

# City of Williamsburg, Virginia



## Annual Comprehensive Financial Report For the Year Ended June 30, 2022



**CITY OF WILLIAMSBURG, VIRGINIA**

**ANNUAL COMPREHENSIVE FINANCIAL REPORT**

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

**PREPARED BY:**

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Department of Finance

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CITY OF WILLIAMSBURG, VIRGINIA  
ANNUAL COMPREHENSIVE FINANCIAL REPORT  
FOR THE YEAR ENDED JUNE 30, 2022

TABLE OF CONTENTS

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	<u>Page</u>
<b><u>Introductory Section</u></b>	
Letter of Transmittal	i-viii
GFOA Certificate of Achievement	ix
Organizational Chart	x
List of Elected and Appointed Officials	xi
<b><u>Financial Section</u></b>	
Independent Auditors' Report	1-3
Management's Discussion and Analysis	4-20
<i>Basic Financial Statements</i>	
<i>Government-wide Financial Statements:</i>	
Exhibit 1 Statement of Net Position	21-22
Exhibit 2 Statement of Activities	23-24
<i>Fund Financial Statements:</i>	
Exhibit 3 Balance Sheet - Governmental Funds	25
Exhibit 4 Reconciliation of the Balance Sheet of Governmental Funds to the Statement of Net Position	26
Exhibit 5 Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds	27
Exhibit 6 Reconciliation of Statement of Revenues, Expenditures and Changes in Fund Balances of Governmental Funds to the Statement of Activities	28
Exhibit 7 Statement of Net Position - Proprietary Funds	29-30
Exhibit 8 Statement of Revenues, Expenses and Changes in Net Position - Proprietary Funds	31
Exhibit 9 Statement of Cash Flows - Proprietary Funds	32
Exhibit 10 Statement of Fiduciary Net Position - Fiduciary Funds	33
Exhibit 11 Statement of Changes in Fiduciary Net Position - Fiduciary Funds	34
Notes to Financial Statements	35-84

**CITY OF WILLIAMSBURG, VIRGINIA**  
**ANNUAL COMPREHENSIVE FINANCIAL REPORT**  
**FOR THE YEAR ENDED JUNE 30, 2022**

**TABLE OF CONTENTS**

<b><u>Financial Section (Continued)</u></b>	<b><u>Page</u></b>
<b><u>Required Supplementary Information:</u></b>	
Exhibit 12 Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual - General Fund	85
Exhibit 13 Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual - Tourism Fund	86
Exhibit 14 Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual - American Rescue Plan Fund	87
Exhibit 15 Schedule of Changes in Net Pension Liability and Related Related Ratios	88-89
Exhibit 16 Schedule of Employer Contributions - Pension Plan	90
Exhibit 17 Notes to Required Supplementary Information - Pension Plan	91
Exhibit 18 Schedule of City's Share of Net OPEB Liability - Group Life Insurance (GLI) Plan	92
Exhibit 19 Schedule of Employer Contributions - Group Life Insurance (GLI) Plan	93
Exhibit 20 Notes to Required Supplementary Information - Group Life Insurance (GLI) Plan	94
Exhibit 21 Schedule of Employer's Share of Net LODA OPEB Liability - Line of Duty Act (LODA) Program	95
Exhibit 22 Schedule of Employer Contributions - Line of Duty Act (LODA) Program	96
Exhibit 23 Notes to Required Supplementary Information-- Line of Duty Act (LODA) Program	97
<b><u>Other Supplementary Information:</u></b>	
Exhibit 24 Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual - Capital Projects Fund	98
Exhibit 25 Combining Balance Sheet - Nonmajor Special Revenue Funds	99
Exhibit 26 Combining Statement of Revenues, Expenditures, and Changes in Fund Balances - Nonmajor Special Revenue Funds	100
Exhibit 27 Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual - Nonmajor Special Revenue Funds	101-102
Exhibit 28 Combining Statement of Fiduciary Net Position - Fiduciary Funds	103
Exhibit 29 Combining Statement of Changes in Fiduciary Net Position - Fiduciary Funds	104-105
<b><u>Supporting Schedules:</u></b>	
Schedule 1 Schedule of Revenues - Budget and Actual - Governmental Funds	106-109
Schedule 2 Schedule of Expenditures - Budget and Actual - Governmental Funds	110-113

CITY OF WILLIAMSBURG, VIRGINIA  
ANNUAL COMPREHENSIVE FINANCIAL REPORT  
FOR THE YEAR ENDED JUNE 30, 2022

TABLE OF CONTENTS

<u>Statistical Section</u>	<u>Page</u>
Table 1 Net Position by Component	114-115
Table 2 Changes in Net Position	116-119
Table 3 Fund Balances of Governmental Funds	120-121
Table 4 Changes in Fund Balances of Governmental Funds	122-123
Table 5 Tax Revenues by Source, Governmental Funds	124-125
Table 6 Assessed Value and Estimated Actual Value of Taxable Property	126
Table 7 Direct Tax Rates	127
Table 8 Principal Real Estate Property Taxpayers	128
Table 9 Property Tax Levies and Collections	129
Table 10 Ratios of Outstanding Debt by Type	130
Table 11 Ratios of General Bonded Debt Outstanding	131
Table 12 Legal Debt Margin Information	132
Table 13 Demographic and Economic Statistics	133
Table 14 Principal Employers	134
Table 15 Full-time Equivalent City Employees by Function/Program	135
Table 16 Operating Indicators by Function/Program	136
Table 17 Capital Asset Statistics by Function	137
 <u>Compliance Section</u>	
Independent Auditors' Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with <i>Government Auditing Standards</i>	138-139
Independent Auditors' Report on Compliance for Each Major Program and on Internal Control over Compliance Required by the Uniform Guidance	140-142
Schedule of Expenditures of Federal Awards	143-144
Notes to Schedule of Expenditures of Federal Awards	145
Schedule of Findings and Questioned Costs	146
Summary Schedule of Prior Audit Findings	147

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## *INTRODUCTORY SECTION*

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## CITY OF WILLIAMSBURG

### *Department of Finance*

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November 22, 2022

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

The Annual Comprehensive Financial Report (ACFR) of the City of Williamsburg, Virginia, for the fiscal year ending June 30, 2022, is hereby submitted. The City is required by the *Code of Virginia*, Section 15.2-2511, to publish at the close of each fiscal year a complete set of financial statements in conformity with accounting principles generally accepted in the United States of America (GAAP) and audited in accordance with *Government Auditing Standards* by an independent firm of certified public accountants. The Department of Finance has prepared this report in accordance with all governmental accounting and financial reporting standards as prescribed by the Governmental Accounting Standards Board (GASB), the Financial Accounting Standards Board (FASB), where applicable, and the Commonwealth of Virginia's Auditor of Public Accounts (APA).

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

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

#### **Independent Audit**

The City's financial statements have been audited by the independent auditing firm Robinson, Farmer, Cox Associates. The goal of the independent audit was to provide reasonable assurance that the financial statements of the City for the fiscal year ended June 30, 2022, are free of material misstatement. The independent audit involved examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, and evaluating the overall financial statement presentation. The independent auditor concluded, based upon the audit, that there was a reasonable basis for rendering an unmodified opinion that the City of Williamsburg's financial statements for the fiscal year ended June 30, 2022, are fairly presented in conformity with accounting principles generally accepted in the United States of America (GAAP). The independent auditor's report is presented as the first component of the financial section of this report.

The independent audit of the financial statements of the City was part of a broader, federally mandated "Single Audit" designed to meet the special needs of federal grantor agencies. The standards governing Single Audit engagements require the independent auditor to report not only on the fair presentation of the financial statements but also on the City's compliance with the financial and administrative requirements applicable to each of the City's major federal programs. These reports are available in the Compliance Section of this report.



## **Profile of the City**

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

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

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

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

The City provides education jointly by contract with neighboring James City County for both localities through the Williamsburg-James City County Public Schools (W-JCC Schools). This strong partnership between the City and County governments has served the K-12 education needs of the jurisdictions for over 50 years. FY 2018 marked the first year of a restated five-year contract for operating and capital funding of the joint School system for fiscal years 2018 through 2022. A new contract was signed in May 2022 for the next five years, effective July 1, 2022, for FY 2022 to FY 2027. The contract essentially covers board membership, operational and capital funding allocations, use of School surplus operating and capital funds, and equity interest in School property.

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

### **Budget Process**

The annual budget serves as the foundation for the City's financial planning and control. The budget process incorporates City Council's strategic plan, "Biennial Goals, Initiatives, and Outcomes," and defines,



communicates, and funds the City's programs and priorities. The completed budget is City Council's road map and a primary management tool for the City Manager and Department Heads. The annual Budget Guide is a formal call for all departments of the City, and agencies associated with it, to prepare and submit an estimate of the resources required for the next fiscal year. It includes a set of procedures for building a comprehensive budget for the City Manager to present to the City Council each year. City Council is required to hold public hearings on the proposed budget and tax rates and to adopt a final budget resolution no later than June 30. Budget-to-actual comparisons are provided in this report for each governmental fund for which an appropriated annual budget has been adopted. For the general fund, this comparison is presented as part of the required supplementary information other than management's discussion and analysis under the combining and individual funds tab of the report.

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

## **Factors Affecting Financial Condition**

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

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

The economy of the City of Williamsburg is driven by tourism and education. Tourism – including major attractions and the hospitality industry – continues to provide the most significant source of the tax base for the city government. Within the city limits are 29 hotels/motels with approximately 2,960 rooms, 14 operating beds and breakfasts with approximately 60 rooms, and three timeshares. There are also 156 eating establishments, including one meadery (a winery that produces honey wines and meads, a historic drink), two breweries, one distillery, sixteen food trucks, and one wine-tasting room.

The lynchpin of tourism is the Colonial Williamsburg Foundation, which operates the nation's most extensive living history museum. Encompassing 589 restored or reconstructed buildings and employing approximately 1,600, the Foundation interprets the 18<sup>th</sup>-century history of America in Virginia's colonial capital. Other nearby attractions not located in the City include Jamestown (site of the first permanent English settlement in 1607), Yorktown (site of Washington's victory over Cornwallis in the Revolutionary War), Great Wolf Lodge and Busch Gardens and Water Country USA, amusement parks. Next to tourism, higher education drives the Williamsburg economy. William & Mary, located within the City, is the nation's second-oldest University. The University owns 22.6% of the land area of the City, currently enrolls 9,517 graduate and undergraduate students, and employs approximately 3,000 faculty and staff.

As with the rest of the nation, the City's tourism and hospitality industry was significantly impacted by the COVID-19 pandemic, but significant progress toward recovery was occurring in FY 2022. The annual average unemployment rate for the calendar year 2021 was 4.9% for the City of Williamsburg, 3.9% for the Commonwealth of Virginia, and 5.3% for the United States as a whole. The June 2022 unemployment rate was significantly lower as vaccinations and re-openings spurred the economy, with a 4.4% unemployment rate for Williamsburg, 3% for the Commonwealth of Virginia, and 3.8% for the USA. The estimated median income for 2021 per the United States Census Bureau American Community Survey was \$80,963 for the Commonwealth of Virginia and \$69,717 for the United States.

The City was allocated \$18.4 million from the American Rescue Plan Act (ARPA) funds with a receipt of \$10.7 million at the end of FY 2022, with the remaining \$7.7 to be received in FY 2023. The City used the ARPA funding to cover lost revenue. In addition, the City received allocations from the Commonwealth of Virginia's ARPA funding for aid to utility ratepayers and aid to the tourism industry. In FY 2022, the total received for utility ratepayers' municipal relief assistance was \$51.9 thousand, and the Commonwealth approved a \$670 thousand spending plan of the allocation for aid to the tourism industry to be received when the funds are spent in FY 2023 and FY 2024.



Historically, the City's most significant revenue streams in the General Fund have been real estate taxes, personal property taxes, meal taxes, lodging taxes, and State revenues. Since 2017, these five classes of revenue have made up 75-80% of total General Fund revenue, as follows:

	<b>% of Total Revenues **</b>	<b>% of Total Revenues</b>
	<b>FY 2022</b>	<b>Average FY 2017 – FY 2021</b>
Current Real Estate*	34%	31%
Current Personnel Property*	8%	8%
Meals Taxes	19%	18%
Lodging Taxes	9%	8%
Revenue from State	6%	10%
<b>Total</b>	<b>76%</b>	<b>75%</b>

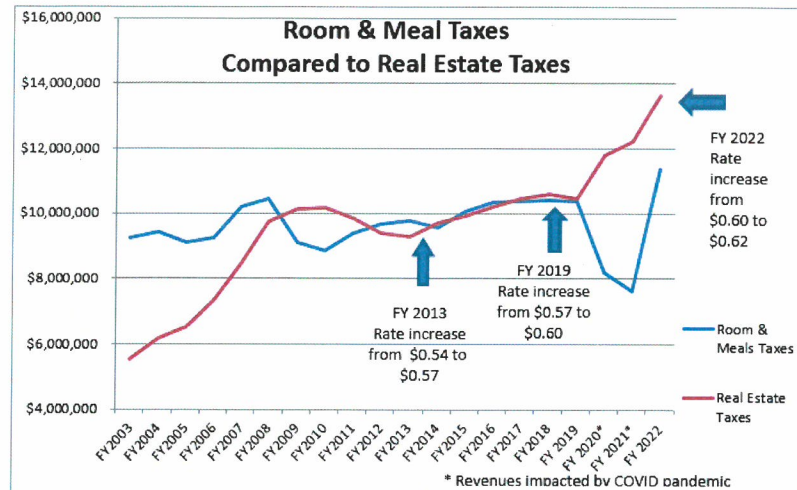
\*Includes public service corporation taxes

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

The City of Williamsburg takes pride in providing a high level of public services to its residents at a reasonable cost. The real estate tax rate of 64¢ per \$100 of assessed value continues to be the lowest city tax rate in Virginia. Real estate taxable assessed values increased by 4.5% (including new construction) compared with the FY 2021 assessed values. Residential real estate assessments for FY 2022, on average, increased by 2.5%, while the average commercial real estate assessments increased by 2.4% (including new construction). The 2021 increase brought the cumulative increases and decreases from FY 2012 to a cumulative increase of 23.84%. The increased revenue was primarily used to invest in Public Safety personnel. City staff continues to monitor the real estate assessment to sales ratio each month by closely tracking sales activity. The ratio is important in analyzing neighborhood sales trends and is vital to the City Assessor's job of assessing properties at market value each year. In FY 2022, the City adopted the hybrid approach for real estate billing to be effective in FY 2023. For the hybrid approach, a calendar year is used to assess real estate values, and a fiscal year will be used to bill for real estate taxes. This approach was adopted to improve the accuracy in budgeting for real estate values with the first-year calendar assessments beginning January 1, 2022). As of November 2022, the City's assessment-to-sales ratio of residential sales since July 1, 2022, on average, is approximately 90%, which shows current assessments are lower than the rapidly increasing market value. On average, residential real estate assessments for 2022 increased by 9.6%, while the average commercial real estate assessments increased by 23.9% (including new construction).

