



**JAMES CITY COUNTY**

# **ANNUAL COMPREHENSIVE FINANCIAL REPORT**

**FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

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

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

For the Fiscal Year Ended  
June 30, 2022

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, 2022

**Board of Supervisors**

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

**Officials**

Richard H. Rizk, Judge of the Circuit Court  
B. Elliott Bondurant, Judge of the Circuit Court  
Jeffrey W. Shaw, Judge of the Circuit Court  
Holly B. Smith, 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  
Joshua P. DeFord, Judge of the General District Court  
Brian J. Smalls, Judge of the Juvenile and Domestic Relations Court  
David Hardin, Sheriff  
Eric Peterson, 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**

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

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

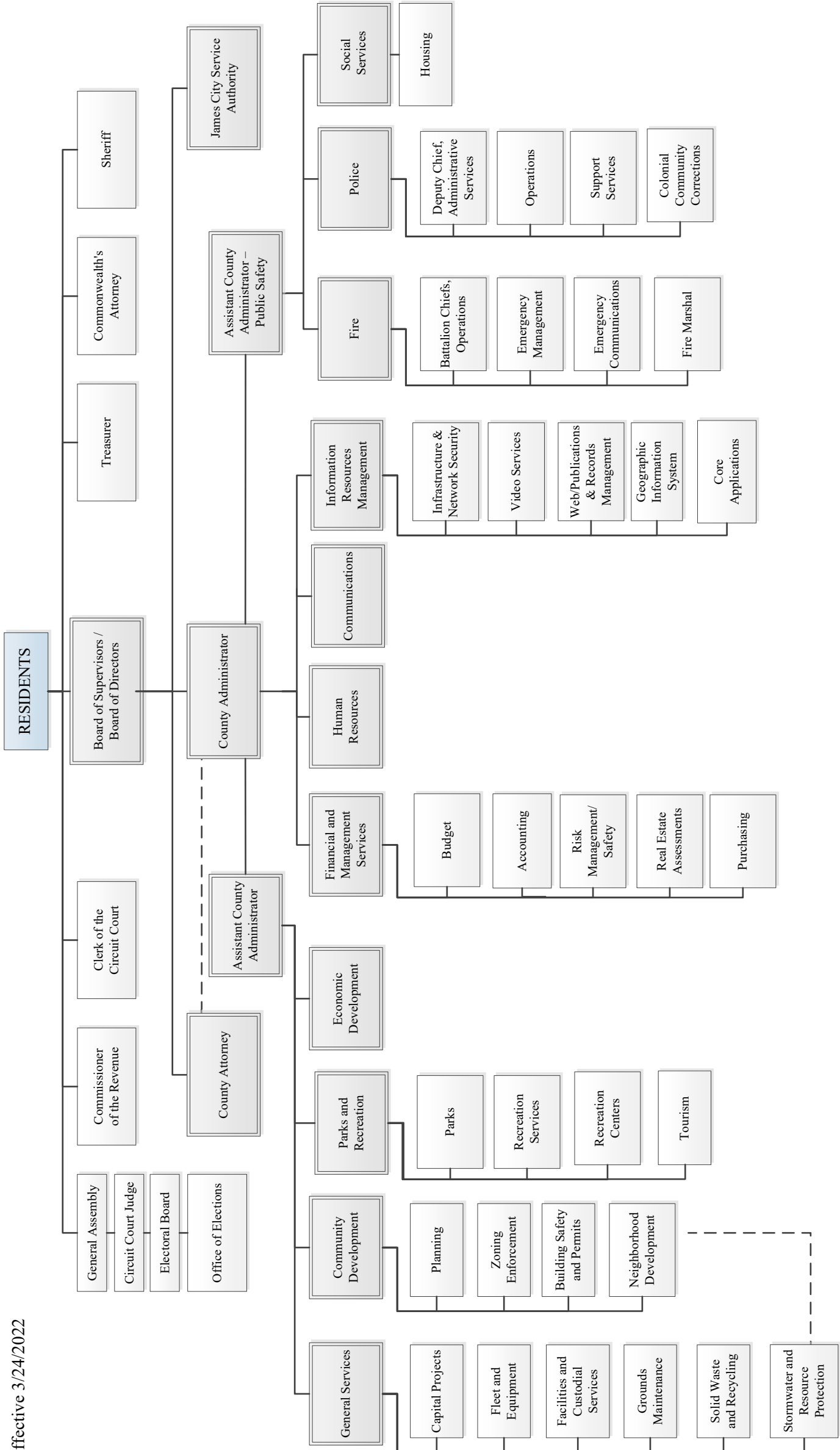
D. Greg Dowell, Jr., Chairman  
James Beers, Vice Chairman  
Julie Hummel  
Kyra Cook  
Kimberley Hundley  
Sarah Ortego  
Sandra Young

**Board Members, Economic Development Authority**

Vince Campana III, Chair  
Lynn Meredith, Vice Chair  
Brandon Nice  
Carlton Stockton  
Joseph Stanko  
Ellen Smith Gajda  
William Turner

# James City County Organization Chart

Effective 3/24/2022





**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)

January 23, 2023

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, 2022, 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 78-81 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 107.

## **COVID-19**

During fiscal year 2022, the novel coronavirus disease (COVID-19) impacted the operational and financial activities of the County, but to a lesser extent than experienced in prior years. The County utilized its remaining Coronavirus Aid, Relief, and Economic Security funds in fiscal year 2022.

In addition, the County received its second allocation of American Rescue Plan Act (ARPA) funding in the amount of \$7.4 million. During fiscal year 2022, the County developed a plan for how this ARPA funding will be used and began implementing those projects and programs. The County intends to utilize the full amount of ARPA funding received, totaling \$14.8 million during the allowable period through December 2026.

During fiscal year 2022, the County also experienced improvements in certain revenues that had been impacted by COVID-19 restrictions. Revenues from local sales tax, occupancy tax, and meals tax increased during the year, as the economy normalized and recovered from the economic effects of the pandemic. Future impacts of COVID-19 remain difficult to forecast, but the County continues to monitor its revenues and expenditures and make use of available relief funding to support unforeseen costs.

## **Economic Condition and Outlook**

James City County has experienced a gradual increase in economic activity after the effects from COVID-19 were felt in prior fiscal years. Overall, General Fund revenues increased 0.8% from last year. The majority of the increase was in other local taxes due to recovery following the effects of the pandemic. Revenues are expected to increase by approximately 3.1% in fiscal year 2023, primarily as a result of a reassessment of real property values. The General Fund's expenditures were adjusted accordingly in order to balance the budget.

The County's bond rating continues to be AAA, 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.

## **Long-Term Financial Planning and Major Initiatives**

According to its fiscal policies, the County shall maintain a General Fund Unassigned Fund Balance at the end of the fiscal year in an amount equal to or greater than 10%, with a target of 12% of the total governmental expenditures including the County's share of WJCC Schools' operating expenditures. At the end of fiscal year 2022, that percentage was 23.3%, which meets the fiscal policy set by the Board of Supervisors. The County experienced an increase in fund balance for the General Fund in the amount of \$9,128,401 during fiscal year 2022, primarily due to increases in certain revenues as well as restrictions on non-essential spending in response to the economic uncertainties surrounding the COVID-19 pandemic.

For its fiscal year 2022 budget, the County was awarded the Government Finance Officers' Association of the United States and Canada's Distinguished Budget Presentation for the fifth consecutive year. Each budget supports the implementation of the County's Strategic Plan, which was adopted by the Board of Supervisors in November 2016. The Strategic Plan serves as guidance between the budget and the long-range plans proposed by the County. It also allows the Board of Supervisors to prioritize initiatives, plan for the future, and allocate resources through the budget process.

The goals of the County's Strategic Plan are as follows:

- Modern infrastructure, facilities, and technology systems
- Expanding and diversifying the local economy
- Protected community character and an enhanced built environment
- Exceptional public services
- High quality education
- Fiscally efficient government
- Sustainable long-term water supply

These goals, and the initiatives developed to support them, assist the County in determining current needs to incorporate in the upcoming fiscal year's budget as well as in developing a capital improvement program for the next five years.

The fiscal year 2023 budget included a one cent decrease in the real estate tax rate, reducing the rate from 84 cents to 83 cents per \$100 valuation. Fiscal year 2023 is a reassessment year, and with a nationwide increase in home values, this reduction is estimated to result in savings to taxpayers of \$1.1 million.

The fiscal year 2023 budget also supports new positions and a salary increase for staff. In addition, this budget reflects a restoration of pay-as-you-go funding transferred from the General Fund to the Capital Project Fund, which had been reduced in prior years due to the COVID-19 pandemic.

## **Capital Improvement Program**

Capital outlay expenditures (including County and school projects) totaled \$15,830,720 in fiscal year 2022. The largest capital expenditures were for 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 2022, major projects included property purchases at Courthouse Green on Ironbound Road, the replacement of fire apparatus, and stormwater projects. Significant school expenditures included classroom instructional upgrades, HVAC replacements, and an auxiliary gym at Warhill High 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 \$186,909,990 and focuses on a wide variety of needs. In fiscal year 2023, funding is included for the following maintenance and replacements: stormwater projects, building maintenance, school HVAC replacements, design and engineering for a new General Services building, a medic unit replacement, and certain recreational improvements. Future planning includes new pre-school space, the construction costs for the General Services building, a new library, park improvements, drainage projects, fire equipment and vehicle replacements, and other building maintenance projects.

An indication of anticipated impacts is included in the adopted budget and capital improvements program for the fiscal year beginning July 1, 2022.

## **Economic Development**

James City County continues to benefit from a diversified tax base, which includes sales, lodging, and prepared meals revenue from retail, hotels, and restaurants; machinery and tools revenue from manufacturing operations; and business personal property revenue from professional service providers.

Launchpad, the Greater Williamsburg Business Incubator, an entrepreneurial ecosystem partnership between James City County, York County, the City of Williamsburg, and William & Mary, continues to support regional economic development through unique events, speaker programs, mentorships, and other resources to support entrepreneurs looking to start, expand, and grow their business in the Greater Williamsburg region.

The fiscal year 2023 budget also includes economic development initiatives. In the Capital Projects Fund, support is provided to conduct due diligence studies on select industrial and commercial sites to enhance site readiness for targeted development opportunities. Increasing the inventory of construction-ready sites helps make the County more competitive for economic development projects, which bring capital investment and high-wage jobs. In addition, a business investment grant program will begin in fiscal year 2023 to encourage private capital investment in existing commercial and industrial properties located along Community Character Corridors identified in the adopted Comprehensive Plan.

## **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 Annual Comprehensive Financial Report for the fiscal year ended June 30, 2021. This was the 37<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 annual comprehensive 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 annual comprehensive 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**

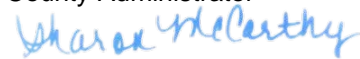
The County has established and continues to maintain a strong and stable financial position through progressive management of financial operations and through sound accounting and financial reporting practices. Appreciation is expressed to the Members of the James City County Board of Supervisors and 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,



\_\_\_\_\_  
Scott A. Stevens  
County Administrator



\_\_\_\_\_  
Sharon B. McCarthy  
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 Annual Comprehensive  
Financial Report  
For the Fiscal Year Ended

June 30, 2021

*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 of  
County of James City, Virginia  
Williamsburg, Virginia

### **Report on the Audit of the Financial Statements**

#### ***Opinions***

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, 2022, and the related notes to the financial statements, which collectively comprise the County's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the 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, 2022, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

#### ***Basis for Opinions***

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

#### ***Change in Accounting Principle***

As described in Note 17 to the financial statements, in 2022, the County of James City, Virginia, adopted new accounting guidance, GASB Statement No. 87, *Leases*. Our opinion is not modified with respect to this matter.

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

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

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

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***Your Success is Our Focus***

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### ***Auditor's Responsibilities for the Audit of the Financial Statements***

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

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

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

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

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

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

### ***Supplementary Information***

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the County of James City, Virginia's basic financial statements. The supplementary information as listed in the table of contents and schedule of expenditures of federal awards, as required by Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the supplementary information as listed in the table of contents and the schedule of expenditures of federal awards are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

### ***Other Information***

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

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

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

In accordance with *Government Auditing Standards*, we have also issued our report dated January 23, 2023, on our consideration of the County of James City, Virginia's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the County of James City, Virginia's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the County of James City, Virginia's internal control over financial reporting and compliance.

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

CERTIFIED PUBLIC ACCOUNTANTS

Newport News, Virginia  
January 23, 2023

**County of James City, Virginia**  
Management's Discussion and Analysis  
June 30, 2022

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, 2022. 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 \$37.3 million over the course of this year's operations, which represents an 10.6% increase from fiscal year 2021.
- The County's assets and deferred outflows of resources exceeded its liabilities and deferred inflows of resources as of June 30, 2022 by approximately \$387.8 million. Of this amount, approximately \$240.8 million, or 62.1% is the net investment in capital assets.
- General Fund revenues were \$17.1 million or 8.4% higher than the final budget. The increase primarily related to actual revenues exceeding the fiscal year 2022 budget, which included anticipated revenue shortfalls related to the economic impacts of the novel coronavirus (COVID-19). Additional information on the impacts of COVID-19 on the County's financial and operational activities can be found in Note 19 to the financial statements.
- The County restated its beginning net position by \$752,562 to reflect adjustments related to a review of grant funding received in prior years. Additional information on this restatement can be found in Note 20 to the financial statements. Comparative prior year information, to the extent presented here, has not been restated because the necessary information is not available.

### **Overview of the Financial Statements**

The Annual Comprehensive 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, 2022

### 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 custodial 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

#### Statements of Net Position

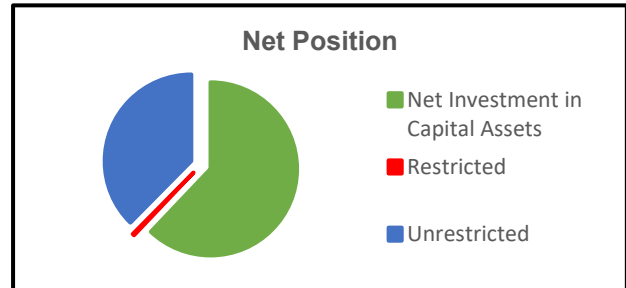
	<b>Primary Government</b>	
	<b>6/30/2022</b>	<b>6/30/2021 (as restated)</b>
Current and other assets	\$ 205,479,347	\$ 174,404,839
Capital assets, net	347,679,452	352,469,117
Total assets	553,158,799	526,873,956
Deferred outflows of resources	15,105,027	17,085,927
Total assets and deferred outflows	\$ 568,263,826	\$ 543,959,883
Long-term liabilities	\$ 124,101,177	\$ 167,149,524
Other liabilities	24,813,716	20,349,935
Total liabilities	148,914,893	187,499,459
Deferred inflows of resources	31,534,653	5,932,100
Net investment in capital assets	240,797,862	231,590,103
Restricted net position	1,276,896	1,350,727
Unrestricted net position	145,739,522	117,587,494
Total net position	387,814,280	350,528,324
Total liabilities, deferred inflows and net position	\$ 568,263,826	\$ 543,959,883

**County of James City, Virginia**  
Management's Discussion and Analysis  
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The County's net position was \$387,814,280 at the close of the most recent fiscal year. The largest portion of the County's net position at June 30, 2022 (62.1%) 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 (0.3%) is restricted for specific purposes. The unrestricted portion of net position (37.6%) 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 10.6% from last year. The reasons for the overall increase are discussed in the following sections.



**Statement of Activities**

<b>Condensed Statement of Activities</b>			
	<b>Governmental activities</b>		
	<b>6/30/2022</b>	<b>6/30/2021 (as restated)</b>	
Program revenues:			
Charges for services	\$ 20,945,425	\$ 17,172,418	
Operating grants and contributions	26,916,551	40,226,144	
Capital grants and contributions	169,569	1,639,515	
General revenues:			
Property taxes	149,086,210	145,884,708	
Other taxes	38,372,537	29,370,617	
Interest and investment earnings	444,493	349,292	
Miscellaneous	5,433,116	3,950,128	
Total revenues	<u>241,367,901</u>	<u>238,592,822</u>	
Expenses:			
General government administration	17,494,683	21,099,810	
Judicial administration	6,806,106	6,487,976	
Public safety	38,479,969	36,231,265	
Public works	12,068,804	9,467,161	
Health and human services	10,013,082	9,861,040	
Education	90,097,401	98,469,065	
Parks, recreation and cultural	13,648,175	14,935,315	
Community development	12,755,621	11,895,580	
Interest on long-term debt	2,718,104	3,164,043	
Total expenses	<u>204,081,945</u>	<u>211,611,255</u>	
Change in net position	37,285,956	26,981,567	
Net position, beginning of year (as restated)	<u>350,528,324</u>	<u>323,546,757</u>	
Net position, end of year	<u>\$ 387,814,280</u>	<u>\$ 350,528,324</u>	

**County of James City, Virginia**  
Management's Discussion and Analysis  
June 30, 2022

**Governmental Activities**

As of June 30, 2022, net position for governmental activities was \$387,814,280 which represents an increase of \$37,285,956 from last year.

The County experienced growth in property tax revenues during fiscal year 2022 primarily as a result of an increase in personal property tax revenues. Personal property taxes are based on the assessed value of the property, and assessed values experienced an increase during fiscal year 2022. Other local taxes increased during fiscal year 2022 primarily due to improvements in revenue from local sales taxes, hotel and motel room taxes, and restaurant food taxes as the local economy recovered from the impacts of the COVID-19 pandemic. Charges for services and certain fee revenue also increased during fiscal year 2022 primarily due to increased use of services as pandemic restrictions have declined.

On the expenditure side, the County experienced a decrease in total expenses primarily as a result of a change in the way State Sales Tax for Education funds were transferred to the Williamsburg-James City County School Division. In prior years, the State paid these funds to the County, and then the County remitted the payment to the School Division. In fiscal year 2022, the State began remitting the funds directly to the School Division.

For the fiscal year ended June 30, 2022, revenues from governmental activities totaled \$241,367,901. Of this amount, \$53,909,154, or 22.3%, is received from sources other than local tax revenue.

Real estate tax revenues, the County's largest single revenue source, totaled \$105,080,024. The County's assessed real property tax base for fiscal year 2022 was \$12,762,586,854, which was an increase of 1.1% from fiscal year 2021.

In fiscal year 2022, the County reported current year collections of \$30,134,887 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 32.4% of most taxpayer's payments.

For the fiscal year ended June 30, 2022, expenses for governmental activities totaled \$204,081,945, including \$90,097,401 for Education expenses for the public school system and support for remote learning programs. Total expenses had a net decrease of 3.6% over fiscal year 2021, primarily due to the change in how State Sales Tax for Education funds are remitted to the School Division, as described above.

**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 2022, the General Fund had an overall increase in fund balance of \$9,128,401. This was primarily due to increases in general property tax and other local tax revenues. The portion of the unassigned fund balance for fiscal liquidity totaled \$65,248,514, which was 23.3% 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 2022, the Capital Projects Fund's fund balance increased by \$12,220,800, primarily due to an increase in transfers from the General Fund as capital projects resumed when the local economy began recovering from the pandemic. These transfers from the General Fund totaled \$27,323,084 for fiscal year 2022. During the year, capital project expenditures of \$15,830,720 included purchase of property at Courthouse Green, cardiac monitor replacements, a rescue truck, a fire pumper truck, voting equipment, stormwater projects, building maintenance, and improvements at the Jamestown Marina.

**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.

**County of James City, Virginia**  
Management's Discussion and Analysis  
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**Grants and Special Projects Fund:** The Grants and Special Projects Fund is used by the County to account for revenues and expenditures related to grant programs and special projects. This fund also includes activity supported by the County's allocation of American Rescue Plan Act funds, discussed further in Note 19. During fiscal year 2022, the Grants and Special Projects Fund's fund balance increased by \$357,402, primarily due to increases in miscellaneous funding for special projects.

**Non-major Governmental Funds:** The County maintains five 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 100-103. The non-major governmental funds had an increase in fund balance of \$1,679,848 in fiscal year 2022.

### **General Fund Budgetary Highlights**

General Fund revenues were 8.4% or \$17,134,652 higher than the final budget and were 0.8% or \$1,711,620 higher than fiscal year 2021.

The County's largest revenue source, real estate tax revenues, increased by \$474,252 for fiscal year 2022. Personal property taxes, another large source of local tax funding, had combined collections from the state and local taxpayers of \$39,905,024. State revenues, excluding the personal property tax reimbursement, were \$7,215 less than budgeted and decreased by \$14,001,595 from 2021. The significant factor in the decrease related to State Sales Tax for Education funds be remitted directly to the School Division in fiscal year 2022, instead of passing through the County.

General Fund budgeted expenditures were 6.5% below the final budget, or \$11,364,726, which was primarily due to a funding surplus by the School Division for fiscal year 2022, which resulted in a reimbursement to the County of part of its contribution to the School Division in the amount of \$5.5 million. This \$5.5 million has been set aside by the County to be used for the School Division's needs in future fiscal years and is included in Committed Fund Balance. In addition, an amount of \$1,767,841 is for encumbrances and is included in Assigned Fund Balance.

As a result of revenues above budget and underspending, the fund balance increased to \$96,675,305. This was an increase of \$9,128,401 or 10.4% from 2021.

### **Capital Assets**

At the end of fiscal year 2022, the County's investment in capital assets for its governmental activities totaled \$347,679,452 (net of accumulated depreciation). This total includes land and land improvements, construction in progress, intangibles, buildings and improvements, infrastructure, equipment, and vehicles. In addition, the County implemented Governmental Accounting Standards Board Statement No. 87, *Leases*, in fiscal year 2022, so the County's investment in capital assets also includes leased property and equipment, net of accumulated amortization. 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 2022, the net value of school buildings and related construction reflected in the governmental activities of the County equals \$202,083,863, and the associated current year's depreciation expense of \$6,702,194 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>6/30/2022</b>	<b>6/30/2021 (as restated)</b>
	<b>Governmental activities</b>	
Non-depreciable	\$ 54,485,711	\$ 50,845,673
Depreciable	292,423,204	300,738,983
Leases	770,537	884,461
Total	<u>\$ 347,679,452</u>	<u>\$ 352,469,117</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, 2022

### Long-Term Debt

Below is a summary of the County's long-term debt as of June 30, 2022 and 2021, respectively.

<b>Summary of Long-Term Debt</b>		
	<b>6/30/2022</b>	<b>6/30/2021 (as restated)</b>
	<b>Governmental activities</b>	
General obligation bonds, net unamortized premium	\$ 23,404,288	\$ 26,481,646
Revenue bonds, net unamortized premium	80,105,604	90,434,122
Financed purchases	1,015,683	1,340,157
Leases payable	779,568	884,461
Pension	7,716,325	34,769,717
OPEB	6,501,747	8,651,604
Compensated absences	4,577,962	4,403,593
Landfill	-	184,224
Total	<u>\$ 124,101,177</u>	<u>\$ 167,149,524</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 2022 was the second year of the prior two-year cycle. The fiscal year 2022 approved budget for the General Fund was \$202,200,000.

Fiscal year 2023 is the first year of the current two-year cycle. The fiscal year 2023 approved budget for the General Fund is \$217,100,000. This budget was adopted on May 10, 2022, and reflects a \$14,900,000, or a 7.4%, increase over the fiscal year 2022 budget. The increase is primarily due to the reassessment of real property and anticipated improvement in other local tax revenues as a result of economic recovery following the impacts of the COVID-19 pandemic.

Expenditures increased as a result of the expected increase in revenue. The County's general fund contribution to the Williamsburg-James City County School Board will be \$102,104,835.

### 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, 2022

	Primary government	Discretely presented component units		
	Governmental activities	James City Service Authority	Public schools	Economic Development Authority
<b>Assets</b>				
Cash and cash equivalents (note 2)	\$ 121,662,223	\$ 6,894,387	\$ 24,548,394	\$ 687,342
Investments (note 2)	25,546,006	49,469,680	-	-
Restricted cash and cash equivalents (note 2)	3,475,244	6,524,603	-	-
Receivables, net of allowance for uncollectibles:				
Taxes, including penalties	32,067,828	-	-	-
Accounts	-	3,157,287	23,166	-
Interest	71,590	70,618	-	3,462
Loans (note 3)	400,009	-	-	-
Leases (note 17)	2,947,271	284,928	437,147	743,089
Notes	-	-	-	20,638
Miscellaneous (note 3)	7,154,143	6,634	-	32,045
Due from component units, net (note 7)	4,455,134	-	-	-
Due from other governments, net (note 5)	7,350,806	-	7,529,802	-
Inventory	287,924	1,246,614	68,396	-
Other assets	61,100	-	-	-
Prepaid assets	69	-	-	-
Net pension asset (note 11)	-	1,142,756	3,793,644	-
Net OPEB assets (note 12)	-	-	54,937	-
Capital assets, net (note 6):				
Non-depreciable	54,485,711	11,467,672	10,748,032	744,995
Depreciable	292,423,204	143,009,231	49,237,140	591,815
Leases	770,537	5,006	-	-
Net capital assets	347,679,452	154,481,909	59,985,172	1,336,810
Total assets	553,158,799	223,279,416	96,440,658	2,823,386
<b>Deferred Outflows of Resources</b>				
Deferred charge on refundings, net	-	1,358,393	-	-
Deferred pensions (note 11)	13,646,201	713,208	25,714,068	-
Deferred OPEB retiree healthcare (note 12)	626,945	33,768	198,353	-
Deferred OPEB group life insurance (note 12)	660,437	75,914	1,304,628	-
Deferred OPEB health insurance credit (note 12)	171,444	12,394	1,387,410	-
Deferred OPEB Virginia local disability program (note 12)	-	-	170,271	-
Total deferred outflows of resources	15,105,027	2,193,677	28,774,730	-
Total assets and deferred outflow of resources	\$ 568,263,826	\$ 225,473,093	\$ 125,215,388	\$ 2,823,386
<b>Liabilities</b>				
Accounts payable	\$ 6,481,503	\$ 1,100,190	\$ 2,032,358	\$ 2,096
Accrued liabilities	639,446	384,650	16,770,703	-
Liabilities payable from restricted assets	1,853,480	-	-	-
Due to primary government, net (note 7)	-	636,338	3,818,796	-
Due to other governments	-	275	438,113	-
Advances for construction (note 16)	-	32,902	-	-
Amounts held for others	-	883,130	-	-
Unearned revenue (note 8)	15,839,287	-	134,411	-
Long-term liabilities (notes 9, 10, 11 and 12):				
Due within one year	16,938,666	1,766,014	1,146,181	-
Due in more than one year	107,162,511	27,038,303	86,842,866	-
Total liabilities	148,914,893	31,841,802	111,183,428	2,096
<b>Deferred Inflows of Resources</b>				
Deferred charge on refundings, net	1,587,665	-	-	-
Deferred leases (note 17)	2,863,380	278,809	424,961	723,837
Deferred pensions (note 11)	24,092,854	2,521,900	52,723,595	-
Deferred OPEB retiree healthcare (note 12)	1,839,555	185,730	1,677,162	-
Deferred OPEB group life insurance (note 12)	1,047,609	102,792	1,963,537	-
Deferred OPEB health insurance credit (note 12)	103,590	32,826	871,158	-
Deferred OPEB Virginia local disability program (note 12)	-	-	43,957	-
Total deferred inflows of resources	31,534,653	3,122,057	57,704,370	723,837
<b>Net Position</b>				
Net position:				
Net investment in capital assets	240,797,862	133,825,067	58,549,855	1,336,810
Restricted net position:				
Debt service	-	865,171	-	-
Capital projects	-	5,659,432	-	-
Net pension and OPEB asset	-	1,142,756	3,848,581	-
Other	1,276,896	-	6,319,354	-
Unrestricted	145,739,522	49,016,808	(112,390,200)	760,643
Total net position	387,814,280	190,509,234	(43,672,410)	2,097,453
Total liabilities, deferred inflows of resources and net position	\$ 568,263,826	\$ 225,473,093	\$ 125,215,388	\$ 2,823,386

See accompanying notes to basic financial statements

**County of James City, Virginia**  
Statement of Activities  
Year ended June 30, 2022

Functions/programs	Expenses	Program revenues			Net (expenses) revenues and changes in net position			
		Charges for services	Operating grants and contributions	Capital grants and contributions	Primary Government	Discretely presented component units		
					Governmental activities	James City Service Authority	Public schools	Economic Development Authority
Primary government:								
Governmental activities:								
General government administration	\$ 17,494,683	\$ 8,964,741	\$ 12,118,078	\$ -	\$ 3,588,136	\$ -	\$ -	\$ -
Judicial administration	6,806,106	2,442,666	1,548,042	-	(2,815,398)	-	-	-
Public safety	38,479,969	3,640,278	5,033,546	-	(29,806,145)	-	-	-
Public works	12,068,804	1,904,929	151,859	-	(10,012,016)	-	-	-
Health and human services	10,013,082	-	4,787,969	-	(5,225,113)	-	-	-
Education (including School system)	90,097,401	-	-	-	(90,097,401)	-	-	-
Parks, recreation and cultural	13,648,175	3,347,556	22,832	-	(10,277,787)	-	-	-
Community development	12,755,621	645,255	3,254,225	169,569	(8,686,572)	-	-	-
Interest on long-term debt	2,718,104	-	-	-	(2,718,104)	-	-	-
Total governmental activities	<u>204,081,945</u>	<u>20,945,425</u>	<u>26,916,551</u>	<u>169,569</u>	<u>(156,050,400)</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total primary government	<u>\$ 204,081,945</u>	<u>\$ 20,945,425</u>	<u>\$ 26,916,551</u>	<u>\$ 169,569</u>	<u>\$ (156,050,400)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Component units:								
Economic Development Authority	\$ 121,666	\$ 47,726	\$ 16,009	\$ -	\$ -	\$ -	\$ -	\$ (57,931)
James City Service Authority	22,029,282	21,225,479	-	2,121,505	-	1,317,702	-	-
Public Schools	156,520,837	1,019,692	31,147,908	-	-	-	(124,353,237)	-
Total component units	<u>\$ 178,671,785</u>	<u>\$ 22,292,897</u>	<u>\$ 31,163,917</u>	<u>\$ 2,121,505</u>	<u>\$ -</u>	<u>\$ 1,317,702</u>	<u>\$ (124,353,237)</u>	<u>\$ (57,931)</u>
General revenues:								
Property taxes, levied for general purposes					\$ 149,086,210	\$ -	\$ -	\$ -
Local sales and use taxes					20,846,612	-	-	-
Franchise license tax					896,434	-	-	-
Taxes on recordation and wills					2,431,571	-	-	-
Hotel and motel room taxes					4,376,944	-	-	-
Restaurant food taxes					8,413,901	-	-	-
Deeds of conveyance					716,095	-	-	-
Cigarette tax					632,700	-	-	-
Penalties and interest					58,280	-	-	-
Grants and contributions not restricted to specific programs					-	-	141,144,813	-
Interest and investment earnings					444,493	(2,194,170)	45,049	42,191
Miscellaneous					5,433,116	755,826	1,839,891	124,175
Total general revenues and transfers					<u>193,336,356</u>	<u>(1,438,344)</u>	<u>143,029,753</u>	<u>166,366</u>
Change in net position					37,285,956	(120,642)	18,676,515	108,435
Net position, beginning, as restated (note 20)					350,528,324	190,629,876	(62,348,925)	1,989,018
Net position, ending					<u>\$ 387,814,280</u>	<u>\$ 190,509,234</u>	<u>\$ (43,672,410)</u>	<u>\$ 2,097,453</u>

See accompanying notes to basic financials statements.

**County of James City, Virginia**  
**Balance Sheet**  
**Governmental Funds**  
**June 30, 2022**

	<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>Grants and special projects</b>		
<b>Assets</b>						
Cash and cash equivalents (note 2)	\$ 71,173,427	\$ 42,015,084	\$ -	\$ 5,360,222	\$ 3,113,490	\$ 121,662,223
Investments (note 2)	4,667,570	76,305	-	17,072,067	3,730,064	25,546,006
Restricted cash and cash equivalents (note 2)	1,434,719	382,419	-	315,786	1,342,320	3,475,244
Receivables, net of allowance:						
Taxes	31,973,695	-	-	-	94,133	32,067,828
Interest	6,504	65,086	-	-	-	71,590
Leases (note 17)	2,947,271	-	-	-	-	2,947,271
Loans, net (note 3)	-	-	-	-	400,009	400,009
Miscellaneous (note 3)	6,366,700	-	-	725,093	62,350	7,154,143
Due from component units (note 7)	6,089,636	-	-	-	-	6,089,636
Due from other governments, net (note 5)	5,512,181	-	-	1,162,779	675,846	7,350,806
Prepaid items	-	-	-	-	69	69
Inventory	287,924	-	-	-	-	287,924
Total assets	<u>\$ 130,459,627</u>	<u>\$ 42,538,894</u>	<u>\$ -</u>	<u>\$ 24,635,947</u>	<u>\$ 9,418,281</u>	<u>\$ 207,052,749</u>
<b>Liabilities</b>						
Liabilities:						
Accounts payable	\$ 4,702,548	\$ 964,874	\$ -	\$ 307,963	\$ 506,118	\$ 6,481,503
Accrued liabilities	472,100	-	-	4,867	6,853	483,820
Payables from restricted assets	1,430,219	371,200	-	-	52,061	1,853,480
Due to component units (note 7)	5,244	1,346,427	-	282,831	-	1,634,502
Unearned revenue (note 8)	444,311	-	-	14,998,146	396,830	15,839,287
Total liabilities	<u>7,054,422</u>	<u>2,682,501</u>	<u>-</u>	<u>15,593,807</u>	<u>961,862</u>	<u>26,292,592</u>
<b>Deferred Inflows of Resources</b>						
Unavailable revenue (note 8)	23,866,520	-	-	1,238,751	127,826	25,233,097
Leases (note 17)	2,863,380	-	-	-	-	2,863,380
Total deferred inflows of resources	<u>26,729,900</u>	<u>-</u>	<u>-</u>	<u>1,238,751</u>	<u>127,826</u>	<u>28,096,477</u>
<b>Fund Balances</b>						
Fund balances:						
Nonspendable:						
Inventory	287,924	-	-	-	-	287,924
Restricted:						
Debt service - bond proceeds held in escrow	-	11,218	-	-	-	11,218
Grants and special projects	-	-	-	315,786	-	315,786
Other governmental funds	-	-	-	-	961,110	961,110
Committed:						
School operations	6,581,532	-	-	-	-	6,581,532
Grants and special projects	-	-	-	940,855	-	940,855
Other governmental funds	-	-	-	-	1,608,153	1,608,153
Assigned:						
General	8,604,806	-	-	-	-	8,604,806
Capital projects/debt service reserve	15,952,529	39,845,175	-	-	-	55,797,704
Grants and special projects	-	-	-	6,546,748	-	6,546,748
Other governmental funds	-	-	-	-	5,759,330	5,759,330
Unassigned	65,248,514	-	-	-	-	65,248,514
Total fund balances	<u>96,675,305</u>	<u>39,856,393</u>	<u>-</u>	<u>7,803,389</u>	<u>8,328,593</u>	<u>152,663,680</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 130,459,627</u>	<u>\$ 42,538,894</u>	<u>\$ -</u>	<u>\$ 24,635,947</u>	<u>\$ 9,418,281</u>	<u>\$ 207,052,749</u>

See accompanying notes to basic financials statements.

