virginia**  
Notes to Basic Financial Statements  
June 30, 2020

**12) Other Post-Employment Benefits (OPEB), Continued**

Virginia Local Disability Program – Public Schools Professional Plan

Year ended	Component unit - Public Schools (professional)
2021	\$ 24
2022	24
2023	(25)
2024	(58)
2025	(27)
Thereafter	486
Total	<u>\$ 424</u>

**Actuarial Assumptions**

The total VRS OPEB liability was determined using the following assumptions based on an actuarial valuation date of June 30, 2018, applied to all periods included in the measurement and rolled forward to the measurement date of June 30, 2019:

Inflation	2.50%
Salary increases, including inflation:	
Locality - general employees	3.5% - 5.35%
Locality - hazardous duty employees	3.5% - 4.75%
Teachers	3.5% - 5.95%
Investment rate of return	6.75%, net of investment expenses, including inflation*

\* Administrative expenses as a percent of the market value of assets for the last experience study were found to be approximately 0.06% of the market assets for all of the VRS plans. This would provide an assumed investment rate for GASB purposes of slightly more than the assumed percent above. However, since the difference was minimal, and a more conservative investment return assumption provided a projected plan net position that exceeded the projected benefit payments, the long-term expected rate of return on investments was assumed to be the percent noted above to simplify preparation of OPEB liabilities.

Mortality rates used for the various VRS OPEB plans are the same as those used for the actuarial valuations of the VRS pension plans. The mortality rates are discussed in detail at Note 11.

**Net VRS OPEB Liabilities**

The net VRS OPEB liabilities represent each 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, 2019, net OPEB liability amounts for the various VRS OPEB programs are as follows (amounts expressed in thousands):

	Group Life Insurance OPEB Program	Public Schools Professional HIC OPEB Plan	VLDP - Public Schools Non- Professional Plan	VLDP - Public Schools Professional Plan
Total OPEB Liability	\$ 3,390,238	\$ 1,438,114	\$ 3,989	\$ 2,241
Plan Fiduciary Net Position	1,762,972	129,016	1,962	1,661
Employers' Net OPEB Liability (Asset)	<u>\$ 1,627,266</u>	<u>\$ 1,309,098</u>	<u>\$ 2,027</u>	<u>\$ 580</u>
Plan Fiduciary Net Position as a % of the Total OPEB Liability	52.00%	8.97%	49.19%	74.12%

**County of James City, Virginia**  
Notes to Basic Financial Statements  
June 30, 2020

**12) Other Post-Employment Benefits (OPEB), Continued**

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

**Long-Term Expected Rate of Return**

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

Asset Class (Strategy)	Target Allocation	Arithmetic Long-Term Expected Rate of Return	Weighted Average Long-Term Expected Rate of Return*
Public Equity	34.00%	5.61%	1.91%
Fixed Income	15.00%	0.88%	0.13%
Credit Strategies	14.00%	5.13%	0.72%
Real Assets	14.00%	5.27%	0.74%
Private Equity	14.00%	8.77%	1.23%
MAPS - Multi-Asset Public Strategies	6.00%	3.52%	0.21%
PIP - Private Onvestment Partnership	3.00%	6.29%	0.19%
Total	100.00%		5.13%
		Inflation	2.50%
		* Expected arithmetic nominal return	7.63%

*\*The above allocation provides a one-year return of 7.63%. 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. The results provide a range of returns over various time periods that ultimately provide a median return of 7.11%, including expected inflation of 2.50%. The VRS Board elected a long-term rate of 6.75% which is roughly at the 40th percentile of expected long-term results of the VRS fund asset allocation.*

**Discount Rate**

The discount rate used to measure the total VRS OPEB 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 Guidance and the employer contributions will be made in accordance with the VRS funding policy at rates equal to the difference between actuarially determined contribution rates adopted by the VRS Board of Trustees and the member rate. Through the fiscal year ending June 30, 2019, the rate contributed by the employer for the OPEB liabilities will be subject to the portion of the VRS Board-certified rates that are funded by the Virginia General Assembly. From July 1, 2019 on, participating employers are assumed to contribute 100% of the actuarially determined contribution rates. Based on those assumptions, the OPEB plans' fiduciary net position was projected to be available to make all projected future benefit payments of 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 OPEB liability.

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

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



**County of James City, Virginia**  
Notes to Basic Financial Statements  
June 30, 2020

**12) Other Post-Employment Benefits (OPEB), Continued**

General Employee Health Insurance Credit Program

	<b>1% Decrease (5.75%)</b>	<b>Current Discount Rate (6.75%)</b>	<b>1% Increase (7.75%)</b>
<b><u>Governmental activities</u></b>			
Net OPEB liability	\$ 850,783	\$ 688,999	\$ 551,891
<b><u>Component unit - Authority</u></b>			
Net OPEB liability	\$ 72,530	\$ 54,421	\$ 38,954
<b><u>Component unit - Public Schools (non-professional)</u></b>			
Net OPEB liability (Asset)	\$ 15,515	\$ (18,173)	\$ (47,171)

Group Life Insurance Program

	<b>1% Decrease (5.75%)</b>	<b>Current Discount (6.75%)</b>	<b>1% Increase (7.75%)</b>
<b><u>Governmental activities</u></b>			
Net OPEB liability	\$ 4,452,349	\$ 3,389,107	\$ 2,526,848
<b><u>Component unit - Authority</u></b>			
Net OPEB liability	\$ 485,062	\$ 369,227	\$ 275,288
<b><u>Component unit - Public Schools</u></b>			
Net OPEB liability	\$ 8,581,038	\$ 6,531,846	\$ 4,870,008

Public Schools Professional Plan Health Insurance Credit Program

	<b>1% Decrease (5.75%)</b>	<b>Current Discount Rate (6.75%)</b>	<b>1% Increase (7.75%)</b>
<b><u>Component unit - Public Schools (professional)</u></b>			
Net OPEB liability	\$ 12,643,394	\$ 11,297,117	\$ 10,153,455

Virginia Local Disability Program – Public Schools Non-Professional Plan

	<b>1% Decrease (5.75%)</b>	<b>Current Discount Rate (6.75%)</b>	<b>1% Increase (7.75%)</b>
<b><u>Component unit - Public Schools (non-professional)</u></b>			
Net OPEB liability	\$ 15,919	\$ 13,843	\$ 12,027

Virginia Local Disability Program – Public Schools Professional Plan

	<b>1% Decrease (5.75%)</b>	<b>Current Discount Rate (6.75%)</b>	<b>1% Increase (7.75%)</b>
<b><u>Component unit - Public Schools (professional)</u></b>			
Net OPEB liability	\$ 28,093	\$ 19,124	\$ 11,377

**County of James City, Virginia**  
Notes to Basic Financial Statements  
June 30, 2020

**12) Other Post-Employment Benefits (OPEB), Continued**

***OPEB Plan Fiduciary Net Position***

Information about the various VRS OPEB plan fiduciary net position is available in the separately issued VRS 2019 Comprehensive Annual Financial Report (CAFR). A copy of the 2019 VRS CAFR may be downloaded from the VRS website at <https://www.varetire.org/pdf/publications/2019-annual-report.pdf>, or by writing to the System's Chief Financial Officer at P.O. Box 2500, Richmond, VA, 23218-2500.

***Payables to the OPEB Plan***

At June 30, 2020, the following amounts were payable to the Virginia Retirement System for the legally required contributions related to June 2020 payroll:

Public Schools Group Life Insurance Program:	\$6,975
Public Schools Non-professional HIC Program:	\$848
Public Schools (Professional) Teacher VLDP Plan:	\$1,602

<b><i>OPEB Expense – Aggregate Information</i></b>
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The total amount of expense recognized by the County, the Authority, and the Public Schools for their OPEB plans is summarized below for fiscal year 2020:

	<b>Governmental activities</b>	<b>Authority</b>	<b>Public Schools</b>
Retiree healthcare	\$ 311,245	\$ 28,017	\$ 474,330
Group life insurance	73,968	8,976	149,814
General employee health insurance credit program	96,759	4,920	199
Public Schools professional plan health insurance credit program	-	-	916,556
Public Schools non-professional Virginia local disability program	-	-	16,276
Public Schools professional Virginia local disability program	-	-	57,753
Total	<u>\$ 481,972</u>	<u>\$ 41,913</u>	<u>\$ 1,614,928</u>

**13) Deferred Compensation Plan**

The County offers its employees a deferred compensation plan created in accordance with Internal Revenue Code (IRC) Section 457. The plan, available to permanent part-time and full-time County and Authority employees, permits them to defer 25% of their gross income up to the maximum allowable by the IRC (\$19,500 in 2020). The deferred compensation is not available to employees until termination, retirement, death or an unforeseeable emergency.

All amounts of compensation deferred under the plan, all property and rights purchased with those amounts, and all income attributable to those amounts, property, or rights are held in trust for the participants. The County acts as trustee for the plan with the choice of investment options being made by the participants. The activity of the plan is accounted for in the Deferred Compensation trust fund in the accompanying basic financial statements.

**14) Related-Party Transactions**

Certain financial management, accounting, and other services are provided to the Authority by the County. The charges for these services amounted to \$810,170 for the year ended June 30, 2020. In addition, the County leases space in Authority's buildings under long-term operating leases. The County paid the Authority \$85,680 for the year ended June 30, 2020.

In September 2009, the County entered into an agreement with the Schools for maintenance and custodial services. The County paid the Schools \$125,958 for fiscal year 2020 for these services. The agreement ended as of June 30, 2020.

**County of James City, Virginia**  
Notes to Basic Financial Statements  
June 30, 2020

**14) Related-Party Transactions, Continued**

In April 2013, the County entered into a memorandum of understanding (MOU) with the Schools to provide risk management services. The MOU had an initial term of one year with the option of renewal for four additional one year terms and is currently on a monthly basis.

**15) Risk Management**

The County reports all of its risk management expenditures in the General Fund. There were no settlements in excess of the insurance coverage in any of the three prior fiscal years.

The County maintains surety coverage for principal officials through the Virginia Association of Counties Self Insurance Risk Pool. Surety coverage is provided under the general liability coverage with a limit of \$9,000,000. All elected officials, appointed officials, members of all appointed governing bodies, employees and volunteers are covered while acting within the scope of their duties with the County.

The County is subject to certain claims that arise in the ordinary course of operations. Many of these claims are in the early stages of the evaluation process. Accordingly, it is not possible at the present time to estimate the ultimate legal and financial liability, if any, with respect to certain lawsuits or other proceedings. In the opinion of management, after consultation with counsel, the eventual outcome of such claims has not yet been determined probable to have a material adverse effect on the County's operations or financial position.

**16) Commitments and Contingencies**

**Construction in Progress**

At June 30, 2020, the County and Authority had several major projects under construction which are presented in the accompanying financial statements as construction in progress. Below are the financial details.

<b>Project</b>	<b>Budget</b>	<b>Expenditures to date</b>	<b>Balance of contract</b>	<b>Budget balance</b>
<b>Primary government - Governmental activities</b>				
General government admin.	\$ 6,518,130	\$ 486,173	\$ 69,445	\$ 5,962,512
Public safety	2,154,809	709,443	135,801	1,309,565
Public works	4,806,917	416,607	163,930	4,226,380
Judicial administration	58,700	-	-	58,700
Health & welfare	2,882	-	-	2,882
Community development	12,929,645	2,529,202	1,315,963	9,084,480
Parks, recreation and cultural	5,812,530	741,204	49,503	5,021,823
Total	<u>\$ 32,283,613</u>	<u>\$ 4,882,629</u>	<u>\$ 1,734,642</u>	<u>\$ 25,666,342</u>
<b>Component unit - Authority</b>				
Sewer improvements	\$ 3,498,831	\$ 11,303	\$ 401,145	\$ 3,086,383
Water supply	8,872,492	1,955,072	729,325	6,188,095
Water distribution	3,348,507	563,672	248,152	2,536,683
Water transmission	1,252,725	656,559	7,806	588,360
Water storage	185,620	-	-	185,620
Other	2,993,026	208,986	152,161	2,631,879
	<u>\$ 20,151,201</u>	<u>\$ 3,395,592</u>	<u>\$ 1,538,589</u>	<u>\$ 15,217,020</u>

**Encumbrances**

As previously discussed, encumbrance accounting is utilized to the extent necessary to assure effective budgetary control and accountability and to facilitate effective cash planning and control. At year end the amount of encumbrances expected to be honored upon performance by the vendor in the next year were as follows:

**County of James City, Virginia**  
Notes to Basic Financial Statements  
June 30, 2020

**16) Commitments and Contingencies, Continued**

General fund	\$ 834,391
Capital projects	1,734,642
Nonmajor governmental	789,087
Total	<u>\$ 3,358,120</u>

**Advances for Construction**

The Authority records advances for construction representing two separate agreement types. Funds can be advanced by developers for the construction of specific facilities. These agreements call for rebates, up to the amount advanced, and have no expiration date. Developers can also construct a facility, dedicate it to the Authority and receive rebates up to the cost of the facility for up to 10 years. The Authority no longer enters into these types of agreements. At June 30, 2020, the Authority had \$32,902 outstanding in advances for construction.

**Operating Leases**

The County leases certain land and office space under noncancelable operating lease agreements. Rental expenditures related to these lease agreements were \$246,192 for the year ended June 30, 2020.

The Public Schools lease equipment and buildings under noncancelable operating leases. Total costs for such leases were approximately \$343,611 for the year ended June 30, 2020. The future minimum lease payments for these leases are as follows:

<u>Year ending June 30:</u>	<u>Primary government - governmental activities</u>	<u>Component unit - Public Schools</u>
2021	\$ 265,027	\$ 271,433
2022	271,635	217,081
2023	279,013	119,688
2024	286,223	31,541
2025	294,029	-
2026-2029	526,695	-
Total	<u>\$ 1,922,622</u>	<u>\$ 639,743</u>

**Other**

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

The County, the Public Schools and the Development Authority are currently not involved in any litigation in which management deems any potential impact would be material to their respective financial statements.

**17) Tax Abatements**

The Development Authority negotiates tax abatements as part of the Enterprise Zone Grant Program, the purpose of which is to bring new commercial and industrial businesses to the County. To be eligible for this program, the business must be located in one of the two Enterprise Zones in the County and make a capital investment of \$500,000 or more in a commercial or industrial project. Depending on the investment, the taxes abated are Real Estate or Machinery & Tools. The abatement is determined by taking the improvement value of the tax assessment for qualified capital investments and applying the following percentages:

	<u>Real Estate</u>	<u>Machinery &amp; Tools</u>
Year 1	0.45%	0.50%
Year 2	0.36%	0.40%
Year 3	0.27%	0.30%
Year 4	0.18%	0.20%
Year 5	0.09%	0.10%

**County of James City, Virginia**  
Notes to Basic Financial Statements  
June 30, 2020

**17) Tax Abatements, Continued**

As of June 30, 2020, the County had 6 tax abatement agreements for Real Estate taxes as follows:

<u>Tax Abatement Program</u>	<u>Tax Amount</u>
	<u>Abated</u>
Enterprise Zone Grant Program - Real Estate	<u>\$ 5,223</u>

The Development Authority has a performance agreement with a business related to machinery and tools. The business is to make additional investments in their operations, which would increase their machinery and tools tax paid to the County. If the business meets a specified threshold of machinery and tools tax paid for five calendar years, the Development Authority and County will refund 10% of the total machinery and tools tax paid. Based on the terms of the agreement, no payments were made to the business for fiscal year 2020.

**18) COVID-19**

During fiscal year 2020, the novel coronavirus disease (COVID-19) impacted the operational and financial activities of the County.

With regard to real estate and personal property taxes, typically deferred revenue is recorded for property taxes levied but not collected within 45 days after year end. In an effort to encourage social distancing and assist with pandemic-related financial hardships, the County provided citizens with an extension under which they could pay their June 5, 2020 tax bills without penalty until August 5, 2020. The due date of subsequent supplemental and business personal property tax bills, which related to fiscal year 2020 assessments, was also extended. As a result of these extensions, the collection window for real estate and personal property taxes was adjusted to 60 days after year end for fiscal year 2020.

The costs of convenience fees typically charged to citizens on credit card or other electronic payments made to the County were also waived in an effort to allow transactions to occur remotely rather than in-person and, thereby, limit potential exposures. These costs will continue to be absorbed by the County through December 2020.

To mitigate the spread of the virus, social distancing measures were encouraged and executive orders were issued by the Governor of Virginia that placed restrictions on how businesses could operate. As a result of these restrictions, as well as changes in consumer behavior and financial hardships related to the pandemic, the County experienced decreases in other local tax revenues, including sales and use taxes, hotel and motel room taxes, and restaurant food taxes, during fiscal year 2020.

In addition, the County closed its Parks and Recreation facilities and adjusted the operations of its other departments in order to limit social interactions and help to prevent the spread of the virus. As a result of these changes, the County experienced decreases in fee revenue and charges for services starting in March 2020.

To offset anticipated revenue losses related to COVID-19, the County implemented restrictions on spending and a hiring freeze. Expenditures related to travel, training, and other discretionary costs, including tuition assistance for employees, were significantly limited or put on hold in an effort to conserve funds.

To assist with costs incurred that were necessary due to COVID-19, the County utilized relief funds to help protect its citizens and staff during the pandemic. Given the unanticipated nature of COVID-19, these costs were not previously included in the County's fiscal year 2020 budget.

In June 2020, the County received an allocation from the State of \$6,676,337 for its share of Coronavirus Aid, Relief, and Economic Security (CARES) Act funding from the federal government. These funds are to be used for expenditures that are: (1) necessary due to COVID-19, (2) not previously included in the fiscal year 2020 budget, and (3) incurred between March 1, 2020 and December 30, 2020. As of June 30, 2020, the County had expended \$6,561,664 of these funds, which included a disbursement to the Public Schools of \$1,749,959 for qualified expenditures. As of June 30, 2020, the Public Schools had not spent these funds and, as such, they are included in unearned revenue on the Public School's financial statements. Revenue in the amount of \$6,561,664 was recognized in the County's Grants and Special Projects Fund for fiscal year 2020, and the remaining \$114,673 of the funding was reported as unearned revenue as of June 30, 2020 to be recognized as revenue when these funds are expended in fiscal year 2021.

**County of James City, Virginia**  
Notes to Basic Financial Statements  
June 30, 2020

**18) COVID-19, Continued**

This CARES Act funding was the primary source of federal relief received by the County during fiscal year 2020. Other federal relief that the County received related to COVID-19 included funding to support ambulance services and emergency shelter operations.

In August 2020, the County received a second allocation of CARES Act funding in the amount of \$6,676,337. The County intends to expend all CARES Act funding on or before December 30, 2020.

The extent to which COVID-19 may impact the County's operations and financial condition in subsequent fiscal years will depend on future developments, which remain uncertain and cannot be predicted due to the evolving nature of this situation. As a result, the County cannot reasonably estimate the future impact of COVID-19 at this time.

**19) Restatement**

Prior to fiscal year 2020, the Authority was presented as a blended component unit of the County, given that the County Administrator had certain operational responsibility for the Authority. The Board of Directors adopted a resolution to appoint the Authority's General Manager as its chief executive officer in 2018, and procedures have been implemented subsequently to remove operational responsibilities over the Authority from the County. The Authority remains financially integrated with the County; therefore, the Authority is included as a discretely presented component unit in the County's financial statements for reporting purposes.

In previous fiscal years, the Authority's statement of net position and statement of activities were incorporated in the County's financial statements as a business-type activity that was part of the primary government. In addition, the Authority's statement of net position; statement of revenues, expenses and changes in net position; and statement of cash flows were presented as proprietary fund statements in the County's financial statements. As a result of the change to a discretely presented component unit, the Authority's financial information is no longer included as part of the primary government's reporting, and proprietary fund financial statements are no longer included in the County's financial statements. The County's disclosures for fiscal year 2020 have been similarly adjusted so that the Authority is reported as a discretely presented component unit, rather than a business-type activity included in the primary government.

**20) Subsequent Events**

In July 2020, the County awarded a contract in the amount of \$1,450,049 to Carolina Marine Structures, Inc. for the Chickahominy Riverfront Park Living Shoreline. This project involves the stabilization of the shoreline along the Chickahominy River and Gordon Creek through the installation of breakwaters, rock marsh sills, beach nourishment, and marsh creation.

In August 2020, the County purchased a 119-acre parcel adjacent to the County's Brickyard Landing Boat Ramp. The Board's intent with this purchase is to further expand the boat ramp and increase the public's access to the Chickahominy River. The total amount paid a closing for this property was \$1,382,083, and the County anticipates receiving grant funds from the United States' Land and Water Conservation Fund to reimburse up to half of this cost.

In October 2020, the County entered into a lease-purchase agreement with Motorola Solutions for the replacement of public safety portable radios, accessories, and programming. The contract price is \$1,693,311, and the interest rate for the agreement is 2.14%.

In addition, the County awarded a contract in the amount of \$3,220,678 to Carolina Marine Structures, Inc. in October 2020 for Stage I of the Marina Improvement Project. This project includes the replacement of bulkhead with living shoreline, replacement of fixed boat slip piers with floating piers, installation of sidewalks and site lighting upgrades, and other improvements.

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## **Required Supplementary Information Other Than MD&A**



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**County of James City, Virginia**  
General Fund

The General Fund is the general operating fund of the County, which is used to account for all of the financial resources, except those required to be accounted for in another fund. Revenues are derived primarily from general property taxes, other local taxes, licenses, permits and fees and intergovernmental revenues. Primary expenditures are for public safety, public works, health and welfare, parks, recreation and culture, education and the general administration of the County.

## County of James City, Virginia

## Schedule of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual (Unaudited)

## General Fund

Year ended June 30, 2020

<b>Fund, major and minor revenue source</b>	<b>Original budget</b>	<b>Final budget</b>	<b>Actual</b>	<b>Variance positive (negative)</b>
Revenue from local sources:				
General property taxes:				
Real property taxes	\$ 102,100,000	\$ 102,100,000	\$ 101,429,335	\$ (670,665)
Real and personal public service corporation property taxes	2,200,000	2,200,000	4,025,876	1,825,876
Personal property taxes	25,540,000	25,540,000	25,981,643	441,643
Machinery and tools taxes	6,100,000	6,100,000	6,358,843	258,843
Penalties	750,000	750,000	587,976	(162,024)
Interest	385,000	385,000	340,523	(44,477)
Total general property taxes	<u>137,075,000</u>	<u>137,075,000</u>	<u>138,724,196</u>	<u>1,649,196</u>
Other local taxes:				
Local sales and use taxes	15,400,000	15,400,000	14,660,594	(739,406)
Franchise license taxes	700,000	700,000	484,998	(215,002)
Taxes on recordation and wills	1,150,000	1,150,000	1,532,445	382,445
Hotel and motel room taxes	2,925,000	2,925,000	2,158,572	(766,428)
Restaurant food taxes	7,590,000	7,590,000	6,049,097	(1,540,903)
Deeds of conveyance	380,000	380,000	412,922	32,922
Penalties	-	-	56,152	56,152
Interest	-	-	16,503	16,503
Total other local taxes	<u>28,145,000</u>	<u>28,145,000</u>	<u>25,371,283</u>	<u>(2,773,717)</u>
Permits, privilege fees and regulatory licenses:				
Animal licenses	30,000	30,000	11,461	(18,539)
Business licenses	7,480,000	7,480,000	7,187,277	(292,723)
Motor vehicle licenses	210,000	210,000	170,761	(39,239)
Building permits	950,000	950,000	850,756	(99,244)
Permits and other licenses	757,000	757,000	658,313	(98,687)
Total permits, privilege fees and regulatory licenses	<u>9,427,000</u>	<u>9,427,000</u>	<u>8,878,568</u>	<u>(548,432)</u>
Fines and forfeitures	240,000	240,000	231,608	(8,392)
Use of money and property	200,000	200,000	198,996	(1,004)
Charges for services:				
Excess fees - Clerk of Court	155,000	155,000	175,213	20,213
Charges for Commonwealth's attorney	7,000	7,000	5,217	(1,783)
Charges for law enforcement and traffic control	145,000	145,000	106,700	(38,300)
Charges for emergency medical services	2,300,000	2,215,006	1,925,130	(289,876)
Charges for parks and recreation	3,638,000	3,638,000	2,844,953	(793,047)
Recycling fees	1,418,000	1,418,000	804,152	(613,848)
Landfill user fees	310,000	310,000	366,068	56,068
Other fees	187,000	187,000	63,771	(123,229)
Total charges for services	<u>8,160,000</u>	<u>8,075,006</u>	<u>6,291,204</u>	<u>(1,783,802)</u>
Miscellaneous revenue:				
Sale of property	137,000	137,000	77,020	(59,980)
Miscellaneous	123,000	160,045	144,668	(15,377)
Total miscellaneous revenue	<u>260,000</u>	<u>297,045</u>	<u>221,688</u>	<u>(75,357)</u>
Total revenue from local sources	<u>183,507,000</u>	<u>183,459,051</u>	<u>179,917,543</u>	<u>(3,541,508)</u>

(Continued)

See accompanying notes to the required supplementary information and independent auditor's report.