Prior to FY 2009, room and meal taxes provided the largest source of funding for City services since the mid-1980s. Rising property assessments brought revenues that surpassed room and meal taxes during FY 2009 for the first time when most local governments began to feel the effects of the Great Recession. In FY 2022, Real estate taxes made up 33.8% of total General Fund revenues, excluding public service corporation taxes and ARPA transfers, compared with 21.0% in FY 2003. This shifting of the tax base is more pronounced when comparing actual tax revenues. During the period from FY 2003 thru FY 2022, room and meal taxes increased from \$9.24 million to \$11.34 million, a 23.0% increase. Real estate tax revenue increased 147% from FY 2003 to FY2022. During that time, there were three rate increases: one in FY 2013 for 3 cents, one in FY 2019 for 3 cents, and one in FY 2021 for 4 cents. In FY2022, the real tax rate was decreased by 2 cents. Approximately 32% of the increase was due to the change in real estate assessments, and 68% was from the four rate changes.

The following graph clearly depicts the gap between meal and room taxes and real estate taxes gradually narrowing. Since FY 2017, real estate taxes have exceeded room and meal taxes.



Overall, for the City, FY 2022 revenues in the General Fund significantly increased compared with FY 2021 revenues as the economy continued to recover from the impacts of the pandemic. Real Estate revenues increased by 12.5%, and meals and lodging taxes exceeded pre-pandemic levels.

The General Fund revenues are discussed further in the Management's Discussion and Analysis section of this report.

### Economic Development Activity –

Recent economic development activity in the City includes the following:

- Commercial development projects are progressing:
  - In 2017, Broad St LLC purchased the 20-acre Williamsburg Shopping Center property and the 5-acre Monticello Shopping Center at Midtown. Construction on this \$120 million vertical mixed-use project was completed in 2021 despite COVID-19 impacts. Phase I of the project included an \$8+ million renovation of the Monticello Shopping Center and the location of the Earth Fare grocery store. Phase II was completed with Marshalls relocating to new space in the Richmond Road facing portion of the renovated Williamsburg Shopping Center. Phase III included the construction of four 5-story vertical mixed-use buildings and a parking garage. City Staff continues to work with Broad Street Realty on the recruitment of commercial tenants for the development.
  - “Quarterpath at Williamsburg” is a 350-acre mixed-use development in the southeast quadrant of the City that will offer retail, class-A office space, mixed-residential options, and a 40-bed acute care hospital at buildout. The \$22 million, 227-unit Aura at Quarterpath apartments opened in 2016 and remains fully leased. H.H. Hunt has constructed townhomes as part of the project and demand continues to exceed supply for these units. The 40-bed, Riverside Doctor’s Hospital Williamsburg (RDHW) opened in May 2013 and is part of Riverside Health System. In August of 2022, RDHW broke ground on a 67,000-square-foot medical office building scheduled to open in the Spring of 2024, which will house more than 30 medical and surgical specialists supported by more than 125 support team members. In September 2022, Resort Lifestyle Communities (RLC) announced a \$30 million, 180,000-square-foot Virginia Greens Retirement Community at Quarterpath, RLC’s second location in Virginia. This age-restricted, 55+ retirement community will create more than 35 local jobs.
  - Downtown redevelopment continues with the William & Mary Spirit Shop, William & Harry, Penny & a Sixpence, Memorie Group, Nurtured Notion, J. McLaughlin, Two Rivers Built, Cowan Gates Title, and SRM&F Realtors opening in renovated spaces.



- New business openings after renovating existing commercial in addition to the spaces downtown between July 1, 2021, and June 30, 2022, include Tiny Textures, Two Drummers Butcher and BBQ Provisions, King Crab Seafood, Cookie Chris, 7 Mares, and several professional service operations (marketing and design, medical, counseling, etc.)
- COVID-19 relief efforts for the City's business community continued through FY 2022, with more than \$2.3 M in grant funds awarded.

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

- In FY 2018, the Virginia General Assembly approved Senate Bill 942, which levies a one percent sales tax in the Historic Triangle, which includes the City of Williamsburg, James City County, and York County. Half of the funds collected from the additional sales tax fund go to the Historic Triangle Marketing Fund, and the other half is distributed to the locality in which the sales tax was collected. The sole purpose of the Historic Triangle Marketing fund is to market and promote the Historic Triangle area as a tourist destination.
- The Williamsburg City Council established a Tourism Fund using the City's share of the Historic sales tax as one of the revenue sources for the Fund. The Fund's purpose is to provide financial assistance and reinvestment in tourism products through public-private partnerships, place-making projects, and special events designed to promote the City's economic growth. While the COVID-19 pandemic delayed the program, five projects from the first round of grant applications have been completed or are underway and include the following:
  - **Indoor Sports Complex.** The Historic Triangle Recreational Facilities Authority (HTRFA) was formed to oversee the construction and management of regional recreational facilities as part of the redevelopment of the Colonial Williamsburg Visitors Center. The board is made up of representatives from the City of Williamsburg, York County, and James City County. In September 2022, the HTRFA selected a firm to design and build a regional sports facility on property in the City of Williamsburg. The sports facility will be at least 160,000 square feet and include 12 basketball courts that can be converted to 24 volleyball courts and 36 pickleball courts. When constructed, the facility will have significant positive economic and fiscal impacts on the region and the City.
  - **4<sup>th</sup> Lighted Softball Field in Kiwanis Park.** The finished field debuted in July 2022.
  - **Portable Stage.** A stage was purchased in 2020, which is available for rent and is currently used for William & Mary Commencement Ceremonies, Summer Breeze Concert Series, and An Occasion for the Arts.
  - **Wayfinding Signage.** After a public procurement process, the City hired a nationally known firm to design a Wayfinding Master Plan. In early 2021, after a comprehensive public input process, a design was selected. Construction is expected to begin in the spring/summer of 2023.
  - **Outdoor Furniture in the City Square Plaza (Williamsburg Regional Library).** Furniture was purchased and installed in early 2021, and in FY 2022, the Library installed "café lighting" in the outside structure near the fountain.

## Major Initiatives

The City has accomplished, or significant work is underway to complete, initiatives in the City Council's strategic plan, "Biennial Goals, Initiatives, and Outcomes." Some of the key initiatives undertaken during FY 2022 are highlighted below.

- **COVID-19 Recovery Planning** – The City has developed plans to strategically deploy federal and state funding to fund programs and projects related to the health and safety of residents and city employees, small business assistance, and other social assistance programs. In June 2021, City Council adopted the *"2021 Economic Development Plan Update: COVID-19 Pandemic Impact Analysis and Recovery"*

plan to update recruitment goals in targeted industries and revise the City's economic work plan to address recovery from the pandemic, updates to strategies based on technology changes, and modifications based on new industry information.

- **Equity Program** – In July 2021, the City Council formed the Truth and Reconciliation Committee to study the impact of racism, disenfranchisement, and racial injustice, both historically and presently, on residents of the City to present findings and recommendations to City Council for further action. The Committee met throughout FY 2022 and will continue its work through June 2023.
- **Affordable Housing Taskforce** – A task force was convened and developed an affordable housing plan consisting of 13 concepts ranked in order of preference for short- and long-term implementation
- **Environmental Sustainability Program** - The City approved the 2021 Comprehensive Plan with a detailed environment sustainability plan that the City is implementing. The City completed a greenhouse gas emission inventory and identified carbon emission projects to pursue.
- **Modernize Police and Fire Stations** – In June 2021, the City signed a \$13.6 million comprehensive agreement to reconstruct Fire Station #1, to be completed in June 2023. A Capital Improvement project was approved for the FY 2022 budget for the new police facility, and the project is currently in the scope/design phase, with construction scheduled to begin in FY 2023.

### **Long-Term Financial Planning and Financial Policies**

The City's economy, as with the rest of the nation and the world, experienced a significant financial downturn due to the COVID-19 pandemic. Formal, conservative financial policies enabled the City to maintain core services and minimize the impact on residents, businesses, and employees. The comprehensive set of financial policies adopted by the City provides a framework for long-term planning and sound financial management to strengthen the City's financial position further. These include policies on Fund Balance for the General Fund, Financial Planning, Revenue and Expenditure, Long-Term Debt, and the Tourism Development Fund policy. In addition, in FY 2021, City Council adopted a Real Estate Tax Review Policy, a Utility Fund Working Capitalization policy and revised the Long-Term Debt Policy.

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

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

### **Awards**

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of Williamsburg, Virginia, for its Annual Comprehensive Financial Report for the fiscal year ended June 30, 2021. This was the 36<sup>th</sup> consecutive year that the City had received this prestigious award. To be awarded a Certificate of Achievement, a governmental unit must publish an easily readable and efficiently organized comprehensive annual financial report with contents



conforming to program standards. This report satisfied both generally accepted accounting principles and applicable legal requirements. A Certificate of Achievement is valid for a period of one year only. We believe our current report continues to conform to the Certificate of Achievement Program requirements, and we are submitting it to GFOA to determine its eligibility for another certificate.

The City also received the GFOA's Distinguished Budget Presentation Award for its annual budget document for the past 30 years. To qualify for the Distinguished Budget Presentation Award, the City's Budget document was judged to be proficient in several categories, including as a policy document, a financial plan, an operations guide, and a communications device. Both prestigious awards serve to continually improve the City's annual financial reports and budget documents by implementing professional suggestions from GFOA staff and reviewers across the country.

### **Acknowledgments**

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

Respectfully Submitted,



Andrew O. Trivette  
City Manager



Barbara A. Dameron, CPA  
Director of Finance



Government Finance Officers Association

Certificate of  
Achievement  
for Excellence  
in Financial  
Reporting

Presented to

**City of Williamsburg  
Virginia**

For its Annual Comprehensive  
Financial Report  
For the Fiscal Year Ended

June 30, 2021

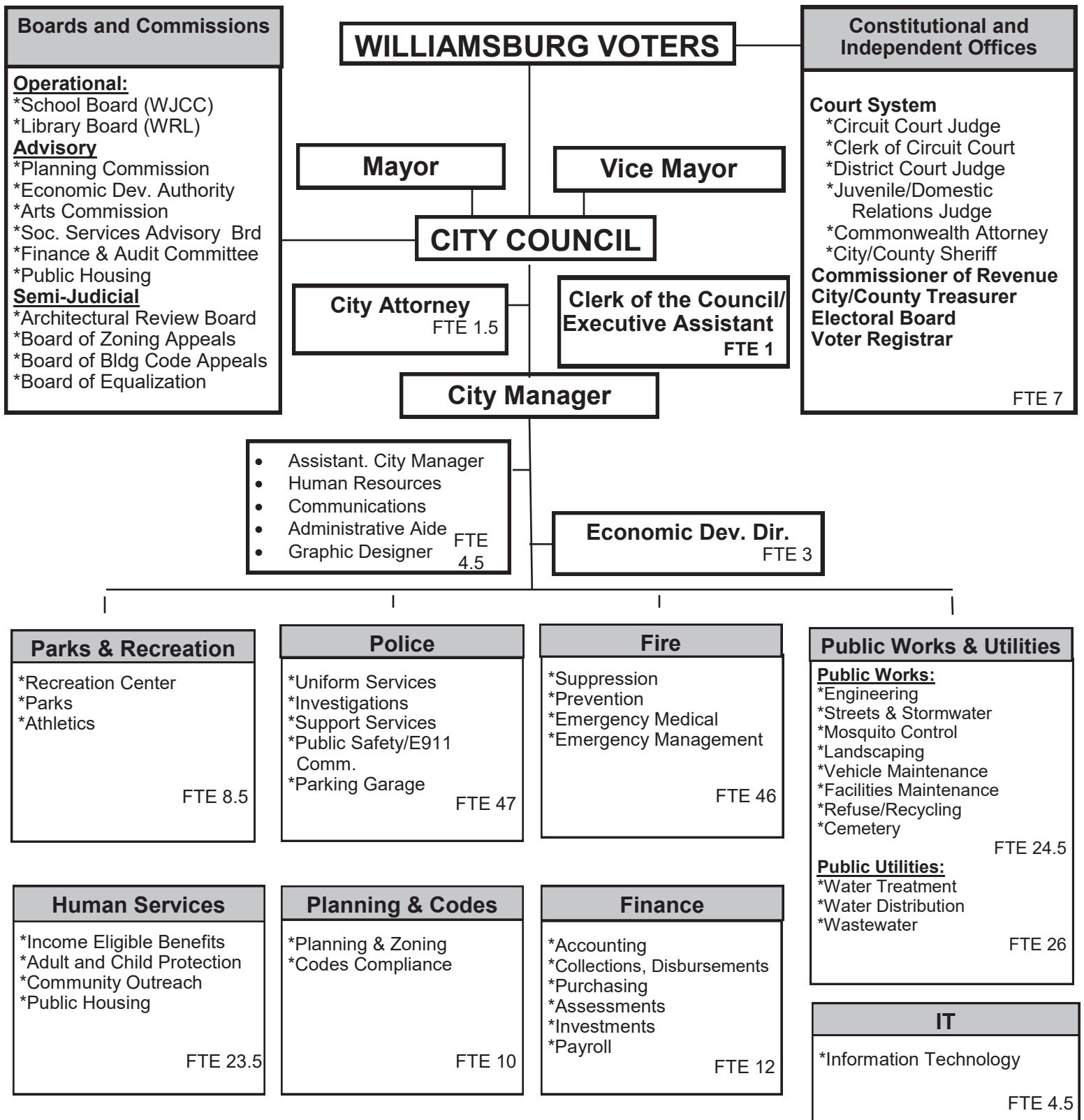
*Christopher P. Morrell*

Executive Director/CEO

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# CITY OF WILLIAMSBURG ORGANIZATIONAL CHART



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# CITY OF WILLIAMSBURG, VIRGINIA