**County of James City, Virginia**  
**Balance Sheet**  
**Governmental Funds**  
**June 30, 2022**

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

Ending fund balance, governmental funds	\$ 152,663,680
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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.	347,679,452
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Land held for resale and future development used in governmental activities are not financial resources and therefore are not reported in the funds.	61,100
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Some receivables are not available to pay for current-period expenditures and therefore are unavailable revenue in the funds.	25,233,097
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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	\$ 13,646,201	
Deferred OPEB retiree healthcare	626,945	
Deferred OPEB group life insurance	660,437	
Deferred OPEB health insurance credit	171,444	15,105,027

Unmatured interest payable reported in governmental activities will not be paid with current financial resources and therefore is not reported in the funds.	(155,626)
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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	(21,720,000)	
Lease revenue bonds	(72,015,000)	
Unamortized bond premiums, net	(9,774,892)	
Financed purchases	(1,015,683)	
Lease payable	(779,568)	
Net pension liability	(7,716,325)	
Net OPEB liabilities	(6,501,747)	
Compensated absences	(4,577,962)	(124,101,177)

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	(1,587,665)	
Deferred pension	(24,092,854)	
Deferred OPEB retiree healthcare	(1,839,555)	
Deferred OPEB GLI	(1,047,609)	
Deferred OPEB HIC	(103,590)	(28,671,273)

Net position, governmental activities	\$ 387,814,280
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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, 2022**

	<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>Grants and special projects</b>		
Revenues:						
General property taxes	\$ 146,502,246	\$ -	\$ -	\$ -	\$ -	\$ 146,502,246
Other local taxes	37,470,499	-	-	-	902,038	38,372,537
Permits, privilege fees and regulatory licenses	10,507,338	-	-	-	-	10,507,338
Fines and forfeitures	205,478	-	-	-	-	205,478
Use of money and property	866,593	(423,680)	1,580	-	-	444,493
Charges for services	7,678,699	-	-	-	-	7,678,699
Miscellaneous	3,110,714	682,547	40,083	355,606	564,781	4,753,731
Intergovernmental:						
Local	-	-	-	-	208,879	208,879
Commonwealth	15,625,922	169,569	-	1,556,704	2,147,263	19,499,458
Federal	50,536	-	-	4,496,041	5,137,845	9,684,422
Total revenues	<u>\$ 222,018,025</u>	<u>\$ 428,436</u>	<u>\$ 41,663</u>	<u>\$ 6,408,351</u>	<u>\$ 8,960,806</u>	<u>\$ 237,857,281</u>
Expenditures:						
Current:						
General government administration	\$ 14,681,338	\$ -	\$ -	\$ 766,928	\$ -	\$ 15,448,266
Judicial administration	4,747,004	-	-	398,105	1,305,883	6,450,992
Public safety	31,831,176	-	-	3,503,995	9,131	35,344,302
Public works	9,706,556	-	-	151,859	-	9,858,415
Health and human services	2,706,608	-	-	1,538,782	5,581,317	9,826,707
Education	80,637,523	-	-	315,759	-	80,953,282
Parks, recreation and cultural	11,624,588	-	-	18,332	3,569	11,646,489
Community development	6,014,071	-	46,796	1,700,910	4,447,967	12,209,744
Nondepartmental	51,542	-	-	-	-	51,542
Debt service:						
Principal	155,394	-	12,241,474	-	12,070	12,408,938
Interest and other fiscal charges	19,918	-	4,420,950	-	565	4,441,433
Capital outlay - County activities	53,123	13,388,795	-	-	9,448	13,451,366
Capital outlay - School activities	-	2,441,925	-	-	-	2,441,925
Total expenditures	<u>162,228,841</u>	<u>15,830,720</u>	<u>16,709,220</u>	<u>8,394,670</u>	<u>11,369,950</u>	<u>214,533,401</u>
Excess (deficiency) of revenues over (under) expenditures	<u>59,789,184</u>	<u>(15,402,284)</u>	<u>(16,667,557)</u>	<u>(1,986,319)</u>	<u>(2,409,144)</u>	<u>23,323,880</u>
Other financing sources (uses):						
Transfers in (note 4)	77,500	27,623,084	16,667,557	2,343,721	4,457,044	51,168,906
Transfers out (note 4)	(50,791,406)	-	-	-	(377,500)	(51,168,906)
Proceeds from leases	53,123	-	-	-	9,448	62,571
Total other financing sources (uses)	<u>(50,660,783)</u>	<u>27,623,084</u>	<u>16,667,557</u>	<u>2,343,721</u>	<u>4,088,992</u>	<u>62,571</u>
Net change in fund balances	<u>9,128,401</u>	<u>12,220,800</u>	<u>-</u>	<u>357,402</u>	<u>1,679,848</u>	<u>23,386,451</u>
Fund balances, beginning of year, as restated (note 20)	<u>87,546,904</u>	<u>27,635,593</u>	<u>-</u>	<u>7,445,987</u>	<u>6,648,745</u>	<u>129,277,229</u>
Fund balances, end of year	<u>\$ 96,675,305</u>	<u>\$ 39,856,393</u>	<u>\$ -</u>	<u>\$ 7,803,389</u>	<u>\$ 8,328,593</u>	<u>\$ 152,663,680</u>

See accompanying notes to basic financial statements.

**County of James City, Virginia**  
**Statement of Revenues, Expenditures and Changes in Fund Balances**  
**Governmental Funds**  
**Year ended June 30, 2022**

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 \$ 23,386,451

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 and amortization expense	\$ (15,888,654)	
Capital outlay expenditures	13,745,948	
Loss on disposal of capital assets	<u>(2,646,959)</u>	(4,789,665)

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.		(28,051)
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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.		3,510,619
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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:

Proceeds from leases	(62,571)	
Principal payments on bonds and financed purchases	12,241,474	
Principal payments on leases	167,464	
Amortization on premium	1,488,876	
Amortization on deferred charge on refundings	<u>160,650</u>	13,995,893

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	(174,369)	
Landfill	184,224	
Interest payable	73,803	
Pension expense, net of employer contributions	1,018,063	
OPEB expense, net of employer contributions	<u>108,988</u>	1,210,709
Change in net position, governmental activities		<u><u>\$ 37,285,956</u></u>

See accompanying notes to basic financials statements.

**Exhibit 5**

**County of James City, Virginia**  
**Statement of Fiduciary Net Position**  
**Fiduciary Funds**  
**June 30, 2022**

	<b>Custodial funds</b>
<b>Assets</b>	
Cash, cash equivalents and investments	\$ 16,320,203
Restricted cash, cash equivalents and investments	5,436,219
Accounts receivable	304,187
Lease receivable	115,065
Due from other governmental units	1,382,237
Due from other funds	16,595
Capital assets, nondepreciable	4,419,304
Capital assets, depreciable, net of accumulated depreciation	24,112,472
Net lease asset	120,528
Net pension asset	7,323,763
Net OPEB asset	5,260
Total assets	<u><u>\$ 59,555,833</u></u>
<b>Deferred Outflows of Resources</b>	
Deferred pension outflows	\$ 964,023
Deferred OPEB outflows	418,794
Total deferred outflows of resources	<u><u>\$ 1,382,817</u></u>
<b>Liabilities</b>	
Accounts payable and accrued liabilities	\$ 773,420
Long-term liabilities, due within one year	1,273,493
Long-term liabilities, due in more than one year	2,665,482
Unearned revenue	741,457
Total liabilities	<u><u>\$ 5,453,852</u></u>
<b>Deferred Inflows of Resources</b>	
Deferred pension inflows	\$ 3,820,964
Deferred OPEB inflows	564,654
Deferred lease inflows	112,458
Total deferred inflows of resources	<u><u>\$ 4,498,076</u></u>
<b>Net Position</b>	
Net investment in capital assets	\$ 26,730,642
Restricted	9,634,473
Assigned	855
Unrestricted	14,620,752
Total net position	<u><u>\$ 50,986,722</u></u>

See accompanying independent auditor's report.

**Exhibit 6**

**County of James City, Virginia**  
**Statement of Changes in Fiduciary Net Position**  
**Fiduciary Funds**  
**Year Ended June 30, 2022**

	<b>Custodial funds</b>
	<hr/>
<b>Additions</b>	
Fees from members	\$ 7,355,421
Revenue from the Commonwealth	8,142,281
Revenue from the federal government	85,178
Operating grants and contributions	9,453,812
Capital grants and contributions	1,493,274
Charges for services	1,357,769
Use of money and property	154,764
Other	1,463,390
Total additions	<hr/> <b>\$ 29,505,889</b> <hr/>
<b>Deductions</b>	
Personnel expenses	\$ 14,951,519
Materials and contractual services	6,139,537
Depreciation	2,437,228
Minor furniture and equipment	131,177
Interest expense	54,646
COVID-19 pandemic costs	9,650
Investment loss	577,884
Other	1,689,594
Total deductions	<hr/> <b>\$ 25,991,235</b> <hr/>
Net increase (decrease) in fiduciary net position	3,514,654
Net position, beginning	47,472,068
Net position, ending	<hr/> <b>\$ 50,986,722</b> <hr/>

See accompanying independent auditor's report.

**County of James City, Virginia**  
Notes to Basic Financial Statements  
June 30, 2022

**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.

The County does not have operational responsibility over the Authority, but the Authority remains financially integrated with the County. As a result, the Authority is included as a discretely presented component unit in the County's financial statements for reporting purposes.

The Authority's financial statements for the fiscal year ended June 30, 2022 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, 2022

**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, 2022, the apportionment of the Public Schools' operating costs to the City and County was \$8,746,246 (9.68%) and \$81,696,160 (90.32%), respectively. For the fiscal year ended June 30, 2022, the contributions for the Public Schools' capital project costs from the City and County were \$174,886 (9.5%) and \$1,657,962 (90.5%), respectively.

The Public Schools' financial statements for the fiscal year ended June 30, 2022 may be obtained from the Finance Department, 117 Ironbound Road, Williamsburg, Virginia 23185.

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

From time to time, the EDA 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, 2022, there were 10 series of Industrial Revenue Bonds outstanding, with an aggregate principal amount payable of approximately \$209.8 million.

The EDA's financial statements for the fiscal year ended June 30, 2022 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, 2022, 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. However, the County is fiscal agent for the Corporation and has control over the Corporation's assets. These assets are not derived from solely the County's revenues, from the County's mandated or voluntary nonexchange transactions, or from the County's provision of goods or services to the Corporation. Instead, these assets are for the benefit of the Corporation. As a result, the Corporation's financial transactions are included as a custodial fund in the County's fiduciary financial statements.

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, 2022, may be obtained from the Public Service Authority, 475 McLaws Circle, Suite 3B, Williamsburg, Virginia 23185-5676.

**County of James City, Virginia**  
Notes to Basic Financial Statements  
June 30, 2022

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

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.

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, 2022, 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 has control over the Jail Authority's assets. These assets are not derived from solely the County's revenues, from the County's mandated or voluntary nonexchange transactions, or from the County's provision of goods or services to the Jail Authority. Instead, these assets are for the benefit of the Jail Authority. As a result, the Jail Authority's financial transactions are included as a custodial fund in the County's fiduciary 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 has control over the Commission's assets. These assets are not derived from solely the County's revenues, from the County's mandated or voluntary nonexchange transactions, or from the County's provision of goods or services to the Commission. Instead, these assets are for the benefit of the Commission. As a result, the Commission's financial statements are included as a custodial fund in the County's fiduciary 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 has control over the Transit Authority's assets. These assets are not derived from solely the County's revenues, from the County's mandated or voluntary nonexchange transactions, or from the County's provision of goods or services to the Transit Authority. Instead, these assets are for the benefit of the Transit Authority. As a result, the Transit Authority's financial statements are included as a custodial fund in the County's fiduciary financial statements.

**County of James City, Virginia**  
Notes to Basic Financial Statements  
June 30, 2022

**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. All of the County's primary activities are governmental. In the government-wide statement of net position, the governmental 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.

Grants and Special Projects Fund: The Grants and Special Projects Fund is used to account for the financial resources to be used for grant programs and special projects, including American Rescue Plan Act funds and related projects.

**County of James City, Virginia**  
Notes to Basic Financial Statements  
June 30, 2022

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

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, Housing and Neighborhood Development, Donation Trust, and Tourism.

**Fiduciary Funds:** Fiduciary Funds are used to account for assets held by the County in a trustee capacity or as a custodian for individuals, private organizations, other governmental units and/or other funds. The County's Fiduciary Funds includes the Custodial 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 19 for information on the impact of COVID-19 on accounting and financial reporting during fiscal year 2022.

**County of James City, Virginia**  
Notes to Basic Financial Statements  
June 30, 2022

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

**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.

**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 \$171,841 in the General Fund at June 30, 2022. Additionally, the County recorded an allowance for uncollectible accounts of \$19,992 related to business, professional and occupational license taxes and \$313,992 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
Leased buildings	3 to 33 years
Leased equipment	2 to 5 years

**County of James City, Virginia**  
Notes to Basic Financial Statements  
June 30, 2022

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

**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.

**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, 2022 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	N/A	\$ 3,000,000
Property in transit	N/A	\$ 5,000,000
Increased cost of construction/ordinance/demolition	N/A	\$ 20,000,000
Back-up of sewers and drains	N/A	\$ 10,000,000
Debris removal	N/A	\$ 25,000,000
Pollutant clean-up and removal	N/A	\$ 500,000
Utility services time element	N/A	\$ 5,000,000
Newly acquired locations for up to 120 days	N/A	\$ 25,000,000
Boiler/equipment breakdown	\$ 1,000	\$ 100,000,000
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	\$ 5,000,000
Environmental liability	\$ 100,000	\$ 1,000,000
Excess liability - General; Automotive; Law enforcement	N/A	\$ 7,000,000
Excess liability - Public officials	N/A	\$ 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 assets 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 assets that applies to future periods 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.
- ***Net 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.
- ***Value of lease receivables plus any payments received at or before the commencement of the lease term that relate to future periods:*** These values will be recognized as inflows of resources systematically over the term of the lease.

**County of James City, Virginia**  
Notes to Basic Financial Statements  
June 30, 2022

**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, 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, 2022

**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, 2022, were as follows:

	<u>General</u>	<u>Capital Projects</u>	<u>Grants and Special Projects</u>	<u>Nonmajor governmental Funds</u>
Nonspendable:				
Inventory	\$ 287,924	\$ -	\$ -	\$ -
Restricted:				
Debt service - bond proceeds held in escrow	-	11,218	-	-
Housing and neighborhood development	-	-	-	880,666
Fire and emergency management	-	-	300,234	-
Health initiative	-	-	3,239	-
Encumbrances	-	-	12,313	80,444
Total restricted	<u>-</u>	<u>11,218</u>	<u>315,786</u>	<u>961,110</u>
Committed:				
School operations	6,581,532	-	-	-
General government	-	-	39,297	-
Judicial administration	-	-	34,178	-
Public safety	-	-	3,101	-
Parks, recreation and cultural	-	-	4,102	-
Community development	-	-	853,493	1,608,153
Encumbrances	-	-	6,684	-
Total committed	<u>6,581,532</u>	<u>-</u>	<u>940,855</u>	<u>1,608,153</u>
Assigned:				
General government	-	4,971,228	515,283	804
Judicial administration	-	58,700	2,574	642,550
Public safety	-	2,643,409	6,081	74,170
Public works	-	5,405,354	-	-
Health and welfare	-	-	89,782	1,797,669
Education	-	15,764,043	427,081	-
Parks, recreation and cultural	-	2,137,724	-	13,424
Community development	-	4,815,146	5,505,947	3,205,245
Other	-	743,346	-	-
Encumbrances	1,767,841	3,306,225	-	25,468
Health insurance reserve	6,836,965	-	-	-
Capital projects/debt service reserve	15,952,529	-	-	-
Total assigned	<u>24,557,335</u>	<u>39,845,175</u>	<u>6,546,748</u>	<u>5,759,330</u>
Unassigned	<u>65,248,514</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total fund balance	<u>\$ 96,675,305</u>	<u>\$ 39,856,393</u>	<u>\$ 7,803,389</u>	<u>\$ 8,328,593</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, 2022

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

**Adoption of New Accounting Statement**

For fiscal year 2022, the County implemented GASB Statement No. 87, *Leases* (GASB 87). The objective of this Statement is to better meet the information needs of financial statement users by improving accounting and financial reporting for leases by governments. This Statement increases the usefulness of governments' financial statements by requiring recognition of certain lease assets, liabilities and deferred inflows, for leases that previously were classified and treated as operating leases. It establishes a single model for lease accounting based on the foundational principle that leases are financings of the right to use an underlying asset. Under this Statement, a lessee is required to recognize a lease liability and an intangible right-to-use lease asset, and a lessor is required to recognize a lease receivable and a deferred inflow of resources, thereby enhancing the relevance and consistency of information about governments' leasing activities. The implementation of this pronouncement did not require a restatement of net position by the County, but it resulted in the reevaluation of the County's existing arrangements and the recording of new assets, liabilities, and deferred inflows of resources on the County's statement of net position on the date of implementation, July 1, 2021. Future lease agreements that the County enters into will be evaluated under this pronouncement to determine proper accounting treatment. Additional details on the County's leases and the implementation of GASB 87 can be found in notes 17 and 20.

**Leases**

**Lessee:** The County is a lessee for noncancellable leases of equipment and property. The County recognizes a lease liability and an intangible right-to-use lease asset (lease asset) in the government-wide financial statements. The County recognizes lease liabilities with an initial, individual value of \$5,000 or more.

At the commencement of a lease, the County initially measures the lease liability at the present value of payments expected to be made during the lease term. Subsequently, the lease liability is reduced by the principal portion of lease payments made. The lease asset is initially measured as the initial amount of the lease liability, adjusted for lease payments made at or before the lease commencement date, plus certain initial direct costs. Subsequently, the lease asset is amortized on a straight-line basis over its useful life.

Key estimates and judgments related to leases include how the County determines (1) the discount rate it uses to discount the expected lease payments to present value, (2) lease term, and (3) lease payments.

- The County uses the interest rate charged by the lessor as the discount rate. When the interest rate charged by the lessor is not provided, the County generally uses its estimated incremental borrowing rate as the discount rate for leases.
- The lease term includes the noncancellable period of the lease. In addition, the likelihood of any extension, renewal, or termination option is assessed in determining the lease term.
- Lease payments included in the measurement of the lease liability are composed of fixed payments and purchase option price that the Authority is reasonably certain to exercise.

The County monitors changes in circumstances that would require a remeasurement of its lease and will remeasure the lease asset and liability if certain changes occur that are expected to significantly affect the amount of the lease liability. Lease assets are reported with other capital assets and lease liabilities are reported with long-term debt on the statement of net position.

**Lessor:** The County is a lessor for noncancellable leases of property. The County recognizes a lease receivable and a deferred inflow of resources in the government-wide and governmental fund financial statements.

At the commencement of a lease, the County initially measures the lease receivable at the present value of payments expected to be received during the lease term. Subsequently, the lease receivable is reduced by the principal portion of lease payments received. The deferred inflow of resources is initially measured as the initial amount of the lease receivable, adjusted for lease payments received at or before the lease commencement date. Subsequently, the deferred inflow of resources is recognized as revenue over the life of the lease term.

**County of James City, Virginia**  
Notes to Basic Financial Statements  
June 30, 2022

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

**Primary Government, Continued**

Key estimates and judgments include how the County determines (1) the discount rate it uses to discount the expected lease receipts to present value, (2) lease term, and (3) lease receipts.

- The County uses the interest rate included in the lease as the discount rate. When the interest rate is not provided, the interest rate implicit in the lease is determined and used as the discount rate.
- The lease term includes the noncancellable period of the lease. In addition, the likelihood of any extension, renewal, or termination option is assessed in determining the lease term.
- Lease receipts included in the measurement of the lease receivable is composed of fixed payments from the lessee.

The County monitors changes in circumstances that would require a remeasurement of its lease and will remeasure the lease receivable and deferred inflows of resources if certain changes occur that are expected to significantly affect the amount of the lease receivable.

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

**Primary Government**

The primary government's cash, cash equivalents and investments at June 30, 2022, consisted of the following:

	<b>Primary Government</b>	<b>Fiduciary Funds</b>	<b>Totals</b>
Bank deposits	\$ 12,594,968	\$ 10,285,051	\$ 22,880,019
Petty cash	7,600	964	8,564
Amounts held for others	-	17	17
Money market	112,534,899	6,034,170	118,569,069
Investments	25,546,006	5,436,220	30,982,226
Total	<u>\$ 150,683,473</u>	<u>\$ 21,756,422</u>	<u>\$ 172,439,895</u>
Per Exhibit 1:			
Cash and cash equivalents	\$ 121,662,223	\$ -	\$ 121,662,223
Investments	25,546,006	-	25,546,006
Restricted cash and cash equivalents	3,475,244	-	3,475,244
Per Exhibit 5:			
Cash, cash equivalents and investments	-	16,320,203	16,320,203
Restricted cash and investments	-	5,436,219	5,436,219
Total	<u>\$ 150,683,473</u>	<u>\$ 21,756,422</u>	<u>\$ 172,439,895</u>

The totals above include Fiduciary Funds in the amount of \$21,756,422 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, 2022 are detailed as follows:

<b>Fund</b>	<b>Purpose</b>	<b>Amount</b>	<b>Total</b>
Major governmental funds:			
General	Subdivision escrow		\$ 1,434,719
Capital projects	Unspent bond proceeds	11,219	
	Developer escrow	<u>371,200</u>	382,419
Grants and special projects	Public safety	312,547	
	Health and human services	<u>3,239</u>	315,786
Nonmajor governmental funds:			
Housing and neighborhood development	Community rehabilitation		<u>1,342,320</u>
Total			<u>\$ 3,475,244</u>

**County of James City, Virginia**  
Notes to Basic Financial Statements  
June 30, 2022

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

**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.

As of June 30, 2022, the primary government's investments valued at fair value 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	\$ 13,025,370	\$ 12,618,932	\$ -	\$ 12,618,932	\$ -
Federal agency notes and bonds	2,032,713	1,983,108	-	1,983,108	-
Corporate notes and bonds	2,003,782	1,935,578	-	1,935,578	-
Commercial paper	2,780,378	2,778,109	-	2,778,109	-
Certificates of deposit	4,350,000	4,310,439	-	4,310,439	-
Municipal notes and bonds	317,374	308,680	-	308,680	-
Federal agency commercial mortgage-backed security	1,013,031	1,001,609	-	1,001,609	-
Supra-National agency bond/note	639,380	609,551	-	609,551	-
<b>Total</b>	<b>\$ 26,162,028</b>	<b>\$ 25,546,006</b>	<b>\$ -</b>	<b>\$ 25,546,006</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	\$ 12,618,932	\$ 975,156	\$ 7,274,163	\$ 4,369,613
Federal agency notes and bonds	1,983,108	920,150	1,062,958	-
Corporate notes and bonds	1,935,578	199,352	190,133	1,546,093
Commercial paper	2,778,109	2,778,109	-	-
Certificates of deposit	4,310,439	4,310,439	-	-
Municipal notes and bonds	308,680	-	308,680	-
Federal agency collateralized mortgage obligation	1,001,609	208,810	251,084	541,715
Supra-National agency bond/note	609,551	-	424,827	184,724
<b>Total</b>	<b>\$ 25,546,006</b>	<b>\$ 9,392,016</b>	<b>\$ 9,511,845</b>	<b>\$ 6,642,145</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, 2022

**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, 2022, 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+	A-1+	A-1
Federal agency notes and bonds	\$ -	\$ -	\$ 1,983,108	\$ -	\$ -	\$ -	\$ -	\$ -
Corporate notes and bonds	-	69,437	166,504	513,882	950,501	235,254	-	-
Commercial paper	-	-	-	-	-	-	-	2,778,109
Certificates of deposit	-	-	-	-	-	-	1,288,752	3,021,687
Municipal notes and bonds	-	73,026	-	52,812	80,783	102,059	-	-
Federal agency commercial mortgage-backed security	-	-	1,001,609	-	-	-	-	-
Supra-National agency bond and note	-	609,551	-	-	-	-	-	-
US Treasury securities	-	-	12,618,932	-	-	-	-	-
LGIP	-	36,489,188	-	-	-	-	-	-
Money market	11,219	76,034,492	-	-	-	-	-	-
<b>Total</b>	<b>\$ 11,219</b>	<b>\$ 113,275,694</b>	<b>\$ 15,770,153</b>	<b>\$ 566,694</b>	<b>\$ 1,031,284</b>	<b>\$ 337,313</b>	<b>\$ 1,288,752</b>	<b>\$ 5,799,796</b>

**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, 2022, 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	9.10%

**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, 2022

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

**Interest Rate Risk, 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, 2022, all of the County's investments are held in a bank's trust department in the name of James City County.

**Component Units**

The Authority's, Public School's, and the EDA's cash, cash equivalents and investments at June 30, 2022, consisted of the following:

	<b>Authority</b>	<b>Component Unit Public Schools</b>	<b>EDA</b>
Bank deposits	\$ 1,587,934	\$ 19,238,973	\$ 687,342
Petty cash	700	-	-
Money market	7,103,407	-	-
Investments, LGIP	4,726,949	5,278,968	-
Investments, other	49,469,680	30,453	-
Total cash, cash equivalents and investments	<u>\$ 62,888,670</u>	<u>\$ 24,548,394</u>	<u>\$ 687,342</u>

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, 2022, are detailed as follows:

	<b>General Fund</b>	<b>Grants and Special Projects Fund</b>	<b>Nonmajor Governmental Funds</b>	<b>Total governmental activities</b>
Sales tax	\$ 2,661,598	\$ -	\$ -	\$ 2,661,598
Historic 1% sales tax	1,166,512	-	-	1,166,512
Meals tax	923,503	-	-	923,503
National opioid settlement	-	716,448	-	716,448
Emergency medical services	558,209	-	-	558,209
Cigarette tax	34,200	-	-	34,200
Health insurance	393,340	-	-	393,340
Business license	147,183	-	-	147,183
Charges for services	96,801	-	-	96,801
Recordation tax	165,635	-	-	165,635
Deeds of conveyance	53,895	-	-	53,895
Motor vehicle licenses	30,868	-	-	30,868
Utility consumption fee	28,658	-	-	28,658
Other	106,298	8,645	62,350	177,293
Total	<u>\$ 6,366,700</u>	<u>\$ 725,093</u>	<u>\$ 62,350</u>	<u>\$ 7,154,143</u>

**County of James City, Virginia**  
Notes to Basic Financial Statements  
June 30, 2022

**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, 2022, is presented on the balance sheet net of an allowance for forgiven and deferred loans, as shown below:

Gross loan balances outstanding	\$ 1,213,194
Less: Allowance	<u>(813,185)</u>
Loans receivable, net	<u>\$ 400,009</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, 2022, there were no amount due to or from the General Fund to the various other funds.

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, 2022, consisted of the following:

	<b>Transfers In</b>	<b>Transfers Out</b>
General fund	\$ 77,500	\$ (50,791,406)
Capital projects	27,623,084	-
Debt service	16,667,557	-
Grants and special projects	2,343,721	-
Nonmajor governmental	4,457,044	(377,500)
Total	<u>\$ 51,168,906</u>	<u>\$ (51,168,906)</u>

The transfer from the nonmajor governmental funds of \$377,500 consisted of \$77,500 to the General Fund to help fund a tourism-related position and to support the reclassification of a Clerk of Circuit Court position from part-time to full-time, and \$300,000 to the Capital Projects Fund for tourism-related capital projects.

Transfers from the General Fund of \$27,323,084 to the Capital Projects Fund represent the County's pay-as-you-go project funding. Transfers from the General Fund of \$16,667,557 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 \$2,343,721 to the Grants and Special Projects Fund were to fund special projects.

Transfers from the General Fund of \$4,457,044 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.

**County of James City, Virginia**  
Notes to Basic Financial Statements  
June 30, 2022

**5) Due from Other Governments**

Details of net amounts due from other governments as of June 30, 2022, are as follows:

<b>Primary Government</b>	<b>General</b>	<b>Grants &amp; Special Projects</b>	<b>Nonmajor Governmental</b>	<b>Total</b>
<b>Local:</b>				
Wmbg. Regional Library	\$ 29,081	\$ -	\$ -	\$ 29,081
Other, net	16,486	102,569	-	119,055
City of Williamsburg	94,000	-	24,574	118,574
WJCC Schools - Services Provided	56,794	-	-	56,794
<b>Commonwealth of Virginia:</b>				
Car rental tax	7,890	-	-	7,890
Communications sales and use tax	194,859	-	-	194,859
Compensation Board	203,604	663	-	204,267
Personal property tax relief	4,836,856	-	-	4,836,856
Comprehensive Services Act	-	176,502	-	176,502
E911 Wireless Board	24,700	2,009	-	26,709
Mobile Home Tax Commission	12,716	-	-	12,716
Other	4,569	-	-	4,569
Rolling stock tax	12,169	-	-	12,169
Virginia Housing Development Authority	-	-	160	160
Virginia Supreme Court	8,130	-	-	8,130
Virginia Dept. of Environmental Quality	-	5,380	-	5,380
Virginia Dept. of Social Services	-	-	130,491	130,491
Virginia Dept. of Criminal Justice Services	-	10,373	-	10,373
Virginia Dept. of Transportation	10,327	15,921	-	26,248
<b>Federal:</b>				
Dept. of Criminal Justice Services	-	79,427	-	79,427
Dept. of Homeland Security	-	10,273	-	10,273
Dept. of Housing & Community Development	-	381,321	268,473	649,794
Dept. of Justice	-	27,326	-	27,326
Dept. of Social Services	-	-	252,148	252,148
Dept. of Transportation	-	4,800	-	4,800
FEMA	-	336,627	-	336,627
National Highway Traffic Safety Admin.	-	9,588	-	9,588
<b>Total</b>	<b>\$ 5,512,181</b>	<b>\$ 1,162,779</b>	<b>\$ 675,846</b>	<b>\$ 7,350,806</b>

Included in the amount due from local governments – Other in the table above are the following items presented as a net total:

<b>Local - Other, net</b>	
<b>Due From:</b>	
9th Judicial District	\$ 18,507
Williamsburg Area Medical Assistance Corp.	7,730
<b>Due To:</b>	
Virginia Peninsula Regional Jail	\$ (3,513)
Williamsburg Area Transit Authority	(3,710)
Middle Peninsula Juvenile Detention Center	(2,528)
<b>Total</b>	<b>\$ 16,486</b>

**County of James City, Virginia**  
Notes to Basic Financial Statements  
June 30, 2022

**5) Due from Other Governments, Continued**

**Component Unit - Public Schools**

Federal government	\$ 3,842,969
Commonwealth of Virginia	3,686,833
Total	<u>\$ 7,529,802</u>

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

**6) Capital Assets**

The following is a summary of changes in capital assets for the fiscal year ended June 30, 2022:

<b>Governmental activities:</b>	<b>Balances July 1, 2021</b>	<b>Increases</b>	<b>Decreases</b>	<b>Balances June 30, 2022</b>
Capital assets not being depreciated:				
Land and land improvements	\$ 33,450,261	\$ 1,600	\$ -	\$ 33,451,861
Construction in progress	6,569,063	12,669,963	9,031,525	10,207,501
Intangible assets - easements	10,826,349	-	-	10,826,349
Total capital assets not being depreciated	<u>50,845,673</u>	<u>12,671,563</u>	<u>9,031,525</u>	<u>54,485,711</u>
Capital assets being depreciated:				
Depreciable land improvements	6,794,148	338,729	-	7,132,877
Intangible assets, as reclassified	5,560,992	-	67,835	5,493,157
Buildings	375,289,425	8,300,337	2,705,787	380,883,975
Leased asset - buildings*	687,807	-	-	687,807
Improvements other than buildings	47,367,924	33,092	-	47,401,016
Infrastructure	12,209,410	-	-	12,209,410
Equipment and vehicles	57,104,771	1,371,181	484,551	57,991,401
Leased asset - equipment*	196,654	62,571	-	259,225
Total capital assets being depreciated	<u>505,211,131</u>	<u>10,105,910</u>	<u>3,258,173</u>	<u>512,058,868</u>
Less accumulated depreciation for:				
Depreciable land improvements	740,776	399,384	-	1,140,160
Intangible assets, as reclassified	4,346,288	383,361	64,442	4,665,207
Buildings	131,925,083	8,379,708	121,147	140,183,644
Leased asset - buildings*	-	96,508	-	96,508
Improvements other than buildings	19,768,794	2,135,209	-	21,904,003
Infrastructure	5,964,428	440,180	-	6,404,608
Equipment and vehicles	40,842,318	3,974,317	425,625	44,391,010
Leased asset - equipment*	-	79,987	-	79,987
Total accumulated depreciation	<u>203,587,687</u>	<u>15,888,654</u>	<u>611,214</u>	<u>218,865,127</u>
Total capital assets being depreciated, net	<u>301,623,444</u>	<u>(5,782,744)</u>	<u>2,646,959</u>	<u>293,193,741</u>
Total	<u>\$ 352,469,117</u>	<u>\$ 6,888,819</u>	<u>\$ 11,678,484</u>	<u>\$ 347,679,452</u>

\*The leased asset and related amortization resulted from the implementation of GASB Statement No. 87. Additional information on this asset can be found in Note 17, and information on the related restatements can be found in Note 20.

