



WILLIAMSBURG
JAMES CITY COUNTY
PUBLIC SCHOOLS

EST. 1955

Annual Financial Report

A Component Unit of James City County, Virginia

For the Fiscal Year Ended June 30, 2021



WILLIAMSBURG
JAMES CITY COUNTY
PUBLIC SCHOOLS
————— EST. 1955 —————

*Serving the City of Williamsburg and the
County of James City*

Annual Financial Report

For the Fiscal Year Ended June 30, 2021
(With Independent Auditors' Report thereon)

Prepared By:

WJCC Department of Finance
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wjccschools.org

WILLIAMSBURG – JAMES CITY COUNTY PUBLIC SCHOOLS

(Component Unit of James City County, Virginia)

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ANNUAL FINANCIAL REPORT
WILLIAMSBURG-JAMES CITY COUNTY PUBLIC SCHOOLS
(Component Unit of James City County, Virginia)

Members of the School Board and School Board Officials as of July 1, 2021

City of Williamsburg

Ms. Kyra CookSchool Board Member
Ms. Julie Hummel.....School Board Member

James City County

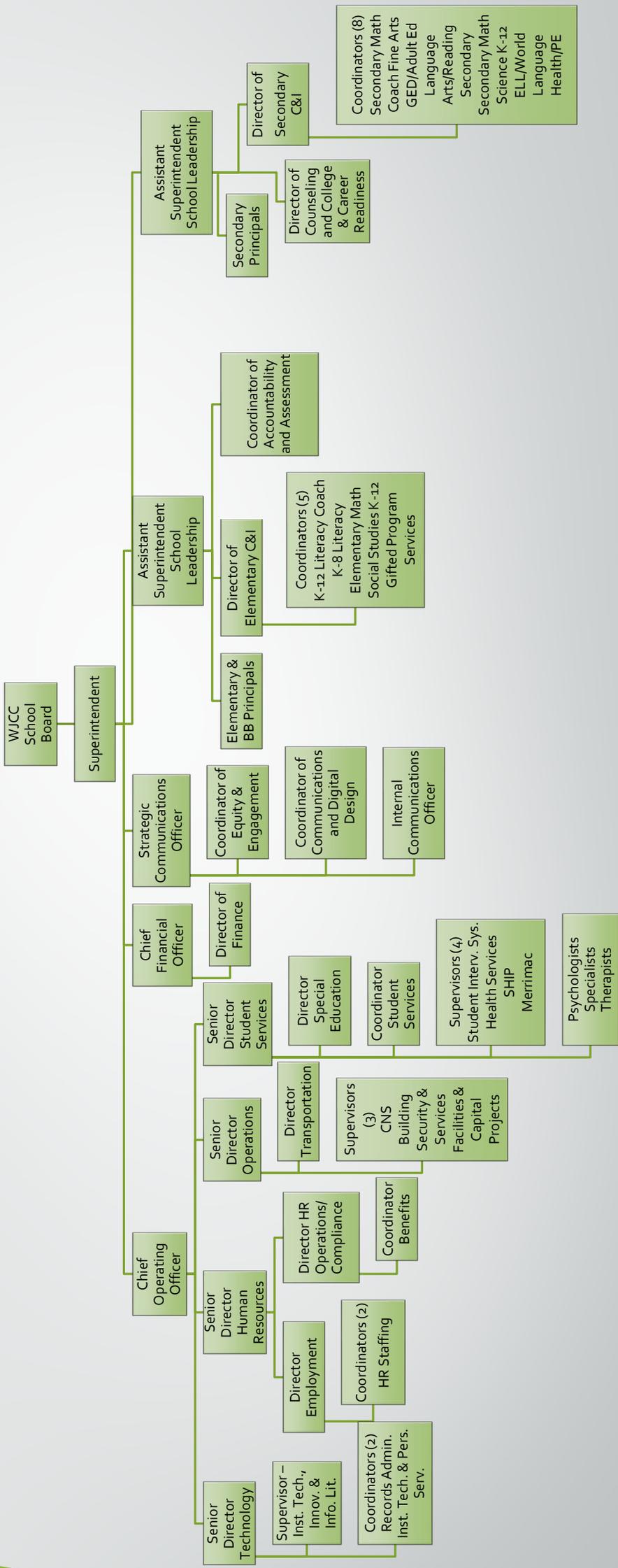
Mr. James KellyChair
Mr. James BeersSchool Board Member
Ms. Lisa OwnbySchool Board Member
Mr. D. Greg Dowell, Jr..... Vice-Chair
Ms. Sandra YoungSchool Board Member

Officials

Dr. Olwen E. Herron Superintendent of Schools
Ms. Y. Rene Ewing..... Chief Financial Officer
Ms. Kelsie Bowen Director of Finance
Ms. Beth Allar..... Clerk
Ms. Jennifer D. Tomes..... Treasurer



WJCC Organization Chart





**WILLIAMSBURG
JAMES CITY COUNTY
PUBLIC SCHOOLS**
EST. 1955

November 23, 2021

WJCC School Board

Jim Kelly, PE
Chair
Jamestown District

**D. Greg Dowell, Jr.,
M.A.P.P.**
Vice Chair
Stonehouse District

Kyra Cook
Parliamentarian
City of Williamsburg

James W. Beers, Ph.D.
Roberts District

Julie Y. Hummel,
M.Ed.
City of Williamsburg

Lisa Ownby, M.S.W.
Powhatan District

Sandra S. Young,
M.S.Ed.
Berkeley District

Superintendent
Olwen E. Herron, Ed.D.

To Citizens
of James City County, Virginia:

To Citizens
of the City of Williamsburg, Virginia:

To School Board Members
of Williamsburg-James City County Public Schools:

The Annual Financial Report (AFR) of Williamsburg-James City County Public Schools (WJCC, or the School Division), a component unit of James City County, Virginia, for the fiscal year that ended June 30, 2021, is hereby submitted. To the best of our knowledge and belief, the enclosed data is accurate in all material respects and includes all disclosures necessary to understand the School Division's financial activities. The responsibility for the accuracy, completeness and fairness of the data presented, as well as all accompanying disclosures, rests with the School Division.

This report is prepared in conformity with accounting principles generally accepted in the United States of America for governments as promulgated by the Governmental Accounting Standards Board (GASB). This report is intended to present a comprehensive summary of significant financial data to meet the needs of the citizens, taxpayers, financial institutions, and the Williamsburg-James City County School Board (the School Board). Generally accepted accounting principles (GAAP) require that management provide a narrative introduction and an overview and analysis to accompany the basic financial statements in the form of a Management's Discussion and Analysis (MD&A). This letter of transmittal is intended to complement and accompany the required MD&A. The MD&A can be found immediately following the independent auditors' report.

The firm of Brown, Edwards & Company, LLP performed the audit of Williamsburg-James City County Public Schools this year. They were awarded the contract to provide the annual financial audit through the year ended June 30, 2017, with an opportunity for five one year renewals, as part of a combined proposal between Williamsburg-James City County Public Schools, James City County, James City County Service Authority, James City County Economic Development Authority, Virginia Peninsula Regional Jail Authority, the Middle Peninsula Juvenile Detention Center, Williamsburg Area Transit Authority, and the Williamsburg Area Medical Association Corporation trading as Olde Towne Medical and Dental Center. The unmodified report of Brown, Edwards & Company, LLP, the highest possible result of the audit process, accompanies the financial statements in this report.

The School Division was developed as a result of an agreement of consolidation between the governing bodies and the school boards of the City of Williamsburg (the City) and James City County (the County) on January 14, 1954. The Division is considered a component unit of James City County.

This report includes all funds that are controlled by or dependent on the School Superintendent and School Board. Additional information regarding the School Division's financial reporting entity may be found in the notes to the basic financial statements. During school year 2020-2021, the School Division operated three high schools (Grades 9-12), four middle schools (Grades 6-8), and nine elementary schools (Grades K-5). The School Division served 10,858 K-12 students and 247 Pre-K students and provided a full range of educational services appropriate to grades Pre-K through 12, including regular and enriched academic education, specialized education, occupational education, and programs for those with limited English proficiency. These programs are supplemented by a wide variety of offerings in fine arts and athletics.

ECONOMIC OUTLOOK AND CONDITION

The School Division has seen a gradual increase in economic activity during the current fiscal year. Overall, total intergovernmental revenue increased by 6.19% from last year. Total intergovernmental revenue amounted to \$154.8 million, of that amount, \$103.4 million was revenue from the City and the County, \$40.6 million represented aid from the Commonwealth of Virginia (the Commonwealth), and \$10.8 million was revenue from the federal government.

Projected enrollment for the 2022 fiscal year is 10,858, which is the actual enrollment as of September 2020. FY2022 includes a net increase in staffing of 48.0 over FY2021 for a total of 1,738.41 Full Time Equivalent positions.

The School Division opened a new middle school, James Blair, at the beginning of the 2019 fiscal year. There are three elementary schools that were constructed over 35 years ago but have all undergone additions or renovations within the last 21 years. There are two secondary schools that were constructed over 35 years ago, but both have undergone additions or renovations within the last two years.

MAJOR INITIATIVES

School Year 2020-2021 continued to be impacted by COVID-19 and the global pandemic. A comprehensive plan titled, *Forward WJCC Schools: Return to Learn*, established a framework for student learning and instruction during the pandemic. The plan was designed for adaptability in an ever-changing year by providing four potential paths of learning that encompassed remote, hybrid, and in-person scenarios, as well as a year-long 100% online learning option for K-12 students. Typical benchmarks for student and school success, such as PALS, VKRP, and MAP were administered both remotely and in-person. Student participation rates were not typical because parents could opt their student out of testing due to COVID-19 concerns. Traditional SOL testing restarted for 2020-21 and similar to the aforementioned assessments, student participation rates waned. The Superintendent of Virginia Public Instruction, Dr. James Lane, exercised emergency authority granted to him by the 2020 General Assembly to waive annual school accreditation for the 2021-2022 academic year. Schools were assigned a rating of "Accreditation Waived" for the second straight year. As per the approved [waiver](#), all Virginia school divisions received ratings of "accreditation waived." Therefore, WJCC Schools remained fully accredited. Even though SY 2020-21 was a challenging year fluctuating between remote, hybrid and

in-person instruction, WJCC Schools earned a high graduation rate of 94.1% of students graduating on time in Spring 2021. This was an improvement from 91.5% for the 2020 on-time graduation rate.

Prior to the start of the August 30th 2021 school year, WJCC Schools offered a large summer school opportunity for its students:

- 512 or 13.5% elementary students attended summer school
- 258 or 8% middle school students attended summer school
- 228 or 6.1% high school students attended summer school
- There were 4 summer high school graduates
- 399 high school credits were recovered during the summer school session
- 102 students earned accelerated HPE or EPF credits during the summer school session

The ongoing pandemic reshaped FY2021 and required a concentrated focus on supporting student learning in new and adaptive ways. Division staff responded with determination to preserve WJCC Schools' reputation for excellence, no matter the challenge.

FINANCIAL INFORMATION

Internal Controls

Internal controls are designed to provide reasonable assurance that assets of the reporting entity are protected from loss, theft, or misuse, and to ensure that reliable financial records are maintained for preparation of financial statements that are in conformity with generally accepted accounting principles.

Internal control evaluations occur with the above guidelines when the annual audit process is undertaken and they are felt to adequately safeguard assets and provide reasonable assurance of proper recording of financial transactions. In addition, this internal control structure is subject to periodic evaluation by management of the School Division.

Budgetary Controls

Budgetary controls are maintained to ensure compliance with Virginia statutes governing public entities and school operations. These statutes provide legal standards for preparing, presenting, adopting, and administering the budget. The School Board presents a proposed budget to the City and the County governing bodies, who then adopt their own operating and capital project budgets incorporating their contributions to the School Division. The School Board makes any required adjustments, and then adopts an amended budget. The Superintendent is authorized to make expenditures and commitments of funds as approved by the School Board in the adopted annual budget in accordance with the School Board's policies and applicable state and federal regulations and laws. The legal level of budgetary control is at the fund level in regard to County and City appropriations (i.e., the level at which expenditures cannot legally exceed the appropriated amount). However, the School Board has established the function¹ level as their level of control over the budget.

¹ (Defined functional areas are: general and administrative, instruction, pupil transportation, attendance and health services, operations and maintenance, and technology).

The School Division also maintains an encumbrance accounting system as one method of accomplishing budgetary control. Outstanding encumbrances are reported as an assignment of fund balance of the General Fund at year end. Beginning with the 1996-1997 fiscal year, a contractual agreement exists with the City and County that documents the required disposition of unexpended appropriated School funds at year-end. The most recent amendment to the agreement was in April 2017.

Financial Highlights

The Williamsburg-James City County Public Schools continues to be in sound financial condition as demonstrated by the basic financial statements included in this report. As reflected in the reports:

- WJCC met its expense obligations and returned a total of \$9.0 million in unexpended appropriations to the City and County;
- Local tax resources from the City and County continue to be a major funding source for the division;
- WJCC financial health remains stable and there is measured optimism regarding the economic recovery from the COVID-19 pandemic.

Williamsburg-James City County Public Schools is a component unit of James City County, Virginia, and the County is the legal holder of debt related to the acquisition of school facilities.

While the School Division will continue to operate within a balanced budget, there is a high level of anticipation in regard to the State funding of K-12 education in the second year of the 2020-22 biennial budget. Increased costs for fuel, utilities, and health insurance will also put greater strain on the budget. Developing a balanced budget that continues to provide for our number one priority of teaching and learning will remain a challenge.

Long-Term Financial Planning

The annual budget reflects WJCC's varied plans by allocating resources to carry out the goals defined through the division wide planning processes. The major planning activities are:

- **WJCC's Approved Budget** – adopted annually by the School Board and reflects ongoing programs as well as initiatives for the next fiscal year.
- **Capital Improvement Program** – adopted annually by the School Board and contains the ten-year capital improvement plans.
- **Enrollment Projections** – prepared annually based on the official fall enrollment to assist in facility planning.

WJCC is fiscally dependent (i.e., it does not have taxing or levying authority, or borrowing authority) and is required by state law to operate within a balanced budget. WJCC derives most of its funding from allocations from the City of Williamsburg, James City County, and the Commonwealth of Virginia. Long-term financial planning includes a five-year forecast submission to the governing bodies as part of the annual budget process which assesses the fiscal impact of the capital improvement program on the School Division's operations.

Relevant Financial Policies

As a component unit, WJCC is directly impacted by the County's Financial Policies that control fund balance, revenues and collections, debt management, cash management, and investments. These areas in particular have a long-term impact on the fiscal health of the County and WJCC.

Independent Audit

An independent audit of the School Board's finances is required each fiscal year by either the Virginia Auditor of Public Accounts or a firm of independent Certified Public Accountants. Accordingly, the records have been audited by Brown, Edwards and Company, LLP, an independent audit firm, and its report on the financial statements is included herein.

Single Audit Act

The School Division is required to undergo an annual single audit in conformity with the provisions of Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance). Information related to this single audit, including a schedule of expenditures of federal awards, the independent auditors' report on internal control and compliance with applicable laws regulations, contracts and grants, and a schedule of findings and questioned costs are included in a separately issued James City County and Williamsburg-James City County School Board combined single audit report.

Awards

This past year, the Government Finance Officers Association (GFOA) of the United States and Canada has awarded a Certificate of Achievement for Excellence in Financial Reporting to the Williamsburg-James City County Public Schools for its FY 2019-2020 comprehensive annual financial report. The Association of School Business Officials International (ASBO) also recognized the School Division with its Certificate of Excellence in Financial Reporting.

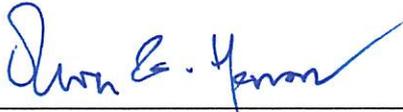
In order to be awarded a certificate, a reporting unit must publish an easily readable and efficiently organized comprehensive annual financial report, which generally conforms to program standards. This report must satisfy both generally accepted accounting principles and applicable legal requirements.

Although these certificates are only valid for a single year, it is our belief that the current report continues to adhere to the Certificate of Achievement and Certificate of Excellence standards established by these accrediting agencies. Therefore, we are submitting it to both the GFOA and ASBO for their review.

ACKNOWLEDGEMENTS

We would like to express appreciation to the members of the Williamsburg-James City County School Board for their dedication in providing fiscal responsibility and accurate reporting of financial data to the students, parents, staff, and general community of the School Division. We also would like to thank the members of the Department of Finance, who devote so many hours each year to the preparation of accurate payrolls, payables, financial reports, and statistical data.

Respectfully submitted,



Olwen E. Herron, Ed.D.
Superintendent of Schools



Y. Rene Ewing, CPA
Chief Financial Officer



ASSOCIATION OF
SCHOOL BUSINESS OFFICIALS
INTERNATIONAL

The Certificate of Excellence in Financial Reporting
is presented to

**Williamsburg-James City County
Public Schools**

for its Comprehensive Annual Financial Report
for the Fiscal Year Ended June 30, 2020.

The report meets the criteria established for
ASBO International's Certificate of Excellence.



W. Edward Chabal

W. Edward Chabal
President

David J. Lewis

David J. Lewis
Executive Director



Government Finance Officers Association

Certificate of
Achievement
for Excellence
in Financial
Reporting

Presented to

**Williamsburg-James City County Public Schools
Virginia**

For its Comprehensive Annual
Financial Report
For the Fiscal Year Ended

June 30, 2020

Christopher P. Morill

Executive Director/CEO

INDEPENDENT AUDITOR'S REPORT

To the Honorable Members of the School Board
Williamsburg - James City County Public Schools
Williamsburg, Virginia

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Williamsburg - James City County Public Schools, a component unit of the County of James City, Virginia, as of and for the year ended June 30, 2021, and the related notes to the financial statements, which collectively comprise the Williamsburg - James City County Public Schools basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the Williamsburg - James City County Public Schools, as of June 30, 2021, and the respective changes in financial position, thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis-of-matter

Adoption of New Accounting Principle

As described in Note 13 to the financial statements, in 2021, the Williamsburg - James City County Public Schools adopted new accounting guidance, *GASB Statement No. 84, Fiduciary Activities*. Our opinion is not modified with respect to this matter.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and other required supplementary information as listed in the table of contents be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers 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.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Williamsburg - James City County Public Schools' basic financial statements. The introductory section, other supplementary information, and the statistical section are presented for purposes of additional analysis and are not required parts of the basic financial statements. The other supplementary information starting on page 86 is presented for purposes of additional analysis and is also not a required part of the financial statements.

The other supplementary 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. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the other supplementary information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

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

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report November 23, 2021, on our consideration of the Williamsburg - James City County Public Schools' 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 Williamsburg - James City County Public Schools' 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 Williamsburg - James City County Public Schools' internal control over financial reporting and compliance.

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

CERTIFIED PUBLIC ACCOUNTANTS

Newport News, Virginia
November 23, 2021

WILLIAMSBURG-JAMES CITY COUNTY PUBLIC SCHOOLS

(Component Unit of James City County, Virginia)

Management's Discussion and Analysis (Unaudited)

Year ended June 30, 2021

This discussion and analysis of Williamsburg-James City County Public Schools' (the Schools) financial performance provides an overview of financial activities for the fiscal year ended June 30, 2021. The analysis focuses on the Schools' financial performance as a whole. Please read it in conjunction with the Schools' basic financial statements.

Financial Highlights

- For fiscal year 2021, the Schools' governmental activities' expenses of \$157.4 million exceeded charges for services, operating grants and contributions, and capital grants and contributions of \$27.5 million by \$129.9 million.
- The Schools' total governmental funds' revenues exceeded expenditures by \$3.3 million for the year ended June 30, 2021.
- Total intergovernmental revenue for the governmental funds was \$154.8 million for the year ended June 30, 2021, reflecting an increase of 6.19% over 2020. Of that amount, \$103.4 million was revenue from the City and the County, \$40.6 million represented aid from the Commonwealth of Virginia (the Commonwealth), and \$10.8 million was revenue from the federal government.
- In the General Fund, the School Board returned unexpended appropriations for fiscal year 2021 to the County of James City and City of Williamsburg in the amount of \$9.0 million.
- The Schools adoption of GASB Statement No. 84 resulted in funds previously reported as fiduciary activities being reclassified to non-major governmental funds as the funds do not meet the requirement to be fiduciary activities. As a result of the adoption of this statement, an increase in beginning net position for fiscal year 2020 was recognized in the amount of \$1.3 million.

Overview of the Financial Statements

This discussion and analysis is intended to serve as an introduction to the Schools' basic financial statements.

The basic financial statements consist of two kinds of statements that present different views of the Schools' financial activities.

- The Statement of Net Position and Statement of Activities provide information on a government-wide basis. The statements present an aggregate view of the Schools' finances. Government-wide statements contain useful long-term information as well as information for the just-completed fiscal year.
- The remaining statements are fund financial statements that focus on individual parts of the Schools. Fund statements generally report operations in more detail than the government-wide statements.

WILLIAMSBURG-JAMES CITY COUNTY PUBLIC SCHOOLS

(Component Unit of James City County, Virginia)

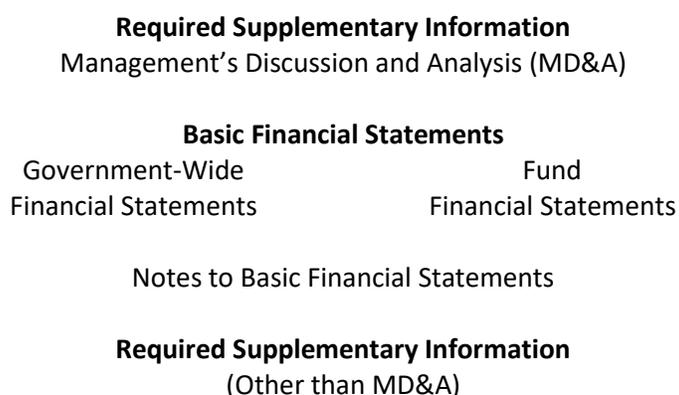
Management's Discussion and Analysis (Unaudited)

Year ended June 30, 2021

The notes to the financial statements explain some of the information in the statements and provide additional disclosures so that statement users have a complete picture of the Schools' financial activities and position. The required supplementary information further explains and supports the financial statements.

The following diagram shows how the various parts of the financial section are arranged and related to one another.

FINANCIAL SECTION



Government-Wide Financial Statements

The government-wide financial statements report information about the Schools as a whole using accounting methods similar to those used by private-sector companies. The two statements—Statement of Net Position and Statement of Activities—report the Schools' net position and how they have changed.

Net position, the difference between the Schools' assets and deferred outflows of resources and liabilities and deferred inflows of resources, are one way to measure the Schools' overall financial position.

- Increases or decreases in the Schools' net position are one indicator of whether its financial position is improving or worsening, respectively.
- To assess the overall financial position of the Schools, additional nonfinancial factors, such as changes in the City and the County's property tax base and the condition of school buildings and other facilities, should be considered.

WILLIAMSBURG-JAMES CITY COUNTY PUBLIC SCHOOLS

(Component Unit of James City County, Virginia)

Management's Discussion and Analysis (Unaudited)

Year ended June 30, 2021

In the government-wide financial statements, the activities are divided into two categories—governmental activities and business-type activities. The Schools report only activities related to governmental activities since the Schools do not have any business-type activities.

- **Governmental Activities:** The Schools' basic services are included here, such as general and administrative, instruction, attendance and health services, pupil transportation, operations and maintenance, technology, and food services. City and County appropriations and state aid finance most of these activities.

Fund Financial Statements

The fund financial statements provide more detailed information about the Schools' funds, focusing on its most significant or "major" funds, not the district as a whole. Funds are a grouping of related accounts that are used to maintain control over resources that have been segregated for specific activities or objectives. The Schools, like other state and local governments, use fund accounting to demonstrate compliance with finance-related legal requirements. The Schools' fund financial statements provide detailed information about the Schools' most significant funds.

The Schools' activities are reported in governmental funds, which focus on (1) how money flows into and out of those funds and (2) the balances left at year-end available for spending in future periods. The governmental fund statements provide a detailed short-term view of the Schools' general government operations and the basic services it provides. Governmental fund information helps determine whether there are more or fewer resources that can be spent in the near future to finance educational programs. Governmental fund information does not report on long-term commitments as is reported on the government-wide statements. Therefore, the relationships (or differences) between the government-wide statements and the governmental funds are reconciled and explained at the bottom of the governmental funds statements. Detailed statements for the nonmajor governmental funds can be found in the Other Supplementary Information section.

Financial Analysis of the Schools as a Whole

STATEMENT OF NET POSITION

(What the district owns and owes at a point in time)

Table 1 (from Exhibit 1 – Statement of Net Position - Governmental Activities) below shows total net position for governmental activities at June 30, 2021 and 2020.

Total net position decreased by \$0.03 million or 0.04% compared to fiscal year 2020's net position. Unrestricted net position totaled a deficit of \$123.1 million at June 30, 2021.

WILLIAMSBURG-JAMES CITY COUNTY PUBLIC SCHOOLS
(Component Unit of James City County, Virginia)

Management's Discussion and Analysis (Unaudited)
Year ended June 30, 2021

Table 1			
Condensed Statement of Net Position at June 30, 2021 and 2020			
	2021	2020 (as restated) *	Variance
Current and other assets	\$ 31,259,273	\$ 25,494,577	\$ 5,764,696
Capital assets, net	56,698,042	57,453,293	(755,251)
Total assets	<u>\$ 87,957,315</u>	<u>\$ 82,947,870</u>	<u>\$ 5,009,445</u>
Deferred outflows of resources	<u>\$ 35,030,720</u>	<u>\$ 27,608,274</u>	<u>\$ 7,422,446</u>
Current liabilities	\$ 25,197,817	\$ 21,602,387	\$ 3,595,430
Noncurrent liabilities	149,430,830	137,243,738	12,187,092
Total liabilities	<u>\$ 174,628,647</u>	<u>\$ 158,846,125</u>	<u>\$ 15,782,522</u>
Deferred inflows of resources	<u>\$ 10,708,313</u>	<u>\$ 14,027,586</u>	<u>\$ (3,319,273)</u>
Net position:			
Net investment in capital assets	\$ 56,698,042	\$ 57,453,293	\$ (755,251)
Restricted	4,027,517	3,648,858	378,659
Unrestricted (deficit)	(123,074,484)	(123,419,718)	345,234
Total net position	<u>\$ (62,348,925)</u>	<u>\$ (62,317,567)</u>	<u>\$ (31,358)</u>

*Please see Note 13, Prior Period Restatement, on page 69.