## County of James City, Virginia

## Schedule of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual (Unaudited)

## General Fund

Year ended June 30, 2020

<b>Fund, major and minor revenue source</b>	<b>Original budget</b>	<b>Final budget</b>	<b>Actual</b>	<b>Variance positive (negative)</b>
Revenue from the Commonwealth:				
Noncategorical aid:				
Mobile home titling taxes	\$ 40,000	\$ 40,000	\$ 45,246	\$ 5,246
Tax on deeds	400,000	400,000	291,921	(108,079)
Railroad rolling stock taxes	60,000	60,000	53,476	(6,524)
Personal property tax relief	9,770,137	9,770,137	9,770,137	-
Communications sales and use tax	1,500,000	1,500,000	1,412,986	(87,014)
Car rental tax	120,000	120,000	106,995	(13,005)
Total noncategorical aid	11,890,137	11,890,137	11,680,761	(209,376)
Categorical aid:				
Shared expenses:				
Commonwealth's attorney	587,000	594,704	604,759	10,055
Sheriff	775,000	775,000	766,745	(8,255)
Commissioner of the revenue	184,168	184,168	185,102	934
Treasurer	175,000	175,000	178,304	3,304
Registrar/electoral board	70,000	70,000	102,036	32,036
Clerk of the circuit court	495,000	523,257	525,055	1,798
Total shared expenses	2,286,168	2,322,129	2,362,001	39,872
Other categorical aid:				
Wireless Board	220,000	220,000	234,464	14,464
Commission of the arts	4,500	4,500	4,500	-
HB 599 payments	1,400,000	1,400,000	1,468,556	68,556
Share of state sales tax	12,744,195	12,744,195	13,068,599	324,404
DMV Satellite Office	75,000	75,000	86,145	11,145
Total other categorical aid	14,443,695	14,443,695	14,862,264	418,569
Total categorical aid	16,729,863	16,765,824	17,224,265	458,441
Total revenue from the Commonwealth	28,620,000	28,655,961	28,905,026	249,065
Revenue from the federal government:				
Payments in lieu of taxes	8,000	8,000	8,433	433
CARES Act provider relief	-	84,994	84,995	1
Total revenue from the federal government	8,000	92,994	93,428	434
Total revenues	\$ 212,135,000	\$ 212,208,006	\$ 208,915,997	\$ (3,292,009)

(Continued)

See accompanying notes to the required supplementary information and independent auditor's report.

## County of James City, Virginia

## Schedule of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual (Unaudited)

## General Fund

Year ended June 30, 2020

<b>Fund, major and minor expenditure source</b>	<b>Original budget</b>	<b>Final budget</b>	<b>Actual</b>	<b>Variance positive (negative)</b>
General government administration:				
Legislative:				
Board of supervisors	\$ 152,992	\$ 152,992	\$ 137,841	\$ 15,151
General and financial administration:				
County administrator	871,498	875,498	792,749	82,749
County attorney	470,391	470,503	461,780	8,723
Human resources	533,796	568,934	469,384	99,550
Legal services	52,500	52,500	47,284	5,216
Commissioner of the revenue	877,283	877,283	872,038	5,245
Real estate assessments	701,202	701,102	678,115	22,987
Treasurer	1,253,305	1,253,305	997,299	256,006
Financial management	1,349,231	1,367,102	1,248,328	118,774
Accounting	189,121	185,621	177,799	7,822
IT Infrastructure	1,866,711	1,876,948	1,654,911	222,037
Purchasing	290,948	290,648	279,011	11,637
IT Core Applications	1,305,278	1,322,206	1,117,131	205,075
Information technology	1,260,656	1,304,815	1,137,426	167,389
Satellite office	207,792	218,469	211,280	7,189
Fleet maintenance	1,087,820	1,087,820	995,771	92,049
Total general and financial administration	12,317,532	12,452,754	11,140,306	1,312,448
Board of elections:				
Voter registration and elections	460,255	460,255	434,343	25,912
Total general government administration	12,930,779	13,066,001	11,712,490	1,353,511
Judicial administration:				
Courts:				
Circuit court and judicial services	615,950	615,973	599,736	16,237
General district court	39,281	39,281	23,372	15,909
Juvenile and domestic relations district court	14,508	14,860	12,277	2,583
Clerk of the circuit court	781,527	809,784	803,557	6,227
Sheriff	1,485,804	1,485,804	1,252,955	232,849
9th judicial district	6,408	22,136	18,847	3,289
Court services and juvenile detention	321,757	327,359	247,451	79,908
Courthouse	532,532	549,206	430,447	118,759
Total courts	3,797,767	3,864,403	3,388,642	475,761
Commonwealth's attorney	1,087,072	1,094,776	1,067,076	27,700
Total judicial administration	4,884,839	4,959,179	4,455,718	503,461
Public safety:				
Law enforcement and traffic control:				
Police department	11,941,728	12,004,300	10,013,328	1,990,972
Emergency communications	3,379,074	3,383,074	2,518,863	864,211
Total law enforcement and traffic control	15,320,802	15,387,374	12,532,191	2,855,183
Fire and rescue services:				
Fire department and emergency medical services	13,155,396	13,176,112	10,482,370	2,693,742
Correction and detention:				
Regional jail	2,241,817	2,241,817	2,243,329	(1,512)
Inspections:				
Building and safety permits	1,381,633	1,381,633	1,235,994	145,639
Other protection:				
Animal control	188,984	188,984	136,446	52,538
Emergency management	279,522	289,422	262,063	27,359
Total other protection	468,506	478,406	398,509	79,897
Total public safety	32,568,154	32,665,342	26,892,393	5,772,949

(Continued)

## County of James City, Virginia

## Schedule of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual (Unaudited)

## General Fund

Year ended June 30, 2020

<b>Fund, major and minor expenditure source</b>	<b>Original budget</b>	<b>Final budget</b>	<b>Actual</b>	<b>Variance positive (negative)</b>
Public works:				
Sanitation and waste removal:				
Grounds maintenance	\$ 2,215,589	\$ 2,446,589	\$ 2,018,694	\$ 427,895
Solid waste and recycling	2,606,296	2,618,334	2,112,998	505,336
Total sanitation and waste removal	4,821,885	5,064,923	4,131,692	933,231
Maintenance of general buildings and grounds:				
Facilities management	5,313,915	5,586,632	4,504,148	1,082,484
Total public works	10,135,800	10,651,555	8,635,840	2,015,715
Health and human services:				
Local health department	781,934	781,934	738,939	42,995
Behavioral health and development services	1,732,000	1,732,000	1,732,000	-
Total health and human services	2,513,934	2,513,934	2,470,939	42,995
Education:				
School board administration	95,746,036	95,746,036	90,536,751	5,209,285
Parks, recreation and cultural:				
Parks and recreation:				
Administration	5,379,886	5,406,668	4,952,306	454,362
Community centers	371,652	455,821	275,171	180,650
Park operations	417,676	424,012	319,092	104,920
Recreation services	420,670	420,670	263,948	156,722
Total parks and recreation	6,589,884	6,707,171	5,810,517	896,654
Library:				
Regional library	4,933,357	4,933,357	4,933,357	-
Total parks, recreation and cultural	11,523,241	11,640,528	10,743,874	896,654
Community development:				
Planning and community development:				
Planning	1,117,353	1,562,445	1,221,752	340,693
Community Development	216,584	265,897	259,969	5,928
Zoning enforcement	357,220	356,970	339,451	17,519
Economic development	434,938	468,271	348,265	120,006
Contributions – other	1,003,941	1,003,941	950,161	53,780
Regional transportation	708,761	708,761	708,761	-
Total planning and community development	3,838,797	4,366,285	3,828,359	537,926
Environmental management:				
Stormwater & Resource protection	2,116,245	2,347,143	2,122,922	224,221
Total community development	5,955,042	6,713,428	5,951,281	762,147
Nondepartmental:				
Miscellaneous	87,049	49,716	-	49,716
Health insurance	-	-	16,128	(16,128)
Total nondepartmental	87,049	49,716	16,128	33,588
Total expenditures	176,344,874	178,005,719	161,415,414	16,606,433
Excess of revenues over expenditures	35,790,126	34,202,287	47,500,583	13,314,424
Other financing sources (uses):				
Transfers in	70,000	107,045	102,833	(4,212)
Transfers out	(35,860,126)	(37,667,126)	(34,912,342)	2,754,784
Total other financing sources (uses)	(35,790,126)	(37,560,081)	(34,809,509)	2,750,572
Net change in fund balance	-	(3,357,794)	12,691,074	16,064,996
Fund balance at beginning of year	-	3,357,794	46,889,297	43,531,503
Fund balance at end of year	\$ -	\$ -	\$ 59,580,371	\$ 59,596,499

See accompanying notes to the required supplementary information and independent auditor's report.

**County of James City, Virginia**  
Schedule of Changes in the Net Pension Liability and Related Ratios (1)  
Required Supplementary Information (Unaudited)

Year ended June 30,*	Governmental Activities - County					
	2015	2016	2017	2018	2019	2020
<b>Total pension liability</b>						
Service cost	\$ 4,376,092	\$ 4,416,137	\$ 4,398,469	\$ 4,344,463	\$ 4,233,955	\$ 4,329,341
Interest	9,996,496	10,586,624	11,164,260	11,561,915	12,034,506	12,600,514
Changes of benefit terms	-	-	-	-	-	-
Differences between expected and actual experience	-	252,227	(2,733,673)	(554,290)	(258,300)	1,286,792
Changes in assumptions	-	-	-	(1,296,832)	-	5,993,876
Benefit payments, including refunds of employee contributions	(5,223,843)	(6,660,511)	(7,345,595)	(6,950,943)	(7,656,974)	(8,191,674)
<b>Net change in total pension liability</b>	9,148,745	8,594,477	5,483,461	7,104,313	8,353,187	16,018,849
<b>Total pension liability, beginning</b>	145,419,002	154,567,747	163,162,224	168,645,685	175,749,998	184,103,185
<b>Total pension liability, ending (a)</b>	<u>\$ 154,567,747</u>	<u>\$ 163,162,224</u>	<u>\$ 168,645,685</u>	<u>\$ 175,749,998</u>	<u>\$ 184,103,185</u>	<u>\$ 200,122,034</u>
<b>Plan fiduciary net position</b>						
Contributions - employer	4,362,691	4,065,806	4,133,647	3,536,962	3,660,271	3,773,524
Contributions - employee	1,909,429	1,844,202	1,870,648	1,934,998	1,952,900	2,117,076
Net investment income	18,931,089	6,365,577	2,508,354	17,721,493	11,930,106	11,427,215
Benefit payments, including refunds of employee contributions	(5,223,843)	(6,660,511)	(7,345,595)	(6,950,943)	(7,656,974)	(8,191,674)
Administrative expense	(100,186)	(86,580)	(89,515)	(101,649)	(102,499)	(112,489)
Other	998	(1,349)	(1,066)	(15,816)	(10,651)	(7,209)
<b>Net change in plan fiduciary net position</b>	19,880,178	5,527,145	1,076,473	16,125,045	9,773,153	9,006,443
<b>Plan fiduciary net position, beginning</b>	119,228,777	139,108,955	144,636,100	145,712,573	161,837,618	171,610,771
<b>Plan fiduciary net position, ending (b)</b>	<u>139,108,955</u>	<u>144,636,100</u>	<u>145,712,573</u>	<u>161,837,618</u>	<u>171,610,771</u>	<u>180,617,214</u>
<b>Net pension liability (asset) (a) - (b)</b>	<u>\$ 15,458,792</u>	<u>\$ 18,526,124</u>	<u>\$ 22,933,112</u>	<u>\$ 13,912,380</u>	<u>\$ 12,492,414</u>	<u>\$ 19,504,820</u>
<b>Plan fiduciary net position as a percentage of the total pension liability</b>	90.00%	88.65%	86.40%	92.08%	93.21%	90.25%
<b>Covered payroll</b>	\$ 37,347,889	\$ 36,788,968	\$ 37,681,907	\$ 38,853,860	\$ 40,475,381	\$ 40,710,451
<b>Net pension liability (asset) as a percentage of the total covered payroll</b>	41.39%	50.36%	60.86%	35.81%	30.86%	47.91%

(1) This schedule is intended to present 10 years of information. GASB 68 and 71 were implemented in fiscal year 2015, and additional years will be presented as the information becomes available.

\* The amounts presented have a measurement date of the previous fiscal year end.

See accompanying notes to the required supplementary information and independent auditor's report.

**County of James City, Virginia**  
Schedule of Changes in the Net Pension Liability and Related Ratios (1)  
Required Supplementary Information (Unaudited)

Year ended June 30,*	Component Unit - Service Authority					
	2015	2016	2017	2018	2019	2020
<b>Total pension liability</b>						
Service cost	\$ 417,066	\$ 430,269	\$ 404,294	\$ 411,137	\$ 379,365	\$ 378,585
Interest	913,818	978,647	1,032,165	1,104,651	1,132,686	1,198,755
Changes of benefit terms	-	-	-	-	-	-
Differences between expected and actual experience	-	(146,331)	128,139	(213,521)	62,537	182,506
Changes in assumptions	-	-	-	(335,427)	-	546,875
Benefit payments, including refunds of employee contributions	(376,365)	(433,146)	(562,945)	(495,181)	(637,522)	(623,967)
<b>Net change in total pension liability</b>	954,519	829,439	1,001,653	471,659	937,066	1,682,754
<b>Total pension liability, beginning</b>	13,242,723	14,197,242	15,026,681	16,028,334	16,499,993	17,437,059
<b>Total pension liability, ending (a)</b>	<u>\$ 14,197,242</u>	<u>\$ 15,026,681</u>	<u>\$ 16,028,334</u>	<u>\$ 16,499,993</u>	<u>\$ 17,437,059</u>	<u>\$ 19,119,813</u>
<b>Plan fiduciary net position</b>						
Contributions - employer	308,820	329,381	336,720	288,588	297,525	235,463
Contributions - employee	197,188	193,349	197,261	210,624	204,311	212,351
Net investment income	1,802,418	612,704	245,617	1,734,000	1,174,317	1,128,516
Benefit payments, including refunds of employee contributions	(376,365)	(433,146)	(562,945)	(495,181)	(637,522)	(623,967)
Administrative expense	(9,511)	(8,173)	(8,604)	(9,804)	(10,045)	(11,054)
Other	95	(130)	(104)	(1,553)	(1,050)	(713)
<b>Net change in plan fiduciary net position</b>	1,922,645	693,985	207,945	1,726,674	1,027,536	940,596
<b>Plan fiduciary net position, beginning</b>	11,335,104	13,257,749	13,951,734	14,159,679	15,886,353	16,913,889
<b>Plan fiduciary net position, ending (b)</b>	<u>13,257,749</u>	<u>13,951,734</u>	<u>14,159,679</u>	<u>15,886,353</u>	<u>16,913,889</u>	<u>17,854,485</u>
<b>Net pension liability (asset) (a) - (b)</b>	<u>\$ 939,493</u>	<u>\$ 1,074,947</u>	<u>\$ 1,868,655</u>	<u>\$ 613,640</u>	<u>\$ 523,170</u>	<u>\$ 1,265,328</u>
<b>Plan fiduciary net position as a percentage of the total pension liability</b>	93.38%	92.85%	88.34%	96.28%	97.00%	93.38%
<b>Covered payroll</b>	\$ 3,943,666	\$ 3,897,762	\$ 4,026,779	\$ 4,083,082	\$ 4,230,543	\$ 4,445,820
<b>Net pension liability (asset) as a percentage of the total covered payroll</b>	23.82%	27.58%	46.41%	15.03%	12.37%	28.46%

(1) This schedule is intended to present 10 years of information. GASB 68 and 71 were implemented in fiscal year 2015, and additional years will be presented as the information becomes available.

\* The amounts presented have a measurement date of the previous fiscal year end.

See accompanying notes to the required supplementary information and independent auditor's report.



**County of James City, Virginia**  
Schedule of Changes in the Net Pension Liability and Related Ratios (1)  
Required Supplementary Information (Unaudited)

Year ended June 30,*	Component Unit - Public Schools' Non-Professional					
	2015	2016	2017	2018	2019	2020
<b>Total pension liability</b>						
Service cost	\$ 507,972	\$ 526,136	\$ 540,481	\$ 523,460	\$ 506,887	\$ 485,858
Interest	1,021,383	1,087,945	1,157,021	1,222,200	1,254,419	1,297,224
Changes of benefit terms	-	-	-	-	-	-
Differences between expected and actual experience	-	(13,491)	(122,658)	(318,599)	(287,441)	(426,300)
Changes in assumptions	-	-	-	(236,957)	-	528,041
Benefit payments, including refunds of employee contributions	(570,189)	(586,736)	(640,852)	(646,577)	(813,097)	(911,625)
<b>Net change in total pension liability</b>	959,166	1,013,854	933,992	543,527	660,768	973,198
<b>Total pension liability, beginning</b>	14,876,279	15,835,445	16,849,299	17,783,291	18,326,818	18,987,586
<b>Total pension liability, ending (a)</b>	<u>\$ 15,835,445</u>	<u>\$ 16,849,299</u>	<u>\$ 17,783,291</u>	<u>\$ 18,326,818</u>	<u>\$ 18,987,586</u>	<u>\$ 19,960,784</u>
<b>Plan fiduciary net position</b>						
Contributions - employer	435,519	372,141	369,942	233,501	224,276	173,657
Contributions - employee	237,728	256,454	256,786	257,483	249,325	268,278
Net investment income	2,265,304	764,646	309,381	2,158,117	1,451,191	1,377,110
Benefit payments, including refunds of employee contributions	(570,189)	(586,736)	(640,852)	(646,577)	(813,097)	(911,625)
Administrative expense	(12,002)	(10,296)	(10,703)	(12,355)	(12,546)	(13,730)
Other	120	(162)	(130)	(1,926)	(1,291)	(866)
<b>Net change in plan fiduciary net position</b>	2,356,480	796,047	284,424	1,988,243	1,097,858	892,824
<b>Plan fiduciary net position, beginning</b>	14,283,651	16,640,131	17,436,178	17,720,602	19,708,845	20,806,703
<b>Plan fiduciary net position, ending (b)</b>	<u>16,640,131</u>	<u>17,436,178</u>	<u>17,720,602</u>	<u>19,708,845</u>	<u>20,806,703</u>	<u>21,699,527</u>
<b>Net pension liability (asset) (a) - (b)</b>	<u>\$ (804,686)</u>	<u>\$ (586,879)</u>	<u>\$ 62,689</u>	<u>\$ (1,382,027)</u>	<u>\$ (1,819,117)</u>	<u>\$ (1,738,743)</u>
<b>Plan fiduciary net position as a percentage of the total pension liability</b>	105.08%	103.48%	99.65%	107.54%	109.58%	108.71%
<b>Covered payroll</b>	\$ 4,812,365	\$ 5,154,307	\$ 5,123,850	\$ 5,000,257	\$ 4,802,484	\$ 4,905,565
<b>Net pension liability (asset) as a percentage of the total covered payroll</b>	-16.72%	-11.39%	1.22%	-27.64%	-37.88%	-35.44%

(1) This schedule is intended to present 10 years of information. GASB 68 and 71 were implemented in fiscal year 2015, and additional years will be presented as the information becomes available.

\* The amounts presented have a measurement date of the previous fiscal year end.

See accompanying notes to the required supplementary information and independent auditor's report.

**County of James City, Virginia**  
Schedule of Employer's Share of Net Pension Liability (1)  
Required Supplementary Information (Unaudited)

Year ended June 30,*	Component Unit - Public Schools' Professional					
	2015	2016	2017	2018	2019	2020
Employer's proportion of the net pension liability	0.85987%	0.87896%	0.87104%	0.86356%	0.84943%	0.86221%
Employer's proportionate share of the net pension liability	\$ 103,913,000	\$ 110,629,000	\$ 122,069,000	\$ 106,201,000	\$ 99,893,000	\$ 113,471,736
Employer's covered payroll	\$ 62,882,350	\$ 65,034,559	\$ 65,800,057	\$ 67,052,585	\$ 67,353,977	\$ 70,456,378
Employer's proportionate share of the net pension liability as a percentage of its covered payroll	165.25%	170.11%	185.52%	158.38%	148.31%	161.05%
Plan fiduciary net position as a percentage of the total pension liability	70.88%	70.68%	68.28%	72.92%	74.81%	73.51%

(1) This schedule is intended to present 10 years of information. GASB 68 and 71 were implemented in fiscal year 2015, and additional years will be presented as the information becomes available.

\* The amounts presented have a measurement date of the previous fiscal year end.

**County of James City, Virginia**  
Schedule of Employer Pension Contributions  
Required Supplementary Information (Unaudited)  
Years ended June 30, 2020, 2019, 2018, 2017, 2016 and 2015 (1)

<b>Primary Government - Governmental Activities - County</b>					
<b>Fiscal Year</b>	<b>Contractually required contribution</b>	<b>Contributions in relation to contractually required contribution</b>	<b>Contribution deficiency (excess)</b>	<b>Employer's covered payroll</b>	<b>Contributions as a % of covered payroll</b>
2015	\$ 4,090,933	\$ 4,091,153	\$ 220	\$ 36,788,968	11.12%
2016	4,190,228	4,190,244	16	37,681,907	11.12%
2017	3,640,607	3,640,677	70	38,853,860	9.37%
2018	3,792,543	3,793,308	765	40,475,381	9.37%
2019	3,814,569	3,816,392	1,823	40,710,451	9.37%
2020	4,085,815	4,085,863	48	40,413,598	10.11%

\*Excess contributions are a result of an amount due for retroactive payment for prior fiscal year.