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## Members of the City Council as of July 1, 2022

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	Douglas G. Pons, Mayor	
	W. Pat Dent, Vice-Mayor	
Edward F. “Ted” Maslin		Barbara L. Ramsey
Caleb T. Rogers		Sandi Filicko, Clerk of Council

## City Officials

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

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## *FINANCIAL SECTION*

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ROBINSON, FARMER, COX ASSOCIATES, PLLC

*Certified Public Accountants*

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**Independent Auditors' Report**

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

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

***Opinions***

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the discretely presented component units, each major fund, and the aggregate remaining fund information of the City of Williamsburg, Virginia, as of and for the year ended June 30, 2022, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the governmental activities, the business type activities, the discretely presented component units, each major fund, and the aggregate remaining fund information of the City of Williamsburg, Virginia, as of and for the year ended June 30, 2022, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

***Basis for Opinions***

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

***Change in Accounting Principles***

As described in Note 17 to the financial statements, in 2022, the City adopted new accounting guidance, GASB Statement Nos. 87, *Leases*, and 92, *Omnibus*. Our opinions are not modified with respect to this matter.

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

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

## ***Responsibilities of Management for the Financial Statements (Continued)***

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

## ***Auditors' Responsibilities for the Audit of the Financial Statements***

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

In performing an audit in accordance with generally accepted auditing standards, *Government Auditing Standards*, and the *Specifications for Audits of Counties, Cities, and Towns*, we:

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

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

## ***Required Supplementary Information***

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, budgetary comparison information, and schedules related to pension and OPEB funding as listed in the table of contents be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about



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

the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance. The budgetary comparison information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

### ***Supplementary Information***

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

### ***Other Information***

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

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

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

In accordance with *Government Auditing Standards*, we have also issued our report dated October 12, 2022, on our consideration of City of Williamsburg, Virginia's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of City of Williamsburg, Virginia's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering City of Williamsburg, Virginia's internal control over financial reporting and compliance.

*Robinson, Farnum, Cox Associates*

Richmond, Virginia  
October 12, 2022

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The Management's Discussion and Analysis (MD&A) offers readers of the City's financial statements a narrative overview and analysis of the City's financial activities for the fiscal year ended June 30, 2022. Readers are encouraged to consider the information presented in conjunction with additional information furnished in our letter of transmittal, the financial statements, and the notes to the financial statements (which immediately follow this discussion).

## **FINANCIAL HIGHLIGHTS**

### **Government-wide:**

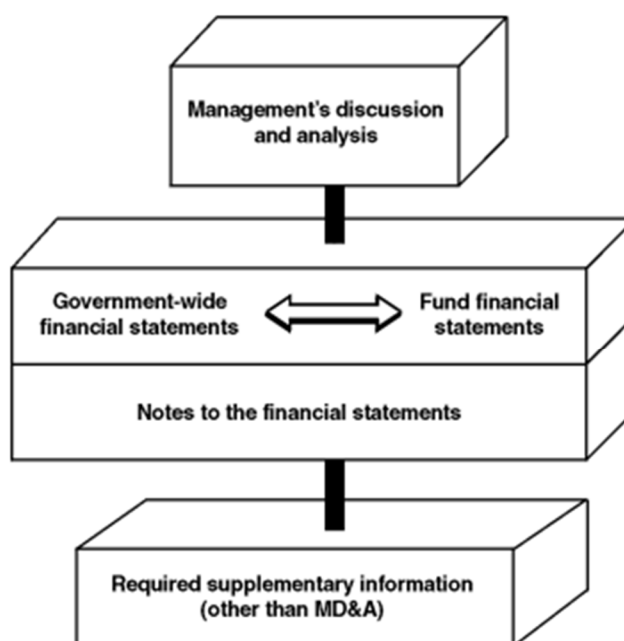
- The City's assets and deferred outflows exceeded its liabilities and deferred inflows (net position) at the close of the Fiscal Year 2022 by \$135.6 million. The unrestricted portion of the net position is \$37.8 million for governmental activities and \$7.7 million for business-type activities for a total of \$45.5 million. In the current year, the unrestricted net position increased by \$18.2 million in governmental activities and increased by \$123 thousand in business-type activities.
- The City's total net position increased by \$19.2 million thousand from the prior fiscal year, of which the governmental activities increased by \$18.3 million, and business-type activities increased by \$859 thousand.

### **Fund Level:**

- Total General Fund revenues were \$40.7 million for FY 2022, an increase of \$2.6 million compared with FY 2021. General property tax receipts were \$16.7 million, an increase of 10.3% compared with last year. Other local taxes increased by 42.3% or \$4.6 million compared with FY 2021. The increase of other local taxes was a result of the economic recovery stages from the COVID-19 pandemic. Federal Intergovernmental Revenues were \$168 thousand, a decrease of 94.4%.
- Total General Fund expenditures decreased by \$1.8 million or 5.0% compared with FY 2021. In FY 2022 sales tax revenue for Education flowed directly to the school system versus to the City resulting in a \$1.6 million decrease from FY 2021. In FY 2022, Community Development expenses were \$700 thousand lower as CARES funding was allocated in FY 2021.
- Spending on capital projects increased \$2.5 million, or 56.3% compared with last year. Debt service expenditures remained relatively level compared with FY 2021.
- The City's General Fund bonded debt decreased by \$944 thousand with scheduled ongoing debt principal being paid down.
- The City's governmental funds reported combined ending fund balances of \$60.8 million, an increase of \$15.2 million thousand from the prior year. Fund balances are further categorized as Nonspendable (\$210 thousand for prepaid), Restricted (\$11.0 million for general obligation bonds issued for public safety facilities and \$0.9 million for the Public Assistance Fund), Assigned (\$24.1 million of carryover and future capital projects and \$4.0 million for investment in tourism projects), and Unassigned (\$20.5 million). The unassigned fund balance is 50.4% of the General Fund operating revenues.
- Due to the increase in the fiscal size of the Economic Development Authority (EDA), the EDA is presented in this report as a Discretely Presented Component Unit of the City. Financial information is included herein for the EDA's latest fiscal year ending June 30, 2022.
- Business-type activities (Utility Fund) reported a net position on June 30, 2022, of \$27.2 million. Capital assets (net of depreciation and related debt) account for 72.7% of this amount, with the remaining net position of \$7.7 million available without restriction. The Utility Fund reports combined cash and investments at year-end of \$8.5 million, with total current liabilities of \$1.6 million, including the current portion (due within one year) of compensated absences and bonds payable.

## OVERVIEW OF THE FINANCIAL STATEMENTS

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



### Government-wide Financial Statements

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

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

The *Statement of Net Position* presents information on all of the City's assets and liabilities, with the difference between the two reported as net position. This statement serves a purpose similar to that of the balance sheet of a private-sector business. Over time, increases or decreases in net position may serve as a useful indicator of whether the City's financial position is improving or deteriorating. However, this is just one indicator of the financial health of the City. Other indicators include the condition of the City's infrastructure systems (roads, drainage systems, bridges, etc.), changes in the property tax base, and general economic conditions within the City.

The Statement of Activities presents information showing how the government's net position changed during the most recent fiscal year. Because it separates program revenue (revenue generated by specific programs through charges for services, grants, and contributions) from general revenue (revenue provided by taxes and other sources not tied to a particular program), it shows to what extent each program has to rely on taxes for funding. All changes in net position are reported using the accrual basis of accounting, similar to the method used by most private-sector companies. The accrual basis of accounting requires that revenues be reported when they are earned, and expenses are reported when the goods and services are received, regardless of the timing of the cash flow. Items such as uncollected taxes, unpaid vendor invoices for items received before June 30, 2022, and earned but unused vacation and sick leave will be included in the statement of activities as revenue and expense, even though the cash associated with these items will not be received or distributed until after June 30, 2022.

## **Fund Financial Statements**

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

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

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

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

The City maintains budgetary controls over its operating funds. The objective of budgetary controls is to ensure compliance with legal provisions embodied in the annual appropriated budget. Budgets for governmental funds are established in accordance with state law and are adopted on a fund level. Personnel services are budgeted by full-time positions. Capital outlays are approved on an item-by-item basis or project

basis. A budgetary comparison statement is provided for the General and Tourism Funds to demonstrate compliance with the budget. Major and nonmajor fund information follows the notes to the financial statements. Budgetary variances for the General Fund are discussed in some detail later in this section.

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

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

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

## **Notes to the Financial Statements**

The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found immediately following the basic financial statements in this report.

## **Other Information**

In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information (RSI) concerning the (1) General and Tourism Funds revenues, expenditures, and changes in fund balances-budget and actual; and (2) the City's progress in funding its obligations to provide pension and other post-employment benefits to its current and future retirees. This required supplementary information can be found in Exhibit 12 through 22 of this report.

The combining financial statements for the Capital Project Fund and other nonmajor special revenue funds and fiduciary funds immediately follow the required supplementary information at exhibits 23 through 28 of this report.

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

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

## GOVERNMENT-WIDE FINANCIAL ANALYSIS

### Statement of Net Position

As noted earlier, changes in net position may serve over time as a useful indicator of a City's financial position. The City's net position totaled \$135.6 million at June 30, 2022. The following table reflects the condensed Government-Wide Statement of Net Position:

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

	Governmental Activities		Business-type Activities		Total	
	2022	2021	2022	2021	2022	2021
Current and other Assets	\$ 67,974,529	\$ 55,558,930	\$ 12,416,634	\$ 9,980,728	\$ 80,391,163	\$ 65,539,658
Capital Assets	<u>74,968,137</u>	<u>73,465,518</u>	<u>22,334,266</u>	<u>22,021,425</u>	<u>97,302,403</u>	<u>95,486,943</u>
Total Assets	\$ 142,942,666	\$ 129,024,448	\$ 34,750,900	\$ 32,002,153	\$ 177,693,566	\$ 161,026,601
Deferred Outflow of Resources	<u>\$ 5,122,180</u>	<u>\$ 5,062,199</u>	<u>\$ 500,423</u>	<u>\$ 558,303</u>	<u>\$ 5,622,603</u>	<u>\$ 5,620,502</u>
Long-term Liabilities	\$ 24,911,456	\$ 33,712,107	\$ 4,770,810	\$ 5,015,012	\$ 29,682,266	\$ 38,727,119
Other Liabilities	<u>4,130,251</u>	<u>9,879,144</u>	<u>1,113,648</u>	<u>1,068,402</u>	<u>5,243,899</u>	<u>10,947,546</u>
Total Liabilities	\$ 29,041,707	\$ 43,591,251	\$ 5,884,458	\$ 6,083,414	\$ 34,926,165	\$ 49,674,665
Deferred Inflow of Resources	<u>\$ 10,666,509</u>	<u>\$ 455,517</u>	<u>\$ 3,243,473</u>	<u>\$ 98,980</u>	<u>\$ 13,909,982</u>	<u>\$ 554,497</u>
Net Position:						
Net Invested in Capital Assets	\$ 70,587,642	\$ 69,784,670	\$ 19,518,759	\$ 18,783,099	\$ 90,106,401	\$ 88,567,769
Restricted for:						
Fire and Police Capital	-	694,583	-	-	-	694,583
Unrestricted	<u>37,768,988</u>	<u>19,560,626</u>	<u>7,718,281</u>	<u>7,594,963</u>	<u>45,487,269</u>	<u>27,155,589</u>
Total Net Position	<u>\$ 108,356,630</u>	<u>\$ 90,039,879</u>	<u>\$ 27,237,040</u>	<u>\$ 26,378,062</u>	<u>\$ 135,593,670</u>	<u>\$ 116,417,941</u>

The City of Williamsburg's total assets were \$178 million as of June 30, 2022. The largest portion, \$97 million (54%), reflects its investment in capital assets (e.g., land, buildings, machinery, and equipment), less any related debt used to acquire assets that are still outstanding. The City uses these capital assets to provide services to citizens; consequently, these assets are *not* available for future spending. Although the City's investment in capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources since the capital assets themselves cannot be used to liquidate these liabilities. Of the remaining City assets, approximately \$63 million is accounted for in cash, cash equivalents, and pooled investments, \$4 million in accounts and notes receivable, \$3 million in inventories, and \$4 million due from other governmental units.