Table 2 (from Exhibit 2 – Statement of Activities - Governmental Activities) below shows the change in net position.

In the area of program revenues, the bulk of the funding was from operating grants and contributions. The majority of that funding was categorical revenue from the state and federal governments, which increased approximately \$5.7 million over fiscal year 2020. The majority of the charges for services revenue came from student cafeteria payments and rent collected from building/field rentals and the tower lease.

In the area of general revenue, the majority of the funding came from the Commonwealth in the form of state basic aid and local funding from the City and the County. There was an increase in grants and contributions not restricted of \$2.6 million or 2.08% more than fiscal year 2020 as a result of increased contributions from the City and County.

School divisions are by nature a people intensive operation. As such, personnel related costs comprise the majority of program expenses. As would be expected, expenses for instruction were the largest category of expense in fiscal year 2021, the majority of which were related to salary and benefit costs for instructional personnel.

WILLIAMSBURG-JAMES CITY COUNTY PUBLIC SCHOOLS

(Component Unit of James City County, Virginia)

Management's Discussion and Analysis (Unaudited)

Year ended June 30, 2021

Table 2			
Condensed Statement of Activities – Governmental Activities			
Years ended June 30, 2021 and 2020			
	2021	2020	Variance
		(as restated) *	
Revenues:			
Program revenues:			
Charges for services	\$ 200,805	\$ 1,716,798	\$ (1,515,993)
Operating grants and contributions	26,454,261	20,127,645	6,326,616
Capital grants and contributions	876,184	-	876,184
General revenue:			
Interest	44,445	140,109	(95,664)
Grants and contributions not restricted	129,059,502	126,423,862	2,635,640
Miscellaneous	746,263	3,270,837	(2,524,574)
Total revenues	<u>157,381,460</u>	<u>151,679,251</u>	<u>5,702,209</u>
Program expenses:			
General and administrative	3,183,976	3,419,100	(235,124)
Instruction	112,086,779	109,634,686	2,452,093
Attendance and health services	5,459,527	5,353,303	106,224
Pupil transportation	7,019,611	8,111,843	(1,092,232)
Operations and maintenance	13,674,181	12,948,523	725,658
Technology	13,014,213	9,375,832	3,638,381
Food services	2,974,531	4,078,090	(1,103,559)
Total program expenses	<u>157,412,818</u>	<u>152,921,377</u>	<u>4,491,441</u>
Change in net position	(31,358)	(1,242,126)	1,210,768
Beginning net position	<u>(62,317,567)</u>	<u>(61,075,441)</u>	<u>(1,242,126)</u>
Ending net position	<u>\$ (62,348,925)</u>	<u>\$ (62,317,567)</u>	<u>\$ (31,358)</u>

*Please see Note 13, Prior Period Restatement, on page 69.

WILLIAMSBURG-JAMES CITY COUNTY PUBLIC SCHOOLS

(Component Unit of James City County, Virginia)

Management's Discussion and Analysis (Unaudited)

Year ended June 30, 2021

STATEMENT OF ACTIVITIES*(What it costs to operate our schools and how much is supported by tax dollars)***Governmental Activities**

Table 3 *(from Exhibit 2 – Statement of Activities - Governmental Activities)* presents the cost of the major Schools activities: general and administrative, instruction, attendance and health services, pupil transportation, operations and maintenance, technology, and food services. The table also shows each activity's net cost (total cost less fees generated by the charges for services, operating grants and contributions, and capital grants and contributions). The net cost identifies the cost of services supported by City and County tax revenues and unrestricted state and federal entitlements.

Table 3				
Total and Net Cost of Program Services				
Years ended June 30, 2021 and 2020				
	2021		2020 (as restated)*	
	Total cost of service	Net cost of service	Total cost of service	Net cost of service
General and administrative	\$ 3,183,976	\$ (3,183,976)	\$ 3,419,100	\$ (3,419,100)
Instruction	112,086,779	(90,681,475)	109,634,686	(91,032,108)
Attendance and health services	5,459,527	(4,789,527)	5,353,303	(4,679,970)
Pupil transportation	7,019,611	(6,143,427)	8,111,843	(8,111,843)
Operations and maintenance	13,674,181	(13,547,301)	12,948,523	(12,752,288)
Technology	13,014,213	(12,651,638)	9,375,832	(8,883,879)
Food services	2,974,531	1,115,776	4,078,090	(450,641)
Total program expenses	\$ <u>157,412,818</u>	\$ <u>(129,881,568)</u>	\$ <u>152,921,377</u>	\$ <u>(129,329,829)</u>

*Please see Note 13, Prior Period Restatement, on page 69.

The net cost of all governmental activities, in fiscal year 2021 was \$129.9 million, representing a 0.43% increase from fiscal year 2020. The amount that the citizens of the City and the County paid for these activities in fiscal year 2021 through taxes was \$103.4 million, representing an increase of 0.15% over fiscal year 2020.

WILLIAMSBURG-JAMES CITY COUNTY PUBLIC SCHOOLS
 (Component Unit of James City County, Virginia)

Management's Discussion and Analysis (Unaudited)
 Year ended June 30, 2021

Financial Analysis of the Schools in Parts

FUND STATEMENTS

(Breakdown of revenues and expenditures for the fiscal year by type and source)

Financial Analysis of the Schools' Funds

The focus of the Schools' governmental funds is on near-term inflows, outflows, and balances of spendable resources. In particular, unassigned fund balance may serve as a useful measure of the Schools' net resources available for spending at the end of the fiscal year. As the Schools completed the year, its governmental funds reported combined fund balances of \$6.0 million. As school divisions in Virginia, by state code, may not carry a fund balance in the divisions General or Operating Funds, the fund balance that remains is nonspendable, restricted, committed or assigned to indicate that it is not available for new spending because it is mostly reserved as follows: (1) to liquidate contracts and purchase orders of the prior period, (2) to account for reported inventories in the Schools' Food Service Fund, (3) to account for funding restricted for various grants and the net pension/OPEB asset and (4) to account for funding committed to capital projects. All of the governmental funds are accounted for using the modified accrual basis of accounting.

General Fund Highlights

Table 4			
General Fund Revenue, Expenditures and Other Financing Uses			
Years ended June 30, 2021 and 2020			
	<u>2021</u>	<u>2020</u>	<u>Variance</u>
Revenues:			
City of Williamsburg and James City Co.	\$ 101,238,324	\$ 101,324,333	\$ (86,009)
Commonwealth of Virginia	38,583,356	35,278,453	3,304,903
Federal government	154,255	164,881	(10,626)
Charges for services, interest, and miscellaneous	419,499	612,423	(192,924)
Total revenues	\$ <u>140,395,434</u>	\$ <u>137,380,090</u>	\$ <u>3,015,344</u>
Expenditures and other financing uses:			
General and administrative	\$ 3,120,555	\$ 3,397,369	\$ (276,814)
Instruction	101,311,284	101,295,788	15,496
Attendance and health services	4,600,382	4,692,447	(92,065)
Pupil transportation	5,951,465	7,069,877	(1,118,412)
Operation and maintenance	11,686,519	11,638,080	48,439
Technology	9,534,494	8,543,088	991,406
Capital outlay	2,265,698	743,441	1,522,257
Total expenditures and other financing uses	\$ <u>138,470,397</u>	\$ <u>137,380,090</u>	\$ <u>1,090,307</u>

WILLIAMSBURG-JAMES CITY COUNTY PUBLIC SCHOOLS

(Component Unit of James City County, Virginia)

Management's Discussion and Analysis (Unaudited)

Year ended June 30, 2021

Budgetary Highlights

The Schools' budget is prepared in accordance with Virginia School Laws. The General Fund is the primary fund for the Schools. On a fund basis, General Fund revenues (\$140.4 million) exceeded expenditures and other financing uses (\$138.5 million) by \$1.9 million. The reason for the difference is due to outstanding purchase orders that had not been paid as of June 30, 2021 due to items not being received by the end of the fiscal year.

The amended budget increased by \$8.4 million over the original budget. The increase was for a more accurate projection of Sales Tax for Education and the year-end spending plan. The expenditures included digital curriculum development, air filtration and purifier upgrades, protective learning shields, and childcare assistance.

As compared to the amended budget, actual intergovernmental revenue was approximately \$8.8 million less at June 30, 2021. This was due primarily to a decrease in revenue required from the City and County. Regarding expenditures and other financing uses, the actual was approximately \$8.7 million less than the amended budget.

Capital Assets

At the end of fiscal year 2021, the Schools had \$56.7 million of capital assets (net of accumulated depreciation) invested in land, buildings, and furniture and equipment. This represented a 1.31% decrease from fiscal year 2020 to fiscal year 2021. All capital assets are attributable to governmental activities. Total accumulated depreciation on these assets was approximately \$52.6 million at June 30, 2021.

Below is a summary of the Schools' net capital assets:

Table 5			
Capital Assets, Net at June 30, 2021 and 2020			
Capital Asset Category	2021	2020	Variance
Land	\$ 8,435,126	\$ 8,435,126	\$ —
Buildings and building improvements	38,445,168	39,968,745	(1,523,577)
Furniture and equipment	2,096,682	2,343,515	(246,833)
Vehicles and buses	7,174,415	5,715,192	1,459,223
Construction in progress	546,651	990,715	(444,064)
Total capital assets, net	\$ <u>56,698,042</u>	\$ <u>57,453,293</u>	\$ <u>(755,251)</u>

Major capital asset events during fiscal year 2021 included the following:

- HVAC replacement for Jamestown High School;
- Entrance redesigns at Berkeley Middle, James River Elementary, Lafayette High, Laurel Lane Elementary, Stonehouse Elementary, and Toano Middle
- Design began on the Auxiliary Gym at Warhill High School

Additional information on the Schools' capital assets is presented in note 4 of this report.

WILLIAMSBURG-JAMES CITY COUNTY PUBLIC SCHOOLS

(Component Unit of James City County, Virginia)

Management's Discussion and Analysis (Unaudited)

Year ended June 30, 2021

Long-Term Liabilities

Long-term liabilities at the end of fiscal year 2021 were \$150.0 million, with \$0.6 million due within one year and \$149.4 million due in greater than one year consisting of \$1.3 million in compensated absences, \$23.9 million in net other post-employment benefits, and \$124.8 million in net pension liability.

Additional information on the Schools' long-term liabilities is presented in notes 1, 5, 6 and 7 of this report.

Factors Influencing Future Budgets

- Possible decreases in revenue due to the impact of COVID-19 on the economy;
- State funding as established by the Governor and the General Assembly
- Unfunded state and federal mandates
- Needed capital projects as a result of approaching maximum capacity
- Instructional program enhancements to address the achievement gap and in response to more rigorous State Standards
- Implementation of programs and initiatives that align and advance the WJCC Strategic Plan
- Maintaining competitive salaries

Contacting the Williamsburg-James City County Public Schools Financial Management

This financial report is designed to provide our citizens, taxpayers, and creditors with a general overview of the Schools' finances and to show the Schools' accountability for the money it receives. If you have any questions about this report or need additional financial information, contact the Finance Department at the Williamsburg-James City County Public Schools, 117 Ironbound Road, Williamsburg, Virginia 23185, and telephone 757-603-6400.

BASIC FINANCIAL STATEMENTS

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WILLIAMSBURG-JAMES CITY COUNTY PUBLIC SCHOOLS
(Component Unit of James City County, Virginia)

Statement of Net Position – Governmental Activities

June 30, 2021

Assets:	
Cash and temporary investments (note 2)	\$ 28,620,018
Receivables	7,527
Due from federal government	1,183,274
Due from Commonwealth of Virginia	756,896
Inventory	51,831
Capital assets, not being depreciated (note 4)	8,981,777
Capital assets, net of depreciation (note 4)	47,716,265
Net pension asset - non-professional plan (note 6)	639,727
Total assets	<u>87,957,315</u>
Deferred outflows of resources:	
Deferred pensions - professional plan (note 6)	30,851,822
Deferred pensions - non-professional plan (note 6)	1,008,268
Deferred OPEB - retiree healthcare plan (note 7)	232,074
Deferred OPEB - group life insurance (note 7)	1,493,709
Deferred OPEB - health insurance credit, professional plan (note 7)	1,284,592
Deferred OPEB - health insurance credit, non-professional plan (note 7)	25,635
Deferred OPEB - Virginia local disability program, professional plan (note 7)	109,755
Deferred OPEB - Virginia local disability program, non-professional plan (note 7)	24,865
Total deferred outflows of resources	<u>35,030,720</u>
Total assets and deferred outflows of resources	<u>\$ 122,988,035</u>
Liabilities:	
Accounts payable	\$ 2,113,982
Accrued payroll	7,829,379
Accrued benefits	7,821,943
Due to the City of Williamsburg and James City County	6,823,143
Unearned revenue (note 10)	17,101
Compensated absences, due in less than one year (note 5)	592,269
Noncurrent liabilities (notes 5, 6 and 7):	
Compensated absences, due in more than one year	723,885
Net pension liability - professional plan	124,830,972
OPEB liability - retiree healthcare plan	5,949,550
Net OPEB liability - group life insurance	6,649,311
Net OPEB liability - health insurance credit, professional plan	11,226,409
Net OPEB liability - health insurance credit, non-professional plan	19,073
Net OPEB liability - Virginia local disability program, professional plan	25,138
Net OPEB liability - Virginia local disability program, non-professional plan	6,492
Total liabilities	<u>174,628,647</u>
Deferred inflows of resources:	
Deferred pensions - professional plan (note 6)	9,025,187
Deferred pensions - non-professional plan (note 6)	134,615
Deferred OPEB - retiree healthcare plan (note 7)	815,012
Deferred OPEB - group life insurance (note 7)	322,881
Deferred OPEB - health insurance credit, professional plan (note 7)	385,681
Deferred OPEB - health insurance credit, non-professional plan (note 7)	13,273
Deferred OPEB - Virginia local disability program, professional plan (note 7)	3,288
Deferred OPEB - Virginia local disability program, non-professional plan (note 7)	8,376
Total deferred inflows of resources	<u>10,708,313</u>
Net position:	
Net investment in capital assets	56,698,042
Restricted for:	
Grants	254,612
School food services	1,844,967
Student activity funds	1,288,211
Net pension asset	639,727
Unrestricted (deficit)	<u>(123,074,484)</u>
Total net position	<u>(62,348,925)</u>
Total liabilities, deferred inflows of resources and net position	<u>\$ 122,988,035</u>

See accompanying notes to basic financial statements.

WILLIAMSBURG-JAMES CITY COUNTY PUBLIC SCHOOLS
(Component Unit of James City County, Virginia)

Statement of Activities – Governmental Activities

Year ended June 30, 2021

Functions/programs	Expenses	Program revenues		Net (expense) revenue and changes in net position
		Charges for services	Operating grants and contributions	
Governmental activities:				
General and administrative	\$ 3,183,976	—	—	(3,183,976)
Instruction	112,086,779	96,130	21,309,174	(90,681,475)
Attendance and health services	5,459,527	—	670,000	(4,789,527)
Pupil transportation	7,019,611	—	—	876,184
Operations and maintenance	13,674,181	69,954	56,926	(13,547,301)
Technology	13,014,213	—	362,575	(12,651,638)
Food services	2,974,531	34,721	4,055,586	1,115,776
Total	\$ 157,412,818	200,805	26,454,261	876,184
General revenues:				
Interest				44,445
Grants and contributions not restricted to specific programs				129,059,502
Miscellaneous				746,263
Total				129,850,210
Change in net position				(31,358)
Net position at beginning of year, as previously reported				(63,653,320)
Prior period adjustment (note 13)				1,335,753
Net position at beginning of year, as restated				(62,317,567)
Net position at end of year				\$ (62,348,925)

See accompanying notes to basic financial statements.

WILLIAMSBURG-JAMES CITY COUNTY PUBLIC SCHOOLS
(Component Unit of James City County, Virginia)

Balance Sheet – Governmental Funds

June 30, 2021

	<u>Major Fund</u>		
	<u>General</u>	<u>Nonmajor governmental funds</u>	<u>Total governmental funds</u>
Assets			
Cash and temporary investments (note 2)	\$ 25,064,614	3,555,404	28,620,018
Receivables	5,528	1,999	7,527
Due from other funds (note 3)	609,741	—	609,741
Due from federal government	—	1,183,274	1,183,274
Due from Commonwealth of Virginia	9,594	747,302	756,896
Due from the City of Williamsburg and James City County	2,150,992	48,875	2,199,867
Inventory	—	51,831	51,831
Total assets	<u>\$ 27,840,469</u>	<u>5,588,685</u>	<u>33,429,154</u>
Liabilities			
Accounts payable	\$ 1,961,662	152,320	2,113,982
Accrued payroll	7,360,059	469,320	7,829,379
Accrued benefits	7,370,821	451,122	7,821,943
Due to other funds (note 3)	—	609,741	609,741
Due to the City of Williamsburg and James City County	9,022,890	120	9,023,010
Unearned revenue (note 10)	—	17,101	17,101
Total liabilities	<u>25,715,432</u>	<u>1,699,724</u>	<u>27,415,156</u>
Fund balances:			
Nonspendable:			
Inventory	—	51,831	51,831
Restricted	—	3,387,790	3,387,790
Committed	—	449,340	449,340
Assigned	1,925,037	—	1,925,037
Unassigned	200,000	—	200,000
Total fund balances	<u>2,125,037</u>	<u>3,888,961</u>	<u>6,013,998</u>
Total liabilities and fund balances	<u>\$ 27,840,469</u>	<u>5,588,685</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.			56,698,042
Long-term liabilities and the related deferred outflows and inflows are not reported in the governmental funds.			
Compensated absences		(1,316,154)	
Net OPEB asset/liabilities and related deferred inflows and outflows of resources		(22,253,854)	
Net pension asset/liability and related deferred inflows and outflows of resources		<u>(101,490,957)</u>	<u>(125,060,965)</u>
Net position of governmental activities			<u>\$ (62,348,925)</u>

See accompanying notes to basic financial statements.

WILLIAMSBURG-JAMES CITY COUNTY PUBLIC SCHOOLS
(Component Unit of James City County, Virginia)

Statement of Revenues, Expenditures, and Changes in Fund Balances – Governmental Funds
Year ended June 30, 2021

	Major Fund		
	General	Nonmajor governmental funds	Total governmental funds
Revenues:			
Intergovernmental:			
City of Williamsburg and James City County	\$ 101,238,324	2,158,772	103,397,096
Commonwealth of Virginia	38,583,356	2,035,444	40,618,800
Federal government	154,255	10,662,197	10,816,452
Total intergovernmental	139,975,935	14,856,413	154,832,348
Charges for services	108,458	92,347	200,805
Interest	32,907	11,538	44,445
Miscellaneous	278,134	1,149,544	1,427,678
Total revenues	140,395,434	16,109,842	156,505,276
Expenditures:			
Current:			
General and administrative	3,120,555	4,262	3,124,817
Instruction	101,311,284	7,166,346	108,477,630
Attendance and health services	4,600,382	754,826	5,355,208
Pupil transportation	5,951,465	—	5,951,465
Operations and maintenance	11,686,519	548,014	12,234,533
Technology	9,534,494	3,197,372	12,731,866
Food services	—	2,913,833	2,913,833
Capital outlay	2,265,698	182,361	2,448,059
Total expenditures	138,470,397	14,767,014	153,237,411
Net change in fund balances	1,925,037	1,342,828	3,267,865
Fund balances at beginning of year, as restated (Note 13)	200,000	2,546,133	2,746,133
Fund balances at end of year	\$ 2,125,037	3,888,961	6,013,998

See accompanying notes to basic financial statements.

WILLIAMSBURG-JAMES CITY COUNTY PUBLIC SCHOOLS

(Component Unit of James City County, Virginia)

Statement of Revenues, Expenditures, and Changes in Fund Balances – Governmental Funds

Year ended June 30, 2021

	(Continued)
Net change in fund balances	\$ 3,267,865
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 capital outlay expenditures exceeded depreciation expense in the current period:	
Capital outlay	2,448,059
Contributed capital assets	876,184
Depreciation expense	(4,017,456)
In the statement of activities, the loss on the sale of equipment is reported, whereas in the governmental funds, only the proceeds from the sale increase financial resources. Thus, the change in net position differs from the change in fund balances by the cost of the equipment sold.	
	(62,038)
Expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in the governmental funds.	
Change in compensated absences liability	41,311
OPEB expenses, net of employer contributions	(410,271)
Pension expense, net of employer contributions	<u>(2,175,012)</u>
Change in net position of governmental activities	<u>\$ (31,358)</u>

See accompanying notes to basic financial statements.

WILLIAMSBURG – JAMES CITY COUNTY PUBLIC SCHOOLS

(Component Unit of James City County, Virginia)

Notes to Basic Financial Statements

June 30, 2021

1. Summary of Significant Accounting Policies**Narrative Profile**

Under the terms of an agreement dated January 14, 1954 (the Agreement) between the governing bodies and the School Board of the City of Williamsburg (the City) and James City County (the County), effective July 1, 1955, the localities consolidated the operations of their school systems (the Schools).

The Schools are responsible for elementary and secondary education for the City and the County. Two members of the Williamsburg – James City County School Board (School Board) are appointed by the City Council of the City. Five members of the School Board are elected by the citizens of the County. The School Board is fiscally dependent upon the governing bodies that levy the necessary taxes and provide the financial resources to be used for the operation of the Schools and acquisition or construction of facilities.

Local costs related to the operations of the Schools are apportioned between the two localities in accordance with the Agreement, as amended. For the fiscal year ended June 30, 2021, the apportionment of the Schools' costs to the County and the City was \$91,406,375 or 90.40%, and \$9,831,949, or 9.60%, respectively. According to the Agreement, as amended, a spending plan may be developed by the Schools if there are any unexpended appropriated funds. The spending plan must be approved by the governing bodies of both the City and the County.

The accounting policies of the Schools conform to accounting principles generally accepted in the United States of America (GAAP) as applicable to governmental units. The following is a summary of the more significant accounting policies of the Schools:

(a) The Financial Reporting Model

In Fiscal Year 2003, the Schools implemented Governmental Accounting Standards Board (GASB) Statement No. 34, *Basic Financial Statements – and Management's Discussion and Analysis – for State and Local Governments*. This statement, known as the "Reporting Model" statement established new requirements and a new reporting model for the annual financial reports of state and local governments. The statement was developed to make annual reports easier to understand and more useful to the people who use governmental financial information to make decisions and includes:

Management's Discussion and Analysis – GASB Statement No. 34 requires that financial statements be accompanied by a narrative introduction and analytical overview of the government's financial activities in the form of "Management's Discussion and Analysis" (MD&A). This analysis is similar to the analysis the private sector provides in their annual reports.

WILLIAMSBURG – JAMES CITY COUNTY PUBLIC SCHOOLS

(Component Unit of James City County, Virginia)

Notes to Basic Financial Statements

June 30, 2021

Government-Wide Financial Statements – The reporting model includes financial statements prepared using full accrual accounting for all of the government’s activities. This approach includes not just current assets and liabilities (such as cash and accounts payable) but also capital assets and long-term liabilities (such as buildings and debt). Accrual accounting also reports all of the revenues and cost of providing services each year, not just those received or paid in the current year or soon thereafter.

Statement of Net Position – The statement of net position is designed to display the financial position of the Schools. Governments report all capital assets in the government-wide statement of net position and report depreciation expense – the cost of “using up” capital assets—in the statement of activities. The net position of a government will be broken down into three categories: 1) net investment in capital assets; 2) restricted, and 3) unrestricted.

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

Fund Financial Statements – These statements are, in substance, very similar to the financial statements presented in the previous financial reporting model. Emphasis here is on the major fund. Nonmajor funds are summarized, and detailed information is separately presented in the Other Supplementary Information section.

As required by generally accepted accounting principles (GAAP), the financial reporting entity consists of the primary government, as well as its component units, which are legally separate organizations for which the elected officials of the primary government are financially accountable. 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. Because of the significance of the Schools’ financial relationship with the County, the Schools are considered a component unit of the County and, accordingly, the financial position and results of operations of the Schools are reflected in the financial statements included in the Annual Financial Report of the County. The Schools have no component units for financial reporting purposes.

(b) Basis of Presentation

The Schools’ basic financial statements consist of government-wide financial statements, including a statement of net position and a statement of activities, and fund financial statements, which provide a more detailed level of financial information.

Government-Wide Financial Statements: The statement of net position and the statement of activities display information about the Schools as a whole. These statements are reflected on a full accrual basis of accounting and economic resource measurement focus, which incorporates long-term assets as well as long-term liabilities. Governmental fund financial statements

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therefore include a reconciliation with brief explanations to better identify the relationship between the government-wide statements and the statements for governmental funds.

The statement of net position presents the financial condition of the governmental activities of the Schools at year end. The Schools do not have any business-type activities. The statement of activities presents a comparison between direct expenses and program revenues for each function of the Schools' governmental activities. Direct expenses are those that are specifically associated with a service, program, or department and therefore identifiable to a particular function. Expenses are grouped in the following categories: general and administrative, instruction, attendance and health services, pupil transportation, operations and maintenance, technology, and food services.

Program revenues include charges paid by the recipient of the goods or services offered by the program or from grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Charges for services include adult education, regular day school tuition, summer school tuition, cafeteria sales, building rental, and communications tower leases. Revenues not classified as program revenues are presented as general revenues of the Schools. The comparison of direct expenses with program revenues identifies the extent to which the governmental function is self-financing or draws from the general revenues of the Schools. The Schools do not allocate indirect expenses. When both restricted and unrestricted resources are available for use, it is the Schools' policy to use restricted resources first, then unrestricted resources, as they are needed. As a general rule, the effect of interfund activity has been eliminated from the government-wide statements but interfund services provided and used are not eliminated in the process of consolidation.