<b>Component Unit - JCSEA</b>					
<b>Fiscal Year</b>	<b>Contractually required contribution</b>	<b>Contributions in relation to contractually required contribution</b>	<b>Contribution deficiency (excess)</b>	<b>Employer's covered payroll</b>	<b>Contributions as a % of covered payroll</b>
2015	\$ 330,920	\$ 330,920	\$ -	\$ 3,897,762	8.49%
2016	341,874	341,874	-	4,026,779	8.49%
2017	297,668	297,668	-	4,083,082	7.29%
2018	308,672	308,672	-	4,230,543	7.29%
2019	250,534	250,534	-	4,445,820	5.63%
2020	265,027	265,027	-	4,673,979	5.66%

<b>Component Unit - Public Schools' - Non-professional</b>					
<b>Fiscal Year</b>	<b>Contractually required contribution</b>	<b>Contributions in relation to contractually required contribution</b>	<b>Contribution deficiency (excess)</b>	<b>Employer's covered payroll</b>	<b>Contributions as a % of covered payroll</b>
2015	\$ 372,141	\$ 372,141	\$ -	\$ 5,154,307	7.22%
2016	369,942	369,942	-	5,123,850	7.22%
2017	233,512	233,512	-	5,000,257	4.67%
2018	224,276	224,276	-	4,802,484	4.67%
2019	173,657	173,657	-	4,905,565	3.54%
2020	172,427	172,427	-	4,870,819	3.54%

<b>Component Unit - Public Schools' - Professional</b>					
<b>Fiscal Year</b>	<b>Contractually required contribution</b>	<b>Contributions in relation to contractually required contribution</b>	<b>Contribution deficiency (excess)</b>	<b>Employer's covered payroll</b>	<b>Contributions as a % of covered payroll</b>
2015	\$ 9,430,011	\$ 9,430,011	\$ -	\$ 65,034,559	14.50%
2016	9,251,488	9,251,488	-	65,800,057	14.06%
2017	9,829,909	9,829,909	-	67,052,585	14.66%
2018	10,992,169	10,992,169	-	67,353,977	16.32%
2019	11,047,560	11,047,560	-	70,456,378	15.68%
2020	11,431,558	11,431,558	-	72,905,344	15.68%

(1) This schedule is intended to present 10 years of information. GASB 68 and 71 were implemented in fiscal year 2015, and additional years will be presented as the information becomes available.

**County of James City, Virginia**  
Schedule of Employer's Share of Retiree Healthcare OPEB Liability (1) (2)  
Required Supplementary Information (Unaudited)  
Last Ten Fiscal Years\* (1) (2)

Measurement date as of June 30,	2017		2018		2019	
	County	JCSA	County	JCSA	County	JCSA
Employer's proportion of the County's Retiree Healthcare OPEB Liability	77.59%	7.35%	77.59%	7.35%	78.42%	7.30%
Employer's proportionate share of the County's Retiree Healthcare OPEB Liability	\$ 4,296,213	\$ 406,742	\$ 4,571,936	\$ 432,969	\$ 4,097,564	\$ 381,436
Fiduciary net position as a % of total OPEB liability	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Expected average remaining service years of all participants	7	7	7	7	6	6

(1) This schedule is intended to present 10 years of information. GASB 75 was implemented in fiscal year 2018, and additional years will be presented as the information becomes available.

(2) This OPEB plan does not depend on salary information.

\* The amounts presented have a measurement date of the previous fiscal year end.

## County of James City, Virginia

Schedule of Changes in the Net OPEB - Retiree Healthcare (RH) Liability and Related Ratios (1) (2)  
Required Supplementary Information (Unaudited)

Year ended June 30,*	Component Unit - Public Schools' Non-Professional		
	2018	2019	2020
<b>Total OPEB - RH liability</b>			
Service cost	\$ 457,670	\$ 432,740	\$ 448,112
Interest cost	126,557	165,148	180,316
Changes of benefit terms	-	-	-
Differences between expected and actual experience	-	(270,907)	(487,307)
Changes in assumptions	(244,756)	(13,843)	(61,871)
Changes in proportions	-	-	-
Benefit payments	(127,182)	64,113	(9,510)
<b>Net change in total OPEB - RH liability</b>	<u>212,289</u>	<u>377,251</u>	<u>69,740</u>
<b>Total OPEB - RH liability, beginning</b>	<u>4,504,186</u>	<u>4,716,475</u>	<u>5,093,726</u>
<b>Total OPEB - RH liability, ending (a)</b>	<u>\$ 4,716,475</u>	<u>\$ 5,093,726</u>	<u>\$ 5,163,466</u>
<b>Plan fiduciary net position - RH</b>			
Contributions - employer	206,794	(64,113)	9,510
Net investment income	-	-	-
Benefit payments	(206,794)	64,113	(9,510)
Administrative expense	-	-	-
<b>Net change in plan fiduciary net position - RH</b>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Plan fiduciary net position - RH, beginning</b>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Plan fiduciary net position - RH, ending (b)</b>	<u>-</u>	<u>-</u>	<u>-</u>
<b>OPEB - RH liability (a) - (b)</b>	<u>\$ 4,716,475</u>	<u>\$ 5,093,726</u>	<u>\$ 5,163,466</u>
<b>Plan fiduciary net position - RH as a percentage of the total OPEB - RH liability</b>	0.00%	0.00%	0.00%
<b>Expected average remaining service years of all participants</b>	7	7	7

(1) This schedule is intended to present 10 years of information. GASB 75 was implemented in fiscal year 2018, and additional years will be presented as the information becomes available.

(2) This OPEB plan does not depend on salary information.

\* The amounts presented have a measurement date of the previous fiscal year end.

**County of James City, Virginia**  
Schedule of Changes in the Net OPEB - Health Insurance Credit (HIC) Liability (1)  
Required Supplementary Information (Unaudited)

Year ended June 30, \*

	2018			2019			2020		
	County	JCSA	Public Schools' Non-Professional	County	JCSA	Public Schools' Non-Professional	County	JCSA	Public Schools' Non-Professional
<b>Total OPEB - HIC liability</b>									
Service cost	\$ 29,486	\$ 3,682	\$ 8,750	\$ 29,285	\$ 3,588	\$ 8,619	\$ 31,239	\$ 3,579	\$ 7,967
Interest cost	84,387	10,769	21,536	86,675	11,121	21,905	89,705	11,031	21,557
Changes of benefit terms	-	-	-	-	-	-	-	-	-
Differences between expected and actual experience	-	-	-	12,586	(7,706)	(16,514)	32,810	(3,892)	(2,594)
Changes in assumptions	(10,761)	(3,953)	(11,335)	-	-	-	36,394	4,095	7,656
Benefit payments, including refunds of employee contributions	(53,124)	(3,508)	(6,674)	(87,727)	(7,440)	(20,665)	(82,782)	(9,131)	(17,320)
<b>Net change in total OPEB - HIC liability</b>	49,988	6,990	12,277	40,819	(437)	(6,655)	107,366	5,682	17,266
<b>Total OPEB - HIC liability, beginning</b>	<u>1,232,086</u>	<u>155,602</u>	<u>310,991</u>	<u>1,282,074</u>	<u>162,592</u>	<u>323,268</u>	<u>1,322,893</u>	<u>162,155</u>	<u>316,613</u>
<b>Total OPEB - HIC liability, ending (a)</b>	<u>\$ 1,282,074</u>	<u>\$ 162,592</u>	<u>\$ 323,268</u>	<u>\$ 1,322,893</u>	<u>\$ 162,155</u>	<u>\$ 316,613</u>	<u>\$ 1,430,259</u>	<u>\$ 167,837</u>	<u>\$ 333,879</u>
<b>Plan fiduciary net position - HIC</b>									
Contributions - employer	65,197	8,166	11,391	67,836	8,467	11,165	74,871	8,002	9,260
Contributions - employee	-	-	-	-	-	-	-	-	-
Net investment income	71,316	10,122	33,666	49,083	7,150	23,057	46,337	6,922	21,491
Benefit payments, including refunds of employee contributions	(53,124)	(3,508)	(6,674)	(87,727)	(7,440)	(20,665)	(82,782)	(9,131)	(17,320)
Administrative expense	(1,170)	(170)	(552)	(1,138)	(170)	(535)	(1,004)	(151)	(466)
Other	3,562	494	1,683	(3,562)	(494)	(1,683)	(19,114)	(8)	(25)
<b>Net change in plan fiduciary net position - HIC</b>	85,781	15,104	39,514	24,492	7,513	11,339	18,308	5,634	12,940
<b>Plan fiduciary net position - HIC, beginning</b>	<u>612,679</u>	<u>85,165</u>	<u>288,259</u>	<u>698,460</u>	<u>100,269</u>	<u>327,773</u>	<u>722,952</u>	<u>107,782</u>	<u>339,112</u>
<b>Plan fiduciary net position - HIC, ending (b)</b>	<u>698,460</u>	<u>100,269</u>	<u>327,773</u>	<u>722,952</u>	<u>107,782</u>	<u>339,112</u>	<u>741,260</u>	<u>113,416</u>	<u>352,052</u>
<b>Net OPEB - HIC liability (asset) (a) - (b)</b>	<u>\$ 583,614</u>	<u>\$ 62,323</u>	<u>\$ (4,505)</u>	<u>\$ 599,941</u>	<u>\$ 54,373</u>	<u>\$ (22,499)</u>	<u>\$ 688,999</u>	<u>\$ 54,421</u>	<u>\$ (18,173)</u>
<b>Plan fiduciary net position - HIC as a percentage of the total OPEB - HIC liability</b>	54.48%	61.67%	101.39%	54.65%	66.47%	107.11%	51.83%	67.58%	105.44%
<b>Covered payroll</b>	\$ 38,853,860	\$ 4,083,082	\$ 5,000,257	\$ 40,475,381	\$ 4,230,543	\$ 4,854,348	\$ 40,710,451	\$ 4,445,820	\$ 5,766,438
<b>Net OPEB - HIC liability as a percentage of the total covered payroll</b>	1.50%	1.53%	-0.09%	1.48%	1.29%	-0.46%	1.69%	1.22%	-0.32%

(1) This schedule is intended to present 10 years of information. GASB 75 was implemented in fiscal year 2018, and additional years will be presented as the information becomes available.

\* The amounts presented have a measurement date of the previous fiscal year end.

**County of James City, Virginia**  
Schedule of Employer's Share of Net OPEB - Group Life Insurance (GLI) Liability (1)  
Required Supplementary Information (Unaudited)

Year ended June 30,*	Governmental Activities - County		
	2018	2019	2020
Employer's proportion of the net OPEB - GLI liability	0.21149%	0.21342%	0.20827%
Employer's proportionate share of the net OPEB - GLI liability	\$ 3,183,000	\$ 3,241,000	\$ 3,389,000
Employer's covered payroll	\$ 38,853,860	\$ 40,475,381	\$ 40,710,451
Employer's proportionate share of the net OPEB - GLI liability as a percentage of its covered payroll	8.19%	8.01%	8.32%
Plan fiduciary net position as a % of total OPEB - GLI liability	48.86%	51.22%	52.00%

(1) This schedule is intended to present 10 years of information. GASB 75 was implemented in fiscal year 2018, and additional years will be presented as the information becomes available.

\* The amounts presented have a measurement date of the previous fiscal year end.

**County of James City, Virginia**  
Schedule of Employer's Share of Net OPEB - Group Life Insurance (GLI) Liability (1)  
Required Supplementary Information (Unaudited)

Year ended June 30,*	Component Unit - Service Authority		
	2018	2019	2020
Employer's proportion of the net OPEB - GLI liability	0.02217%	0.02234%	0.02269%
Employer's proportionate share of the net OPEB - GLI liability	\$ 333,000	\$ 340,000	\$ 369,227
Employer's covered payroll	\$ 4,083,082	\$ 4,230,543	\$ 4,445,820
Employer's proportionate share of the net OPEB - GLI liability as a percentage of its covered payroll	8.16%	8.04%	8.31%
Plan fiduciary net position as a % of total OPEB - GLI liability	48.86%	51.22%	52.00%

(1) This schedule is intended to present 10 years of information. GASB 75 was implemented in fiscal year 2018, and additional years will be presented as the information becomes available.

\* The amounts presented have a measurement date of the previous fiscal year end.



**County of James City, Virginia**  
Schedule of Employer's Share of Net OPEB - Group Life Insurance (GLI) Liability (1)  
Required Supplementary Information (Unaudited)

Year ended June 30,*	Component Unit - Public Schools					
	2018		2019		2020	
	Professional	Non-Professional	Professional	Non-Professional	Professional	Non-Professional
Employer's proportion of the net OPEB - GLI liability	0.37116%	0.02951%	0.36332%	0.02817%	0.37153%	0.02987%
Employer's proportionate share of the net OPEB - GLI liability	\$ 5,585,000	\$ 444,000	\$ 5,518,000	\$ 428,000	\$ 6,045,782	\$ 486,064
Employer's covered payroll	\$ 67,052,585	\$ 5,000,257	\$ 67,353,977	\$ 4,802,484	\$ 72,572,692	\$ 5,844,231
Employer's proportionate share of the net OPEB - GLI liability as a percentage of its covered payroll	8.33%	8.88%	8.19%	8.91%	8.33%	8.32%
Plan fiduciary net position as a % of total OPEB - GLI liability	48.86%	48.86%	51.22%	51.22%	52.00%	52.00%

(1) This schedule is intended to present 10 years of information. GASB 75 was implemented in fiscal year 2018, and additional years will be presented as the information becomes available.

\* The amounts presented have a measurement date of the previous fiscal year end.

**County of James City, Virginia**  
Schedule of Employer OPEB - Group Life Insurance Contributions (1)  
Required Supplementary Information (Unaudited)

<b>Primary Government - Governmental Activities - County employees</b>					
<b>Fiscal Year</b>	<b>Contractually required contribution</b>	<b>Contributions in relation to contractually required contribution</b>	<b>Contribution deficiency (excess)</b>	<b>Employer's covered payroll</b>	<b>Contributions as a % of covered payroll</b>
2018	\$ 210,472	\$ 212,091	\$ (1,619)	\$ 40,475,381	0.52%
2019	211,694	213,323	(1,629)	40,710,451	0.52%
2020	210,151	211,767	(1,616)	40,413,598	0.52%

<b>Component Unit - James City Service Authority employees</b>					
<b>Fiscal Year</b>	<b>Contractually required contribution</b>	<b>Contributions in relation to contractually required contribution</b>	<b>Contribution deficiency (excess)</b>	<b>Employer's covered payroll</b>	<b>Contributions as a % of covered payroll</b>
2018	\$ 21,999	\$ 22,168	\$ (169)	\$ 4,230,543	0.52%
2019	23,118	21,000	2,118	4,445,820	0.47%
2020	23,131	24,492	(1,361)	4,673,979	0.52%

<b>Component Unit - Public Schools' - non-professional</b>					
<b>Fiscal Year</b>	<b>Contractually required contribution</b>	<b>Contributions in relation to contractually required contribution</b>	<b>Contribution deficiency (excess)</b>	<b>Employer's covered payroll</b>	<b>Contributions as a % of covered payroll</b>
2018	\$ 25,165	\$ 25,165	\$ -	\$ 4,802,484	0.52%
2019	30,390	30,390	-	5,844,231	0.52%
2020	31,977	31,977	-	6,149,423	0.52%

<b>Component Unit - Public Schools' - professional</b>					
<b>Fiscal Year</b>	<b>Contractually required contribution</b>	<b>Contributions in relation to contractually required contribution</b>	<b>Contribution deficiency (excess)</b>	<b>Employer's covered payroll</b>	<b>Contributions as a % of covered payroll</b>
2018	\$ 352,935	\$ 352,935	\$ -	\$ 67,353,977	0.52%
2019	377,378	377,378	-	72,572,693	0.52%
2020	397,775	397,775	-	76,495,192	0.52%

(1) This schedule is intended to present 10 years of information. GASB 75 was implemented in fiscal year 2018, and additional years will be presented as the information becomes available.

**County of James City, Virginia**  
Schedule of Employer OPEB - Health Insurance Credit Program Contributions (1)  
Required Supplementary Information (Unaudited)

<b>Primary Government - Governmental Activities - County employees</b>					
<b>Fiscal Year</b>	<b>Contractually required contribution</b>	<b>Contributions in relation to contractually required contribution</b>	<b>Contribution deficiency (excess)</b>	<b>Employer's covered payroll</b>	<b>Contributions as a % of covered payroll</b>
2018	\$ 76,903	\$ 67,836	\$ 9,067	\$ 40,475,381	0.19%
2019	77,350	74,871	2,479	40,710,451	0.21%
2020	76,786	74,360	2,426	40,413,598	0.21%

<b>Component Unit - James City Service Authority employees</b>					
<b>Fiscal Year</b>	<b>Contractually required contribution</b>	<b>Contributions in relation to contractually required contribution</b>	<b>Contribution deficiency (excess)</b>	<b>Employer's covered payroll</b>	<b>Contributions as a % of covered payroll</b>
2018	\$ 8,461	\$ 8,467	\$ (6)	\$ 4,230,543	0.20%
2019	8,002	8,467	(465)	4,445,820	0.19%
2020	8,413	8,413	-	4,673,979	0.18%

<b>Component Unit - Public Schools' - non-professional</b>					
<b>Fiscal Year</b>	<b>Contractually required contribution</b>	<b>Contributions in relation to contractually required contribution</b>	<b>Contribution deficiency (excess)</b>	<b>Employer's covered payroll</b>	<b>Contributions as a % of covered payroll</b>
2018	\$ 11,165	\$ 11,165	\$ -	\$ 4,854,348	0.23%
2019	9,226	9,226	-	5,766,438	0.16%
2020	9,712	9,712	-	6,070,000	0.16%

<b>Component Unit - Public Schools' - professional</b>					
<b>Fiscal Year</b>	<b>Contractually required contribution</b>	<b>Contributions in relation to contractually required contribution</b>	<b>Contribution deficiency (excess)</b>	<b>Employer's covered payroll</b>	<b>Contributions as a % of covered payroll</b>
2018	\$ 851,814	\$ 851,814	\$ -	\$ 69,253,171	1.23%
2019	864,798	864,798	-	72,066,466	1.20%
2020	905,688	905,688	-	75,474,000	1.20%

(1) This schedule is intended to present 10 years of information. GASB 75 was implemented in fiscal year 2018, and additional years will be presented as the information becomes available.

**County of James City, Virginia**  
Schedule of Employer's Share of Net OPEB - Health Insurance Credit Program (HIC) Liability (1)  
Required Supplementary Information (Unaudited)

Year ended June 30,*	Component Unit - Public Schools' Professional		
	2018	2019	2020
Employer's proportion of the net OPEB - HIC liability	0.86281%	0.85004%	0.86297%
Employer's proportionate share of the net OPEB - HIC liability	\$ 10,946,000	\$ 10,793,000	\$ 11,297,117
Employer's covered payroll	\$ 67,052,585	\$ 69,253,171	\$ 72,066,466
Employer's proportionate share of the net OPEB - HIC liability as a percentage of its covered payroll	16.32%	15.58%	15.68%
Plan fiduciary net position as a % of total OPEB - HIC liability	7.04%	8.08%	8.97%

(1) This schedule is intended to present 10 years of information. GASB 75 was implemented in fiscal year 2018, and additional years will be presented as the information becomes available.

\* The amounts presented have a measurement date of the previous fiscal year end.

**County of James City, Virginia**  
Schedule of Employer's Share of Net OPEB - Virginia Local Disability Program (VLDP) Liability (1)  
Required Supplementary Information (Unaudited)

Year ended June 30,*	2018		2019		2020	
	Public Schools'	Public Schools'	Public Schools'	Public Schools'	Public Schools'	Public Schools'
	Professional	Non-Professional	Professional	Non-Professional	Professional	Non-Professional
Employer's proportion of the net OPEB - VLDP liability	3.31886%	0.75284%	3.37801%	0.67880%	3.28952%	0.68330%
Employer's proportionate share of the net OPEB - VLDP liability	\$ 20,000	\$ 4,000	\$ 25,000	\$ 5,000	\$ 19,124	\$ 13,843
Employer's covered payroll	\$ 67,052,585	\$ 5,000,257	\$ 12,595,806	\$ 1,648,333	\$ 15,633,273	\$ 2,093,665
Employer's proportionate share of the net OPEB - VLDP liability as a percentage of its covered payroll	0.03%	0.08%	0.20%	0.30%	0.12%	0.66%
Plan fiduciary net position as a % of total OPEB - VLDP liability	31.96%	38.40%	46.18%	51.22%	74.12%	49.19%

(1) This schedule is intended to present 10 years of information. GASB 75 was implemented in fiscal year 2018, and additional years will be presented as the information becomes available.

\* The amounts presented have a measurement date of the previous fiscal year end.

**County of James City, Virginia**  
Schedule of Employer OPEB - Virginia Local Disability Program Contributions (1)  
Required Supplementary Information (Unaudited)

<b>Component Unit - Public Schools' - non-professional</b>					
<b>Fiscal Year</b>	<b>Contractually required contribution</b>	<b>Contributions in relation to contractually required contribution</b>	<b>Contribution deficiency (excess)</b>	<b>Employer's covered payroll</b>	<b>Contributions as a % of covered payroll</b>
2018	\$ 9,890	\$ 9,890	-	\$ 1,648,333	0.60%
2019	15,074	15,074	-	2,093,665	0.72%
2020	17,451	17,451	-	2,423,750	0.72%

<b>Component Unit - Public Schools' - professional</b>					
<b>Fiscal Year</b>	<b>Contractually required contribution</b>	<b>Contributions in relation to contractually required contribution</b>	<b>Contribution deficiency (excess)</b>	<b>Employer's covered payroll</b>	<b>Contributions as a % of covered payroll</b>
2018	\$ 39,047	\$ 39,047	-	\$ 12,595,806	0.31%
2019	64,096	64,096	-	15,633,273	0.41%
2020	76,043	76,043	-	18,547,073	0.41%

(1) This schedule is intended to present 10 years of information. GASB 75 was implemented in fiscal year 2018, and additional years will be presented as the information becomes available.

**County of James City, Virginia**  
Notes to Required Supplementary Information (Unaudited)  
June 30, 2020

**1) Budgeting and Budgetary Accounting**

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

Prior to April 1, the County Administrator submits to the Board of Supervisors a proposed operating and capital budget for the fiscal year commencing the following July 1. The operating budget and capital budget include proposed expenditures and the means of financing them. Public hearings are then conducted to obtain citizen comments.

Prior to June 30, the budget is legally enacted through passage of an Appropriations Resolution. The Appropriations Resolution places legal restrictions on expenditures at the fund and function level. The appropriation for each fund and function can be revised only by the Board of Supervisors; however, the County Administrator may amend the budget within functions. Supplemental appropriations in addition to the appropriated budget were necessary during the year.

Formal budgetary integration is employed as a management control device during the year for those funds with legally adopted annual budgets which are the General Fund, Special Revenue Fund - Virginia Public Assistance, and Debt Service Fund, and these funds are integrated only at the level of legal adoption. Program and project budgets are utilized in the Capital Projects; Community Development; and Grants and Special Projects Funds where appropriations remain open and carry over to the succeeding years.

All budgets are adopted on the modified accrual basis of accounting. All appropriations lapse on June 30 for all County funds, except the funds referenced above. All budget data presented in the accompanying basic financial statements represents the appropriated budget as of June 30, 2020, as adopted and amended by supplemental appropriations.