At June 30, 2022, outstanding liabilities were \$49 million, with \$34 million in general obligation bonds payable, compensated absences, and net pension and other post-employment (OPEB) liabilities. Of the bonds payable, \$2.3 million is due within one year, with the remainder due at various dates until 2037. Additional information on the City's long-term debt obligations is included in Note 8 in the notes to the financial statement. Included in other liabilities above are \$3.1 million in accounts payable, \$556 thousand in unearned revenue, \$652 thousand in accrued liabilities, \$355 thousand in accrued interest payable, and \$562 thousand in customer deposits payable. Unearned revenue includes \$335 thousand of American Rescue Plan Act funds received for tourism projects from the Commonwealth in June 2022.

As of June 30, 2022, the City had positive balances in all categories of net position for the government as a whole and its separate governmental and business-type activities.

The following schedule summarizes the Statement of Activities of the primary government for the fiscal years ended June 30, 2022, and 2021:

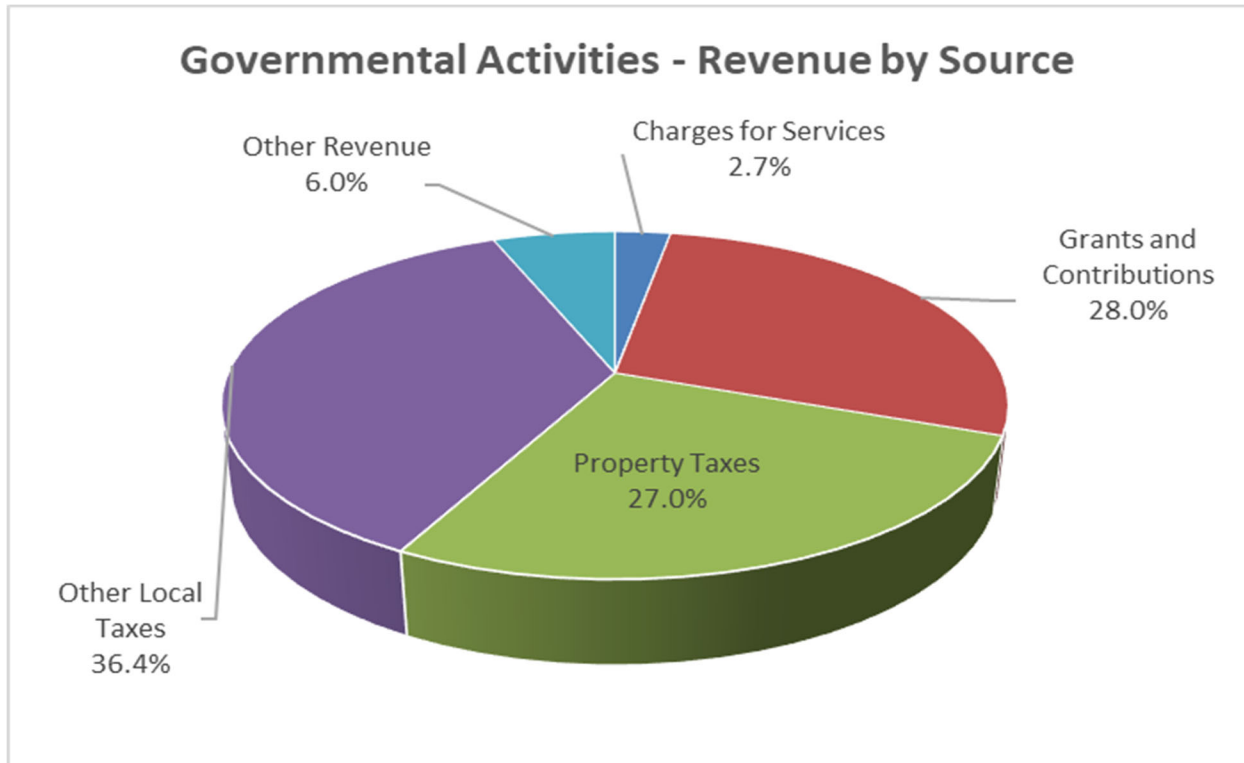
**City of Williamsburg - Summary of Changes in Net Position**

	<b>Governmental Activities</b>		<b>Business-type Activities</b>		<b>Total</b>	
	<b><u>2022</u></b>	<b><u>2021</u></b>	<b><u>2022</u></b>	<b><u>2021</u></b>	<b><u>2022</u></b>	<b><u>2021</u></b>
Revenues:						
Program Revenues:						
Charges for Services	\$ 1,724,505	\$ 1,428,721	\$ 8,258,979	\$ 6,807,640	\$ 9,983,484	\$ 8,236,361
Operating Grants and Contributions	17,170,067	8,492,768	-	-	17,170,067	8,492,768
Capital Grants and Contributions	528,108	1,200,479	-	-	528,108	1,200,479
General Revenues:						
Property Taxes	17,062,033	15,224,559	-	-	17,062,033	15,224,559
Other Local Taxes	23,010,830	17,677,408	-	-	23,010,830	17,677,408
Transfers	160,411	(71,796)	(160,411)	71,796	-	-
Other	<u>3,630,808</u>	<u>2,952,735</u>	<u>332,854</u>	<u>355,500</u>	<u>3,963,662</u>	<u>3,308,235</u>
Total Revenues	<u>\$ 63,286,762</u>	<u>\$ 46,904,874</u>	<u>\$ 8,431,422</u>	<u>\$ 7,234,936</u>	<u>\$ 71,718,184</u>	<u>\$ 54,139,810</u>
Expenses						
General Government	\$ 5,093,268	\$ 5,917,023	\$ -	\$ -	\$ 5,093,268	\$ 5,917,023
Judicial Administration	482,442	449,662	-	-	482,442	449,662
Public Safety	12,811,708	12,835,007	-	-	12,811,708	12,835,007
Public Works	6,107,188	4,842,879	-	-	6,107,188	4,842,879
Health and Welfare	3,064,367	3,220,829	-	-	3,064,367	3,220,829
Education	8,937,883	10,156,551	-	-	8,937,883	10,156,551
Parks, Recreation, & Cultural	1,751,740	3,118,164	-	-	1,751,740	3,118,164
Community Development	6,235,582	5,939,110	-	-	6,235,582	5,939,110
Interest Expense	485,833	530,466	-	-	485,833	530,466
Water	<u>-</u>	<u>-</u>	<u>7,572,444</u>	<u>7,034,704</u>	<u>7,572,444</u>	<u>7,034,704</u>
Total Expenses	<u>\$ 44,970,011</u>	<u>\$ 47,009,691</u>	<u>\$ 7,572,444</u>	<u>\$ 7,034,704</u>	<u>\$ 52,542,455</u>	<u>\$ 54,044,395</u>
Changes in Net Position	\$ 18,316,751	\$ (104,817)	\$ 858,978	\$ 200,232	\$ 19,175,729	\$ 95,415
Net Position - Beginning	<u>90,039,879</u>	<u>90,144,696</u>	<u>26,378,062</u>	<u>26,177,830</u>	<u>116,417,941</u>	<u>116,322,526</u>
Net Position - Ending	<u><u>\$ 108,356,630</u></u>	<u><u>\$ 90,039,879</u></u>	<u><u>\$ 27,237,040</u></u>	<u><u>\$ 26,378,062</u></u>	<u><u>\$ 135,593,670</u></u>	<u><u>\$ 116,417,941</u></u>



### Governmental Activities – Revenues

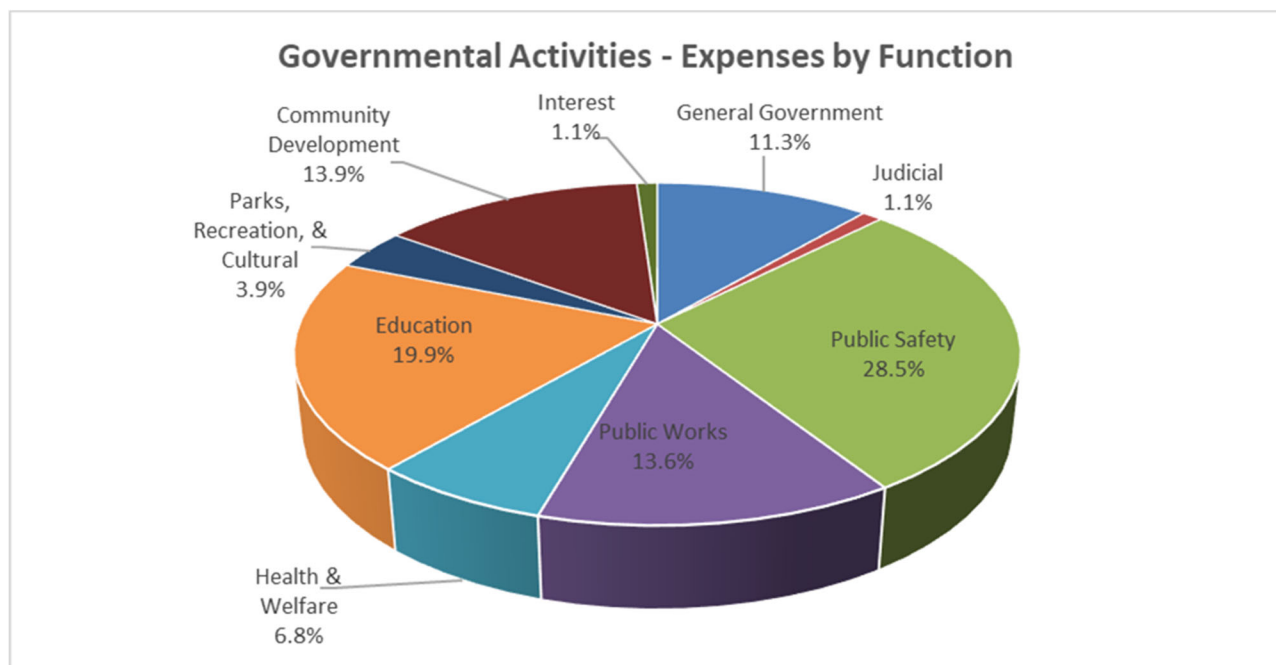
The City's total revenues from governmental activities were \$63 million for FY 2022, an increase of \$19.4 million from last year. Percentages of FY 2022 governmental revenues by source are as follows:



Taxes are the largest City Revenue source, with property and other local taxes accounting for 63.3% of the City's governmental activities. General property tax receipts were \$17.1 million, an increase of 12.1% compared with last year. Other local taxes totaled \$23.0 million during FY 2022, an increase of 30.2%, or \$5.3 million, primarily due to the recovery from the economic impact of COVID-19. The majority of the increases in other local taxes in FY 2022 are attributed to increases in lodging taxes and restaurant meal taxes over FY 2021 which had major decreases due to COVID -19 pandemic.

### Governmental Activities – Expenses

The City's FY 2022 total expenses for governmental activities were \$45.0 million, a decrease of \$2.0 million compared with FY 2021. The Governmental Fund expenditures decreased by \$1.5 million, and the major variances are further discussed in the Financial Analysis of the City's Funds section. In the transition from fund statements to government-wide, there are some expenses that are reported in the Statement of Activities that do not require the use of current financial resources; therefore, these items are not reported as expenditures in the governmental funds. An example would be expense accruals for compensated absences that are not reported as expenditures in the fund statements. There are also some expenditures reported in the governmental funds that are not reported as expenses in the Statement of Activities. An example would be capital assets that are purchased or constructed are reported as expenditures in the governmental funds; however, for government-wide, the asset is reported in the Statement of Net Position and the cost of the asset is allocated over its useful life as depreciation expense.



**Business-type activities** – The Utility Fund is the City's only business-type activity. The Utility rate structure recovers as much as possible of the operating expenses incurred to meet service demands through user charges. Change in the fund's net position is the difference between revenues and expenses, which for FY 2022 resulted in an increase of \$859 thousand. More operating information for the Utility Fund operation is shown in the Funds section of this discussion.

## FINANCIAL ANALYSIS OF THE CITY'S FUNDS

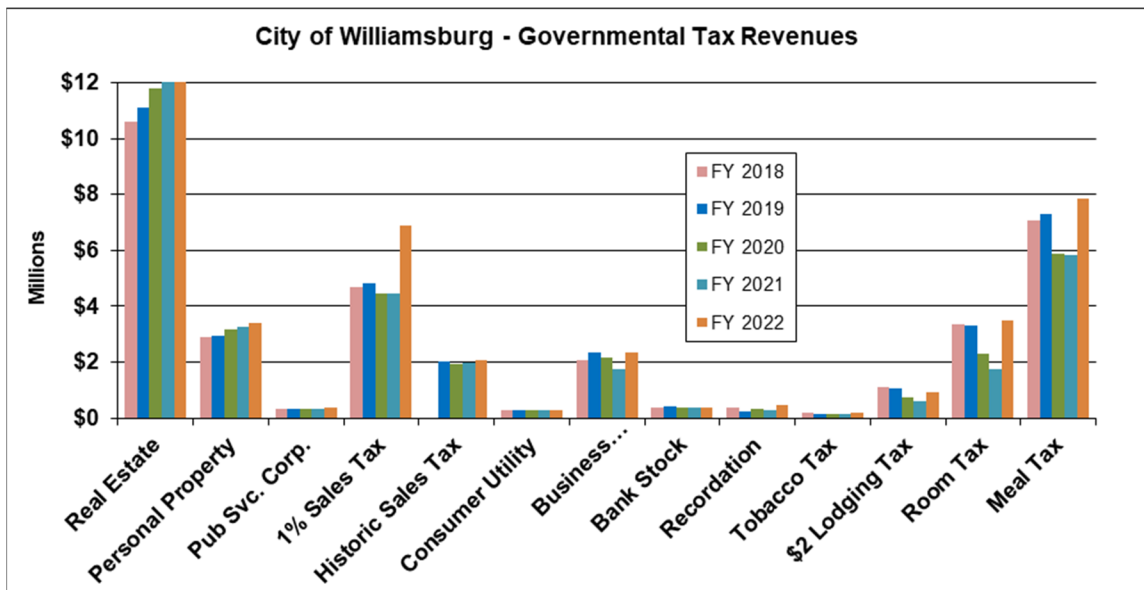
As noted earlier, the City of Williamsburg uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. The following is a financial analysis of the City's governmental and proprietary funds.