Fund Financial Statements: During the year, the Schools segregate transactions related to certain functions or activities in separate funds in order to aid financial management and to demonstrate legal compliance. The fund financial statements present financial information of the Schools at this more detailed level. The focus of governmental fund financial statements is on the major fund. Nonmajor funds are summarized, and detailed information is separately presented in the Other Supplementary Information section.

The accounts of the Schools are organized on the basis of funds, each of which is considered a separate accounting entity. The operations of each fund are accounted for with a set of self-balancing accounts that comprise its assets, liabilities, fund balance, revenues, and expenditures. The fund statements are presented on a current financial resources measurement focus and the modified accrual basis of accounting. The acquisition use and balances of the Schools' expendable financial resources and the related liabilities are accounted for through governmental funds. The measurement focus is based upon the determination of changes in financial position, rather than upon net income determination.

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The Schools report the following major governmental fund:

- *General Fund* – The General Fund is the general operating fund of the Schools. It is used to account for all financial resources except those required to be accounted for in another fund. Revenues are primarily from intergovernmental revenues.

Additionally, the Schools report the following funds as Nonmajor Governmental Funds:

- *Grants Fund* – The Grants Fund is used to record transactions related to the grants and self-supporting programs that are not specifically accounted for in another fund. Revenues are primarily from intergovernmental revenues for Federal and State grants.
- *Schools' Food Services Fund* – The Schools' Food Services Fund is used to account for the operation of the Schools' cafeterias. Revenues are primarily from food sales and the Federal government for the National School Lunch program.
- *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 or maintenance of the school plant (other than those financed by the other funds).
- *Student Activity Fund* – The Student Activity Fund is designed to account for funds held by a school for students, club organizations, and faculty of the school. These funds are generally derived from extracurricular school activities, including, but not limited to, entertainment, athletic contests, club dues, fundraisers, etc., and from any and all activities of the school involving personnel, students, or property.

(c) Basis of Accounting

Basis of accounting determines when transactions are recorded in the financial records and reported in the financial statements. Government-wide statements are prepared using the accrual basis of accounting. Governmental funds use the modified accrual basis of accounting and fiduciary funds use the accrual basis of accounting. Differences in the accrual and modified accrual basis of accounting arise in the recognition of revenue, the recording of unavailable revenue, and in the presentation of expenses versus expenditures.

Under the modified accrual basis of accounting, revenues are recorded when susceptible to accrual (i.e., both measurable and available). Available means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. The Schools consider collections within 60 days of year end as available. Expenditures, other than principal and interest on long-term debt which is recorded when due, are recorded when the related fund liability is incurred.

In applying the susceptible to 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 these revenues. In one, monies must be expended for the

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specific purpose or project before any amounts will be paid to the Schools, which is usually within 60 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 accrual criteria are met.

Under the accrual basis of accounting, revenues are recognized when earned. Unearned revenue arises when assets are recognized before revenue recognition criteria have been satisfied. Expenses are recognized at the time they are incurred.

The following is a list of the major revenue sources which meet the susceptible to accrual criteria: (1) Commonwealth of Virginia, (2) state sales taxes, (3) federal government, (4) interest on deposits, and (5) insurance proceeds.

(d) Encumbrances

Encumbrances outstanding at year end represent the estimated amount of the expenditures required to complete contracts, purchase orders, and commitments in process at year end. Encumbrances outstanding at year end do not constitute expenditures or liabilities. Fund balances at year end have been accordingly assigned, if applicable. Existing resources, rather than future revenues, have been assigned to satisfy the contracts, purchase orders, and commitments in progress and a liability is not reported for all or a portion of these items in a governmental fund.

	General Fund Amount
Encumbrances assigned to:	
Instruction	\$ 304,313
Operations and maintenance	443,596
Technology	943,523
Pupil transportation	233,605
Total	<u>\$ 1,925,037</u>

(e) Cash and Investments

Cash and investments at June 30, 2021, are included in the various cash accounts reflected in the financial statements. Investments are stated at fair value.

(f) Receivables and Due from Other Governments

Amounts due from the Commonwealth of Virginia consist primarily of receivables from state entitlements and reimbursement of grants expenditures. Amounts due from the federal government are for reimbursement of grants expenditures. Amounts due from the City and the County are primarily related to reimbursement of capital project expenditures. Receivables consist primarily of amounts due from students and other customers of the Schools. All receivables are expected to be collected within one year from the end of the fiscal year.

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(g) Inventory

All inventory reported in the Schools’ Food Services Fund is stated at cost using the first-in, first-out inventory method. Inventory consists principally of food and other items held for resale and is considered expended when used (consumption method). The inventory is offset by fund balance, which indicates that the inventory does not constitute available, expendable resources.

(h) Capital Assets

General capital assets have been acquired for general school purposes. Capital outlays are recorded as expenditures in the governmental funds and as assets in the government-wide financial statements to the extent the Schools’ capitalization threshold is met.

All capital assets are capitalized at cost (or estimated historical cost) and updated for additions and retirements during the year. Donated capital assets, donated works of art and similar items, and capital assets received in a service concession agreement are recorded at acquisition value on the date received. The Schools maintain a capitalization threshold of \$5,000 for equipment, improvements and buildings. Land is capitalized regardless of value. The Schools have no infrastructure assets. Under Virginia law, certain property maintained by the Schools is subject to tenancy-in-common with the County, if the County incurred a financial obligation for the property, which is payable over more than one fiscal year. The Schools and the County have agreed that such property will be carried on the County’s financial statements until the outstanding debt is repaid. At June 30, 2021, the County holds capital assets related to school property with a net book value of \$208,786,057.

Depreciation is recorded on general capital assets on a government-wide basis. All reported capital assets except for land are depreciated. Depreciation is computed using the straight-line method with full month convention over the following useful lives:

Description	Estimated lives
Buildings	50 years
Improvements	7 – 20 years
Furniture and equipment	5 – 20 years
Modulars	15 years
Vehicles and buses	6 – 15 years

(i) Compensated Absences

School employees are granted vacation pay in varying amounts as services are provided. Employees may accumulate, subject to certain limitations, unused vacation pay earned and, upon retirement, termination or death, may be compensated for certain amounts at their most current rate of pay. The cost of accumulated vacation is accrued as a liability in the government-wide financial statements as the benefits are earned by employees if attributable to services already rendered and compensation through paid time off or some other means is probable. Compensated absences are reported in the governmental funds only if they have matured. Upon termination, for reasons other than retirement, school employees are not paid for

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accumulated sick leave. Employees who retire will receive payment for any unused sick leave days at a rate of 25% of the employees' daily rate of pay at retirement or a minimum of \$25 per day, whichever is higher. The sick leave compensation amount shall not exceed \$5,000. At June 30, 2021, the liability for sick leave that will be ultimately paid upon retirement is not determinable but is considered immaterial based upon amounts actually paid in prior years.

(j) Fund Balances

Fund balance is divided into five classifications based primarily on the extent to which the School Board is bound to observe constraints imposed upon the use of the resources reported in governmental funds. The classifications are as follows:

- Nonspendable – items that cannot be spent. This includes activity that is not in a spendable form like inventories.
- Restricted – balances which have constraints placed upon the use of the resources either by an external party, like grantors, or imposed by law through enabling legislation. Grant funds received by the Schools for which eligibility requirements other than time have not been met are restricted by the grantor for use for specific purposes, as applicable to the specific grant.
 - The Grants fund has \$254,612 in restricted balances.
 - The Student Activity Fund has \$1,288,211 in restricted balances.
 - The Schools' Food Services fund has \$1,844,967 in restricted balances for the purpose of providing nutritional meals to students.
- Committed – balances that can only be used for specific purposes pursuant to constraints imposed by a formal action of the School Board, the School's highest level of decision-making authority prior to the close of the fiscal year. Any modifications or rescissions of fund balance commitments in this category also requires formal action of the School Board resulting in a resolution to commit balances, modify amounts, or rescind recommendations.
 - The Capital Projects fund has \$449,340 in committed balances at June 30, 2021, committed to capital outlay projects.
- Assigned – balances that are constrained by the School's intent to be used for a specific purpose but are neither restricted nor committed. This intent can be expressed by the School Board or through the School Board delegating this responsibility to the School's management through the budgetary process. Assigned amounts represent intended uses established by the School Board. The Superintendent is authorized to make assignments of fund balances.
 - The General fund has \$1,925,037 in assigned fund balances to meet contractual obligations. The School Board has purchase orders outstanding with vendors in this

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amount and expects the vendors to deliver the goods and services in the upcoming fiscal year.

- Unassigned – all spendable amounts not contained in the four categories described above. The General Fund is the only fund that would report a positive amount in unassigned fund balance.
 - The General fund has a \$200,000 unassigned fund balance.

The Schools will typically use restricted fund balance first, followed by committed resources, and then assigned resources, as appropriate opportunities arise, but reserve the right to selectively spend unassigned resources first to defer the use of these other classified funds.

(k) Interfund Transactions

Transactions that constitute reimbursements to a fund for expenditures initially made from it, which are properly applicable to another fund, are recorded as expenditures in the reimbursing fund and as reductions of expenditures in the fund that is reimbursed.

All interfund transactions, except interfund services provided and used, are reported as transfers. Transfers are used to: (1) move revenues from the fund that statute or budget requires to collect them to the fund that statute or budget requires to expend them and (2) use unrestricted revenues collected in the general fund to finance various programs accounted for in other funds in accordance with budgetary authorizations.

Interfund transactions occur only at year-end for financial statement presentations. Williamsburg-James City County Public School's General Fund advances money to other funds as needed to offset year-end cash deficits. The deficits occur due to timing differences between payments for expenditures and the receipt of cash to cover them.

(l) Deferred Outflows and Inflows of Resources

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

The Schools have the following items that qualify for reporting in these categories:

- Contributions subsequent to the measurement date for pensions and OPEB
- Differences between expected and actual experience for economic/demographic factors in the measurement of the total pension or OPEB liability
- Difference resulting from a changes in proportion of the collective net pension and OPEB liabilities
- Difference between projected and actual earnings on pension and OPEB plan investments

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- Differences resulting from changes in assumptions on pension plan or OPEB investments

(m) Pensions and Other Postemployment Benefits (OPEB)

For purposes of measuring all financial statement elements related to pension and OPEB plans, information about the fiduciary net position of the School's plans and the additions to/deductions from the School's plan's fiduciary net position have been determined on the same basis as they were reported by the Virginia Retirement System (VRS). For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

In addition to the VRS OPEB plans, the Schools' have a retiree healthcare plan. The benefits, benefit levels, employee contributions and employer contributions can be amended through the personnel manuals. A valuation report is prepared by Bolton Partners.

(n) Adoption of New Accounting Standard

Effective for the fiscal year ended June 30, 2021, the School's adopted GASB Statement No. 84, *Fiduciary Activities*. The requirements of this Statement will enhance consistency and comparability by establishing specific criteria for identifying activities that should be reported as fiduciary activities and clarifying whether and how business-type activities should report their fiduciary activities. The Schools do not have any fiduciary activities. See note 13 for additional information regarding the effects of implementing this standard.

2. Cash and Temporary Investments

The Schools maintain individual segregated bank accounts for all of its funds.

The components of the Schools' cash and temporary investments are as follows:

Bank deposits	\$ 14,327,360
Certificates of deposit	30,437
Investment in the Treasurer of the Commonwealth of Virginia's Local Government Investment Pool (LGIP)	14,262,221
	<u>\$ 28,620,018</u>

Deposits

Deposits with banks are fully covered by the Federal Depository Insurance Corporation (FDIC) or collateralized in accordance with the Virginia Security for Public Deposits Act (the Act), Section 2.2-4400 et. seq. of the Code of Virginia. Under the Act, banks holding public deposits in excess of the amounts insured by FDIC must pledge collateral in the amount of 50% of excess deposits to a collateral pool in the name of the State Treasury Board. Savings and loan institutions are required to collateralize 100% of deposits in excess of FDIC limits. If any member financial institution fails, the entire collateral becomes available to satisfy the claims of the Schools. If the value of the pool's collateral is inadequate to cover a loss, additional amounts would be assessed on a pro rata basis to the members (banks and savings and loans) of the pool; therefore, these deposits are considered collateralized and as a result are insured. The State Treasury Board is responsible for monitoring

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compliance with the collateralization and reporting requirements of the Act and for notifying local governments of compliance by banks and savings and loans. Therefore, these deposits are considered collateralized and as a result, are considered insured.

Investments***Investment Policy***

The Schools utilize the policies and procedures of the James City County Treasurer (the Treasurer); therefore, the Investment Policy (Policy) of the County is used. In accordance with the *Code of Virginia* and other applicable law, including regulations, 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 that invest exclusively in securities specifically permitted under the Policy, and the State Treasurer's Local Government Investment Pool (the Virginia LGIP, a 2a-7 like pool, rated 'AAAm' by Standard & Poor's rating service). Although the LGIP is not registered with the Securities and Exchange Commission (SEC) as an investment company, it operates in a manner consistent with the SEC's Rule 2a-7 of the Investment Company Act of 1940 and in accordance with the Governmental Accounting Standards Board Statement No. 31, *Accounting and Financial Reporting for Certain Investments and for External Investment Pools*, definition of "2a-7 like pools."

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:

Registered money market mutual funds	100% maximum
Commonwealth of Virginia LGIP	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
Bank deposits	25% maximum

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 or Fitch Investor's Service. Corporate notes with maturities of no more than five years have received at least two of the following ratings: (i) at least "Aa" by Moody's Investors Services, Inc.; (ii) at least "AA" by Standard & Poor's; or (iii) at least AA by Fitch Ratings, Inc. Negotiable certificates of deposit and bank deposit notes maturing in less than one year, that have received at least two of the following ratings: (i) at least "A-1" by Standard & Poor's; (ii) at least "P-1" by Moody's Investor Service, Inc.; or (iii) at least F1 by Fitch Ratings, Inc. Notes having a maturity of greater than one year and not exceeding five years, that have

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received at least two of the following ratings: (i) at least “AA” by Standard & Poor’s; (ii) at least “Aa” by Moody’s Investor Service, Inc.; or (iii) at least AA by Fitch Ratings, Inc.

Although state statute does not impose credit standards on repurchase agreement counterparties, bankers’ acceptances or money market mutual funds, the Schools have established stringent credit standards for these investments to minimize portfolio risk.

As of June 30, 2021, 100% of the Schools’ portfolio was invested in the Commonwealth of Virginia LGIP account, certificates of deposit with several local banks, money market accounts with several local banks, and a bank deposit with a local bank.

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 Schools’ portfolio will be invested in the securities of any single issuer with following exceptions:

U.S. Treasury	100% maximum
Each money market mutual fund	50% maximum
Each federal agency	35% maximum
Each repurchase agreement counterparty	25% maximum

Interest Rate Risk

As a means of limiting exposure to fair value losses arising from rising interest rates, the Schools’ 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. To control the volatility of the core portfolio, the Treasurer will determine a duration target, not to exceed three years.

Custodial Credit Risk

The Policy requires that all investment securities purchased by the Schools or held as collateral on deposits or investments shall be held by the Schools or by a third-party custodial agent who may not otherwise be a counterparty to the investment transaction. As of June 30, 2021, all of the Schools’ deposits and investments are held in a bank’s trust department in the Schools’ name.

Fair Value Measurement

The Schools categorize its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs. The Schools do not have any investments reported by fair value level. The investment in LGIP is reported at amortized cost and there are no limitations or restrictions on withdrawals.

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3. 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.

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

At June 30, 2021, the General fund had an interfund receivable from the Grants fund for \$582,273 and from the Student Activity fund for \$27,468.

4. Capital Assets, Net

A summary of changes in capital assets follows:

	Balance July 1, 2020	Additions	Deletions	Balance June 30, 2021
Capital assets not being depreciated:				
Land	\$ 8,435,126	\$ —	\$ —	\$ 8,435,126
Construction in progress	990,715	291,417	735,481	546,651
Total capital assets not being depreciated	<u>9,425,841</u>	<u>291,417</u>	<u>735,481</u>	<u>8,981,777</u>
Other capital assets:				
Buildings and building improvements	69,430,321	1,123,977	—	70,554,298
Furniture and equipment	11,001,782	164,875	1,261,548	9,905,109
Vehicles and buses	18,182,712	2,479,455	814,968	19,847,199
Total other capital assets	<u>98,614,815</u>	<u>3,768,307</u>	<u>2,076,516</u>	<u>100,306,606</u>
Less accumulated depreciation for:				
Buildings and building improvements	29,461,576	2,647,554	—	32,109,130
Furniture and equipment	8,658,267	390,419	1,240,259	7,808,427
Vehicles and buses	12,467,520	979,483	774,219	12,672,784
Total accumulated depreciation	<u>50,587,363</u>	<u>4,017,456</u>	<u>2,014,478</u>	<u>52,590,341</u>
Other capital assets, net	<u>48,027,452</u>	<u>(249,149)</u>	<u>62,038</u>	<u>47,716,265</u>
Totals	<u>\$ 57,453,293</u>	<u>\$ 42,268</u>	<u>\$ 797,519</u>	<u>\$ 56,698,042</u>

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During fiscal year 2021, the Schools purchased four new electric school buses as part of a Dominion Energy program. The cost to the Schools was less than the actual value of the buses. The buses were recorded at the estimated value resulting in the difference between the estimated value and the cost to the Schools being a donation.

Net Capital Asset Additions	\$ 3,324,243
Less: Donation Value	<u>(876,184)</u>
Capital Outlay	<u>\$ 2,448,059</u>

Depreciation expense was charged to governmental functions as follows:

Instruction	\$ 1,581,834
General and administrative	3,712
Pupil transportation	932,448
Operations and maintenance	1,302,130
Technology	168,345
Food services	<u>28,987</u>
Total governmental activities depreciation expense	<u>\$ 4,017,456</u>

At June 30, 2021, the Schools had encumbrances of approximately \$0.7 million for work remaining to be performed under capital projects. These expenditures are expected to be funded in fiscal year 2022 through contributions from the County and City so the encumbrances are not included in fund balance.

5. Long-Term Liabilities

A summary of changes in long-term liabilities for the Schools follows:

	Balance			Balance	Amounts
	July 1, 2020	Additions	Deletions	June 30, 2021	due in one
					year
Compensated absences	\$ 1,357,465	\$ 1,130,055	\$1,171,366	\$ 1,316,154	\$ 592,269
Other postemployment benefits	23,025,396	850,577	—	23,875,973	—
Net pension liability	<u>113,471,736</u>	<u>11,359,236</u>	—	<u>124,830,972</u>	—
	<u>\$ 137,854,597</u>	<u>\$13,339,868</u>	<u>\$1,171,367</u>	<u>\$150,023,099</u>	<u>\$ 592,269</u>

The liability for compensated absences is generally liquidated by the fund for which the employee works, typically that is the General Fund. The future payments by year of compensated absences are not determinable.

(a) Operating Leases

The Schools lease equipment and buildings under noncancelable operating leases. Total costs for such leases were \$391,273 for the year ended June 30, 2021. The future minimum lease payments for these leases are as follows:

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Years ending June 30:	
2022	\$365,145
2023	256,317
2024	161,535
2025	48,332
2026	896
	<u>\$832,225</u>

6. Defined Benefit Pension Plan – Virginia Retirement System

a) Teacher Retirement Plan

Plan Description

All full-time, salaried permanent (professional) employees of Virginia public school divisions, including the Schools, are automatically covered by VRS Teacher Retirement Plan upon employment. This multiple employer, cost sharing plan is administered by the Virginia Retirement System (the System) along with plans for other employer groups in the Commonwealth of Virginia. Members earn one month of service credit for each month they are employed and for which they and their 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 plan provisions and features of the plans, as well as actuarial assumptions, are substantially the same as those referenced in Note 6c.

Contributions

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

Each school division’s contractually required contribution rate for the year ended June 30, 2021, for the professional group 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 actuarially 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 Schools was \$11,795,307 for the year ended June 30, 2021.

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

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At June 30, 2021, the Schools reported a liability of \$124,830,972 for its proportionate share of the net pension liability of the Teacher Retirement Plan. The net pension liability was measured as of June 30, 2020, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation performed as of June 30, 2019, and rolled forward to the measurement date of June 30, 2020. The Schools' proportion of the net pension liability was based on the Schools' actuarially determined employer contributions to the pension plan for the year ended June 30, 2020, relative to the total of the actuarially determined employer contributions for all participating employers. At June 30, 2020, the Schools' proportion was 0.85779%.

For the year ended June 30, 2021, the Schools recognized pension expense of \$13,842,048. Since there was a change in proportionate share between measurement dates, a portion of the pension expense was related to deferred amounts from changes in proportion and from differences between employer contributions and the proportionate share of employer contributions.

At June 30, 2021, the Schools reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources for the Teacher Retirement Plan:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ —	\$ 7,317,019
Change in assumptions	8,521,279	—
Changes in proportion and differences between employer contributions and proportionate share of contributions	1,040,458	1,708,168
Net differences between projected and actual earnings on pension plan investments	9,494,778	—
Employer contributions subsequent to the measurement date	11,795,307	—
Total	<u>\$ 30,851,822</u>	<u>\$ 9,025,187</u>

The \$11,795,307 reported as deferred outflows of resources related to pensions resulting from the Schools' contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ending June 30, 2022.

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Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense in future reporting periods as follows:

Year ending June 30:

2022	\$	(301,808)
2023		3,032,885
2024		4,209,637
2025		3,261,221
2026		(170,607)
Total	\$	<u>10,031,328</u>

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, 2020, NPL amounts for the VRS Teacher Employee Retirement Plan is as follows (amounts expressed in thousands):

	Teacher Employee Retirement Plan
Total Pension Liability	\$ 51,001,855
Plan Fiduciary Net Position	<u>36,449,229</u>
Employers’ Net pension liability (Asset)	<u>\$14,552,626</u>

Plan Fiduciary Net Position as a Percentage of the Total Pension Liability 71.47%

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.

Sensitivity of the Schools’ Proportionate Share of the Net Pension Liability to Changes in the Discount Rate

The following presents the Schools’ proportionate share of the net pension liability using the discount rate of 6.75%, as well as what the 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:

	1.00% Decrease (5.75%)	Current Discount Rate (6.75%)	1.00% Increase (7.75%)
Schools’ proportionate share of the VRS Teacher Employee Retirement Plan Net Pension Liability	\$183,155,072	\$124,830,972	\$76,589,569

Pension Plan Fiduciary Net Position

Detailed information about the VRS Teacher Retirement Plan’s Fiduciary Net Positions and is available in the separately issued VRS 2020 Annual Financial Report (AFR). A copy of the 2020

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VRS AFR may be downloaded from the VRS website at: <http://www.varetire.org/pdf/publications/2020-annual-report.pdf>.

Payables to the Pension Plan

At June 30, 2021, the Schools reported a payable of approximately \$1,486,229 to the retirement plan.

b) Non-Professional Retirement Plan

Plan Description

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

The System administers three different benefit structures for covered employees – Plan 1, Plan 2, and Hybrid. The plan provisions and features of the plans, as well as actuarial assumptions, are substantially the same as those referenced in Note 6c.

Employees Covered by Benefit Terms

As of the June 30, 2019, actuarial valuation, the following non-professional employees were covered by the benefit terms of the pension plan:

	Number
Inactive members or their beneficiaries currently receiving benefits	<u>108</u>
Inactive members:	
Vested	30
Non-vested	106
Long-term disability	3
Active elsewhere in VRS	<u>52</u>
Total inactive members	<u>191</u>
Active members	<u>233</u>
Total covered employees	<u>532</u>

Contributions

The Schools' contractually required employer contribution rate for the year ended June 30, 2021, was 3.66% of covered employee compensation. This rate was based on an actuarially determined rate from an actuarial valuation as of June 30, 2019. Contributions to the pension plan from the Schools were \$158,334 and \$172,427 for the years ended June 30, 2021 and 2020, respectively.

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Changes in Net Pension Asset

	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Asset (a) – (b)
Balances at June 30, 2019	\$ 19,960,784	\$ 21,699,527	\$ (1,738,743)
Changes for the year:			
Service cost	552,167	-	552,167
Interest	1,309,428	-	1,309,428
Difference between expected and actual experience	78,555	-	78,555
Contributions – employer	-	172,426	(172,426)
Contributions – employee	-	279,227	(279,227)
Net investment income	-	404,254	(404,254)
Benefit payments, including refunds of employee contributions	(1,123,687)	(1,123,687)	-
Administrative expense	-	(14,290)	14,290
Other changes	-	(483)	483
Net changes	816,463	(282,553)	1,099,016
Balances at June 30, 2020	\$ 20,777,247	\$ 21,416,974	\$ (639,727)

Sensitivity of the Schools' Net Pension Liability (Asset) to Changes in the Discount Rate

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

	1.00% Decrease (5.75%)	Current Discount Rate (6.75%)	1.00% Increase (7.75%)
Schools' Non-Professional Employee Retirement Plan Net Pension Liability (Asset)	\$1,714,186	\$(639,727)	\$(2,629,395)

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

For the year ended June 30, 2021, the Schools' recognized pension expense of \$286,605. At June 30, 2021, the Schools reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources for the non-professional group:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 50,093	\$ 134,615
Change in assumptions	150,869	—
Net difference between projected and actual earnings on pension plan investments	648,972	—
Employer contributions subsequent to the measurement date	158,334	—
Total	<u>\$ 1,008,268</u>	<u>\$ 134,615</u>

The \$158,334 reported as deferred outflows of resources related to pensions resulting from the Schools' contributions subsequent to the measurement date will be recognized as an increase to the net pension asset in the year ending June 30, 2022. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense in future reporting periods as follows:

Year ending June 30:	Increase to Pension Expense
2022	\$ 63,142
2023	224,783
2024	219,938
2025	207,456
Total	<u>\$ 715,319</u>

Pension Plan Data

Detailed information about the VRS Non-Professional Plan is available in the separately issued VRS 2020 Annual Financial Report (AFR). A copy of the 2020 VRS AFR may be downloaded from the VRS website at: <http://www.varetire.org/pdf/publications/2020-annual-report.pdf>.

c) Teacher Retirement Plan and Non-Professional Retirement Plan*Actuarial Assumptions*

The total pension liability for the VRS Teacher Retirement Plan and the schools' non-professional employee plan was based on an actuarial valuation as of June 30, 2019, 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, 2020.