Depreciation and amortization were charged to governmental functions as follows:

General government administration	\$ 1,123,638
Judicial administration	367,419
Public safety	4,144,676
Public works	675,615
Parks, recreation and cultural	2,116,894
Community development	496,631
Education	6,702,194
Health and welfare	261,587
Total	<u>\$ 15,888,654</u>

**County of James City, Virginia**  
Notes to Basic Financial Statements  
June 30, 2022

**6) Capital Assets, Continued**

<b>Component Unit - Authority:</b>	<b>Balances July 1, 2021</b>	<b>Increases</b>	<b>Decreases</b>	<b>Balances June 30, 2022</b>
Capital assets not being depreciated:				
Land	\$ 1,741,991	\$ -	\$ 1,600	\$ 1,740,391
Land - utility plant	955,995	-	-	955,995
Land improvements	13,183	-	-	13,183
Construction in progress	5,159,319	6,640,046	3,045,832	8,753,533
Intangible assets - easements	4,570	-	-	4,570
Total capital assets not being depreciated	<u>7,875,058</u>	<u>6,640,046</u>	<u>3,047,432</u>	<u>11,467,672</u>
Capital assets being depreciated:				
Water and sewer systems - utility plant	274,217,268	3,970,940	-	278,188,208
Land improvements (depreciable)	8,930	54,440	-	63,370
Buildings and improvements	5,528,121	755,783	-	6,283,904
Office fixtures and equipment	4,426,322	69,045	-	4,495,367
Leased asset - equipment	11,661	-	-	11,661
Automotive equipment	3,069,467	436,775	-	3,506,242
Water rights	25,000,000	-	-	25,000,000
Software	10,562	-	-	10,562
Infrastructure	91,798	-	-	91,798
Total capital assets being depreciated	<u>312,364,129</u>	<u>5,286,983</u>	<u>-</u>	<u>317,651,112</u>
Less accumulated depreciation for:				
Water and sewer systems - utility plant	152,827,654	6,857,837	-	159,685,491
Land improvements	1,118	820	-	1,938
Buildings and improvements	1,538,493	165,769	-	1,704,262
Office fixtures and equipment	1,997,402	242,837	-	2,240,239
Leased asset - equipment	3,328	3,327	-	6,655
Automotive equipment	2,661,696	155,007	-	2,816,703
Water rights	7,533,172	631,331	-	8,164,503
Software	2,148	2,148	-	4,296
Infrastructure	9,719	3,069	-	12,788
Total accumulated depreciation	<u>166,574,730</u>	<u>8,062,145</u>	<u>-</u>	<u>174,636,875</u>
Total capital assets being depreciated, net	<u>145,789,399</u>	<u>(2,775,162)</u>	<u>-</u>	<u>143,014,237</u>
Total	<u><u>\$ 153,664,457</u></u>	<u><u>\$ 3,864,884</u></u>	<u><u>\$ 3,047,432</u></u>	<u><u>\$ 154,481,909</u></u>

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

Water	\$ 5,095,346
Sewer	2,966,799
Total	<u><u>\$ 8,062,145</u></u>

**County of James City, Virginia**  
Notes to Basic Financial Statements  
June 30, 2022

**6) Capital Assets, Continued**

<b>Component Unit - Public Schools</b>	<b>Balances July 1, 2021</b>	<b>Increases</b>	<b>Decreases</b>	<b>Balances June 30, 2022</b>
Capital assets not being depreciated:				
Land improvements	\$ 8,435,126	\$ -	\$ -	\$ 8,435,126
Construction in progress	546,651	2,283,333	517,078	2,312,906
Total capital assets not being depreciated	8,981,777	2,283,333	517,078	10,748,032
Capital assets being depreciated:				
Buildings and improvements	70,554,298	3,327,551	-	73,881,849
Furniture and equipment	29,752,308	1,035,584	43,473	30,744,419
Leased assets	753,695	1,154,316	-	1,908,011
Total capital assets being depreciated	101,060,301	5,517,451	43,473	106,534,279
Less accumulated depreciation for:				
Buildings and improvements	32,109,130	2,771,807	-	34,880,937
Furniture and equipment	20,481,211	1,484,903	42,115	21,923,999
Leased assets	-	492,203	-	492,203
Total accumulated depreciation	52,590,341	4,748,913	42,115	57,297,139
Total capital assets being depreciated, net	48,469,960	768,538	1,358	49,237,140
Total	\$ 57,451,737	\$ 3,051,871	\$ 518,436	\$ 59,985,172

Depreciation of \$4,748,913 was charged to the Public Schools' governmental functions.

The total construction in progress for the Public Schools was \$2,312,906 at June 30, 2022. For fiscal year 2022, there are no capital outlay expenditures presented in the County's construction in progress balance in order to match the corresponding debt, as a result of no new borrowings issued in the fiscal year.

<b>Component Unit - EDA</b>	<b>Balances July 1, 2021</b>	<b>Increases</b>	<b>Decreases</b>	<b>Balances June 30, 2022</b>
Capital assets not being depreciated:				
Land	\$ 710,795	\$ -	\$ -	\$ 710,795
Land improvements	34,200	-	-	34,200
Total capital assets not being depreciated	744,995	-	-	744,995
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	26,608	7,269	-	33,877
Land improvements	43,689	11,957	-	55,646
Infrastructure	22,872	6,252	-	29,124
Total accumulated depreciation	93,169	25,478	-	118,647
Total capital assets being depreciated, net	617,293	(25,478)	-	591,815
Total	\$ 1,362,288	\$ (25,478)	\$ -	\$ 1,336,810

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

The Authority owed the County \$636,338 at June 30, 2022, 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. At June 30, 2022, the County owed the Public Schools \$1,634,502, primarily for capital project invoices related to fiscal year 2022 that were not paid until after June 30. For fiscal year 2022, the Public Schools owed the County \$5,453,298, 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 \$3,818,796 at June 30, 2022.

**County of James City, Virginia**  
Notes to Basic Financial Statements  
June 30, 2022

**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, 2022:

	General fund	Grants and special projects	Other governmental funds	Total
Medic fees	\$ 333,677	\$ -	\$ -	\$ 333,677
National opioid settlement	-	691,562	-	691,562
Grants not collected within availability period	-	547,189	127,826	675,015
Property taxes not collected within availability period	23,532,843	-	-	23,532,843
	<u>\$ 23,866,520</u>	<u>\$ 1,238,751</u>	<u>\$ 127,826</u>	<u>\$ 25,233,097</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, 2022, were as follows:

Primary government	General fund	Grants and special projects	Other governmental funds	Total
Prepaid property taxes and fees	\$ 418,279	\$ -	\$ -	\$ 418,279
ARPA Relief	-	14,644,358	-	14,644,358
Non-judicial sales	26,032	-	-	26,032
Grants received in advance	-	353,788	396,830	750,618
	<u>\$ 444,311</u>	<u>\$ 14,998,146</u>	<u>\$ 396,830</u>	<u>\$ 15,839,287</u>

**Component Unit - Public Schools**

ESSER III	\$ 101,328
Behavioral intervention grant	27,869
Math grant	2,352
CARES Act - WJCC	1,874
Outdoor science grant	917
Title II	71
	<u>\$ 134,411</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, 2022, is presented below:

Governmental activities	Balance July 1, 2021	Additions	Reductions	Balance June 30, 2022	Due within one year
General obligation bonds	\$ 24,510,000	\$ -	\$ 2,790,000	\$ 21,720,000	\$ 2,885,000
Lease revenue/refunding bonds	81,142,000	-	9,127,000	72,015,000	8,650,000
Bond premiums, net	11,263,768	-	1,488,876	9,774,892	1,488,876
Financed purchases	1,340,157	-	324,474	1,015,683	331,418
Landfill post-closure care	184,224	-	184,224	-	-
Compensated absences	4,403,593	5,366,506	5,192,137	4,577,962	3,433,472
Leases payable*	884,461	62,571	167,464	779,568	149,900
Net pension liability	34,769,717	-	27,053,392	7,716,325	-
Net OPEB retiree healthcare liability	4,649,834	-	1,051,618	3,598,216	-
Net OPEB group life insurance liability	3,282,601	-	971,872	2,310,729	-
Net OPEB health insurance credit liability	719,169	-	126,367	592,802	-
Total	<u>\$ 167,149,524</u>	<u>\$ 5,429,077</u>	<u>\$ 48,477,424</u>	<u>\$ 124,101,177</u>	<u>\$ 16,938,666</u>

\*The lease payable resulted from the implementation of GASB Statement No. 87. Additional information on this liability can be found in Note 17, and information on the related restatements can be found in Note 20.

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  
June 30, 2022

**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, 2022, there was no rebate liability.

Details of long-term bond indebtedness at June 30, 2022, for governmental activities were as follows:

	Sale date	Original borrowing	Interest rates	Final maturity	Balance June 30, 2022
<u>General obligation bonds</u>					
Virginia Public School Authority bonds (Series A)	2011	\$ 1,000,000	4.25%	2031	\$ 495,000
General obligation refunding bonds	2014	21,610,000	2.00-5.00%	2028	12,060,000
General obligation refunding bonds (Series A)	2015	11,280,000	2.50-5.00%	2030	9,165,000
				Total	<u>\$ 21,720,000</u>
<u>Lease revenue/refunding bonds</u>					
Lease revenue refunding bonds	2014	\$ 12,575,000	3.00-4.00%	2026	\$ 5,190,000
Lease revenue refunding bonds	2015	49,815,000	4.00-5.00%	2026	17,715,000
Lease revenue bonds	2016	26,750,000	2.00-5.00%	2036	20,645,000
Lease revenue refunding bonds	2018	21,015,000	4.00-5.00%	2039	18,110,000
Lease revenue refunding bonds	2021	11,030,000	3.00-5.00%	2033	10,355,000
				Total	<u>\$ 72,015,000</u>
<u>Financed purchases</u>					
Financed purchase	2020	\$ 1,693,311	2.140%	2024	<u>\$ 1,015,683</u>

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
2023	\$ 2,885,000	\$ 789,038	\$ 8,650,000	\$ 3,020,538
2024	2,985,000	645,287	8,815,000	2,623,737
2025	3,055,000	516,813	8,995,000	2,195,737
2026	3,115,000	405,713	9,165,000	1,772,489
2027	2,190,000	292,812	3,585,000	1,341,437
2028-2032	7,490,000	563,737	18,415,000	4,519,975
2033-2037	-	-	12,370,000	1,498,600
2038-2039	-	-	2,020,000	122,000
	<u>\$ 21,720,000</u>	<u>\$ 3,213,400</u>	<u>\$ 72,015,000</u>	<u>\$ 17,094,513</u>

In May 2021, the County issued revenue refunding bonds totaling \$11,030,000, with interest rates ranging from 3.00%-5.00%, to refund \$14,050,000 of outstanding 2014 lease revenue bonds, with interest rates ranging from 3.00%-5.00%. There was a \$2,450,765 premium issued on the new bonds. The net proceeds were deposited in an irrevocable trust with an escrow agent to provide funds for the future debt service payments on the refunded bonds. Consequently, the outstanding balance on the 2014 lease revenue bonds of \$12,305,000 as of June 30, 2022 is considered defeased, and the liability for those bonds has been removed from the statement of net position.

**County of James City, Virginia**  
Notes to Basic Financial Statements  
June 30, 2022

**9) Long-Term Liabilities, Continued**

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. Accumulated depreciation was \$4,736,044 as of June 30, 2022.

In November 2020, the County entered into a financed purchase agreement with Motorola to replace public safety portable radios. The amount included in capital assets related to this lease was \$1,693,311 at June 30, 2022, and depreciation expense of \$338,662 was recognized during fiscal year 2022. Accumulated depreciation was \$564,437 as of June 30, 2022.

The present value of future minimum financed purchase payments of the County as of June 30, 2022, is as follows:

Year ending June 30:	
2023	\$ 353,154
2024	353,154
2025	353,154
Total minimum lease payments	1,059,462
Less amount representing interest	(43,779)
Present value of minimum financed purchase payments	<u>\$ 1,015,683</u>

**Component Unit - Authority**

A summary of the Authority's long-term liability activity for the fiscal year ended June 30, 2022, is presented below:

	<u>Balance July 1, 2021</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance June 30, 2022</u>	<u>Due within one year</u>
Revenue refunding bonds	\$ 19,230,000	\$ -	\$ 720,000	\$ 18,510,000	\$ 745,000
Revenue bonds	8,551,000	-	526,000	8,025,000	538,000
Premium, net	1,203,574	-	63,907	1,139,667	63,907
Lease payable	8,436	-	3,293	5,143	3,393
Pension liability	1,992,512	-	1,992,512	-	-
Net retiree healthcare OPEB liability	432,846	-	148,406	284,440	-
Net group life insurance OPEB liability	379,494	-	115,786	263,708	-
Net health insurance credit OPEB liability	58,695	-	36,621	22,074	-
Compensated absences	495,726	668,407	609,848	554,285	415,714
Total	<u>\$ 32,352,283</u>	<u>\$ 668,407</u>	<u>\$ 4,216,373</u>	<u>\$ 28,804,317</u>	<u>\$ 1,766,014</u>

Details of long-term bond indebtedness at June 30, 2022 for the Authority were as follows:

	<u>Sale date</u>	<u>Original borrowing</u>	<u>Interest rates</u>	<u>Final maturity</u>	<u>Balance June 30, 2022</u>
Revenue refunding bonds					
Water and sewer system revenue refunding bonds	2016	\$ 22,595,000	3.00-5.00%	2040	\$ 18,510,000
Water and sewer system revenue bonds	2020	9,135,000	2.26%	2035	8,025,000

**County of James City, Virginia**  
Notes to Basic Financial Statements  
June 30, 2022

**9) Long-Term Liabilities, Continued**

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

Year ending June 30,	Revenue refunding and revenue bonds	
	Principal	Interest
2023	\$ 1,283,000	\$ 792,886
2024	1,335,000	743,456
2025	1,382,000	691,754
2026	1,430,000	633,212
2027	1,483,000	577,150
2028-2032	8,042,000	2,327,020
2033-2037	7,745,000	1,190,854
2038-2040	3,835,000	232,200
Total	<u>\$ 26,535,000</u>	<u>\$ 7,188,532</u>

**Component Unit - Public Schools**

A summary of the Public Schools' long-term liability activity for the fiscal year ended June 30, 2022, is presented below:

Component unit - Public Schools	Balance July 1, 2021	Additions	Reductions	Balance June 30, 2022	Due within one year
Net pension liability	\$ 124,830,972	\$ -	\$ 60,104,595	\$ 64,726,377	\$ -
Other postemployment benefits	23,875,973	-	3,479,437	20,396,536	-
Intangible right-to-use leases	753,695	1,154,316	472,694	1,435,317	502,314
Compensated absences	1,316,154	1,244,832	1,130,169	1,430,817	643,867
Total	<u>\$ 150,776,794</u>	<u>\$ 2,399,148</u>	<u>\$ 65,186,895</u>	<u>\$ 87,989,047</u>	<u>\$ 1,146,181</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.

There is no remaining balance for the landfill postclosure liability at June 30, 2022. The Department of Environment Quality notified the County during fiscal year 2022 that there was no remaining solid waste financial assurance obligation for the site. As a result, this liability was written off in fiscal year 2022.

**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.

**County of James City, Virginia**  
Notes to Basic Financial Statements  
June 30, 2022

**11) Pension Plan, Continued**

***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 available at

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

<b>Agent Multiple-Employer Political Subdivision Retirement Plan</b>
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***Employees Covered by Benefit Terms***

As of the June 30, 2020, actuarial valuation, the following employees were covered by the benefit terms of the pension plan:

	<b>Governmental Activities Number</b>	<b>Component unit- Authority Number</b>	<b>Component unit- Public Schools (non-professional) Number</b>
Inactive members or their beneficiaries currently receiving benefits	533	58	119
Inactive members:			
Vested	148	14	28
Non-vested	244	30	116
Long-term disability	-	-	1
Active elsewhere in VRS	271	34	58
Total inactive members	663	78	203
Active members	737	91	224
Total	1,933	227	546

***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, 2022, were 11.61%, 6.39% and 3.66%, respectively, of covered employee compensation. These rates were based on actuarially determined rates from an actuarial valuation as of June 30, 2019.

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 \$4,743,535 and \$4,535,863, the Authority were \$295,888 and \$271,540, and the Public Schools were \$163,014 and \$158,334 for years ended June 30, 2022 and 2021, respectively.

**County of James City, Virginia**  
Notes to Basic Financial Statements  
June 30, 2022

**11) Pension Plan, Continued**

**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, 2021. The total pension liability used to calculate the net pension liability was determined by an actuarial valuation performed as of June 30, 2020 rolled forward to the measurement date of June 30, 2021.

**Actuarial Assumptions**

The total pension liability for general employees, public safety employees with hazardous duty benefits, and teachers was based on an actuarial valuation as of June 30, 2020, 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, 2021:

Inflation	2.50%
Salary increases, including inflation, general employees	3.5% – 5.35%
Salary increases, including inflation, public safety employees with hazardous duty benefits	3.5% – 4.75%
Salary increases, including inflation, teacher cost-sharing plan	3.5% – 5.95%
Investment rate of return	6.75%, net of pension plan investment expenses, including inflation

Mortality rates: General employees – 15 to 20% of deaths are assumed to be service related. Public Safety Employees – 45% to 70% of deaths are assumed to be service related. Mortality is projected using the applicable Pub-2010 Mortality Table with various set backs or set forwards for both males and females.

The actuarial assumptions used in the June 30, 2020, valuation were based on the results of an actuarial experience study for the period from July 1, 2016 through June 30, 2020, except the change in the discount rate, which was based on VRS Board action effective as of July 1, 2019. Changes to the actuarial assumptions as a result of the experience study are as follows:

General Employees – Largest 10 – Non-Hazardous Duty and All Others (Non 10 Largest): Update mortality table; adjusted retirement rates to better fit experience for Plan 1; set separate rates based on experience for Plan 2/Hybrid; changed final retirement age; adjusted withdrawal rates to better fit experience at each year age and service through 9 years of service; no change to disability rates, salary scale, line of duty disability, or discount rate.

Public Safety Employees – Largest 10 – Hazardous Duty and All Others (Non 10 Largest): Update mortality table; adjusted retirement rates to better fit experience and changed final retirement age from 65 to 70; decreased withdrawal rates to better fit experience; no change to disability rates, salary scale, line of duty disability, or discount rate.

**County of James City, Virginia**  
Notes to Basic Financial Statements  
June 30, 2022

**11) Pension Plan, Continued**

**Long Term Expected Rate of Return**

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

<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%	5.00%	1.70%
Fixed income	15.00%	0.57%	0.09%
Credit strategies	14.00%	4.49%	0.63%
Real assets	14.00%	4.76%	0.67%
Private equity	14.00%	9.94%	1.39%
MAPS - Multi-Asset Public Strategies	6.00%	3.29%	0.20%
PIP- Private Investment Partnership	3.00%	6.84%	0.21%
<b>Total</b>	<b>100.00%</b>		<b>4.89%</b>
		<b>Inflation</b>	<b>2.50%</b>
		<b>*Expected arithmetic nominal return</b>	<b>7.39%</b>

*\* The above allocation provides a one-year return of 7.39%. However, one-year returns do not take into account the volatility present in each of the asset classes. In setting the long-term expected return for the system, stochastic projections are employed to model future returns under various economic conditions. These results provide a range of returns over various time periods that ultimately provide a median return of 6.94%, including expected inflation of 2.50%. On October 10, 2019, 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 at that time, providing a median return of 7.11%, including expected inflation of 2.50%.*

**Discount Rate**

The discount rate used to measure the total pension liability was 6.75%. The projection of cash flows used to determine the discount rate assumed that System member contributions will be made per the VRS Statutes and the employer contributions will be made in accordance with the VRS funding policy at rates equal to the difference between actuarially determined contribution rates adopted by the VRS Board of Trustees and the member rate. Consistent with the phased-in funding provided by the General Assembly for state and teacher employer contributions; political subdivisions were also provided with an opportunity to use an alternate employer contribution rate. For the year ended June 30, 2021, the alternate rate was the employer contribution rate used in fiscal year 2012 or 100% of the actuarially determined employer contribution rate from the June 30, 2017, actuarial valuations, whichever was greater. From July 1, 2021, 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, 2022

**11) Pension Plan, Continued**

**Changes in Net Pension Liability (Asset)**

	<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>Governmental activities</b>			
Balances at June 30, 2020	\$ 211,939,088	\$ 177,169,371	\$ 34,769,717
Changes for the year:			
Service cost	4,539,185	-	4,539,185
Interest	13,977,620	-	13,977,620
Change in benefit terms	-	-	-
Changes of assumptions	9,135,268	-	9,135,268
Difference between expected and actual experience	8,045	-	8,045
Contributions - employer	-	4,535,863	(4,535,863)
Contributions - employee	-	1,960,133	(1,960,133)
Net investment income	-	48,333,112	(48,333,112)
Benefit payments, including refunds of employee contributions	(9,726,471)	(9,726,471)	-
Administrative expenses	-	(120,157)	120,157
Other changes	-	4,559	(4,559)
Net changes	17,933,647	44,987,039	(27,053,392)
Balances at June 30, 2021	\$ 229,872,735	\$ 222,156,410	\$ 7,716,325
<b>Component Unit - Authority</b>			
Balances at June 30, 2020	\$ 19,883,421	\$ 17,890,909	\$ 1,992,512
Changes for the year:			
Service cost	393,653	-	393,653
Interest	1,317,521	-	1,317,521
Change in benefit terms	-	-	-
Change of assumptions	557,493	-	557,493
Difference between expected and actual experience	(27,793)	-	(27,793)
Contributions - employer	-	271,540	(271,540)
Contributions - employee	-	219,619	(219,619)
Net investment income	-	4,896,608	(4,896,608)
Benefit payments, including refunds of employee contributions	(729,183)	(729,183)	-
Administrative expenses	-	(12,088)	12,088
Other changes	-	463	(463)
Net changes	1,511,691	4,646,959	(3,135,268)
Balances at June 30, 2021	\$ 21,395,112	\$ 22,537,868	\$ (1,142,756)
<b>Component unit - Public Schools (non-professional)</b>			
Balances at June 30, 2020	\$ 20,777,247	\$ 21,416,974	\$ (639,727)
Changes for the year:			
Service cost	545,063	-	545,063
Interest	1,366,821	-	1,366,821
Changes of assumptions	813,135	-	813,135
Difference between expected and actual experience	324,773	-	324,773
Contributions - employer	-	158,331	(158,331)
Contributions - employee	-	255,416	(255,416)
Net investment income	-	5,804,084	(5,804,084)
Benefit payments, including refunds of employee contributions	(1,056,098)	(1,056,098)	-
Administrative expenses	-	(14,667)	14,667
Other changes	-	545	(545)
Net changes	1,993,694	5,147,611	(3,153,917)
Balances at June 30, 2021	\$ 22,770,941	\$ 26,564,585	\$ (3,793,644)

**County of James City, Virginia**  
Notes to Basic Financial Statements  
June 30, 2022

**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)	\$ 39,148,211	\$ 7,716,325	\$ (18,137,910)
<b>Component unit - Authority</b>			
Net pension liability (asset)	\$ 1,708,024	\$ (1,142,756)	\$ (3,493,371)
<b>Component unit - Public Schools (non-professional)</b>			
Net pension liability (asset)	\$ (1,091,867)	\$ (3,793,644)	\$ (6,057,807)

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

For the year ended June 30, 2022, the County, Authority, and Public Schools (non-professional) recognized pension expense (revenue) of \$3,725,472, (\$44,318), and (\$147,528), respectively. At June 30, 2022, 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	\$ 1,787,816	\$ -
Changes of assumptions	7,114,850	-
Net difference between projected and actual earnings on pension plan investments	-	24,092,854
Employer contributions subsequent to the measurement date	4,743,535	-
Total	<u>\$ 13,646,201</u>	<u>\$ 24,092,854</u>
<b>Component unit - Authority</b>		
Differences between expected and actual experience	\$ 16,591	\$ 82,567
Changes of assumptions	400,729	-
Net difference between projected and actual earnings on pension plan investments	-	2,439,333
Employer contributions subsequent to the measurement date	295,888	-
Total	<u>\$ 713,208</u>	<u>\$ 2,521,900</u>
<b>Component unit - Public Schools (non-professional)</b>		
Differences between expected and actual experience	\$ 227,002	\$ -
Changes of assumptions	514,188	-
Net difference between projected and actual earnings on pension plan investments	-	2,873,929
Employer contributions subsequent to the measurement date	163,014	-
Total	<u>\$ 904,204</u>	<u>\$ 2,873,929</u>

**County of James City, Virginia**  
Notes to Basic Financial Statements  
June 30, 2022

**11) Pension Plan, Continued**

The County, Authority, and Public Schools reported deferred outflows of resources of \$4,743,535, \$295,888, and \$163,014, 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, 2023. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

<b>Year ended</b>	<b>Governmental Activities</b>	<b>Component unit - Authority</b>	<b>Component unit - Public Schools (non-professional)</b>
2023	\$ (704,742)	\$ (363,631)	\$ (232,987)
2024	(2,314,152)	(432,830)	(354,971)
2025	(4,873,873)	(568,640)	(668,663)
2026	(7,297,421)	(739,479)	(876,118)
	<u>\$ (15,190,188)</u>	<u>\$ (2,104,580)</u>	<u>\$ (2,132,739)</u>

**Pension Plan Data**

Information about the VRS Political Subdivision Retirement Plans is also available in the separately issued VRS 2021 Annual Report. A copy of the 2021 VRS Annual Report may be downloaded from the VRS website at [varetire.org/pdf/publications/2021-annual-report.pdf](http://varetire.org/pdf/publications/2021-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, 2022 was 16.62% of covered employee compensation. This rate was based on an actuarially determined rate from an actuarial valuation as of June 30, 2019. 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 \$12,731,972 and \$11,795,307 for the years ended June 30, 2022 and June 30, 2021, respectively.

In June 2021, the Commonwealth made a special contribution of approximately \$61.3 million to the VRS Teacher Employee Plan. This special payment was authorized by a budget amendment included in Chapter 552 of the 2021 Appropriation Act, and is classified as a non-employer contribution.

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

At June 30, 2022, the Public Schools' reported a liability of \$64,726,377 for its proportionate share of the Net Pension Liability of the Teacher Retirement Plan. The Net Pension Liability was measured as of June 30, 2021 and the total pension liability used to calculate the Net Pension Liability was determined by an actuarial valuation performed as of June 30, 2020, and rolled forward to the measurement date of June 30, 2021.

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, 2021 relative to the total of the actuarially determined employer contributions for all participating employers. At June 30, 2021, the Public Schools' proportion was 0.83377% as compared to 0.85779% at June 30, 2020.

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**11) Pension Plan, Continued**

For the year ended June 30, 2022, the Public Schools recognized pension expense of \$18,665. Given that 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.

At June 30, 2022, 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	\$ -	\$ 5,513,001
Change in assumptions	11,339,892	-
Changes in proportion and differences between employer contributions and proportionate share of contributions	738,000	3,547,797
Differences between expected and actual investment earnings on pension plan investments	-	40,788,868
Employer contributions subsequent to the measurement date	12,731,972	-
Total	<u>\$ 24,809,864</u>	<u>\$ 49,849,666</u>

Deferred outflows of resources report in the amount of \$12,731,972 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, 2023. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense (recovery) in future reporting periods as follows:

<u>Year ended</u>	<u>Component unit - Public Schools (professional plan)</u>
2023	\$ (9,012,566)
2024	(7,861,333)
2025	(8,782,751)
2026	(12,119,842)
2027	4,718
	<u>\$ (37,771,774)</u>

**Actuarial Assumptions**

The total pension liability for the VRS Teacher Retirement Plan was based on an actuarial valuation as of June 30, 2020, 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, 2021.

- 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

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**11) Pension Plan, Continued**

Mortality rates

Pre Retirement:

Pub-2010 Amount Weighted Teachers Employee Rates projected generationally; 110% of rates for males.

Post-Retirement:

Pub-2010 Amount Weighted Teachers Healthy Retiree Rates projected generationally; males set forward 1 year; 105% of rates for females.

Post-Disablement:

Pub-2010 Amount Weighted Teachers Disabled Rates projected generationally; 110% of rates for males and females.

The actuarial assumptions used in the June 30, 2020 valuation were based on the results of an actuarial experience study for the period from July 1, 2016 through June 30, 2020, except the change in the discount rate, which was based on VRS Board action effective as of July 1, 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 – PUB2010 public sector
Retirement Rates	Adjusted retirement rates to better fit experience for Plan 1; set separate rates based on experience for Plan 2/Hybrid; changed final retirement age from 75 to 80 for all
Withdrawal Rates	Adjusted rates to better fit experience at each year age and service year through 9 years of service
Disability Rates	No change
Salary Scale	No change
Discount Rate	No change

**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, 2021, 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	\$ 53,381,141
Plan Fiduciary Net Position	45,617,878
Employers' Net Pension Liability (Asset)	<u>\$ 7,763,263</u>
Plan Fiduciary Net Position as a % of the Total Pension Liability	85.46%

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.

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

**Long-Term Expected Rate of Return**

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

<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%	5.00%	1.70%
Fixed income	15.00%	0.57%	0.09%
Credit strategies	14.00%	4.49%	0.63%
Real assets	14.00%	4.76%	0.67%
Private equity	14.00%	9.94%	1.39%
MAPS - Multi-Asset Public Strategies	6.00%	3.29%	0.20%
PIP- Private Investment Partnership	3.00%	6.84%	0.21%
<b>Total</b>	<b>100.00%</b>		<b>4.89%</b>
		Inflation	2.50%
		<i>*Expected arithmetic nominal return</i>	<b>7.39%</b>

*\* The above allocation provides a one-year return of 7.39%. 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 6.94%, including expected inflation of 2.50%. On October 10, 2019, 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 at that time, providing a median return of 7.11%, including expected inflation of 2.50%.*

**Discount Rate**

The discount rate used to measure the total pension liability was 6.75%. The projection of cash flows used to determine the discount rate assumed that 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, 2021, 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, 2021 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:

<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	\$ 124,918,403	\$ 64,726,377	\$ 15,210,396

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

**Pension Plan Fiduciary Net Position**

Detailed information about the VRS Teacher Retirement Plan's Fiduciary Net Position is available in the separately issued VRS 2021 Comprehensive Annual Financial Report (Annual Report). A copy of the 2021 VRS Annual Report may be downloaded from the VRS website at [varetire.org/pdf/publications/2021-annualreport.pdf](http://varetire.org/pdf/publications/2021-annualreport.pdf), or by writing to the System's Chief Financial Officer at P.O. Box 2500, Richmond, VA 23218-2500.

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

<b>Multiple Employer Cost-Sharing Plan - Retiree Healthcare</b>
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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 2022, the pre-Medicare retirees have a choice of two plans offered by Optima. 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 30.

**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.

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

**Employees Covered by Benefit Terms – Public Schools**

As of the March 1, 2022, actuarial valuation, the following employees were covered by the benefit terms of the Public Schools' retiree healthcare OPEB plan:

	<b>Component unit - Public Schools</b>
	<b>Number</b>
Active employees	1,340
Retirees	30
Total	<u>1,370</u>

**Actuarial Methods and Assumptions**

For the actuarial valuation at March 1, 2022 for the Public Schools and April 1, 2022 for the County and Authority (measurement date of June 30, 2021), 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 1.92% 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 updated in November 2021. 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 November 2021. The following assumptions were used as input variables into this model:

Inflation	2.50%
Rate of growth in real income/ GDP per capita	1.40%
Extra trend due to technology and other factors	1.00%
Expected health share of GDP in 2029	19.00%
Health share of GDP resistance point	20.00%
Year for limiting cost growth to GDP growth	2075

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.

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

### **Actuarial Methods and Assumptions, Continued**

The actuarial assumptions included calculations based on salary increases of 2.85%-1.00% (general) and 2.25%-1.00% (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 April 1, 2022, valuation:

- Pre-Retirement
  - General: Pub-2010 General Employees Headcount-Weighted Mortality Projected with Fully Generational MP2021 Mortality Improvement Scale
  - LEOS: Pub-2010 Public Safety Employees Headcount-Weighted Mortality Projected with Fully Generational MP2021 Mortality Improvement Scale
- Post-Retirement
  - General: Pub-2010 General Retirees Headcount-Weighted Mortality Projected with Fully Generational MP2021 Mortality Improvement Scale
  - LEOS: Pub-2010 Public Safety Retirees Headcount-Weighted Mortality Projected with Fully Generational MP2021 Mortality Improvement Scale
- Disabled:
  - General: Pub-2010 General Disabled Retirees Headcount-Weighted Mortality Projected with Fully Generational MP2021 Mortality Improvement Scale
  - LEOS: Pub-2010 Public Safety Disabled Retirees Headcount-Weighted Mortality Projected with Fully Generational MP2021 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 MP2021 Mortality Improvement Scale
- Healthy Post-Employment: Pub-2010 Teachers Retirees Headcount-Weighted Mortality Projected with Fully Generational MP2021 Mortality Improvement Scale
- Healthy Surviving Spouses: Pub-2010 Teachers Contingent Survivors Headcount-Weighted Mortality Projected with Fully Generational MP2021 Mortality Improvement Scale
- Disabled: Pub-2010 Teachers Disable Retirees Headcount-Weighted Mortality Projected with Fully Generational MP2021 Mortality Improvement Scale

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

- The discount rate was updated to 1.92% (the latest 20-year Municipal GO AA Index as of June 30, 2021).
- The mortality improvement scale was updated to the latest MP2021 scale.
- The medical trend was updated. The trend was developed using the Society of Actuaries (SOA) Long-Run Medical Cost Trend Model baseline assumptions.
- The Salary Scale, Retirement, Termination, and Disability assumptions have been updated to the rates disclosed in the Virginia Retirement System Experience Study dated September 10, 2021.

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

- Discount rate was updated as required under the GASB 75 standard.
- Mortality improvement was updated to the latest improvement scale MP2021.
- Decrement and salary assumptions were updated to the latest Virginia Retirement System experience study rates.
- The medical trend was updated using the Society of Actuaries (SOA) Long-Run Medical

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

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

At June 30, 2022, the County reported a retiree healthcare OPEB liability of \$3,598,216 for its proportionate share of the County's retiree healthcare OPEB liability, and the Authority reported a retiree healthcare OPEB liability of \$284,440 for its proportionate share of the County's retiree healthcare OPEB liability. The County's and the Authority's June 30, 2022, retiree healthcare OPEB liabilities were measured as of June 30, 2021, and were determined by an actuarial valuation performed April 1, 2022. 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, 2022, and 2021, the County's proportion of the County's retiree healthcare OPEB liability was 81.72% and 78.42%, respectively, and the Authority's proportion of the County's retiree healthcare OPEB liability was 6.46% and 7.30%, respectively.