**2) Pensions - Changes of Benefit Terms**

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

**3) Pensions, OPEB Health Insurance Credit and VLDP Political Subdivision Plan - Changes of Assumptions**

The actuarial assumptions used in the June 30, 2018, valuation were based on the results of an actuarial experience study for the period from July 1, 2012, through June 30, 2016, except the change in the discount rate, which was based on VRS Board action effective as of July 1, 2019. Changes to the actuarial assumptions as a result of the experience study and VRS Board action are as follows:

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

Mortality Rates (Pre-retirement, post-retirement healthy, and disabled)	Updated to a more current mortality table – RP-2014 projected to 2020
Retirement Rates	Lowered retirement rates at older ages and extended final retirement age from 70 to 75
Withdrawal Rates	Adjusted rates to better fit experience at each age and service year through 9 years of service (at each year age and service - VLDP only)
Disability Rates	Lowered disability rates
Salary Scale	No change
Line of Duty Disability	Increased rate from 14% to 15%
Discount Rate	Decreased rate from 7.00% to 6.75%

**County of James City, Virginia**  
Notes to Required Supplementary Information (Unaudited)  
June 30, 2020

**3) Pensions, OPEB Health Insurance Credit and VLDP Political Subdivision Plan - Changes of Assumptions, Continued**

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

Mortality Rates (Pre-retirement, post-retirement healthy, and disabled)	Updated to a more current mortality table – RP-2014 projected to 2020
Retirement Rates	Increased age 50 rates and lowered rates at older ages
Withdrawal Rates	Adjusted rates to better fit experience at each age and service year through 9 years of service
Disability Rates	Adjusted rates to better match experience
Salary Scale	No change
Line of Duty Disability	Decreased rate from 60% to 45%
Discount Rate	Decreased rate from 7.00% to 6.75%

**4) OPEB Group Life Insurance - Changes of Assumptions**

The actuarial assumptions used in the June 30, 2018 valuation were based on the results of an actuarial experience study for the period from July 1, 2012 through June 30, 2016, except the change in the discount rate, which was based on VRS Board action effective as of July 1, 2019. Changes to the actuarial assumptions as a result of the experience study are as follows:

*General State Employees:*

Mortality Rates (Pre-retirement, post-retirement healthy, and disabled)	Updated to a more current mortality table – RP-2014 projected to 2020
Retirement Rates	Lowered rates at older ages and changed final retirement age from 70 to 75
Withdrawal Rates	Adjusted rates to better fit experience at each year age and service through 9 years of service
Disability Rates	Adjusted rates to better match experience
Salary Scale	No change
Line of Duty Disability	Increased rate from 14% to 25%
Discount Rate	Decrease rate from 7.00% to 6.75%

*Teachers:*

Mortality Rates (Pre-retirement, post-retirement healthy, and disabled)	Updated to a more current mortality table – RP-2014 projected to 2020
Retirement Rates	Lowered rates at older ages and changed final retirement age from 70 to 75
Withdrawal Rates	Adjusted rates to better fit experience at each year age and service through 9 years of service
Disability Rates	Adjusted rates to better match experience
Salary Scale	No change
Discount Rate	Decrease rate from 7.00% to 6.75%

*See accompanying independent auditors' report.*



**County of James City, Virginia**  
Notes to Required Supplementary Information (Unaudited)  
June 30, 2020

**4) OPEB Group Life Insurance - Changes of Assumptions, Continued**

*SPORS Employees:*

Mortality Rates (Pre-retirement, post-retirement healthy, and disabled)	Updated to a more current mortality table – RP-2014 projected to 2020 and reduced margin for future improvement in accordance with experience
Retirement Rates	Increased age 50 rates and lowered rates at older ages
Withdrawal Rates	Adjusted rates to better fit experience
Disability Rates	Adjusted rates to better match experience
Salary Scale	No change
Line of Duty Disability	Increased rate from 60% to 85%
Discount Rate	Decrease rate from 7.00% to 6.75%

*VaLORS Employees:*

Mortality Rates (Pre-retirement, post-retirement healthy, and disabled)	Updated to a more current mortality table – RP-2014 projected to 2020 and reduced margin for future improvement in accordance with experience
Retirement Rates	Increased age 50 rates and lowered rates at older ages
Withdrawal Rates	Adjusted rates to better fit experience at each year age and service through 9 years of service
Disability Rates	Adjusted rates to better match experience
Salary Scale	No change
Line of Duty Disability	Decreased rate from 50% to 35%
Discount Rate	Decrease rate from 7.00% to 6.75%

*JRS Employees:*

Mortality Rates (Pre-retirement, post-retirement healthy, and disabled)	Updated to a more current mortality table – RP-2014 projected to 2020
Retirement Rates	Decreased rates at first retirement eligibility
Withdrawal Rates	No change
Disability Rates	Removed disability rates
Salary Scale	No change
Discount Rate	Decrease rate from 7.00% to 6.75%

*Largest 10 Locality Employers – General Employees:*

Mortality Rates (Pre-retirement, post-retirement healthy, and disabled)	Updated to a more current mortality table – RP-2014 projected to 2020
Retirement Rates	Lowered retirement rates at older ages and extended final retirement age from 70 to 75
Withdrawal Rates	Adjusted termination rates to better fit experience at each age and service year
Disability Rates	Lowered disability rates
Salary Scale	No change
Line of Duty Disability	Increased rate from 14% to 20%
Discount Rate	Decrease rate from 7.00% to 6.75%

*See accompanying independent auditors' report.*

**County of James City, Virginia**  
Notes to Required Supplementary Information (Unaudited)  
June 30, 2020

**4) OPEB Group Life Insurance - Changes of Assumptions, Continued**

*Non-Largest 10 Locality Employers – General Employees:*

Mortality Rates (Pre-retirement, post-retirement healthy, and disabled)	Updated to a more current mortality table – RP-2014 projected to 2020
Retirement Rates	Lowered retirement rates at older ages and extended final retirement age from 70 to 75
Withdrawal Rates	Adjusted termination rates to better fit experience at each age and service year
Disability Rates	Lowered disability rates
Salary Scale	No change
Line of Duty Disability	Increased rate from 14% to 15%
Discount Rate	Decrease rate from 7.00% to 6.75%

*Largest 10 Locality Employers – Hazardous Duty Employees:*

Mortality Rates (Pre-retirement, post-retirement healthy, and disabled)	Updated to a more current mortality table – RP-2014 projected to 2020
Retirement Rates	Lowered retirement rates at older ages
Withdrawal Rates	Adjusted termination rates to better fit experience at each age and service year
Disability Rates	Increased disability rates
Salary Scale	No change
Line of Duty Disability	Increased rate from 60% to 70%
Discount Rate	Decrease rate from 7.00% to 6.75%

*Non-Largest 10 Locality Employers – Hazardous Duty Employees:*

Mortality Rates (Pre-retirement, post-retirement healthy, and disabled)	Updated to a more current mortality table – RP-2014 projected to 2020
Retirement Rates	Increased age 50 rates and lowered rates at older ages
Withdrawal Rates	Adjusted termination rates to better fit experience at each age and service year
Disability Rates	Adjusted rates to better match experience
Salary Scale	No change
Line of Duty Disability	Decreased rate from 60% to 45%
Discount Rate	Decrease rate from 7.00% to 6.75%

**5) OPEB Retiree Healthcare - Trust Arrangement and Funding Policy**

The County, Authority, and Public Schools do not intend to establish a trust to pre-fund the obligation. The anticipated growth in the net OPEB liability is based on contributions to the benefit plan on a pay-as-you-go cost basis.

**6) OPEB Retiree Healthcare - Changes of Benefit Terms**

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

*See accompanying independent auditors' report.*

**County of James City, Virginia**  
Notes to Required Supplementary Information (Unaudited)  
June 30, 2020

**7) OPEB Retiree Healthcare - Changes of Assumptions**

The following change in actuarial assumptions were made based on the most recent actuarial valuation:

<u>Measurement Date</u>	<u>Discount Rate</u>
June 30, 2016	2.85%
June 30, 2017	3.58%
June 30, 2018	3.62%
June 30, 2019	3.13%

**8) OPEB Group Life Insurance - Changes of Benefit Terms**

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

**9) OPEB Health Insurance Credit - Changes of Benefit Terms**

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

**10) OPEB Virginia Local Disability Program – Changes of Benefit Terms**

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

**11) OPEB Teacher Virginia Local Disability Program – Changes of Assumptions**

The actuarial assumptions used in the June 30, 2018, valuation were based on the results of an actuarial experience study for the period from July 1, 2012, through June 30, 2016, except the change in the discount rate, which was based on VRS Board action effective as of July 1, 2019. Changes to the actuarial assumptions as a result of the experience study and VRS Board action are as follows:

Teachers:

- Update mortality rates to a more current mortality table – RP-2014 projected to 2020
- Lowered retirement rates at older ages and changed final retirement from 70 to 75
- Adjusted withdrawal rates to better fit experience at each year age and service through 9 years of service
- Adjusted disability rates to better match experience
- Decrease discount rate from 7.00% to 6.75%
- No change in salary scale

## **Supplementary Information**

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**County of James City, Virginia**  
Debt Service Fund

*Debt Service Fund* - accounts for the accumulation of resources for and the payment of principal, interest and related costs on long-term debt of governmental funds.

## County of James City, Virginia

## Schedule of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual

## Debt Service Fund

Year ended June 30, 2020

	Original Budget	Final Budget	Actual	Variance positive (negative)
Revenues:				
Use of money and property	\$ -	\$ -	\$ 60,414	\$ 60,414
Miscellaneous	42,500	42,500	39,929	(2,571)
Total revenues	<u>42,500</u>	<u>42,500</u>	<u>100,343</u>	<u>57,843</u>
Expenditures:				
Community development	75,000	75,000	44,139	30,861
Debt service:				
Principal	14,282,841	14,282,841	14,282,841	-
Interest and other fiscal charges	5,447,805	5,447,805	5,447,279	526
Total expenditures	<u>19,805,646</u>	<u>19,805,646</u>	<u>19,774,259</u>	<u>31,387</u>
Deficiency of revenues under expenditures	(19,763,146)	(19,763,146)	(19,673,916)	89,230
Other financing sources:				
Transfers in	20,500,000	20,500,000	19,673,916	826,084
Total other financing sources	<u>20,500,000</u>	<u>20,500,000</u>	<u>19,673,916</u>	<u>826,084</u>
Deficiency of revenues and other sources under expenditures	736,854	736,854	-	(736,854)
Fund balance, beginning of year	(736,854)	(736,854)	-	736,854
Fund balance, end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

See accompanying independent auditor's report.

**County of James City, Virginia**  
Nonmajor Governmental Funds

The County reports the following nonmajor governmental funds:

*Virginia Public Assistance Fund* - accounts for funds received from the federal and state governments and transfers from the General Fund that are utilized for Social Service programs.

*Colonial Community Corrections Fund* - accounts for the revenues and expenditures under the Virginia Community Corrections Act for providing the judicial system with sentencing alternatives for certain nonviolent offenders requiring less than institutional custody, but more than probation supervision.

*Community Development Fund* - accounts for the revenues that are utilized to improve targeted areas within the County.

*Donation Trust Fund* - accounts for monies and donations held to celebrate historical events and various special purposes.

*Tourism Fund* - accounts for revenues and expenditures that provide for tourism initiatives.

*Grants and Special Projects Fund* - accounts for monies held for use for grants and special projects.



**County of James City, Virginia**  
Combining Balance Sheet  
Nonmajor Governmental Funds  
June 30, 2020

	<b>Virginia Public Assistance Fund</b>	<b>Colonial Community Corrections Fund</b>	<b>Housing &amp; Neighborhood Development Fund</b>	<b>Donation Trust Fund</b>	<b>Tourism Fund</b>	<b>Grants and Special Projects Fund</b>	<b>Total</b>
<b>Assets</b>							
Cash and cash equivalents and investments	\$ 1,482,361	\$ 369,141	\$ 2,003,065	\$ 396,973	\$ 514,439	\$ 6,110,194	\$ 10,876,173
Cash and cash equivalents, restricted	-	-	850,694	-	-	481,082	1,331,776
Taxes receivable	-	-	-	-	35,198	-	35,198
Loans receivable, net	-	-	525,804	-	-	-	525,804
Miscellaneous receivables	-	-	3,528	-	75,000	-	78,528
Due from other funds	-	-	-	-	-	769,827	769,827
Due from other governments	347,816	-	63,632	-	-	732,959	1,144,407
Total assets	<u>\$ 1,830,177</u>	<u>\$ 369,141</u>	<u>\$ 3,446,723</u>	<u>\$ 396,973</u>	<u>\$ 624,637</u>	<u>\$ 8,094,062</u>	<u>\$ 14,761,713</u>
<b>Liabilities</b>							
Liabilities:							
Accounts payable	\$ 14,785	\$ 6,103	\$ 4,741	\$ -	\$ 21,061	\$ 246,428	\$ 293,118
Accrued liabilities	12,608	743	-	-	-	2,606	15,957
Payables from restricted assets	-	-	41,220	-	-	-	41,220
Due to component unit	-	-	-	-	-	121,838	121,838
Unearned revenue	-	-	22,420	-	-	116,672	139,092
Total liabilities	<u>27,393</u>	<u>6,846</u>	<u>68,381</u>	<u>-</u>	<u>21,061</u>	<u>487,544</u>	<u>611,225</u>
<b>Deferred Inflows of Resources</b>							
Unavailable revenue - grants	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>456,134</u>	<u>456,134</u>
<b>Fund Balances</b>							
Fund balances:							
Restricted	-	-	838,151	-	-	481,082	1,319,233
Assigned	<u>1,802,784</u>	<u>362,295</u>	<u>2,540,191</u>	<u>396,973</u>	<u>603,576</u>	<u>6,669,302</u>	<u>12,375,121</u>
Total fund balances	<u>1,802,784</u>	<u>362,295</u>	<u>3,378,342</u>	<u>396,973</u>	<u>603,576</u>	<u>7,150,384</u>	<u>13,694,354</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 1,830,177</u>	<u>\$ 369,141</u>	<u>\$ 3,446,723</u>	<u>\$ 396,973</u>	<u>\$ 624,637</u>	<u>\$ 8,094,062</u>	<u>\$ 14,761,713</u>

See accompanying independent auditor's report.

**County of James City, Virginia**  
Combining Statement of Revenues, Expenditures and Changes in Fund Balances  
Nonmajor Governmental Funds  
Year ended June 30, 2020

	<b>Virginia Public Assistance Fund</b>	<b>Colonial Community Corrections Fund</b>	<b>Housing &amp; Neighborhood Development Fund</b>	<b>Donation Trust Fund</b>	<b>Tourism Fund</b>	<b>Grants and Special Projects Fund</b>	<b>Total</b>
Revenues:							
Other local taxes	\$ -	\$ -	\$ -	\$ -	\$ 610,363	\$ -	\$ 610,363
Miscellaneous	22,921	33,857	254,651	146,889	-	2,000	460,318
Intergovernmental:							
Local	-	196,593	-	-	-	370,006	566,599
Commonwealth	1,105,398	811,626	322,185	-	-	1,556,066	3,795,275
Federal	2,625,926	-	1,396,799	-	-	6,955,252	10,977,977
Total revenues	<u>3,754,245</u>	<u>1,042,076</u>	<u>1,973,635</u>	<u>146,889</u>	<u>610,363</u>	<u>8,883,324</u>	<u>16,410,532</u>
Expenditures:							
Current:							
General government administration	-	-	-	172	-	1,192,578	1,192,750
Judicial administration	-	1,081,286	-	57,473	-	360,398	1,499,157
Public safety	-	-	-	17,676	-	4,192,216	4,209,892
Public works	-	-	-	-	-	16,998	16,998
Health and human services	5,092,989	-	-	-	-	1,819,232	6,912,221
Education	-	-	-	-	-	1,749,959	1,749,959
Parks, recreation and cultural	-	-	-	5,144	-	2,400	7,544
Community development	-	-	2,256,680	1,098	1,371,202	57,650	3,686,630
Total expenditures	<u>5,092,989</u>	<u>1,081,286</u>	<u>2,256,680</u>	<u>81,563</u>	<u>1,371,202</u>	<u>9,391,431</u>	<u>19,275,151</u>
Excess (deficiency) of revenues over (under) expenditures	(1,338,744)	(39,210)	(283,045)	65,326	(760,839)	(508,107)	(2,864,619)
Other financing sources (uses):							
Transfers in	1,354,179	110,583	647,364	-	1,455,878	2,980,375	6,548,379
Transfers out	-	-	-	-	(783,888)	-	(783,888)
Total other financing sources (uses)	<u>1,354,179</u>	<u>110,583</u>	<u>647,364</u>	<u>-</u>	<u>671,990</u>	<u>2,980,375</u>	<u>5,764,491</u>
Net change in fund balances	<u>15,435</u>	<u>71,373</u>	<u>364,319</u>	<u>65,326</u>	<u>(88,849)</u>	<u>2,472,268</u>	<u>2,899,872</u>
Fund balances, beginning of year	<u>1,787,349</u>	<u>290,922</u>	<u>3,014,023</u>	<u>331,647</u>	<u>692,425</u>	<u>4,678,116</u>	<u>10,794,482</u>
Fund balances, end of year	<u>\$ 1,802,784</u>	<u>\$ 362,295</u>	<u>\$ 3,378,342</u>	<u>\$ 396,973</u>	<u>\$ 603,576</u>	<u>\$ 7,150,384</u>	<u>\$ 13,694,354</u>

See accompanying independent auditor's report.

## County of James City, Virginia

Schedule of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual  
 Virginia Public Assistance Fund  
 Year ended June 30, 2020

	Original Budget	Revised Budget	Actual	Variance positive (negative)
Revenues:				
Miscellaneous	\$ -	\$ 21,890	\$ 22,921	\$ (1,031)
Intergovernmental:				
Commonwealth	-	-	1,105,398	1,105,398
Federal	3,924,885	4,032,031	2,625,926	(1,406,105)
Total revenues	3,924,885	4,053,921	3,754,245	(301,738)
Expenditures:				
Current:				
Health and human services	5,768,360	5,897,396	5,092,989	804,407
Deficiency of revenues under expenditures	(1,843,475)	(1,843,475)	(1,338,744)	804,407
Other financing sources:				
Operating transfers in	1,354,179	1,354,179	1,354,179	-
Total other financing sources:	1,354,179	1,354,179	1,354,179	1,005,338
Deficiency of revenues and other sources under expenditures	(489,296)	(489,296)	15,435	(504,731)
Fund balance, beginning of year	489,296	489,296	1,787,349	(1,298,053)
Fund balance, end of year	\$ -	\$ -	\$ 1,802,784	\$ (1,802,784)

See accompanying independent auditor's report.

**County of James City, Virginia**  
Agency Funds

Agency funds account for money received and held by the County in the capacity of fiscal agent for individuals, other governmental agencies and private organizations.

The County reports the following Agency funds:

*Special Welfare* - accounts for the transfer of funds provided by the Virginia Public Assistance Fund for aid to dependent children.

*WAMAC* - accounts for the fiscal agent funds held for the Williamsburg Area Medical Assistance Corporation.

*Regional Jail* - accounts for the fiscal agency funds held for the Virginia Peninsula Regional Jail Authority.

*Juvenile Detention* - accounts for fiscal agency funds held for the Middle Peninsula Juvenile Detention Commission.

*Williamsburg Area Transit* - accounts for the fiscal agency funds held for the Williamsburg Area Transit Authority.

**County of James City, Virginia**  
Combining Statement of Fiduciary Net Position  
Agency Funds  
June 30, 2020

	<b>Special Welfare</b>	<b>WAMAC</b>	<b>Regional Jail</b>	<b>Juvenile Detention</b>	<b>Williamsburg Area Transit Authority</b>	<b>Total</b>
<b>Assets</b>						
Cash, cash equivalents and investments	\$ 749	\$ 466,296	\$ 4,688,064	\$ 2,528,524	\$ 1,933,934	\$ 9,617,567
Restricted cash, cash equivalents and investments	-	4,642,405	-	289,485	-	4,931,890
Accounts receivable and due from other governmental units	-	207,435	688,886	12,309	1,016,961	1,925,591
Total assets	<u>\$ 749</u>	<u>\$ 5,316,136</u>	<u>\$ 5,376,950</u>	<u>\$ 2,830,318</u>	<u>\$ 2,950,895</u>	<u>\$ 16,475,048</u>
<b>Liabilities</b>						
Accounts payable and accrued liabilities	\$ -	\$ 441,118	\$ 2,992,802	\$ 1,888,263	\$ 497,228	\$ 5,819,411
Amounts held for others	749	4,875,018	2,384,148	942,055	2,453,667	10,655,637
Total liabilities	<u>\$ 749</u>	<u>\$ 5,316,136</u>	<u>\$ 5,376,950</u>	<u>\$ 2,830,318</u>	<u>\$ 2,950,895</u>	<u>\$ 16,475,048</u>

See accompanying independent auditor's report.