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Inflation	2.5%
Salary increases, including inflation	
Teacher Retirement Plan:	3.5% - 5.95%
Non-professional plan:	3.5% - 5.35%
Investment rate of return	6.75%, net of pension plan investment expenses, including inflation*

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

Mortality rates - Teacher Retirement Plan

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

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

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

Mortality rates - Non-Professional Plan: 15% of deaths are assumed to be service related.

Pre Retirement: RP-2014 Employee Rates to age 80, Healthy Annuitant Rates at ages 81 and older projected with Scale BB to 2020; males 95% of rates; females 105% of rates.

Post-Retirement: RP-2014 Rates to age 49, Healthy Annuitant Rates at ages 50 and older projected with Scale BB to 2020; males set forward 3 years; females 1.0% increase compounded from ages 70 to 90.

Post-Disablement: RP-2014 Disability Mortality Rates projected with Scale BB to 2020; males set forward 2 years, 110% of rates; females 125% of rates.

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

Changes to the actuarial assumptions as a result of the experience study and VRS Board action are as follows:

- Update to more current mortality table – RP-2014 projected to 2020
- Lowered retirement rates at older ages and changed final retirement from 70 to 75

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- Adjusted withdrawal rates to better fit experience at each year age and service through 9 years of service
- Lowered disability rates (Non-Professional Plan)
- Adjusted disability rates to better match experience (Professional Plan)
- No change in salary scale
- Increase line of duty disability rate from 14% to 15%. (Non-Professional Plan Only)
- Decrease the discount rate from 7.00% to 6.75%

Long-Term Expected Rate of Return

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

Asset Class (Strategy)	Target Allocation	Arithmetic Long-Term Expected Rate of Return	Weighted Average Long-Term Expected Rate of Return
Public Equity	34.00 %	4.65 %	1.58 %
Fixed Income	15.00	0.46	0.07
Credit Strategies	14.00	5.38	0.75
Real Assets	14.00	5.01	0.70
Private Equity	14.00	8.34	1.17
MAPS – Multi-Asset Public Strategies	6.00	3.04	0.18
PIP – Private Investment Partnership	3.00	6.49	0.19
Total	100.00 %		4.64 %
	Inflation		2.50 %
	*Expected arithmetic nominal return		7.14 %

*The above allocation provides for a one-year return of 7.14%. However, one-year returns do not take into account the volatility present in each of the asset classes. In setting the long-term expected rate of return for the system, stochastic projections are employed to model future returns under various economic conditions. The results provide a range of returns over various time periods that ultimately provide a median return of 7.11%, including expected inflation of 2.5%. 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. More recent capital market assumptions compiled for the FY2020 actuarial valuations, provide a median return of 6.81%.

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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, 2020, the rate contributed by the schools 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, 2020, 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.

d) Aggregate Pension Information

		Deferred		Deferred	Net		Pension	
		Outflows		Inflows	Liability		Expense	
		<u> </u>		<u> </u>	(Asset)		<u> </u>	
VRS – Professional	\$	30,851,822	\$	9,025,187	\$	124,830,972	\$	13,842,048
VRS – Non-Professional		<u>1,008,268</u>		<u>134,615</u>		<u>(639,727)</u>		<u>286,605</u>
Total	\$	<u>31,860,090</u>	\$	<u>9,159,802</u>	\$	<u>124,191,245</u>	\$	<u>14,128,653</u>

7. Other Post-Employment Benefits (OPEB)

a) Single Employer Plan - Retiree Healthcare

Plan Description

Other postemployment benefits provided by the Schools include a single-employer medical plan and a retiree health insurance premium contribution plan that cover 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 School Board; any amendments to the plans must be approved by the School Board.

The 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 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 described below. Membership is 27, as of the January 1, 2020, valuation date.

The Schools’ retiree health insurance premium contribution plan allows eligible retirees to receive a \$750 contribution annually toward their health insurance premium. The retiring

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employee must have a minimum of twelve (12) continuous years of service with Williamsburg – James City County Public Schools.

Funded Status and Funding Policy

The School Board establishes employer contribution rates for plan participants and determines how the plan will be funded as part of the budgetary process each year. Retirees pay the full rate for coverage under the medical plan. The School Board has chosen to fund the healthcare benefits on a pay-as-you-go basis.

Employees Covered by Benefit Terms

As of the January 1, 2020, actuarial valuation, the following employees were covered by the benefit terms of the retiree healthcare OPEB plan:

	Number of participants
Active employees	1,384
Retirees	27
Total	<u>1,411</u>

Actuarial Methods and Assumptions

For the actuarial valuation at January 1, 2020 (measurement date of June 30, 2020), 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 2.45% 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 was developed using the Society of Actuaries (SOA) Long-Run Medical Cost Trend Model baseline assumptions. The SOA Model was released in October 2010 and updated in September 2019.

The following assumptions were used as input variables into this model:

Inflation	2.5%
Rate of growth in real income/GDP per capita	1.5%
Extra trend due to technology and other factors	1.1%
Expected Health Share of GDP in 2019	20.0%
Health share of GDP resistance point	25.0%
Year for limiting cost growth to GDP growth	2075

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

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

Mortality decrements:

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

Changes in Assumptions Since Prior Valuation

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

Change in OPEB Liability

	Total OPEB Liability (a)	Plan Fiduciary Net Position (b)	OPEB Liability (a) – (b)
Balances at June 30, 2019	\$ 5,163,466	\$ -	\$ 5,163,466
Changes for the year:			
Service cost	580,721	-	580,721
Interest	158,452	-	158,452
Experience losses/(gains)	(180,989)	-	(180,989)
ER contribution	-	21,200	(21,200)
Changes in assumptions	249,100	-	249,100
Benefit payments	(21,200)	(21,200)	-
Net changes	786,084	-	786,084
Balances at June 30, 2020	\$ 5,949,550	\$ -	\$ 5,949,550

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Sensitivity of the OPEB Liability to Changes in the Discount Rate

The following presents the OPEB liability using the discount rate of 2.45%, as well as what the OPEB liability would be if it were calculated using a discount rate that is one percentage point lower (1.45%) or one percentage point higher (3.45%) than the current rate:

	1.00% Decrease (1.45%)	Current Discount Rate (2.45%)	1.00% Increase (3.45%)
Retiree Healthcare OPEB Liability	\$5,527,845	\$5,949,550	\$5,299,157

Sensitivity of the OPEB Liability to Changes in the Health Care Cost Trend Rate

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

	1.00% Decrease (3.00%)	Current Health Care Cost Trend Rate (4.00%)	1.00% Increase (5.00%)
Retiree Healthcare OPEB Liability	\$6,752,355	\$5,949,550	\$5,949,550

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

For the year ended June 30, 2021, the Schools recognized OPEB expense of \$588,547. At June 30, 2021, deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources were reported:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ -	\$ 658,014
Change in assumptions	213,514	156,998
Employer contributions subsequent to the measurement date	18,560	-
Total	<u>\$ 232,074</u>	<u>\$ 815,012</u>

\$18,560 reported as deferred outflows of resources related to the OPEB resulting from the Schools' contributions subsequent to the measurement date will be recognized as a reduction of the OPEB Liability in the fiscal year ending June 30, 2022. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in the OPEB expense in future reporting periods as follows:

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Year ending June 30:		Increase (Reduction) to OPEB Expense
2022	\$	(144,368)
2023		(144,368)
2024		(144,369)
2025		(109,400)
2026		(68,724)
Thereafter		9,731
Total	\$	<u>(601,498)</u>

b) Virginia Retirement System Plans

In addition to participation in the pension plans offered through the System, the Schools also participate in various cost-sharing and agent multi-employer other postemployment benefit plans, described as follows.

Plan Descriptions

Group Life Insurance Program

All full-time, salaried permanent employees of the schools 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.

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

Teacher Employee - Health Insurance Credit Program

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

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

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Teacher Employee – Virginia Local Disability Program

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 (VLDP). 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 plan employees either through a local plan or through the VLDP.

Specific information about the Teacher VLDP is available at

<http://www.varetirement.org/hybrid/benefits/disability/virginia-local-disability-program.html>

Non-Professional Group – Virginia Local Disability Program

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 VLDP. 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 plan employees either through a local plan or through the VLDP.

Specific information about the Non-Professional Group VLDP is available at

<http://www.varetirement.org/hybrid/benefits/disability/virginia-local-disability-program.html>

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

Non-Professional Group - Health Insurance Credit Program

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

As of the June 30, 2019, actuarial valuation, the following employees were covered by the benefit terms of the General Employee Health Insurance Credit Program:

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	<u>Number of participants</u>
Inactive members or their beneficiaries currently receiving benefits	41
Inactive members:	
Vested	0
Non-vested	0
Active elsewhere in VRS	<u>0</u>
Total inactive members	41
Active members	<u>233</u>
Total	<u>274</u>

Contributions

Contributions to the VRS OPEB programs were based on actuarially determined rates from actuarial valuations as of June 30, 2019. 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:

Group Life Insurance Program

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 school divisions and governmental agencies by the Virginia General Assembly.
Total rate:	1.34% of covered employee compensation. Rate allocated 60/40; 0.80% employee and 0.54% employer. Employers may elect to pay all or part of the employee contribution.
June 30, 2021 Contribution	\$427,530

Teacher Health Insurance Credit Program

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

Non-Professional Health Insurance Credit Program

Governed by:	<i>Code of Virginia</i> 51.1-1402(E) and may be impacted as a result of funding provided to governmental agencies by the Virginia General Assembly.
Total rate:	0.17% of covered employee compensation.
June 30, 2021 Contribution	\$9,444

WILLIAMSBURG – JAMES CITY COUNTY PUBLIC SCHOOLS

(Component Unit of James City County, Virginia)

Notes to Basic Financial Statements

June 30, 2021

Teacher Virginia Local Disability Program

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:	0.47% of covered employee compensation.
June 30, 2021 Contribution	\$92,336

Non-Professional Virginia Local Disability Program

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:	0.83% of covered employee compensation.
June 30, 2021 Contribution	\$18,585

OPEB Liabilities, OPEB Expense and Deferred Inflows and Outflows of Resources Related to OPEB
 The net OPEB liabilities were measured as of June 30, 2020, and the total OPEB liabilities used to calculate the net OPEB liabilities was determined by an actuarial valuation performed as of June 30, 2019, and rolled forward to the measurement date of June 30, 2020. 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, 2020, relative to the total of the actuarially determined employer contributions for all participating employers.

Group Life Insurance Program

June 30, 2021 proportionate share of liability	\$6,649,311
June 30, 2020 proportion (teacher plan)	0.36879%
June 30, 2019 proportion (teacher plan)	0.37153%
June 30, 2020 proportion (non-professional plan)	0.02965%
June 30, 2019 proportion (non-professional plan)	0.02987%
June 30, 2021 expense	\$251,867

Teacher Health Insurance Credit Program

June 30, 2021 proportionate share of liability	\$11,226,409
June 30, 2020 proportion	0.86058%
June 30, 2019 proportion	0.86297%
June 30, 2021 expense	\$909,203

Teacher Virginia Local Disability Program

June 30, 2021 proportionate share of liability	\$25,138
June 30, 2020 proportion	3.13334%
June 30, 2019 proportion	3.28952%
June 30, 2021 expense	\$68,339

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Non-Professional Virginia Local Disability Program

June 30, 2021 proportionate share of liability	\$6,492
June 30, 2020 proportion	0.65040%
June 30, 2019 proportion	0.68330%
June 30, 2021 expense	\$18,672

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

Non-Professional Health Insurance Credit Program

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

	Total OPEB Liability (a)	Plan Fiduciary Net Position (b)	Net OPEB Liability (Asset) (a) – (b)
Balances at June 30, 2019	\$ 333,879	\$ 352,052	\$ (18,173)
Changes for the year:			
Service cost	8,604	-	8,604
Interest	21,755	-	21,755
Benefit changes	23,639	-	23,639
Difference between expected and actual experience	(765)	-	(765)
Contributions – employer	-	9,712	(9,712)
Net investment income	-	6,935	(6,935)
Benefit payments, including refunds of employee contributions	(23,176)	(23,176)	-
Administrative expense	-	(657)	657
Other changes	-	(3)	3
Net changes	30,057	(7,189)	37,246
Balances at June 30, 2020	\$ 363,936	\$ 344,863	\$ 19,073

In addition, for the year ended June 30, 2021, the Schools recognized OPEB expense of \$28,117 related to the Non-Professional Health Insurance Credit Program.

At June 30, 2021, the Schools reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources.

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Group Life Insurance Program

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 426,492	\$ 59,722
Net difference between projected and actual earnings on GLI OPEB plan investments	199,740	-
Change in assumptions	332,542	138,842
Changes in proportion	107,405	124,317
Employer contributions subsequent to the measurement date	427,530	-
Total	<u>\$ 1,493,709</u>	<u>\$ 322,881</u>

Teacher Health Insurance Credit Program

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ —	\$ 149,924
Change in Assumptions	221,930	61,338
Net difference between projected and actual earnings on Teacher HIC OPEB plan investments	49,751	—
Changes in proportionate share	122,187	174,419
Employer contributions subsequent to the measurement date	890,724	—
Total	<u>\$ 1,284,592</u>	<u>\$ 385,681</u>

Non-Professional Health Insurance Credit Program

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ —	\$ 9,850
Change in assumptions	4,804	3,423
Net difference between projected and actual earnings on Non-professional HIC OPEB plan investments	11,387	—
Employer contributions subsequent to the measurement date	9,444	—
Total	<u>\$ 25,635</u>	<u>\$ 13,273</u>

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Teacher Virginia Local Disability Program

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 11,886	\$ 1,943
Net difference between projected and actual earnings on Professional VLDP OPEB plan investments	2,713	-
Change in assumptions	2,820	-
Changes in proportionate share	-	1,345
Employer contributions subsequent to the measurement date	92,336	-
Total	<u>\$ 109,755</u>	<u>\$ 3,288</u>

Non-Professional Virginia Local Disability Program

	Deferred Outflows of Resources	Deferred Inflows of Resources
Change in assumptions	\$ 301	\$ 434
Difference between expected and actual experience	5,260	7,622
Net difference between projected and actual earnings on Non-professional VLDP OPEB plan investments	690	-
Changes in proportionate share	29	320
Employer contributions subsequent to the measurement date	18,585	-
Total	<u>\$ 24,865</u>	<u>\$ 8,376</u>

The deferred outflows of resources related to OPEB resulting from the Schools contributions subsequent to the measurement date will be recognized as a reduction of the net OPEB liability in the year ending June 30, 2022. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense in future periods as follows:

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Group Life Insurance Program

Year ending June 30:		Increase to OPEB Expense
2022	\$	98,454
2023		154,861
2024		207,578
2025		225,746
2026		54,533
Thereafter		2,126
Total	\$	<u>743,298</u>

Teacher Health Insurance Credit Program

Year ending June 30:		Increase (Reduction) to OPEB Expense
2022	\$	(10,168)
2023		(5,236)
2024		(6,889)
2025		3,284
2026		23,539
Thereafter		3,657
Total	\$	<u>8,187</u>

Non-Professional Health Insurance Credit Program

Year ending June 30:		Increase (Reduction) to OPEB Expense
2022	\$	(3,252)
2023		(62)
2024		2,790
2025		3,472
2026		(30)
Total	\$	<u>2,918</u>

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Teacher Virginia Local Disability Program

Year ending June 30:		Increase to OPEB Expense
2022	\$	1,493
2023		1,430
2024		1,409
2025		1,439
2026		764
Thereafter		<u>7,596</u>
Total	\$	<u><u>14,131</u></u>

Non-Professional Virginia Local Disability Program

Year ending June 30:		Increase (Reduction) to OPEB Expense
2022	\$	592
2023		579
2024		591
2025		537
2026		(920)
Thereafter		<u>(3,475)</u>
Total	\$	<u><u>(2,096)</u></u>

Actuarial Assumptions and Other Inputs

The total OPEB liability was determined using the following assumptions based on an actuarial valuation date of June 30, 2019, applied to all periods included in the measurement and rolled forward to the measurement date of June 30, 2020:

Inflation	2.50%
Salary increases, including inflation:	
• Locality – general employees	3.50 – 5.35%
• Teachers	3.50 – 5.95%
Investment rate of return, net of expenses, including inflation*	6.75%

* 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.

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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 6.

Net OPEB Liabilities

The net 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, 2020, net OPEB liability amounts for the various VRS OPEB programs are as follows (amounts expressed in thousands):

	Group Life Insurance Program	Teacher HIC OPEB Plan	Teacher VLDP OPEB Plan	Non-Professional VLDP OPEB Plan
Total OPEB liability	\$3,523,937	\$1,448,676	\$3,687	\$4,317
Plan fiduciary net position	1,855,102	144,160	2,886	3,317
Employers' net OPEB liability (asset)	\$1,668,835	\$1,304,516	\$801	\$1,000
Plan fiduciary net position as a percentage of total OPEB liability	52.64%	9.95%	78.28%	76.84%

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:

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Asset Class (Strategy)	Target Allocation	Arithmetic Long-Term Expected Rate of Return	Weighted Average Long-Term Expected Rate of Return
Public Equity	34.00 %	4.65 %	1.58 %
Fixed Income	15.00	0.46	0.07
Credit Strategies	14.00	5.38	0.75
Real Assets	14.00	5.01	0.70
Private Equity	14.00	8.34	1.17
MAPS – Multi-Asset Public Strategies	6.00	3.04	0.18
PIP – Private Investment Partnership	3.00	6.49	0.19
Total	100.00 %		4.64 %
	Inflation		2.50 %
	*Expected arithmetic nominal return		7.14 %

* The above allocation provides a one-year return of 7.14%. However, one-year returns do not take into account the volatility present in each of the asset classes. In setting the long-term expected return for the system, stochastic projections are employed to model future returns under various economic conditions. The results provide a range of returns over various time periods that ultimately provide a median return of 7.11%, including expected inflation of 2.50%. 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. More recent capital market assumptions compiled for the FY2020 actuarial valuations, provide a median return of 6.81%.

Discount Rate

The discount rate used to measure the 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, 2020, 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, 2020 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 OPEB Liability to Changes in the Discount Rate

The following presents the net OPEB liabilities using the discount rate of 6.75%, as well as what the Schools' net OPEB liabilities 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:

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	1.00% Decrease (5.75%)	Current Discount Rate (6.75%)	1.00% Increase (7.75%)
GLI Net OPEB liability	\$8,741,029	\$6,649,311	\$4,950,639
Teacher HIC Net OPEB liability	\$12,566,794	\$11,226,409	\$10,087,178
Non-Professional HIC Net OPEB liability (asset)	\$53,723	\$19,073	(\$14,430)
Teacher VLDP Net OPEB liability	\$39,140	\$25,138	\$13,055
Non-Professional VLDP Net OPEB liability	\$8,708	\$6,492	\$4,562

OPEB Plan Fiduciary Net Position

Information about the various VRS OPEB plan fiduciary net position is available in the separately issued VRS 2020 Annual Financial Report (AFR). A copy of the 2020 VRS Annual Financial Report may be downloaded from the VRS website at <http://www.varetire.org/Pdf/Publications/2020-annual-report.pdf>.

Payables to the OPEB Plan

At June 30, 2021, the following amounts were payable to the Virginia Retirement System for the legally required contributions related to June 2021 payroll.

• Group Life Insurance	\$96,064
• Teacher Health Insurance Credit	\$86,613
• Teacher Virginia Local Disability Program	\$9,293

c) Aggregate OPEB Information

	Deferred Outflows	Deferred Inflows	Net OPEB Liability	OPEB Expense
Retiree Healthcare	\$ 232,074	\$ 815,012	\$ 5,949,550	\$ 588,547
Group Life Insurance	1,493,709	322,881	6,649,311	251,867
Health Insurance Credit – Professional	1,284,592	385,681	11,226,409	909,203
Health Insurance Credit – Non-Professional	25,635	13,273	19,073	28,117
Virginia Local Disability Program – Professional	109,755	3,288	25,138	68,339
Virginia Local Disability Program – Non-Professional	24,865	8,376	6,492	18,672
Total	\$ <u>3,170,630</u>	\$ <u>1,548,511</u>	\$ <u>23,875,973</u>	\$ <u>1,864,745</u>

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(Component Unit of James City County, Virginia)

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June 30, 2021

8. Contingent Liabilities**a) *Litigation***

Various claims and lawsuits are pending against the Schools. In the opinion of management, resolution of these cases would not involve a significant liability to the Schools.

b) *Federal Award Programs*

The Schools participate in a number of federal award programs. Although the Schools are audited annually in accordance with the provisions of Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance), in conjunction with the audit of James City County, these programs are still subject to financial and compliance audits by the grantors or their representatives. Such audits could lead to requests for reimbursements to the grantor agency for expenditures disallowed under terms of the grants. Based on prior experience, the Schools' management believes such disallowances, if any, will not be significant. A schedule of findings and responses, if any, is included in a separately issued James City County and Williamsburg-James City County School Board combined single audit report.

9. Risk Management

The Schools are exposed to various risks of loss related to torts, theft of, damage to and destruction of assets; errors and omissions, injuries to employees, and natural disasters. The Schools report all of its risk management activities in the General Fund and pay all claims for retained risks with commercial insurance companies. All premiums are budgeted for and paid with General Fund resources. All unemployment and health care claims are paid through a third-party administrator with resources from the General Fund. For all retained risks and claims expenditures, liabilities are reported when it is probable that a loss has occurred and the amount of loss can be reasonably estimated. These losses include an estimate of claims that have been incurred but not reported. There have been no reductions in insurance coverage from the prior year, and settled claims have not exceeded the amount of insurance coverage in any of the past three fiscal years.

10. Unearned Revenue

Unearned revenue represents amounts for which asset recognition criteria have been met, but revenue recognition criteria has not been met. Unearned revenue in the Grants Fund consisted of the following as of June 30, 2021:

	<u>Grants Fund</u>
Behavioral intervention grant	\$ 10,448
Outdoor science grant	4,301
Math grant	<u>2,352</u>
Total Unearned Revenue	<u>\$ 17,101</u>

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June 30, 2021

11. Related Organizations and Related Parties

Not included in the School Board's financial statements are certain Parent-Teacher Associations (PTAs), Parent-Teacher-Student Associations (PTSAs), athletic booster clubs, and band booster clubs. These organizations provide services to students and employees of the School Board, but are separate legal entities having sufficient autonomy in the management of their own affairs to distinguish them as separate from the administrative organization of the School Board. The School Board does not account for these entities as component units or joint ventures as these entities are not material to the School Board, it does not maintain an ongoing financial interest or have responsibility for these entities.

In addition, the School Board is a member of the jointly governed New Horizons Education Center along with five other local school divisions. New Horizons is a jointly governed organization with each school division having one representative on the New Horizons Board. New Horizons is a separate legal entity with separately issued financial statements which provides special education services, career and technical education, and governor's school opportunities to the Schools' students. Contributions to New Horizons totaled \$1.77 million for the year ended June 30, 2021. More information can be found on the New Horizons website at <https://nhrec.org/>.

The Williamsburg-James City County Education Foundation is a non-profit organization established to receive private donations and contributions to be used for the benefit of the students of Williamsburg-James City County Public Schools and is jointly governed by the citizens of James City County, citizens of the City of Williamsburg, and the school board. The Foundation is a separate legal entity with separately issued financial statements. The Foundation does not meet the definition of a component unit but is considered a related party of Williamsburg – James City County Public Schools as one of the twenty-two board seats available is occupied by a member of the school board. More information can be found on the Foundation website at <https://wjccschoolsfoundation.org/>.

12. COVID-19 Impact

On January 30, 2020, the World Health Organization ("WHO") announced a global health emergency because of a new strain of coronavirus (the "COVID-19 outbreak") and the risks to the international community as the virus spreads globally beyond its point of origin. In March 2020, the WHO classified the COVID-19 outbreak as a pandemic, based on the rapid increase in exposure globally.

The School's operations are heavily dependent on the localities. Additionally, access to grants and contracts from federal and state governments may decrease or may not be available depending on appropriations. As such, the Schools' financial condition and liquidity were and will be negatively impacted for the fiscal years 2021 and 2022.

The full impact of the COVID-19 outbreak continues to evolve as of the date of this report. As such, it is uncertain as to the full magnitude the pandemic will have on the School's financial condition, liquidity, and future results of operations. Management is actively monitoring the impact of the

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June 30, 2021

global situation on its financial condition, liquidity, operations, suppliers, industry, and workforce. Given the daily evolution of the COVID-19 outbreak and the global responses to curb its spread, the Schools are not able to estimate the effects of the COVID-19 outbreak on its results of operations, financial condition, or liquidity for fiscal year 2022.

13. Prior Period Restatement

The implementation of GASB No. 84 has resulted in changing the presentation of the financial statements by including the Student Activity Funds as a non-major governmental fund. Beginning net position has been restated to reflect this change.

	(As Previously Reported) June 30, 2020	Record Effects of GASB 84	(As Restated) June 30, 2020
Net position:			
Net investment in capital assets	\$ 57,453,293	\$ ----	\$ 57,453,293
Restricted	2,313,105	1,335,753	3,648,858
Unrestricted	(123,419,718)	----	(123,419,718)
Total net position	<u>\$ (63,653,320)</u>	<u>\$ 1,335,753</u>	<u>\$ (62,317,567)</u>

Beginning fund balance has been restated to reflect the additional non-major governmental fund.