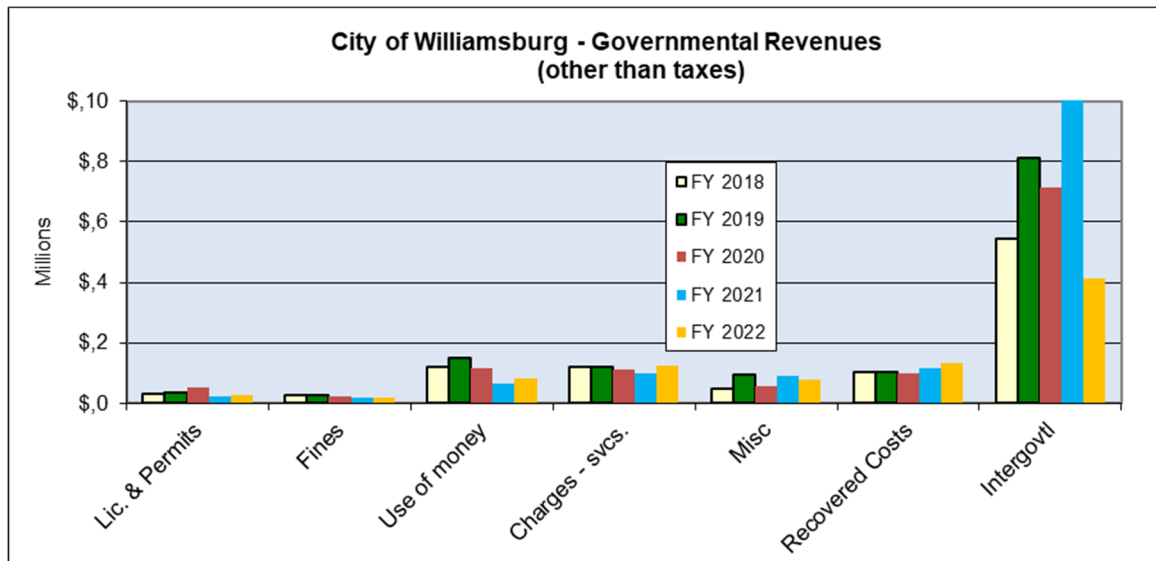
Revenues Classified by Source Governmental Funds						
	June 30, 2022		June 30, 2021		Increase/(Decrease)	
	Amount	% of Total	Amount	% of Total	Amount	% of Change
Revenue by Source:						
General Property Taxes	\$ 16,742,322	26.1%	\$ 15,174,178	31.7%	\$ 1,568,144	10.3%
Other Local Taxes	23,010,830	35.9%	17,677,408	36.9%	5,333,422	30.2%
Permits, privilege fees, and regulatory licenses	275,127	0.4%	240,832	0.5%	34,295	14.2%
Fines and forfeitures	200,957	0.3%	197,671	0.4%	3,286	1.7%
Use of Money and Property	913,416	1.4%	651,308	1.4%	262,108	40.2%
Charges for Services	1,248,421	1.9%	990,218	2.1%	258,203	26.1%
Miscellaneous	1,365,850	2.1%	918,132	1.9%	447,718	48.8%
Recovered Costs	1,342,479	2.1%	1,163,944	2.4%	178,535	15.3%
Intergovernmental	19,049,717	29.7%	10,864,246	22.7%	8,185,471	75.3%
Total Revenues:	<u>\$ 64,149,119</u>	<u>100.0%</u>	<u>\$ 47,877,937</u>	<u>100.0%</u>	<u>\$ 16,271,182</u>	<u>34.0%</u>

The Governmental Funds consist of the General Fund, Tourism Fund, American Rescue Plan Fund, Capital Projects Fund, Public Assistance Fund, and the Law Enforcement Block Grant Fund. The general governmental functions are contained in the General Fund, the City's chief operating fund. The City's governmental funds focus is on providing information on near-term inflows, outflows, and balances of spendable resources. On June 30, 2022, the total fund balance of the General Fund was \$20.8 million. A small portion of the fund balance, \$210 thousand, is *Nonspendable*, consisting of prepaid expenditures. The majority of the fund balance is *Unassigned*, representing 50.4% of operating revenue, in compliance with the City's unassigned fund balance policy of 35% of operating revenues for the year.

The following provides more detailed information about General Fund operating revenue collections during FY 2022:

- **General Property Taxes** – This consists of real and personal property tax receipts. Real property tax receipts were \$13.6 million, an increase of \$1.4 million or 11.7%, compared with FY 2021. The tax rate increase in FY 2022 of 4 cents per \$100 value attributed to a portion of the increase. Personal property tax receipts for individuals and businesses, including reimbursement for the State's Car Tax relief block grant program, total \$3.4 million, an increase of \$167 thousand, or 5.2%, compared with last year.
- **Other Local Taxes** – Overall, these revenues increased \$4.6 million from last year. The majority of the increase was in meals tax of \$2.03 million, lodging tax of \$1.7 million, and business licenses of \$579 thousand as a result of the economic recovery occurring as the COVID-19 pandemic waned
- **Licenses and Permits** – This category of revenues increased \$35 thousand, or 14.5%, compared with FY 2021, mainly due to a decrease in building permits and, to a lesser extent, a reduction in electrical, plumbing, and mechanical permits.





- **Fines and Forfeitures** – This category includes court fines and forfeitures and parking fines. This revenue increased by \$3 thousand compared with FY 2021.
- **Revenue from the Use of Money and Property** – In the General Fund, revenue in this category is primarily generated from the use of property and sale of surplus equipment. In FY 2022, the category of revenue increased \$255 thousand with rental income increasing by \$191 thousand primarily from the Prince George Parking Garage (PGPG) and the Triangle Building, while sale of surplus equipment increased \$11 thousand as more items were sold. In FY 2022, lease revenue of \$26 thousand was recognized to comply with GASB 87.
- **Charges for Services** – This category consists mainly of EMS medical transport fees, recreation programs and facility rentals, and cemetery lots and fees. Overall revenues in this category were \$1.25 million, an increase of \$258 thousand, or 26.0%, compared with last year. Parks and Recreation fee revenues increased \$22 thousand. EMS recovery of fees increased by \$237 thousand as FY 2021 saw a reduction of revenue with reduced use of ambulance services during the pandemic.
- **Miscellaneous** – This category comprises fiscal agent fees, payments in lieu of taxes, and other revenues that are either small in amount or infrequent, or both. FY 2022 revenues in this category increased by \$214 thousand compared with FY 2021. The FY 2022 increase is primarily due to an increase of \$197 thousand from the Williamsburg Health Foundation grant.
- **Recovered Cost** – These include reimbursements for Utility Fund overhead charges, public safety overtime, stormwater management fees, and James City County's reimbursed portion of annual Arts Commission grants. FY 2022 recovered cost revenue increased \$179 thousand compared with FY 2021. Most notably, Utility Fund Overhead charges increased by \$107 thousand to capture increased costs of administration, equipment, and materials. Public safety overtime increased by \$71 thousand as more events returned to the City.
- **Intergovernmental** – Intergovernmental revenue in the General Fund for FY 2022 was \$5.5 million, \$168 thousand from the Federal government, and \$4.0 million from the Commonwealth. Intergovernmental revenue decreased \$4.7 million compared with FY 2021. In FY 2021 the City received significant Federal funding for the COVID-19 pandemic. Note 20, Subsequent Events, discusses the COVID-19 outbreak and ARPA funding in greater detail.

The following discusses significant revenues impacts from funds other than the General Fund:

- **Other Local Taxes** – Sales tax revenues increased \$387 thousand in the Capital Projects Fund (CIP) and \$77 thousand in the Tourism Fund compared with FY 2021. In the Tourism Fund, the \$2 per night room tax increased by \$308 thousand compared with last year.
- **Miscellaneous** - In the Capital Projects Fund, this revenue category increased \$435 thousand and was primarily due to insurance proceeds received of \$113 thousand and the change in market value of inventory of \$310 thousand.
- **Intergovernmental** - The Capital Projects Fund realized \$268 thousand less in State revenue and \$155 thousand less in Federal revenue compared with FY 2021. The Public Assistance Fund realized a \$88 thousand increase in State revenue and \$34 thousand in Federal revenue.

### Governmental Funds Expenditure – Analysis

The following table represents Governmental expenditures by function compared with prior year amounts.

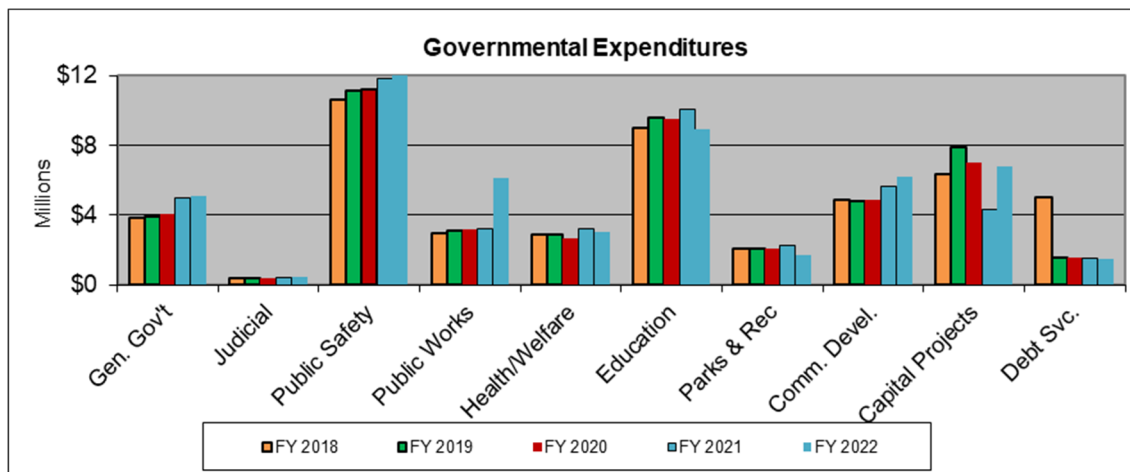
	Expenditures by Function Governmental Funds					
	June 30, 2022		June 30, 2021		Increase/(Decrease)	
	Amount	% of Total	Amount	% of Total	Amount	% of Change
Expenditures by Function:						
General government administration	\$ 4,967,798	10.1%	\$ 4,966,751	10.4%	\$ 1,047	0.0%
Judicial administration	482,442	1.0%	449,662	0.9%	32,780	7.3%
Public safety	12,042,615	24.5%	11,829,279	24.9%	213,336	1.8%
Public works	3,456,518	7.0%	3,230,663	6.8%	225,855	7.0%
Health and welfare	3,131,539	6.4%	3,219,159	6.8%	(87,620)	-2.7%
Education	8,665,672	17.7%	10,073,887	21.2%	(1,408,215)	-14.0%
Parks, recreation, and cultural	2,129,713	4.3%	2,240,537	4.7%	(110,824)	-4.9%
Community development	5,851,661	11.9%	5,680,412	11.9%	171,249	3.0%
Capital projects	6,808,437	13.9%	4,355,650	9.2%	2,452,787	56.3%
Principal retirement	944,355	1.9%	862,300	1.8%	82,055	9.5%
Interest and other fiscal charges	606,650	1.2%	650,194	1.4%	(43,544)	-6.7%
Total Expenditures:	<u>\$ 49,087,400</u>	<u>100.0%</u>	<u>\$ 47,558,494</u>	<u>100.0%</u>	<u>\$ 1,528,906</u>	<u>3.2%</u>

The City's FY 2022 budget included \$438 thousand in the General Fund to implement a cost-of-living increase and merit that combined averaged an increase of 3.5%. The employer contribution rate during FY 2022 for full-time employees covered by the Virginia Retirement System was 15.43% of salaries, with covered employees contributing their 5% share above the employer rate. Healthcare premiums for the City's plan with Anthem's Local Choice program administered by the State were reduced by 2% compared with FY 2021.

The following analysis provides additional information on the City's expenditures by function that changed significantly over the prior year.

- **General Government Administration** – remained relatively flat with a \$1 thousand increase. Increases in salaries and benefits amounted to \$357 thousand, which includes the cost-of-living increase, premium pay, and a decrease in vacancies compared with FY 2021. FY 2022 saw an increase in operating supplies, dues, travel, and training of \$84 thousand as pandemic restrictions eased. Insurance costs increased by \$16 thousand in FY 2022 Professional services and maintenance service agreements accounted for \$18 thousand of the increased cost. In FY 2021 CARES allocations accounted for \$503 thousand in this category which was not applicable in FY 2022. The remaining \$28 thousand decrease was the netting of small positive and negative variances spread throughout the category.

- **Education** – Education costs were \$8.7 million, a decrease of 14.0% compared with FY 2021, or \$1.4 million. Of that amount, a \$1.6 million decrease is attributable to sales tax for the school being sent directly to the Schools in FY 2022. The City's share of the jointly operated Williamsburg-James City County Schools for Fiscal Year FY 2022 was 9.68%. FY 2022 was the fifth year of a five-year renegotiated joint agreement, with operating funding based on the City's share of the student population multiplied by a 14% factor, then averaged over the past three years. The City also funds approved capital projects at the same rate.
- **Capital Projects** – Capital project spending varies each year, depending on the 5-year program. Major capital projects in FY 2022 included fire station construction and the start of the new police station project, street resurfacing program, corridor enhancements, cybersecurity infrastructure, bridge inspections, pedestrian and bicycle improvements, demolition of the DMV site, and improvements to schools, public housing, and purchase of vehicles. More information is provided under the Capital Asset section of this analysis. For FY 2022, capital spending increased by \$2.5 million compared with FY 2021.
- **Principal and Interest Payments** – Total principal payments during FY 2022 were \$906 thousand, and interest payments on outstanding debt totaled \$606 thousand. Details on long-term debt obligations are included in the notes to the financial statements.