**County of James City, Virginia**  
Combining Statement of Changes in Assets and Liabilities  
Agency Funds  
Year ended June 30, 2020

	Balance July 1, 2019	Additions	Reductions	Balance June 30, 2020
<b>Special Welfare Fund:</b>				
Assets:				
Cash	\$ 1,806	\$ 6,514	\$ 7,571	\$ 749
Liabilities:				
Accounts payable	\$ -	\$ 150	\$ 150	-
Amounts held for others	1,806	6,514	7,571	749
Total liabilities	<u>\$ 1,806</u>	<u>\$ 6,664</u>	<u>\$ 7,721</u>	<u>\$ 749</u>
<b>Williamsburg Area Medical Assistance Corporation Fund:</b>				
Assets:				
Cash	\$ 75,684	\$ 3,466,095	\$ 3,075,483	\$ 466,296
Restricted cash	4,695,253	1,494,835	1,547,683	4,642,405
Accounts receivable	211,025	298,982	302,572	207,435
Total assets	<u>\$ 4,981,962</u>	<u>\$ 5,259,912</u>	<u>\$ 4,925,738</u>	<u>\$ 5,316,136</u>
Liabilities:				
Accounts payable and accrued liabilities	\$ 341,299	\$ 2,933,044	\$ 2,833,225	\$ 441,118
Amounts held for others	4,640,663	4,966,839	4,732,484	4,875,018
Total liabilities	<u>\$ 4,981,962</u>	<u>\$ 7,899,883</u>	<u>\$ 7,565,709</u>	<u>\$ 5,316,136</u>
<b>Regional Jail Fund:</b>				
Assets:				
Cash and investments	\$ 3,766,966	\$ 12,551,926	\$ 11,630,828	\$ 4,688,064
Restricted cash and investments	-	-	-	-
Accounts receivable and due from other governmental units	650,371	8,574,551	8,536,036	688,886
Total assets	<u>\$ 4,417,337</u>	<u>\$ 21,126,477</u>	<u>\$ 20,166,864</u>	<u>\$ 5,376,950</u>
Liabilities:				
Accounts payable and accrued liabilities	\$ 3,144,346	\$ 616,460	\$ 768,004	\$ 2,992,802
Amounts held for others	1,272,991	17,303,668	16,192,511	2,384,148
Total liabilities	<u>\$ 4,417,337</u>	<u>\$ 17,920,128</u>	<u>\$ 16,960,515</u>	<u>\$ 5,376,950</u>
<b>Juvenile Detention Fund:</b>				
Assets:				
Cash and investments	\$ 2,020,108	\$ 6,254,308	\$ 5,745,892	\$ 2,528,524
Restricted cash, cash equivalents and investments	-	\$ 1,031,919	742,434	289,485
Accounts receivable and due from other governmental units	65,912	3,597,952	3,651,555	12,309
Total assets	<u>\$ 2,086,020</u>	<u>\$ 10,884,179</u>	<u>\$ 10,139,881</u>	<u>\$ 2,830,318</u>
Liabilities:				
Accounts payable and accrued liabilities	\$ 313,031	\$ 1,741,034	\$ 165,802	\$ 1,888,263
Amounts held for others	1,772,989	12,127,074	12,958,008	942,055
Total liabilities	<u>\$ 2,086,020</u>	<u>\$ 13,868,108</u>	<u>\$ 13,123,810</u>	<u>\$ 2,830,318</u>
<b>Williamsburg Area Transit Authority Fund:</b>				
Assets:				
Cash and investments	\$ 1,614,162	\$ 11,481,791	\$ 11,162,019	\$ 1,933,934
Accounts receivable and due from other governmental units	3,891,162	4,575,597	7,449,798	1,016,961
Total assets	<u>\$ 5,505,324</u>	<u>\$ 16,057,388</u>	<u>\$ 18,611,817</u>	<u>\$ 2,950,895</u>
Liabilities:				
Accounts payable and accrued liabilities	\$ 3,321,666	\$ 252,526	\$ 3,076,964	\$ 497,228
Amounts held for others	2,183,658	30,366,732	30,096,723	2,453,667
Total liabilities	<u>\$ 5,505,324</u>	<u>\$ 30,619,258</u>	<u>\$ 33,173,687</u>	<u>\$ 2,950,895</u>
<b>Total:</b>				
Assets:				
Cash, cash equivalents and investments	\$ 7,478,726	\$ 33,760,634	\$ 31,621,793	\$ 9,617,567
Restricted cash, cash equivalents and investments	4,695,253	1,494,835	1,547,683	4,931,890
Accounts receivable and due from other governmental units	4,818,470	17,047,082	19,939,961	1,925,591
Total assets	<u>\$ 16,992,449</u>	<u>\$ 52,302,551</u>	<u>\$ 53,109,437</u>	<u>\$ 16,475,048</u>
Liabilities:				
Accounts payable and accrued liabilities	\$ 7,120,342	\$ 5,543,214	\$ 6,844,145	\$ 5,819,411
Amounts held for others	9,872,107	64,770,827	63,987,297	10,655,637
Total liabilities	<u>\$ 16,992,449</u>	<u>\$ 70,314,041</u>	<u>\$ 70,831,442</u>	<u>\$ 16,475,048</u>

See accompanying independent auditor's report.

**County of James City, Virginia**  
Discretely Presented Component Units

The County reports the following discretely presented component units:

*Public Schools* - responsible for educating the school-age population of the City of Williamsburg, Virginia and the County.

*Economic Development Authority* - promote industrial and commercial development in the County.

*James City Service Authority* - provide water and sewer services inside the primary service area of the County.

**County of James City, Virginia**  
**Balance Sheet**  
Discretely Presented Component Unit – Public Schools – Governmental Funds  
June 30, 2020

	<b>General</b>	<b>Grants</b>	<b>Schools' food services</b>	<b>Capital projects</b>	<b>Total governmental funds</b>
<b>Assets</b>					
Cash and temporary investments	\$ 18,304,342	\$ 435,980	\$ 774,500	\$ 449,340	\$ 19,964,162
Receivables	11,543	5,000	1,169	-	17,712
Due from fiduciary funds	225,919	-	-	-	225,919
Due from federal government	-	1,530,143	81,391	-	1,611,534
Due from Commonwealth of Virginia	9,656	497,255	-	-	506,911
Due from the City of Williamsburg and James City County	2,275,312	-	-	316,507	2,591,819
Inventory	-	-	75,671	-	75,671
Total assets	<u>\$ 20,826,772</u>	<u>\$ 2,468,378</u>	<u>\$ 932,731</u>	<u>\$ 765,847</u>	<u>\$ 24,993,728</u>
<b>Liabilities and Fund Balances</b>					
<b>Liabilities:</b>					
Accounts payable	\$ 951,806	\$ 13,161	\$ 17,565	\$ 316,507	\$ 1,299,039
Accrued payroll	7,625,305	313,532	163,950	-	8,102,787
Accrued benefits	5,937,150	238,488	119,356	-	6,294,994
Due to the City of Williamsburg and James City County	6,112,511	-	-	-	6,112,511
Unearned revenue	-	1,774,017	-	-	1,774,017
Total liabilities	<u>20,626,772</u>	<u>2,339,198</u>	<u>300,871</u>	<u>316,507</u>	<u>23,583,348</u>
<b>Deferred Inflow of Resources</b>					
Unavailable revenue - grants	-	-	-	-	-
<b>Fund balances:</b>					
Nonspendable - inventory	-	-	75,671	-	75,671
Restricted	-	129,180	556,189	-	685,369
Committed	-	-	-	449,340	449,340
Unassigned	200,000	-	-	-	200,000
Total fund balances	<u>200,000</u>	<u>129,180</u>	<u>631,860</u>	<u>449,340</u>	<u>1,410,380</u>
Total liabilities and fund balances	<u>\$ 20,826,772</u>	<u>\$ 2,468,378</u>	<u>\$ 932,731</u>	<u>\$ 765,847</u>	

## Adjustments for the statement of net position:

Capital assets used in governmental activities are not current financial resources and therefore are not reported in the governmental funds. 57,453,293

Long-term liabilities are not reported as liabilities in the governmental funds.

Compensated absences	\$ (1,357,465)	
Net OPEB asset and liabilities and related deferred inflows and outflows of resources	(21,843,583)	
Net pension asset and liabilities and related deferred inflows and outflows of resources	<u>(99,315,945)</u>	(122,516,993)
Net position of governmental activities		<u>\$ (63,653,320)</u>

See accompanying independent auditor's report.



**County of James City, Virginia**  
Statement of Revenues, Expenditures and Changes in Fund Balances  
Discretely Presented Component Unit – Public Schools – Governmental Funds  
Year ended June 30, 2020

	General	Grants	Schools' food services	Capital projects	Total governmental funds
Revenues:					
Intergovernmental:					
From City of Williamsburg and James City County	\$ 101,324,333	\$ -	\$ -	\$ 1,916,951	\$ 103,241,284
From Commonwealth of Virginia	35,278,453	933,950	60,501	-	36,272,904
From federal government	164,881	3,963,395	2,160,661	-	6,288,937
Total intergovernmental	136,767,667	4,897,345	2,221,162	1,916,951	145,803,125
Charges for services	310,511	-	1,406,287	-	1,716,798
Interest	113,932	-	26,177	-	140,109
Miscellaneous	187,980	748,382	-	-	936,362
Total revenues	137,380,090	5,645,727	3,653,626	1,916,951	148,596,394
Expenditures:					
General and administrative	3,397,369	-	-	-	3,397,369
Instruction	101,295,788	4,375,460	-	-	105,671,248
Attendance and health services	4,692,447	628,457	-	-	5,320,904
Pupil transportation	7,069,877	-	-	-	7,069,877
Operations and maintenance	11,638,080	36,016	-	-	11,674,096
Technology	8,543,088	483,166	-	-	9,026,254
Food services	-	71,329	3,947,648	-	4,018,977
Capital outlay	743,441	8,787	-	1,916,951	2,669,179
Total expenditures	137,380,090	5,603,215	3,947,648	1,916,951	148,847,904
Excess (deficiency) of revenues over (under) expenditures	-	42,512	(294,022)	-	(251,510)
Net change in fund balances	-	42,512	(294,022)	-	(251,510)
Fund balances, beginning of year	200,000	86,668	925,882	449,340	1,661,890
Fund balances, end of year	<u>\$ 200,000</u>	<u>\$ 129,180</u>	<u>\$ 631,860</u>	<u>\$ 449,340</u>	<u>\$ 1,410,380</u>

See accompanying independent auditor's report.

**County of James City, Virginia**  
Statement of Revenues, Expenditures and Changes in Fund Balances  
Discretely Presented Component Unit – Public Schools – Governmental Funds  
Year ended June 30, 2020

Net change in fund balances \$ (251,510)

Adjustments for the statement of activities:

Governmental funds report capital outlays as expenditures while governmental activities report depreciation expense to allocate those expenditures over the life of the assets. This is the amount by which new capital assets exceeded depreciation expense in the current period:

Capital outlay	\$ 2,669,179		
Depreciation expense	<u>(4,210,472)</u>	\$	(1,541,293)

Expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in the governmental funds.

Change in compensated absences liability	(282,427)		
Change in net OPEB liability and related deferred inflows and outflows of resources	(168,173)		
Change in net pension liability and related deferred inflows and outflows of resources	<u>(334,474)</u>		(785,074)
Change in net position		<u>\$</u>	<u>(2,577,879)</u>

**Exhibit D-3**

**County of James City, Virginia**  
Statement of Fiduciary Net Position  
Discretely Presented Component Unit – Public Schools – Fiduciary Funds  
Year ended June 30, 2020

	<u><b>Custodial Funds</b></u>
Assets:	
Cash and temporary investments	\$ 1,335,753
Receivables:	
Commonwealth of Virginia	295,012
Total assets	<u>\$ 1,630,765</u>
Liabilities:	
Accrued payroll	\$ 38,481
Accrued benefits	30,611
Due to General Fund	225,919
Total liabilities	<u>\$ 295,012</u>
Net Position:	
Restricted for:	
Students	1,335,753
Total net position & liabilities	<u>\$ 1,630,765</u>

See accompanying independent auditor's report.

**Exhibit D-4**

**County of James City, Virginia**  
 Statement of Changes in Fiduciary Net Position  
 Discretely Presented Component Unit – Public Schools – Fiduciary Funds  
 Year ended June 30, 2020

	<b>Custodial Funds</b>
Additions:	
Commonwealth of Virginia	\$ 1,098,226
Miscellaneous	1,752,862
Total additions:	<u>\$ 2,851,088</u>
Deductions:	
Purchases on behalf of students	\$ 1,747,105
Instruction	1,083,483
Technology	14,743
Total deductions:	<u>\$ 2,845,331</u>
Net increase in fiduciary net position	5,757
Net position - beginning	1,329,996
Net position - ending	<u>\$ 1,335,753</u>

See accompanying independent auditor's report.

**County of James City, Virginia**  
**Statement of Net Position**  
Discretely Presented Component Unit - Economic Development Authority  
June 30, 2020

**Assets**

Current assets:	
Cash and short-term investments (note 2)	\$ 584,397
Due from James City County (note 7)	53,339
Rent receivable	26,531
Accounts receivable	2,973
Bond fee receivable	360
Total current assets	<u>667,600</u>
Notes receivable, net allowance	<u>20,638</u>
Capital assets (note 6):	
Nondepreciable	911,505
Depreciable, net	642,771
Capital assets, net	<u>1,554,276</u>
Total assets	<u><u>\$ 2,242,514</u></u>

**Liabilities and Net Position**

Current liabilities:	
Accounts payable	<u>\$ 53,339</u>
Net position:	
Net investment in capital assets	1,554,276
Unrestricted	634,899
Total net position	<u>2,189,175</u>
Total liabilities and net position	<u><u>\$ 2,242,514</u></u>

See accompanying independent auditor's report.

**Exhibit D-6****County of James City, Virginia**

Statement of Revenues, Expenses and Changes in Net Position  
Discretely Presented Component Unit - Economic Development Authority  
Year ended June 30, 2020

Operating revenues:	
Lease income	\$ 104,601
Bond fees	17,216
Intergovernmental - County contribution (note 17)	5,223
Total operating revenues	<u>127,040</u>
Operating expenses:	
Community development	52,730
Depreciation	25,384
Professional fees	16,638
Promotion	10,221
Rent abatement	5,305
Other	19
Total operating expenses	<u>110,297</u>
Operating income	<u>16,743</u>
Nonoperating revenue (expenses):	
Interest income	4,219
Loss on disposal of capital assets	(113,149)
Total nonoperating revenue (expenses)	<u>(108,930)</u>
Change in net position	(92,187)
Net position, beginning of year	<u>2,281,362</u>
Net position, end of year	<u>\$ 2,189,175</u>

See accompanying independent auditor's report.

**Exhibit D-7**

**County of James City, Virginia**  
**Statement of Cash Flows**  
Discretely Presented Component Unit - Economic Development Authority  
Year ended June 30, 2020

Cash flows from operating activities:	
Receipts from County and customers	\$ 107,664
Payments to suppliers	(82,533)
Net cash provided by operating activities	<u>25,131</u>
Cash flows from capital and related financing activities	
Proceeds from sale of capital assets	<u>214,007</u>
Cash flows from investing activities:	
Interest received	<u>4,219</u>
Net increase in cash and short-term investments	243,357
Cash and short-term investments, beginning of year	341,040
Cash and short-term investments, end of year	<u><u>\$ 584,397</u></u>
Reconciliation of operating income to net cash provided by operating activities:	
Operating income	\$ 16,743
Adjustments to reconcile operating income to cash provided by operating activities:	
Depreciation	25,384
Changes in assets and liabilities:	
Due from James City County	(5,223)
Rent receivable	(26,531)
Bond fee receivable	230
Accounts receivable	7,786
Notes receivable	4,362
Accounts payable	2,380
Net cash provided by operating activities	<u><u>\$ 25,131</u></u>

See accompanying independent auditor's report.

**County of James City, Virginia**  
Statement of Net Position  
Discretely Presented Component Unit – Service Authority  
June 30, 2020

	<b>James City Service Authority</b>
<b>Assets</b>	
Current assets:	
Cash and cash equivalents (note 2)	\$ 3,088,624
Investments (note 2)	49,828,908
Restricted investments (note 2)	9,401,879
Accounts receivable, customers	2,412,576
Accounts receivable, other	1,044
Notes receivable	1,090
Interest receivable	293,410
Inventories	1,109,615
Total current assets	<u>66,137,146</u>
Capital assets, net (note 6):	
Non-depreciable	6,111,331
Depreciable	146,471,081
Net capital assets	<u>152,582,412</u>
Total assets	<u>218,719,558</u>
<b>Deferred Outflows of Resources</b>	
Deferred charge on refunding, net	1,510,736
Deferred pensions (note 11)	815,631
Deferred OPEB group life insurance (note 12)	77,029
Deferred OPEB health insurance credit (note 12)	11,901
Deferred OPEB retiree healthcare (note 12)	13,062
Total deferred outflows of resources	<u>2,428,359</u>
Total assets and deferred outflows of resources	<u><u>\$ 221,147,917</u></u>
<b>Liabilities</b>	
Current liabilities:	
Accounts payable	\$ 428,901
Accrued salaries	23,170
Compensated absences, current portion (note 9)	356,429
Due to James City County (note 7)	494,045
Deposits	830,721
Interest payable	328,979
Bonds payable, current portion (note 9)	1,337,907
Total current liabilities	<u>3,800,152</u>
Noncurrent liabilities:	
Advances for construction (note 16)	32,902
Other post-employment benefits (OPEB) (note 12)	805,084
Compensated absences, net of current portion (note 9)	118,811
Bonds payable, net of current portion (note 9)	28,984,574
Net pension liability (note 11)	1,265,328
Total noncurrent liabilities	<u>31,206,699</u>
Total liabilities	<u>35,006,851</u>
<b>Deferred Inflows of Resources</b>	
Deferred pensions (note 11)	262,425
Deferred OPEB retiree healthcare (note 12)	76,605
Deferred OPEB group life insurance (note 12)	25,058
Deferred OPEB health insurance credit (note 12)	12,267
Total deferred inflows of resources	<u>376,355</u>
<b>Net Position</b>	
Net position:	
Net investment in capital assets	132,512,264
Restricted for:	
Capital projects	8,741,597
Debt service	660,282
Unrestricted	43,850,568
Total net position	<u>185,764,711</u>
Total liabilities, deferred inflows of resources and net position	<u><u>\$ 221,147,917</u></u>

See accompanying notes to basic financial statements.



**Exhibit D-9**

**County of James City, Virginia**  
**Statement of Revenues, Expenses and Changes in Net Position**  
**Discretely Presented Component Unit – Service Authority**  
**Year ended June 30, 2020**

	<b>James City Service Authority</b>
Operating revenues:	
Water and sewer services	\$ 17,692,654
Water supply proffers	220,804
Rental income	127,656
Other	136,437
Total operating revenues	<u>18,177,551</u>
Operating expenses:	
Salaries	5,093,032
Fringe benefits	2,075,905
Operating supplies	1,229,827
Maintenance	1,735,381
Utilities	919,745
Contractual fees	991,478
Other	319,050
Total operating expenses	<u>12,364,418</u>
Operating income before depreciation and amortization	5,813,133
Depreciation and amortization	<u>8,115,624</u>
Operating loss	<u>(2,302,491)</u>
Nonoperating revenues (expenses):	
Facility charges	2,386,850
Investment income	2,033,417
Gain on disposal of capital assets	17,813
Interest expense	(854,412)
Total nonoperating revenues, net	<u>3,583,668</u>
Income before capital contributions	1,281,177
Capital contributions	<u>17,325</u>
Change in net position	1,298,502
Net position, beginning of year	184,466,209
Net position, end of year	<u><u>\$ 185,764,711</u></u>

See accompanying notes to basic financials statements.

**County of James City, Virginia**  
**Statement of Cash Flows**  
Discretely Presented Component Unit – Service Authority  
Year ended June 30, 2020

	<b>James City Service Authority</b>
Cash flows from operating activities:	
Cash receipts from customers	\$ 19,133,397
Other cash receipts	550,662
Cash payments to suppliers of goods and services	(6,534,379)
Cash payments for personnel services	(7,005,405)
Facility charges	2,386,850
Net cash provided by operating activities	<u>8,531,125</u>
Cash flows from capital and related financing activities:	
Repayments of debt	(655,000)
Interest paid	(702,050)
Proceeds from bond issuance	9,135,000
Bond issuance costs	(131,975)
Acquisition and construction of capital assets	(6,020,651)
Proceeds from sale of capital assets	37,171
Net cash provided by capital and related financing activities	<u>1,662,495</u>
Cash flows from investing activities:	
Purchases of investments	(29,239,804)
Proceeds from sales of investments	27,346,986
Interest received	2,030,886
Net cash used in investing activities	<u>138,068</u>
Increase in cash and cash equivalents	10,331,688
Cash and cash equivalents, beginning of year (including \$569,708 in restricted accounts at June 30, 2019)	<u>2,158,815</u>
Cash and cash equivalents, end of year (including \$9,401,879 in restricted accounts at June 30, 2020)	<u><u>\$ 12,490,503</u></u>
Reconciliation of operating loss to net cash provided by operating activities:	
Operating loss	\$ (2,302,491)
Adjustments to reconcile operating loss to net cash provided by operating activities:	
Depreciation and amortization	8,115,624
Facility charges	2,386,850
Changes in operating assets and liabilities:	
Accounts receivable, customers	1,224,453
Accounts receivable, others	65,765
Inventories	(193,860)
Accounts payable	(643,017)
Accrued salaries	10,920
Compensated absences	58,743
Due to James City County	(502,021)
Deposits	216,290
Net OPEB liability and related deferred inflows/outflows of resources	(14,884)
Net pension liability and related deferred inflows/outflows of resources	108,753
Net cash provided by operating activities	<u><u>\$ 8,531,125</u></u>
Supplemental schedule – noncash capital and investing activities:	
Capital asset contributions	<u><u>\$ 17,325</u></u>
Unrealized loss from change in fair value of investments	<u><u>\$ 580,156</u></u>

See accompanying notes to basic financials statements.

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## **Statistical Section (Unaudited)**

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**County of James City, Virginia**  
Statistical Section Overview

This part of the James City County's comprehensive annual financial report presents detailed information as a context for understanding what the information in the financial statements, note disclosures and required supplementary information says about the County's overall financial health.

**Financial Trends**

**Tables 1 - 4**

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

**Revenue Capacity**

**Tables 5 - 9**

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

**Debt Capacity**

**Tables 10 - 12**

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

**Demographic & Economic Information**

**Tables 13 - 14**

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

**Operation Information**

**Tables 15 - 18**

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

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

Table 1

**County of James City, Virginia**  
Net Position by Component  
Last Ten Fiscal Years

	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Governmental activities:										
Net investment in capital assets	\$ 46,961,066	\$ 133,812,951	\$ 128,851,392	\$ 142,867,725	\$ 159,469,360	\$ 176,303,250	\$ 185,274,286	\$ 198,539,384	\$ 210,357,610	\$ 223,523,519
Restricted:										
Capital projects	20,005,183	21,226,338	35,010,428	8,320,449	1,551,387	-	-	-	-	-
Debt service	-	-	-	-	-	1,222,336	1,226,566	1,236,338	4,536,503	2,030,253
Other purposes	-	-	-	-	-	1,899,944	3,067,921	4,940,612	1,043,098	1,319,233
Unrestricted	134,831,315	55,343,408	52,396,401	50,095,897	51,222,452	52,962,121	63,841,474	70,378,940	82,578,292	96,534,809
Total governmental activities net position	<u>\$ 201,797,564</u>	<u>\$ 210,382,697</u>	<u>\$ 216,258,221</u>	<u>\$ 201,284,071</u>	<u>\$ 212,243,199</u>	<u>\$ 232,387,651</u>	<u>\$ 253,410,247</u>	<u>\$ 275,095,274</u>	<u>\$ 298,515,503</u>	<u>\$ 323,407,814</u>
Business-type activity (1):										
Net investment in capital assets	\$ 135,641,623	\$ 135,110,313	\$ 139,966,206	\$ 137,922,955	\$ 137,173,064	\$ 139,312,785	\$ 136,696,744	\$ 132,616,889	\$ 134,359,937	
Restricted:										
Capital projects	4,740,769	4,876,760	2,620,384	2,601,160	2,716,277	-	-	-	-	-
Debt service	-	-	-	-	-	729,605	677,614	567,011	569,708	-
Unrestricted	34,057,874	34,462,629	30,189,025	29,159,119	32,903,518	37,014,202	41,443,900	46,664,323	49,536,564	
Total business-type activity net position	<u>\$ 174,440,266</u>	<u>\$ 174,449,702</u>	<u>\$ 172,775,615</u>	<u>\$ 169,683,234</u>	<u>\$ 172,792,859</u>	<u>\$ 177,056,592</u>	<u>\$ 178,818,258</u>	<u>\$ 179,848,223</u>	<u>\$ 184,466,209</u>	
Primary government:										
Net investment in capital assets	\$ 182,602,689	\$ 268,923,264	\$ 268,817,598	\$ 280,790,680	\$ 296,642,424	\$ 315,616,035	\$ 321,971,030	\$ 331,156,273	\$ 344,717,547	\$ 223,523,519
Restricted:										
Capital projects	24,745,952	26,103,098	37,630,812	10,921,609	4,267,664	-	-	-	-	-
Debt Service	-	-	-	-	-	1,951,941	1,904,180	1,803,349	5,106,211	2,030,253
Other purposes	-	-	-	-	-	1,899,944	3,067,921	4,940,612	1,043,098	1,319,233
Unrestricted	168,889,189	89,806,037	82,585,426	79,255,016	84,125,970	89,976,323	105,285,374	117,043,263	132,114,856	96,534,809
Total primary government net position	<u>\$ 376,237,830</u>	<u>\$ 384,832,399</u>	<u>\$ 389,033,836</u>	<u>\$ 370,967,305</u>	<u>\$ 385,036,058</u>	<u>\$ 409,444,243</u>	<u>\$ 432,228,505</u>	<u>\$ 454,943,497</u>	<u>\$ 482,981,712</u>	<u>\$ 323,407,814</u>

(1) For fiscal years 2019 and prior, the James City Service Authority was reported as a blended component unit and business type activity of James City County. As of fiscal year 2020, the James City Service Authority is reported as a discretely presented component unit, and is no longer reported as part of the primary government.