	(As Previously Reported) June 30, 2020	Record Effects of GASB 84	(As Restated) June 30, 2020
Fund balances:			
Nonspendable:			
Inventory	\$ 75,671	\$ ----	\$ 75,671
Restricted	685,369	1,335,753	2,021,122
Committed	449,340	----	449,340
Unassigned	200,000	----	200,000
Total fund balances	<u>\$ 1,410,380</u>	<u>\$ 1,335,753</u>	<u>\$ 2,746,133</u>

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WILLIAMSBURG-JAMES CITY COUNTY PUBLIC SCHOOLS

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Required supplementary information

Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual (Budget Basis)

(unaudited)

General Fund

Year ended June 30, 2021

	<u>Original budget</u>	<u>Amended budget</u>	<u>Actual</u>	<u>Variance from amended</u>
Revenues:				
Intergovernmental:				
Local sources	\$ 102,566,838	109,536,145	101,238,324	(8,297,821)
Commonwealth of Virginia	37,480,862	39,091,028	38,583,356	(507,672)
Federal government	110,000	129,833	154,255	24,422
Charges for services	180,000	76,249	108,458	32,209
Interest	35,000	30,000	32,907	2,907
Miscellaneous	316,000	259,895	278,134	18,239
Total revenues	<u>140,688,700</u>	<u>149,123,150</u>	<u>140,395,434</u>	<u>(8,727,716)</u>
Expenditures:				
Education:				
General and administrative	3,373,770	3,522,508	3,120,555	401,953
Instruction	103,190,765	107,187,924	101,621,672	5,566,252
Attendance and health services	4,917,089	5,133,866	4,600,382	533,484
Pupil transportation	8,139,545	8,449,469	7,718,645	730,824
Operations and maintenance	12,799,632	13,810,373	12,818,642	991,731
Technology	8,267,899	11,019,010	10,515,538	503,472
Total education	<u>140,688,700</u>	<u>149,123,150</u>	<u>140,395,434</u>	<u>8,727,716</u>
Net change in fund balance	<u>\$ —</u>	<u>—</u>	<u>—</u>	<u>—</u>
Fund balance at the beginning of year			200,000	
Add outstanding encumbrances at June 30, 2021			<u>1,925,037</u>	
Fund balance at end of year			<u>\$ 2,125,037</u>	

NOTE: Capital outlay is included in the applicable functional category for budget purposes whereas capital outlay is presented as a separate category for financial reporting purposes, per Exhibit 4.

WILLIAMSBURG-JAMES CITY COUNTY PUBLIC SCHOOLS
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Required Supplementary Information

Schedule of Employer Pension Contributions (unaudited)

Last ten fiscal years

Virginia Retirement System - Professional Employees							
Fiscal year ended June 30	Contractually required contribution	Contributions in relation to contractually required contribution	Contribution deficiency (excess)	Covered payroll	Contributions as a % of covered payroll		
2021	\$ 11,795,307	\$ 11,795,307	\$ —	\$ 73,604,525	16.03%		
2020	11,431,558	11,431,558	—	72,905,344	15.68%		
2019	11,047,560	11,047,560	—	70,456,378	15.68%		
2018	10,992,169	10,992,169	—	67,353,977	16.32%		
2017	9,829,909	9,829,909	—	67,052,585	14.66%		
2016	9,251,488	9,251,488	—	65,800,057	14.06%		
2015	9,430,011	9,430,011	—	65,034,559	14.50%		
2014	7,332,082	7,332,082	—	62,882,350	11.66%		
2013	7,243,298	7,243,298	—	62,120,905	11.66%		
2012	7,139,187	7,139,187	—	63,011,361	11.33%		

Virginia Retirement System - Non-Professional Employees							
Fiscal year ended June 30	Contractually required contribution	Contributions in relation to contractually required contribution	Contribution deficiency (excess)	Covered payroll	Contributions as a % of covered payroll		
2021	\$ 158,334	\$ 158,334	\$ —	\$ 5,556,149	2.85%		
2020	172,427	172,427	—	4,870,819	3.54%		
2019	173,657	173,657	—	4,905,565	3.54%		
2018	224,276	224,276	—	4,802,484	4.67%		
2017	233,512	233,512	—	5,000,257	4.67%		
2016	369,942	369,942	—	5,123,850	7.22%		
2015	372,141	372,141	—	5,154,307	7.22%		
2014	435,519	435,519	—	4,812,365	9.05%		
2013	554,483	554,483	—	6,126,884	9.05%		
2012	566,011	566,011	—	4,896,290	11.56%		

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

WILLIAMSBURG-JAMES CITY COUNTY PUBLIC SCHOOLS
(Component Unit of James City County, Virginia)

Required Supplementary Information

Schedule of Changes in Net Pension Liability (Asset) and Related Ratios (unaudited)

VRS - Non-Professional Employees Plan

Years ended June 30,*	2021	2020	2019	2018	2017	2016	2015
Total pension liability							
Service cost	\$ 552,167	\$ 485,858	\$ 506,887	\$ 523,460	\$ 540,481	\$ 526,136	\$ 507,972
Interest	1,309,428	1,297,224	1,254,419	1,222,200	1,157,021	1,087,945	1,021,383
Changes of assumptions	-	528,041	-	(236,957)	-	-	-
Difference between expected and actual experience	78,555	(426,300)	(287,441)	(318,599)	(122,658)	(13,491)	-
Benefit payments, including refunds of employee contributions	(1,123,687)	(911,625)	(813,097)	(646,577)	(640,852)	(586,736)	(570,189)
Net change in total pension liability	816,463	973,198	660,768	543,527	933,992	1,013,854	959,166
Total pension liability - beginning	19,960,784	18,987,586	18,326,818	17,783,291	16,849,299	15,835,445	14,876,279
Total pension liability - ending (a)	\$ 20,777,247	\$ 19,960,784	\$ 18,987,586	\$ 18,326,818	\$ 17,783,291	\$ 16,849,299	\$ 15,835,445
Plan fiduciary net position							
Contributions - employer	\$ 172,426	\$ 173,657	\$ 224,276	\$ 233,501	\$ 369,942	\$ 372,141	\$ 435,519
Contributions - employee	279,227	268,278	249,325	257,483	256,786	256,454	237,728
Net investment income	404,254	1,377,110	1,451,191	2,158,117	309,381	764,646	2,265,304
Benefit payments, including refunds of employee contributions	(1,123,687)	(911,625)	(813,097)	(646,577)	(640,852)	(586,736)	(570,189)
Administrative expenses	(14,290)	(13,730)	(12,546)	(12,355)	(10,703)	(10,296)	(12,002)
Other changes	(483)	(866)	(1,291)	(1,926)	(130)	(162)	120
Net change in plan fiduciary net position	(282,553)	892,824	1,097,858	1,988,243	284,424	796,047	2,356,480
Plan fiduciary net position - beginning	21,699,527	20,806,703	19,708,845	17,720,602	17,436,178	16,640,131	14,283,651
Plan fiduciary net position - ending (b)	\$ 21,416,974	\$ 21,699,527	\$ 20,806,703	\$ 19,708,845	\$ 17,720,602	\$ 17,436,178	\$ 16,640,131
Schools' net pension liability (asset) - ending (a) - (b)	\$ (639,727)	\$ (1,738,743)	\$ (1,819,117)	\$ (1,382,027)	\$ 62,689	\$ (586,879)	\$ (804,686)
Plan fiduciary net position as a percentage of the total pension liability	103.1%	108.7%	109.6%	107.5%	99.6%	103.5%	105.1%
Covered payroll	\$4,870,819	\$4,905,565	\$4,802,484	\$5,000,257	\$5,123,850	\$5,154,307	\$4,812,365
Net pension liability (asset) as a percentage of covered payroll	(13.1%)	(35.4%)	(37.9%)	(27.6%)	1.2%	(11.4%)	(16.7%)

Note: Information in this schedule is presented for the year in which information is available. Information will be added each year until a full 10-year trend is presented.

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

WILLIAMSBURG-JAMES CITY COUNTY PUBLIC SCHOOLS
(Component Unit of James City County, Virginia)

Required Supplementary Information

Schedule of Employer's Share of Net Pension Liability and Related Ratios (unaudited)

VRS - Professional Employees Retirement Plan

Years ended June 30,*	2021	2020	2019	2018	2017	2016	2015
Employer's Proportion of the Net Pension Liability	0.85779%	0.86221%	0.84943%	0.86356%	0.87104%	0.87896%	0.85987%
Employer's Proportionate Share of the Net Pension Liability	\$ 124,830,972	\$ 113,471,736	\$ 99,893,000	\$ 106,201,000	\$ 122,069,000	\$ 110,629,000	\$ 103,913,000
Employer's Covered Payroll	\$ 72,905,344	\$ 70,456,378	\$ 67,353,977	\$ 67,052,585	\$ 65,800,057	\$ 65,034,559	\$ 62,882,350
Employer's Proportionate Share of the Net Pension Liability as a Percentage of its Covered Payroll	171.22%	161.05%	148.31%	158.38%	185.52%	170.11%	165.25%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	71.47%	73.51%	74.81%	72.92%	68.28%	70.68%	70.88%

Note: Information in this schedule is presented for the year in which information is available. Information will be added each year until a full 10-year trend is presented.

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

WILLIAMSBURG-JAMES CITY COUNTY PUBLIC SCHOOLS
(Component Unit of James City County, Virginia)

Required Supplementary Information

Schedule of Changes in OPEB Liability and Related Ratios (unaudited)

OPEB - Retiree Healthcare (RH)

Years ended June 30,*	2021	2020	2019	2018
Total OPEB - RH liability				
Service cost	\$ 580,721	\$ 448,112	\$ 432,740	\$ 457,670
Interest	158,452	180,316	165,148	126,557
Difference between expected and actual experience	(180,989)	(487,307)	(270,907)	-
Changes in assumptions	249,100	(61,871)	(13,843)	(244,756)
Benefit payments	(21,200)	(9,510)	64,113	(127,182)
Net change in total OPEB - RH liability	786,084	69,740	377,251	212,289
Total OPEB - RH liability - beginning	5,163,466	5,093,726	4,716,475	4,504,186
Total OPEB - RH liability - ending (a)	<u>\$ 5,949,550</u>	<u>\$ 5,163,466</u>	<u>\$ 5,093,726</u>	<u>\$ 4,716,475</u>
Plan fiduciary net position - RH				
Contributions - employer	\$ 21,200	\$ 9,510	\$ (64,113)	\$ 206,794
Benefit payments	(21,200)	(9,510)	64,113	(206,794)
Net change in plan fiduciary net position - RH	-	-	-	-
Plan fiduciary net position - RH, beginning	-	-	-	-
Plan fiduciary net position - RH, ending (b)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
School's OPEB - RH liability - ending (a) - (b)	<u>\$ 5,949,550</u>	<u>\$ 5,163,466</u>	<u>\$ 5,093,726</u>	<u>\$ 4,716,475</u>
Plan fiduciary net position - RH as a percentage of the total OPEB - RH liability	0.0%	0.0%	0.0%	0.0%
Expected average remaining service years of all participants	7	7	7	7

Note: Information in this schedule is presented for the year in which information is available. Information will be added each year until a full 10-year trend is presented.

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

WILLIAMSBURG-JAMES CITY COUNTY PUBLIC SCHOOLS
(Component Unit of James City County, Virginia)

Required Supplementary Information

Schedule of Employer's Share of Net OPEB Liability (unaudited)

OPEB - Group Life Insurance Program - Professional Employees

Years ended June 30,*	2021	2020	2019	2018
Employer's Proportion of the Net OPEB - GLI Liability	0.36879%	0.37153%	0.36332%	0.37116%
Employer's Proportionate Share of the Net OPEB - GLI Liability	\$ 6,154,501	\$ 6,045,782	\$ 5,518,000	\$ 5,585,000
Covered Payroll	\$ 76,495,192	\$ 72,572,692	\$ 67,353,977	\$ 67,052,585
Employer's Proportionate Share of the Net OPEB - GLI Liability as a Percentage of Covered Payroll	8.05%	8.33%	8.19%	8.33%
Plan Fiduciary Net Position as a Percentage of the Total OPEB - GLI Liability	52.64%	52.00%	51.22%	48.86%

Note: Information in this schedule is presented for the year in which information is available. Information will be added each year until a full 10-year trend is presented.

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

WILLIAMSBURG-JAMES CITY COUNTY PUBLIC SCHOOLS

(Component Unit of James City County, Virginia)

Required Supplementary Information

Schedule of Employer's Share of Net OPEB Liability (unaudited)

OPEB - Group Life Insurance Program - Non-Professional Employees

Years ended June 30,*	2021	2020	2019	2018
Employer's Proportion of the Net OPEB - GLI Liability	0.02965%	0.02987%	0.02817%	0.02951%
Employer's Proportionate Share of the Net OPEB - GLI Liability	\$ 494,810	\$ 486,064	\$ 428,000	\$ 444,000
Covered Payroll	\$ 6,149,423	\$ 5,844,231	\$ 4,802,484	\$ 5,000,257
Employer's Proportionate Share of the Net OPEB - GLI Liability as a Percentage of Covered Payroll	8.05%	8.32%	8.91%	8.88%
Plan Fiduciary Net Position as a Percentage of the Total OPEB - GLI Liability	52.64%	52.00%	51.22%	48.86%

Note: Information in this schedule is presented for the year in which information is available. Information will be added each year until a full 10-year trend is presented.

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

WILLIAMSBURG-JAMES CITY COUNTY PUBLIC SCHOOLS

(Component Unit of James City County, Virginia)

Required Supplementary Information

Schedule of Employer OPEB Contributions (unaudited)

OPEB - Group Life Insurance Program

Last ten fiscal years

OPEB - GLI - Professional Employees					
Fiscal year ended June 30	Contractually required contribution	Contributions in relation to contractually required contribution	Contribution deficiency (excess)	Covered payroll	Contributions as a % of covered payroll
2021	\$ 397,270	\$ 397,270	\$ —	\$ 74,108,820	0.54%
2020	397,775	397,775	—	76,495,192	0.52%
2019	377,378	377,378	—	72,572,692	0.52%
2018	352,935	352,935	—	67,353,977	0.52%

OPEB - GLI - Non-Professional Employees					
Fiscal year ended June 30	Contractually required contribution	Contributions in relation to contractually required contribution	Contribution deficiency (excess)	Covered payroll	Contributions as a % of covered payroll
2021	\$ 30,260	\$ 30,260	\$ —	\$ 5,645,747	0.54%
2020	31,977	31,977	—	6,149,423	0.52%
2019	30,390	30,390	—	5,844,231	0.52%
2018	25,165	25,165	—	4,802,484	0.52%

Note: Information in this schedule is presented for the year in which information is available. Information will be added each year until a full 10-year trend is presented.

WILLIAMSBURG-JAMES CITY COUNTY PUBLIC SCHOOLS

(Component Unit of James City County, Virginia)

Required Supplementary Information

Schedule of Employer's Share of Net OPEB Liability (unaudited)

OPEB - Health Insurance Credit Program - Professional Employees

Years ended June 30,*	2021	2020	2019	2018
Employer's Proportion of the Net OPEB - HIC Liability	0.86058%	0.86297%	0.85004%	0.86281%
Employer's Proportionate Share of the Net OPEB - HIC Liability	\$ 11,226,409	\$ 11,297,117	\$ 10,793,000	\$ 10,946,000
Covered Payroll	\$ 75,474,000	\$ 72,066,466	\$ 69,253,171	\$ 67,052,585
Employer's Proportionate Share of the Net OPEB - HIC Liability as a Percentage of Covered Payroll	14.87%	15.68%	15.58%	16.32%
Plan Fiduciary Net Position as a Percentage of the Total OPEB - HIC Liability	9.95%	8.97%	8.08%	7.04%

Note: Information in this schedule is presented for the year in which information is available. Information will be added each year until a full 10-year trend is presented.

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

WILLIAMSBURG-JAMES CITY COUNTY PUBLIC SCHOOLS
(Component Unit of James City County, Virginia)

Required Supplementary Information

Schedule of Changes in Net OPEB Liability (Asset) and Related Ratios (unaudited)

OPEB - Health Insurance Credit - Non-Professional Employees

Years ended June 30,*	2021	2020	2019	2018
Total OPEB - HIC liability				
Service cost	\$ 8,604	\$ 7,967	\$ 8,619	\$ 8,750
Interest	21,755	21,557	21,905	21,536
Benefit changes	23,639	-	-	-
Difference between expected and actual experience	(765)	(2,594)	(16,514)	-
Changes in assumptions	-	7,656	-	(11,335)
Benefit payments, including refunds of employee contributions	(23,176)	(17,320)	(20,665)	(6,674)
Net change in total OPEB - HIC liability	30,057	17,266	(6,655)	12,277
Total OPEB - HIC liability - beginning	333,879	316,613	323,268	310,991
Total OPEB - HIC liability - ending (a)	\$ 363,936	\$ 333,879	\$ 316,613	\$ 323,268
Plan fiduciary net position - HIC				
Contributions - employer	\$ 9,712	\$ 9,260	\$ 11,165	\$ 11,391
Net investment income	6,935	21,491	23,057	33,666
Benefit payments, including refunds of employee contributions	(23,176)	(17,320)	(20,665)	(6,674)
Administrative expenses	(657)	(466)	(535)	(552)
Other changes	(3)	(25)	(1,683)	1,683
Net change in plan fiduciary net position - HIC	(7,189)	12,940	11,339	39,514
Plan fiduciary net position - HIC, beginning	352,052	339,112	327,773	288,259
Plan fiduciary net position - HIC, ending (b)	\$ 344,863	\$ 352,052	\$ 339,112	\$ 327,773
School's net OPEB - HIC liability (asset) - ending (a) - (b)	\$ 19,073	\$ (18,173)	\$ (22,499)	\$ (4,505)
Plan fiduciary net position - HIC as a percentage of the total OPEB - HIC liability	94.8%	105.4%	107.1%	101.4%
Covered payroll	\$ 6,070,000	\$ 5,766,438	\$ 4,854,348	\$ 5,000,257
Net OPEB - HIC liability (asset) as a percentage of the total covered payroll	0.31%	-0.32%	-0.46%	-0.09%

Note: Information in this schedule is presented for the year in which information is available. Information will be added each year until a full 10-year trend is presented.

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

WILLIAMSBURG-JAMES CITY COUNTY PUBLIC SCHOOLS
 (Component Unit of James City County, Virginia)

Required Supplementary Information

Schedule of Employer OPEB Contributions (unaudited)

OPEB - Health Insurance Credit

Last ten fiscal years

OPEB - HIC - Professional Employees					
Fiscal year ended June 30	Contractually required contribution	Contributions in relation to contractually required contribution	Contribution deficiency (excess)	Covered payroll	Contributions as a % of covered payroll
2021	\$ 890,724	\$ 890,724	\$ —	\$ 73,604,525	1.21%
2020	905,688	905,688	—	75,474,000	1.20%
2019	864,798	864,798	—	72,066,466	1.20%
2018	851,814	851,814	—	69,253,171	1.23%

OPEB - HIC - Non-Professional Employees					
Fiscal year ended June 30	Contractually required contribution	Contributions in relation to contractually required contribution	Contribution deficiency (excess)	Covered payroll	Contributions as a % of covered payroll
2021	\$ 9,444	\$ 9,444	\$ —	\$ 5,556,149	0.17%
2020	9,712	9,712	—	6,070,000	0.16%
2019	9,226	9,226	—	5,766,438	0.16%
2018	11,165	11,165	—	4,854,348	0.23%

Note: Information in this schedule is presented for the year in which information is available. Information will be added each year until a full 10-year trend is presented.

WILLIAMSBURG-JAMES CITY COUNTY PUBLIC SCHOOLS

(Component Unit of James City County, Virginia)

Required Supplementary Information

Schedule of Employer's Share of Net OPEB Liability (unaudited)

OPEB - Virginia Local Disability Program (VLDP) - Professional Employees

Years ended June 30,*	2021	2020	2019	2018
Employer's Proportion of the Net OPEB - VLDP Liability	3.13334%	3.28952%	3.37801%	3.31886%
Employer's Proportionate Share of the Net OPEB - VLDP Liability	\$ 25,138	\$ 19,124	\$ 25,000	\$ 20,000
Covered Payroll	\$ 18,547,073	\$ 15,633,273	\$ 12,595,806	\$ 67,052,585
Employer's Proportionate Share of the Net OPEB - VLDP Liability as a Percentage of Covered Payroll	0.14%	0.12%	0.20%	0.03%
Plan Fiduciary Net Position as a Percentage of the Total OPEB - VLDP Liability	78.28%	74.12%	46.18%	31.96%

Note: Information in this schedule is presented for the year in which information is available. Information will be added each year until a full 10-year trend is presented.

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

WILLIAMSBURG-JAMES CITY COUNTY PUBLIC SCHOOLS

(Component Unit of James City County, Virginia)

Required Supplementary Information

Schedule of Employer's Share of Net OPEB Liability (unaudited)

OPEB - Virginia Local Disability Program (VLDP) - Non-Professional Employees

Years ended June 30,*	2021	2020	2019	2018
Employer's Proportion of the Net OPEB - VLDP Liability	0.65040%	0.68330%	0.67880%	0.75284%
Employer's Proportionate Share of the Net OPEB - VLDP Liability	\$ 6,492	\$ 13,843	\$ 5,000	\$ 4,000
Covered Payroll	\$ 2,423,750	\$ 2,093,665	\$ 1,648,333	\$ 5,000,257
Employer's Proportionate Share of the Net OPEB - VLDP Liability as a Percentage of Covered Payroll	0.27%	0.66%	0.30%	0.08%
Plan Fiduciary Net Position as a Percentage of the Total OPEB - VLDP Liability	76.84%	49.19%	51.22%	38.40%

Note: Information in this schedule is presented for the year in which information is available. Information will be added each year until a full 10-year trend is presented.

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WILLIAMSBURG-JAMES CITY COUNTY PUBLIC SCHOOLS
 (Component Unit of James City County, Virginia)

Required Supplementary Information

Schedule of Employer OPEB Contributions (unaudited)

OPEB - Virginia Local Disability Program (VLDP)

Last ten fiscal years

OPEB - VLDP - Professional Employees					
Fiscal year ended June 30	Contractually required contribution	Contributions in relation to contractually required contribution	Contribution deficiency (excess)	Covered payroll	Contributions as a % of covered payroll
2021	\$ 92,336	\$ 92,336	\$ —	\$ 19,644,936	0.47%
2020	76,043	76,043	—	18,547,073	0.41%
2019	64,096	64,096	—	15,633,273	0.41%
2018	39,047	39,047	—	12,595,806	0.31%

OPEB - VLDP - Non-Professional Employees					
Fiscal year ended June 30	Contractually required contribution	Contributions in relation to contractually required contribution	Contribution deficiency (excess)	Covered payroll	Contributions as a % of covered payroll
2021	\$ 18,585	\$ 18,585	\$ —	\$ 2,239,265	0.83%
2020	17,451	17,451	—	2,423,750	0.72%
2019	15,074	15,074	—	2,093,665	0.72%
2018	9,890	9,890	—	1,648,333	0.60%

Note: Information in this schedule is presented for the year in which information is available. Information will be added each year until a full 10-year trend is presented.

WILLIAMSBURG – JAMES CITY COUNTY PUBLIC SCHOOLS

(Component Unit of James City County, Virginia)

Notes to Required Supplementary Information

June 30, 2021

(1) Budgetary Data

The budgetary data reflected in the required supplementary information was established by the Schools using the following procedures:

- (a) The Superintendent submits a proposed budget for the General Fund to the School Board, usually in February of each year. Budget schedules and deadlines are developed annually.
- (b) Following public hearing on the budget and Board discussion, the School Board adopts its annual budget for the General Fund and forwards it to the governing bodies for consideration, usually in March of each year.
- (c) The School Board makes any adjustments required to its adopted budget for the General Fund as a result of the actions of the governing bodies and adopts an amended budget.
- (d) The governing bodies appropriate the monies identified and budgeted by the School Board, as set forth in the Schools' amended budget.
- (e) For the General Fund, which has an annual adopted budget, the School Board is authorized to make transfers between budgetary line items; however, revisions that alter the total appropriations of the budget must be approved by the James City County Board of Supervisors and the Williamsburg City Council. Therefore, the legal level of budgetary control, that level where expenditures may not exceed appropriations in total, for the General Fund is the fund level. Expenditures may exceed budgeted levels when revenues exceed budgeted levels or the School Board authorizes use of prior year fund balance.
- (f) An encumbrance system is used to monitor purchases and contractual commitments during the fiscal year. Open encumbrances at year end are reported as an assignment of fund balance. Encumbrances do not constitute expenditures or liabilities of the current year. Appropriations with outstanding commitments or encumbrances are carried forward into the following year. Unexpended, unencumbered appropriations lapse (except for the Capital Projects Fund) and are closed to the proper fund balances at the end of each fiscal year (June 30). The contractual agreement, as amended, for funding with the County and the City permits the Schools to develop a spending plan if there are any unexpended appropriated funds. The spending plan must be approved by the governing bodies of both the City and the County.
- (g) The General Fund is the only governmental fund that has a legally adopted annual budget. The budget is adopted on a basis consistent with accounting principles generally accepted in the United States of America (GAAP), except that encumbrances are included as budgetary expenditures.

(2) VRS Changes of benefit terms – Pension and OPEB

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

(3) VRS Changes of assumptions – Pension and OPEB

The actuarial assumptions used in the June 30, 2019, valuation were based on the results of an actuarial experience study for the period from July 1, 2012, through June 30, 2016, except the change in the discount rate, which was based on VRS Board action effective as of July 1, 2019. Changes to the actuarial assumptions as a result of the experience study and VRS Board action are as follows (applicable to Pension, Group Life Insurance, Health Insurance Credit, and Virginia Local Disability Program):

See accompanying independent auditor's report.