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

	Increase (decrease)		
	Total OPEB liability (a)	Plan fiduciary net position (b)	Net OPEB liability (a) - (b)
<b>Component unit - Public Schools</b>			
Balances at June 30, 2019	\$ 5,949,550	\$ -	\$ 5,949,550
Changes for the year:			
Service cost	657,420	-	657,420
Interest	142,801	-	142,801
Experience losses	(370,916)	-	(370,916)
Employer contribution	-	293,622	(293,622)
Changes in assumptions	(879,609)	-	(879,609)
Benefit payments	(282,806)	(282,806)	-
Administrative expenses	-	(10,816)	10,816
Net changes	(733,110)	-	(733,110)
Balances at June 30, 2020	\$ 5,216,440	\$ -	\$ 5,216,440

**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 1.92%, 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 (0.92%) or one percentage point higher (2.92%) than the current rate:

	1% Decrease (0.92%)	Current Discount Rate (1.92%)	1% Increase (2.92%)
<b>Governmental activities</b>			
Retiree Healthcare OPEB liability	\$ 3,945,847	\$ 3,598,216	\$ 3,277,057
<b>Component unit - Authority</b>			
Retiree Healthcare OPEB liability	\$ 311,921	\$ 284,440	\$ 259,053
<b>Component unit - Public Schools</b>			
Total and Net OPEB liability	\$ 5,456,378	\$ 5,216,440	\$ 4,965,247

**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 3.94%, 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 (2.94%) or one percentage point higher (4.94%) than the current rate:

	1% Decrease (2.94%)	Ultimate Trend Rate (3.94%)	1% Increase (4.94%)
<b>Governmental activities</b>			
Retiree Healthcare OPEB liability	\$ 3,177,263	\$ 3,598,216	\$ 4,092,482
<b>Component unit - Authority</b>			
Retiree Healthcare OPEB liability	\$ 251,164	\$ 284,440	\$ 323,512

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

**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 3.94%, 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 (2.94%) or one percentage point higher (4.94%) than the current rate:

	<b>1% Decrease (2.94%)</b>	<b>Ultimate Trend Rate (3.94%)</b>	<b>1% Increase (4.94%)</b>
<b><u>Component unit - Public Schools</u></b>			
Total and Net OPEB liability	\$ 4,686,682	\$ 5,216,440	\$ 5,833,015

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

For the year ended June 30, 2022, the County, Authority, and Public Schools recognized retiree healthcare OPEB expense (recovery) of \$86,616, (\$7,398), and \$458,248, respectively. At June 30, 2022, deferred outflows of resources and deferred inflows of resources related to retiree healthcare OPEB from the following sources were reported:

	<b>Deferred outflows of resources</b>	<b>Deferred inflows of resources</b>
<b><u>Governmental activities</u></b>		
Differences between expected and actual experience	\$ 233,955	\$ 1,556,657
Change of assumptions	192,766	265,591
Net difference between projected and actual earnings on OPEB plan investments	-	-
Employer contributions subsequent to the measurement date	-	-
Change in proportion	200,224	17,307
Total	<u>\$ 626,945</u>	<u>\$ 1,839,555</u>
<b><u>Component unit - Authority</u></b>		
Differences between expected and actual experience	\$ 18,494	\$ 123,055
Change of assumptions	15,238	20,995
Net difference between projected and actual earnings on OPEB plan investments	-	-
Employer contributions subsequent to the measurement date	-	-
Change in proportion	36	41,680
Total	<u>\$ 33,768</u>	<u>\$ 185,730</u>
<b><u>Component unit - Public Schools</u></b>		
Differences between expected and actual experience	\$ -	\$ 832,939
Change of assumptions	177,928	844,223
Employer contributions subsequent to the measurement date	20,425	-
Total	<u>\$ 198,353</u>	<u>\$ 1,677,162</u>

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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:

Year ended	Governmental Activities	Component unit - Authority	Component unit - Public Schools
2023	\$ (350,497)	\$ (41,952)	\$ (352,789)
2024	(350,499)	(41,951)	(352,790)
2025	(302,742)	(38,140)	(317,821)
2026	(179,957)	(27,619)	(277,145)
2027	29,110	2,301	(198,689)
Thereafter	(58,025)	(4,601)	-
Total	<u>\$ (1,212,610)</u>	<u>\$ (151,962)</u>	<u>\$ (1,499,234)</u>

**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, 2020, actuarial valuation, the following employees were covered by the benefit terms of the General Employee Health Insurance Credit Program:

	Governmental Activities Number	Component unit- Authority Number	Component unit- Public Schools (non-professional) Number
Inactive members or their beneficiaries currently receiving benefits	174	14	43
Inactive members:			
Vested	11	1	-
Non-vested	-	-	-
Active elsewhere in VRS	-	-	-
Total inactive members	<u>185</u>	<u>15</u>	<u>43</u>
Active members	<u>636</u>	<u>91</u>	<u>224</u>
Total	<u>821</u>	<u>106</u>	<u>267</u>

The specific information for the General Employee Health Insurance Credit program is available at <https://www.varetire.org/retirees/insurance/healthinscredit/index.asp>

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

### ***Plan Description, 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.

The specific information about the Teacher Health Insurance Credit Program 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).

The specific information about the Virginia Local Disability Program 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).

The specific information about the Virginia Local Disability Program is available at <https://www.varetirement.org/hybrid/benefits/disability/virginia-local-disability-program.html>

**County of James City, Virginia**  
Notes to Basic Financial Statements  
June 30, 2022

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

***Plan Description, 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, 2020. 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	0.22%	0.18%	0.17%
June 30, 2022 Contribution	\$ 82,163	\$ 9,358	\$ 16,404
June 30, 2021 Contribution	\$ 78,543	\$ 8,417	\$ 9,444

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*	1.34%		
June 30, 2022 Contribution	\$ 230,876	\$ 27,864	\$ 461,132
June 30, 2021 Contribution	\$ 219,323	\$ 25,063	\$ 427,530

\*Rate is allocated 60/40; 0.80% employee and 0.54% 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, 2022

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

Public Schools Professional Plan Health Insurance Credit Program

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

Governed by	<i>Code of Virginia 51.1-1401(E)</i> and may be impacted as a result of funding provided to school divisions by the Virginia General Assembly.
Total rate of employee compensation	1.21%
June 30, 2022 Contribution	\$ 965,285
June 30, 2021 Contribution	\$ 890,724

Virginia Local Disability Program – Public Schools Non-Professional Plan

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

Governed by	<i>Code of Virginia 51.1-1178(C)</i> and may be impacted as a result of funding provided to political subdivisions by the Virginia General Assembly.
Total rate of employee compensation	0.83%
June 30, 2022 Contribution	\$ 21,838
June 30, 2021 Contribution	\$ 18,585

Virginia Local Disability Program – Public Schools Professional Plan

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

Governed by	<i>Code of Virginia 51.1-1178(C)</i> and may be impacted as a result of funding provided to school divisions by the Virginia General Assembly.
Total rate of employee compensation	0.47%
June 30, 2022 Contribution	\$ 123,435
June 30, 2021 Contribution	\$ 92,336

**County of James City, Virginia**  
Notes to Basic Financial Statements  
June 30, 2022

**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, 2021, and the total VRS OPEB liabilities used to calculate the net VRS OPEB liabilities were determined by actuarial valuations performed as of June 30, 2020, and rolled forward to the measurement date of June 30, 2021.

General Employee Health Insurance Credit Program

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

	<b>Total OPEB - HIC liability (a)</b>	<b>Increase (decrease) Plan fiduciary net position (b)</b>	<b>Net OPEB - HIC liability (asset) (a) - (b)</b>
<b>Governmental activities</b>			
Balances at June 30, 2020	\$ 1,455,016	\$ 735,847	\$ 719,169
Changes for the year:			
Service cost	29,856	-	29,856
Interest	94,908	-	94,908
Changes in benefit terms	-	-	-
Changes of assumptions	26,493	-	26,493
Difference between expected and actual experience	(10,093)	-	(10,093)
Contributions - employer	-	78,543	(78,543)
Contributions - employee	-	-	-
Net investment income	-	191,205	(191,205)
Benefit payments, including refunds of employee contributions	(97,936)	(97,936)	-
Administrative expenses	-	(2,217)	2,217
Other changes	-	-	-
Net changes	43,228	169,595	(126,367)
Balances at June 30, 2021	\$ 1,498,244	\$ 905,442	\$ 592,802
<b>Component unit - Authority</b>			
Balances at June 30, 2020	\$ 174,022	\$ 115,327	\$ 58,695
Changes for the year:			
Service cost	3,338	-	3,338
Interest	11,465	-	11,465
Changes in benefit terms	-	-	-
Changes of assumptions	919	-	919
Difference between expected and actual experience	(13,932)	-	(13,932)
Contributions - employer	-	8,417	(8,417)
Contributions - employee	-	-	-
Net investment income	-	30,356	(30,356)
Benefit payments, including refunds of employee contributions	(8,357)	(8,357)	-
Administrative expenses	-	(362)	362
Other changes	-	-	-
Net changes	(6,567)	30,054	(36,621)
Balances at June 30, 2021	\$ 167,455	\$ 145,381	\$ 22,074
<b>Component unit - Public Schools (non-professional)</b>			
Balances at June 30, 2020	\$ 363,936	\$ 344,863	\$ 19,073
Changes for the year:			
Service cost	8,696	-	8,696
Interest	23,703	-	23,703
Changes in benefit terms	-	-	-
Changes of assumptions	9,929	-	9,929
Difference between expected and actual experience	6,777	-	6,777
Contributions - employer	-	9,444	(9,444)
Contributions - employee	-	-	-
Net investment income	-	88,482	(88,482)
Benefit payments, including refunds of employee contributions	(25,544)	(25,544)	-
Administrative expenses	-	(1,007)	1,007
Other changes	-	-	-
Net changes	23,561	71,375	(47,814)
Balances at June 30, 2021	\$ 387,497	\$ 416,238	\$ (28,741)

In addition, for the year ended June 30, 2022, the County, Authority, and Public Schools recognized OPEB expense (recovery) of \$69,151, (\$644), and (\$2,557), respectively, related to the General Employee Health Insurance Credit Program.

**County of James City, Virginia**  
Notes to Basic Financial Statements  
June 30, 2022

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

***VRS OPEB Liabilities, VRS OPEB Expense and Deferred Inflows and Outflows of Resources Related to VRS 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, 2021, relative to the total of the actuarially determined employer contributions for all participating employers.

Group Life Insurance Program

	Governmental Activities	Component unit - Authority	Component unit - Public Schools (professional)	Component unit - Public Schools (non- professional)
June 30, 2022 proportionate share of Liability	\$ 2,310,729	\$ 263,708	\$	4,497,463
June 30, 2021 proportion	0.19847%	0.02265%	0.35894%	0.02735%
June 30, 2020 proportion	0.19670%	0.02274%	0.36879%	0.02965%
June 30, 2022 expense	\$ 65,135	\$ 10,997	\$	143,351

Public Schools Professional Plan Health Insurance Credit Program

	Component unit - Public Schools (professional)
June 30, 2022 proportionate share of Liability	\$ 10,682,633
June 30, 2021 proportion	0.83226%
June 30, 2020 proportion	0.86058%
June 30, 2022 expense	\$ 788,901

Virginia Local Disability Program – Public Schools Non-Professional Plan

	Component unit - Public Schools (non-professional)
June 30, 2022 proportionate share of Liability	\$ (5,643)
June 30, 2021 proportion	0.55743%
June 30, 2020 proportion	0.65040%
June 30, 2022 expense	\$ 15,182

Virginia Local Disability Program – Public Schools Professional Plan

	Component unit - Public Schools (professional)
June 30, 2022 proportionate share of Liability	\$ (20,553)
June 30, 2021 proportion	2.91940%
June 30, 2020 proportion	3.13334%
June 30, 2022 expense	\$ 69,023

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.

**County of James City, Virginia**  
Notes to Basic Financial Statements  
June 30, 2022

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

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

At June 30, 2022, the County, Authority, and Public Schools reported deferred outflows of resources and deferred inflows of resources related to VRS OPEB from the following sources:

General Employee Health Insurance Credit Program

	<b>Deferred outflows of resources</b>	<b>Deferred inflows of resources</b>
<b><u>Governmental activities</u></b>		
Differences between expected and actual experience	\$ 46,323	\$ 8,617
Change of assumptions	42,958	3,076
Net difference between projected and actual earnings on OPEB plan investments	-	91,897
Employer contributions subsequent to the measurement date	82,163	-
Total	<u>\$ 171,444</u>	<u>\$ 103,590</u>
<b><u>Component unit - Authority</u></b>		
Differences between expected and actual experience	\$ -	\$ 17,048
Change of assumptions	3,036	1,144
Net difference between projected and actual earnings on OPEB plan investments	-	14,634
Employer contributions subsequent to the measurement date	9,358	-
Total	<u>\$ 12,394</u>	<u>\$ 32,826</u>
<b><u>Component unit - Public Schools (non-professional)</u></b>		
Differences between expected and actual experience	\$ 5,501	\$ 6,250
Change of assumptions	11,437	1,445
Net difference between projected and actual earnings on OPEB plan investments	-	42,138
Employer contributions subsequent to the measurement date	16,404	-
Total	<u>\$ 33,342</u>	<u>\$ 49,833</u>

Group Life Insurance Program

	<b>Deferred outflows of resources</b>	<b>Deferred inflows of resources</b>
<b><u>Governmental activities</u></b>		
Differences between expected and actual experience	\$ 263,547	\$ 17,606
Change of assumptions	127,390	316,157
Net difference between projected and actual earnings on OPEB plan investments	-	551,522
Changes in proportionate share	38,624	162,324
Employer contributions subsequent to the measurement date	230,876	-
Total	<u>\$ 660,437</u>	<u>\$ 1,047,609</u>
<b><u>Component unit - Authority</u></b>		
Differences between expected and actual experience	\$ 30,077	\$ 2,009
Change of assumptions	14,538	36,081
Net difference between projected and actual earnings on OPEB plan investments	-	62,941
Changes in proportionate share	3,435	1,761
Employer contributions subsequent to the measurement date	27,864	-
Total	<u>\$ 75,914</u>	<u>\$ 102,792</u>
<b><u>Component unit - Public Schools</u></b>		
Differences between expected and actual experience	\$ 512,952	\$ 34,268
Change of assumptions	247,944	615,349
Net difference between projected and actual earnings on OPEB plan investments	-	1,073,448
Changes in proportionate share	82,600	240,472
Employer contributions subsequent to the measurement date	461,132	-
Total	<u>\$ 1,304,628</u>	<u>\$ 1,963,537</u>

**County of James City, Virginia**  
Notes to Basic Financial Statements  
June 30, 2022

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

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

Public Schools Professional Plan Health Insurance Credit Program

	<u>Deferred outflows of resources</u>	<u>Deferred inflows of resources</u>
<b><u>Component Unit - Public Schools (professional)</u></b>		
Differences between expected and actual experience	\$ -	\$ 186,411
Change of assumptions	288,771	42,933
Net difference between projected and actual earnings on OPEB plan investments	-	140,722
Changes in proportionate share	100,012	451,259
Employer contributions subsequent to the measurement date	965,285	-
Total	<u>\$ 1,354,068</u>	<u>\$ 821,325</u>

Virginia Local Disability Program – Public Schools Non-Professional Plan

	<u>Deferred outflows of resources</u>	<u>Deferred inflows of resources</u>
<b><u>Component Unit - Public Schools non-professional</u></b>		
Differences between expected and actual experience	\$ 3,352	\$ 8,454
Change of assumptions	192	1,530
Net difference between projected and actual earnings on OPEB plan investments	-	3,148
Changes in proportionate share	22	1,240
Employer contributions subsequent to the measurement date	21,838	-
Total	<u>\$ 25,404</u>	<u>\$ 14,372</u>

Virginia Local Disability Program – Public Schools Professional Plan

	<u>Deferred outflows of resources</u>	<u>Deferred inflows of resources</u>
<b><u>Component Unit - Public Schools professional</u></b>		
Differences between expected and actual experience	\$ 10,277	\$ 11,422
Change of assumptions	11,155	-
Net difference between projected and actual earnings on OPEB plan investments	-	16,352
Changes in proportionate share	-	1,811
Employer contributions subsequent to the measurement date	123,435	-
Total	<u>\$ 144,867</u>	<u>\$ 29,585</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, 2023. 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, 2022

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

***VRS OPEB Liabilities, VRS OPEB Expense and Deferred Inflows and Outflows of Resources Related to VRS 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>
2023	\$ (3,306)	\$ (7,234)	\$ (10,072)
2024	(3,097)	(7,214)	(7,220)
2025	(2,361)	(6,705)	(6,538)
2026	(13,006)	(6,738)	(10,041)
2027	5,443	(1,899)	976
Thereafter	2,018	-	-
Total	<u>\$ (14,309)</u>	<u>\$ (29,790)</u>	<u>\$ (32,895)</u>

Group Life Insurance Program

<b>Year ended</b>	<b>Governmental Activities</b>	<b>Component unit - Authority</b>	<b>Component unit - Public Schools</b>
2023	\$ (143,367)	\$ (12,798)	\$ (262,463)
2024	(119,578)	(9,626)	(211,316)
2025	(123,068)	(9,292)	(193,216)
2026	(197,876)	(19,184)	(359,437)
2027	(34,159)	(3,842)	(93,609)
Thereafter	-	-	-
Total	<u>\$ (618,048)</u>	<u>\$ (54,742)</u>	<u>\$ (1,120,041)</u>

Public Schools Professional Plan Health Insurance Credit Program

<b>Year ended</b>	<b>Component unit - Public Schools (professional)</b>
2023	\$ (94,184)
2024	(95,782)
2025	(85,775)
2026	(65,597)
2027	(32,836)
Thereafter	(58,368)
Total	<u>\$ (432,542)</u>

Virginia Local Disability Program – Public Schools Non-Professional Plan

<b>Year ended</b>	<b>Component unit - Public Schools (non-professional)</b>
2023	\$ (1,580)
2024	(1,569)
2025	(1,616)
2026	(2,866)
2027	(972)
Thereafter	(2,203)
Total	<u>\$ (10,806)</u>

**County of James City, Virginia**  
Notes to Basic Financial Statements  
June 30, 2022

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

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

Virginia Local Disability Program – Public Schools Professional Plan

Year ended	Component unit - Public Schools (professional)
2023	\$ (3,427)
2024	(3,447)
2025	(3,419)
2026	(4,048)
2027	503
Thereafter	5,685
Total	<u>\$ (8,153)</u>

***Actuarial Assumptions***

The total VRS OPEB liability was determined using the following assumptions based on an actuarial valuation date of June 30, 2020, applied to all periods included in the measurement and rolled forward to the measurement date of June 30, 2021:

Inflation	2.50%
Salary increases, including inflation:	
Locality – General employees	3.50% – 5.35%
Locality – Hazardous duty employees	3.50% – 4.75%
Teachers	3.50% – 5.95%
Healthcare cost trend rates:	
Under age 65	7.00% – 4.75%
Ages 65 and older	5.375% – 4.75%
Investment rate of return	GLI & HIC: 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 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 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, 2021, 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	\$ 3,577,346	\$ 1,477,874	\$ 5,156	\$ 4,884
Plan Fiduciary Net Position	2,413,074	194,305	6,166	5,590
Employers' Net OPEB Liability (Asset)	<u>\$ 1,164,272</u>	<u>\$ 1,283,569</u>	<u>\$ (1,010)</u>	<u>\$ (706)</u>
Plan Fiduciary Net Position as a % of the Total OPEB Liability	67.45%	13.15%	119.59%	114.46%

**County of James City, Virginia**  
Notes to Basic Financial Statements  
June 30, 2022

**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:

<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%	5.00%	1.70%
Fixed Income	15.00%	0.57%	0.09%
Credit Strategies	14.00%	4.49%	0.63%
Real Assets	14.00%	4.76%	0.67%
Private Equity	14.00%	9.94%	1.39%
MAPS - Multi-Asset Public Strategies	6.00%	3.29%	0.20%
PIP - Private Onvestment Partnership	3.00%	6.84%	0.21%
<b>Total</b>	<b>100.00%</b>		<b>4.89%</b>
	Inflation		2.50%
	* Expected arithmetic nominal return		7.39%

\* The above allocation provides for a one-year return of 7.39%. However, one-year returns do not take into account the volatility present in each of the asset classes. In setting the long-term expected rate of return for the system, stochastic projections are employed to model future returns under various economic conditions. The results provide a range of returns over various time periods that ultimately provide a median return of 6.94%, including expected inflation of 2.50%. On October 10, 2019, the VRS Board elected a long-term rate of 6.75% which was roughly at the 40th percentile of expected long-term results of the VRS fund asset allocation at that time, providing a median return of 7.11%, including expected inflation of 2.50%.

**Discount Rate**

The discount rate used to measure the total VRS OPEB liabilities was 6.75%. The projection of cash flows used to determine the discount rate assumed that System member contributions will be made per the VRS Guidance and the employer contributions will be made in accordance with the VRS funding policy at rates equal to the difference between actuarially determined contribution rates adopted by the VRS Board of Trustees and the member rate. Through the fiscal year ending June 30, 2021, 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, 2021 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, 2022

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

***Sensitivity of the Net VRS OPEB Liability to Changes in the Discount Rate, 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	\$ 763,559	\$ 592,802	\$ 448,661
<b><u>Component unit - Authority</u></b>			
Net OPEB liability	\$ 40,888	\$ 22,074	\$ 6,158
<b><u>Component unit - Public Schools (non-professional)</u></b>			
Net OPEB liability (Asset)	\$ 11,764	\$ (28,741)	\$ (63,417)

Group Life Insurance 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	\$ 3,376,059	\$ 2,310,729	\$ 1,450,427
<b><u>Component unit - Authority</u></b>			
Net OPEB liability	\$ 385,286	\$ 263,708	\$ 165,527
<b><u>Component unit - Public Schools</u></b>			
Net OPEB liability	\$ 6,570,957	\$ 4,497,463	\$ 2,823,023

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	\$ 12,025,683	\$ 10,682,633	\$ 9,546,091

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 (asset)	\$ (3,023)	\$ (5,643)	\$ (7,915)

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 (asset)	\$ (3,084)	\$ (20,553)	\$ (35,909)

**County of James City, Virginia**  
Notes to Basic Financial Statements  
June 30, 2022

**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 2021 Annual Financial Report (Annual Report). A copy of the 2021 VRS Annual Report may be downloaded from the VRS website at <http://www.varetire.org/Pdf/Publications/2021-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, 2022, the following amounts were payable to the Virginia Retirement System for the legally required contributions related to June 2021 payroll:

- Public Schools Group Life Insurance Program:	\$109,229
- Public Schools (Professional) Teacher HIC Program:	\$91,920
- Public Schools (Non-Professional) HIC Program:	\$1,433
- Public Schools (Professional) Teacher VLDP Plan:	\$12,060
- Public Schools (Non-Professional) VLDP Plan:	\$2,011

<b><i>OPEB Expense – Aggregate Information</i></b>
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The total amount of expense (recovery) recognized by the County, the Authority, and the Public Schools for their OPEB plans is summarized below for fiscal year 2022:

	<b>Governmental activities</b>	<b>Authority</b>	<b>Public Schools</b>
Retiree healthcare	\$ 86,616	\$ (7,398)	\$ 458,248
Group life insurance	65,135	10,997	143,351
General employee health insurance credit program	69,151	(644)	(2,557)
Public Schools professional plan health insurance credit program	-	-	788,901
Public Schools non-professional Virginia local disability program	-	-	15,182
Public Schools professional Virginia local disability program	-	-	69,023
Total	<u>\$ 220,902</u>	<u>\$ 2,955</u>	<u>\$ 1,472,148</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 (\$20,500 in 2022). 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 sponsors the plan with the choice of investment options being made by the participants.

**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 \$1,012,440 for the year ended June 30, 2022. In addition, the County leases space in Authority's buildings under a long-term agreement. This lease is discussed further in Note 17.

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.

**County of James City, Virginia**  
Notes to Basic Financial Statements  
June 30, 2022

**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, 2022, 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.	\$ 4,269,559	\$ 65,887	\$ 81,379	\$ 4,122,293
Public safety	5,655,573	1,699,959	1,006,379	2,949,235
Public works	6,968,493	656,520	906,619	5,405,354
Judicial administration	308,700	-	250,000	58,700
Community development	12,671,318	4,083,890	356,223	8,231,205
Parks, recreation and cultural	6,467,263	3,623,914	705,625	2,137,724
Total	<u>\$ 36,340,906</u>	<u>\$ 10,130,170</u>	<u>\$ 3,306,225</u>	<u>\$ 22,904,511</u>
<b>Component unit - Authority</b>				
Sewer improvements	\$ 5,919,265	\$ 1,456,645	\$ 564,865	\$ 3,897,755
Water supply	7,950,203	1,862,274	505,471	5,582,458
Water distribution	13,787,716	4,424,297	6,571,522	2,791,897
Water transmission	1,027,332	865,183	1,836	160,313
Water storage	185,620	-	-	185,620
Other	5,748,974	145,134	118,230	5,485,610
	<u>\$ 34,619,110</u>	<u>\$ 8,753,533</u>	<u>\$ 7,761,924</u>	<u>\$ 18,103,653</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:

General fund	\$ 1,767,841
Capital projects	3,306,225
Grants and special projects	490,877
Nonmajor governmental	105,912
Total	<u>\$ 5,670,855</u>

**County of James City, Virginia**  
Notes to Basic Financial Statements  
June 30, 2022

**16) Commitments and Contingencies, Continued**

**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, 2021, the Authority had \$32,902 outstanding in advances for construction.

**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 EDA are currently not involved in any litigation in which management deems any potential impact would be material to their respective financial statements.

**17) Leases**

The County implemented GASB 87 in fiscal year 2022, and the County's lease assets and liabilities in its role as a lessee, and its lease receivable and deferred inflow of resources in its role as a lessor were determined as of the start of the fiscal year. Restated balances as of July 1, 2021, are provided in Note 20.

**Lease Receivable**

The County leases approximately 155 acres of its property at 2285 Greensprings Road to Renwood Farms, Inc. The term of this lease is estimated to run through December 2022, and the County receives annual payments of \$14,725 each year. The discount rate for this lease is 3.0% annually. The County recognized \$14,511 of lease revenue during fiscal year 2022 related to this lease, which is included in revenues from use of money and property on the statement of revenues, expenditures, and changes in fund balance. As of June 30, 2022, the County's receivable for lease payments was \$14,296. Also, the County has a deferred inflow of resources associated with this lease that will be recognized as revenue on a straight-line basis over the lease term. As of June 30, 2022, the balance of the deferred inflow of resources was \$14,511.

The future payments on this lease as of June 30, 2022, were as follows:

Fiscal Year Ending June 30,	Principal	Interest	Total
2023	\$	\$	\$
	14,296	429	14,725

The County leases approximately 10,000 square feet of its property at 5249 Olde Towne Road to the Williamsburg Area Medical Assistance Corporation. The term of this lease is estimated to run through June 2024, and the County receives quarterly payments which increase by 10.0% each year. The discount rate for this lease is 3.0% annually. The County recognized \$126,541 of lease revenue and \$9,579 of interest revenue during fiscal year 2022 related to this lease, which is included in revenues from use of money and property on the statement of revenues, expenditures, and changes in fund balance. As of June 30, 2022, the County's receivable for lease payments was \$268,531, and the lease interest receivable was \$671. Also, the County has a deferred inflow of resources associated with this lease that will be recognized as revenue on a straight-line basis over the lease term. As of June 30, 2022, the balance of the deferred inflow of resources was \$253,082.

**County of James City, Virginia**  
Notes to Basic Financial Statements  
June 30, 2022

**17) Leases, Continued**

**Lease Receivable, Continued**

The future payments on this lease as of June 30, 2022, were as follows:

Fiscal Year Ending June 30,	Principal	Interest	Total
2023	\$ 125,663	\$ 6,337	\$ 132,000
2024	142,868	2,332	145,200
Total	<u>\$ 268,531</u>	<u>\$ 8,669</u>	<u>\$ 277,200</u>

The County leases approximately 2.066 of its property at 5100 Warhill Trail to 757 Swim, Inc. The term of this lease is estimated to run through March 2051, and the County receives monthly payments which increase as specified in the agreement over the term of the lease. The discount rate for this lease is 3.0% annually. The County recognized \$5,490 of lease revenue and \$4,870 of interest revenue during fiscal year 2022 related to this lease, which is included in revenues from use of money and property on the statement of revenues, expenditures, and changes in fund balance. As of June 30, 2022, the County's receivable for lease payments was \$161,797, and the lease interest receivable was \$404. Also, the County has a deferred inflow of resources associated with this lease that will be recognized as revenue on a straight-line basis over the lease term. As of June 30, 2022, the balance of the deferred inflow of resources was \$157,842.

The future payments on this lease as of June 30, 2022, were as follows:

Fiscal Year Ending June 30,	Principal	Interest	Total
2023	\$ 1,162	\$ 4,838	\$ 6,000
2024	1,197	4,803	6,000
2025	1,324	4,766	6,090
2026	1,550	4,723	6,273
2027	1,788	4,673	6,461
2028-2032	12,981	22,350	35,331
2033-2037	21,131	19,827	40,958
2038-2042	31,561	15,920	47,481
2043-2047	44,795	10,249	55,044
2048-2051	44,308	2,644	46,952
Total	<u>\$ 161,797</u>	<u>\$ 94,793</u>	<u>\$ 256,590</u>

The County leases property at 5720 Warhill Trail to Williamsburg Indoor Sports Complex, LLC. The term of this lease is estimated to run through July 2059, and the County receives monthly payments which increase as specified in the agreement over the term of the lease. The discount rate for this lease is 1.0% annually. The County recognized \$13,179 of lease revenue and \$4,989 of interest revenue during fiscal year 2022 related to this lease, which is included in revenues from use of money and property on the statement of revenues, expenditures, and changes in fund balance. As of June 30, 2022, the County's receivable for lease payments was \$496,799, and the lease interest receivable was \$414. Also, the County has a deferred inflow of resources associated with this lease that will be recognized as revenue on a straight-line basis over the lease term. As of June 30, 2022, the balance of the deferred inflow of resources was \$488,713.

**County of James City, Virginia**  
Notes to Basic Financial Statements  
June 30, 2022

**17) Leases, Continued**

**Lease Receivable, Continued**

The future payments on this lease as of June 30, 2022, were as follows:

Fiscal Year Ending June 30,	Principal	Interest	Total
2023	\$ 4,722	\$ 4,946	\$ 9,668
2024	4,769	4,899	9,668
2025	4,962	4,851	9,813
2026	5,308	4,800	10,108
2027	5,666	4,745	10,411
2028-2032	34,157	22,772	56,929
2033-2037	45,196	20,801	65,997
2038-2042	58,280	18,228	76,508
2043-2047	73,749	14,945	88,694
2048-2052	91,999	10,822	102,821
2053-2057	113,488	5,708	119,196
2058-2059	54,503	599	55,102
Total	<u>\$ 496,799</u>	<u>\$ 118,116</u>	<u>\$ 614,915</u>

The County leases six cell towers on various properties to different communication companies. The terms of these leases are expected to run over varying periods of time, expiring as early as October 2023 and as late as April 2041. Payments are made monthly for each lease and increase by 3.0% annually. The discount rate for these leases is 3.0% annually. The County recognized \$172,974 of lease revenue and \$61,745 of interest revenue during fiscal year 2022 related to these leases, which is included in revenues from use of money and property on the statement of revenues, expenditures, and changes in fund balance. As of June 30, 2022, the County's receivable for lease payments related to the cell towers was \$2,005,849, and the lease interest receivable was \$5,015. Also, the County has a deferred inflow of resources associated with this lease that will be recognized as revenue on a straight-line basis over the lease term. As of June 30, 2022, the balance of the deferred inflow of resources was \$1,949,234.

The future payments on this lease as of June 30, 2022, were as follows:

Fiscal Year Ending June 30,	Principal	Interest	Total
2023	\$ 122,857	\$ 58,512	\$ 181,369
2024	116,647	54,834	171,481
2025	117,563	51,397	168,960
2026	126,278	47,752	174,030
2027	135,411	43,840	179,251
2028-2032	779,838	150,646	930,484
2033-2037	341,834	63,237	405,071
2038-2041	265,421	15,527	280,948
Total	<u>\$ 2,005,849</u>	<u>\$ 485,745</u>	<u>\$ 2,491,594</u>

**Leases Payable**

The County is a lessee of twenty-three copiers, the terms of which end at varying points from July 2022 through February 2027 depending on when the equipment was placed in service. The discount rate for these leases is 3.0% annually. As of June 30, 2022, the County has a lease liability for this copier equipment of \$111,364, and interest payable of \$279. The County is required to make monthly principal and interest payments of \$6,000 for the twenty-three copiers. The value of the right-to-use assets is \$110,320, which is net of accumulated amortization and amortization expense of \$64,444, as of and for the year ended June 30, 2022.

**County of James City, Virginia**  
Notes to Basic Financial Statements  
June 30, 2022

**17) Leases, Continued**

**Lease Payable, Continued**

The future principal and interest lease payments for this lease as of June 30, 2022, were as follows:

Fiscal Year Ending June 30,	Principal	Interest	Total
2023	\$ 53,899	\$ 2,535	\$ 56,434
2024	25,369	1,317	26,686
2025	18,412	703	19,115
2026	11,357	221	11,578
2027	2,327	21	2,348
Total	<u>\$ 111,364</u>	<u>\$ 4,797</u>	<u>\$ 116,161</u>

The County is a lessee of three postage machines, the terms of which end in June 2023, November 2025, and March 2026. The discount rate for these leases is 3.0% annually. As of June 30, 2022, the County has a lease liability for this equipment of \$43,288, and interest payable of \$117. The County is required to make monthly principal and interest payments of \$1,321 for the three postage machines. The value of the right-to-use assets is \$42,589, which is net of accumulated amortization and amortization expense of \$14,937, as of and for the year ended June 30, 2022.

The future principal and interest lease payments for this lease as of June 30, 2022, were as follows:

Fiscal Year Ending June 30,	Principal	Interest	Total
2023	\$ 14,755	\$ 1,023	\$ 15,778
2024	10,533	712	11,245
2025	10,853	391	11,244
2026	7,147	82	7,229
Total	<u>\$ 43,288</u>	<u>\$ 2,208</u>	<u>\$ 45,496</u>

The County is a lessee of taser and camera equipment for public safety, and the terms of these leases run through May 2027 and April 2027, respectively. The discount rate for these leases is 3.0% annually. As of June 30, 2022, the County has a lease liability for this equipment of \$26,306, and interest payable of \$66. The County is required to make monthly principal and interest payments of \$483 for this equipment. The value of the right-to-use assets is \$26,328, which is net of accumulated amortization and amortization expense of \$606, as of and for the year ended June 30, 2022.