Table 2

**County of James City, Virginia**  
**Government-Wide Expenses and Program Revenues by Function**  
**Last Ten Fiscal Years**

	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
<b>Expenses:</b>										
Governmental activities:										
General government administration	\$ 23,061,671	\$ 17,103,421	\$ 14,304,134	\$ 9,249,487	\$ 19,278,147	\$ 8,807,519	\$ 11,261,405	\$ 8,768,221	\$ 11,011,081	\$ 15,165,784
Judicial administration	5,394,548	5,513,976	5,505,727	5,216,769	5,598,594	5,682,096	5,147,078	6,053,891	6,153,636	6,339,331
Public safety	15,003,864	23,768,668	27,750,476	25,964,996	23,996,973	30,842,789	30,313,710	32,036,916	34,180,592	34,366,944
Public works	7,332,972	6,119,246	7,963,622	7,244,367	6,985,073	7,986,260	9,161,360	7,258,365	9,128,572	9,918,359
Health and human services	7,582,994	7,042,619	6,785,380	6,671,151	7,013,325	7,368,295	7,742,508	7,883,242	8,482,617	9,523,747
Education	83,737,593	82,082,568	84,309,615	85,595,145	87,713,464	87,508,710	93,728,530	94,073,287	100,455,268	101,088,169
Parks, recreation, and cultural	8,980,597	8,744,156	8,536,371	10,897,006	9,386,351	10,650,141	11,779,541	12,346,131	12,909,059	12,629,914
Community development	9,467,357	14,832,661	11,139,632	10,676,484	10,692,736	12,787,069	11,905,882	10,627,626	9,481,249	9,095,405
Interest on long-term debt	9,853,465	9,384,810	9,522,081	8,822,326	7,787,361	5,869,933	5,386,316	4,905,534	5,647,370	3,919,485
Total governmental activities expenses	<u>170,415,061</u>	<u>174,592,125</u>	<u>175,817,038</u>	<u>170,337,731</u>	<u>178,452,024</u>	<u>177,502,812</u>	<u>186,426,330</u>	<u>183,953,213</u>	<u>197,439,444</u>	<u>202,047,138</u>
Business-type activities (2):										
Service Authority	20,896,660	21,361,681	21,272,566	21,002,926	19,888,935	19,971,937	19,876,242	19,522,028	20,319,667	
Total business-type expenses	<u>20,896,660</u>	<u>21,361,681</u>	<u>21,272,566</u>	<u>21,002,926</u>	<u>21,002,926</u>	<u>19,971,937</u>	<u>19,876,242</u>	<u>19,522,028</u>	<u>20,319,667</u>	
Total primary government expenses	<u>\$ 191,311,721</u>	<u>\$ 195,953,806</u>	<u>\$ 197,089,604</u>	<u>\$ 191,340,657</u>	<u>\$ 199,454,950</u>	<u>\$ 197,474,749</u>	<u>\$ 206,302,572</u>	<u>\$ 203,475,241</u>	<u>\$ 217,759,111</u>	<u>\$ 202,047,138</u>
<b>Program revenues:</b>										
Governmental activities:										
Charges for services:										
General government administration	\$ 6,845,682	\$ 7,246,961	\$ 7,436,450	\$ 7,758,238	\$ 8,047,642	\$ 7,547,746	\$ 7,797,839	\$ 7,973,771	\$ 8,423,063	\$ 7,864,966
Judicial administration	1,864,708	1,816,700	1,828,073	1,839,637	1,832,471	2,464,271	2,366,908	2,407,582	2,404,298	2,409,617
Public safety	2,874,239	3,172,589	3,463,159	3,330,101	3,455,177	3,558,411	3,281,957	2,964,057	2,875,855	2,854,882
Parks, recreation and cultural	2,494,536	2,527,532	2,708,063	2,854,489	3,109,047	3,563,791	3,667,720	3,694,635	3,734,663	2,844,953
Other	203,302	216,443	225,520	281,256	270,799	1,041,798	1,017,317	1,015,042	1,084,496	1,849,853
Total charges for services	<u>14,282,467</u>	<u>14,980,225</u>	<u>15,661,265</u>	<u>16,063,721</u>	<u>16,715,136</u>	<u>18,176,017</u>	<u>18,131,741</u>	<u>18,055,087</u>	<u>18,522,375</u>	<u>17,824,271</u>
Operating grants and contributions	32,049,993	33,019,242	31,354,415	30,572,383	31,767,861	32,181,074	32,903,768	32,980,663	33,465,872	41,795,253
Capital grants and contributions	434,823	2,035,365	1,312,352	1,286,856	346,627	269,439	196,051	828,415	1,125,513	180,635
Total governmental activities program revenues	<u>46,767,283</u>	<u>50,034,832</u>	<u>48,328,032</u>	<u>47,922,960</u>	<u>48,829,624</u>	<u>50,626,530</u>	<u>51,231,560</u>	<u>51,864,165</u>	<u>53,113,760</u>	<u>59,800,159</u>
Business-type activities (2):										
Charges for services	16,443,520	14,883,627	15,871,187	16,131,430	16,452,120	16,018,375	19,064,677	19,523,972	19,248,136	
Operating grants and contributions	-	-	-	-	-	-	-	-	-	
Capital grants and contributions	1,750,073	5,395,362	4,600,645	3,388,700	5,284,379	6,865,346	1,509,214	796,235	5,137,825	
Total business-type activities program revenues	<u>18,193,593</u>	<u>20,278,989</u>	<u>20,471,832</u>	<u>19,520,130</u>	<u>21,736,499</u>	<u>22,883,721</u>	<u>20,573,891</u>	<u>20,320,207</u>	<u>24,385,961</u>	
Total primary government program revenues	<u>\$ 64,960,876</u>	<u>\$ 70,313,821</u>	<u>\$ 68,799,864</u>	<u>\$ 67,443,090</u>	<u>\$ 70,566,123</u>	<u>\$ 73,510,251</u>	<u>\$ 71,805,451</u>	<u>\$ 72,184,372</u>	<u>\$ 77,499,721</u>	<u>\$ 59,800,159</u>
<b>Net (expense)/revenue:</b>										
Governmental activities	\$ (123,647,778)	\$ (124,557,293)	\$ (127,489,006)	\$ (122,414,771)	\$ (129,622,400)	\$ (126,876,282)	\$ (135,194,770)	\$ (132,089,048)	\$ (144,325,684)	\$ (142,246,979)
Business-type activities (2)	(2,703,067)	(1,082,692)	(800,734)	(1,482,796)	1,847,564	2,911,784	697,649	798,179	4,066,294	
Total primary government net expense	<u>\$ (126,350,845)</u>	<u>\$ (125,639,985)</u>	<u>\$ (128,289,740)</u>	<u>\$ (123,897,567)</u>	<u>\$ (127,774,836)</u>	<u>\$ (123,964,498)</u>	<u>\$ (134,497,121)</u>	<u>\$ (131,290,869)</u>	<u>\$ (140,259,390)</u>	<u>\$ (142,246,979)</u>
<b>General revenues and other changes in net position:</b>										
Governmental activities:										
Taxes:										
Property taxes, levied for general purposes	\$ 109,545,003	\$ 111,454,692	\$ 110,351,991	\$ 111,899,484	\$ 113,359,672	\$ 120,796,742	\$ 128,334,481	\$ 131,493,564	\$ 134,846,403	\$ 138,698,177
Other local taxes	19,100,086	20,006,069	21,208,061	21,435,046	22,771,626	24,027,667	24,555,363	24,442,882	29,324,049	25,981,646
Interest on investment earnings	442,698	395,001	330,514	339,358	232,388	263,745	402,544	382,080	795,865	966,252
Miscellaneous	1,201,369	1,286,664	1,473,964	1,875,485	4,217,842	1,932,580	2,924,978	3,065,493	2,779,596	1,493,215
Total governmental activities	<u>130,289,156</u>	<u>133,142,426</u>	<u>133,364,530</u>	<u>135,549,373</u>	<u>140,581,528</u>	<u>147,020,734</u>	<u>156,217,366</u>	<u>159,384,019</u>	<u>167,745,913</u>	<u>167,139,290</u>
Business-type activities (2):										
Interest on investment earnings	509,675	351,929	(1,249,111)	267,061	248,207	519,767	90,148	43,940	1,904,327	
Miscellaneous	521,384	740,199	375,758	520,504	1,013,854	832,182	973,869	726,432	495,207	
Total business-type activities	<u>1,031,059</u>	<u>1,092,128</u>	<u>(873,353)</u>	<u>787,565</u>	<u>1,262,061</u>	<u>1,351,949</u>	<u>1,064,017</u>	<u>770,372</u>	<u>2,399,534</u>	
Total primary government	<u>\$ 131,320,215</u>	<u>\$ 134,234,554</u>	<u>\$ 132,491,177</u>	<u>\$ 136,336,938</u>	<u>\$ 141,843,589</u>	<u>\$ 148,372,683</u>	<u>\$ 157,281,383</u>	<u>\$ 160,154,391</u>	<u>\$ 170,145,447</u>	<u>\$ 167,139,290</u>
<b>Change in net position:</b>										
Governmental activities	\$ 6,641,378	\$ 8,585,133	\$ 5,875,524	\$ 13,134,602	\$ 10,959,128	\$ 20,144,452	\$ 21,022,596	\$ 27,294,971	\$ 23,420,229	\$ 24,892,311
Business-type activities	(1,672,008)	9,436	(1,674,087)	(695,231)	3,109,625	4,263,733	1,761,666	1,568,551	6,465,828	
Total primary government	<u>\$ 4,969,370</u>	<u>\$ 8,594,569</u>	<u>\$ 4,201,437</u>	<u>\$ 12,439,371</u>	<u>\$ 14,068,753</u>	<u>\$ 24,408,185</u>	<u>\$ 22,784,262</u>	<u>\$ 28,863,522</u>	<u>\$ 29,886,057</u>	<u>\$ 24,892,311</u>

(1) Reflects expenses from Exhibit 2.

(2) For fiscal years 2019 and prior, the James City Service Authority was reported as a blended component unit and business type activity of James City County. As of fiscal year 2020, the James City Service Authority is reported as a discretely presented component unit, and is no longer reported as part of the primary government.



Table 3

**County of James City, Virginia**  
**Fund Balances, Governmental Funds**  
**Last Ten Fiscal Years (1)**

	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
General fund:										
Nonspendable:										
Inventory	\$ 298,757	\$ 346,545	\$ 361,682	\$ 370,536	\$ 340,709	\$ 336,498	\$ 332,335	\$ 311,882	\$ 252,792	\$ 232,235
Prepaid items	-	-	-	-	2,111	-	-	-	-	-
Assigned:										
General	2,678,655	6,089,236	6,595,137	6,544,809	5,991,822	7,860,584	7,249,473	8,384,195	7,825,910	9,436,272
Capital reserve	16,045,435	15,766,115	11,583,529	8,118,950	4,968,111	5,414,938	6,001,542	6,963,412	7,116,956	7,853,810
Unassigned	20,449,054	21,674,594	22,345,746	23,099,410	23,360,679	24,681,548	28,339,753	30,119,197	31,693,639	42,058,054
Total general fund	<u>\$ 39,471,901</u>	<u>\$ 43,876,490</u>	<u>\$ 40,886,094</u>	<u>\$ 38,133,705</u>	<u>\$ 34,663,432</u>	<u>\$ 38,293,568</u>	<u>\$ 41,923,103</u>	<u>\$ 45,778,686</u>	<u>\$ 46,889,297</u>	<u>\$ 59,580,371</u>
All other government funds:										
Restricted - bond proceeds held in escrow	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,236,338	\$ 4,536,503	\$ 2,030,253
Restricted - nonmajor governmental funds										\$ 1,319,233
Committed:										
Grants	741,113	962,702	128,700	240,900	69	-	-	-	-	-
Capital projects/reserve	25,150,586	21,226,338	35,010,428	8,320,449	1,551,387	28,907,491	13,781,490	-	-	-
Assigned:										
Capital reserve	-	-	-	14,466,602	16,178,748	18,699,213	26,115,707	26,401,040	29,732,523	31,263,804
Special revenue	3,372,795	4,132,137	4,993,071	4,505,717	4,957,409	6,111,183	7,233,419	10,523,259	9,761,066	12,375,121
Total all other governmental funds	<u>\$ 29,264,494</u>	<u>\$ 26,321,177</u>	<u>\$ 40,132,199</u>	<u>\$ 27,533,668</u>	<u>\$ 22,687,613</u>	<u>\$ 53,717,887</u>	<u>\$ 47,130,616</u>	<u>\$ 38,160,637</u>	<u>\$ 44,030,092</u>	<u>\$ 46,988,411</u>

(1) Governmental Accounting Standards Board (GASB) Statement No. 54, Fund Balance Reporting and Governmental Fund Type Definitions, which provides fund balance classifications that can be more consistently applied was adopted by the County as of July 1, 2010. Therefore, the fund balances for years 2009 through 2010 have been restated to reflect this standard.

Table 4

**County of James City, Virginia**  
**Changes in Fund Balances, Governmental Funds**  
**Last Ten Fiscal Years**

	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
<b>Revenues:</b>										
General property taxes	\$ 108,564,306	\$ 110,677,787	\$ 109,112,196	\$ 112,151,342	\$ 112,542,078	\$ 124,363,595	\$ 128,094,252	\$ 130,402,106	\$ 134,744,837	\$ 138,724,196
Other local taxes	19,100,086	20,006,069	21,208,061	21,435,046	22,771,626	24,027,667	24,555,363	24,442,882	29,324,049	25,981,646
Licenses, permits, and fees	7,055,618	7,487,105	7,623,652	8,134,299	8,443,821	8,779,496	9,049,208	8,892,499	9,496,531	8,878,568
Fines and forfeitures	334,633	274,198	295,355	293,625	271,615	309,278	270,716	265,561	292,518	231,608
Use of money and property	442,698	395,001	330,514	339,358	232,388	263,745	402,544	382,080	795,865	966,252
Charges for services	4,861,478	5,174,185	5,736,864	5,549,607	5,944,750	6,623,273	6,471,404	6,656,889	6,586,341	6,291,204
Miscellaneous	1,201,370	1,286,664	1,473,964	1,875,484	4,217,842	1,932,580	2,924,978	3,065,493	2,779,596	1,493,215
Intergovernmental	34,515,554	37,099,346	34,672,161	33,945,431	34,169,438	34,635,171	35,092,799	35,731,814	36,733,787	44,338,305
<b>Total revenues</b>	<b>176,075,743</b>	<b>182,400,355</b>	<b>180,452,767</b>	<b>183,724,192</b>	<b>188,593,558</b>	<b>200,934,805</b>	<b>206,861,264</b>	<b>209,839,324</b>	<b>220,753,524</b>	<b>226,904,994</b>
<b>Expenditures:</b>										
Storm costs	-	2,454,661	-	-	-	-	-	-	-	-
General government administration	8,265,513	8,669,692	9,399,885	9,643,858	9,432,889	9,678,060	9,770,250	10,086,403	11,651,426	12,905,240
Judicial administration	5,311,684	5,254,489	5,250,974	5,514,609	5,599,728	5,463,744	5,870,569	5,856,353	5,908,750	5,954,875
Public works	7,241,872	6,493,573	7,606,884	7,353,940	6,976,533	27,878,252	28,443,672	28,728,800	31,127,333	31,102,285
Health and human services	7,582,994	7,042,619	6,785,380	7,061,327	7,193,841	7,082,202	7,833,811	7,635,751	8,235,686	8,652,838
Education	73,830,796	74,280,245	75,931,599	77,496,482	79,610,865	7,234,052	7,350,896	7,584,697	8,259,078	9,383,160
Parks, recreation, and cultural	9,180,161	9,163,941	9,075,083	9,899,159	9,858,887	79,825,974	84,299,207	85,395,004	91,070,061	92,286,710
Public safety	23,792,805	24,915,821	26,555,114	26,764,383	27,475,307	9,872,451	10,293,611	10,394,095	10,896,838	10,751,418
Community development	10,289,898	9,873,740	10,914,977	10,958,279	10,769,064	10,353,844	11,827,600	9,959,810	10,451,529	9,682,050
Nondepartmental	(266,150)	1,265,803	966,806	721,744	525,433	1,183,538	-	-	-	-
Debt service (2):										
Principal	14,830,524	14,787,955	23,473,305	16,417,326	16,862,695	17,122,377	16,206,234	16,284,125	14,343,182	14,282,841
Interest	9,853,465	9,384,810	9,522,081	8,822,326	7,787,361	6,188,222	6,841,056	6,195,080	5,848,486	5,447,279
Bond issuance costs	20,003	-	253,624	-	112,863	1,173,546	-	-	380,771	-
Capital outlay (1)	30,042,723	15,023,734	12,586,344	18,421,679	13,424,741	12,647,985	25,818,138	26,833,602	26,793,328	11,824,193
<b>Total expenditures</b>	<b>199,976,288</b>	<b>188,611,083</b>	<b>198,322,056</b>	<b>199,075,112</b>	<b>195,630,207</b>	<b>195,704,247</b>	<b>214,555,044</b>	<b>214,953,720</b>	<b>224,966,468</b>	<b>212,272,889</b>
Excess (deficiency) of revenues over (under) expenditures	(23,900,545)	(6,210,728)	(17,869,289)	(15,350,920)	(7,036,649)	5,230,558	(7,693,780)	(5,114,396)	(4,212,944)	14,632,105
<b>Other financing sources:</b>										
Transfers in	28,784,026	29,412,515	33,965,148	34,729,940	35,271,660	40,956,217	40,745,506	40,309,261	46,365,441	36,233,275
Transfers out	(28,784,026)	(29,412,515)	(33,965,148)	(34,729,940)	(35,271,660)	(40,956,217)	(40,745,506)	(40,309,261)	(46,365,441)	(36,233,275)
Issuance of debt	4,820,000	7,672,000	26,380,000	-	34,185,000	91,665,000	-	-	14,195,000	-
Premiums on bonds issued	321,834	-	2,309,915	-	3,907,273	10,930,294	-	-	1,150,501	-
Capital lease	-	-	-	-	-	-	4,736,044	-	-	-
Payment to refunded bond escrow agent	(5,019,743)	-	-	-	(39,371,952)	(73,165,442)	-	-	-	-
<b>Total other financing sources</b>	<b>122,091</b>	<b>7,672,000</b>	<b>28,689,915</b>	<b>-</b>	<b>(1,279,679)</b>	<b>29,429,852</b>	<b>4,736,044</b>	<b>-</b>	<b>15,345,501</b>	<b>-</b>
<b>Net change in fund balances</b>	<b>\$ (23,778,454)</b>	<b>\$ 1,461,272</b>	<b>\$ 10,820,626</b>	<b>\$ (15,350,920)</b>	<b>\$ (8,316,328)</b>	<b>\$ 34,660,410</b>	<b>\$ (2,957,736)</b>	<b>\$ (5,114,396)</b>	<b>\$ 11,132,557</b>	<b>\$ 14,632,105</b>
<b>Debt service as a percentage of noncapital expenditures</b>	<b>14.27%</b>	<b>13.65%</b>	<b>17.55%</b>	<b>13.97%</b>	<b>13.35%</b>	<b>12.56%</b>	<b>11.99%</b>	<b>11.74%</b>	<b>10.18%</b>	<b>9.79%</b>

(1) Including operating transfers to capital projects.

(2) Noncapital expenditures equals total expenditures less amounts for capitalized assets on the government-wide statement of net position.

Table 5

**County of James City, Virginia**  
Assessed Value and Actual Value of Taxable Property  
Last Ten Fiscal Years

<b>Fiscal year</b>	<b>Total real property</b>	<b>General personal property</b>	<b>Machinery and tools</b>	<b>Mobile homes</b>	<b>Total Personal property</b>	<b>Public service</b>	<b>Total assessed value</b>	<b>Total direct tax rate</b>
2011	\$ 11,172,929,700	\$ 621,471,862	\$ 137,178,668	\$ 10,101,067	\$ 768,751,597	\$ 210,802,200	\$ 12,152,483,497	\$ 4.77
2012	11,316,807,900	652,561,625	139,945,157	9,719,184	802,225,966	222,670,868	12,341,704,734	4.77
2013	10,921,180,200	687,058,440	141,877,157	9,209,475	838,145,072	232,588,225	11,991,913,497	4.77
2014	11,067,756,400	710,720,870	144,950,305	8,346,659	864,017,834	233,973,337	12,165,747,571	4.77
2015	11,148,405,300	783,249,672	144,694,099	7,901,856	935,845,627	336,370,602	12,420,621,529	4.84
2016	11,352,153,219	770,378,346	145,094,277	7,533,858	923,006,481	236,177,856	12,511,337,556	4.84
2017	11,608,801,433	809,023,687	147,942,350	7,008,284	963,974,321	245,349,999	12,818,125,753	4.84
2018	11,797,419,633	862,391,419	151,313,988	6,377,045	1,020,082,452	247,568,334	13,065,070,419	4.84
2019	12,089,303,067	898,095,969	150,923,619	6,628,640	1,055,648,228	262,267,902	13,407,219,197	4.84
2020	12,241,257,556	895,259,839	155,315,787	7,099,488	1,057,675,114	388,057,441	13,686,990,111	4.84

Source: Real Estate Assessments and Commissioner of the Revenue, James City County.

Note: Tax rate is per \$100 of assessed value.

Table 6

**County of James City, Virginia**  
**Tax Rates**  
**Last Ten Fiscal Years**

<b>Fiscal year</b>	<b>Real estate tax (1)</b>	<b>Personal property tax (1)</b>	<b>Room tax</b>	<b>Meal tax</b>	<b>Retail sales tax (2)</b>	<b>Historic Triangle sales tax (3)</b>	<b>Total direct tax rate</b>
2011	\$ 0.77	\$ 4.00	\$ 5.00	\$ 4.00	\$ 1.00	\$ -	\$ 4.77
2012	0.77	4.00	5.00	4.00	1.00	-	4.77
2013	0.77	4.00	5.00	4.00	1.00	-	4.77
2014	0.77	4.00	5.00	4.00	1.00	-	4.77
2015	0.77	4.00	5.00	4.00	1.00	-	4.77
2016	0.84	4.00	5.00	4.00	1.00	-	4.84
2017	0.84	4.00	5.00	4.00	1.00	-	4.84
2018	0.84	4.00	5.00	4.00	1.00	-	4.84
2019	0.84	4.00	5.00	4.00	1.00	1.00	4.84
2020	0.84	4.00	5.00	4.00	1.00	1.00	4.84

(1) Per \$100 assessed value

(2) Collected by the State and remitted to the County monthly

(3) Effective July 1, 2018

(4) There are no overlapping taxes in the rates disclosed in this table.