WILLIAMSBURG – JAMES CITY COUNTY PUBLIC SCHOOLS
 (Component Unit of James City County, Virginia)
 Notes to Required Supplementary Information
 June 30, 2021

Teacher Cost Sharing Plan

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

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

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

(4) OPEB Retiree Healthcare – Changes of Benefit Terms

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

(5) OPEB Retiree Healthcare – Change of Assumptions

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

- The medical trend was updated to the latest model released by the SOA and excludes the impact of the Cadillac Tax.
- The mortality assumption was updated to the latest experience study on public sector employees and retirees released by the SOA.
- The discount rate was changed as follows:

Discount Rate	
June 30, 2017	3.58%
June 30, 2018	3.62%
June 30, 2019	3.13%
June 30, 2020	2.45%

WILLIAMSBURG-JAMES CITY COUNTY PUBLIC SCHOOLS
 (Component Unit of James City County, Virginia)
 Combining Balance Sheet – Nonmajor Governmental Funds
 June 30, 2021

	<u>Grants</u>	<u>Schools' Food Services</u>	<u>Capital Projects</u>	<u>Student Activity Funds</u>	<u>Total nonmajor governmental funds</u>
Assets					
Cash and temporary investments (note 2)	\$ —	1,739,724	446,718	1,368,962	3,555,404
Receivables	—	1,999	—	—	1,999
Due from federal government	810,979	372,295	—	—	1,183,274
Due from Commonwealth of Virginia	747,302	—	—	—	747,302
Due from the City of Williamsburg and James City County	—	—	48,875	—	48,875
Inventory	—	51,831	—	—	51,831
Total assets	<u>\$ 1,558,281</u>	<u>2,165,849</u>	<u>495,593</u>	<u>1,368,962</u>	<u>5,588,685</u>
Liabilities					
Accounts payable	\$ 6,026	46,878	46,253	53,163	152,320
Accrued payroll	352,720	116,600	—	—	469,320
Accrued benefits	345,549	105,573	—	—	451,122
Due to other funds (note 3)	582,273	—	—	27,468	609,741
Due to the City of Williamsburg and James City County	—	—	—	120	120
Unearned revenue (note 10)	17,101	—	—	—	17,101
Total liabilities	<u>1,303,669</u>	<u>269,051</u>	<u>46,253</u>	<u>80,751</u>	<u>1,699,724</u>
Fund balances:					
Nonspendable:					
Inventory	—	51,831	—	—	51,831
Restricted	254,612	1,844,967	—	1,288,211	3,387,790
Committed	—	—	449,340	—	449,340
Total fund balances	<u>254,612</u>	<u>1,896,798</u>	<u>449,340</u>	<u>1,288,211</u>	<u>3,888,961</u>
Total liabilities and fund balances	<u>\$ 1,558,281</u>	<u>2,165,849</u>	<u>495,593</u>	<u>1,368,962</u>	<u>5,588,685</u>

See accompanying independent auditor's report.

WILLIAMSBURG-JAMES CITY COUNTY PUBLIC SCHOOLS
 (Component Unit of James City County, Virginia)

Combining Statement of Revenues, Expenditures, and Changes in Fund Balances – Nonmajor Governmental Funds
 Year ended June 30, 2021

	<u>Grants</u>	<u>Schools' Food Services</u>	<u>Capital Projects</u>	<u>Student Activity Funds</u>	<u>Total nonmajor governmental funds</u>
Revenues:					
Intergovernmental:					
City of Williamsburg and James City County	\$ 2,036,988	—	121,784	—	2,158,772
Commonwealth of Virginia	1,976,574	58,870	—	—	2,035,444
Federal government	6,665,481	3,996,716	—	—	10,662,197
Total intergovernmental	<u>10,679,043</u>	<u>4,055,586</u>	<u>121,784</u>	<u>—</u>	<u>14,856,413</u>
Charges for services	—	34,721	—	57,626	92,347
Interest	—	11,538	—	—	11,538
Miscellaneous	681,415	—	—	468,129	1,149,544
Total revenues	<u>11,360,458</u>	<u>4,101,845</u>	<u>121,784</u>	<u>525,755</u>	<u>16,109,842</u>
Expenditures:					
Current:					
General and administrative	4,262	—	—	—	4,262
Instruction	6,593,049	—	—	573,297	7,166,346
Attendance and health services	754,826	—	—	—	754,826
Operations and maintenance	548,014	—	—	—	548,014
Technology	3,197,372	—	—	—	3,197,372
Food services	76,926	2,836,907	—	—	2,913,833
Capital outlay	60,577	—	121,784	—	182,361
Total expenditures	<u>11,235,026</u>	<u>2,836,907</u>	<u>121,784</u>	<u>573,297</u>	<u>14,767,014</u>
Net change in fund balances	<u>125,432</u>	<u>1,264,938</u>	<u>—</u>	<u>(47,542)</u>	<u>1,342,828</u>
Fund balances at beginning of year, as restated (note 13)	<u>129,180</u>	<u>631,860</u>	<u>449,340</u>	<u>1,335,753</u>	<u>2,546,133</u>
Fund balances at end of year	<u>\$ 254,612</u>	<u>1,896,798</u>	<u>449,340</u>	<u>1,288,211</u>	<u>3,888,961</u>

See accompanying independent auditor's report.

WILLIAMSBURG – JAMES CITY COUNTY PUBLIC SCHOOLS

(Component Unit of James City County, Virginia)

Notes to Statistical Tables

June 30, 2021

Statistical Section

The statistical section provides financial statement readers with additional historical perspective, context, and detail to assist in using the information in the financial statements, including the accompanying notes, and required supplementary information to understand and assess the School Division's economic condition. Information is presented in the following categories:

- Financial trends information is intended to assist readers in understanding and assessing how Williamsburg–James City County Public Schools' (WJCC) financial position has changed over time.
- Revenue capacity information is intended to assist readers in understanding and assessing the School Division's ability to generate its own-source revenues.
- Debt capacity information is intended to assist readers in understanding and assessing WJCC's debt burden and its ability to issue additional debt.

Except for obligations under capital leases, WJCC does not have a liability for any long-term debt nor does the School Division have any legal debt margin. WJCC does not have the authority to levy taxes or issue bonded debt in its name. Therefore, information on debt capacity is presented for James City County, Virginia which the Schools are a component unit of.

- Demographic and economic information is intended to assist readers in understanding the School Division's socioeconomic environment and to facilitate comparisons of financial statement information over time and among other governments.
- Operating information is intended to provide contextual information about WJCC's operations and resources to assist readers in using financial statement information to understand and assess the School Division's economic condition.

Note – statistical tables presenting government wide information have not been restated for years prior to 2014 to reflect the effect of GASB statements 68, 71, 75 and years prior to 2021 have also not been restated to reflect the effect of GASB 84.

WILLIAMSBURG-JAMES CITY COUNTY PUBLIC SCHOOLS

(Component Unit of James City County, Virginia)

Net Position by Component

Last Ten Fiscal Years

(accrual basis of accounting)

	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>
Governmental Activities					
Net investment in					
capital assets	\$ 56,698,042	57,453,293	\$ 58,994,587	\$ 58,877,527	\$ 56,647,755
Restricted	4,027,517	2,313,105	2,710,448	919,728	796,971
Unrestricted	<u>(123,074,484)</u>	<u>(123,419,718)</u>	<u>(122,780,476)</u>	<u>(126,686,925)</u>	<u>(114,599,789)</u>
Total net position	<u>\$ (62,348,925)</u>	<u>(63,653,320)</u>	<u>\$ (61,075,441)</u>	<u>\$ (66,889,670)</u>	<u>\$ (57,155,063)</u>

Source: Amounts extracted from Exhibit 1 of the financial section of the respective Annual Financial Report.

Table 1

	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>
Governmental Activities					
Net investment in					
capital assets	\$ 53,952,706	\$ 53,328,252	\$ 52,273,671	\$ 49,897,556	\$ 47,957,321
Restricted	619,624	382,866	581,430	-	-
Unrestricted	<u>(113,187,460)</u>	<u>(113,731,570)</u>	<u>(113,301,255)</u>	<u>(773,763)</u>	<u>(1,202,196)</u>
Total net position	<u>\$ (58,615,130)</u>	<u>\$ (60,020,452)</u>	<u>\$ (60,446,154)</u>	<u>\$ 49,123,793</u>	<u>\$ 46,755,125</u>

WILLIAMSBURG-JAMES CITY COUNTY PUBLIC SCHOOLS

(Component Unit of James City County, Virginia)

Expenses, Program Revenues, Net (Expense)/Revenue, General Revenues, and

Total Change in Net Position

Last Ten Fiscal Years

(accrual basis of accounting)

	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>
Expenses:					
Governmental activities:					
General and administrative	\$ 3,183,976	\$ 3,419,100	\$ 3,162,678	\$ 3,050,749	\$ 2,760,208
Instruction	112,086,779	107,887,581	100,347,119	97,878,921	98,632,626
Attendance and health services	5,459,527	5,353,303	4,909,102	4,653,870	4,978,076
Pupil transportation	7,019,611	8,111,843	8,465,252	8,078,284	8,380,146
Operations and maintenance	13,674,181	12,948,523	12,385,954	11,779,208	11,789,775
Technology	13,014,213	9,375,832	9,302,266	8,642,673	8,906,750
Food services	2,974,531	4,078,090	4,341,995	4,089,610	4,764,562
Interest on long-term liabilities	—	—	1,417	7,020	13,562
Total expenses	<u>157,412,818</u>	<u>151,174,272</u>	<u>142,915,783</u>	<u>138,180,335</u>	<u>140,225,705</u>
Program Revenues:					
Governmental activities:					
Charges for services					
Instruction	96,130	114,276	184,336	201,866	200,884
Operations and maintenance	69,954	196,235	234,129	303,750	364,686
Food services	34,721	1,406,287	1,829,793	1,831,859	1,872,641
Operating grants and contributions	26,454,261	20,127,645	20,408,639	19,543,489	18,530,500
Capital grants and contributions	876,184	—	—	—	—
Total program revenues	<u>27,531,250</u>	<u>21,844,443</u>	<u>22,656,897</u>	<u>21,880,964</u>	<u>20,968,711</u>
Net Expense	<u>(129,881,568)</u>	<u>(129,329,829)</u>	<u>(120,258,886)</u>	<u>(116,299,371)</u>	<u>(119,256,994)</u>
General Revenues and Other Changes in					
Governmental activities:					
Interest	44,445	140,109	1,284	808	934
Grants and contributions not restricted to specific programs	129,059,502	126,423,862	125,940,236	121,671,393	120,453,016
Miscellaneous	746,263	187,980	131,595	180,324	263,111
Total	<u>129,850,210</u>	<u>126,751,951</u>	<u>126,073,115</u>	<u>121,852,525</u>	<u>120,717,061</u>
Change in Net Position	<u>\$ (31,358)</u>	<u>\$ (2,577,879)</u>	<u>\$ 5,814,229</u>	<u>\$ 5,553,154</u>	<u>\$ 1,460,067</u>

Source: Amounts extracted from Exhibit 2 of the financial section of the respective Annual Financial Report.

Table 2

	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>
Expenses:					
Governmental activities:					
General and administrative	\$ 2,815,308	\$ 2,836,596	\$ 2,297,396	\$ 2,437,168	\$ 2,425,720
Instruction	92,997,202	91,646,778	82,175,973	87,380,735	87,034,927
Attendance and health services	4,702,668	4,666,999	3,875,200	4,115,553	4,309,939
Pupil transportation	8,156,425	8,568,121	8,010,603	7,978,013	8,130,530
Operations and maintenance	11,668,670	11,737,440	11,259,563	10,945,546	10,703,375
Technology	7,866,642	8,422,558	6,909,909	5,962,934	5,893,444
Food services	4,199,063	4,282,272	4,037,217	4,244,768	4,053,262
Interest on long-term liabilities	19,486	24,851	15,635	—	—
Total expenses	<u>132,425,464</u>	<u>132,185,615</u>	<u>118,581,496</u>	<u>123,064,717</u>	<u>122,551,197</u>
Program Revenues:					
Governmental activities:					
Charges for services					
Instruction	249,303	211,468	377,606	343,800	231,687
Operations and maintenance	339,217	375,120	372,602	315,677	268,087
Food services	1,818,365	1,732,342	1,786,986	1,870,898	2,068,379
Operating grants and contributions	17,326,000	16,479,274	16,091,244	16,006,571	17,998,894
Capital grants and contributions	—	—	—	—	—
Total program revenues	<u>19,732,885</u>	<u>18,798,204</u>	<u>18,628,438</u>	<u>18,536,946</u>	<u>20,567,047</u>
Net Expense	<u>(112,692,579)</u>	<u>(113,387,411)</u>	<u>(99,953,058)</u>	<u>(104,527,771)</u>	<u>(101,984,150)</u>
General Revenues and Other Changes in					
Governmental activities:					
Interest	681	4,174	4,087	2,568	8,454
Grants and contributions not restricted to specific programs	113,865,906	113,568,153	109,960,252	106,692,704	103,477,467
Miscellaneous	231,314	240,786	224,400	201,167	61,251
Total	<u>114,097,901</u>	<u>113,813,113</u>	<u>110,188,739</u>	<u>106,896,439</u>	<u>103,547,172</u>
Change in Net Position	<u>\$ 1,405,322</u>	<u>\$ 425,702</u>	<u>\$ 10,235,681</u>	<u>\$ 2,368,668</u>	<u>\$ 1,563,022</u>

WILLIAMSBURG-JAMES CITY COUNTY PUBLIC SCHOOLS

(Component Unit of James City County, Virginia)

Fund Balances, Governmental Funds

Last Ten Fiscal Years

(modified accrual basis of accounting)

	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>
General Fund					
Committed	\$ —	\$ —	\$ —	\$ —	\$ —
Assigned	1,925,037	—	—	—	228,921
Unassigned	200,000	200,000	200,000	200,000	200,000
Total general fund	<u>2,125,037</u>	<u>200,000</u>	<u>200,000</u>	<u>200,000</u>	<u>428,921</u>
Nonmajor governmental funds					
Nonspendable	51,831	75,671	57,050	36,661	37,438
Restricted	3,387,790	685,369	955,500	919,728	796,971
Committed	449,340	449,340	449,340	449,340	449,340
Assigned	—	—	—	—	—
Unassigned	—	—	—	(625,402)	—
Total nonmajor governmental funds	<u>3,888,961</u>	<u>1,210,380</u>	<u>1,461,890</u>	<u>780,327</u>	<u>1,283,749</u>
Total governmental funds	<u>\$ 6,013,998</u>	<u>\$ 1,410,380</u>	<u>\$ 1,661,890</u>	<u>\$ 980,327</u>	<u>\$ 1,712,670</u>

Source: Amounts extracted from Exhibit 3 of the financial section of the respective Annual Financial Report.

Table 3

	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>
General Fund					
Committed	\$ —	\$ —	\$ —	\$ —	\$ 685,097
Assigned	56,273	1,042,872	2,537,319	1,330,013	256,892
Unassigned	<u>200,000</u>	<u>500,000</u>	<u>500,000</u>	<u>500,000</u>	<u>500,000</u>
Total general fund	<u>256,273</u>	<u>1,542,872</u>	<u>3,037,319</u>	<u>1,830,013</u>	<u>1,441,989</u>
Nonmajor governmental funds					
Nonspendable	16,525	35,675	52,094	76,244	40,532
Restricted	619,624	543,302	768,649	190,845	224,282
Committed	687,175	1,049,684	1,049,684	1,460,280	936,976
Assigned	—	—	—	672,806	653,864
Unassigned	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>
Total nonmajor governmental funds	<u>1,323,324</u>	<u>1,628,661</u>	<u>1,870,427</u>	<u>2,400,175</u>	<u>1,855,654</u>
Total governmental funds	<u>\$ 1,579,597</u>	<u>\$ 3,171,533</u>	<u>\$ 4,907,746</u>	<u>\$ 4,230,188</u>	<u>\$ 3,297,643</u>

WILLIAMSBURG-JAMES CITY COUNTY PUBLIC SCHOOLS

(Component Unit of James City County, Virginia)

Changes in Fund Balances, Governmental Funds

Last Ten Fiscal Years

(modified accrual basis of accounting)

	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>
Revenues:					
From City of Williamsburg and James City County	\$ 103,397,096	\$ 103,241,284	\$ 103,674,919	\$ 100,077,246	\$ 98,780,879
From Commonwealth of Virginia	40,618,800	36,272,904	35,296,459	34,119,963	32,862,110
From federal government	10,816,452	6,288,937	7,259,597	5,712,897	6,596,812
Charges for services	200,805	1,716,798	2,248,258	2,337,475	2,438,211
Interest	44,445	140,109	1,284	808	934
Miscellaneous	1,427,678	936,362	871,527	863,069	1,006,825
Total revenues	<u>156,505,276</u>	<u>148,596,394</u>	<u>149,352,044</u>	<u>143,111,458</u>	<u>141,685,771</u>
Expenditures:					
General and administrative	3,124,817	3,397,369	3,286,405	3,122,087	2,729,936
Instruction	108,477,630	105,671,248	103,162,153	98,983,786	96,691,285
Attendance and health services	5,355,208	5,320,904	5,139,196	4,791,998	4,931,833
Pupil transportation	5,951,465	7,069,877	7,684,485	7,230,229	7,291,549
Operations and maintenance	12,234,533	11,674,096	11,625,039	10,994,777	10,822,595
Technology	12,731,866	9,026,254	8,955,713	7,841,313	7,872,173
Food services	2,913,833	4,018,977	4,393,763	4,099,168	4,214,982
Capital outlay	2,448,059	2,669,179	4,390,011	6,704,180	6,922,082
Debt service:					
Principal	—	—	32,299	69,243	62,701
Interest	—	—	1,417	7,020	13,562
Total expenditures	<u>153,237,411</u>	<u>148,847,904</u>	<u>148,670,481</u>	<u>143,843,801</u>	<u>141,552,698</u>
Revenues over/(under) expenditures	<u>3,267,865</u>	<u>(251,510)</u>	<u>681,563</u>	<u>(732,343)</u>	<u>133,073</u>
Other Financing Sources (uses):					
Transfers in	—	—	—	—	—
Transfers out	—	—	—	—	—
Proceeds from capital lease obligations	—	—	—	—	—
Total other financing sources	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>
Net change in fund balances	<u>\$ 3,267,865</u>	<u>\$ (251,510)</u>	<u>\$ 681,563</u>	<u>\$ (732,343)</u>	<u>\$ 133,073</u>
Debt service as a percentage of noncapital expenditures	0.00%	0.00%	0.02%	0.06%	0.06%

Source: Amounts extracted from Exhibit 4 of the financial section of the respective Annual Financial Report.

Table 4

	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>
Revenues:					
From City of Williamsburg and James City County	\$ 91,241,881	\$ 91,629,884	\$ 89,714,366	\$ 87,464,236	\$ 84,705,864
From Commonwealth of Virginia	32,741,420	31,895,780	29,719,338	28,322,908	27,410,306
From federal government	6,254,627	5,800,936	5,922,208	6,245,815	8,761,493
Charges for services	2,406,885	2,318,930	2,537,194	2,530,375	2,568,153
Interest	681	4,174	4,087	2,568	8,454
Miscellaneous	1,024,855	934,829	916,358	834,046	666,468
Total revenues	<u>133,670,349</u>	<u>132,584,533</u>	<u>128,813,551</u>	<u>125,399,948</u>	<u>124,120,738</u>
Expenditures:					
General and administrative	2,857,644	2,847,306	2,441,253	2,413,378	2,399,471
Instruction	93,630,655	91,375,915	87,245,042	85,988,849	85,847,899
Attendance and health services	4,807,927	4,718,015	4,207,389	4,093,333	4,285,961
Pupil transportation	7,122,053	7,542,084	7,178,735	7,033,259	7,181,689
Operations and maintenance	10,821,632	10,976,451	10,763,717	10,148,781	10,089,434
Technology	6,893,598	7,428,633	6,203,443	5,316,237	5,234,880
Food services	4,167,372	4,241,358	4,059,133	4,193,745	3,994,711
Capital outlay	4,885,141	5,213,582	6,195,217	5,279,821	6,123,962
Debt service:					
Principal	56,777	51,412	26,912	—	—
Interest	19,486	24,851	15,635	—	—
Total expenditures	<u>135,262,285</u>	<u>134,419,607</u>	<u>128,336,476</u>	<u>124,467,403</u>	<u>125,158,007</u>
Revenues over/(under) expenditures	<u>(1,591,936)</u>	<u>(1,835,074)</u>	<u>477,075</u>	<u>932,545</u>	<u>(1,037,269)</u>
Other Financing Sources (uses):					
Transfers in	—	—	—	685,097	1,140,227
Transfers out	—	—	—	(685,097)	(1,140,227)
Proceeds from capital lease obligations	—	98,861	200,483	—	—
Total other financing sources	<u>—</u>	<u>98,861</u>	<u>200,483</u>	<u>—</u>	<u>—</u>
Net change in fund balances	<u>\$ (1,591,936)</u>	<u>\$ (1,736,213)</u>	<u>\$ 677,558</u>	<u>\$ 932,545</u>	<u>\$ (1,037,269)</u>
Debt service as a percentage of noncapital expenditures	0.06%	0.06%	0.03%	0.00%	0.00%

WILLIAMSBURG-JAMES CITY COUNTY PUBLIC SCHOOLS

(Component Unit of James City County, Virginia)

Government-Wide Expenses by Function

Last Ten Fiscal Years

Fiscal Year	General and administrative	Instruction	Attendance and health services	Pupil transportation	Operations and maintenance
2021 \$	3,183,976	\$ 112,086,779	\$ 5,459,527	\$ 7,019,611	\$ 13,674,181
2020	3,419,100	107,887,581	5,353,303	8,111,843	12,948,523
2019	3,162,678	100,347,119	4,909,102	8,465,252	12,385,954
2018	3,050,749	97,878,921	4,653,870	8,078,284	11,779,208
2017	2,760,208	98,632,626	4,978,076	8,380,146	11,789,775
2016	2,815,308	92,997,202	4,702,668	8,156,425	11,668,670
2015	2,836,596	91,646,778	4,666,999	8,568,121	11,737,440
2014	2,297,396	82,175,973	3,875,200	8,010,603	11,259,563
2013	2,437,168	87,380,735	4,115,553	7,978,013	10,945,546
2012	2,425,720	87,034,927	4,309,939	8,130,530	10,703,375

(*) Total expenses include Pre-K education; March ADM does not include Pre-K students.

Source: Amounts extracted from Exhibit 2 of the financial section of the respective Annual Financial Report.

Table 5

Fiscal Year	Technology	Food services	Interest on long-term liabilities	Total expenses (*)	March Average Daily Membership (ADM) determining cost per pupil (*)	Per pupil expenses
2021	\$ 13,014,213	\$ 2,974,531	\$ —	\$ 157,412,818	10,730	\$ 14,670
2020	9,375,832	4,078,090	—	151,174,272	11,456	13,196
2019	9,302,266	4,341,995	1,417	142,915,783	11,429	12,505
2018	8,642,673	4,089,610	7,020	138,180,335	11,421	12,099
2017	8,906,750	4,764,562	13,562	140,225,705	11,470	12,225
2016	7,866,642	4,199,063	19,486	132,425,464	11,246	11,775
2015	8,422,558	4,282,272	24,851	132,185,615	11,061	11,951
2014	6,909,909	4,037,217	15,635	118,581,496	10,954	10,825
2013	5,962,934	4,244,768	—	123,064,717	10,715	11,485
2012	5,893,444	4,053,262	—	122,551,197	10,602	11,559

WILLIAMSBURG-JAMES CITY COUNTY PUBLIC SCHOOLS

(Component Unit of James City County, Virginia)

Expenditures by Function and Per Pupil Cost

Last Ten Fiscal Years

Fiscal year	General and administrative	Instruction	Attendance and health services	Pupil transportation	Operations and maintenance
2021	\$ 3,120,555	\$ 101,621,672	\$ 4,600,382	\$ 7,718,645	\$ 12,818,642
2020	3,397,369	101,351,303	4,692,447	7,325,773	12,064,111
2019	3,292,086	99,054,870	4,523,635	9,281,098	12,626,492
2018	3,148,842	94,821,926	4,205,922	7,989,904	11,192,564
2017	2,756,691	92,290,584	4,327,938	8,411,442	11,203,740
2016	2,857,644	89,083,820	4,217,836	7,608,205	10,988,255
2015	2,824,946	87,543,866	4,155,979	9,058,419	11,138,915
2014	2,452,122	83,074,564	3,790,460	8,142,394	10,930,579
2013	2,338,775	81,505,993	3,868,988	7,553,582	10,222,502
2012	2,461,487	80,617,816	3,879,999	7,689,497	10,320,259

(*) Total cost-regular day school includes expenditures for Pre-K education; March ADM does not include pre-K students.

The amounts represent data of the General Fund and are presented on the budgetary basis.

Source: Amounts extracted from Exhibit 8 for fiscal years 2012 - 2020 and Exhibit 6 for fiscal year 2021 in the required supplementary information section of the Annual Financial Report.

Table 6

Fiscal year	Technology	Total cost – regular day school (*)	March Average Daily membership for (ADM) determining cost per pupil (*)	Per pupil expenditures
2021	\$ 10,515,538	\$ 140,395,434	10,730	\$ 13,084
2020	8,549,087	137,380,090	11,456	11,991
2019	8,527,369	137,305,550	11,429	12,014
2018	7,553,349	128,912,507	11,421	11,287
2017	7,581,714	126,572,109	11,295	11,206
2016	6,456,282	121,212,042	11,246	10,778
2015	6,898,359	121,620,484	11,061	10,995
2014	6,559,148	114,949,267	10,954	10,494
2013	5,274,557	110,764,397	10,715	10,337
2012	4,915,398	109,884,456	10,602	10,365

WILLIAMSBURG-JAMES CITY COUNTY PUBLIC SCHOOLS

(Component Unit of James City County, Virginia)

General Fund Expenditures by Function

Last Ten Fiscal Years

Fiscal year	General and administrative	Instruction	Attendance and health services	Pupil transportation
2021	\$ 3,120,555	\$ 101,621,672	\$ 4,600,382	\$ 7,718,645
2020	3,397,369	101,351,303	4,692,447	7,325,773
2019	3,292,086	99,054,870	4,523,635	9,281,098
2018	3,148,842	94,821,926	4,205,922	7,989,904
2017	2,756,691	92,290,584	4,327,938	8,411,442
2016	2,857,644	89,083,820	4,217,836	7,608,205
2015	2,824,946	87,543,866	4,155,979	9,058,419
2014	2,452,122	83,074,564	3,790,460	8,142,394
2013	2,338,775	81,505,993	3,868,988	7,553,582
2012	2,461,487	80,617,816	3,879,999	7,689,497

The amounts represent data of the General Fund and are presented on the budgetary basis.