The future principal and interest lease payments for this lease as of June 30, 2022, were as follows:

Fiscal Year Ending June 30,	Principal	Interest	Total
2023	\$ 5,073	\$ 721	\$ 5,794
2024	5,228	566	5,794
2025	5,387	407	5,794
2026	5,551	243	5,794
2027	5,067	74	5,141
Total	<u>\$ 26,306</u>	<u>\$ 2,011</u>	<u>\$ 28,317</u>

**County of James City, Virginia**  
Notes to Basic Financial Statements  
June 30, 2022

**17) Leases, Continued**

**Lease Payable, Continued**

The County is a lessee of approximately 3,600 square feet of property at 129 Industrial Boulevard. The term of this lease runs through June 2054. The discount rate for this lease is 3.0% annually. As of June 30, 2022, the County has a lease liability for this property of \$430,768, and interest payable of \$1,077. The County is required to make monthly principal and interest payments of \$1,606 for the property, and payments increase by 3.0% every five years. The value of the right-to-use assets is \$424,836, which is net of accumulated amortization and amortization expense of \$13,276, as of and for the year ended June 30, 2022.

The future principal and interest lease payments for this lease as of June 30, 2022, were as follows:

Fiscal Year Ending June 30,	Principal	Interest	Total
2023	\$ 6,441	\$ 12,835	\$ 19,276
2024	6,637	12,639	19,276
2025	7,425	12,429	19,854
2026	7,651	12,203	19,854
2027	7,883	11,971	19,854
2028-2032	45,030	56,027	101,057
2033-2037	55,572	48,516	104,088
2038-2042	67,916	39,295	107,211
2043-2047	82,356	28,071	110,427
2048-2052	99,233	14,507	113,740
2053-2054	44,624	1,408	46,032
Total	<u>\$ 430,768</u>	<u>\$ 249,901</u>	<u>\$ 680,669</u>

The County is a lessee of property at 107 Tewning Road. The term of this lease runs through June 2024. The discount rate for this lease is 2.0% annually. As of June 30, 2022, the County has a lease liability for this property of \$167,841, and interest payable of \$280. The County is required to make monthly principal and interest payments of \$7,140 for the property. The value of the right-to-use assets is \$166,463, which is net of accumulated amortization and amortization expense of \$83,232, as of and for the year ended June 30, 2022.

The future principal and interest lease payments for this lease as of June 30, 2022, were as follows:

Fiscal Year Ending June 30,	Principal	Interest	Total
2023	\$ 83,082	\$ 2,598	\$ 85,680
2024	84,759	921	85,680
Total	<u>\$ 167,841</u>	<u>\$ 3,519</u>	<u>\$ 171,360</u>

**18) Tax Abatements**

The EDA 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:

	Real Estate	Machinery & Tools
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%

As of June 30, 2022, the County had 4 tax abatement agreements for Real Estate taxes as follows:

<u>Tax Abatement Program</u>	<u>Tax Amount Abated</u>
Enterprise Zone Grant Program - Real Estate	<u>\$ 1,284</u>

**County of James City, Virginia**  
Notes to Basic Financial Statements  
June 30, 2022

**19) COVID-19**

During fiscal year 2022, the novel coronavirus disease (COVID-19) impacted the operational and financial activities of the County. Costs were incurred to address the pandemic, and relief funding was received to support recovery.

In June and August 2020, the County received two allocations from the State totaling \$13,352,674 for its share of Coronavirus Aid, Relief, and Economic Security (CARES) Act funding from the federal government. Per guidance from the State and 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 before December 17, 2021. During fiscal year 2022, the County incurred \$3,250,691 of eligible expenditures under the CARES Act and recognized federal revenue in the same amount. In prior fiscal years, the County utilized \$10,101,983 of CARES Act funding. As of June 30, 2022, the County had no CARES funds remaining.

The County also incurred charges during fiscal year 2022 related to COVID-19 that are eligible for reimbursement by the Federal Emergency Management Agency (FEMA). These costs totaled \$139,258 for fiscal year 2022 and primarily supported personal protective equipment purchases.

In 2021 and 2022, the County received allocations of American Rescue Plan Act (ARPA) funding totaling \$14,863,696. Of this amount, \$219,338 was recognized as federal revenue during fiscal year 2022 to match eligible expenditures incurred, and \$14,644,358 is reported as unearned revenue as of June 30, 2022. The County intends to expend these remaining funds by the federal deadline of December 31, 2026.

In addition, the Virginia Department of Social Services allocated \$13,165 of ARPA funding to the County to enhance and improve adult protective services. These funds are received on a reimbursement basis. During fiscal year 2022, the County expended and recognized as federal revenue \$4,560 from this allocation.

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.

**20) Restatement**

Certain line items on the County's statement of net position as of the beginning of fiscal year 2022 were restated to reflect adjustments related to the County's implementation of GASB 87. More information regarding the adjustments can be found in Note 17 and the related balances have been adjusted as follows:

	<b>6/30/2021</b>		<b>7/1/2021</b>
	<b>Previously</b>		<b>As</b>
	<b>Reported</b>	<b>Restatement</b>	<b>Restated</b>
Lease receivable	\$ -	\$ 3,195,475	\$ 3,195,475
Deferred inflow of resources for leases	\$ -	\$ (3,195,475)	\$ (3,195,475)
Lease asset	\$ -	\$ 884,461	\$ 884,461
Lease payable	\$ -	\$ (884,461)	\$ (884,461)

**County of James City, Virginia**  
Notes to Basic Financial Statements  
June 30, 2022

**20) Restatement, Continued**

In addition, the County made adjustments to the fund balance of the Housing and Neighborhood Development Fund and the Grants and Special Projects Fund related to a review of grant funding received in prior years. Certain amounts, originally recognized as revenue in the year received, are restated as unearned revenue until the funding is fully earned. Also, certain prior-year expenditures needed to be reclassified from the Capital Projects Fund to the Grants and Special Projects Fund. The related balances have been adjusted as follows:

	<b>6/30/2021 Previously Reported</b>	<b>Restatement</b>	<b>7/1/2021 As Restated</b>
Exhibits 3 and 4:			
Nonmajor governmental funds			
Unearned revenue	\$ 25,578	\$ 403,774	\$ 429,352
Total fund balance	\$ 7,052,519	\$ (403,774)	\$ 6,648,745
Grants and special projects fund			
Unearned revenue	\$ 10,688,033	\$ 348,788	\$ 11,036,821
Total fund balance	\$ 7,931,593	\$ (485,606)	\$ 7,445,987
Capital projects fund			
Total fund balance	\$ 27,498,775	\$ 136,818	\$ 27,635,593
Exhibits 1 and 2:			
Governmental activities			
Unearned revenue	\$ 11,179,470	\$ 752,562	\$ 11,932,032
Unrestricted net position	\$ 118,340,056	\$ (752,562)	\$ 117,587,494
Total net position	\$ 351,280,886	\$ (752,562)	\$ 350,528,324

**21) Subsequent Events**

In September 2022, the County sold property at 1637 Green Mount Parkway for approximately \$1.29 million to Greenmount Parkway Williamsburg Propco, LLC. The parcel was 21.2 acres of undeveloped property in the Green Mount Industrial area.

In September 2022, the County purchased property at 3175 Ironbound Road for \$177,323 in order to add nearly two acres to the adjacent Clara Byrd Baker Elementary School property.

In October 2022, the County awarded a contract to Henry S. Branscome, LLC for approximately \$2.17 million to assist with the US 60 Bicycle, Pedestrian, and Safety Improvements Project. The related improvements include the addition of a landscaped median with pedestrian refuges, sidewalk and ADA ramp improvements, crosswalks, striped bike lanes on each side of the road, and storm drainage improvements.

\* \* \* \* \*

## **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 human services, 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, 2022

<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	\$ 105,100,000	\$ 105,100,000	\$ 105,080,024	\$ (19,976)
Real and personal public service corporation property taxes	4,200,000	4,200,000	3,880,908	(319,092)
Personal property taxes	26,860,000	26,860,000	30,134,887	3,274,887
Machinery and tools taxes	6,250,000	6,250,000	6,347,395	97,395
Penalties	725,000	725,000	776,816	51,816
Interest	350,000	350,000	282,216	(67,784)
Total general property taxes	143,485,000	143,485,000	146,502,246	3,017,246
Other local taxes:				
Local sales and use taxes	14,850,000	16,986,745	20,846,612	3,859,867
Franchise license taxes	725,000	725,000	896,434	171,434
Taxes on recordation and wills	1,500,000	1,500,000	2,431,571	931,571
Hotel and motel room taxes	2,200,000	2,964,944	3,474,906	509,962
Restaurant food taxes	6,100,000	6,100,000	8,413,901	2,313,901
Cigarette taxes	900,000	632,700	632,700	-
Deeds of conveyance	425,000	425,000	716,095	291,095
Penalties	-	-	45,659	45,659
Interest	-	-	12,621	12,621
Total other local taxes	26,700,000	29,334,389	37,470,499	8,136,110
Permits, privilege fees and regulatory licenses:				
Animal licenses	12,000	12,000	11,003	(997)
Business licenses	6,730,000	6,730,000	8,209,299	1,479,299
Motor vehicle licenses	200,000	200,000	173,551	(26,449)
Building permits	900,000	900,000	1,134,613	234,613
Permits and other licenses	825,000	825,000	978,872	153,872
Total permits, privilege fees and regulatory licenses	8,667,000	8,667,000	10,507,338	1,840,338
Fines and forfeitures	245,000	248,000	205,478	(42,522)
Use of money and property	205,000	205,000	866,593	661,593
Charges for services:				
Excess fees - Clerk of Court	198,000	198,000	230,935	32,935
Charges for Commonwealth's attorney	6,000	6,000	5,513	(487)
Charges for law enforcement and traffic control	138,000	138,000	142,263	4,263
Charges for emergency medical services	2,000,000	2,000,000	2,309,922	309,922
Charges for parks and recreation	3,269,000	3,269,000	3,347,556	78,556
Recycling fees	925,000	925,000	1,014,631	89,631
Landfill user fees	415,000	415,000	556,680	141,680
Other fees	110,600	110,600	71,199	(39,401)
Total charges for services	7,061,600	7,061,600	7,678,699	617,099
Miscellaneous revenue:				
Sale of property	75,000	75,000	1,940,865	1,865,865
Miscellaneous	120,000	124,000	1,169,849	1,045,849
Total miscellaneous revenue	195,000	199,000	3,110,714	2,911,714
Total revenue from local sources	186,558,600	189,199,989	206,341,567	17,141,578

(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, 2022

<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	\$ 57,061	\$ 17,061
Tax on deeds	-	-	-	-
Railroad rolling stock taxes	55,000	55,000	55,400	400
Personal property tax relief	9,770,000	9,770,000	9,770,137	137
Communications sales and use tax	1,300,000	1,300,000	1,218,161	(81,839)
Car rental tax	50,000	50,000	79,578	29,578
Other	40,000	40,000	19,481	(20,519)
Total noncategorical aid	11,255,000	11,255,000	11,199,818	(55,182)
Categorical aid:				
Shared expenses:				
Commonwealth's attorney	635,000	635,000	635,355	355
Sheriff	797,000	797,000	800,313	3,313
Commissioner of the revenue	203,000	203,000	203,309	309
Treasurer	230,000	230,000	228,765	(1,235)
Registrar/electoral board	88,000	88,000	86,252	(1,748)
Clerk of the circuit court	562,000	562,000	560,737	(1,263)
Total shared expenses	2,515,000	2,515,000	2,514,731	(269)
Other categorical aid:				
Wireless Board	245,000	245,000	295,393	50,393
Commission of the arts	4,500	4,500	4,500	-
HB 599 payments	1,468,500	1,468,500	1,468,699	199
Share of state sales tax	-	-	-	-
DMV Satellite Office	90,000	90,000	100,273	10,273
DMV Mounts Bay Office	55,000	55,000	42,508	(12,492)
Total other categorical aid	1,863,000	1,863,000	1,911,373	48,373
Total categorical aid	4,378,000	4,378,000	4,426,104	48,104
Total revenue from the Commonwealth	15,633,000	15,633,000	15,625,922	(7,078)
Revenue from the federal government:				
Payments in lieu of taxes	8,400	8,400	8,552	152
ARPA Sheriff Bonus	-	41,984	41,984	-
Total revenue from the federal government	8,400	50,384	50,536	152
Fund balance				
Fund balance	-	-	-	-
Total revenues	\$ 202,200,000	\$ 204,883,373	\$ 222,018,025	\$ 17,134,652

(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, 2022

<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	\$ 170,711	\$ 172,861	\$ 167,042	\$ 5,819
General and financial administration:				
County administrator	1,171,312	1,171,262	1,150,246	21,016
County attorney	508,245	672,695	562,610	110,085
Human resources	671,742	739,152	669,970	69,182
Legal services	52,500	61,060	12,082	48,978
Commissioner of the revenue	968,280	997,180	917,691	79,489
Real estate assessments	754,167	760,267	730,170	30,097
Treasurer	1,175,741	1,756,538	1,761,698	(5,160)
Financial management	1,329,858	1,360,472	1,283,429	77,043
Accounting	276,987	298,387	277,314	21,073
IT Infrastructure	2,198,111	2,339,369	2,064,984	274,385
Purchasing	323,508	340,508	333,314	7,194
IT Core Applications	1,586,533	1,622,923	1,527,863	95,060
Information technology	1,214,902	1,267,533	1,172,800	94,733
Satellite office	221,357	225,629	148,970	76,659
Fleet maintenance	1,074,471	1,099,242	1,205,487	(106,245)
Total general and financial administration	13,527,714	14,712,217	13,818,628	893,589
Board of elections:				
Office of Elections	868,698	879,048	695,668	183,380
Total general government administration	14,567,123	15,764,126	14,681,338	1,082,788
Judicial administration:				
Courts:				
Circuit court and judicial services	408,776	446,914	371,880	75,034
General district court	39,400	35,947	11,847	24,100
Juvenile and domestic relations district court	19,031	14,177	10,570	3,607
Clerk of the circuit court	884,599	923,720	906,900	16,820
Sheriff	1,457,258	1,526,664	1,412,464	114,200
9th judicial district	6,427	6,427	8,576	(2,149)
Court services and juvenile detention	274,470	274,470	278,197	(3,727)
Courthouse	529,544	539,009	450,782	88,227
Total courts	3,619,505	3,767,328	3,451,216	316,112
Commonwealth's attorney	1,212,692	1,296,970	1,295,788	1,182
Total judicial administration	4,832,197	5,064,298	4,747,004	317,294
Public safety:				
Law enforcement and traffic control:				
Police department	12,235,830	11,876,729	11,053,886	822,843
Emergency communications	3,535,299	3,327,160	2,990,795	336,365
Total law enforcement and traffic control	15,771,129	15,203,889	14,044,681	1,159,208
Fire and rescue services:				
Fire department and emergency medical services	13,469,054	12,804,762	13,604,557	(799,795)
Correction and detention:				
Regional jail	2,300,150	2,300,150	2,297,256	2,894
Inspections:				
Building and safety permits	1,455,901	1,527,394	1,372,822	154,572
Other protection:				
Animal control	294,528	291,661	223,137	68,524
Emergency management	286,600	326,455	288,723	37,732
Total other protection	581,128	618,116	511,860	106,256
Total public safety	33,577,362	32,454,311	31,831,176	623,135

(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, 2022

<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	\$ 2,369,668	\$ 3,445,746	\$ 2,465,267	\$ 980,479
Solid waste and recycling	2,219,243	2,254,735	2,134,784	119,951
Total sanitation and waste removal	4,588,911	5,700,481	4,600,051	1,100,430
Maintenance of general buildings and grounds:				
Facilities management	5,514,139	5,712,664	5,106,505	606,159
Total public works	10,103,050	11,413,145	9,706,556	1,706,589
Health and human services:				
Local health department	796,580	806,608	806,608	-
Behavioral health and development services	1,900,000	1,900,000	1,900,000	-
Total health and human services	2,696,580	2,706,608	2,706,608	-
Education:				
School board administration	86,100,844	86,100,844	80,637,523	5,463,321
Parks, recreation and cultural:				
Parks and recreation:				
Administration	6,165,920	6,272,235	5,384,359	887,876
Community centers	365,284	406,693	288,742	117,951
Park operations	502,708	693,151	482,130	211,021
Recreation services	377,039	385,991	274,703	111,288
Total parks and recreation	7,410,951	7,758,070	6,429,934	1,328,136
Library:				
Regional library	5,194,654	5,194,654	5,194,654	-
Total parks, recreation and cultural	12,605,605	12,952,724	11,624,588	1,328,136
Community development:				
Planning and community development:				
Planning	1,007,137	1,114,120	945,450	168,670
Community Development	482,901	521,835	464,765	57,070
Zoning enforcement	368,579	385,279	339,472	45,807
Economic development	596,127	600,904	365,013	235,891
Contributions – other	1,046,424	1,036,396	1,034,292	2,104
Regional transportation	709,000	709,000	709,000	-
Total planning and community development	4,210,168	4,367,534	3,857,992	509,542
Environmental management:				
Stormwater & Resource protection	2,367,775	2,543,123	2,156,079	387,044
Total community development	6,577,943	6,910,657	6,014,071	896,586
Nondepartmental:				
Miscellaneous	130,196	51,542	51,542	-
Health insurance	-	-	-	-
Total nondepartmental	130,196	51,542	51,542	-
Debt service:				
Principal payments - leases	-	155,394	155,394	-
Interest - leases	-	19,918	19,918	-
Total debt service	-	175,312	175,312	-
Capital outlay	-	-	53,123	(53,123)
Total expenditures	171,190,900	173,593,567	162,228,841	11,364,726
Excess of revenues over expenditures	31,009,100	31,289,806	59,789,184	28,499,378
Other financing sources (uses):				
Transfers in	70,500	77,500	77,500	-
Transfers out	(31,079,600)	(53,373,859)	(50,791,406)	2,582,453
Proceeds from leases	-	-	53,123	53,123
Total other financing sources (uses)	(31,009,100)	(53,296,359)	(50,660,783)	2,635,576
Net change in fund balance	-	(22,006,553)	9,128,401	31,134,954
Fund balance at beginning of year	-	22,006,553	87,546,904	65,540,351
Fund balance at end of year	\$ -	\$ -	\$ 96,675,305	\$ 96,675,305

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

**County of James City, Virginia**  
Grants and Special Projects Fund

The Grants and Special Projects Fund is a special revenue fund used to account for the financial resources related to grants and special projects. Revenues are primarily derived from intergovernmental grants awarded to the County as well as funding from local and other sources to support special projects. Primary expenditures are as allowed under the specific grant or project requirements and relate to public safety; public works; health and human services; parks, recreation and culture; judicial administration; community development; 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)

## Grants and Special Projects Fund

Year ended June 30, 2022

	Original Budget	Revised Budget	Actual	Variance positive (negative)
Revenues:				
Miscellaneous	\$ -	\$ 330,540	\$ 355,606	\$ 25,066
Intergovernmental:				
Local	-	-	-	-
Commonwealth	1,232,832	2,458,447	1,556,704	(901,743)
Federal	39,978	8,169,281	4,496,041	(3,673,240)
Total revenues	1,272,810	10,958,268	6,408,351	(4,549,917)
Expenditures:				
Current:				
General government administration	-	1,871,914	766,928	1,104,986
Judicial administration	204,000	477,302	398,105	79,197
Public safety	39,978	740,128	3,503,995	(2,763,867)
Public works	-	233,991	151,859	82,132
Health and human services	1,393,832	1,671,997	1,538,782	133,215
Education	-	180,800	315,759	(134,959)
Parks, recreation and cultural	-	5,064,500	18,332	5,046,168
Community development	1,750,000	3,061,357	1,700,910	1,360,447
Total expenditures	3,387,810	13,301,989	8,394,670	4,907,319
Excess of revenues over expenditures	(2,115,000)	(2,343,721)	(1,986,319)	357,402
Other financing sources:				
Operating transfers in	2,115,000	2,343,721	2,343,721	-
Total other financing sources:	2,115,000	2,343,721	2,343,721	-
Net change in fund balance	-	-	357,402	(357,402)
Fund balance, beginning of year	-	-	7,445,987	(7,445,987)
Fund balance, end of year	\$ -	\$ -	\$ 7,803,389	\$ (7,803,389)

See accompanying 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	2021	2022
<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	\$ 4,498,054	\$ 4,539,185
Interest	9,996,496	10,586,624	11,164,260	11,561,915	12,034,506	12,600,514	12,930,800	13,977,620
Changes of benefit terms	-	-	-	-	-	(4,186,347)	3,287,161	-
Differences between expected and actual experience	-	252,227	(2,733,673)	(554,290)	(258,300)	1,286,792	4,023,942	8,045
Changes in assumptions	-	-	-	(1,296,832)	-	5,993,876	-	9,135,268
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)	(8,736,556)	(9,726,471)
<b>Net change in total pension liability</b>	<b>9,148,745</b>	<b>8,594,477</b>	<b>5,483,461</b>	<b>7,104,313</b>	<b>8,353,187</b>	<b>11,832,502</b>	<b>16,003,401</b>	<b>17,933,647</b>
<b>Total pension liability, beginning</b>	<b>145,419,002</b>	<b>154,567,747</b>	<b>163,162,224</b>	<b>168,645,685</b>	<b>175,749,998</b>	<b>184,103,185</b>	<b>195,935,687</b>	<b>211,939,088</b>
<b>Total pension liability, ending (a)</b>	<b>\$ 154,567,747</b>	<b>\$ 163,162,224</b>	<b>\$ 168,645,685</b>	<b>\$ 175,749,998</b>	<b>\$ 184,103,185</b>	<b>\$ 195,935,687</b>	<b>\$ 211,939,088</b>	<b>\$ 229,872,735</b>
<b>Plan fiduciary net position</b>								
Contributions - employer	4,362,691	4,065,806	4,133,647	3,536,962	3,660,271	3,662,166	3,904,631	4,535,863
Contributions - employee	1,909,429	1,844,202	1,870,648	1,934,998	1,952,900	2,023,105	1,927,807	1,960,133
Net investment income	18,931,089	6,365,577	2,508,354	17,721,493	11,930,106	11,422,082	3,361,921	48,333,112
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)	(8,736,556)	(9,726,471)
Administrative expense	(100,186)	(86,580)	(89,515)	(101,649)	(102,499)	(112,707)	(117,595)	(120,157)
Other	998	(1,349)	(1,066)	(15,816)	(10,651)	(3,597,077)	12,497	4,559
<b>Net change in plan fiduciary net position</b>	<b>19,880,178</b>	<b>5,527,145</b>	<b>1,076,473</b>	<b>16,125,045</b>	<b>9,773,153</b>	<b>5,205,895</b>	<b>352,705</b>	<b>44,987,039</b>
<b>Plan fiduciary net position, beginning</b>	<b>119,228,777</b>	<b>139,108,955</b>	<b>144,636,100</b>	<b>145,712,573</b>	<b>161,837,618</b>	<b>171,610,771</b>	<b>176,816,666</b>	<b>177,169,371</b>
<b>Plan fiduciary net position, ending (b)</b>	<b>139,108,955</b>	<b>144,636,100</b>	<b>145,712,573</b>	<b>161,837,618</b>	<b>171,610,771</b>	<b>176,816,666</b>	<b>177,169,371</b>	<b>222,156,410</b>
<b>Net pension liability (asset) (a) - (b)</b>	<b>\$ 15,458,792</b>	<b>\$ 18,526,124</b>	<b>\$ 22,933,112</b>	<b>\$ 13,912,380</b>	<b>\$ 12,492,414</b>	<b>\$ 19,119,021</b>	<b>\$ 34,769,717</b>	<b>\$ 7,716,325</b>
<b>Plan fiduciary net position as a percentage of the total pension liability</b>	90.00%	88.65%	86.40%	92.08%	93.21%	90.24%	83.59%	96.64%
<b>Covered payroll</b>	<b>\$ 37,347,889</b>	<b>\$ 36,788,968</b>	<b>\$ 37,681,907</b>	<b>\$ 38,853,860</b>	<b>\$ 40,475,381</b>	<b>\$ 40,710,451</b>	<b>\$ 40,413,598</b>	<b>\$ 40,918,484</b>
<b>Net pension liability (asset) as a percentage of the total covered payroll</b>	41.39%	50.36%	60.86%	35.81%	30.86%	46.96%	86.03%	18.86%

(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	2021	2022
<b>Total pension liability</b>								
Service cost	\$ 417,066	\$ 430,269	\$ 404,294	\$ 411,137	\$ 379,365	\$ 378,585	\$ 400,579	\$ 393,653
Interest	913,818	978,647	1,032,165	1,104,651	1,132,686	1,198,755	1,265,059	1,317,521
Changes of benefit terms	-	-	-	-	-	-	26,989	-
Differences between expected and actual experience	-	(146,331)	128,139	(213,521)	62,537	182,506	(172,618)	(27,793)
Changes in assumptions	-	-	-	(335,427)	-	546,875	-	557,493
Benefit payments, including refunds of employee contributions	(376,365)	(433,146)	(562,945)	(495,181)	(637,522)	(623,967)	(756,401)	(729,183)
<b>Net change in total pension liability</b>	<b>954,519</b>	<b>829,439</b>	<b>1,001,653</b>	<b>471,659</b>	<b>937,066</b>	<b>1,682,754</b>	<b>763,608</b>	<b>1,511,691</b>
<b>Total pension liability, beginning</b>	<b>13,242,723</b>	<b>14,197,242</b>	<b>15,026,681</b>	<b>16,028,334</b>	<b>16,499,993</b>	<b>17,437,059</b>	<b>19,119,813</b>	<b>19,883,421</b>
<b>Total pension liability, ending (a)</b>	<b>\$ 14,197,242</b>	<b>\$ 15,026,681</b>	<b>\$ 16,028,334</b>	<b>\$ 16,499,993</b>	<b>\$ 17,437,059</b>	<b>\$ 19,119,813</b>	<b>\$ 19,883,421</b>	<b>\$ 21,395,112</b>
<b>Plan fiduciary net position</b>								
Contributions - employer	308,820	329,381	336,720	288,588	297,525	235,463	243,251	271,540
Contributions - employee	197,188	193,349	197,261	210,624	204,311	212,351	220,872	219,619
Net investment income	1,802,418	612,704	245,617	1,734,000	1,174,317	1,128,516	340,716	4,896,608
Benefit payments, including refunds of employee contributions	(376,365)	(433,146)	(562,945)	(495,181)	(637,522)	(623,967)	(756,401)	(729,183)
Administrative expense	(9,511)	(8,173)	(8,604)	(9,804)	(10,045)	(11,054)	(11,611)	(12,088)
Other	95	(130)	(104)	(1,553)	(1,050)	(713)	(403)	463
<b>Net change in plan fiduciary net position</b>	<b>1,922,645</b>	<b>693,985</b>	<b>207,945</b>	<b>1,726,674</b>	<b>1,027,536</b>	<b>940,596</b>	<b>36,424</b>	<b>4,646,959</b>
<b>Plan fiduciary net position, beginning</b>	<b>11,335,104</b>	<b>13,257,749</b>	<b>13,951,734</b>	<b>14,159,679</b>	<b>15,886,353</b>	<b>16,913,889</b>	<b>17,854,485</b>	<b>17,890,909</b>
<b>Plan fiduciary net position, ending (b)</b>	<b>13,257,749</b>	<b>13,951,734</b>	<b>14,159,679</b>	<b>15,886,353</b>	<b>16,913,889</b>	<b>17,854,485</b>	<b>17,890,909</b>	<b>22,537,868</b>
<b>Net pension liability (asset) (a) - (b)</b>	<b>\$ 939,493</b>	<b>\$ 1,074,947</b>	<b>\$ 1,868,655</b>	<b>\$ 613,640</b>	<b>\$ 523,170</b>	<b>\$ 1,265,328</b>	<b>\$ 1,992,512</b>	<b>\$ (1,142,756)</b>
<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%	89.98%	105.34%
<b>Covered payroll</b>	<b>\$ 3,943,666</b>	<b>\$ 3,897,762</b>	<b>\$ 4,026,779</b>	<b>\$ 4,083,082</b>	<b>\$ 4,230,543</b>	<b>\$ 4,445,820</b>	<b>\$ 4,673,979</b>	<b>\$ 4,675,862</b>
<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%	42.63%	-24.44%

(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 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	2021	2022
<b>Total pension liability</b>								
Service cost	\$ 507,972	\$ 526,136	\$ 540,481	\$ 523,460	\$ 506,887	\$ 485,858	\$ 552,167	\$ 545,063
Interest	1,021,383	1,087,945	1,157,021	1,222,200	1,254,419	1,297,224	1,309,428	1,366,821
Changes of benefit terms	-	-	-	-	-	-	-	-
Differences between expected and actual experience	-	(13,491)	(122,658)	(318,599)	(287,441)	(426,300)	78,555	324,773
Changes in assumptions	-	-	-	(236,957)	-	528,041	-	813,135
Benefit payments, including refunds of employee contributions	(570,189)	(586,736)	(640,852)	(646,577)	(813,097)	(911,625)	(1,123,687)	(1,056,098)
<b>Net change in total pension liability</b>	<b>959,166</b>	<b>1,013,854</b>	<b>933,992</b>	<b>543,527</b>	<b>660,768</b>	<b>973,198</b>	<b>816,463</b>	<b>1,993,694</b>
<b>Total pension liability, beginning</b>	<b>14,876,279</b>	<b>15,835,445</b>	<b>16,849,299</b>	<b>17,783,291</b>	<b>18,326,818</b>	<b>18,987,586</b>	<b>19,960,784</b>	<b>20,777,247</b>
<b>Total pension liability, ending (a)</b>	<b>\$ 15,835,445</b>	<b>\$ 16,849,299</b>	<b>\$ 17,783,291</b>	<b>\$ 18,326,818</b>	<b>\$ 18,987,586</b>	<b>\$ 19,960,784</b>	<b>\$ 20,777,247</b>	<b>\$ 22,770,941</b>
<b>Plan fiduciary net position</b>								
Contributions - employer	435,519	372,141	369,942	233,501	224,276	173,657	172,426	158,331
Contributions - employee	237,728	256,454	256,786	257,483	249,325	268,278	279,227	255,416
Net investment income	2,265,304	764,646	309,381	2,158,117	1,451,191	1,377,110	404,254	5,804,084
Benefit payments, including refunds of employee contributions	(570,189)	(586,736)	(640,852)	(646,577)	(813,097)	(911,625)	(1,123,687)	(1,056,098)
Administrative expense	(12,002)	(10,296)	(10,703)	(12,355)	(12,546)	(13,730)	(14,290)	(14,667)
Other	120	(162)	(130)	(1,926)	(1,291)	(866)	(483)	545
<b>Net change in plan fiduciary net position</b>	<b>2,356,480</b>	<b>796,047</b>	<b>284,424</b>	<b>1,988,243</b>	<b>1,097,858</b>	<b>892,824</b>	<b>(282,553)</b>	<b>5,147,611</b>
<b>Plan fiduciary net position, beginning</b>	<b>14,283,651</b>	<b>16,640,131</b>	<b>17,436,178</b>	<b>17,720,602</b>	<b>19,708,845</b>	<b>20,806,703</b>	<b>21,699,527</b>	<b>21,416,974</b>
<b>Plan fiduciary net position, ending (b)</b>	<b>16,640,131</b>	<b>17,436,178</b>	<b>17,720,602</b>	<b>19,708,845</b>	<b>20,806,703</b>	<b>21,699,527</b>	<b>21,416,974</b>	<b>26,564,585</b>
<b>Net pension liability (asset) (a) - (b)</b>	<b>\$ (804,686)</b>	<b>\$ (586,879)</b>	<b>\$ 62,689</b>	<b>\$ (1,382,027)</b>	<b>\$ (1,819,117)</b>	<b>\$ (1,738,743)</b>	<b>\$ (639,727)</b>	<b>\$ (3,793,644)</b>
<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%	103.08%	116.66%
<b>Covered payroll</b>	<b>\$ 4,812,365</b>	<b>\$ 5,154,307</b>	<b>\$ 5,123,850</b>	<b>\$ 5,000,257</b>	<b>\$ 4,802,484</b>	<b>\$ 4,905,565</b>	<b>\$ 4,870,819</b>	<b>\$ 5,556,149</b>
<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%	-13.13%	-68.28%

(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	2021	2022
Employer's proportion of the net pension liability	0.85987%	0.87896%	0.87104%	0.86356%	0.84943%	0.86221%	0.85779%	0.83377%
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	\$ 124,830,972	\$ 64,726,377
Employer's covered payroll	\$ 62,882,350	\$ 65,034,559	\$ 65,800,057	\$ 67,052,585	\$ 67,353,977	\$ 70,456,378	\$ 72,905,344	\$ 73,604,525
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%	171.22%	87.94%
Plan fiduciary net position as a percentage of the total pension liability	70.88%	70.68%	68.28%	72.92%	74.81%	73.51%	71.47%	85.46%

(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.

**County of James City, Virginia**  
Schedule of Employer Pension Contributions  
Required Supplementary Information (Unaudited)  
Last Ten Fiscal Years (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%
2021	4,535,863	4,535,863	-	40,918,484	11.09%
2022	4,743,535	4,743,535	-	43,073,802	11.01%

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

<b>Component Unit - JCSA</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%
2021	271,540	271,540	-	4,675,862	5.80%
2022	295,888	295,888	-	5,198,520	5.68%

<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%
2021	158,334	158,334	-	5,556,149	2.85%
2022	163,014	163,014	-	5,858,963	2.78%

<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%
2021	11,795,307	11,795,307	-	73,604,525	16.03%
2022	12,731,972	12,731,972	-	79,775,536	15.96%

(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.