Table 7

**County of James City, Virginia**  
Principal Tax Payers  
Current Year and Ten Years Ago

<b>Principal Property Tax Payers</b>						
	<b>2020</b>			<b>2011</b>		
	<b>Property taxes assessed</b>	<b>Rank</b>	<b>Percentage of County total</b>	<b>Property taxes assessed</b>	<b>Rank</b>	<b>Percentage of County total</b>
Anheuser-Busch, Inc.	\$ 5,381,053	1	3.63%	\$ 4,839,587	1	4.09%
Virginia Electric & Power Company	3,605,740	2	2.43%	799,797	5	0.68%
Seaworld Parks & Entertainment, LLC	2,285,269	3	1.54%	1,120,837	3	0.95%
Wal-Mart, Inc.	1,245,018	4	0.84%	1,156,567	2	0.98%
Premium Outlets of Williamsburg (1)	1,225,641	5	0.83%	588,051	10	0.50%
Williamsburg Plantation Owners Association	1,098,272	6	0.74%	654,724	9	0.55%
Powhatan Plantation Owners Association	1,009,305	7	0.68%	980,194	4	0.83%
Williamsburg Landing, Inc.	973,077	8	0.66%	737,636	7	0.62%
Ball Metal Container	876,225	9	0.59%	675,043	8	0.57%
Manor Club @ Ford's Colony	690,088	10	0.47%			
Busch Properties				778,416	6	0.66%
<b>Total</b>	<b>\$ 18,389,688</b>		<b>12.41%</b>	<b>\$ 12,330,852</b>		<b>10.43%</b>

Source: Commissioner of the Revenue

(1) Premium Outlets includes two related parties, Williamsburg Outlets, LLC and Williamsburg Mazel, LLC. They are combined in this table to show the value of the shopping center.

<b>Principal Personal Property Tax Payers</b>						
	<b>2020</b>			<b>2011</b>		
	<b>Property taxes assessed</b>	<b>Rank</b>	<b>Percentage of County total</b>	<b>Property taxes assessed</b>	<b>Rank</b>	<b>Percentage of County total</b>
Anheuser-Busch, Inc.	\$ 4,199,353	1	9.92%	\$ 3,756,362	1	12.22%
Seaworld Parks, LLC	1,712,961	2	4.05%	1,120,837	2	3.64%
Ball Metal Container	734,996	3	1.74%	569,956	3	1.85%
Printpack, Inc.	471,985	4	1.12%	452,854	4	1.47%
Owens-Brockway Glass Container	455,147	5	1.08%	400,892	5	1.30%
Cox Communications of Hampton Roads	305,552	6	0.72%	191,285	8	0.62%
Wal-Mart, Inc.	298,591	7	0.71%	352,993	6	1.15%
Toyota Lease Trust	201,963	8	0.48%			
HVT, Inc.	194,978	9	0.46%			
Citizen Asset Finance, Inc.	164,385	10	0.39%			
Jack L. Massie Contracting, Inc.				216,012	7	0.70%
Branscome, Inc.				171,057	9	0.56%
Busch Properties				112,395	10	0.37%
<b>Total</b>	<b>\$ 8,739,911</b>		<b>20.67%</b>	<b>\$ 7,344,643</b>		<b>23.88%</b>

Source: Commissioner of the Revenue

<b>Principal Real Estate Property Tax Payers</b>						
	<b>2020</b>			<b>2011</b>		
	<b>Property taxes assessed</b>	<b>Rank</b>	<b>Percentage of County total</b>	<b>Property taxes assessed</b>	<b>Rank</b>	<b>Percentage of County total</b>
Virginia Electric & Power Company	\$ 3,598,920	1	3.39%	\$ 799,109	4	0.91%
Premium Outlets of Williamsburg (1)	1,225,641	2	1.16%	588,051	8	0.67%
Anheuser-Busch, Inc.	1,181,700	3	1.11%	1,083,225	1	1.21%
Williamsburg Plantation Owners Association	1,089,777	4	1.03%	650,274	7	0.74%
Powhatan Plantation Owners Association	988,420	5	0.93%	966,499	2	1.10%
Wal-Mart, Inc.	946,427	6	0.89%	803,574	3	0.92%
Williamsburg Landing, Inc.	860,819	7	0.81%	675,738	5	0.77%
Riverside Healthcare Assoc.	704,106	8	0.66%			
Manor Club @ Ford's Colony (2)	651,006	9	0.61%	581,756	9	0.66%
Virginia United Methodist Homes, Inc.	645,755	10	0.61%			
Busch Properties				666,021	6	0.76%
Seaworld Parks, LLC				521,684	10	0.60%
<b>Total</b>	<b>\$ 11,892,571</b>		<b>11.20%</b>	<b>\$ 7,335,931</b>		<b>8.34%</b>

Source: Commissioner of the Revenue

(1) Premium Outlets includes two related parties, Williamsburg Outlets, LLC and Williamsburg Mazel, LLC. They are combined in this table to show the value of the shopping center.

(2) In 2010, the company was known as Manor Houses Associates.

Table 8

**County of James City, Virginia**  
**Property Tax Levies and Collections**  
**Last Ten Fiscal Years**

<b>Fiscal year</b>	<b>Taxes levied for the fiscal year</b>	<b>Collected within the fiscal year of the levy</b>		<b>Collections in subsequent years</b>	<b>Total collections to date</b>	
		<b>Amount (1)</b>	<b>Percentage of levy</b>		<b>Amount</b>	<b>Percentage of levy</b>
2011	\$ 117,215,610	\$ 100,889,563	86.07%	\$ 15,946,267	\$ 116,835,830	99.68%
2012	121,312,654	101,482,234	83.65%	19,498,752	120,980,986	99.73%
2013	117,414,914	98,431,581	83.83%	18,747,396	117,178,977	99.80%
2014	118,804,815	100,523,591	84.61%	17,810,298	118,333,889	99.60%
2015	116,313,370	101,071,578	86.90%	13,981,851	115,053,429	98.92%
2016	122,270,532	106,867,113	87.40%	14,476,777	121,343,890	99.24%
2017	125,345,126	109,436,232	87.31%	15,895,512	125,331,744	99.99%
2018	129,502,759	111,268,080	85.92%	17,510,094	128,778,174	99.44%
2019	133,720,786	114,672,068	85.75%	16,894,911	131,566,979	98.39%
2020	133,461,243	114,426,238	85.74%	-	114,426,238	85.74%

Source: Treasurer, James City County

(1) Collections related to fiscal year levies includes PPTRA claimed by taxpayers.

Table 9

**County of James City, Virginia**  
**Taxable Sales by Category**  
**Last Ten Fiscal Years**

	<b>2011</b>	<b>2012</b>	<b>2013</b>	<b>2014</b>	<b>2015</b>	<b>2016</b>	<b>2017</b>	<b>2018</b>	<b>2019</b>	<b>2020</b>
Apparel stores	\$ 183,244,309	\$ 198,116,199	\$ 206,585,825	\$ 213,354,143	\$ 194,143,321	\$ 194,900,831	\$ 186,607,800	\$ 161,355,210	\$ 153,888,820	\$ 148,561,525
Automotive dealers, supplies and repair	17,019,548	24,017,913	21,792,904	21,122,470	20,893,120	23,582,443	23,292,016	27,301,606	27,495,725	27,923,233
Building materials, machinery and equipment	16,631,597	20,676,668	19,518,301	18,093,198	18,046,110	20,957,143	19,658,032	18,140,731	16,525,955	15,897,685
Eating and drinking establishments	91,552,799	103,724,814	105,121,625	116,111,215	112,320,430	116,764,293	113,221,696	96,580,559	100,513,316	103,898,550
Food stores	135,172,441	148,451,817	160,043,266	169,193,864	172,591,926	178,533,330	173,053,026	166,510,730	159,139,231	171,721,520
Furniture, home furnishings and household equipment	22,119,421	23,420,749	25,032,485	31,239,589	33,524,596	34,915,814	33,199,279	30,254,081	29,813,814	28,837,623
General merchandise	87,029,287	92,522,324	103,860,834	116,426,211	133,412,703	138,011,583	138,691,794	148,614,533	158,022,671	148,055,718
Lodging	32,414,685	14,172,343	16,041,031	15,276,927	20,352,083	22,528,553	21,630,584	23,009,096	20,053,827	18,872,605
Other outlets	29,255,159	39,511,197	38,200,453	38,297,074	32,410,167	31,055,094	31,872,830	38,055,982	23,929,492	13,410,125
Other retail stores, dealers, trades and services	188,073,849	204,974,337	208,856,679	205,764,580	231,051,462	250,886,839	243,076,757	261,444,986	275,721,770	277,858,734
<b>Total</b>	<b>\$ 802,513,095</b>	<b>\$ 869,588,361</b>	<b>\$ 905,053,403</b>	<b>\$ 944,879,271</b>	<b>\$ 968,745,918</b>	<b>\$ 1,012,135,923</b>	<b>\$ 984,303,814</b>	<b>\$ 971,267,514</b>	<b>\$ 965,104,621</b>	<b>\$ 955,037,318</b>

Source: Weldon Cooper Center

Note: Some data is not categorized to protect confidentiality of the business.

Table 10

**County of James City, Virginia**  
Ratios of Outstanding Debt by Type  
Last Ten Fiscal Years

Fiscal year	Governmental activities				Business-type activity (3)	Total primary government	Percentage of personal income (1)	Per capita personal income (2)
	General obligation bonds	Capital leases	Lease revenue bonds	Total	Revenue bonds			
2011	\$ 93,283,624	\$ 10,285,522	\$ 104,055,000	\$ 207,624,146	\$ 34,469,298	\$ 242,093,444	18.48	\$ 54,224
2012	86,134,103	9,235,074	104,472,000	199,841,177	32,938,174	232,779,351	20.21	55,990
2013	80,004,294	1,098,854	123,034,000	204,137,148	25,185,000	229,322,148	20.69	55,550
2014	72,164,244	984,528	114,416,000	187,564,772	24,660,000	212,224,772	23.34	56,960
2015	65,458,589	858,833	103,604,000	169,921,422	24,115,000	194,036,422	26.59	58,504
2016	49,844,842	728,456	130,451,552	181,024,850	24,118,109	205,142,959	26.05	59,632
2017	44,155,482	4,195,266	119,855,768	168,206,516	23,269,202	191,475,718	29.49	62,350
2018	38,348,323	3,183,141	109,069,984	150,601,448	22,600,295	173,201,743	33.89	64,466
2019	33,966,163	2,146,958	112,183,815	148,296,936	21,906,388	170,203,324	35.64	66,306
2020	29,479,003	1,086,117	102,028,321	132,593,441	-	132,593,441	**	**

(1) Based on personal income from Table 13

(2) From Table 13, calendar year basis

(3) For fiscal years 2019 and prior, the James City Service Authority was reported as a blended component unit and business type activity of James City County. As of fiscal year 2020, the James City Service Authority is reported as a discretely presented component unit, and is no longer reported as part of the primary government.

\*\* Statistics not yet available



Table 11

**County of James City, Virginia**  
Debt Statistics  
Last Ten Fiscal Years

**Ratio of Net General Bonded Debt to Assessed Value and Net Bonded Debt Per Capita**

Fiscal year	Population (1)	Assessed value (2)	Gross bonded debt (3) (4)	Less debt service monies available (5)	Net bonded debt	Ratio of net bonded debt to assessed value	Net bonded debt per capita
2011	68,500	\$ 12,152,483,497	\$ 93,283,624	\$ 2,921,037	\$ 90,362,587	0.74	\$ 1,319
2012	69,451	12,341,704,734	86,134,103	2,920,981	83,213,122	0.67	1,198
2013	70,376	11,991,913,497	80,004,294	2,920,538	77,083,756	0.64	1,095
2014	71,254	12,165,747,571	72,164,244	2,920,369	69,243,875	0.57	972
2015	72,682	12,420,621,529	65,458,589	1,219,616	64,238,973	0.52	884
2016	73,767	12,511,337,556	49,844,842	1,221,521	48,623,321	0.39	659
2017	74,795	12,818,125,753	44,155,482	1,222,024	42,933,458	0.33	574
2018	75,776	13,065,070,419	38,348,323	1,226,463	37,121,860	0.28	490
2019	76,211	13,407,219,197	33,966,163	-	33,966,163	0.25	446
2020	77,202	13,686,990,111	29,479,003	-	29,479,003	0.22	382

(1) From Table 13; based on calendar year

(2) From Table 5

(3) Includes all long-term general obligation bonded debt, bond anticipation notes, and literary fund loans

(4) Includes general obligation debt payable from enterprise revenues

(5) Debt Service Reserve Funds held by a trustee

\*\* Statistics not yet available

**Ratio of Annual Debt Service Expenditures for General Bonded Debt (1) to Total General Government Expenditures and Revenues**

Fiscal year	Principal (1) (5)	Interest (2)	Total debt service (4)	Total general governmental expenditures (3)	Ratio of debt service to general total governmental expenditures	Total general governmental revenues (3)	Ratio of debt service to general total governmental revenues
2011	\$ 14,830,524	\$ 9,853,465	\$ 24,683,989	\$ 198,893,176	12.41	\$ 201,684,905	12.24
2012	14,787,955	9,384,810	24,172,765	201,078,316	12.02	206,996,888	11.68
2013	23,473,305	9,522,081	32,995,386	215,304,486	15.32	205,082,111	16.09
2014	16,417,326	8,822,326	25,239,652	211,866,777	11.91	209,633,075	12.04
2015	16,862,695	8,781,971	25,644,666	218,984,810	11.71	213,074,589	12.04
2016	17,122,377	6,188,222	23,310,599	226,845,449	10.28	239,451,445	9.74
2017	16,206,234	6,841,056	23,047,290	231,072,402	9.97	245,652,126	9.38
2018	16,284,125	6,195,080	22,479,205	231,635,241	9.70	248,003,274	9.06
2019	14,343,182	5,848,486	20,191,668	251,898,565	8.02	259,858,415	7.77
2020	14,282,841	5,447,279	19,730,120	243,309,721	8.11	269,835,290	7.31

(1) General obligation bonds reported in the enterprise funds and special assessment debt with government commitment have been excluded.

(2) Excludes bond issuance and other costs.

(3) Reflects recurring expenditures and revenues included in the General Fund, Debt Service Fund, Special Revenue funds, operating transfers to Capital Projects and the County's percentage of discretely presented Component Unit - Public Schools Operating Fund.

(4) The County has no overlapping debt.

(5) In fiscal year 2013, principal payments increased by \$7,380,000 related to the refinancing of a capital lease. Proceeds from the issuance of new debt were used for these principal payments.

Table 12

## County of James City, Virginia

Pledged Revenue Coverage

James City Service Authority

Last Ten Fiscal Years (3)

Fiscal year	Gross revenue	(1) Operating expenses	Net revenue available for debt service	(2) Debt service requirements			Coverage
				Principal	Interest	Total	
2011	\$ 17,474,579	\$ 12,091,472	\$ 5,383,107	\$ 1,490,000	\$ 1,537,750	\$ 3,027,750	1.78
2012	15,975,755	12,414,605	3,561,150	1,545,000	1,483,100	3,028,100	1.18
2013	14,997,834	12,407,414	2,590,420	525,000	1,119,306	1,644,306	1.58
2014	16,918,995	12,218,405	4,700,590	545,000	1,100,931	1,645,931	2.86
2015	17,714,181	10,982,443	6,731,738	565,000	1,081,856	1,646,856	4.09
2016	17,370,324	10,701,704	6,668,620	785,000	571,161	1,356,161	4.92
2017	20,128,694	10,904,086	9,224,608	605,000	749,450	1,354,450	6.81
2018	20,128,689	10,609,709	9,518,980	630,000	725,250	1,355,250	7.02
2019	21,647,670	11,669,088	9,978,582	655,000	700,050	1,355,050	7.36
2020	22,615,631	12,364,418	10,251,213	1,274,000	802,305	2,076,305	4.94

(1) Total operating expenses, exclusive of depreciation

(2) The Authority has no debt margin or overlapping debt.

(3) For fiscal years 2019 and prior, the James City Service Authority was reported as a blended component unit and business type activity of James City County. As of fiscal year 2020, the James City Service Authority is reported as a discretely presented component unit, and is no longer reported as part of the primary government.

Table 13

**County of James City, Virginia**  
Demographic and Economic Statistics  
Last Ten Years

Calendar year	Population (1)	Personal income (2)	Per capita personal income (2)	Unemployment percentage (1)
2011	68,500	\$ 4,474,583,000	\$ 54,224	6.1%
2012	69,451	4,703,429,000	55,990	5.7%
2013	70,376	4,745,679,000	55,550	5.3%
2014	71,254	4,954,338,000	56,960	4.9%
2015	72,682	5,160,028,000	58,504	4.3%
2016	73,767	5,344,090,000	59,632	4.1%
2017	74,795	5,646,096,000	62,350	3.8%
2018	75,776	5,869,000,000	64,466	2.9%
2019	76,211	6,066,000,000	66,306	2.7%
2020	77,202	**	**	**

(1) Planning Division, supplemented by data from Virginia Employment Commission (<http://www.vec.virginia.gov/>)

(2) Data from the Bureau of Economic Analysis (<http://www.bea.gov/>), and has combined data for James City County and the City of Williamsburg

\*\* Statistics not yet available

**Median Household Income**

Calendar year	James City County	Commonwealth of Virginia	United States
2009	\$ 72,902	\$ 59,372	\$ 50,221
2010	74,241	60,665	50,046
2011	73,575	61,877	50,502
2012	78,396	61,782	51,371
2013	75,806	62,745	52,250
2014	75,926	64,923	53,657
2015	77,668	66,263	55,775
2016	80,226	66,149	55,322
2017	80,772	68,766	57,652
2018	83,048	71,564	60,293
2019	**	**	**
2020	**	**	**

Source: U.S. Census Bureau, Small Area Income and Poverty Estimates  
\*\* Statistics not yet available

**Households and Poverty**

Fiscal year	Food stamp households	Total households*	Percentage of food stamp households
2009	1,224	27,567	4.4%
2010	1,638	27,003	6.1%
2011	1,840	27,375	6.7%
2012	2,015	27,707	7.3%
2013	2,236	28,090	8.0%
2014	2,211	28,415	7.8%
2015	2,006	28,986	6.9%
2016	1,870	29,390	6.4%
2017	1,773	29,807	5.9%
2018	1,729	30,240	5.7%
2019	1,690	30,608	5.5%
2020	1,676	31,036	5.4%

Source: Social Services Department and Planning Division  
\* Reflects the number of occupied housing

(Continued)

Table 13 (Continued)

**County of James City, Virginia**  
Demographic and Economic Statistics  
Last Ten Years

**Population and Age Distribution**

<b>Year</b>	<b>Population</b>	<b>Percentage Increase</b>
1950	6,317	28.7%
1960	11,539	82.7%
1970	17,853	54.7%
1980	22,763	27.5%
1990	34,859	53.1%
2000	48,102	38.0%
2010	67,009	39.3%

<b>Age</b>	<b>1970</b>	<b>1980</b>	<b>1990</b>	<b>2000</b>	<b>2010</b>
0-14	5,226 29.3%	5,008 22.0%	7,211 20.7%	9,254 19.2%	11,608 17.3%
15-19	1,448 8.1%	2,276 10.0%	2,147 6.2%	2,838 5.9%	4,120 6.1%
20-29	2,915 16.3%	3,870 17.0%	5,330 15.3%	- 0.0%	- 0.0%
20-34	* *	* *	* *	7,484 15.6%	9,741 14.5%
30-44	3,172 17.8%	4,780 21.0%	8,901 25.5%	- 0.0%	- 0.0%
35-44	* *	* *	* *	7,866 16.4%	8,133 12.1%
45-64	3,531 19.8%	5,235 23.0%	7,255 20.8%	12,563 26.1%	19,537 29.2%
65+	1,561 8.7%	1,594 7.0%	4,015 11.5%	8,097 16.8%	13,870 20.7%
	17,853 100%	22,763 100%	34,859 100%	48,102 100%	67,009 100%

Source: U.S. Census Bureau

\* New categories, as defined by the U.S. Census

**Households and Population**

<b>Fiscal year</b>	<b>Number of households*</b>	<b>Total households population**</b>	<b>Persons per household</b>
2010	27,003	66,157	2.45
2011	27,375	67,068	2.45
2012	27,707	67,882	2.45
2013	28,090	68,821	2.45
2014	28,415	69,616	2.45
2015	28,986	71,015	2.45
2016	29,390	72,005	2.45
2017	29,807	73,028	2.45
2018	30,240	74,089	2.45
2019	30,608	74,991	2.45
2020	31,036	76,038	2.45

Source: Planning Division

\* Reflects the number of occupied housing

\*\* Reflects total population less group quarter population, such as nursing facilities, Eastern State Hospital (a state mental facility), Middle Peninsula Juvenile Detention Center and the Virginia Peninsula Regional Jail.

**Unemployment Rate and Labor Force**

<b>Calendar year</b>	<b>Civilian labor force</b>	<b>Number employed</b>	<b>Number unemployed</b>	<b>Unemployment rate</b>
2010	32,243	30,205	2,038	6.3%
2011	32,605	30,618	1,987	6.1%
2012	32,988	31,101	1,887	5.7%
2013	33,690	31,891	1,799	5.3%
2014	34,650	32,941	1,709	4.9%
2015	34,250	32,765	1,485	4.3%
2016	34,206	32,883	1,323	3.9%
2017	35,352	34,080	1,271	3.6%
2018	36,554	35,552	1,002	2.7%
2019	37,219	36,166	1,053	2.8%
2020	37,120	33,576	3,544	9.5%

Source: Planning Division, supplemented by data from Virginia labor market information

Table 14

**County of James City, Virginia**  
Principal Employers in James City County  
Current Year and Ten Years Ago

	2020			2011		
	<u>Employees</u>	<u>Rank</u>	<u>Percent of total County employment</u>	<u>Employees</u>	<u>Rank</u>	<u>Percent of total County employment</u>
Williamsburg-James City County Public Schools	1000+	1	5.14%	1000+	2	6.01%
Busch Entertainment	1000+	2	**	1000+	1	13.29%
Wal-Mart Distribution Center	500-999	3	2.84%	500-999	8	1.82%
James City County	500-999	4	2.46%	500-999	5	2.82%
Riverside Regional Medical Center	500-999	5	1.74%			
Eastern State Hospital	500-999	6	1.69%	500-999	4	3.14%
Anheuser-Busch Inbev	500-999	7	1.49%	500-999	6	2.31%
Williamsburg Landing	500-999	8	1.05%			
Owens & Minor/AVID	250-499	9	0.98%			
Jamestown-Yorktown Foundation	250-499	10	0.71%	250-499	10	1.32%
Lumber Liquidators				1000+	3	3.75%
Busch Properties, Inc.				500-999	7	2.27%
Avid Medical				250-499	9	1.46%
Total			<u>18.10%</u>			<u>38.19%</u>

Source: Economic Development, James City County and Virginia Employment Commission

\*\* Busch Gardens became publicly traded during fiscal year 2013, and information is not available.