Source: Amounts extracted from Exhibit 8 for fiscal years 2012 - 2020 and Exhibit 6 for fiscal year 2021 in the required supplementary information section of the Annual Financial Report.

Table 7

Fiscal year	Operations and maintenance	Technology	Debt Service	Total expenditures
2021	\$ 12,818,642	\$ 10,515,538	\$ —	\$ 140,395,434
2020	12,064,111	8,549,087	—	137,380,090
2019	12,626,492	8,527,369	33,716	137,339,266
2018	11,192,564	7,553,349	76,263	128,988,770
2017	11,203,740	7,581,714	76,263	126,648,372
2016	10,988,255	6,456,282	76,263	121,288,305
2015	11,138,915	6,898,359	76,263	121,696,747
2014	10,930,579	6,559,148	42,547	114,991,814
2013	10,222,502	5,274,557	—	110,764,397
2012	10,320,259	4,915,398	—	109,884,456

Table 8

WILLIAMSBURG-JAMES CITY COUNTY PUBLIC SCHOOLS

(Component Unit of James City County, Virginia)

Government-Wide Revenue by Source

Last Ten Fiscal Years

Fiscal Year	Program revenues			General revenues			Total revenues
	Charges for services	Operating grants and contributions	Capital grants and contributions	Interest	Grant and contributions not restricted to specific programs	Misc.	
2021	\$ 200,805	\$ 26,454,261	\$ 876,184	\$ 44,445	\$ 129,059,502	\$ 746,263	\$ 157,381,460
2020	1,716,798	20,127,645	—	140,109	126,423,862	187,980	148,596,394
2019	2,248,258	20,408,639	—	1,284	125,940,236	131,595	148,730,012
2018	2,337,475	19,543,489	—	808	121,671,393	180,324	143,733,489
2017	2,438,211	18,530,500	—	934	120,453,016	263,111	141,685,772
2016	2,406,885	17,326,000	—	681	113,865,906	231,314	133,830,786
2015	2,318,930	16,479,274	—	4,174	113,568,153	240,786	132,611,317
2014	2,537,194	16,091,244	—	4,087	109,960,252	224,400	128,817,177
2013	2,530,375	16,006,571	—	2,568	106,692,704	201,167	125,433,385
2012	2,568,153	17,998,894	—	8,454	103,477,467	61,251	124,114,219

Source: Amounts extracted from Exhibit 2 of the financial section of the respective Annual Financial Report.

Table 9

WILLIAMSBURG-JAMES CITY COUNTY PUBLIC SCHOOLS

(Component Unit of James City County, Virginia)

Charges for Services Revenue by Source

Last Ten Fiscal Years

Fiscal year	Tuition and fees	Percentage	Food Sales	Percentage	Student Activity	Percentage	Total
2021	\$ 108,458	54.0 %	\$ 34,721	17.3 %	\$ 57,626	28.7 %	\$ 200,805
2020	310,511	18.1	1,406,287	81.9	—	0.0	1,716,798
2019	418,465	18.6	1,829,793	81.4	—	0.0	2,248,258
2018	505,616	21.6	1,831,859	78.4	—	0.0	2,337,475
2017	565,570	23.2	1,872,641	76.8	—	0.0	2,438,211
2016	588,520	24.5	1,818,365	75.5	—	0.0	2,406,885
2015	586,588	25.3	1,732,342	74.7	—	0.0	2,318,930
2014	750,208	29.6	1,786,986	70.4	—	0.0	2,537,194
2013	659,477	26.1	1,870,898	73.9	—	0.0	2,530,375
2012	499,774	19.5	2,068,379	80.5	—	0.0	2,568,153

Williamsburg - James City County Public Schools' main revenue source is a transfer from James City County, the primary government.

Charges for Services is the primary own source revenue, which consists of tuition, fees and food sales.

Source: Tuition and fess amounts extracted from Exhibit 4 of the financial section of the respective Annual Financial Report.

Source: Food sales amounts extracted from Exhibit 4 for fiscal years 2012-2020 and Exhibit 22 for fiscal year 2021 of the financial section of the respective Annual Financial Report.

Source: Student activity amounts extracted from Exhibit 22 of the financial section of the respective Annual Financial Report. Fiscal year 2021 is the first year reporting Student Activity Fund as a non-major governmental fund.

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WILLIAMSBURG-JAMES CITY COUNTY PUBLIC SCHOOLS

(Component Unit of James City County, Virginia)

Direct Tax Rates for James City County and the City of Williamsburg

Last Ten Fiscal Years

City of Williamsburg:

Fiscal year	Real Estate Tax¹	Personal Property Tax¹	Room Tax	Meal Tax	Retail Sales Tax²
2021	\$ 0.60	\$ 3.50	5%	5%	1%
2020	0.60	3.50	5%	5%	1%
2019	0.60	3.50	5%	5%	1%
2018	0.57	3.50	5%	5%	1%
2017	0.57	3.50	5%	5%	1%
2016	0.57	3.50	5%	5%	1%
2015	0.57	3.50	5%	5%	1%
2014	0.57	3.50	5%	5%	1%
2013	0.57	3.50	5%	5%	1%
2012	0.54	3.50	5%	5%	1%

1) per \$100 assessed value

2) Collected by the Commonwealth, remitted monthly to City

James City County:

Fiscal year	Real Estate Tax¹	Personal Property Tax¹	Room Tax	Meal Tax	Retail Sales Tax²
2021	\$ 0.840	\$ 4.00	5%	4%	1%
2020	0.840	4.00	5%	4%	1%
2019	0.840	4.00	5%	4%	1%
2018	0.840	4.00	5%	4%	1%
2017	0.840	4.00	5%	4%	1%
2016	0.840	4.00	5%	4%	1%
2015	0.770	4.00	5%	4%	1%
2014	0.770	4.00	5%	4%	1%
2013	0.770	4.00	5%	4%	1%
2012	0.770	4.00	5%	4%	1%

1) per \$100 assessed value

2) Collected by the Commonwealth, remitted monthly to the County

WILLIAMSBURG-JAMES CITY COUNTY PUBLIC SCHOOLS

(Component Unit of James City County, Virginia)

Source of Actual Receipts by Fiscal Year

Last Ten Fiscal Years

Fiscal year	State sales tax receipts	State funds	Federal funds	Local funds
2021	\$ **	\$ **	\$ **	\$ **
2020	14,459,599	37,382,149	6,026,614	93,041,233
2019	13,286,481	36,357,381	6,419,494	104,601,624
2018	12,201,274	35,265,279	5,540,277	104,515,581
2017	12,649,969	34,124,157	6,314,012	94,041,402
2016	12,302,835	33,811,337	6,034,382	84,211,806
2015	11,796,847	32,882,170	5,585,814	83,196,575
2014	11,002,054	30,745,989	5,707,572	84,935,519
2013	10,635,953	29,317,038	6,027,531	79,033,063
2012	10,338,116	28,296,917	8,564,922	76,138,098

Source: Data extracted from *Superintendent's Annual Report for Virginia*, published by Virginia Department of Education, Richmond, Virginia.

** Fiscal Year 2021 data will not be published by the Virginia Department of Education until January 2022

Table 11

Fiscal year		Other funds		Total receipts		Beginning year balance		Total receipts and balances
2021	\$	**	\$	**	\$	**	\$	**
2020		2,793,269		153,702,864		7,291,887		160,994,751
2019		3,063,216		163,728,196		6,701,307		170,429,503
2018		3,149,350		160,671,761		6,101,373		166,773,134
2017		3,428,761		150,558,301		6,225,569		156,783,870
2016		3,454,505		139,814,865		4,193,191		144,008,056
2015		3,284,881		136,746,287		5,720,343		142,466,630
2014		3,460,415		135,851,549		5,337,008		141,188,557
2013		3,400,446		128,414,031		4,390,128		132,804,159
2012		3,254,176		126,592,229		5,328,843		131,921,072

WILLIAMSBURG-JAMES CITY COUNTY PUBLIC SCHOOLS

(Component Unit of James City County, Virginia)

Debt Service and Application of Funds for Education and Other Purposes
for the City of Williamsburg and the County of James City – Combined

Last Ten Fiscal Years

Fiscal year	Debt for education	Debt for all other uses or applications	Total debt	Debt interest for education
2021	\$ **	\$ **	\$ **	\$ **
2020	10,059,260	5,093,804	15,153,064	4,237,108
2019	17,869,740	7,090,724	24,960,464	4,346,054
2018	11,404,940	10,321,264	21,726,204	4,397,976
2017	10,633,800	5,471,002	16,104,802	4,743,674
2016	12,651,180	5,477,607	18,128,787	4,010,866
2015	12,525,890	5,324,952	17,850,842	5,215,363
2014	12,170,600	4,930,716	17,101,316	6,172,777
2013	11,655,185	12,576,881	24,232,066	6,613,640
2012	10,982,506	10,315,505	21,298,011	6,727,441

Source: Exhibit E (2013-2020) & Exhibit F (2012) from the *Comparative Report of Local Government Revenues and Expenditures*, an annual report prepared by Auditor of Public Accounts, Commonwealth of Virginia, Richmond, Virginia.

** Information is not available as the APA does not publish this report until 2022 for Fiscal Year 2021.

Table 12

Fiscal year	Debt interest for all other applications	Total debt interest	Total debt service for education	Total debt service
2021	**	**	**	**
2020	1,900,210	6,137,318	14,296,368	21,290,382
2019	2,255,364	6,601,418	22,215,794	31,561,882
2018	1,944,681	6,342,657	15,802,916	28,068,861
2017	2,301,398	7,045,072	15,377,474	23,149,874
2016	2,410,136	6,421,002	16,662,046	24,549,789
2015	2,824,413	8,039,776	17,741,253	25,890,618
2014	2,862,765	9,035,542	18,343,377	26,136,858
2013	3,048,833	9,662,473	18,268,825	33,894,539
2012	2,907,653	9,635,094	17,709,947	30,933,105

Table 13

WILLIAMSBURG-JAMES CITY COUNTY PUBLIC SCHOOLS

(Component Unit of James City County, Virginia)

Capital Leases Debt to Assessed Value of Taxable Property in James City County
and Debt per Capita

Last Ten Fiscal Years

Fiscal year	(1) Population	(2) Assessed value	Capital lease payable debt	Ratio of debt to assessed value
2021	78,254	\$ 14,303,580,339	\$ -	0.0000
2020	77,202	13,686,990,111	-	0.0000
2019	76,211	13,407,219,197	-	0.0000
2018	75,776	13,065,070,419	32,299	0.0002
2017	74,795	12,818,125,753	101,542	0.0008
2016	73,767	12,511,337,556	164,243	0.0013
2015	72,682	12,420,621,529	221,020	0.0018
2014	71,254	12,165,747,571	173,571	0.0014
2013	70,376	11,991,913,497	-	0.0000
2012	69,451	12,341,704,734	-	0.0000

(1) Planning Division, James City County. Population figure is the estimate from the second quarter of the year.

(2) From Table 5, James City County Annual Financial Report

**Statistic not yet available.

Table 14

COUNTY OF JAMES CITY, VIRGINIA

Ratio of Net General Bonded Debt to Assessed Value and Net Bonded Debt Per Capita

Last Ten Fiscal Years

Fiscal year	(1) Population	(2) Assessed value	(3) (4) Gross bonded debt	(5) Less: Debt service monies available	Net bonded debt	Ratio of net general obligation debt to assessed value	Net bonded debt per capita
2021	78,254	\$ 14,303,580,339	\$ 25,252,504	\$ -	\$ 25,252,504	0.18	323
2020	77,202	13,686,990,111	29,479,003	-	29,479,003	0.22	382
2019	76,211	13,407,219,197	33,966,163	-	33,966,163	0.25	446
2018	75,776	13,065,070,419	38,348,323	1,226,463	37,121,860	0.28	490
2017	74,795	12,818,125,753	44,155,482	1,222,024	42,933,458	0.33	574
2016	73,767	12,511,337,556	49,844,842	1,221,521	48,623,321	0.39	659
2015	72,682	12,420,621,529	65,458,589	1,219,616	64,238,973	0.52	884
2014	71,254	12,165,747,571	72,164,244	2,920,369	69,243,875	0.57	972
2013	70,376	11,991,913,497	80,004,294	2,920,538	77,083,756	0.64	1,095
2012	69,451	12,341,704,734	86,134,103	2,920,981	83,213,122	0.67	1,198

(1) Planning Division, James City County. Population figure is the estimate from the second quarter of the year.

(2) From Table 5, James City County Annual Financial Report

(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

COUNTY OF JAMES CITY, VIRGINIA

Ratio of Annual Debt Service Expenditures for General Bonded Debt (1) to
Total General Governmental Expenditures

Last Ten Fiscal Years

Fiscal year	(5) Principal	(2) Interest	(4) Total debt service	(3) Total general governmental expenditures	Ratio of debt service to general debt to governmental expenditures
2021	\$ 13,321,271	\$ 4,903,249	\$ 18,224,520	\$ 241,887,289	7.53
2020	14,282,841	5,447,279	19,730,120	243,309,721	8.11
2019	14,343,182	5,848,486	20,191,668	251,898,565	8.02
2018	16,284,125	6,195,080	22,479,205	231,635,241	9.70
2017	16,206,234	6,841,056	23,047,290	231,072,402	9.97
2016	17,122,377	6,188,222	23,310,599	226,845,449	10.28
2015	16,862,695	8,781,971	25,644,666	218,984,810	11.71
2014	16,417,326	8,822,326	25,239,652	211,866,777	11.91
2013	23,473,305	9,522,081	32,995,386	215,304,486	15.32
2012	14,787,955	9,384,810	24,172,765	201,078,316	12.02

(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 included in the General Fund, Debt Service Fund, all Special Revenue funds, operating transfers to Capital Projects and the County's percentage of discretely presented Component Unit - Public Schools Operating Fund.

(4) The County has no overlapping debt

(5) In fiscal year 2013, principal payments increased by \$7,380,000 related to the refinancing of a capital lease.

Table 16

WILLIAMSBURG-JAMES CITY COUNTY PUBLIC SCHOOLS
(Component Unit of James City County, Virginia)

Local Composite Index

Last Ten Fiscal Years

<u>Fiscal year</u>	<u>James City County</u>	<u>City of Williamsburg</u>
2021	0.5553	0.7459
2019	0.5657	0.7703
2017	0.5641	0.7747
2015	0.5632	0.8000
2013	0.5628	0.8000
2011	0.5668	0.8000
2009	0.5286	0.8000
2007	0.5499	0.8000
2005	0.5988	0.8000
2003	0.6228	0.8000

(Source: Virginia Department of Education)

Table 17

WILLIAMSBURG-JAMES CITY COUNTY PUBLIC SCHOOLS

(Component Unit of James City County, Virginia)

Miscellaneous Statistical Data on Williamsburg-James City County Schools

on School Facilities Owned by School Board as of June 30, 2021

Form of Governance: Fiscally Dependent School System with elected (5 members) and appointed (2 members) School BoardGeographic Area: 176 Square MilesPopulation 2020: 93,679 (Most recent statistics: 15,425 in Williamsburg as of 2020; and 78,254 in James City County as of 2020)Student Membership (March 2021 ADM): 10,730

	<u>Original construction date</u>	<u>Date(s) of additions/renovations</u>	<u>Building area (in square feet)</u>	<u>Acreage</u>
Secondary schools:				
Berkeley	1966	1989, 1990, 1999, 2010, 2014	114,867	19.30
James Blair	2018	None	109,050	15.00
Toano	1992	2000, 2007, 2013	102,275	34.37
Lois Hornsby	2010	None	145,458	60.42
Jamestown	1997	2012, 2015	199,633	80.01
Lafayette	1973	1990, 1993, 1997, 2013, 2018	213,423	50.00
Warhill	2007	None	247,500	54.50
Elementary schools:				
Clara Byrd Baker	1989	1992, 1999, 2000, 2017	78,840	23.60
Laurel Lane	1966	1987, 1988, 1990, 1998, 2017	95,109	12.63
D. J. Montague	1989	1997, 1999, 2000, 2011	74,500	21.00
Norge	1967	1994, 1995, 1996, 2004, 2007	99,378	20.02
Matthew Whaley	1931	1988, 1997, 1998	67,950	8.47
James River	1993	2002, 2007	89,835	24.19
Stonehouse	2000	2007	90,851	26.00
Matoaka	2007	None	92,133	40.20
J Blaine Blayton	2010	None	93,247	20.12
Operations Center	1992	None	26,000	32.16
Central Office	1954	1989, 1990, 1996, 1998, 2003, 2010	51,605	Shared site with James Blair

Table 18

WILLIAMSBURG-JAMES CITY COUNTY PUBLIC SCHOOLS

(Component Unit of James City County, Virginia)

Instructional Personnel Positions Per 1,000 Students in ADM

Ten Fiscal Years

Fiscal year	Number of instructional personnel positions	End-of-year membership	Instructional personnel per 1,000 students
2021	**	**	**
2020	1,312.59	11,582	113.33
2019	1,207.05	11,565	104.37
2018	1,217.81	11,537	105.55
2017	1,219.89	11,910	102.43
2016	1,168.02	11,466	101.87
2015	1,140.25	11,246	101.39
2014	1,137.14	11,148	102.00
2013	1,126.04	10,918	103.14
2012	1,167.64	10,820	107.92

Source: Data extracted from Table 17 of the *Superintendent's Annual Report for Virginia*, published by Virginia Department of Education

** Fiscal Year 2021 data will not be published by the Virginia Department of Education until January 2022

Table 19

WILLIAMSBURG-JAMES CITY COUNTY PUBLIC SCHOOLS

(Component Unit of James City County, Virginia)

Changes in Student Membership Throughout School Year

Ten Fiscal Years

Fiscal year	Membership at September 30	Average daily membership at March 31	End-of-year membership	Percent of change	Annual retention rate
2021	10,905	10,730	10,712	(1.77%)	98.23%
2020	11,487	11,456	11,492	0.04%	100.04%
2019	11,494	11,427	11,400	(0.82%)	99.18%
2018	11,514	11,421	11,199	(2.74%)	97.26%
2017	11,468	11,470	11,498	0.26%	100.26%
2016	11,303	11,268	11,105	(1.75%)	98.25%
2015	11,116	11,061	11,034	(0.74%)	99.26%
2014	10,998	10,954	10,951	(0.43%)	99.57%
2013	10,748	10,715	10,689	(0.55%)	99.45%
2012	10,671	10,602	10,553	(1.11%)	98.89%

Source: Data extracted from Table 1 of the *Superintendent's Annual Report for Virginia*, published by Virginia Department of Education, Richmond, Virginia

Table 20

WILLIAMSBURG-JAMES CITY COUNTY PUBLIC SCHOOLS
 (Component Unit of James City County, Virginia)

Enrollment Trends
 Last Ten Fiscal Years

Fiscal Year	September 30th Enrollment	Elementary Grades K thru 5	Middle Grades 6 thru 8	High Grades 9 thru 12
2021	10,858	4,583	2,555	3,720
2020	11,448	5,019	2,655	3,774
2019	11,461	5,024	2,641	3,796
2018	11,477	5,018	2,640	3,819
2017	11,431	5,028	2,628	3,775
2016	11,303	4,979	2,619	3,705
2015	11,116	4,912	2,567	3,637
2014	10,998	4,903	2,546	3,549
2013	10,795	4,791	2,552	3,452
2012	10,671	4,712	2,560	3,399

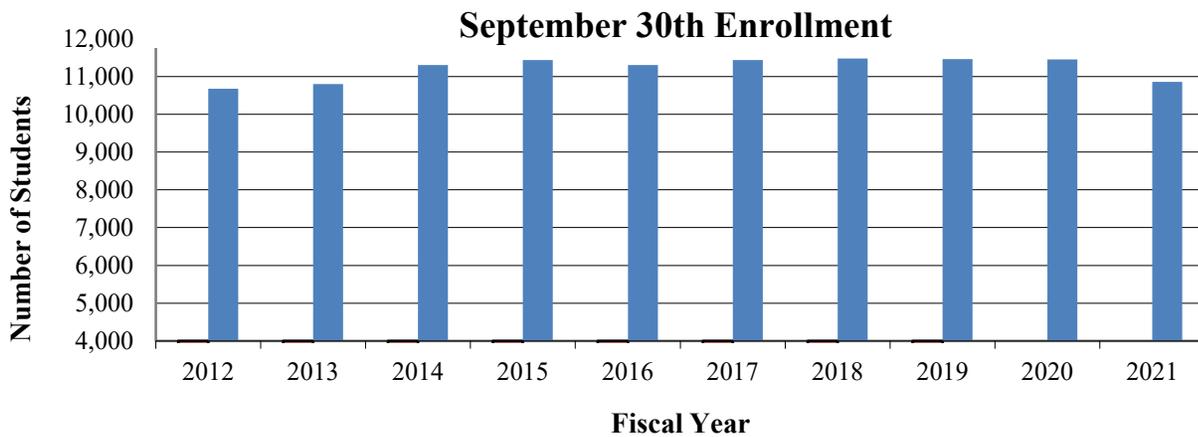


Table 21

WILLIAMSBURG-JAMES CITY COUNTY PUBLIC SCHOOLS

(Component Unit of James City County, Virginia)

Statistics on Federal Free/Reduced Lunch Program Participation
as of September 30, 2020

School	Free lunch	Reduced lunch	Total	September enrollment	Percentage of participants
Clara Byrd Baker	152	34	186	443	41.99%
Clara Byrd Baker Preschool	27	4	31	46	67.39%
Laurel Lane	175	28	203	430	47.21%
Laurel Lane Preschool	24	4	28	47	59.57%
D. J. Montague	169	30	199	464	42.89%
D. J. Montague Preschool	8	1	9	9	100.00%
Norge	252	32	284	553	51.36%
Norge Preschool	40	7	47	79	59.49%
Matthew Whaley	209	7	216	429	50.35%
James River	306	29	335	428	78.27%
Stonehouse	179	30	209	718	29.11%
Matoaka	161	17	178	674	26.41%
J Blaine Blayton	156	24	180	444	40.54%
J Blaine Blayton Preschool	28	3	31	66	46.97%
Berkeley Middle	235	36	271	599	45.24%
James Blair	230	34	264	533	49.53%
Toano	208	29	237	628	37.74%
Hornsby	238	55	293	795	36.86%
Lafayette	397	58	455	1,123	40.52%
Jamestown	260	43	303	1,257	24.11%
Warhill	403	67	470	1,340	35.07%
	<u>3,857</u>	<u>572</u>	<u>4,429</u>	<u>11,105</u>	*

Source: September 30, 2020 enrollment report and Child Nutrition Services

* Total does not match September 30, 2020 enrollment report due to preschool being included in this table.

Table 22

WILLIAMSBURG-JAMES CITY COUNTY PUBLIC SCHOOLS

(Component Unit of James City County, Virginia)

Food Sales - Meals Served Annually

Last Ten Fiscal Years

Fiscal Year	Student			
	Breakfasts Served	Lunches Served	Free and Reduced Eligibility	Free and Reduced Percentages
	Annually	Annually		
2021*	544,948	554,832	4,429	24.11%
2020	180,015	469,317	4,429	35.07%
2019	260,276	670,208	4,429	39.88%
2018	257,161	647,931	4,335	36.49%
2017	254,452	668,100	3,933	33.40%
2016	252,945	675,938	3,924	33.78%
2015	235,169	663,867	3,872	34.05%
2014	229,431	690,284	3,716	32.99%
2013	240,718	732,939	3,549	32.16%
2012	253,682	855,869	3,447	31.51%

Source: Office of Child Nutrition Services

* 2021 meals served increased due to COVID and provided take home meals during the summer as well as weekends for all school aged children

Table 23

WILLIAMSBURG-JAMES CITY COUNTY PUBLIC SCHOOLS

(Component Unit of James City County, Virginia)

Food Service Sales Price Breakdown

Last Ten Fiscal Years

Fiscal year	Elementary		Middle		High		Adult
	Breakfast	Lunch	Breakfast	Lunch	Breakfast	Lunch	Breakfast/Lunch
2021	\$ 1.40	2.75	1.50	2.85	1.60	3.00-3.75	A-La-Carte
2020	1.40	2.75	1.50	2.85	1.60	3.00-3.75	A-La-Carte
2019	1.35	2.70	1.45	2.80	1.55	2.95-3.70	A-La-Carte
2018	1.35	2.70	1.45	2.80	1.55	2.95-3.70	A-La-Carte
2017	1.30	2.60	1.40	2.70	1.50	2.85-3.60	A-La-Carte
2016	1.25	2.50	1.35	2.60	1.45	2.75-3.50	A-La-Carte
2015	1.25	2.40	1.35	2.50	1.45	2.65-3.40	A-La-Carte
2014	1.25	2.30	1.35	2.40	1.45	2.55-3.30	A-La-Carte
2013	1.25	2.20	1.35	2.30	1.45	2.45-3.20	A-La-Carte
2012	1.25	2.15	1.35	2.25	1.45	2.40-3.15	A-La-Carte

Note: These prices are based on the normal cost of the meals and do not include the cost charged to students who qualify for reduced price meals.