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

**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,	2018		2019		2020		2021		2022	
	County	JCSA	County	JCSA	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%	78.42%	7.30%	81.72%	6.46%
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	\$ 4,649,834	\$ 432,846	\$ 3,598,216	\$ 284,440
Fiduciary net position as a % of total OPEB liability	0.00%	0.00%	0.00%	0.00%	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	6	6	5	5

(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	2021	2022
<b>Total OPEB - RH liability</b>					
Service cost	\$ 457,670	\$ 432,740	\$ 448,112	\$ 580,721	\$ 657,420
Interest cost	126,557	165,148	180,316	158,452	142,801
Changes of benefit terms	-	-	-	-	-
Differences between expected and actual experience	-	(270,907)	(487,307)	(180,989)	(370,916)
Changes in assumptions	(244,756)	(13,843)	(61,871)	249,100	(879,609)
Changes in proportions	-	-	-	-	-
Benefit payments	(127,182)	64,113	(9,510)	(21,200)	(282,806)
<b>Net change in total OPEB - RH liability</b>	<b>212,289</b>	<b>377,251</b>	<b>69,740</b>	<b>786,084</b>	<b>(733,110)</b>
<b>Total OPEB - RH liability, beginning</b>	<b>4,504,186</b>	<b>4,716,475</b>	<b>5,093,726</b>	<b>5,163,466</b>	<b>5,949,550</b>
<b>Total OPEB - RH liability, ending (a)</b>	<b>\$ 4,716,475</b>	<b>\$ 5,093,726</b>	<b>\$ 5,163,466</b>	<b>\$ 5,949,550</b>	<b>\$ 5,216,440</b>
<b>Plan fiduciary net position - RH</b>					
Contributions - employer	206,794	(64,113)	9,510	21,200	293,622
Net investment income	-	-	-	-	-
Benefit payments	(206,794)	64,113	(9,510)	(21,200)	(282,806)
Administrative expense	-	-	-	-	(10,816)
<b>Net change in plan fiduciary net position - RH</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Plan fiduciary net position - RH, beginning</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Plan fiduciary net position - RH, ending (b)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>OPEB - RH liability (a) - (b)</b>	<b>\$ 4,716,475</b>	<b>\$ 5,093,726</b>	<b>\$ 5,163,466</b>	<b>\$ 5,949,550</b>	<b>\$ 5,216,440</b>
<b>Plan fiduciary net position - RH as a percentage of the total OPEB - RH liability</b>	<b>0.00%</b>	<b>0.00%</b>	<b>0.00%</b>	<b>0.00%</b>	<b>0.00%</b>
<b>Expected average remaining service years of all participants</b>	<b>7</b>	<b>7</b>	<b>7</b>	<b>7</b>	<b>6</b>

(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,*	Governmental Activities - County				
	2018	2019	2020	2021	2022
<b>Total OPEB - HIC liability</b>					
Service cost	\$ 29,486	\$ 29,285	\$ 31,239	\$ 28,624	\$ 29,856
Interest cost	84,387	86,675	89,705	91,010	94,908
Changes of benefit terms	-	-	(36,541)	-	-
Differences between expected and actual experience	-	12,586	32,810	32,494	(10,093)
Changes in assumptions	(10,761)	-	36,394	-	26,493
Benefit payments, including refunds of employee contributions	(53,124)	(87,727)	(82,782)	(90,830)	(97,936)
<b>Net change in total OPEB - HIC liability</b>	49,988	40,819	70,825	61,298	43,228
<b>Total OPEB - HIC liability, beginning</b>	1,232,086	1,282,074	1,322,893	1,393,718	1,455,016
<b>Total OPEB - HIC liability, ending (a)</b>	<u>\$ 1,282,074</u>	<u>\$ 1,322,893</u>	<u>\$ 1,393,718</u>	<u>\$ 1,455,016</u>	<u>\$ 1,498,244</u>
<b>Plan fiduciary net position - HIC</b>					
Contributions - employer	65,197	67,836	74,871	74,360	78,543
Contributions - employee	-	-	-	-	-
Net investment income	71,316	49,083	46,337	14,671	191,205
Benefit payments, including refunds of employee contributions	(53,124)	(87,727)	(82,782)	(90,830)	(97,936)
Administrative expense	(1,170)	(1,138)	(1,004)	(1,374)	(2,217)
Other	3,562	(3,562)	(19,114)	(2,240)	-
<b>Net change in plan fiduciary net position - HIC</b>	85,781	24,492	18,308	(5,413)	169,595
<b>Plan fiduciary net position - HIC, beginning</b>	612,679	698,460	722,952	741,260	735,847
<b>Plan fiduciary net position - HIC, ending (b)</b>	<u>698,460</u>	<u>722,952</u>	<u>741,260</u>	<u>735,847</u>	<u>905,442</u>
<b>Net OPEB - HIC liability (asset) (a) - (b)</b>	<u>\$ 583,614</u>	<u>\$ 599,941</u>	<u>\$ 652,458</u>	<u>\$ 719,169</u>	<u>\$ 592,802</u>
<b>Plan fiduciary net position - HIC as a percentage of the total OPEB - HIC liability</b>	54.48%	54.65%	53.19%	50.57%	60.43%
<b>Covered payroll</b>	\$ 38,853,860	\$ 40,475,381	\$ 40,710,451	\$ 40,413,598	\$ 40,918,484
<b>Net OPEB - HIC liability as a percentage of the total covered payroll</b>	1.50%	1.48%	1.60%	1.78%	1.45%

(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 Changes in the Net OPEB - Health Insurance Credit (HIC) Liability (1)  
Required Supplementary Information (Unaudited)

Year ended June 30,*	Component Unit - Service Authority				
	2018	2019	2020	2021	2022
<b>Total OPEB - HIC liability</b>					
Service cost	\$ 3,682	\$ 3,588	\$ 3,579	\$ 3,812	\$ 3,338
Interest cost	10,769	11,121	11,031	11,040	11,465
Changes of benefit terms	-	-	-	-	-
Differences between expected and actual experience	-	(7,706)	(3,892)	(113)	(13,932)
Changes in assumptions	(3,953)	-	4,095	-	919
Benefit payments, including refunds of employee contributions	(3,508)	(7,440)	(9,131)	(8,554)	(8,357)
<b>Net change in total OPEB - HIC liability</b>	6,990	(437)	5,682	6,185	(6,567)
<b>Total OPEB - HIC liability, beginning</b>	155,602	162,592	162,155	167,837	174,022
<b>Total OPEB - HIC liability, ending (a)</b>	<u>\$ 162,592</u>	<u>\$ 162,155</u>	<u>\$ 167,837</u>	<u>\$ 174,022</u>	<u>\$ 167,455</u>
<b>Plan fiduciary net position - HIC</b>					
Contributions - employer	8,166	8,467	8,002	8,413	8,417
Contributions - employee	-	-	-	-	-
Net investment income	10,122	7,150	6,922	2,272	30,356
Benefit payments, including refunds of employee contributions	(3,508)	(7,440)	(9,131)	(8,554)	(8,357)
Administrative expense	(170)	(170)	(151)	(219)	(361)
Other	494	(494)	(8)	(1)	-
<b>Net change in plan fiduciary net position - HIC</b>	15,104	7,513	5,634	1,911	30,055
<b>Plan fiduciary net position - HIC, beginning</b>	85,165	100,269	107,782	113,416	115,327
<b>Plan fiduciary net position - HIC, ending (b)</b>	<u>100,269</u>	<u>107,782</u>	<u>113,416</u>	<u>115,327</u>	<u>145,382</u>
<b>Net OPEB - HIC liability (asset) (a) - (b)</b>	<u>\$ 62,323</u>	<u>\$ 54,373</u>	<u>\$ 54,421</u>	<u>\$ 58,695</u>	<u>\$ 22,073</u>
<b>Plan fiduciary net position - HIC as a percentage of the total OPEB - HIC liability</b>	61.67%	66.47%	67.58%	66.27%	86.82%
<b>Covered payroll</b>	\$ 4,083,082	\$ 4,230,543	\$ 4,445,820	\$ 4,673,979	\$ 4,675,862
<b>Net OPEB - HIC liability as a percentage of the total covered payroll</b>	1.53%	1.29%	1.22%	1.26%	0.47%

(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.

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

**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,*	Component Unit - Public Schools				
	2018	2019	2020	2021	2022
<b>Total OPEB - HIC liability</b>					
Service cost	\$ 8,750	\$ 8,619	\$ 7,967	\$ 8,604	\$ 8,696
Interest cost	21,536	21,905	21,557	21,755	23,703
Changes of benefit terms	-	-	-	23,639	-
Differences between expected and actual experience	-	(16,514)	(2,594)	(765)	6,777
Changes in assumptions	(11,335)	-	7,656	-	9,929
Benefit payments, including refunds of employee contributions	(6,674)	(20,665)	(17,320)	(23,176)	(25,544)
<b>Net change in total OPEB - HIC liability</b>	<b>12,277</b>	<b>(6,655)</b>	<b>17,266</b>	<b>30,057</b>	<b>23,561</b>
<b>Total OPEB - HIC liability, beginning</b>	<b>310,991</b>	<b>323,268</b>	<b>316,613</b>	<b>333,879</b>	<b>363,936</b>
<b>Total OPEB - HIC liability, ending (a)</b>	<b>\$ 323,268</b>	<b>\$ 316,613</b>	<b>\$ 333,879</b>	<b>\$ 363,936</b>	<b>\$ 387,497</b>
<b>Plan fiduciary net position - HIC</b>					
Contributions - employer	11,391	11,165	9,260	9,712	9,444
Contributions - employee	-	-	-	-	-
Net investment income	33,666	23,057	21,491	6,935	88,482
Benefit payments, including refunds of employee contributions	(6,674)	(20,665)	(17,320)	(23,176)	(25,544)
Administrative expense	(552)	(535)	(466)	(657)	(1,007)
Other	1,683	(1,683)	(25)	(3)	-
<b>Net change in plan fiduciary net position - HIC</b>	<b>39,514</b>	<b>11,339</b>	<b>12,940</b>	<b>(7,189)</b>	<b>71,375</b>
<b>Plan fiduciary net position - HIC, beginning</b>	<b>288,259</b>	<b>327,773</b>	<b>339,112</b>	<b>352,052</b>	<b>344,863</b>
<b>Plan fiduciary net position - HIC, ending (b)</b>	<b>327,773</b>	<b>339,112</b>	<b>352,052</b>	<b>344,863</b>	<b>416,238</b>
<b>Net OPEB - HIC liability (asset) (a) - (b)</b>	<b>\$ (4,505)</b>	<b>\$ (22,499)</b>	<b>\$ (18,173)</b>	<b>\$ 19,073</b>	<b>\$ (28,741)</b>
<b>Plan fiduciary net position - HIC as a percentage of the total OPEB - HIC liability</b>	<b>101.39%</b>	<b>107.11%</b>	<b>105.44%</b>	<b>94.76%</b>	<b>107.42%</b>
<b>Covered payroll</b>	<b>\$ 5,000,257</b>	<b>\$ 4,854,348</b>	<b>\$ 5,766,438</b>	<b>\$ 6,070,000</b>	<b>\$ 5,556,149</b>
<b>Net OPEB - HIC liability as a percentage of the total covered payroll</b>	<b>-0.09%</b>	<b>-0.46%</b>	<b>-0.32%</b>	<b>0.31%</b>	<b>-0.52%</b>

(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.

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 OPEB - Group Life Insurance (GLI) Liability (1)  
Required Supplementary Information (Unaudited)

Year ended June 30,*	Governmental Activities - County				
	2018	2019	2020	2021	2022
Employer's proportion of the net OPEB - GLI liability	0.21149%	0.21342%	0.20827%	0.19670%	0.19847%
Employer's proportionate share of the net OPEB - GLI liability	\$ 3,183,000	\$ 3,241,000	\$ 3,389,000	\$ 3,282,601	\$ 2,310,729
Employer's covered payroll	\$ 38,853,860	\$ 40,475,381	\$ 40,710,451	\$ 40,413,598	\$ 40,918,484
Employer's proportionate share of the net OPEB - GLI liability as a percentage of its covered payroll	8.19%	8.01%	8.32%	8.12%	5.65%
Plan fiduciary net position as a % of total OPEB - GLI liability	48.86%	51.22%	52.00%	52.64%	67.45%

(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	2021	2022
Employer's proportion of the net OPEB - GLI liability	0.02217%	0.02234%	0.02269%	0.02274%	0.02265%
Employer's proportionate share of the net OPEB - GLI liability	\$ 333,000	\$ 340,000	\$ 369,227	\$ 379,494	\$ 263,708
Employer's covered payroll	\$ 4,083,082	\$ 4,230,543	\$ 4,445,820	\$ 4,673,979	\$ 4,675,862
Employer's proportionate share of the net OPEB - GLI liability as a percentage of its covered payroll	8.16%	8.04%	8.31%	8.12%	5.64%
Plan fiduciary net position as a % of total OPEB - GLI liability	48.86%	51.22%	52.00%	52.64%	67.45%

(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		2021		2022	
	Professional	Non-Professional	Professional	Non-Professional	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%	0.36879%	0.02965%	0.35894%	0.02735%
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	\$ 6,154,501	\$ 494,810	\$ 4,179,035	\$ 318,428
Employer's covered payroll	\$ 67,052,585	\$ 5,000,257	\$ 67,353,977	\$ 4,802,484	\$ 72,572,692	\$ 5,844,231	\$ 76,495,192	\$ 6,149,423	\$ 74,108,820	\$ 5,645,747
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%	8.05%	8.05%	5.64%	5.64%
Plan fiduciary net position as a % of total OPEB - GLI liability	48.86%	48.86%	51.22%	51.22%	52.00%	52.00%	52.64%	52.64%	67.45%	67.45%

(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>
--

Fiscal Year	Contractually required contribution	Contributions in relation to contractually required contribution	Contribution deficiency (excess)	Employer's covered payroll	Contributions as a % of covered payroll
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%
2021	219,323	221,278	(1,955)	40,918,484	0.54%
2022	230,876	230,876	-	43,073,802	0.54%

<b>Component Unit - James City Service Authority employees</b>
--

Fiscal Year	Contractually required contribution	Contributions in relation to contractually required contribution	Contribution deficiency (excess)	Employer's covered payroll	Contributions as a % of covered payroll
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%
2021	24,339	25,063	(724)	4,675,862	0.54%
2022	25,250	27,864	(2,614)	5,198,520	0.54%

<b>Component Unit - Public Schools' - non-professional</b>
--

Fiscal Year	Contractually required contribution	Contributions in relation to contractually required contribution	Contribution deficiency (excess)	Employer's covered payroll	Contributions as a % of covered payroll
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%
2021	30,260	30,260	-	5,645,747	0.54%
2022	31,666	31,666	-	5,907,714	0.54%

<b>Component Unit - Public Schools' - professional</b>
--

Fiscal Year	Contractually required contribution	Contributions in relation to contractually required contribution	Contribution deficiency (excess)	Employer's covered payroll	Contributions as a % of covered payroll
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%
2021	397,270	397,270	-	74,108,820	0.54%
2022	429,466	429,466	-	80,195,631	0.54%

(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.

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

**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>
--

Fiscal Year	Contractually required contribution	Contributions in relation to contractually required contribution	Contribution deficiency (excess)	Employer's covered payroll	Contributions as a % of covered payroll
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%
2021	78,543	78,541	2	40,918,484	0.22%
2022	82,163	82,163	-	43,073,802	0.22%

<b>Component Unit - James City Service Authority employees</b>
--

Fiscal Year	Contractually required contribution	Contributions in relation to contractually required contribution	Contribution deficiency (excess)	Employer's covered payroll	Contributions as a % of covered payroll
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%
2021	8,417	8,417	-	4,675,862	0.18%
2022	9,357	9,357	-	5,198,520	0.18%

<b>Component Unit - Public Schools' - non-professional</b>
--

Fiscal Year	Contractually required contribution	Contributions in relation to contractually required contribution	Contribution deficiency (excess)	Employer's covered payroll	Contributions as a % of covered payroll
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%
2021	9,444	9,444	-	5,556,149	0.17%
2022	16,404	16,404	-	5,858,963	0.28%

<b>Component Unit - Public Schools' - professional</b>
--

Fiscal Year	Contractually required contribution	Contributions in relation to contractually required contribution	Contribution deficiency (excess)	Employer's covered payroll	Contributions as a % of covered payroll
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%
2021	890,724	890,724	-	73,604,525	1.21%
2022	965,285	965,285	-	79,775,536	1.21%

(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.

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 OPEB - Health Insurance Credit Program (HIC) Liability (1)  
Required Supplementary Information (Unaudited)

Year ended June 30,*	Component Unit - Public Schools' Professional				
	2018	2019	2020	2021	2022
Employer's proportion of the net OPEB - HIC liability	0.86281%	0.85004%	0.86297%	0.86058%	0.83226%
Employer's proportionate share of the net OPEB - HIC liability	\$ 10,946,000	\$ 10,793,000	\$ 11,297,117	\$ 11,226,409	\$ 10,682,633
Employer's covered payroll	\$ 67,052,585	\$ 69,253,171	\$ 72,066,466	\$ 75,474,000	\$ 73,604,525
Employer's proportionate share of the net OPEB - HIC liability as a percentage of its covered payroll	16.32%	15.58%	15.68%	14.87%	14.51%
Plan fiduciary net position as a % of total OPEB - HIC liability	7.04%	8.08%	8.97%	9.95%	13.15%

(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		2021		2022	
	Public Schools' Professional	Public Schools' Non-Professional	Public Schools' Professional	Public Schools' Non-Professional	Public Schools' Professional	Public Schools' Non-Professional	Public Schools' Professional	Public Schools' Non-Professional	Public Schools' Professional	Public Schools' Non-Professional
Employer's proportion of the net OPEB - VLDP liability	3.31886%	0.75284%	3.37801%	0.67880%	3.28952%	0.68330%	3.13334%	0.65040%	2.91940%	0.55743%
Employer's proportionate share of the net OPEB - VLDP liability	\$ 20,000	\$ 4,000	\$ 25,000	\$ 5,000	\$ 19,124	\$ 13,843	\$ 25,138	\$ 6,492	\$ (20,553)	\$ (5,643)
Employer's covered payroll	\$ 67,052,585	\$ 5,000,257	\$ 12,595,806	\$ 1,648,333	\$ 15,633,273	\$ 2,093,665	\$ 18,547,073	\$ 2,423,750	\$ 19,644,936	\$ 2,239,265
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%	0.14%	0.27%	-0.10%	-0.25%
Plan fiduciary net position as a % of total OPEB - VLDP liability	31.96%	38.40%	46.18%	51.22%	74.12%	49.19%	78.28%	76.84%	114.46%	119.59%

(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%
2021	18,585	18,585	-	2,239,265	0.83%
2022	21,838	21,838	-	2,631,055	0.83%

<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%
2021	92,336	92,336	-	19,644,936	0.47%
2022	123,435	123,435	-	26,262,831	0.47%

(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, 2022

**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, 2022, 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, 2020, valuation were based on the results of an actuarial experience study for the period from July 1, 2016, through June 30, 2020, except the change in the discount rate, which was based on VRS Board action effective as of July 1, 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)	Update to PUB2010 public sector mortality tables. For future mortality improvements, replace load with a modified Mortality Improvement Scale MP-2020.
Retirement Rates	Adjusted rates to better fit experience for Plan 1; set separate rates based on experience for Plan 2/Hybrid; changed final retirement age
Withdrawal Rates	Adjusted rates to better fit experience at each age and service year through 9 years of service
Disability Rates	No change
Salary Scale	No change
Line of Duty Disability	No change
Discount Rate	No change

*See accompanying independent auditors' report.*

**County of James City, Virginia**  
Notes to Required Supplementary Information (Unaudited)  
June 30, 2022

**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)	Update to PUB2010 public sector mortality tables. For future mortality improvements, replace load with a modified Mortality Improvement Scale MP-2020.
Retirement Rates	Adjusted rates to better fit experience for Plan 1; set separate rates based on experience for Plan 2/Hybrid; changed final retirement age
Withdrawal Rates	Adjusted rates to better fit experience at each age and service year through 9 years of service
Disability Rates	No change
Salary Scale	No change
Line of Duty Disability	No change
Discount Rate	No change

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

The actuarial assumptions used in the June 30, 2020, valuation were based on the results of an actuarial experience study for the period from July 1, 2016, through June 30, 2020, except the change in the discount rate, which was based on VRS Board action effective as of July 1, 2019. Changes to the actuarial assumptions as a result of the experience study and VRS Board action are as follows:

*General State Employees:*

Mortality Rates (Pre-retirement, post-retirement healthy, and disabled)	Update to PUB2010 public sector mortality tables. For future mortality improvements, replace load with a modified Mortality Improvement Scale MP-2020
Retirement Rates	Adjusted rates to better fit experience for Plan 1; set separate rates based on experience for Plan 2/Hybrid; changed final retirement age from 75 to 80
Withdrawal Rates	Adjusted rates to better fit experience at each year age and service through 9 years of service
Disability Rates	No change
Salary Scale	No change
Line of Duty Disability	No change
Discount Rate	No change

*Teachers:*

Mortality Rates (Pre-retirement, post-retirement healthy, and disabled)	Update to PUB2010 public sector mortality tables. For future mortality improvements, replace load with a modified Mortality Improvement Scale MP-2020.
Retirement Rates	Adjusted rates to better fit experience for Plan 1; set separate rates based on experience for Plan 2/Hybrid; changed final retirement age from 75 to 80 for all
Withdrawal Rates	Adjusted rates to better fit experience at each year age and service through 9 years of service
Disability Rates	No change
Salary Scale	No change
Discount Rate	No change

*See accompanying independent auditors' report.*

**County of James City, Virginia**  
Notes to Required Supplementary Information (Unaudited)  
June 30, 2022

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

*SPORS Employees:*

Mortality Rates (Pre-retirement, post-retirement healthy, and disabled)	Update to PUB2010 public sector mortality tables. For future mortality improvements, replace load with a modified Mortality Improvement Scale MP-2020
Retirement Rates	Increased rates for ages 55 to 61, 63, and 64 with 26 or more years of service; changed final retirement age from 65 to 70
Withdrawal Rates	Decreased rate for 0 years of service and increased rates for 1 to 6 years of service
Disability Rates	No change
Salary Scale	No change
Line of Duty Disability	No change
Discount Rate	No change

*VaLORS Employees:*

Mortality Rates (Pre-retirement, post-retirement healthy, and disabled)	Update to PUB2010 public sector mortality tables. For future mortality improvements, replace load with a modified Mortality Improvement Scale MP-2020
Retirement Rates	Increased rates at some younger ages, decreased at age 62, and changed final retirement age from 65 to 70
Withdrawal Rates	Adjusted rates to better fit experience at each year age and service through 9 years of service
Disability Rates	No change
Salary Scale	No change
Line of Duty Disability	No change
Discount Rate	No change

*JRS Employees:*

Mortality Rates (Pre-retirement, post-retirement healthy, and disabled)	Review separately from State employees because exhibit fewer deaths. Update to PUB2010 public sector mortality tables. For future mortality improvements, replace load with a modified Mortality Improvement Scale MP-2020
Retirement Rates	Decreased rates for ages 60-66 and 70-72
Withdrawal Rates	No change
Disability Rates	No change
Salary Scale	Reduce increases across all ages by 0.50%
Discount Rate	No change

*Largest 10 Locality Employers – General Employees:*

Mortality Rates (Pre-retirement, post-retirement healthy, and disabled)	Update to PUB2010 public sector mortality tables. For future mortality improvements, replace load with a modified Mortality Improvement Scale MP-2020
Retirement Rates	Adjusted rates to better fit experience for Plan 1; set separate rates based on experience for Plan 2/Hybrid; changed final retirement age from 75 to 80 for all
Withdrawal Rates	Adjusted rates to better fit experience at each age and service decrement through 9 years of service
Disability Rates	No change
Salary Scale	No change
Line of Duty Disability	No change
Discount Rate	No change

*See accompanying independent auditors' report.*

**County of James City, Virginia**  
Notes to Required Supplementary Information (Unaudited)  
June 30, 2022

**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)	Update to PUB2010 public sector mortality tables. For future mortality improvements, replace load with a modified Mortality Improvement Scale MP-2020
Retirement Rates	Adjusted rates to better fit experience for Plan 1; set separate rates based on experience for Plan 2/Hybrid; changed final retirement age from 75 to 80 for all
Withdrawal Rates	Adjusted rates to better fit experience at each age and service decrement through 9 years of service
Disability Rates	No change
Salary Scale	No change
Line of Duty Disability	No change
Discount Rate	No change

*Largest 10 Locality Employers – Hazardous Duty Employees:*

Mortality Rates (Pre-retirement, post-retirement healthy, and disabled)	Update to PUB2010 public sector mortality tables. Increased disability life expectancy. For future mortality improvements, replace load with a modified Mortality Improvement Scale MP-2020
Retirement Rates	Adjusted rates to better fit experience and changed final retirement age from 65 to 70
Withdrawal Rates	Decreased rates
Disability Rates	No change
Salary Scale	No change
Line of Duty Disability	No change
Discount Rate	No change

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

Mortality Rates (Pre-retirement, post-retirement healthy, and disabled)	Update to PUB2010 public sector mortality tables. Increased disability life expectancy. For future mortality improvements, replace load with a modified Mortality Improvement Scale MP-2020
Retirement Rates	Adjusted rates to better fit experience and changed final retirement age from 65 to 70
Withdrawal Rates	Decreased rates and changed from rates based on age and service to rates based on service only to better fit experience and to be more consistent with Locals Top 10 Hazardous Duty
Disability Rates	No change
Salary Scale	No change
Line of Duty Disability	No change
Discount Rate	No change

**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, 2022

**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%
June 30, 2020	2.45%
June 30, 2021	1.92%

**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, 2020, valuation were based on the results of an actuarial experience study for the period from July 1, 2016, through June 30, 2020, except the change in the discount rate, which was based on VRS Board action effective as of July 1, 2019.

## **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, 2022

	Original Budget	Final Budget	Actual	Variance positive (negative)
Revenues:				
Use of money and property	\$ -	\$ -	\$ 1,580	\$ 1,580
Miscellaneous	42,500	42,500	40,083	(2,417)
Total revenues	<u>42,500</u>	<u>42,500</u>	<u>41,663</u>	<u>(837)</u>
Expenditures:				
Community development	75,000	75,000	46,796	28,204
Debt service:				
Principal	13,769,984	13,691,822	12,241,474	1,450,348
Interest and other fiscal charges	4,795,681	4,873,843	4,420,950	452,893
Total expenditures	<u>18,640,665</u>	<u>18,640,665</u>	<u>16,709,220</u>	<u>1,931,445</u>
Deficiency of revenues under expenditures	(18,598,165)	(18,598,165)	(16,667,557)	1,930,608
Other financing sources:				
Transfers in	20,400,000	20,400,000	16,667,557	3,732,443
Total other financing sources	<u>20,400,000</u>	<u>20,400,000</u>	<u>16,667,557</u>	<u>3,732,443</u>
Deficiency of revenues and other sources under expenditures	1,801,835	1,801,835	-	(1,801,835)
Fund balance, beginning of year	<u>(1,801,835)</u>	<u>(1,801,835)</u>	<u>-</u>	<u>1,801,835</u>
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.

**County of James City, Virginia**  
Combining Balance Sheet  
Nonmajor Governmental Funds  
June 30, 2022

	<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>Total</b>
<b>Assets</b>						
Cash and cash equivalents and investments	\$ 1,453,425	\$ 426,254	\$ 2,243,405	\$ 304,752	\$ 2,415,718	\$ 6,843,554
Cash and cash equivalents, restricted	-	-	1,342,320	-	-	1,342,320
Taxes receivable	-	-	-	-	94,133	94,133
Loans receivable, net	-	-	400,009	-	-	400,009
Miscellaneous receivables	36,500	-	25,850	-	-	62,350
Due from other governments	382,639	24,574	268,633	-	-	675,846
Prepaid items	-	-	69	-	-	69
Total assets	<u>\$ 1,872,564</u>	<u>\$ 450,828</u>	<u>\$ 4,280,286</u>	<u>\$ 304,752</u>	<u>\$ 2,509,851</u>	<u>\$ 9,418,281</u>
<b>Liabilities</b>						
Liabilities:						
Accounts payable	\$ 13,180	\$ 1,595	\$ 462,937	\$ 1,712	\$ 26,694	\$ 506,118
Accrued liabilities	3,589	3,264	-	-	-	6,853
Payables from restricted assets	-	-	52,061	-	-	52,061
Unearned revenue	56,684	-	55,146	-	285,000	396,830
Total liabilities	<u>73,453</u>	<u>4,859</u>	<u>570,144</u>	<u>1,712</u>	<u>311,694</u>	<u>961,862</u>
<b>Deferred Inflows of Resources</b>						
Unavailable revenue - grants	-	-	127,826	-	-	127,826
<b>Fund Balances</b>						
Fund balances:						
Restricted	-	-	961,110	-	-	961,110
Committed	-	-	1,608,153	-	-	1,608,153
Assigned	1,799,111	445,969	1,013,053	303,040	2,198,157	5,759,330
Total fund balances	<u>1,799,111</u>	<u>445,969</u>	<u>3,582,316</u>	<u>303,040</u>	<u>2,198,157</u>	<u>8,328,593</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 1,872,564</u>	<u>\$ 450,828</u>	<u>\$ 4,280,286</u>	<u>\$ 304,752</u>	<u>\$ 2,509,851</u>	<u>\$ 9,418,281</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, 2022

	<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>Total</b>
Revenues:						
Other local taxes	\$ -	\$ -	\$ -	\$ -	\$ 902,038	\$ 902,038
Miscellaneous	20,116	19,743	372,672	152,250	-	564,781
Intergovernmental:						
Local	-	208,879	-	-	-	208,879
Commonwealth	1,232,705	857,814	56,744	-	-	2,147,263
Federal	2,838,911	2,620	2,296,314	-	-	5,137,845
Total revenues	<u>4,091,732</u>	<u>1,089,056</u>	<u>2,725,730</u>	<u>152,250</u>	<u>902,038</u>	<u>8,960,806</u>
Expenditures:						
Current:						
Judicial administration	-	1,171,035	-	134,848	-	1,305,883
Public safety	-	-	-	9,131	-	9,131
Health and human services	5,581,317	-	-	-	-	5,581,317
Parks, recreation and cultural	-	-	-	3,569	-	3,569
Community development	-	-	2,937,410	-	1,510,557	4,447,967
Debt service:						
Principal payments - leases	11,461	609	-	-	-	12,070
Interest - leases	497	68	-	-	-	565
Capital outlay	-	9,448	-	-	-	9,448
Total expenditures	<u>5,593,275</u>	<u>1,181,160</u>	<u>2,937,410</u>	<u>147,548</u>	<u>1,510,557</u>	<u>11,369,950</u>
Excess (deficiency) of revenues over (under) expenditures	(1,501,543)	(92,104)	(211,680)	4,702	(608,519)	(2,409,144)
Other financing sources (uses):						
Transfers in	1,544,300	150,700	677,100	-	2,084,944	4,457,044
Transfers out	-	-	-	(7,000)	(370,500)	(377,500)
Proceeds from leases	-	9,448	-	-	-	9,448
Total other financing sources (uses)	<u>1,544,300</u>	<u>160,148</u>	<u>677,100</u>	<u>(7,000)</u>	<u>1,714,444</u>	<u>4,088,992</u>
Net change in fund balances	42,757	68,044	465,420	(2,298)	1,105,925	1,679,848
Fund balances, beginning of year	<u>1,756,354</u>	<u>377,925</u>	<u>3,116,896</u>	<u>305,338</u>	<u>1,092,232</u>	<u>6,648,745</u>
Fund balances, end of year	<u>\$ 1,799,111</u>	<u>\$ 445,969</u>	<u>\$ 3,582,316</u>	<u>\$ 303,040</u>	<u>\$ 2,198,157</u>	<u>\$ 8,328,593</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, 2022

	Original Budget	Revised Budget	Actual	Variance positive (negative)
Revenues:				
Miscellaneous	\$ -	\$ 73,000	\$ 20,116	\$ 52,884
Intergovernmental:				
Commonwealth	-	31,631	1,232,705	1,201,074
Federal	4,120,723	4,302,755	2,838,911	(1,463,844)
Total revenues	4,120,723	4,407,386	4,091,732	(209,886)
Expenditures:				
Current:				
Health and human services	6,176,965	6,612,970	5,581,317	1,031,653
Debt service:				
Principal payments - leases	-	11,461	11,461	-
Interest - leases	-	497	497	-
Total expenditures	6,176,965	6,624,928	5,593,275	1,031,653
Deficiency of revenues under expenditures	(2,056,242)	(2,217,542)	(1,501,543)	(1,241,539)
Other financing sources:				
Operating transfers in	1,382,963	1,544,263	1,544,300	37
Total other financing sources:	1,382,963	1,544,263	1,544,300	402,032
Deficiency of revenues and other sources under expenditures	(673,279)	(673,279)	42,757	(716,036)
Fund balance, beginning of year	673,279	673,279	1,756,354	(1,083,075)
Fund balance, end of year	\$ -	\$ -	\$ 1,799,111	\$ (1,799,111)

See accompanying independent auditor's report.