## Budget Variances

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

General Fund operating revenues were over budget by \$3.3 million, or 8.8%. Most of the variance was due to the following accounts compared with the budgeted amount: real property taxes \$154 thousand higher, personal property taxes \$146 thousand lower, business license \$400 thousand higher, recordation taxes \$251 thousand higher, lodging taxes \$1.3 million higher and meal taxes \$778 thousand higher.

General Fund operating expenditures were under budget by \$1.9 million. A large portion of this variance is the City's share of surplus funds from the operating budget of the Schools totaling \$584 thousand. Section 22.1-100 of the Code of Virginia requires that schools unspent funds at year-end revert back to the locality that funded the appropriation. The overall general government administration was under budget by \$127 thousand mainly due to vacancy savings in several departments.

Public Safety was under budget by \$269 thousand. Reduction in expenses for Prince George parking garage of \$97 thousand due to vacant position savings, vacancy-related savings of \$83 thousand in the building inspection division, and reductions to the contribution to the Regional Jail of \$44 were the main contributors to the variance.

Public Works was under budget by \$138 thousand. Vacancies in the Stormwater Division resulted in salaries and benefits coming in under budget by \$96 thousand. The City's recycling program's costs were also under budget by \$25 thousand.

Overall spending in Parks and Recreation was under budget by \$248 thousand, mainly due to COVID-19's impact on classes and programming offered during the summer and fall months.

Community development was under budget by \$226 thousand mainly due to vacancy savings in the Planning and Economic Development department and a lower-than-budgeted contribution to the Economic Development Authority.

**Capital Projects** - \$6.8 million was expended on capital projects in FY 2022. As mentioned earlier, capital project funding and expenditures vary each year, depending on the five-year plan. The budget balances of any appropriated capital projects not completed at year-end carry forward to the next fiscal year, as provided for in the City's Financial Policies. More information is provided in the Capital Assets section of this analysis.

### **Fund Balance**

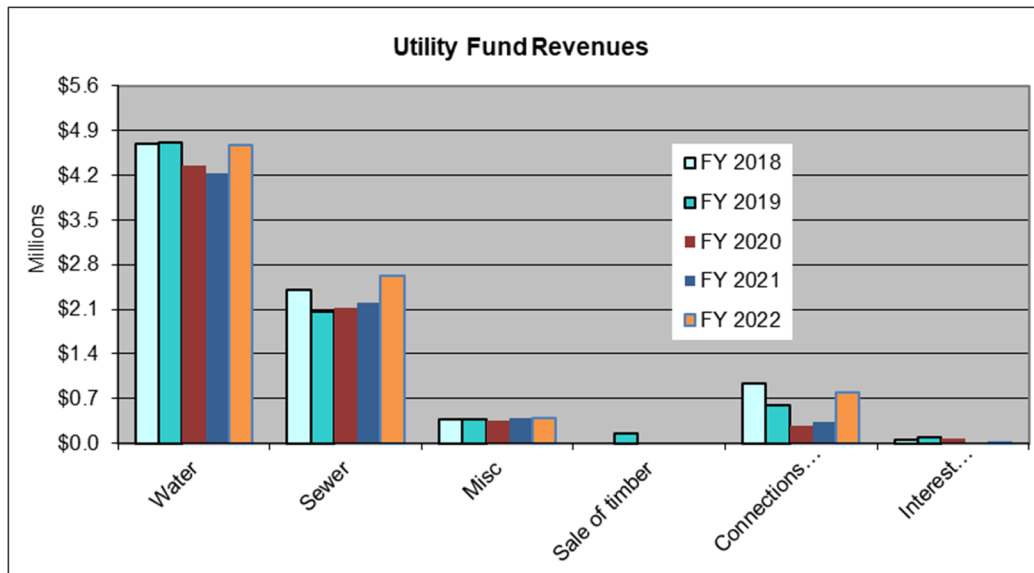
The total Fund Balance for the General Fund increased from \$14.8 million to \$20.8 million for the year. Of that, \$210 thousand is nonspendable and represents prepaid, and the remaining amount is unassigned. The increase in fund balance is primarily attributed to the increase in real estate tax revenue and increases in lodging taxes and meal taxes as the economy recovers from the impact of the COVID-19 pandemic.

### **Enterprise Funds Revenue/Expense Analysis**

The business-type activity (water and sewer services of the Utility Fund) operating revenues for the year were \$8.6 million, an increase of \$1.4 million or 19.5%, compared with the last year. There was no increase in water rates, which are \$5.30 per 1,000 gallons. Highlights include:

- Total billed water consumption for FY 2022 was 846 million gallons, an increase of 14.9% compared with the 736 million gallons consumed last year. The decrease is primarily attributed to businesses, including William & Mary, reopening, and recovering from the COVID-19 pandemic.
- Water revenues were \$4.7 million, a 10.6% increase compared with FY 2021.
- Sewer revenues were \$2.6 million, a 19.9% increase compared with last year.
- Tap and availability fees were \$934 thousand, a 142.4% increase compared with last year.
- Rental fees from cell phone providers using water tanks as a base for telecommunications equipment were \$206 thousand, a .07% decrease from FY 2021.
- Investment earnings were \$11 thousand last year, an increase of 83% from last year due to an increase in interest rates.
- Cares Municipal Utility Relief Program revenue was \$20 thousand and ARPA Municipal Relief Funds was \$52 thousand.

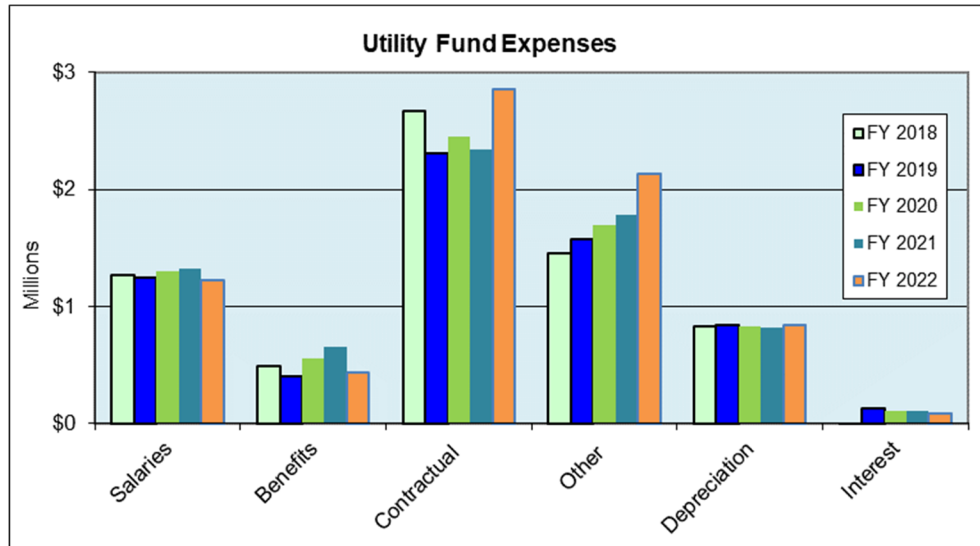




Utility Fund operating expenses totaled \$7.5 million, an increase of \$557 thousand, or 8.0% compared with FY 2021. This increase is primarily attributed to:

- Fringe benefits decreased by \$222 thousand compared with last year. This increase is primarily due to GASB 68 adjustments to pension liability that reduced pension expenses in FY 2022.
- Contractual services increased by \$514 thousand. This increase is attributed to an increase in pass-thru payments to the Hampton Roads Sewer District for sewage treatment fees collected on their behalf.
- Other charges increased \$347 thousand, most of which resulted from an increase in water system infrastructure improvements compared with FY 2021.
- Personnel services decreased \$97 thousand compared with last year, primarily due to personnel turnover and vacancies.
- Depreciation expense increased by \$16 thousand compared with last year. Depreciation charges include a portion of the 25-lease amortization of the total \$12.5 million costs of the Newport News Water agreement, classified as intangible water rights in the Utility Fund.

The year's operating income was \$1.07 million, an increase of \$842 thousand, compared with the \$224 thousand reported in FY 2021. The total net position of the Utility Fund increased by the change in net position for FY 2022 of \$859 thousand, leaving the fund's ending total net position at \$27.2 million, an increase of 3.3% compared with last year.



### Original and Final Amended Budgets

By resolution, the FY 2022 General Fund Budget was amended by \$10,270,251. Of this amount \$9,200,779 was a transfer from the ARPA fund for lost revenue, \$20,231 was a carryforward of the COVID Municipal Utility Relief grant, \$223,274 was a carryforward for the Williamsburg Health Foundation Grant, \$363,216 was a transfer to CIP for the school year-end surplus and \$19,200 was for school buses. A transfer was made from the fund balance to CIP for \$300,100 for the design of the pre-kindergarten project, and \$94,373 was for the school stabilization fund. The remaining \$49,078 was appropriated to fund various federal and state grants.

The Capital Projects Fund was amended by \$37,494,079. Of this amount, \$22,826,057 was to carry forward appropriations from FY 2021 for ongoing projects and \$744,827 was encumbrances from FY 2021. Other transfers included \$200,000 transferred from General Fund for the new Fire Station Project, \$45,169 for Fire Equipment Grants, \$30,000 appropriated for a sidewalk project, \$200,000 for a refuse vehicle, \$250,000 for Housing security, \$275,000 for cybersecurity projects, \$8,015,338 appropriated for long-range investment projects and \$363,215 appropriated to support the School System's projects. The remaining \$4,544,473 funded the budget stabilization funds for education for \$394,473 and general capital for \$4,150,000.

The Tourism Fund's budget was amended by \$1,164,504. Of this amount, \$1,149,504 was to carry forward grant awards from FY 2021, and \$15,000 was transferred from reserves to carry forward the LPGA Kingsmill tournament. The Public Assistance Fund was amended by \$213,167 to include the transfer of \$154,151 from reserves to fund VRS for employees, \$51,472 transfer from the state and \$7,544 for State COVID funds for Adult Protective Services. The Utility Fund was amended by \$1,528,800. Of this amount, \$362,871 was to carry forward appropriations from FY2021 for ongoing projects, \$1,026,340 for the purchase of property, \$67,475 transfer from the General Fund for pay adjustments, and \$72,114 for the COVID-19 grant for Municipal Relief Program. The American Rescue Plan Act (ARPA) fund was created with budget amendments for \$18,419,663 from the US Treasury; \$670,000 from the State's Virginia Tourism ARPA Funds and \$51,883 from the State's ARPA Municipal Utility Relief funds.

### CAPITAL ASSET AND DEBT ADMINISTRATION

#### Capital Assets

The City of Williamsburg's total investment in capital assets for its governmental and business-type activities as of June 30, 2022, was \$97 million, net of accumulated depreciation. This investment in capital assets includes land, buildings, machinery and equipment, and recreation and park facilities. Major capital assets of the Utility Fund consist of all assets used to provide water and sewer services to City residents, including

the significant investments in the Waller Mill Reservoir and all properties adjacent to this watershed, and intangible water rights with the Newport News water agreement.

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

Government Funds (Capital Projects Fund):

- Fire Station – Work on the demolition and construction cost for the new Fire station was underway and \$2.9 million was expended.
- Police Station Construction – Work for the reconstruction of a new Police Station was begun and \$831 million for professional services was spent.
- Demolition of the DMV building was done costing \$125 thousand.
- Capitol Landing Road Redesign between Merrimac Trail and Bypass Road will redesign the road using a “complete street” design to accommodate vehicles, mass transit, bicycles, and pedestrians. In FY 2022, \$277 thousand was spent on the project.
- Repaving costs to repair and resurface city streets during the year was \$877 thousand,
- The School expended \$266 thousand of the City’s share of funding of the School’s CIP which include renovations to existing facilities.
- Vehicles were replaced citywide under the replacement plan at the cost of \$227 thousand.
- Public Safety equipment totaling \$238 thousand was purchased in FY 2022
- Cybersecurity for city-wide improvements cost \$272 thousand in FY 2022.
- Housing projects included HVAC, Security and renovations totaled \$139 thousand.

Utility Fund:

- Repairs and maintenance costs totaled \$50 thousand in FY 2022.
- Water system improvements totaled \$303 thousand.
- Waller Mill Dam improvements total \$148 thousand.
- Sewer System Rehab costs totaled \$58 thousand.

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

**Long-Term Debt**

At June 30, 2022, the City of Williamsburg's total outstanding bonded debt was \$18.1 million. Bonds payable for Governmental Activities were \$15.3 million, while business-type activities owed \$2.9 million at year-end. The full faith and credit of the government back these instruments. The City's total bonded debt decreased by \$1.4 million. The City's remaining legal debt capacity on June 30, 2022, is approximately \$197 million.

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

**ECONOMIC FACTORS AND NEXT YEAR'S BUDGET**

In preparing for the FY 2023 budget, many factors were taken into consideration including the improvement of the local economy as COVID pandemic restrictions and impacts lessened, the increase of the taxable real estate assessment, adjusting tax policies to ease the burden on residents, and businesses, and the City Council’s continued commitment to the City’s Goal Initiatives and Objectives.

- Reduction of the real estate property rate by 2 cents to 62 cents per \$100 of assessed value
- Reduce personal property valuation by 20% of the assessed value.