Table 15

**County of James City, Virginia**  
**Full-time County Government Employees by Function/Program**  
**Last Ten Fiscal Years**

Function/program	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Administrative:										
Board of supervisors	1.0	1.0	1.0	1.0	1.0	0.5	0.5	0.5	0.5	-
County administration	2.5	2.5	3.0	3.0	3.0	3.0	3.0	4.0	6.0	7.0
County attorney	5.0	5.0	5.0	5.0	5.0	5.0	5.0	5.0	4.0	4.0
Communications	7.5	7.5	7.0	7.0	7.0	8.0	8.0	8.0	-	-
Economic development	3.0	4.0	4.0	4.0	4.0	3.5	3.5	3.5	3.5	3.0
Voter registration and elections	3.0	3.0	3.0	3.0	3.0	3.0	3.0	3.0	3.0	3.0
Human resources:										
Human resources	4.0	7.0	7.0	7.0	7.0	7.0	7.0	7.0	8.0	7.0
Training and Quality Performance	3.0	-	-	-	-	-	-	-	-	-
Financial administration:										
Accounting	8.0	8.0	8.0	8.0	8.0	8.0	7.0	7.0	7.0	7.0
Commissioner of the revenue	11.0	11.0	11.0	11.0	11.0	11.0	11.0	11.0	11.0	11.0
Financial and management services	7.0	6.0	7.0	7.0	7.0	7.0	8.0	8.0	8.0	8.0
Purchasing	3.0	4.0	4.0	4.0	4.0	4.0	5.0	5.0	5.0	5.5
Real estate assessments	10.0	9.0	10.0	10.0	10.0	10.0	10.0	10.0	8.0	8.0
Treasurer	12.0	11.0	12.0	12.0	13.0	13.0	13.0	13.0	13.0	14.0
Satellite services	3.0	3.0	3.0	3.0	3.0	3.0	3.0	3.0	3.0	3.0
Information resources management										
Information resources management	20.0	21.0	21.0	21.0	21.0	21.0	21.0	21.0	15.0	14.0
Information technology core applications	-	-	-	-	-	-	-	-	5.0	6.0
Information technology infrastructure	-	-	-	-	-	-	-	-	8.0	9.0
General services:										
Facilities maintenance	17.0	17.0	18.0	18.0	18.0	18.0	19.0	18.0	18.0	18.0
Fleet and equipment	8.0	8.0	8.0	8.0	8.0	8.0	8.0	8.0	8.0	8.5
General and capital services	5.5	7.0	8.0	8.0	7.0	7.0	7.0	9.5	10.5	11.5
Grounds maintenance	22.0	22.0	24.0	25.0	25.0	25.0	26.0	26.5	27.5	28.5
Solid waste management	6.0	6.0	5.0	5.0	5.0	5.0	5.0	5.0	5.0	6.0
Stormwater	6.5	4.0	4.0	4.0	6.0	8.0	8.0	7.0	18.0	18.0
Community development:										
Building safety and permits	13.0	13.0	13.0	13.0	14.0	14.0	15.0	16.0	17.0	17.0
Community Development	2.5	2.5	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0
Engineering and resource protection	12.0	13.0	12.0	12.0	11.0	11.0	11.0	11.0	-	-
Planning	12.5	10.5	10.0	10.0	10.0	10.0	10.0	9.0	11.0	11.0
Zoning enforcement	3.0	4.0	4.0	4.0	4.0	4.0	4.0	4.0	4.0	4.0
Judicial:										
Courts/judicial	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0
Courthouse	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0
Clerk of the circuit court	12.0	12.0	12.0	12.0	11.0	11.0	11.0	11.0	11.0	11.0
Commonwealth's attorney	9.0	9.0	9.0	9.0	9.0	9.0	10.0	11.0	11.0	13.0
Sheriff	16.0	16.0	16.0	16.0	16.0	16.0	16.0	17.0	17.0	17.0
Public safety:										
Animal control	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0
Emergency communications	26.0	26.0	26.0	26.0	29.0	29.0	29.0	29.0	28.0	28.0
Emergency management	2.0	3.0	3.0	3.0	3.0	2.0	2.0	2.0	2.0	2.0
Emergency medical services	25.0	-	-	-	-	-	-	-	-	-
Fire	86.0	110.0	110.0	110.0	114.0	115.0	115.0	115.0	122.0	128.0
Police	98.0	98.0	98.0	99.0	100.0	103.0	103.0	105.0	108.0	111.0
Parks and recreation	48.0	49.0	48.0	48.0	47.0	49.0	52.0	52.0	54.0	54.0
Community services:										
Cooperative extension service	2.0	2.0	-	-	-	-	-	-	-	-
Total general fund	541.0	541.0	542.0	544.0	552.0	559.0	567.0	573.0	588.0	604.0
Other services:										
Housing and neighborhood development	9.5	9.5	9.0	9.0	8.0	8.0	7.0	8.0	9.0	9.0
JCSA (1)	86.0	89.0	89.0	89.0	89.0	89.0	89.0	91.0	96.0	96.0
Social services	52.5	52.5	52.0	51.0	51.0	51.0	52.0	53.0	53.0	56.0
Colonial community corrections	12.0	12.0	12.0	13.0	13.0	13.0	12.0	12.0	14.0	14.0
Special projects/grants	3.0	3.0	3.0	3.0	3.0	3.0	3.0	6.0	5.0	8.0
Grand total all funds	704.0	707.0	707.0	709.0	716.0	723.0	730.0	743.0	765.0	691.0

Source: Financial and Management Services

(1) For fiscal years 2019 and prior, the James City Service Authority was reported as a blended component unit and business type activity of James City County. As of fiscal year 2020, the James City Service Authority is reported as a discretely presented component unit, and is no longer reported as part of the primary government.

Table 16

**County of James City, Virginia**  
Operating Indicators by Function/Program  
Last Ten Fiscal Years

Function/program	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Police:										
Calls for service	21,129	20,879	19,539	20,175	20,875	22,225	21,829	22,247	21,806	20,677
Major crimes reported	1,071	1,092	999	999	1,182	1,260	1,153	1,133	976	724
Major crimes cleared	325	324	317	247	335	390	335	374	343	231
Fire:										
Fire/other responses	2,786	3,178	2,822	3,065	3,153	3,302	4,010	3,774	3,978	3,646
Inspections	1,735	1,804	1,910	1,829	1,320	1,255	1,169	1,046	914	500
EMS responses	5,956	6,147	6,446	6,450	6,666	7,039	7,141	7,330	7,894	7,486
Refuse collection:										
Refuse collected (tons per day)	9	10	12	11	10	11	12	12	17	18
Recyclables collected (tons per day)	1	1	1	1	1	1	1	2	1	1
Recyclables collected curbside (tons per day)	23	22	22	22	23	24	23	23	24	15
Parks and recreation:										
Community center admissions	463,491	464,358	511,976	444,755	400,367	401,111	434,719	404,919	431,581	296,848
Park attendance	1,708,976	2,253,617	2,163,533	2,428,894	2,595,974	2,817,348	3,075,306	3,742,009	3,997,042	3,930,165
Participants in programs offered	395,789	378,733	371,959	404,023	441,969	463,319	508,776	528,703	505,780	307,607
Water (1):										
New connections	388	351	448	359	388	423	464	407	292	284
Water mains breaks	44	31	25	21	26	21	34	25	30	28
Sewer (1):										
New connections	375	296	347	261	380	447	470	414	287	290

Source: County operating departments

(1) For fiscal years 2019 and prior, the James City Service Authority was reported as a blended component unit and business type activity of James City County. As of fiscal year 2020, the James City Service Authority is reported as a discretely presented component unit, and is no longer reported as part of the primary government.

Table 17

**County of James City, Virginia**  
**Capital Asset Statistics by Function/Program**  
**Last Ten Fiscal Years**

<b>Function/program</b>	<b>2011</b>	<b>2012</b>	<b>2013</b>	<b>2014</b>	<b>2015</b>	<b>2016</b>	<b>2017</b>	<b>2018</b>	<b>2019</b>	<b>2020</b>
Police stations	1	1	1	1	1	1	1	1	1	1
Fire stations	5	5	5	5	5	5	5	5	5	5
Parks and recreation:										
Acreage	1,582	1,582	1,582	1,582	1,582	1,582	1,592	1,592	1,592	1,592
Playgrounds	11	11	11	11	12	12	10	10	10	10
Ball fields maintained	65	65	65	65	65	65	70	70	68	68
Tennis courts maintained	5	5	5	5	4	4	4	4	4	-
Pickleball courts maintained	-	-	-	-	-	2	2	2	2	8
Community centers	2	2	2	2	2	2	2	2	2	2
Water (2):										
Water lines (miles)	393	390	393	400	402	407	409	410	414	414
Water customers	19,719	20,070	20,549	20,858	21,246	21,669	22,133	22,540	22,832	23,116
Storage tanks (greater than 250,000 gallons)	7	7	7	7	7	7	7	7	7	7
Average ERCs (1)	20,866	19,200	18,597	18,937	19,415	18,921	20,025	20,220	19,247	18,977
Wastewater (2):										
Sewer lines (miles)	419	423	425	430	435	439	440	440	446	446
Gallons collected (millions)	1,598	1,771	1,739	1,862	1,922	1,863	1,971	1,987	1,898	1,879
Sewer customers	21,127	21,488	21,962	22,575	22,955	23,402	23,872	24,286	24,573	24,863

Source: County operating departments

(1) Equivalent Residential Connections (ERCs) are determined based upon the rated capacity of a water meter (e.g., the average amount of water which can flow through such meter on a continuous basis) as compared to the rated capacity for a typical 5/8" residential water meter.

(2) For fiscal years 2019 and prior, the James City Service Authority was reported as a blended component unit and business type activity of James City County. As of fiscal year 2020, the James City Service Authority is reported as a discretely presented component unit, and is no longer reported as part of the primary government.



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## **Compliance Section**

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**County of James City, Virginia**  
Schedule of Expenditures of Federal Awards - Primary Government and  
Discretely Presented Component Unit - Public Schools  
Year ended June 30, 2020

<b>Federal Grantor/Pass-Through Grantor/Cluster/Program Title</b>	<b>Federal catalog number</b>	<b>Pass-through entity identifying number</b>	<b>Amount passed through to subrecipients</b>	<b>Expenditures</b>
Primary Government - Governmental Activities:				
Department of Agriculture:				
Virginia Department of Social Services:				
SNAP Cluster:				
State Administrative Matching Grants - Supplemental Nutrition Assistance Program	10.561	**		\$ 657,105
Department of Health and Human Services:				
Virginia Department of Social Services:				
Promoting Safe and Stable Families	93.556	**		45,782
TANF Cluster:				
Temporary Assistance for Needy Families	93.558	**		289,858
Refugee and Entrant Assistance - State Administered Programs	93.566	**		422
Low-Income Home Energy Assistance	93.568	**		51,346
Child Welfare Services	93.645	**		502
Foster Care - Title IV-E	93.658	**		260,133
Adoption Assistance	93.659	**		320,879
Social Services Block Grant	93.667	**		252,517
Chafee Foster Care Independent Living	93.674	**		3,113
State Children's Insurance Program	93.767	**		9,877
Medicaid Cluster:				
Medical Assistance Program	93.778	**		658,760
CCDF Cluster:				
Child Care Mandatory and Matching Funds of the Child Care and Development Fund	93.596	**		54,713
Chafee Education and Training Vouchers Program	93.599	**		2,239
Adoption and Legal Guardianship Incentive Payments	93.603	**		3,249
Provider Relief Fund	93.498	**		84,995
Total Department of Health and Human Services				2,038,385
Department of Interior:				
Bureau of Cash Management Payment in Lieu of Taxes	15.000	N/A		8,232
Department of Treasury:				
Virginia Department of Accounts:				
Coronavirus Relief Fund	21.019	SLT0022	500,000	4,811,705
Department of Homeland Security:				
Virginia Department of Emergency Management:				
Homeland Security Grant Program	97.067	EMW-2018-SS-00093-S01		44,422
Homeland Security Grant Program	97.067	**		21,794
Emergency Management Performance Grants	97.042	**		39,143
Total Department of Homeland Security				105,359
Department of Housing and Community Development:				
Virginia Department of Housing and Community Development:				
Section 8 Housing Choice Vouchers	14.871	N/A		1,256,365
Housing Counseling Assistance Program	14.169	N/A		29,005
HOME Investment Partnerships Program	14.239	**		89,183
Community Development Block Grants/State's program and Non-Entitlement Grants in Hawaii	14.228	**		21,100
Emergency Solutions Grant Program	14.231	**		47,312
Total Department of Housing and Community Development				1,442,965
Department of Transportation:				
Highway Planning and Construction Cluster:				
Highway Planning and Construction	20.205	**		4,800
Virginia Department of Motor Vehicles:				
Alcohol Open Container Requirements	20.607	69A37518300001		8,535
Alcohol Open Container Requirements	20.607	18X9205464VA17		3,023
Highway Safety Cluster:				
Highway Safety Grant	20.600	69A37518300004010VA0		2,092
Highway Safety Grant	20.600	69A37519300004		10,516
Total Highway Safety Cluster, Department of Transportation				12,608
Total Department of Transportation				28,966
Department of Justice:				
Bureau of Justice Administration:				
BJA - Bulletproof Vests Partnership	16.607	N/A		16,243
Office of Justice Programs:				
Edward Byrne Memorial Justice Assistance Grant Program	16.738	2019-DJ-BX-0302		5,076
Virginia Department of Criminal Justice Services:				
Violence Against Women Formula Grants	16.588	19-W9412VA18		5,383
Violence Against Women Formula Grants	16.588	20-X9412VA19		23,965
Violence Against Women Formula Grants	16.590	2015-WE-AX-0009		82,033
Crime Victim Assistance	16.575	20-Z8579VW18		137,445
Total Department of Criminal Justice Services				248,826
Total Department of Justice				270,145
Total federal awards, primary government - governmental activities			500,000	9,362,862

N/A Not applicable; direct funding

\*\* Information is not available.

(continued)

See accompanying notes to schedule of expenditures of federal awards.

**County of James City, Virginia**  
Schedule of Expenditures of Federal Awards - Primary Government and  
Discretely Presented Component Unit - Public Schools  
Year ended June 30, 2020

<b>Federal Grantor/Pass-Through Grantor/Cluster/Program Title</b>	<b>Federal catalog number</b>	<b>Pass-through entity identifying number</b>	<b>Amount passed through to subrecipients</b>	<b>Expenditures</b>
Component Unit - Public Schools:				
Department of Agriculture:				
Child Nutrition Cluster:				
Virginia Department of Agriculture and Consumer Services:				
Food Commodities	10.555	5180699		\$ 259,584
Virginia Department of Education:				
School Breakfast Program	10.553	16161VA307N1099		446,536
National School Lunch Program	10.555	16161VA307N1099		1,323,709
Summer Food Service Program	10.559	16161VA307N1100		21,951
Total Child Nutrition Cluster, Department of Agriculture				<u>2,051,780</u>
Department of Education:				
Impact Aid	84.041	N/A		162,143
College of William and Mary - Project HOPE	84.196	S196A150048		17,544
Virginia Department of Education:				
Title I Grants to Local Educational Agencies	84.010	419		1,215,392
Title I, Part D, Neglected and Delinquent Children	84.013	S013A150046		73,033
Vocational Education - Basic Grants to States	84.048	V048A130046		47,738
		S367A150044/S367A1		
Title II, Part A, Supporting Effective Instruction State Grants	84.367	60044		269,287
		S365A14140046/S365		
Title III, Part A, English Language Acquisition Grants	84.365	A15140046		55,725
Title IV, Part A, Student Support and Academic Enrichment Grants	84.424	S424A170048		33,841
Special Education Cluster:				
		11027A150107/11027A		
Special Education - Grants to States	84.027	160107		2,203,257
Special Education - Preschool Grants	84.173	H173A160112		20,020
Total Special Education Cluster				<u>2,223,277</u>
Total Department of Education				<u>4,097,980</u>
Department of Health and Human Services:				
Head Start Program Cluster:				
Head Start	93.600	**	108,880	108,880
Medicaid Cluster:				
Medical Assistance Program	93.778	**		2,738
Total Department of Health and Human Services			<u>108,880</u>	<u>111,618</u>
Department of Transportation:				
Highway Planning and Construction Cluster:				
Highway Planning and Construction	20.205	51SR7101M3001		27,180
Total federal awards, component unit - Public Schools			<u>108,880</u>	<u>6,288,558</u>
Total federal awards, reporting entity			<u>\$ 608,880</u>	<u>\$ 15,651,420</u>
N/A Not applicable; direct funding				
** Information is not available.				

**County of James City, Virginia**  
Notes to Schedule of Expenditures of Federal Awards  
Year ended June 30, 2020

**1) Basis of Presentation**

The accompanying schedule of expenditures of federal awards includes the federal award activity of the County of James City, Virginia (the County) and its component unit, Williamsburg-James City County Public Schools (Public Schools). The information in this schedule is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the schedule presents only a selected portion of the operations of the County and Public Schools, it is not intended to and does not present the financial position, changes in net position or cash flows of the County and Public Schools.

**2) Summary of Significant Accounting Policies**

Expenditures reported in the schedule are reported on the modified accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance and OMB Circular A-87, *Cost Principles for State, Local and Indian Tribal Governments*, wherein certain types of expenditures are not allowable or are limited as to reimbursement.

**3) Indirect Cost Rate**

The County and Public Schools have elected not to use the 10% de minimus indirect cost rate allowed under the Uniform Guidance.

**4) Sub-recipient Payments**

There was one award passed-through by the County to a sub-recipient during the fiscal year ended June 30, 2020. This award was in the amount of \$500,000 and was provided through funding received from the Department of Treasury's Coronavirus Relief Fund, CFDA 21.019. The sub-recipient was the Greater Williamsburg Partnership, and the purpose of the award was to provide assistance to small businesses impacted by COVID-19.

In addition, an amount of \$1,749,959 received by the County from the Coronavirus Relief Fund, CFDA 21.019 was passed through to the Public Schools to purchase laptops and other equipment needed for remote learning. This amount was not yet expended by the Public Schools as of June 30, 2020 and was reported as Unearned Revenue by the Public Schools for fiscal year 2020. As a result, this amount is not included in the expenditures presented on the accompanying schedule.

During fiscal year 2020, the Public Schools passed through an award of \$108,880 to a sub-recipient. The award was provided to the Williamsburg-James City County Community Action Agency for the Department of Health and Human Services' Head Start program, CFDA 93.600.

**INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL  
OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER  
MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED  
IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS**

To the Board of Supervisors  
County of James City, Virginia  
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 aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the County of James City, Virginia, (the "County") as of and for the year ended June 30, 2020, and the related notes to the financial statements, which collectively comprise the County's basic financial statements and have issued our report thereon dated December 8, 2020.

**Internal Control over Financial Reporting**

In planning and performing our audit of the financial statements, we considered the County's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the County's internal control. Accordingly, we do not express an opinion on the effectiveness of the County'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 may exist that have not been identified.

### **Compliance and Other Matters**

As part of obtaining reasonable assurance about whether the County's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed an instance of noncompliance that is required to be reported under *Government Auditing Standards* which is described in the accompanying schedule of findings and questioned costs as item 2020-001.

### **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 County's internal control and compliance. Accordingly, this communication is not suitable for any other purposes.

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

CERTIFIED PUBLIC ACCOUNTANTS

Newport News, Virginia  
December 8, 2020



**COUNTY OF JAMES CITY, VIRGINIA**

**SUMMARY OF COMPLIANCE MATTERS**

**June 30, 2020**

As more fully described in the Independent Auditor's Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards*, we performed tests of the County's compliance with certain provisions of the laws, regulations, contracts, and grants shown below.

**STATE COMPLIANCE MATTERS**

*Code of Virginia*

Budget and Appropriation Laws

Cash and Investment Laws

Conflicts of Interest Act

Local Retirement Systems

Debt Provisions

Procurement Laws

Comprehensive Services Act

Uniform Disposition of Unclaimed Property Act

Sheriff Internal Controls

*State Agency Requirements*

Social Services

**FEDERAL COMPLIANCE MATTERS**

*Compliance Supplement for Single Audits of State and Local Governments*

Provisions and conditions of agreements related to federal program selected for testing.

**INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR  
FEDERAL PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE  
REQUIRED BY THE UNIFORM GUIDANCE**

To the Board of Supervisors  
County of James City, Virginia  
Williamsburg, Virginia

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

We have audited the County of James City, Virginia's (the "County") compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of the County's major federal programs for the year ended June 30, 2020. The County's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

***Management's Responsibility***

Management is responsible for compliance with federal statutes, regulations, the terms, and conditions of its federal awards applicable to its federal programs.

***Auditor's Responsibility***

Our responsibility is to express an opinion on compliance for each of the County's major federal programs based on our audit of the types of compliance requirements referred to above. 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). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the County's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of the County's compliance.

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

In our opinion, County of James City, Virginia complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2020.

## Report on Internal Control over Compliance

Management of County of James City, Virginia is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the County's internal control over compliance with types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program 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 internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the County's internal control over compliance.

*A deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A *material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency in internal control over compliance* is a 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 the internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

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

CERTIFIED PUBLIC ACCOUNTANTS

Newport News, Virginia  
December 8, 2020

**COUNTY OF JAMES CITY, VIRGINIA**  
**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**  
**June 30, 2020**

**A. SUMMARY OF AUDITOR'S RESULTS**

1. The auditor's report expresses an unmodified opinion on the financial statements.
2. No significant deficiencies relating to the audit of the financial statements were reported in the Independent Auditor's Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards*.
3. No instances of noncompliance material to the financial statements was disclosed.
4. No significant deficiencies relating to the audit of the major federal award programs were reported in the Independent Auditor's Report on Compliance for Each Major Program and on Internal Control Over Compliance Required by the Uniform Guidance.
5. The auditor's report on compliance for the major federal award programs expresses an unmodified opinion.
6. The audit disclosed no audit findings relating to the major programs.
7. The programs tested as major were:
  - a. Child Nutrition Cluster (CFDA No.: 10.553, 10.555, 10.559)
  - b. Title I Grants to Local Educational Agencies (CFDA No.: 84.010)
  - c. Special Education Cluster (CFDA No.: 84.027, 84.173)
  - d. Coronavirus Relief Fund (CFDA No.: 21.019)
8. The threshold for distinguishing Type A and B programs was \$750,000.
9. The County was not determined to be a low-risk auditee.

**B. FINDINGS – FINANCIAL STATEMENT AUDIT**

None

**C. FINDINGS AND QUESTIONED COSTS – MAJOR FEDERAL AWARD PROGRAM AUDIT**

None

**D. FINDINGS – COMMONWEALTH OF VIRGINIA**

**2020-01: Uniform Disposition of Unclaimed Property Act**

During testing performed on outstanding checks, auditors noted checks outstanding that were greater than one year old as of the beginning of the fiscal year (July 1, 2019) that should have been remitted to the Commonwealth as unclaimed property by November 1, 2019. Additionally, during testing of the report filed with the Commonwealth, auditors noted that due diligence letters were not sent at least 60 days prior to the filing of the report.

**COUNTY OF JAMES CITY, VIRGINIA**

**SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS**  
**June 30, 2020**

- 1.** There were no findings in the audit report, dated November 27, 2019, for the year ended June 30, 2019, issued by Brown Edwards & Company, LLP.
- 2.** There were no reports issued by federal agencies or contract administrators during the year covered by this audit.