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

Custodial 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 Custodial 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 agency 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  
Fiduciary Funds  
June 30, 2022

	Special Welfare	WAMAC	Regional Jail	Juvenile Detention	Williamsburg Area Transit Authority	Total
<b>Assets</b>						
Cash, cash equivalents and investments	\$ 1,175	\$ 34,179	\$ 8,381,896	\$ 3,041,506	\$ 4,861,447	\$ 16,320,203
Restricted cash, cash equivalents and investments	-	5,436,219	-	-	-	5,436,219
Accounts receivable	-	230,325	33,606	28,368	11,888	304,187
Lease receivable	-	-	62,895	-	52,170	115,065
Due from other governmental units	-	-	526,109	2,528	853,600	1,382,237
Due from other funds	-	-	16,595	-	-	16,595
Capital assets, nondepreciable	-	-	881,571	118,354	3,419,379	4,419,304
Capital assets, depreciable, net of accumulated depreciation	-	83,437	12,672,094	3,520,948	7,835,993	24,112,472
Capital assets, lease assets, net of accumulated amortization	-	-	20,744	-	99,784	120,528
Net pension asset	-	-	7,010,030	99,376	214,357	7,323,763
Net OPEB asset	-	-	-	2,310	2,950	5,260
Total assets	<u>\$ 1,175</u>	<u>\$ 5,784,160</u>	<u>\$ 29,605,540</u>	<u>\$ 6,813,390</u>	<u>\$ 17,351,568</u>	<u>\$ 59,555,833</u>
<b>Deferred Outflows of Resources</b>						
Deferred pension outflows	\$ -	\$ -	\$ 686,673	\$ 175,003	\$ 102,347	\$ 964,023
Deferred OPEB outflows	-	-	90,480	169,351	158,963	418,794
Total deferred outflows of resources	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 777,153</u>	<u>\$ 344,354</u>	<u>\$ 261,310</u>	<u>\$ 1,382,817</u>
<b>Liabilities</b>						
Accounts payable and accrued liabilities	\$ 320	\$ 59,733	\$ 207,912	\$ 87,450	\$ 418,005	\$ 773,420
Long-term liabilities, due within one year	-	-	827,267	254,461	191,765	1,273,493
Long-term liabilities, due in more than one year	-	-	1,345,269	1,063,967	256,246	2,665,482
Deferred revenue	-	61,983	312,537	360,180	6,757	741,457
Total liabilities	<u>\$ 320</u>	<u>\$ 121,716</u>	<u>\$ 2,692,985</u>	<u>\$ 1,766,058</u>	<u>\$ 872,773</u>	<u>\$ 5,453,852</u>
<b>Deferred Inflows of Resources</b>						
Deferred pension inflows	\$ -	\$ -	\$ 3,199,574	\$ 382,884	\$ 238,506	\$ 3,820,964
Deferred OPEB inflows	-	-	384,044	101,344	79,266	564,654
Deferred lease inflows	-	-	61,535	-	50,923	112,458
Total deferred inflows of resources	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 3,645,153</u>	<u>\$ 484,228</u>	<u>\$ 368,695</u>	<u>\$ 4,498,076</u>
<b>Net Position</b>						
Net investment in capital assets	\$ -	\$ 83,437	\$ 12,568,324	\$ 2,723,725	\$ 11,355,156	\$ 26,730,642
Restricted	-	2,250,000	7,010,030	101,686	272,757	9,634,473
Assigned	855	-	-	-	-	855
Unrestricted	-	3,329,007	4,466,201	2,082,047	4,743,497	14,620,752
Total net position	<u>\$ 855</u>	<u>\$ 5,662,444</u>	<u>\$ 24,044,555</u>	<u>\$ 4,907,458</u>	<u>\$ 16,371,410</u>	<u>\$ 50,986,722</u>

See accompanying independent auditor's report.

**County of James City, Virginia**  
Combining Statement of Changes in Fiduciary Net Position  
Fiduciary Funds  
Year Ended June 30, 2022

	Special Welfare	WAMAC	Regional Jail	Juvenile Detention	Williamsburg Area Transit Authority	Total
<b>Additions</b>						
Fees from members	\$ -	\$ -	\$ 5,881,617	\$ 1,473,804	\$ -	\$ 7,355,421
Revenue from the Commonwealth	-	-	5,256,285	2,885,996	-	8,142,281
Revenue from the federal government	-	-	873	84,305	-	85,178
Operating grants and contributions	15,083	2,108,036	-	-	7,330,693	9,453,812
Capital grants and contributions	-	-	-	-	1,493,274	1,493,274
Charges for services	-	678,047	-	-	679,722	1,357,769
Use of money and property	-	-	24,098	-	130,666	154,764
Other	-	86,021	1,308,021	12,074	57,274	1,463,390
Total additions	<u>\$ 15,083</u>	<u>\$ 2,872,104</u>	<u>\$ 12,470,894</u>	<u>\$ 4,456,179</u>	<u>\$ 9,691,629</u>	<u>\$ 29,505,889</u>
<b>Deductions</b>						
Personnel expenses	\$ -	\$ 2,315,542	\$ 5,456,609	\$ 3,598,564	\$ 3,580,804	\$ 14,951,519
Materials and contractual services	-	357,034	2,532,285	371,161	2,879,057	6,139,537
Depreciation	-	25,164	956,027	240,492	1,215,545	2,437,228
Minor furniture and equipment	-	20,842	83,321	27,014	-	131,177
Interest expense	-	-	30,934	23,712	-	54,646
COVID-19 pandemic costs	-	9,650	-	-	-	9,650
Investment loss	-	577,884	-	-	-	577,884
Other	14,278	235,198	1,206,258	177,971	55,889	1,689,594
Total deductions	<u>\$ 14,278</u>	<u>\$ 3,541,314</u>	<u>\$ 10,265,434</u>	<u>\$ 4,438,914</u>	<u>\$ 7,731,295</u>	<u>\$ 25,991,235</u>
Net increase (decrease) in fiduciary net position	805	(669,210)	2,205,460	17,265	1,960,334	3,514,654
Net position, beginning	50	6,331,654	21,839,095	4,890,193	14,411,076	47,472,068
Net position, ending	<u>\$ 855</u>	<u>\$ 5,662,444</u>	<u>\$ 24,044,555</u>	<u>\$ 4,907,458</u>	<u>\$ 16,371,410</u>	<u>\$ 50,986,722</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, 2022

	<b>Major Funds</b>			<b>Nonmajor governmental funds</b>	<b>Total governmental funds</b>
	<b>General</b>	<b>Grants</b>	<b>Schools' Food Services</b>		
<b>Assets</b>					
Cash and temporary investments	\$ 18,874,526	\$ -	\$ 3,954,335	\$ 1,719,533	\$ 24,548,394
Receivables	19,681	-	3,485	-	23,166
Lease receivable, current	24,621	-	-	-	24,621
Lease receivable, non-current	412,526	-	-	-	412,526
Due from other funds	1,825,300	-	-	-	1,825,300
Due from federal government	81,692	2,354,973	1,060,834	345,470	3,842,969
Due from Commonwealth of Virginia	2,918,707	768,126	-	-	3,686,833
Due from the City of Williamsburg and James City County	1,059,247	-	-	721,651	1,780,898
Inventory	-	-	68,396	-	68,396
Total assets	<u>\$ 25,216,300</u>	<u>\$ 3,123,099</u>	<u>\$ 5,087,050</u>	<u>\$ 2,786,654</u>	<u>\$ 36,213,103</u>
<b>Liabilities, Deferred Inflow of Resources and Fund Balances</b>					
<b>Liabilities:</b>					
Accounts payable	\$ 994,868	\$ 141,395	\$ 125,011	\$ 771,084	\$ 2,032,358
Accrued payroll	7,961,449	391,154	124,544	-	8,477,147
Accrued benefits	7,642,855	526,444	120,370	-	8,289,669
Due to other funds	-	1,758,279	-	67,021	1,825,300
Due to the City of Williamsburg and James City County	6,037,807	-	-	-	6,037,807
Unearned revenue	-	134,411	-	-	134,411
Total liabilities	<u>22,636,979</u>	<u>2,951,683</u>	<u>369,925</u>	<u>838,105</u>	<u>26,796,692</u>
<b>Deferred Inflows of Resources</b>					
Deferred lease receivable	424,961	-	-	-	424,961
Total deferred inflows of resources	<u>424,961</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>424,961</u>
<b>Fund balances:</b>					
Nonspendable - inventory	-	-	68,396	-	68,396
Restricted	-	171,416	4,648,729	1,499,209	6,319,354
Committed	-	-	-	449,340	449,340
Assigned	1,954,360	-	-	-	1,954,360
Unassigned	200,000	-	-	-	200,000
Total fund balances	<u>2,154,360</u>	<u>171,416</u>	<u>4,717,125</u>	<u>1,948,549</u>	<u>8,991,450</u>
Total liabilities and fund balances	<u>\$ 25,216,300</u>	<u>\$ 3,123,099</u>	<u>\$ 5,087,050</u>	<u>\$ 2,786,654</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.

59,985,172

Long-term liabilities and the related deferred outflows and inflows are not reported in the governmental funds.

Compensated absences	\$ (1,430,816)	
Equipment leases	(1,435,318)	
Interest payable	(3,887)	
Net OPEB asset/liabilities and related deferred inflows and outflows of resources	(21,836,751)	
Net pension asset/liability and related deferred inflows and outflows of resources	<u>(87,942,260)</u>	<u>(112,649,032)</u>
Net position of governmental activities		<u>\$ (43,672,410)</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, 2022

	<b>Major Funds</b>			<b>Nonmajor governmental funds</b>	<b>Total governmental funds</b>
	<b>General</b>	<b>Grants</b>	<b>Schools' Food Services</b>		
Revenues:					
Intergovernmental:					
From City of Williamsburg and James City County	\$ 90,442,406	\$ -	\$ -	\$ 1,812,115	\$ 92,254,521
From Commonwealth of Virginia	57,167,902	2,274,340	140,078	-	59,582,320
From federal government	119,599	12,152,132	7,117,771	450,485	19,839,987
Total intergovernmental	147,729,907	14,426,472	7,257,849	2,262,600	171,676,828
Charges for services	242,468	-	512,849	264,378	1,019,695
Interest	40,670	-	4,379	-	45,049
Miscellaneous	331,131	615,891	-	1,508,760	2,455,782
Total revenues	148,344,176	15,042,363	7,775,077	4,035,738	175,197,354
Expenditures:					
General and administrative	3,388,614	43,122	-	-	3,431,736
Instruction	106,386,240	10,729,670	-	1,562,140	118,678,050
Attendance and health services	4,710,761	787,851	-	-	5,498,612
Pupil transportation	8,200,583	329,119	-	-	8,529,702
Operations and maintenance	12,544,879	35,353	-	-	12,580,232
Technology	11,075,843	925,699	-	-	12,001,542
Food services	-	76,234	4,801,677	-	4,877,911
Debt service principal	472,694	-	-	-	472,694
Debt service interest	20,032	-	-	-	20,032
Capital outlay	2,669,523	2,198,511	153,073	2,262,600	7,283,707
Total expenditures	149,469,169	15,125,559	4,954,750	3,824,740	173,374,218
Excess (deficiency) of revenues over expenditures	(1,124,993)	(83,196)	2,820,327	210,998	1,823,136
Other financing sources:					
Issuance of capital lease obligations	1,154,316	-	-	-	1,154,316
Total other financing sources	1,154,316	-	-	-	1,154,316
Net change in fund balances	29,323	(83,196)	2,820,327	210,998	2,977,452
Fund balances, beginning of year	2,125,037	254,612	1,896,798	1,737,551	6,013,998
Fund balances, end of year	\$ 2,154,360	\$ 171,416	\$ 4,717,125	\$ 1,948,549	\$ 8,991,450

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, 2022

Net change in fund balances		\$ 2,977,452
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	\$ 7,283,707	
Depreciation expense	<u>(4,748,913)</u>	2,534,794
governmental funds, only the proceeds from the sale increase financial resources. Thus, the change in the net position differs from the change in fund balances by the cost of the equipment sold		(1,358)
Repayment of debt principal is an expenditure in the governmental funds, but does not affect the statement of activities		472,694
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 accrued interest payable	(3,887)	
Change in compensated absences liability	(114,662)	
OPEB expenses, net of employer contributions	417,103	
Pension expense, net of employer contributions	<u>13,548,695</u>	13,847,249
Proceeds from the issuance of capital lease obligations are reported as other financing sources in the governmental funds, increasing fund balance. In the government-wide statements, new debt increase long-term liabilities in the statement of net position and does not affect the statement of activities. This represents principal amounts of new capital leases.		
		(1,154,316)
Change in net position		<u><u>\$ 18,676,515</u></u>

**County of James City, Virginia**  
Combining Balance Sheet - Nonmajor Governmental Funds  
Discretely Presented Component Unit – Public Schools  
June 30, 2022

	<b>Capital Projects</b>	<b>Student Activity Funds</b>	<b>Total nonmajor governmental funds</b>
<b>Assets:</b>			
Cash and temporary investments	\$ 153,303	1,566,230	1,719,533
Due from federal government	345,470	-	345,470
Due from the City of Williamsburg and James City County	721,651	-	721,651
Total assets	<u>\$ 1,220,424</u>	<u>1,566,230</u>	<u>2,786,654</u>
<b>Liabilities:</b>			
Accounts payable	\$ 771,084	-	771,084
Due to other funds	-	67,021	67,021
Total liabilities	<u>771,084</u>	<u>67,021</u>	<u>838,105</u>
<b>Fund balances:</b>			
Restricted	-	1,499,209	1,499,209
Committed	449,340	-	449,340
Total fund balances	<u>449,340</u>	<u>1,499,209</u>	<u>1,948,549</u>
Total liabilities and fund balances	<u>\$ 1,220,424</u>	<u>1,566,230</u>	<u>2,786,654</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  
Discretely Presented Component Unit – Public Schools  
Year ended June 30, 2022

	Capital Projects	Student Activity Funds	Total nonmajor governmental funds
Revenues:			
Intergovernmental:			
City of Williamsburg and James City County	\$ 1,812,115	-	1,812,115
Federal government	450,485	-	450,485
Total intergovernmental	2,262,600	-	2,262,600
Charges for services	-	264,378	264,378
Miscellaneous	-	1,508,760	1,508,760
Total revenues	2,262,600	1,773,138	4,035,738
Expenditures:			
Current:			
Instruction	-	1,562,140	1,562,140
Capital outlay	2,262,600	-	2,262,600
Total expenditures	2,262,600	1,562,140	3,824,740
Net change in fund balances	-	210,998	210,998
Fund balances at beginning of year, as restated	449,340	1,288,211	1,737,551
Fund balances at end of year	\$ 449,340	\$ 1,499,209	\$ 1,948,549

See accompanying independent auditor's report.

**County of James City, Virginia**  
**Statement of Net Position**  
Discretely Presented Component Unit - Economic Development Authority  
June 30, 2022

**Assets**

**Current assets:**

Cash and short-term investments	\$ 687,342
Current portion of lease receivable	28,392
Bond fee receivable	32,045
Lease interest receivable	3,462
Total current assets	<u>751,241</u>

**Non-current assets:**

Notes receivable	20,638
Lease receivable in more than one year	714,697
Capital assets	
Nondepreciable	744,995
Depreciable, net	591,815
<b>Capital assets, net</b>	<u>1,336,810</u>
<b>Total non-current assets</b>	<u>2,072,145</u>
<b>Total assets</b>	<u><u>\$ 2,823,386</u></u>

**Liabilities, Deferred Inflow of Resources, and Net Position**

**Current liabilities:**

Accounts payable	<u>\$ 2,096</u>
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**Deferred inflow of resources:**

Deferred inflow-leases	<u>\$ 723,837</u>
------------------------	-------------------

**Net position:**

Net investment in capital assets	1,336,810
Unrestricted	760,643
Total net position	<u>2,097,453</u>
Total liabilities and net position	<u><u>\$ 2,823,386</u></u>

See accompanying independent auditor's report.

**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, 2022

Operating revenues:	
Lease income	\$ 47,726
Intergovernmental - County contribution	16,009
Bond fees	124,175
Total operating revenues	<u>187,910</u>
Operating expenses:	
Community development & Launchpad	59,173
Depreciation	25,478
Promotion	20,339
Professional fees	16,676
Total operating expenses	<u>121,666</u>
Operating income	<u>66,244</u>
Nonoperating revenue:	
Interest income	42,191
Total nonoperating revenue	<u>42,191</u>
Change in net position	108,435
Net position, beginning of year, as restated	<u>1,989,018</u>
Net position, end of year	<u><u>\$ 2,097,453</u></u>

See accompanying independent auditor's report.

**County of James City, Virginia**  
**Statement of Cash Flows**  
Discretely Presented Component Unit - Economic Development Authority  
Year ended June 30, 2022

Cash flows from operating activities:	
Receipts from County and customers	\$ 197,298
Payments to suppliers	<u>(94,092)</u>
Net cash provided by operating activities	<u>103,206</u>
 Cash flows from investing activities:	
Interest received	<u>38,729</u>
 Net increase in cash and short-term investments	141,935
Cash and short-term investments, beginning of year	545,407
Cash and short-term investments, end of year	<u><u>\$ 687,342</u></u>
 Reconciliation of operating income to net cash provided by operating activities:	
Operating income	\$ 66,244
Adjustments to reconcile operating income to cash	
provided by operating activities:	
Depreciation	25,478
Changes in assets and liabilities:	
Due from James City County	49,767
Lease receivable	28,473
Deferred inflow - leases	(47,725)
Rent receivable	8,036
Bond fee receivable	(29,163)
Accounts payable	2,096
Net cash provided by operating activities	<u><u>\$ 103,206</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, 2022

	<b>James City Service Authority</b>
<b>Assets</b>	
Current assets:	
Cash and cash equivalents	\$ 6,894,387
Investments	49,469,680
Restricted investments	6,524,603
Accounts receivable, customers	3,157,287
Lease receivable, current portion	122,079
Accounts receivable, other	6,634
Interest receivable	70,045
Lease interest receivable	573
Inventories	1,246,614
Total current assets	<u>67,491,902</u>
Pension asset, net	1,142,756
Lease receivable, net of current portion	162,849
Capital assets, net:	
Non-depreciable	11,467,672
Depreciable	143,009,231
Lease assets, net	5,006
Net capital assets	<u>154,481,909</u>
Total assets	<u>223,279,416</u>
<b>Deferred Outflows of Resources</b>	
Deferred charge on refunding, net	1,358,393
Deferred pensions	713,208
Deferred OPEB group life insurance	75,914
Deferred OPEB health insurance credit	12,394
Deferred OPEB retiree healthcare	33,768
Total deferred outflows of resources	<u>2,193,677</u>
Total assets and deferred outflows of resources	<u>\$ 225,473,093</u>
<b>Liabilities</b>	
Current liabilities:	
Accounts payable, trade	\$ 770,293
Retainage payable	329,897
Accrued salaries	21,231
Compensated absences, current portion	415,714
Due to James City County	636,338
Due to Commonwealth	275
Deposits	883,130
Interest payable	363,406
Lease payable	3,393
Lease interest payable	13
Bonds payable, current portion	1,346,907
Total current liabilities	<u>4,770,597</u>
Noncurrent liabilities:	
Advances for construction	32,902
Compensated absences, net of current portion	138,571
Lease payable	1,750
Bonds payable, net of current portion	26,327,760
Other post-employment benefits (OPEB)	570,222
Total noncurrent liabilities	<u>27,071,205</u>
Total liabilities	<u>31,841,802</u>
<b>Deferred Inflows of Resources</b>	
Deferred pensions	2,521,900
Deferred lease	278,809
Deferred OPEB retiree healthcare	185,730
Deferred OPEB group life insurance	102,792
Deferred OPEB health insurance credit	32,826
Total deferred inflows of resources	<u>3,122,057</u>
<b>Net Position</b>	
Net position:	
Net investment in capital assets	133,825,067
Restricted for:	
Capital projects	5,659,432
Net pension asset	1,142,756
Debt service	865,171
Unrestricted	49,016,808
Total net position	<u>190,509,234</u>
Total liabilities, deferred inflows of resources and net position	<u>\$ 225,473,093</u>

See accompanying notes to basic financial statements.

**County of James City, Virginia**  
**Statement of Revenues, Expenses and Changes in Net Position**  
**Discretely Presented Component Unit – Service Authority**  
**Year ended June 30, 2022**

	<b>James City Service Authority</b>
Operating revenues:	
Water and sewer services	\$ 18,413,514
Facility charges	2,811,965
COVID-19 relief funding	240,808
Other	497,818
Total operating revenues	<u>21,964,105</u>
Operating expenses:	
Personnel services	7,564,177
Operating supplies	1,558,860
Maintenance	1,662,145
Utilities	961,832
Contractual fees	958,226
COVID-19 expenses	240,808
Other	197,787
Total operating expenses	<u>13,143,835</u>
Operating income before depreciation and amortization	8,820,270
Depreciation and amortization	<u>8,062,145</u>
Operating loss	<u>758,125</u>
Nonoperating revenues (expenses):	
Investment loss	(2,194,170)
Gain on disposal of capital assets	17,200
Interest expense	(823,302)
Total nonoperating expenses, net	<u>(3,000,272)</u>
Income before capital contributions	(2,242,147)
Capital contributions	<u>2,121,505</u>
Change in net position	(120,642)
Net position, beginning of year	190,629,876
Net position, end of year	<u><u>\$ 190,509,234</u></u>

See accompanying notes to basic financials statements.

**Exhibit D-10**

**County of James City, Virginia**  
**Statement of Cash Flows**  
**Discretely Presented Component Unit – Service Authority**  
**Year ended June 30, 2022**

	<b>James City Service Authority</b>
Cash flows from operating activities:	
Cash receipts from customers	\$ 18,456,927
Other cash receipts	738,626
Cash payments to suppliers of goods and services	(5,206,665)
Cash payments for personnel services	(7,880,906)
Facility charges	2,813,055
Net cash provided by operating activities	<u>8,921,037</u>
Cash flows from capital and related financing activities:	
Repayments of debt	(1,246,000)
Payment of lease liabilities	(3,293)
Interest paid	(826,404)
Acquisition and construction of capital assets	(6,758,092)
Proceeds from sale of capital assets	56,901
Net cash provided by capital and related financing activities	<u>(8,776,888)</u>
Cash flows from investing activities:	
Purchases of investments	(15,900,830)
Proceeds from sales of investments	13,234,265
Lease payments received	119,283
Interest received	6,230
Net cash used in investing activities	<u>(2,541,052)</u>
Increase in cash and cash equivalents	<u>(2,396,903)</u>
Cash and cash equivalents, beginning of year (including \$9,379,323 in restricted accounts at June 30, 2021)	<u>15,815,893</u>
Cash and cash equivalents, end of year (including \$6,524,603 in restricted accounts at June 30, 2022)	<u>\$ 13,418,990</u>
Reconciliation of operating loss to net cash provided by operating activities:	
Operating gain	<u>\$ 758,125</u>
Adjustments to reconcile operating loss to net cash provided by operating activities:	
Depreciation and amortization	8,062,145
Pension expense, net of employer contributions	(340,205)
Retiree healthcare OPEB expense, net of employer contributions	(8,519)
Group life insurance OPEB expense, net of employer contributions	(17,128)
Health insurance credit OPEB expense, net of employer contributions	(10,000)
Lease income	(121,493)
Change in operating assets and liabilities:	
Accounts receivable, customers	19,750
Accounts receivable, others	4,942
Note receivable	1,090
Inventories	(130,306)
Accounts payable, trade	129,527
Retainage payable	329,897
Accrued salaries	289
Compensated absences	58,559
Due to James City County	165,368
Due to Commonwealth	275
Deposits	18,721
Net cash provided by operating activities	<u>\$ 8,921,037</u>
Supplemental schedules:	
Noncash capital activities:	
Capital asset contributions	<u>\$ 2,121,505</u>
Noncash investing activity:	
Unrealized loss from change in fair value of investments	<u>\$ 2,599,598</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 - 17**

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**

	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Governmental activities:										
Net investment in capital assets	\$ 128,851,392	\$ 142,867,725	\$ 159,469,360	\$ 176,303,250	\$ 185,274,286	\$ 198,539,384	\$ 210,357,610	\$ 223,523,519	\$ 231,590,103	\$ 240,797,862
Restricted:										
Capital projects	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	1,350,727	1,276,896
Unrestricted	52,396,401	50,095,897	51,222,452	52,962,121	63,841,474	70,378,940	82,578,292	96,534,809	118,340,056	145,739,522
Total governmental activities net position	<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>	<u>\$ 351,280,886</u>	<u>\$ 387,814,280</u>
Business-type activity (1):										
Net investment in capital assets	\$ 139,966,206	\$ 137,922,955	\$ 137,173,064	\$ 139,312,785	\$ 136,696,744	\$ 132,616,889	\$ 134,359,937			
Restricted:										
Capital projects	2,620,384	2,601,160	2,716,277	-	-	-	-			
Debt service	-	-	-	729,605	677,614	567,011	569,708			
Unrestricted	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>\$ 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	\$ 268,817,598	\$ 280,790,680	\$ 296,642,424	\$ 315,616,035	\$ 321,971,030	\$ 331,156,273	\$ 344,717,547	\$ 223,523,519	\$ 231,590,103	\$ 240,797,862
Restricted:										
Capital projects	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	1,350,727	1,276,896
Unrestricted	82,585,426	79,255,016	84,125,970	89,976,323	105,285,374	117,043,263	132,114,856	96,534,809	118,340,056	145,739,522
Total primary government net position	<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>	<u>\$ 351,280,886</u>	<u>\$ 387,814,280</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**

	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
<b>Expenses:</b>										
Governmental activities:										
General government administration	\$ 14,304,134	\$ 9,249,487	\$ 19,278,147	\$ 8,807,519	\$ 11,261,405	\$ 8,768,221	\$ 11,011,081	\$ 15,165,784	\$ 21,099,810	\$ 17,494,683
Judicial administration	5,505,727	5,216,769	5,598,594	5,682,096	5,147,078	6,053,891	6,153,636	6,339,331	6,487,976	6,806,106
Public safety	27,750,476	25,964,996	23,996,973	30,842,789	30,313,710	32,036,916	34,180,592	34,366,944	36,231,265	38,479,969
Public works	7,963,622	7,244,367	6,985,073	7,986,260	9,161,360	7,258,365	9,128,572	9,918,359	9,467,161	12,068,804
Health and human services	6,785,380	6,671,151	7,013,325	7,368,295	7,742,508	7,883,242	8,482,617	9,523,747	9,861,040	10,013,082
Education	84,309,615	85,595,145	87,713,464	87,508,710	93,728,530	94,073,287	100,455,268	101,088,169	98,469,065	90,097,401
Parks, recreation, and cultural	8,536,371	10,897,006	9,386,351	10,650,141	11,779,541	12,346,131	12,909,059	12,629,914	14,935,315	13,648,175
Community development	11,139,632	10,676,484	10,692,736	12,787,069	11,905,882	10,627,626	9,481,249	9,095,405	11,895,580	12,755,621
Interest on long-term debt	9,522,081	8,822,326	7,787,361	5,869,933	5,386,316	5,647,370	3,919,485	3,164,043	2,718,104	
Total governmental activities expenses	<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>	<u>211,611,255</u>	<u>204,081,945</u>
Business-type activities (2):										
Service Authority	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>21,272,566</u>	<u>21,002,926</u>	<u>19,888,935</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>\$ 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>	<u>\$ 211,611,255</u>	<u>\$ 204,081,945</u>
<b>Program revenues:</b>										
Governmental activities:										
Charges for services:										
General government administration	\$ 7,436,450	\$ 7,758,238	\$ 8,047,642	\$ 7,547,746	\$ 7,797,839	\$ 7,973,771	\$ 8,423,063	\$ 7,864,966	\$ 7,037,200	\$ 8,964,741
Judicial administration	1,828,073	1,839,637	1,832,471	2,464,271	2,366,908	2,407,582	2,404,298	2,409,617	2,356,934	2,442,666
Public safety	3,463,159	3,330,101	3,455,177	3,558,411	3,281,957	2,964,057	2,875,855	2,854,882	3,228,215	3,640,278
Parks, recreation and cultural	2,708,063	2,854,489	3,109,047	3,563,791	3,667,720	3,694,635	3,734,663	2,844,953	2,280,933	3,347,556
Other	225,520	281,256	270,799	1,041,798	1,017,317	1,015,042	1,084,496	1,849,853	2,269,136	2,550,184
Total charges for services	<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>	<u>17,172,418</u>	<u>20,945,425</u>
Operating grants and contributions	31,354,415	30,572,383	31,767,861	32,181,074	32,903,768	32,980,663	33,465,872	41,795,253	40,978,706	26,916,551
Capital grants and contributions	1,312,352	1,286,856	346,627	269,439	196,051	828,415	1,125,513	180,635	1,639,515	169,569
Total governmental activities program revenues	<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>	<u>59,790,639</u>	<u>48,031,545</u>
Business-type activities (2):										
Charges for services	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	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>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>\$ 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>	<u>\$ 59,790,639</u>	<u>\$ 48,031,545</u>
<b>Net (expense)/revenue:</b>										
Governmental activities	\$ (127,489,006)	\$ (122,414,771)	\$ (129,622,400)	\$ (126,876,282)	\$ (135,194,770)	\$ (132,089,048)	\$ (144,325,684)	\$ (142,246,979)	\$ (151,820,616)	\$ (156,050,400)
Business-type activities (2)	(800,734)	(1,482,796)	1,847,564	2,911,784	697,649	798,179	4,066,294			
Total primary government net expense	<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>	<u>\$ (151,820,616)</u>	<u>\$ (156,050,400)</u>
<b>General revenues and other changes in net position:</b>										
Governmental activities:										
Taxes:										
Property taxes, levied for general purposes	\$ 110,351,991	\$ 111,899,484	\$ 113,359,672	\$ 120,796,742	\$ 128,334,481	\$ 131,493,564	\$ 134,846,403	\$ 138,698,177	\$ 145,884,708	\$ 149,086,210
Other local taxes	21,208,061	21,435,046	22,771,626	24,027,667	24,555,363	24,442,882	29,324,049	25,981,646	29,370,617	38,372,537
Interest on investment earnings	330,514	339,358	232,388	263,745	402,544	382,080	795,865	966,252	349,292	444,493
Miscellaneous	1,473,964	1,875,485	4,217,842	1,932,580	2,924,978	3,065,493	2,779,596	1,493,215	3,950,128	5,433,116
Total governmental activities	<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>	<u>179,554,745</u>	<u>193,336,356</u>
Business-type activities (2):										
Interest on investment earnings	(1,249,111)	267,061	248,207	519,767	90,148	43,940	1,904,327			
Miscellaneous	375,758	520,504	1,013,854	832,182	973,869	726,432	495,207			
Total business-type activities	<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>\$ 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>	<u>\$ 179,554,745</u>	<u>\$ 193,336,356</u>
<b>Change in net position:</b>										
Governmental activities	\$ 5,875,524	\$ 13,134,602	\$ 10,959,128	\$ 20,144,452	\$ 21,022,596	\$ 27,294,971	\$ 23,420,229	\$ 24,892,311	\$ 27,734,129	\$ 37,285,956
Business-type activities	(1,674,087)	(695,231)	3,109,625	4,263,733	1,761,666	1,568,551	6,465,828	-	-	-
Total primary government	<u>\$ 4,201,437</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>	<u>\$ 27,734,129</u>	<u>\$ 37,285,956</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)**

	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
General fund:										
Nonspendable:										
Inventory	\$ 361,682	\$ 370,536	\$ 340,709	\$ 336,498	\$ 332,335	\$ 311,882	\$ 252,792	\$ 232,235	\$ 222,172	\$ 287,924
Prepaid items	-	-	2,111	-	-	-	-	-	-	-
Committed:										
School operations	-	-	-	-	-	-	-	-	8,128,540	6,581,532
Assigned:										
General	6,595,137	6,544,809	5,991,822	7,860,584	7,249,473	8,384,195	7,825,910	9,436,272	7,333,706	8,604,806
Capital reserve	11,583,529	8,118,950	4,968,111	5,414,938	6,001,542	6,963,412	7,116,956	7,853,810	15,833,459	15,952,529
Unassigned	22,345,746	23,099,410	23,360,679	24,681,548	28,339,753	30,119,197	31,693,639	42,058,054	56,029,027	65,248,514
Total general fund	<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>	<u>\$ 87,546,904</u>	<u>\$ 96,675,305</u>
All other government funds:										
Restricted - bond proceeds held in escrow	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,236,338	\$ 4,536,503	\$ 2,030,253	\$ 9,687	\$ 11,218
Restricted - grants/special projects										315,786
Restricted - nonmajor governmental funds								1,319,233	882,066	961,110
Committed:										
Grants	128,700	240,900	69	-	-	-	-	-	1,661,733	2,549,008
Capital projects/reserve	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	27,489,088	39,845,175
Special revenue	4,993,071	4,505,717	4,957,409	6,111,183	7,233,419	10,523,259	9,761,066	12,375,121	4,508,720	12,306,078
Total all other governmental funds	<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>	<u>\$ 34,551,294</u>	<u>\$ 55,988,375</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**

	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
<b>Revenues:</b>										
General property taxes	\$ 109,112,196	\$ 112,151,342	\$ 112,542,078	\$ 124,363,595	\$ 128,094,252	\$ 130,402,106	\$ 134,744,837	\$ 138,724,196	\$ 144,766,114	\$ 146,502,246
Other local taxes	21,208,061	21,435,046	22,771,626	24,027,667	24,555,363	24,442,882	29,324,049	25,981,646	29,370,617	38,372,537
Licenses, permits, and fees	7,623,652	8,134,299	8,443,821	8,779,496	9,049,208	8,892,499	9,496,531	8,878,568	8,354,258	10,507,338
Fines and forfeitures	295,355	293,625	271,615	309,278	270,716	265,561	292,518	231,608	154,314	205,478
Use of money and property	330,514	339,358	232,388	263,745	402,544	382,080	795,865	966,252	349,292	444,493
Charges for services	5,736,864	5,549,607	5,944,750	6,623,273	6,471,404	6,656,889	6,586,341	6,291,204	6,341,310	7,678,699
Miscellaneous	1,473,964	1,875,484	4,217,842	1,932,580	2,924,978	3,065,493	2,779,596	1,493,215	3,929,305	4,753,731
Intergovernmental	34,672,161	33,945,431	34,169,438	34,635,171	35,092,799	35,731,814	36,733,787	44,338,305	44,917,875	29,392,759
Total revenues	180,452,767	183,724,192	188,593,558	200,934,805	206,861,264	209,839,324	220,753,524	226,904,994	238,183,085	237,857,281
<b>Expenditures:</b>										
Storm costs	-	-	-	-	-	-	-	-	-	-
General government administration	9,399,885	9,643,858	9,432,889	9,678,060	9,770,250	10,086,403	11,651,426	12,905,240	15,239,378	15,448,266
Judicial administration	5,250,974	5,514,609	5,599,728	5,463,744	5,870,569	5,856,353	5,908,750	5,954,875	6,276,544	6,450,992
Public works	7,606,884	7,353,940	6,976,533	27,878,252	28,443,672	28,728,800	31,127,333	31,102,285	32,582,648	35,344,302
Health and human services	6,785,380	7,061,327	7,193,841	7,082,202	7,833,811	7,635,751	8,235,686	8,652,838	8,542,554	9,858,415
Education	75,931,599	77,496,482	79,610,865	7,234,052	7,350,896	7,584,697	8,259,078	9,383,160	9,613,906	9,826,707
Parks, recreation, and cultural	9,075,083	9,899,159	9,858,887	79,825,974	84,299,207	85,395,004	91,070,061	92,286,710	91,265,989	80,953,282
Public safety	26,555,114	26,764,383	27,475,307	9,872,451	10,293,611	10,394,095	10,896,838	10,751,418	10,947,198	11,646,489
Community development	10,914,977	10,958,279	10,769,064	10,353,844	11,827,600	9,959,810	10,451,529	9,682,050	10,318,221	12,209,744
Nondepartmental	966,806	721,744	525,433	1,183,538	-	-	-	16,128	-	51,542
Debt service (2):										
Principal	23,473,305	16,417,326	16,862,695	17,122,377	16,206,234	16,284,125	14,343,182	14,282,841	12,471,271	12,408,938
Interest	9,522,081	8,822,326	7,787,361	6,188,222	6,841,056	6,195,080	5,848,486	5,447,279	4,655,693	4,441,433
Bond issuance costs	253,624	-	112,863	1,173,546	-	-	380,771	-	273,391	-
Capital outlay (1)	12,586,344	18,421,679	13,424,741	12,647,985	25,818,138	26,833,602	26,793,328	11,824,193	13,411,798	15,893,291
Total expenditures	198,322,056	199,075,112	195,630,207	195,704,247	214,555,044	214,953,720	224,966,468	212,289,017	215,598,591	214,533,401
Excess (deficiency) of revenues over (under) expenditures	(17,869,289)	(15,350,920)	(7,036,649)	5,230,558	(7,693,780)	(5,114,396)	(4,212,944)	14,615,977	22,584,494	23,323,880
<b>Other financing sources:</b>										
Transfers in	33,965,148	34,729,940	35,271,660	40,956,217	40,745,506	40,309,261	46,365,441	36,233,275	26,987,246	51,168,906
Transfers out	(33,965,148)	(34,729,940)	(35,271,660)	(40,956,217)	(40,745,506)	(40,309,261)	(46,365,441)	(36,233,275)	(26,987,246)	(51,168,906)
Issuance of debt	26,380,000	-	34,185,000	91,665,000	-	-	14,195,000	-	11,030,000	-
Premiums on bonds issued	2,309,915	-	3,907,273	10,930,294	-	-	1,150,501	-	2,450,765	-
Proceeds from leases	-	-	-	-	-	-	-	-	-	62,571
Financed purchases	-	-	-	-	4,736,044	-	-	-	1,693,311	-
Payment to refunded bond escrow agent	-	-	(39,371,952)	(73,165,442)	-	-	-	-	(14,297,561)	-
Total other financing sources	28,689,915	-	(1,279,679)	29,429,852	4,736,044	-	15,345,501	-	876,515	62,571
Net change in fund balances	\$ 10,820,626	\$ (15,350,920)	\$ (8,316,328)	\$ 34,660,410	\$ (2,957,736)	\$ (5,114,396)	\$ 11,132,557	\$ 14,615,977	\$ 23,461,009	\$ 23,386,451
<b>Debt service as a percentage of noncapital expenditures</b>	17.55%	13.97%	13.35%	12.56%	11.99%	11.74%	10.18%	0.10%	8.43%	8.39%

(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>
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
2021	12,617,887,537	970,206,188	155,735,247	8,655,439	1,134,596,874	551,095,928	14,303,580,339	4.84
2022	12,762,586,854	1,060,624,768	156,981,638	9,802,261	1,227,408,667	492,067,041	14,482,062,562	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>
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
2021	0.84	4.00	5.00	4.00	1.00	1.00	4.84
2022	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>2022</b>			<b>2013</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.	\$ 5,302,096	1	3.31%	\$ 4,868,393	1	4.09%
Virginia Electric & Power Company	3,207,648	2	2.00%	890,362	5	0.75%
Seaworld Parks & Entertainment, LLC	2,273,898	3	1.42%	1,818,178	2	1.53%
Premium Outlets of Williamsburg (1)	1,227,470	4	0.77%	835,907	6	0.70%
Wal-Mart, Inc.	1,212,795	5	0.76%	1,162,762	3	0.98%
Historic Powhatan Resort Owners Assoc	1,036,620	6	0.65%	981,606	4	0.81%
Williamsburg Landing, Inc.	1,010,180	7	0.63%	751,199	7	0.63%
Ball Metal Container	907,049	8	0.57%	693,142	8	0.58%
Riverside Healthcare Assoc	704,106	9	0.46%	-	-	-
Vacation Village @ Williamsburg (2)	700,579	10	0.44%	658,212	10	0.55%
Owens-Brockway				690,470	9	0.58%
<b>Total</b>	<b>\$ 17,582,441</b>		<b>11.01%</b>	<b>\$ 13,350,231</b>		<b>11.20%</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) Vacation Village @ Williamsburg formerly known as Williamsburg Plantation Owners Assoc.