- Dedicate funding to implement a revised multi-year recruitment and retention pay and benefits plan.
- Fully fund the School's request for funding.
- Adopt a \$48 million five-year Capital improvement program to fund generational projects such as new fire and police stations and transformational projects to bolster the City's economic base and serve the City's residents.

#### **REQUEST FOR INFORMATION**

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

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## *BASIC FINANCIAL STATEMENTS*

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## *GOVERNMENT-WIDE FINANCIAL STATEMENTS*

City of Williamsburg, Virginia  
Statement of Net Position  
June 30, 2022

	Primary Government		
	Governmental Activities	Business-type Activities	Total
<b>ASSETS</b>			
Cash and cash equivalents	\$ 30,400,928	\$ 4,429,668	\$ 34,830,596
Investments	13,531,824	4,096,358	17,628,182
Investments in custody of others	10,988,495	-	10,988,495
Receivables (net of allowance for uncollectibles):			
Taxes receivable	881,279	-	881,279
Accounts receivable	1,511,812	1,417,961	2,929,773
Notes receivable	114,000	-	114,000
Due from other governmental units	4,307,266	-	4,307,266
Inventories	3,387,924	-	3,387,924
Prepaid items	210,371	-	210,371
Leases receivable	2,640,630	2,472,647	5,113,277
Capital assets (net of accumulated depreciation):			
Land and land improvements	9,497,497	7,460,669	16,958,166
Works of art	86,900	-	86,900
Buildings and system	19,806,713	3,643,902	23,450,615
Improvements other than buildings	4,895,968	2,111,388	7,007,356
Lease equipment	107,486	-	107,486
Machinery and equipment	4,129,724	635,781	4,765,505
Intangibles	939,164	8,437,503	9,376,667
Infrastructure	32,336,942	45,023	32,381,965
Construction in progress	3,167,743	-	3,167,743
Total assets	\$ 142,942,666	\$ 34,750,900	\$ 177,693,566
<b>DEFERRED OUTFLOWS OF RESOURCES</b>			
Pension related items	\$ 4,006,934	\$ 387,379	\$ 4,394,313
OPEB related items	1,102,218	22,919	1,125,137
Deferred charges on refunding	13,028	90,125	103,153
Total deferred outflows of resources	\$ 5,122,180	\$ 500,423	\$ 5,622,603
<b>LIABILITIES</b>			
Accounts payable	\$ 2,365,211	\$ 742,496	\$ 3,107,707
Accrued liabilities	599,450	52,678	652,128
Refundable deposits	497,050	64,650	561,700
Accrued interest payable	291,670	63,824	355,494
Unearned revenue	376,870	190,000	566,870
Long-term liabilities:			
Due within one year	1,863,239	474,687	2,337,926
Due in more than one year	14,712,998	2,541,542	17,254,540
Net pension liability, due in more than one year	5,781,771	571,123	6,352,894
Net OPEB liability, due in more than one year	2,553,448	69,810	2,623,258
Total liabilities	\$ 29,041,707	\$ 4,770,810	\$ 33,812,517
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Pension related items	\$ 7,403,206	\$ 818,307	\$ 8,221,513
OPEB related items	663,300	29,070	692,370
Deferred revenue - property taxes	4,798	-	4,798
Lease related	2,595,205	2,396,096	4,991,301
Total deferred inflows of resources	\$ 10,666,509	\$ 3,243,473	\$ 13,909,982
<b>NET POSITION</b>			
Net Investment in capital assets	\$ 70,587,642	\$ 19,518,759	\$ 90,106,401
Unrestricted	37,768,988	7,718,281	45,487,269
Total net position	\$ 108,356,630	\$ 27,237,040	\$ 135,593,670

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

Exhibit 1

Component Units			
Williamsburg Redevelopment and Housing Authority		Williamsburg Economic Development Authority	
\$	928,959	\$	186,967
	261,232		253,788
	-		-
	-		-
	16,942		-
	-		-
	-		-
	19,153		-
	23,728		-
	-		-
	2,377,895		-
	-		-
	1,097,908		-
	11,785		-
	-		-
	9,262		-
	-		-
	-		-
	-		-
\$	4,746,864	\$	440,755
\$	-	\$	-
	-		-
	-		-
\$	-	\$	-
\$	21,716	\$	31,085
	11,460		-
	40,734		-
	-		-
	1,327		-
	-		-
	114,000		-
	-		-
	-		-
\$	189,237	\$	31,085
\$	-	\$	-
	-		-
	-		-
	-		-
\$	-	\$	-
\$	3,382,850	\$	-
	1,174,777		409,670
\$	4,557,627	\$	409,670

City of Williamsburg, Virginia  
Statement of Activities  
For the Year Ended June 30, 2022

		Program Revenues			
Functions/Programs	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	
PRIMARY GOVERNMENT:					
Governmental activities:					
General government administration	\$ 5,093,268	\$ -	\$ 3,193,989	\$ -	
Judicial administration	482,442	200,957	1,023	-	
Public safety	12,811,708	1,126,508	7,778,094	-	
Public works	6,107,188	-	3,855,233	267,468	
Health and welfare	3,064,367	-	1,325,244	-	
Education	8,937,883	-	16,148	-	
Parks, recreation, and cultural	1,751,740	397,040	624,694	-	
Community development	6,235,582	-	375,642	260,640	
Interest on long-term debt	485,833	-	-	-	
Total governmental activities	\$ 44,970,011	\$ 1,724,505	\$ 17,170,067	\$ 528,108	
Business-type activities:					
Utility Fund	\$ 7,572,444	\$ 8,258,979	\$ -	\$ -	
Total business-type activities	\$ 7,572,444	\$ 8,258,979	\$ -	\$ -	
Total primary government	\$ 52,542,455	\$ 9,983,484	\$ 17,170,067	\$ 528,108	
COMPONENT UNITS:					
WRHA	\$ 1,003,874	\$ 436,304	\$ 299,520	\$ 302,134	
EDA	285,848	12,500	30,333	-	
Total component units	\$ 1,289,722	\$ 448,804	\$ 329,853	\$ 302,134	
General revenues and transfers:					
General property taxes					
Local sales and use taxes					
Restaurant food taxes					
Hotel and motel taxes					
\$2 lodging taxes					
Business license taxes					
Other local taxes					
Unrestricted revenues from use of money and property					
Miscellaneous					
Grants and contributions not restricted to specific programs					
Payment from City of Williamsburg					
Transfers					
Total general revenues and transfers					
Change in net position					
Net position - beginning					
Net position - ending					

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

Net (Expense) Revenue and Changes in Net Position				
Primary Government			Component Units	
Governmental Activities	Business-type Activities	Total	Williamsburg Redevelopment and Housing Authority	Williamsburg Economic Development Authority
\$ (1,899,279)	\$ -	\$ (1,899,279)	\$ -	\$ -
(280,462)	-	(280,462)	-	-
(3,907,106)	-	(3,907,106)	-	-
(1,984,487)	-	(1,984,487)	-	-
(1,739,123)	-	(1,739,123)	-	-
(8,921,735)	-	(8,921,735)	-	-
(730,006)	-	(730,006)	-	-
(5,599,300)	-	(5,599,300)	-	-
(485,833)	-	(485,833)	-	-
\$ (25,547,331)	\$ -	\$ (25,547,331)	\$ -	\$ -
\$ -	\$ 686,535	\$ 686,535		
\$ -	\$ 686,535	\$ 686,535		
\$ (25,547,331)	\$ 686,535	\$ (24,860,796)		
			\$ 34,084	\$ -
			-	(243,015)
			\$ 34,084	\$ (243,015)
\$ 17,062,033	\$ -	\$ 17,062,033	\$ -	\$ -
6,887,726	-	6,887,726	-	-
7,877,823	-	7,877,823	-	-
3,489,094	-	3,489,094	-	-
926,216	-	926,216	-	-
2,349,858	-	2,349,858	-	-
1,480,113	-	1,480,113	-	-
913,416	34,774	948,190	342	652
1,365,850	298,080	1,663,930	13,734	246
1,351,542	-	1,351,542	-	-
-	-	-	-	181,043
160,411	(160,411)	-	-	-
\$ 43,864,082	\$ 172,443	\$ 44,036,525	\$ 14,076	\$ 181,941
\$ 18,316,751	\$ 858,978	\$ 19,175,729	\$ 48,160	\$ (61,074)
90,039,879	26,378,062	116,417,941	4,509,467	470,744
\$ 108,356,630	\$ 27,237,040	\$ 135,593,670	\$ 4,557,627	\$ 409,670

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## *FUND FINANCIAL STATEMENTS*

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City of Williamsburg, Virginia  
Balance Sheet  
Governmental Funds  
June 30, 2022

	General Fund	Tourism Fund	American Rescue Plan Fund	Capital Projects Fund	Other Governmental Funds	Total
<b>ASSETS</b>						
Cash and cash equivalents	\$ 2,634,004	\$ 3,715,934	\$ 1,787,320	\$ 21,361,912	\$ 901,758	\$ 30,400,928
Investments	13,158,742	-	19,127	353,955	-	13,531,824
Investments in custody of others	-	-	-	10,988,495	-	10,988,495
Receivables (net of allowance for uncollectibles):						
Taxes receivable	881,279	-	-	-	-	881,279
Accounts receivable	1,399,917	93,602	-	151	18,142	1,511,812
Notes receivable	114,000	-	-	-	-	114,000
Leases receivable	2,640,630	-	-	-	-	2,640,630
Due from other funds	3,725,629	-	-	-	-	3,725,629
Due from other governmental units	921,540	297,295	2,230,303	751,343	106,785	4,307,266
Inventories	-	-	-	3,387,924	-	3,387,924
Prepaid items	210,371	-	-	-	-	210,371
Total assets	\$ 25,686,112	\$ 4,106,831	\$ 4,036,750	\$ 36,843,780	\$ 1,026,685	\$ 71,700,158
<b>LIABILITIES</b>						
Accounts payable	\$ 499,021	\$ 91,289	\$ -	\$ 1,765,369	\$ 9,532	\$ 2,365,211
Accrued liabilities	592,935	1,512	-	5,003	-	599,450
Refundable deposits	497,050	-	-	-	-	497,050
Due to other funds	-	-	3,682,623	-	43,006	3,725,629
Unearned revenue	-	-	335,000	-	41,870	376,870
Total liabilities	\$ 1,589,006	\$ 92,801	\$ 4,017,623	\$ 1,770,372	\$ 94,408	\$ 7,564,210
<b>DEFERRED INFLOWS OF RESOURCES</b>						
Unavailable revenue - property taxes	\$ 750,017	\$ -	\$ -	\$ -	\$ -	\$ 750,017
Lease related	2,595,205	-	-	-	-	2,595,205
Total deferred inflows of resources	\$ 3,345,222	\$ -	\$ -	\$ -	\$ -	\$ 3,345,222
<b>FUND BALANCES</b>						
Nonspendable	\$ 210,371	\$ -	\$ -	\$ 3,387,924	\$ -	\$ 3,598,295
Restricted	-	-	19,127	10,988,495	932,277	11,939,899
Assigned	-	4,014,030	-	20,696,989	-	24,711,019
Unassigned	20,541,513	-	-	-	-	20,541,513
Total fund balances	\$ 20,751,884	\$ 4,014,030	\$ 19,127	\$ 35,073,408	\$ 932,277	\$ 60,790,726
Total liabilities, deferred inflows of resources and fund balances	\$ 25,686,112	\$ 4,106,831	\$ 4,036,750	\$ 36,843,780	\$ 1,026,685	\$ 71,700,158

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

City of Williamsburg, Virginia  
Reconciliation of the Balance Sheet of Governmental Funds  
To the Statement of Net Position  
June 30, 2022

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

Total fund balances per Exhibit 3 - Balance Sheet - Governmental Funds	\$	60,790,726
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Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.	\$	74,968,137	74,968,137
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Other long-term assets are not available to pay for current-period expenditures and, therefore, are reported as deferred inflows of resources in the funds. The following is a summary of items supporting this adjustment:	\$	745,219	745,219
Unavailable revenue - property taxes			

Deferred outflows of resources are not available to pay for current-period expenditures and, therefore, are not reported in the funds.	\$	13,028	
Deferred charge on refunding		4,006,934	
Pension related items		1,102,218	
OPEB related items			5,122,180

Long-term liabilities, including bonds payable, are not due and payable in the current period and, therefore, are not reported in the funds. The following is a summary of items supporting this adjustment:	\$	(15,275,059)	
General obligation bonds		(2,553,448)	
Net OPEB liability		(5,781,771)	
Net pension liability		(106,959)	
Lease liabilities		(291,670)	
Accrued interest payable		(1,194,219)	
Compensated absences			(25,203,126)

Deferred inflows of resources are not due and payable in the current period and, therefore, are not reported in the funds.	\$	(663,300)	
OPEB related items		(7,403,206)	
Pension related items			(8,066,506)

Net position of governmental activities	\$	108,356,630	
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The notes to the financial statements are an integral part of this statement.