Source: Office of Child Nutrition Services

Table 24

WILLIAMSBURG-JAMES CITY COUNTY PUBLIC SCHOOLS
(Component Unit of James City County, Virginia)

Principal Employers in James City County
Current Year and Nine Years Ago

Employer	2021			2012		
	Employees	Rank	Percentage of total County employment	Employees	Rank	Percentage of total County employment
Principal Public/Private Employers:						
Williamsburg-James City County						
Public Schools	1000+	1	7.30%	1000+	2	6.48%
Busch Entertainment (1)	1000+	2	**	1000+	1	11.76%
Wal-Mart Distribution Center	500-999	3	4.59%	500-999	5	1.77%
James City County	500-999	4	3.96%	500-999	4	2.19%
Riverside Regional Medical Center	500-999	5	2.47%			
Eastern State Hospital	500-999	6	2.39%	500-999	3	2.76%
Anheuser-Busch Inbev	500-999	7	2.10%	500-999	7	1.49%
Owens & Minor/AVID	500-999	8	1.39%			
Williamsburg Landing	500-999	9	1.25%	250-499	10	0.94%
Greystone of Lincoln	250-499	10	0.84%			
Jamestown-Yorktown Foundation				250-499	9	1.16%
Kingsmill Resort & Spa				500-999	6	1.56%
Avid Medical				250-499	8	1.27%
Total			26.29%			31.38%

Source: Economic Development, James City County and Virginia Employment Commission

** Busch Entertainment became publicly traded during Fiscal Year 2013, and information is not available.

Table 25

WILLIAMSBURG-JAMES CITY COUNTY PUBLIC SCHOOLS
 (Component Unit of James City County, Virginia)

Principal Employers in the City of Williamsburg
 Current Year and Nine Years Ago

Employer	2021			2012		
	Employees ¹	Rank	Percentage of total City employment	Employees ¹	Rank	Percentage of total City employment
College of William & Mary	1,000+	1	27.52%	1,000+	1	22.56%
Colonial Williamsburg Foundation	1,000+	2	9.44%	1,000+	2	9.70%
Colonial Williamsburg Company	500 to 999	3	4.13%	1,000+	3	6.56%
Sodexo	250 to 499	4	3.69%			
Riverside Doctors' Hospital	250 to 499	5	2.86%			
City of Williamsburg	250 to 499	6	2.01%	250 to 499	6	1.61%
National Center for State Courts	250 to 499	7	1.41%	100 to 249	9	0.62%
W-JCC Schools	100 to 249	8	1.36%	250 to 499	4	1.93%
Walsingham Academy	100 to 249	9	1.08%	100 to 249	8	0.62%
Harris Teeter Supermarket	50 to 99	10	1.06%			
Red Lobster & The Olive Garden				100 to 249	7	0.62%
Aramark				250 to 499	5	1.67%
Outback Steakhouse				50 to 99	10	0.31%

¹ Includes part-time and seasonal employees

Table 26

WILLIAMSBURG-JAMES CITY COUNTY PUBLIC SCHOOLS
(Component Unit of James City County, Virginia)

Population and Personal Income for James City County

Last Ten Calendar Years

Calendar year	Population ¹	Personal income ²	Per Capita personal income ²	Unemployment Percentage
2021	78,254 \$	**	**	**
2020	77,202	6,341,149,000	68,279	10.3%
2019	76,211	5,986,893,000	65,176	2.7%
2018	75,776	5,763,759,000	63,189	2.9%
2017	74,795	5,646,096,000	62,350	3.8%
2016	73,767	5,344,090,000	59,632	4.1%
2015	72,682	5,160,028,000	58,504	4.3%
2014	71,254	4,954,338,000	56,960	4.9%
2013	70,376	4,745,679,000	55,550	5.3%
2012	69,451	4,703,429,000	55,990	5.7%

(1) Planning Division, supplemented by data from Virginia Employment Commission

(2) Data from the Bureau of Economic Analysis, and has combined data for James City County and the City of Williamsburg

** Statistics not yet available

Table 27

WILLIAMSBURG-JAMES CITY COUNTY PUBLIC SCHOOLS

(Component Unit of James City County, Virginia)

Ratios of Outstanding Debt by Type for James City County and the City of Williamsburg

Last Ten Fiscal Years

City of Williamsburg:

Fiscal year	Governmental Activities		Business-type Activities		Debt per Capita	Debt as Percentage of Personal Income
	General Obligation Bonds	Notes Payable	General Obligation Bonds	Total Primary Government		
2021	\$ 16,281,320	\$ —	\$ 3,343,471	\$ 19,624,791	\$ 1,272	0.3%
2020	17,243,961	—	3,764,931	21,008,892	1,366	0.3%
2019	18,256,137	—	4,412,553	22,668,690	1,493	0.4%
2018	19,235,458	—	5,033,028	24,268,486	1,598	0.4%
2017	7,118,840	—	5,526,750	12,645,590	821	0.2%
2016	8,193,018	—	6,184,269	14,377,287	932	0.3%
2015	9,241,038	—	6,819,945	16,060,983	1,081	0.3%
2014	10,270,795	—	7,446,884	17,717,679	1,176	0.4%
2013	5,997,390	—	8,051,980	14,049,370	943	0.3%
2012	6,796,767	—	8,643,971	15,440,738	1,065	0.3%

James City County

Fiscal year	Governmental Activities		Business-type Activities		Net Bonded Debt per Capita	Debt as Percentage of Personal Income
	General Obligation Bonds	Other Debt	Revenue Bonds	Total Primary Government		
2021	\$ 25,252,504	\$ 91,774,279	\$ -	\$ 117,026,783	\$ 323	**
2020	29,479,003	103,114,438	-	132,593,441	382	47.82%
2019	33,966,163	114,330,773	21,906,388	170,203,324	430	35.17%
2018	38,348,323	112,253,125	22,600,295	173,201,743	490	33.28%
2017	44,155,482	124,051,034	23,269,202	191,475,718	496	29.49%
2016	49,844,842	131,180,008	24,118,109	205,142,959	582	26.05%
2015	65,458,589	104,462,833	24,115,000	194,036,422	669	26.59%
2014	72,164,244	115,400,528	24,660,000	212,224,772	878	23.34%
2013	80,004,294	124,132,854	25,185,000	229,322,148	984	20.69%
2012	86,134,103	113,707,074	32,938,174	232,779,351	1,110	20.21%

** Income statistics not yet available

Table 28

WILLIAMSBURG-JAMES CITY COUNTY PUBLIC SCHOOLS
 (Component Unit of James City County, Virginia)

General Statistical Information on the Transportation Program

Last Ten Fiscal Years

Fiscal year	Number of school buses	Number of mechanics	Total miles driven
2021	160	6	780,639
2020	160	6	1,748,212
2019	160	6	2,441,057
2018	155	6	2,548,105
2017	155	6	2,548,000
2016	155	6	2,574,194
2015	154	6	2,394,608
2014	154	6	2,438,163
2013	155	6	2,530,583
2012	155	6	2,607,890

Source: Statistics maintained in School Division's Transportation Department and used for both internal and external reporting purposes

Fiscal Year 2021 miles driven is down due to COVID-19

Table 29

WILLIAMSBURG-JAMES CITY COUNTY PUBLIC SCHOOLS
 (Component Unit of James City County, Virginia)
 Full-time-Equivalent District Employees by Type
 Last Ten Fiscal Years

	Full-Time Equivalent Employees as of June 30									
	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
Administration										
Superintendent	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
Assistant Superintendent for Administrative Services	—	—	—	—	—	—	—	—	—	1.00
Chief Financial Officer	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	—
Comptroller	—	—	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
Director of Finance	1.00	1.00	—	—	—	—	—	—	—	—
Senior Director for Human Resources	—	—	—	—	—	—	1.00	1.00	1.00	1.00
Senior Director of Organizational Development	1.00	1.00	1.00	1.00	1.00	1.00	—	—	—	—
Human Resources Supervisor	—	—	—	—	—	—	1.00	1.00	1.00	1.00
Human Resources Directors	2.00	2.00	2.00	2.00	2.00	2.00	—	—	—	—
Human Resources Coordinators	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00
Benefits Coordinator	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
Human Resources Specialist	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	1.00	1.00
Accountant	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
Assistant Accountant	—	1.00	1.00	—	—	—	—	—	—	—
Sr. Director of Public Relations & Community Engagement	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	—
Communications Specialist	—	—	—	—	—	—	—	—	—	1.00
Clerical	10.50	12.50	12.50	10.50	10.50	10.00	9.00	9.50	9.50	9.50
Total Administration	23.50	26.50	26.50	23.50	23.50	23.00	21.00	21.50	20.50	20.50
Instruction										
Assistant Superintendent	2.00	2.00	2.00	—	—	—	—	—	—	1.00
Deputy Superintendent	—	—	—	1.00	1.00	1.00	1.00	1.00	1.00	—
Senior Director for Elementary Education	—	—	—	—	—	—	—	—	—	1.00
Senior Director, Student Svcs	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
Senior Director for Accountability, Quality & Innovation	—	—	—	—	—	—	1.00	1.00	1.00	—
Senior Director, Curriculum & Instruction	—	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	—
Director of Education	0.70	—	—	—	—	—	—	—	—	—
Director of Special Programs	—	—	—	1.00	1.00	1.00	—	—	—	—
Supervisor for Accountability & Assessment	—	—	—	—	—	—	1.00	1.00	0.50	0.50
Curriculum Coordinators	12.90	12.90	11.40	10.40	10.05	10.05	9.90	6.75	4.75	4.75
Senior Director for Multicultural Services	—	—	—	—	—	—	—	—	—	1.00
Secondary Math Coach	1.00	1.00	—	—	—	—	—	—	—	—
Literacy Coach	1.00	—	—	—	—	—	—	—	—	—
Career Coach	1.00	—	—	—	—	—	—	—	—	—
Coordinator for Multicultural Education	—	—	1.00	1.00	1.00	1.00	1.00	1.00	1.00	—
Supervisors for Instruction	1.00	1.00	1.00	1.00	1.00	1.00	1.19	4.30	4.30	4.30
Hearing Officer	—	—	—	—	—	—	1.00	1.00	1.00	1.00
Supervisor, Student Services	1.00	1.00	1.00	1.00	1.00	1.00	—	—	—	—
Special Education Parent Resource Coordinator	—	—	—	—	—	—	—	—	—	1.00
Coordinator, Student Interventions	1.00	1.00	1.00	1.00	1.00	—	—	—	—	—
Coordinator, Family Engagement	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	—
ELL Outreach Specialist	0.50	—	—	—	—	—	—	—	—	—
Principals	16.00	16.00	16.00	16.00	15.00	15.00	15.00	15.00	15.00	15.00
Assistant Principals	23.00	23.00	19.00	19.00	19.00	19.00	19.00	19.00	18.00	18.00
Principal for Preschool Instruction	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
Guidance Counselors	35.50	35.00	30.00	28.00	28.00	28.00	28.00	28.00	28.00	28.00
Librarians	19.00	19.00	19.00	18.00	18.00	18.00	18.00	18.00	18.00	18.00
Classroom Teachers	666.33	677.33	677.53	661.53	655.53	641.03	633.03	615.00	608.50	620.84
Preschool Teachers	35.00	35.00	33.00	33.00	33.00	31.00	30.00	30.00	30.00	32.00
Preschool Instructional Specialist	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
Special Education Teachers	106.00	105.00	100.00	96.00	92.00	93.00	91.00	91.00	95.00	95.00
Coordinator for Special Education	2.00	—	—	—	—	—	—	—	—	1.00
Educational Diagnostician	—	—	—	—	—	—	—	—	—	2.00
Instructional Specialist for Special Education	4.00	6.00	6.00	6.00	6.00	5.00	4.00	4.00	4.00	2.00
Assistive Technology Specialist	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
Behaviour Intervention Specialist	1.00	1.00	1.00	—	—	—	—	—	—	—
Career and Technical Teachers	17.67	17.67	17.67	17.67	17.67	16.67	16.67	17.50	20.00	17.66
Gifted and Talented Teachers	15.00	15.00	14.50	13.50	13.50	13.00	13.00	13.00	16.00	16.00
Coordinator for Adult Education	—	—	—	—	—	—	—	—	1.00	1.00
Adult Education Teachers	2.00	2.00	2.00	2.00	2.00	2.00	2.00	3.00	3.00	3.00
Athletic Directors	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00
Athletic Trainers	3.00	3.00	3.00	3.00	3.00	3.00	3.00	—	—	—
Teacher Assistants	211.96	217.96	215.96	213.71	211.71	209.71	208.71	208.71	210.71	229.39
Social Workers	7.00	7.00	7.00	7.00	7.00	7.00	7.00	7.00	7.00	7.00
Interpreters	4.50	2.50	2.00	2.00	2.00	2.00	2.00	2.00	3.00	4.00
Records Management Specialist	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
Clerical	81.00	81.00	81.00	79.00	78.50	78.50	78.50	78.50	79.00	83.00
Total Instruction	1,281.06	1,292.36	1,272.06	1,241.81	1,227.96	1,206.96	1,195.00	1,175.76	1,179.76	1,215.44

Table 29

WILLIAMSBURG-JAMES CITY COUNTY PUBLIC SCHOOLS
(Component Unit of James City County, Virginia)
Full-time-Equivalent District Employees by Type
Last Ten Fiscal Years

	Full-Time Equivalent Employees as of June 30									
	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
Attendance and Health Services										
Supervisor, Health Services	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
Nurses	18.38	18.38	18.38	17.38	17.38	17.38	16.38	16.27	16.27	16.27
Psychologists	7.00	7.00	7.00	7.00	7.00	7.00	7.00	7.00	7.00	7.00
Occupational Therapists	10.00	10.00	9.50	9.50	9.50	9.50	9.50	9.50	9.50	9.00
Physical Therapists	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00	2.00
Speech Therapists	17.69	17.69	16.69	16.69	16.69	16.69	16.69	16.69	16.69	15.62
Clinic Assistants	—	—	—	—	—	—	—	—	—	5.00
Clerical	—	—	—	—	—	—	—	—	1.00	1.00
Total Attendance & Health Svcs	57.07	57.07	55.57	54.57	54.57	54.57	53.57	53.46	54.46	56.89
Pupil Transportation										
Director of Transportation	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
Coordinators	3.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00
Technicians	5.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00	4.00	4.00
Clerical	3.00	5.00	5.00	5.00	5.00	5.00	4.00	4.00	3.00	4.00
Bus Drivers	96.93	106.93	106.93	101.93	101.93	98.13	98.13	97.80	97.80	99.60
Bus Aides	37.54	37.54	37.54	35.54	35.54	31.94	31.94	28.00	28.00	29.00
Mechanics	6.00	7.00	7.00	7.00	7.00	7.00	7.00	7.00	7.00	7.00
Total Pupil Transportation	152.47	162.47	162.47	155.47	155.47	148.07	147.07	142.80	142.80	146.60
Operations and Maintenance										
Senior Director, Operations	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
Energy Manager	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
Facilities Coordinator	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
Trades	19.00	19.00	19.00	17.00	17.00	15.00	15.00	15.00	15.00	14.00
Security Guards	11.00	11.00	9.00	9.00	9.00	9.00	9.00	9.00	9.00	9.00
Groundsworkers	1.00	2.00	3.00	3.00	3.00	4.00	4.00	5.00	5.00	5.00
Clerical	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00
Custodians	88.31	88.31	88.31	87.31	87.31	87.31	85.81	85.81	84.81	84.81
Total Operations & Maintenance	125.31	126.31	125.31	122.31	122.31	121.31	119.81	120.81	119.81	118.81
Technology										
Director, Technology	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
Coordinator, Technology	1.00	1.00	1.00	1.00	1.00	—	—	—	—	—
Supervisor, Media/Technology	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
ITRT Integration Specialist	12.00	12.00	12.00	11.00	11.00	12.00	12.00	12.00	12.00	12.00
LAN Administrator	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
Inter-network Administrator	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
Network Specialists	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
Programmer/Analyst	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
Database Administrator	2.00	2.00	2.00	2.00	2.00	2.00	—	—	—	—
Computer Repair Technicians	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00
Communications & Digital Design Specialist	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	—
Webmaster	—	—	—	—	—	—	—	—	—	1.00
Technology Teachers	9.00	9.00	9.00	9.00	9.00	9.00	9.00	9.00	9.00	9.00
Technology Support	16.00	16.00	16.00	14.00	14.00	13.00	15.00	14.00	13.00	12.00
Clerical	1.00	1.00	1.00	2.00	2.00	1.50	1.00	1.00	1.00	1.00
Total Technology	51.00	51.00	51.00	49.00	49.00	47.50	47.00	46.00	45.00	44.00
Total Operating Fund	1,690.41	1,715.71	1,692.91	1,646.66	1,632.81	1,601.41	1,583.45	1,560.33	1,562.33	1,602.24
Federal Grants*	43.23	41.93	43.23	43.23	43.58	38.41	37.67	40.96	42.04	43.78
State Grants*	8.39	8.39	8.39	8.39	8.39	10.10	8.86	7.43	8.45	7.79
Other Grants*	6.00	6.00	6.00	6.00	6.00	6.00	6.00	5.86	8.00	6.57
State Operated Programs	10.50	11.50	11.50	11.50	11.50	11.00	11.57	11.50	11.00	11.00
Child Nutrition Services Fund	67.63	67.63	67.13	62.44	62.44	62.44	62.44	62.44	62.44	62.44
Total All Funds	1,826.16	1,851.16	1,829.16	1,778.22	1,764.72	1,729.36	1,709.99	1,688.52	1,694.26	1,733.82

Source: Nonfinancial information from district records.

Note (*): Positions in the grants may fluctuate due to changes in approved funding levels or modifications to the grant as approved by the granting agency after the budget has been adopted and appropriated.

Table 30

WILLIAMSBURG-JAMES CITY COUNTY PUBLIC SCHOOLS

Schedule of Insurance Program Coverages

For the Year ended June 30, 2021

Insurance Company/Carrier - Virginia Association of Counties (VaCo)

Coverage	Limits	Deductibles
A. Property		\$ 5,000/5,000/25,000
Valuation:		
Buildings Contents - Replacement Cost, unless otherwise noted		
Inland Marine & Computers - Functional Replacement cost up to contract limits if 100% replacement cost values are reported, otherwise Actual Cash Value		
Flood (outside 100-year flood plain) and Earthquake up to contract limits		
Business Interruption/Extra Expense	\$ 8,100,000	
Property in Transit	5,000,000	
Increased Cost of Construction/Ordinance Demolition	20,000,000	
Back-up of Sewers and Drains	10,000,000	
Debris removal	25,000,000	
Pollutant clean-up and removal	500,000	
Utility Services Time Element	5,000,000	
Newly acquired locations (per occurrence up to 120 days)	25,000,000	
Boiler/Equipment Breakdown	50,000,000	
B. General Liability		—
Bodily injury and property damage	2,000,000	
Personal injury and advertising	2,000,000	
Products and completed operations	2,000,000	
Fire legal liability	5,000,000	
Employee benefits liability	2,000,000	
Premise medical payments	5,000 per person/10,000 per accident	
Broad form property damage	100,000	
Property in the care, custody, and control	100,000	
C. Automobile Liability (Liability/Comprehensive/Collision)		-/1,000/1,000
Bodily injury and property damage	2,000,000	
Non-owned liability	1,000,000	
Medical payments	5,000	
Automobile physical damage	Actual cash value or cost of repairs, less deductible	
Uninsured/underinsured motorists	Statutory	

Table 30

Coverage	Limits	Deductibles
<u>D. School Leaders Liability</u>		\$ 5,000
Wrongful act per occurrence	\$ 6,000,000	
Annual contract aggregate	6,000,000	
<u>E. Crime</u>		250
Employee dishonesty, faithful performance	500,000	
Broad form monies and securities-inside/outside	500,000	
Money orders, counterfeit, depositors forgery	500,000	
<u>F. Cyber Risk</u>		—
Limit of liability (\$5,000,000 Pool Aggregate)	500,000	
<u>G. Environmental Liability</u>		25,000
Each incident and aggregate (\$2,000,000 Pool Aggregate)	1,000,000	
<u>H. Workers' Compensation</u>		—
Coverage A	Statutory	
Coverage B	1,000,000	
Health insurance	Carrier - Commonwealth of Virginia's The Local Choice Program	
Dental insurance (stand-alone)	Carrier - Delta Dental of Virginia	

Source: Williamsburg-James City County Public Schools, Finance Department

WILLIAMSBURG-JAMES CITY COUNTY PUBLIC SCHOOLS
 (Component Unit of James City County, Virginia)

Operating Statistics

Last Ten Fiscal Years

Fiscal year	March Average Daily Membership*	Operating Expenditures*	Cost per Pupil	Percentage Change	Expenses*
2021	10,730	\$ 150,789,352	\$ 14,052	3.15%	\$ 157,412,818
2020	11,456	146,178,725	12,759	1.34%	151,174,272
2019	11,429	144,246,754	12,621	5.24%	142,915,783
2018	11,421	137,063,358	12,001	1.86%	138,180,335
2017	11,470	134,554,353	11,731	3.26%	140,225,705
2016	11,246	130,300,881	11,586	0.91%	132,425,464
2015	11,061	129,129,762	11,674	5.76%	132,185,615
2014	10,954	122,098,712	11,146	2.44%	126,349,097
2013	10,715	119,187,582	11,123	0.13%	123,064,717
2012	10,602	119,034,045	11,228	0.82%	122,551,197

Notes:

Operating expenditures are total expenditures less debt service and capital outlays.

(*) Operating expenditures and expenses include pre-K expenditures/expenses; March average daily membership does not include pre-K students.

Source:

Operating expenditure amounts extracted from Exhibit 4 and Expenses from Exhibit 2 of the respective Annual Financial Report.

Table 31

Fiscal Year	Cost per Pupil	Percentage Change	Teaching Staff	Pupil-Teacher Ratio
2021	\$ 14,670	4.13%	666.33	16.1
2020	13,196	5.78%	677.33	16.9
2019	12,505	3.43%	677.53	16.9
2018	12,099	-1.46%	661.53	17.3
2017	12,225	5.89%	655.53	17.5
2016	11,775	0.18%	641.03	17.5
2015	11,951	4.62%	633.03	17.5
2014	11,535	2.67%	615.00	17.8
2013	11,485	0.42%	608.50	17.6
2012	11,559	0.79%	620.84	17.1

Table 32

WILLIAMSBURG-JAMES CITY COUNTY PUBLIC SCHOOLS
(Component Unit of James City County, Virginia)

Adopted Teacher Salary Schedule
For the Year ended June 30, 2021

Step	Bachelor's Degree	Master's Degree	Master's Plus 30	Doctoral Degree
0	\$ 45,269	\$ 46,792	\$ 48,314	\$ 49,837
1	45,722	47,119	48,797	50,235
2	45,950	47,355	49,041	50,592
3	46,180	47,591	49,286	51,098
4	46,596	47,972	49,730	51,609
5	47,015	48,356	50,177	52,125
6	47,250	48,839	50,629	52,646
7	47,751	49,426	51,140	53,173
8	48,233	49,920	51,652	53,704
9	48,716	50,419	52,168	54,241
10	49,203	50,923	52,690	54,784
11	49,695	51,432	53,217	55,332
12	50,192	51,947	53,749	55,885
13	50,694	52,466	54,287	56,444
14	51,201	52,991	54,829	57,008
15	51,713	53,521	55,378	57,578
16	52,230	54,056	55,932	58,154
17	52,778	54,597	56,491	58,736
18	53,306	55,197	57,056	59,499
19	54,105	56,577	57,912	60,868
20	55,458	57,991	59,359	62,389
21	56,845	59,441	60,843	63,949
22	58,266	60,927	62,364	65,548
23	59,722	62,450	63,924	67,186
24	61,215	64,012	65,522	68,866
25	62,746	65,612	67,160	70,588
26	64,565	67,252	68,839	72,352
27	66,205	68,127	69,802	73,293
28	66,205	69,012	70,710	74,246
29	66,205	70,738	72,407	76,028
30	66,205	72,435	74,145	77,852
31	66,205	74,246	75,924	79,721
32	66,205	75,360	77,063	80,917
33	66,205	76,113	77,988	81,888
34	66,205	76,875	78,768	82,707
35	66,205	77,974	79,870	83,534
36	66,205	77,974	81,068	84,369
37	66,205	77,974	82,276	85,213
Number of Teachers:	287	530	101	11
% in each lane:	30.89%	57.05%	10.87%	1.18%

* Positions included on this schedule are teachers, librarians, guidance counselors, social workers, instructional technology resource teachers, math specialists, reading specialists, and grandfathered position(s) converted to student advancement coach.

**INDEPENDENT AUDITOR’S REPORT ON INTERNAL CONTROL OVER
FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS
BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN
ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS***

To the Honorable Members of the School Board
Williamsburg - James City County Public Schools
Williamsburg, Virginia

We have audited, in accordance with the 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 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, each major fund, and the aggregate remaining fund information of the Williamsburg - James City County Public Schools, a component unit of the County of James City, Virginia, as of and for the year ended June 30, 2021, and the related notes to the financial statements, which collectively comprise the Williamsburg - James City County Public Schools’ basic financial statements, and have issued our report thereon dated November 23, 2021.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Williamsburg - James City County Public Schools’ internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Williamsburg - James City County Public Schools’ internal control. Accordingly, we do not express an opinion on the effectiveness of the Williamsburg - James City County Public Schools’ internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity’s financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or, significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Williamsburg - James City County Public Schools' financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Brown, Edwards & Company, L.L.P.
CERTIFIED PUBLIC ACCOUNTANTS

Newport News, Virginia
November 23, 2021

**WILLIAMSBURG - JAMES CITY COUNTY PUBLIC SCHOOLS
(Component Unit of James City County, Virginia)**

**SUMMARY OF COMPLIANCE MATTERS
June 30, 2021**

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 Williamsburg - James City County Public Schools' 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 Investments
- Local Retirement Systems
- Uniform Disposition of Unclaimed Property Act
- Conflicts of Interest Act
- Procurement Laws
- Reporting

State Agency Requirements

- Education

WILLIAMSBURG - JAMES CITY COUNTY PUBLIC SCHOOLS
(Component Unit of James City County, Virginia)

SCHEDULE OF FINDINGS AND RESPONSES
June 30, 2021

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 were disclosed.

**WILLIAMSBURG - JAMES CITY COUNTY PUBLIC SCHOOLS
(Component Unit of James City County, Virginia)**

**SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
June 30, 2021**

1. There were no findings in the audit report, dated December 1, 2020, for the year ended June 30, 2020, issued by Brown Edwards & Company, LLP.

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