<b>Principal Personal Property Tax Payers</b>						
	<b>2022</b>			<b>2013</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.	\$ 4,120,396	1	8.46%	\$ 3,785,168	1	11.39%
Seaworld Parks, LLC	1,708,403	2	3.51%	1,296,314	2	3.90%
Ball Metal Container	765,819	3	1.57%	588,056	4	1.68%
Printpack, Inc.	469,218	4	0.96%	471,910	5	1.42%
Owens-Brockway Glass Container	463,001	5	0.95%	618,220	3	1.86%
Cox Communications of Hampton Roads	345,132	6	0.71%	264,627	7	0.80%
Wal-Mart, Inc.	318,195	7	0.65%	359,188	6	1.08%
Toyota Lease Trust	185,973	8	0.38%	108,879	10	0.33%
HVT, Inc.	178,995	9	0.37%	138,573	9	0.42%
Citizen Asset Finance, Inc.	169,179	10	0.35%	-	-	-
Branscome, Inc.				140,186	8	0.42%
<b>Total</b>	<b>\$ 8,724,311</b>		<b>17.91%</b>	<b>\$ 7,771,121</b>		<b>23.30%</b>

Source: Commissioner of the Revenue

<b>Principal Real Estate Property Tax Payers</b>						
	<b>2022</b>			<b>2013</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	\$ 3,207,648	1	2.88%	\$ 887,671	3	1.03%
Premium Outlets of Williamsburg (1)	1,227,470	2	1.10%	829,840	4	0.97%
Anheuser-Busch, Inc.	1,181,700	3	1.06%	1,083,225	1	1.26%
Historic Powhatan Resort Owners Assoc	1,009,654	4	0.91%	966,499	2	1.13%
Williamsburg Landing, Inc.	910,835	5	0.82%	675,738	6	0.79%
Wal-Mart, Inc.	894,600	6	0.80%	803,574	5	0.94%
Riverside Healthcare Assoc.	704,106	7	0.63%	-	-	-
Vacation Village @ Williamsburg (2)	700,579	8	0.63%	650,808	7	0.76%
Manor Club @ Ford's Colony (3)	651,006	9	0.58%	596,756	8	0.69%
Virginia United Methodist Homes, Inc.	645,755	10	0.58%	577,698	9	0.67%
Seaworld Parks, LLC				521,684	10	0.61%
<b>Total</b>	<b>\$ 11,133,353</b>		<b>9.99%</b>	<b>\$ 7,593,493</b>		<b>8.85%</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) Vacation Village @ Williamsburg formerly known as Williamsburg Plantation Owners Assoc,

(3) In 2012, 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>
2013	\$ 117,413,618	\$ 98,431,581	83.83%	\$ 18,827,149	\$ 117,258,730	99.87%
2014	118,794,190	100,523,591	84.62%	17,985,668	118,509,259	99.76%
2015	116,289,522	101,071,578	86.91%	14,681,894	115,753,471	99.54%
2016	122,616,224	106,867,113	87.16%	14,476,777	121,343,890	98.96%
2017	126,902,513	109,436,232	87.31%	15,895,512	125,331,743	98.76%
2018	129,502,759	111,268,080	85.92%	17,510,094	128,778,173	99.44%
2019	133,720,786	114,672,068	85.75%	16,894,911	131,566,978	98.39%
2020	135,651,256	114,426,238	84.35%	19,252,744	133,678,982	98.55%
2021	142,108,857	120,664,965	84.91%	19,196,062	139,861,026	98.42%
2022	143,792,467	122,219,660	85.00%	-	122,219,660	85.00%

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

	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Apparel stores	\$ 206,585,825	\$ 213,354,143	\$ 194,143,321	\$ 194,900,831	\$ 186,607,800	\$ 161,355,210	\$ 153,888,820	\$ 148,561,525	\$ 116,650,461	\$ 125,868,678
Automotive dealers, supplies and repair	21,792,904	21,122,470	20,893,120	23,582,443	23,292,016	27,301,606	27,495,725	27,923,233	29,737,445	40,036,732
Building materials, machinery and equipment	19,518,301	18,093,198	18,046,110	20,957,143	19,658,032	18,140,731	16,525,955	15,897,685	32,678,513	34,325,048
Eating and drinking establishments	105,121,625	116,111,215	112,320,430	116,764,293	113,221,696	96,580,559	100,513,316	103,898,550	96,894,374	118,945,292
Food stores	160,043,266	169,193,864	172,591,926	178,533,330	173,053,026	166,510,730	159,139,231	171,721,520	215,713,106	226,813,897
Furniture, home furnishings and household equipment	25,032,485	31,239,589	33,524,596	34,915,814	33,199,279	30,254,081	29,813,814	28,837,623	28,645,435	29,436,353
General merchandise	103,860,834	116,426,211	133,412,703	138,011,583	138,691,794	148,614,533	158,022,671	148,055,718	157,187,098	177,380,986
Lodging	16,041,031	15,276,927	20,352,083	22,528,553	21,630,584	23,009,096	20,053,827	18,872,605	7,885,431	19,862,330
Other outlets	38,200,453	38,297,074	32,410,167	31,055,094	31,872,830	38,055,982	23,929,492	13,410,125	78,373,797	149,942,530
Other retail stores, dealers, trades and services	208,856,679	205,764,580	231,051,462	250,886,839	243,076,757	261,444,986	275,721,770	277,858,734	113,465,655	138,168,869
Total	<u>\$ 905,055,416</u>	<u>\$ 944,881,285</u>	<u>\$ 968,747,933</u>	<u>\$ 1,012,137,939</u>	<u>\$ 984,305,831</u>	<u>\$ 971,269,532</u>	<u>\$ 965,106,640</u>	<u>\$ 955,039,338</u>	<u>\$ 877,233,336</u>	<u>\$1,060,780,715</u>

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	Financed purchases	Leases	Lease revenue bonds	Total	Revenue bonds			
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	33.28	63,189
2019	33,966,163	2,146,958	-	112,183,815	148,296,936	21,906,388	170,203,324	35.17	65,176
2020	29,479,003	1,086,117	-	102,028,321	132,593,441	-	132,593,441	47.82	68,279
2021	26,481,646	1,340,157	-	90,434,122	117,026,783	-	117,026,783	58.72	71,981
2022	23,404,288	1,015,683	779,568	80,105,604	105,305,143	-	105,305,143	**	**

(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

<b>Ratio of Net General Bonded Debt to Assessed Value and Net Bonded Debt Per Capita</b>							
<b>Fiscal year</b>	<b>Population (1)</b>	<b>Assessed value (2)</b>	<b>Gross bonded debt (3) (4)</b>	<b>Less debt service monies available (5)</b>	<b>Net bonded debt</b>	<b>Ratio of net bonded debt to assessed value</b>	<b>Net bonded debt per capita</b>
2013	70,376	11,991,913,497	80,004,294	2,920,981	77,083,313	0.64	1,095
2014	71,254	12,165,747,571	72,164,244	2,920,538	69,243,706	0.57	972
2015	72,682	12,420,621,529	65,458,589	2,920,369	62,538,220	0.50	860
2016	73,767	12,511,337,556	49,844,842	1,219,616	48,625,226	0.39	659
2017	74,795	12,818,125,753	44,155,482	1,221,521	42,933,961	0.33	574
2018	75,776	13,065,070,419	38,348,323	1,222,024	37,126,299	0.28	490
2019	76,211	13,407,219,197	33,966,163	1,226,463	32,739,700	0.24	430
2020	77,202	13,686,990,111	29,479,003	-	29,479,003	0.22	382
2021	78,254	14,303,580,339	25,252,504	-	25,252,504	0.18	323
2022	79,882	14,482,062,562	23,404,288	-	23,404,288	0.16	293

(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

<b>Ratio of Annual Debt Service Expenditures for General Bonded Debt (1) to Total General Government Expenditures and Revenues</b>							
<b>Fiscal year</b>	<b>Principal (1) (5)</b>	<b>Interest (2)</b>	<b>Total debt service (4)</b>	<b>Total general governmental expenditures (3)</b>	<b>Ratio of debt service to general total governmental expenditures</b>	<b>Total general governmental revenues (3)</b>	<b>Ratio of debt service to general total governmental revenues</b>
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
2021	12,471,271	4,655,693	17,126,964	241,887,289	7.08	279,751,973	6.12
2022	12,408,938	4,441,433	16,850,371	280,172,584	6.01	290,202,319	5.81

(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 financed purchase. 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	
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
2021	21,956,279	13,411,008	8,545,271	1,246,000	826,394	2,072,394	4.12
2022	19,787,135	13,147,162	6,639,973	1,283,000	792,886	2,075,886	3.20

(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)
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	5,763,759,000	63,189	2.9%
2019	76,211	5,986,893,000	65,176	2.7%
2020	77,202	6,341,149,000	68,279	10.3%
2021	78,254	6,872,205,000	71,981	4.5%
2022	79,882	**	**	3.1%

(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
2013	\$ 75,806	\$ 62,745	\$ 52,250
2014	75,926	64,923	53,657
2015	77,668	66,263	55,775
2016	84,035	68,127	57,617
2017	88,149	71,518	60,336
2018	86,541	72,600	61,937
2019	92,773	76,471	65,712
2020	86,501	79,154	67,340
2021	**	**	**
2022	**	**	**

Source: U.S. Census Bureau, Small Area Income and Poverty Estimates

\*\* Statistics not yet available

**Households and Poverty**

Fiscal year	Supplemental Nutrition Assistance Program (SNAP) households	Total households*	Percentage of SNAP households
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%
2021	1,893	31,458	6.0%
2022	2,271	32,068	7.1%

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%	
2020	78,254	16.8%	

<b>Age</b>	<b>1980</b>		<b>1990</b>		<b>2000</b>		<b>2010</b>		<b>2020</b>	
0-14	5,008	22.0%	7,211	20.7%	9,254	19.2%	11,608	17.3%	12,220	15.6%
15-19	2,276	10.0%	2,147	6.2%	2,838	5.9%	4,120	6.1%	4,335	5.5%
20-29	3,870	17.0%	5,330	15.3%	-	0.0%	-	0.0%	-	0.0%
20-34	*	*	*	*	7,484	15.6%	9,741	14.5%	11,525	14.7%
30-44	4,780	21.0%	8,901	25.5%	-	0.0%	-	0.0%	-	0.0%
35-44	*	*	*	*	7,866	16.4%	8,133	12.1%	8,647	11.0%
45-64	5,235	23.0%	7,255	20.8%	12,563	26.1%	19,537	29.2%	20,130	25.7%
65+	1,594	7.0%	4,015	11.5%	8,097	16.8%	13,870	20.7%	21,397	27.3%
	22,763	100%	34,859	100%	48,102	100%	67,009	100%	78,254	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>
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
2021	31,458	77,072	2.45
2022	32,068	78,567	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>
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	37,267	36,122	1,145	3.1%
2019	37,416	36,415	1,001	2.7%
2020	37,139	33,326	3,813	10.3%
2021	36,023	34,385	1,638	4.5%
2022	36,410	35,288	1,122	3.1%

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

	2022			2013		
	Employees	Rank	Percent of total County employment	Employees	Rank	Percent of total County employment
Williamsburg-James City County Public Schools	1000+	1	7.17%	1000+	2	6.82%
Wal-Mart Import Distribution Center	1000+	2	4.09%	500-999	5	1.80%
James City County	1000+	3	3.74%	500-999	4	2.08%
Busch Entertainment	1000+	4	3.58%	1000+	1	**
Eastern State Hospital	500-999	5	3.23%	500-999	3	2.57%
Riverside Regional Medical Center	500-999	6	2.31%			
Anheuser-Busch Inbev	500-999	7	1.79%	500-999	6	1.69%
Owens & Minor/AVID	250-499	8	1.30%			
Williamsburg Landing	250-499	9	1.27%	250-499	10	0.97%
Ball Metal	100-249	10	0.69%			
Avid Medical				500-999	7	1.47%
Kingsmill Resort & Spa				250-499	8	1.27%
Jamestown-Yorktown Foundation				250-499	9	1.24%
Total			<u>29.17%</u>			<u>19.91%</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	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Administrative:										
Board of supervisors	1.0	1.0	1.0	0.5	0.5	0.5	0.5	-	-	-
County administration	3.0	3.0	3.0	3.0	3.0	4.0	6.0	7.0	7.0	8.0
County attorney	5.0	5.0	5.0	5.0	5.0	5.0	4.0	4.0	4.0	4.0
Communications	7.0	7.0	7.0	8.0	8.0	8.0	-	-	-	-
Economic development	4.0	4.0	4.0	3.5	3.5	3.5	3.5	3.0	4.0	4.0
Office of Elections	3.0	3.0	3.0	3.0	3.0	3.0	3.0	3.0	3.0	4.0
Human resources	7.0	7.0	7.0	7.0	7.0	7.0	8.0	7.0	7.0	7.0
Financial administration:										
Accounting	8.0	8.0	8.0	8.0	7.0	7.0	7.0	7.0	7.0	8.0
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	7.0	7.0	7.0	8.0	8.0	8.0	8.0	8.0	8.0
Purchasing	4.0	4.0	4.0	4.0	5.0	5.0	5.0	5.5	6.0	6.0
Real estate assessments	10.0	10.0	10.0	10.0	10.0	10.0	8.0	8.0	8.0	8.0
Treasurer	12.0	12.0	13.0	13.0	13.0	13.0	13.0	14.0	14.0	14.0
Satellite services	3.0	3.0	3.0	3.0	3.0	3.0	3.0	3.0	3.0	4.0
Information resources management:										
Information resources management	21.0	21.0	21.0	21.0	21.0	21.0	15.0	14.0	13.0	13.0
Information technology core applications	-	-	-	-	-	-	5.0	6.0	6.0	7.0
Information technology infrastructure	-	-	-	-	-	-	8.0	9.0	9.0	11.0
General services:										
Facilities maintenance	18.0	18.0	18.0	18.0	19.0	18.0	18.0	18.0	18.5	19.0
Fleet and equipment	8.0	8.0	8.0	8.0	8.0	8.0	8.0	8.5	9.0	9.0
General and capital services	8.0	8.0	7.0	7.0	7.0	9.5	10.5	11.5	11.5	12.5
Grounds maintenance	24.0	25.0	25.0	25.0	26.0	26.5	27.5	28.5	28.5	29.5
Solid waste management	5.0	5.0	5.0	5.0	5.0	5.0	5.0	6.0	6.0	7.0
Stormwater	4.0	4.0	6.0	8.0	8.0	7.0	18.0	18.0	18.0	19.0
Community development:										
Building safety and permits	13.0	13.0	14.0	14.0	15.0	16.0	17.0	17.0	17.0	17.0
Community Development	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	3.0	4.0
Engineering and resource protection	12.0	12.0	11.0	11.0	11.0	11.0	-	-	-	-
Planning	10.0	10.0	10.0	10.0	10.0	9.0	11.0	11.0	11.0	11.0
Zoning enforcement	4.0	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	11.0	11.0	11.0	11.0	11.0	11.0	11.0	11.0
Commonwealth's attorney	9.0	9.0	9.0	9.0	10.0	11.0	11.0	13.0	13.0	13.0
Sheriff	16.0	16.0	16.0	16.0	16.0	17.0	17.0	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	3.0
Emergency communications	26.0	26.0	29.0	29.0	29.0	29.0	28.0	28.0	28.0	28.0
Emergency management	3.0	3.0	3.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0
Fire	110.0	110.0	114.0	115.0	115.0	115.0	122.0	128.0	128.0	128.0
Police	98.0	99.0	100.0	103.0	103.0	105.0	108.0	111.0	111.0	112.0
Parks and recreation	48.0	48.0	47.0	49.0	52.0	52.0	54.0	54.0	54.0	53.0
Total general fund	542.0	544.0	552.0	559.0	567.0	573.0	588.0	604.0	606.5	620.0
Other services:										
Housing and neighborhood development	9.0	9.0	8.0	8.0	7.0	8.0	9.0	9.0	10.0	10.0
JCSA (1)	89.0	89.0	89.0	89.0	89.0	91.0	96.0			
Social services	52.0	51.0	51.0	51.0	52.0	53.0	53.0	56.0	56.0	60.0
Colonial community corrections	12.0	13.0	13.0	13.0	12.0	12.0	14.0	14.0	14.0	14.0
Special projects/grants	3.0	3.0	3.0	3.0	3.0	6.0	5.0	8.0	8.5	9.0
Grand total all funds	707.0	709.0	716.0	723.0	730.0	743.0	765.0	691.0	695.0	713.0

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	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Police:										
Calls for service	19,539	20,175	20,875	22,225	21,829	22,247	21,806	20,677	20,623	21,683
Major crimes reported	999	999	1,182	1,260	1,153	1,133	976	724	791	938
Major crimes cleared	317	247	335	390	335	374	343	231	227	244
Fire:										
Fire/other responses	2,822	3,065	3,153	3,302	4,010	3,774	3,978	3,646	3,800	3,884
Inspections	1,910	1,829	1,320	1,255	1,169	1,046	914	500	425	437
EMS responses	6,446	6,450	6,666	7,039	7,141	7,330	7,894	7,486	7,844	8,599
Refuse collection:										
Refuse collected (tons per day)	12	11	10	11	12	12	17	18	36	20
Recyclables collected (tons per day)	1	1	1	1	1	2	1	1	2	1
Recyclables collected curbside (tons per day)	22	22	23	24	23	23	24	15	12	11
Parks and recreation:										
Community center admissions	511,976	444,755	400,367	401,111	434,719	404,919	431,581	296,848	182,210	283,462
Park attendance	2,163,533	2,428,894	2,595,974	2,817,348	3,075,306	3,742,009	3,997,042	3,930,165	5,340,313	6,114,292
Participants in programs offered	371,959	404,023	441,969	463,319	508,776	528,703	505,780	307,607	220,404	223,153
Water (1):										
New connections	448	359	388	423	464	407	292	284	310	365
Water mains breaks	25	21	26	21	34	25	30	28	27	19
Sewer (1):										
New connections	347	261	380	447	470	414	287	290	313	358

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>2013</b>	<b>2014</b>	<b>2015</b>	<b>2016</b>	<b>2017</b>	<b>2018</b>	<b>2019</b>	<b>2020</b>	<b>2021</b>	<b>2022</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	1,592	1,592	1,592	1,592	1,711	1,711
Playgrounds	11	11	12	12	10	10	10	10	10	10
Ball fields maintained	65	65	65	65	70	70	68	68	68	68
Tennis courts maintained	5	5	4	4	4	4	4	-	-	-
Pickleball courts maintained	-	-	-	2	2	2	2	8	8	8
Community centers	2	2	2	2	2	2	2	2	2	2
Water (2):										
Water lines (miles)	393	400	402	407	409	410	414	414	418	418
Water customers	20,549	20,858	21,246	21,669	22,133	22,540	22,832	23,116	23,426	23,791
Storage tanks (greater than 250,000 gallons)	7	7	7	7	7	7	7	7	7	7
Average ERCs (1)	18,597	18,937	19,415	18,921	20,025	20,220	19,247	18,977	19,142	18,933
Wastewater (2):										
Sewer lines (miles)	425	430	435	439	440	440	446	446	449	451
Gallons collected (millions)	1,739	1,862	1,922	1,863	1,971	1,987	1,898	1,879	1,901	1,882
Sewer customers	21,962	22,575	22,955	23,402	23,872	24,286	24,573	24,863	25,176	25,534

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, 2022

<b>Federal Grantor/Pass-Through Grantor/Cluster/Program Title</b>	<b>Assistance listing number</b>	<b>Pass-through entity identifying number</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	**	\$ 924,248
Department of Health and Human Services:			
Virginia Department of Social Services:			
Guardianship Assistance	93.090	**	456
Title IV-E Prevention Program	93.472	**	5,836
Promoting Safe and Stable Families	93.556	**	39,958
Temporary Assistance for Needy Families	93.558	**	292,170
Refugee and Entrant Assistance - State Administered Programs	93.566	**	2,835
Low-Income Home Energy Assistance	93.568	**	44,069
Community-Based Child Abuse Prevention	93.590	**	829
CCDF Cluster:			
Child Care Mandatory and Matching Funds of the Child Care and Development Fund	93.596	**	62,737
Adoption and Legal Guardianship Incentive	93.603	**	1,348
Child Welfare Services	93.645	**	686
Foster Care - Title IV-E	93.658	**	255,226
Adoption Assistance	93.659	**	395,849
Social Services Block Grant	93.667	**	269,239
Chafee Foster Care Independent Living	93.674	**	21,452
Elder Abuse Prevention Intervention	93.747	**	16,197
State Children's Insurance Program	93.767	**	4,370
Medicaid Cluster:			
Medical Assistance Program	93.778	**	506,073
Total Department of Health and Human Services			1,919,330
Department of Interior:			
Bureau of Cash Management Payment in Lieu of Taxes	15.000	N/A	8,552
Department of Treasury:			
COVID-19 - Coronavirus Relief Fund	21.019	N/A	3,250,691
Coronavirus State and Local Fiscal Recovery Fund - American Rescue Plan	21.027	N/A	223,898
COVID-19 - American Rescue Plan Act - Municipal Utility Relief	21.027	N/A	240,808
Total Department of Treasury:			3,715,397
Department of Homeland Security:			
Virginia Department of Emergency Management:			
Homeland Security Grant Program	97.067	**	21,020
COVID-19 - Disaster Grants - Public Assistance (Presidentially Declared Disasters)	97.036	N/A	139,258
Emergency Management Performance Grants	97.042	**	32,764
Total Department of Homeland Security			193,042
Department of Education:			
Education Stabilization Fund - Governor's Emergency Education Relief Fund	84.425C		-
Department of Housing and Urban Development:			
Housing Counseling Assistance Program	14.169	N/A	18,545
Housing Voucher Cluster:			
Section 8 Housing Choice Vouchers	14.871	N/A	1,478,264
Mainstream Vouchers	14.879	N/A	110,712
Total Housing Voucher Cluster			1,588,976
Virginia Department of Housing and Community Development:			
Community Development Block Grants/State's program and Non-Entitlement Grants in Hawaii	14.228	**	871,572
Emergency Solutions Grant Program	14.231	**	121,319
Total Department of Housing and Community Development			992,891
Total Department of Housing and Urban Development			2,600,412
Department of Transportation:			
Highway Safety Cluster:			
National Highway Traffic Safety Administration - Highway Safety Grant	20.600	154AL-2021-51349-21349	3,516
National Highway Traffic Safety Administration - Highway Safety Grant	20.600	FSC-2021-51356-21356	4,538
National Highway Traffic Safety Administration - Highway Safety Grant	20.600	FSC-2022-52369-22369	20,718
National Highway Traffic Safety Administration - Highway Safety Grant	20.600	FOP-2022-52371-22371	2,962
National Highway Traffic Safety Administration - Highway Safety Grant	20.600	154AL-2022-52368-22368	9,108
Total Highway Safety Cluster, Department of Transportation			40,842
Department of Justice:			
Bureau of Justice Administration:			
BJA - Bulletproof Vests Partnership	16.607	N/A	11,589
BJA - Bulletproof Vests Partnership	16.607	N/A	16,862
Office of Justice Programs			28,451
Edward Byrne Memorial Justice Assistance Grant Program	16.738	20-A5082CE20	8,663
Edward Byrne Memorial Justice Assistance Grant Program	16.738		10,114
Edward Byrne Memorial Justice Assistance Grant Program	16.738		3,780
Total Office of Justice Programs			22,557
Virginia Department of Criminal Justice Services:			
Crime Victim Assistance	16.575	21-A8579VW19	137,445
Violence Against Women Formula Grants	16.590	2015-WE-AX-0009	74,228
Violence Against Women Formula Grants	16.588	20-X9412VA19	19,959
Violence Against Women Formula Grants	16.588	21-Y9412VA20	26,412
COVID-19 - Coronavirus Emergency Supplemental Funding Program	16.034	2019-DJ-BX-0302	34,507
COVID-19 - Coronavirus Emergency Supplemental Funding Program	16.034	2020-VD-BX-0141	42,587
Total Department of Criminal Justice Services			335,138
Total Department of Justice			386,146
Total federal awards, primary government - governmental activities			9,787,969

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, 2022

<b>Federal Grantor/Pass-Through Grantor/Cluster/Program Title</b>	<b>Assistance listing number</b>	<b>Pass-through entity identifying number</b>	<b>Expenditures</b>
Component Unit – Public Schools:			
Department of Agriculture:			
Child Nutrition Cluster:			
Virginia Department of Education:			
School Breakfast Program	10.553	16161VA307N1099	\$ 1,689,698
National School Lunch Program	10.555	16161VA307N1099	2,494,287
Summer Food Service Program	10.559	16161VA307N1099	113,459
Total Child Nutrition Cluster, Department of Agriculture			<u>4,297,444</u>
Department of Education:			
Impact Aid	84.041	N/A	112,655
		S196A210048/ S196A220048	
College of William and Mary - Project HOPE	84.196		16,479
Virginia Department of Education:			
Coronavirus Aid, Relief, and Economic Security - Coronavirus Relief			
Funds - Williamsburg-James City County Public Schools	21.019	N/A	751,986
Education Stabilization Fund - Governor's Emergency Education Relief Fund	84.425C	S425C200042	35,212
Education Stabilization Fund - Elementary and Secondary			
School Emergency Relief Fund	84.425D	S425D200008	50,895
Coronavirus Response and Relief Supplemental Appropriations Act -			
Elementary and Secondary School Emergency Relief Fund	84.425D	S425D210008	4,939,487
American Rescue Plan Act - Elementary and Secondary School			
Emergency Relief Fund	84.425U	S425U210008	1,389,265
		S010A190046/ S010A200046/ S010A210046/ S010A220046/ S013A210046/ S013A220046/ V048A220046	
Title I Grants to Local Educational Agencies	84.010		1,824,280
Title I, Part D, Neglected and Delinquent Children	84.013		22,075
Vocational Education - Basic Grants to States	84.048		79,191
		S367A190044/ S367A200044/ S367A210044/ S367A220044/ S365A190046/ S365A200046/ S365A210046/ S365A220046/ S424A190048/ S424A200048/ S424A210048/ S424A220048	
Title II, Part A, Supporting Effective Instruction State Grants	84.367		279,832
		S424A220048	
Title III, Part A, English Language Acquisition Grants	84.365		29,127
		S424A220048	
Title IV, Part A, Student Support and Academic Enrichment Grants	84.424		183,696
Special Education Cluster:			
Special Education - Grants to States	84.027	11027A210107/ 11027A220107	2,152,643
American Rescue Plan Act - Special Education - Grants to States	84.027X	H027X210107 H173A210112/ H173A220112 H173X210112	295,061
Special Education - Preschool Grants	84.173		32,194
American Rescue Plan Act - Special Education - Preschool Grants	84.173X		11,604
Total Special Education Cluster			<u>2,491,502</u>
Total Department of Education			<u>12,205,682</u>
Department of Treasury			
American Rescue Plan Act - Coronavirus State and Local Fiscal			
Recovery Fund	21.027	N/A	450,485
Department of Health and Human Services:			
Centers for Disease Control and Prevention			
Epidemiology and Laboratory Capacity for Infectious Diseases	93.323	NU50CK000555	31,691
Medicaid Cluster:			
Medical Assistance Program	93.778	**	6,944
Total Department of Health and Human Services			<u>38,635</u>
Department of Transportation:			
Highway Planning and Construction Cluster:			
Highway Planning and Construction	20.205	51SR7101M3001	26,414
Total federal awards, component unit - Public Schools			<u>17,018,660</u>
Total federal awards, reporting entity			<u>\$ 26,806,629</u>

N/A Not applicable; direct funding

\*\* Information is not available.

See accompanying notes to schedule of expenditures of federal awards.

**County of James City, Virginia**  
Notes to Schedule of Expenditures of Federal Awards  
Year ended June 30, 2022

**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 were no awards passed-through to sub-recipients during the fiscal year ended June 30, 2022.

**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 of  
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, 2022, and the related notes to the financial statements, which collectively comprise the County's basic financial statements and have issued our report thereon dated January 23, 2023.

**Report on 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 the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion 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.

### **Report on Compliance and Other Matters**

As part of obtaining reasonable assurance about whether the County of James City, Virginia'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 financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance that are required to be reported under *Government Auditing Standards*.

### **Purpose of this Report**

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the County of James City, Virginia'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  
January 23, 2023

**COUNTY OF JAMES CITY, VIRGINIA**

**SUMMARY OF COMPLIANCE MATTERS**

**June 30, 2022**

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 of  
County of James City, Virginia  
Williamsburg, Virginia

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

*Opinion 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 identified as subject to audit in the *OMB Compliance Supplement* that could have a direct and material effect on the County's major federal program for the year ended June 30, 2022. The County's major federal program is identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, the County, 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, 2022.

*Basis for Opinion on Each Major Federal Program*

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of the County and to meet our other ethical responsibilities, in accordance with relevant ethical requirements related to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major federal program. Our audit does not provide a legal documentation of the County's compliance with the compliance requirements referred to above.

*Responsibilities of Management for Compliance*

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules, and provisions of contracts or grant agreements applicable to the County's federal programs.

## **Report on Compliance for Each Major Federal Program (Continued)**

### *Auditor's Responsibilities for the Audit of Compliance*

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the County's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgement made by a reasonable user of the report on compliance about the County's compliance the requirements of each major federal program as a whole.

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risk of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the County's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of the County's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of the County's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

### **Report on Internal Control over Compliance**

A *deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A *material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency in internal control over compliance* is a 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.

**Report on Internal Control over Compliance (Continued)**

Our consideration of internal control over compliance was for the limited purpose described in the Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that have not been identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

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

CERTIFIED PUBLIC ACCOUNTANTS

Newport News, Virginia  
January 23, 2023

## COUNTY OF JAMES CITY, VIRGINIA

SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
June 30, 2022**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. Housing Voucher Cluster (AL No.: 14.871 and 14.879)
  - b. Education Stabilization Fund (AL No.: 84.425C, 84.425D and 84.425U)
  - c. Community Development Block Grant/State's Program and Non-Entitlement Grants in Hawaii (AL No.: 14.228)
  - d. Coronavirus State and Local Fiscal Recovery Funds (AL No.: 21.027)
8. The threshold for distinguishing Type A and B programs was \$804,199.
9. The County was 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**

None

**COUNTY OF JAMES CITY, VIRGINIA**  
**SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS**  
**June 30, 2022**

1. There was one finding in the prior year related to the Uniform Disposition of Unclaimed Property Act.
2. There were no reports issued by federal agencies or contract administrators during the year covered by this audit.

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