City of Williamsburg, Virginia  
Statement of Revenues, Expenditures, and Changes in Fund Balances  
Governmental Funds  
For the Year Ended June 30, 2022

	General Fund	Tourism Fund	American Rescue Plan Fund	Capital Projects Fund	Other Governmental Funds	Total
<b>REVENUES</b>						
General property taxes	\$ 16,742,322	\$ -	\$ -	\$ -	\$ -	\$ 16,742,322
Other local taxes	15,196,888	2,976,264	-	4,837,678	-	23,010,830
Permits, privilege fees, and regulatory licenses	275,127	-	-	-	-	275,127
Fines and forfeitures	200,957	-	-	-	-	200,957
Revenue from the use of money and property	800,689	-	19,127	93,599	1	913,416
Charges for services	1,248,421	-	-	-	-	1,248,421
Miscellaneous	789,355	-	-	493,159	83,336	1,365,850
Recovered costs	1,342,479	-	-	-	-	1,342,479
Intergovernmental:						
Commonwealth	3,958,535	-	-	254,818	582,070	4,795,423
Federal	168,180	-	12,944,337	381,193	760,584	14,254,294
Total revenues	\$ 40,722,953	\$ 2,976,264	\$ 12,963,464	\$ 6,060,447	\$ 1,425,991	\$ 64,149,119
<b>EXPENDITURES</b>						
Current:						
General government administration	\$ 4,967,798	\$ -	\$ -	\$ -	\$ -	\$ 4,967,798
Judicial administration	482,442	-	-	-	-	482,442
Public safety	12,024,197	-	-	-	18,418	12,042,615
Public works	3,456,518	-	-	-	-	3,456,518
Health and welfare	487,145	-	-	-	2,644,394	3,131,539
Education	8,665,672	-	-	-	-	8,665,672
Parks, recreation, and cultural	2,129,713	-	-	-	-	2,129,713
Community development	1,660,825	4,190,836	-	-	-	5,851,661
Capital projects	-	-	-	6,808,437	-	6,808,437
Debt service:						
Principal retirement	38,435	-	-	905,920	-	944,355
Interest and other fiscal charges	661	-	-	605,989	-	606,650
Total expenditures	\$ 33,913,406	\$ 4,190,836	\$ -	\$ 8,320,346	\$ 2,662,812	\$ 49,087,400
Excess (deficiency) of revenues over (under) expenditures	\$ 6,809,547	\$ (1,214,572)	\$ 12,963,464	\$ (2,259,899)	\$ (1,236,821)	\$ 15,061,719
<b>OTHER FINANCING SOURCES (USES)</b>						
Transfers in	\$ 12,892,454	\$ 2,205,000	\$ -	\$ 10,538,661	\$ 1,258,774	\$ 26,894,889
Transfers out	(13,790,141)	-	(12,944,337)	-	-	(26,734,478)
Total other financing sources (uses)	\$ (897,687)	\$ 2,205,000	\$ (12,944,337)	\$ 10,538,661	\$ 1,258,774	\$ 160,411
Net change in fund balances	\$ 5,911,860	\$ 990,428	\$ 19,127	\$ 8,278,762	\$ 21,953	\$ 15,222,130
Fund balances - beginning	14,840,024	3,023,602	-	26,794,646	910,324	45,568,596
Fund balances - ending	\$ 20,751,884	\$ 4,014,030	\$ 19,127	\$ 35,073,408	\$ 932,277	\$ 60,790,726

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

City of Williamsburg, Virginia  
Reconciliation of Statement of Revenues,  
Expenditures, and Changes in Fund Balances of Governmental Funds  
To the Statement of Activities  
For the Year Ended June 30, 2022

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

Net change in fund balances - total governmental funds	\$ 15,222,130
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Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which the capital outlay exceeded the depreciation expense in the current period. The following is a summary of items supporting this adjustment:

Capital outlay	\$ 5,586,699	
Depreciation expense	<u>(4,229,474)</u>	1,357,225

Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.

Property taxes	<u>\$ 319,711</u>	319,711
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The issuance of long-term debt (e.g. bonds, leases) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position. Also, governmental funds report the effect of premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. This amount is the net effect of these differences in the treatment of long-term debt and related items. The following is a summary of items supporting this adjustment:

Principal retirement on general obligation bonds	\$ 905,920	
Principal retirement on leases	<u>38,435</u>	944,355

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

The following is a summary of items supporting this adjustment:

Change in compensated absences	\$ (53,027)	
Change in OPEB related items	(102,627)	
Change in pension related items	508,167	
Amortization of premium	100,341	
Amortization of deferred charges on refunding	(2,172)	
Change in accrued interest payable	<u>22,648</u>	<u>473,330</u>

Change in net position of governmental activities	<u>\$ 18,316,751</u>
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The notes to the financial statements are an integral part of this statement.

City of Williamsburg, Virginia  
Statement of Net Position  
Proprietary Funds  
June 30, 2022

	Utility Fund
<b>ASSETS</b>	
Current assets:	
Cash and cash equivalents	\$ 4,429,668
Investments	4,096,358
Accounts receivable (net of allowances for uncollectibles)	1,417,961
Leases receivable	2,472,647
Total current assets	<u>\$ 12,416,634</u>
Noncurrent assets:	
Capital assets:	
Land and land improvement and open easement	\$ 7,460,669
Buildings and system	11,842,633
Improvements other than buildings	8,595,241
Machinery and equipment	2,953,639
Intangibles	12,525,344
Infrastructure	83,860
Accumulated depreciation	(21,127,120)
Net capital assets	<u>\$ 22,334,266</u>
Total noncurrent assets	<u>\$ 22,334,266</u>
Total assets	<u>\$ 34,750,900</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>	
Deferred charges on refundings	\$ 90,125
Pension related items	387,379
OPEB related items	22,919
Total deferred outflows of resources	<u>\$ 500,423</u>
<b>LIABILITIES</b>	
Current liabilities:	
Accounts payable	\$ 742,496
Accrued liabilities	52,678
Refundable deposits	64,650
Accrued interest payable	63,824
Compensated absences - current portion	76,887
Unearned revenue	190,000
General obligation bonds - current portion	397,800
Total current liabilities	<u>\$ 1,588,335</u>

City of Williamsburg, Virginia  
Statement of Net Position  
Proprietary Funds  
June 30, 2022

	Utility Fund
<b>LIABILITIES (Continued)</b>	
Noncurrent liabilities:	
General obligation bonds - net of current portion	\$ 2,507,832
Net pension liability	571,123
Net OPEB liability	69,810
Compensated absences - net of current portion	33,710
Total noncurrent liabilities	<u>\$ 3,182,475</u>
Total liabilities	<u>\$ 4,770,810</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>	
Pension related items	\$ 818,307
OPEB related items	29,070
Lease related	2,396,096
Total deferred inflows of resources	<u>\$ 3,243,473</u>
<b>NET POSITION</b>	
Net investment in capital assets	\$ 19,518,759
Unrestricted	7,718,281
Total net position	<u><u>\$ 27,237,040</u></u>

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

City of Williamsburg, Virginia  
Statement of Revenues, Expenses, and Changes in Net Position  
Proprietary Funds  
For the Year Ended June 30, 2022

	<u>Utility Fund</u>
<b>OPERATING REVENUES</b>	
Charges for services:	
Water revenues	\$ 4,675,624
Sewer revenues	2,630,268
Tap and availability fees	934,190
Penalty and interest	16,497
Lease revenue	258,373
Miscellaneous	39,707
Total operating revenues	<u>\$ 8,554,659</u>
<b>OPERATING EXPENSES</b>	
Personnel services	\$ 1,228,012
Fringe benefits	434,724
Contractual services	2,853,316
Other charges	2,133,632
Depreciation	838,851
Total operating expenses	<u>\$ 7,488,535</u>
Operating income (loss)	<u>\$ 1,066,124</u>
<b>NONOPERATING REVENUES (EXPENSES)</b>	
Investment income	\$ 34,774
Interest and other fiscal charges	(83,909)
Connection fees	2,400
Total nonoperating revenues (expenses)	<u>\$ (46,735)</u>
Income before transfers	<u>\$ 1,019,389</u>
Transfers in	139,589
Transfers out	(300,000)
Change in net position	<u>\$ 858,978</u>
Net position - beginning	26,378,062
Net position - ending	<u><u>\$ 27,237,040</u></u>

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

City of Williamsburg, Virginia  
Statement of Cash Flows  
Proprietary Funds  
For the Year Ended June 30, 2022

	<u>Utility Fund</u>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>	
Receipts from customers and users	\$ 8,670,160
Payments to suppliers	(4,926,998)
Payments to and for employees	(1,792,018)
Net cash provided by (used for) operating activities	<u>\$ 1,951,144</u>
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>	
Connection fees	\$ 2,400
Transfers from other funds	(160,411)
Net cash provided by (used for) noncapital financing activities	<u>\$ (158,011)</u>
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>	
Purchases of capital assets	\$ (1,151,692)
Principal payments on bonds	(379,080)
Interest expense	(137,125)
Net cash provided by (used for) capital and related financing activities	<u>\$ (1,667,897)</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>	
Interest received	\$ 24,244
Net cash provided by (used for) investing activities	<u>\$ 24,244</u>
Net increase (decrease) in cash and cash equivalents	\$ 149,480
Cash and cash equivalents - beginning	4,280,188
Cash and cash equivalents - ending	<u><u>\$ 4,429,668</u></u>
<b>Reconciliation of operating income (loss) to net cash provided by (used for) operating activities:</b>	
Operating income (loss)	<u>\$ 1,066,124</u>
Adjustments to reconcile operating income to net cash provided by (used for) operating activities:	
Depreciation	\$ 838,851
(Increase) decrease in accounts receivable	196,751
(Increase) decrease in lease receivable	(2,472,647)
(Increase) decrease in deferred outflows of resources related to pension and OPEB	42,860
Increase (decrease) in compensated absences	(21,127)
Increase (decrease) in accounts payable	59,950
Increase (decrease) in accrued liabilities	(528)
Increase (decrease) in unearned revenue	(5,000)
Increase (decrease) refundable deposits	301
Increase (decrease) in net pension liability	(872,840)
Increase (decrease) in net OPEB liability	(26,044)
Increase (decrease) in deferred inflows of resources related to leases	2,396,096
Increase (decrease) in deferred inflows of resources related to pension and OPEB	748,397
Total adjustments	<u>\$ 885,020</u>
Net cash provided by (used for) operating activities	<u><u>\$ 1,951,144</u></u>

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



City of Williamsburg, Virginia  
Statement of Fiduciary Net Position  
Fiduciary Funds  
June 30, 2022

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	<b>Custodial Funds</b>
<b>ASSETS</b>	
Cash and cash equivalents	\$ 1,535,550
Investments, at fair value:	
Other investments	1,378,889
Other assets	21,238
Total assets	<u>\$ 2,935,677</u>
<b>LIABILITIES</b>	
Accounts payable	\$ 80,713
Accrued liabilities	79,604
Total liabilities	<u>\$ 160,317</u>
<b>NET POSITION</b>	
Restricted for:	
Individuals	\$ 143,538
Organizations	130,371
Other governments	2,501,451
Total net position	<u><u>\$ 2,775,360</u></u>

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

City of Williamsburg, Virginia  
Statement of Changes in Fiduciary Net Position  
Fiduciary Funds  
For the Year Ended June 30, 2022

	<b>Custodial Funds</b>
<b>ADDITIONS</b>	
Contributions:	
Other governmental entities	\$ 7,335,520
Participant fees	223,335
Miscellaneous	125,598
Investment earnings:	
Interest and dividends	3,580
Special assessment tax collected for other governments	585,889
Issuance of leases	8,157
Miscellaneous	21,155
Total additions	<u>\$ 8,303,234</u>
<b>DEDUCTIONS</b>	
Recipient payments	\$ 5,061
Administrative expenses	19,117
Payment of special assessment taxes to governments	585,889
Payments for personnel	5,307,084
Payments for operations	1,500,897
Purchases for supplies	673,551
Principal retirement	16,266
Interest and other fiscal charges	2,040
Total deductions	<u>\$ 8,109,905</u>
 Net increase (decrease) in fiduciary net position	 <u>\$ 193,329</u>
 Net position, beginning	 <u>\$ 2,582,031</u>
Net position, ending	<u><u>\$ 2,775,360</u></u>

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

## CITY OF WILLIAMSBURG, VIRGINIA

### Notes to Financial Statements As of June 30, 2022

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

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

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

#### Financial Statement Presentation

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

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

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

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

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

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

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

Notes to Financial Statements (Continued)  
As of June 30, 2022

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

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

**A. Financial Reporting Entity**

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

**B. Individual Component Unit Disclosures**

*Blended Component Unit* - The City has no blended component units to be included for the fiscal year ended June 30, 2022.

*Discretely Presented Component Units* - The Williamsburg Redevelopment and Housing Authority (WRHA) is responsible for operating a low income housing program in the City which provides housing for eligible families, for operating redevelopment and conservation programs and for delivering of services to citizens of low income housing and urban renewal areas through the encouragement and development of social and economic opportunities. The Commissioners of the Authority are the members of City Council in addition to a Member-at-Large and a Public Housing Resident Member. The Authority is fiscally dependent on the City. The City does not have operational responsibility for the WRHA. The City is involved in the day-to-day fiscal operations of the WRHA, including the processing of their payroll, accounts payable and other managerial functions and therefore, the WRHA is included in the City's financial statements as a discrete presentation for the year ended June 30, 2022. WRHA's fiscal year of October 1 to September 30 differs from the City's fiscal year of July 1 to June 30. A copy of the separately issued financial statements may be obtained for the WRHA by writing to Williamsburg Redevelopment and Housing Authority, 401 Lafayette Street, P.O. Box 411, Williamsburg, VA 23185 or by calling (757) 220-3477.

The Williamsburg Economic Development Authority (EDA) is responsible for industrial prospective bond issues and commercial development in the City. The Authority consists of seven members appointed by the City Council. The Authority is fiscally dependent on the City as the City is involved in the day-to-day operations of the EDA, including the approval of private activity prospective bond issues and therefore, it is included in the City's financial statements as a discrete presentation for the year ended June 30, 2022. Separate audited financial statements are available from the EDA, 401 Lafayette Street, Williamsburg, VA 23185 or by calling (757) 220-6104.

CITY OF WILLIAMSBURG, VIRGINIA

Notes to Financial Statements (Continued)  
As of June 30, 2022

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

C. Other Related Organizations

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

1. The City of Williamsburg - County of James City, Virginia Joint Public Schools - Under the terms of an agreement dated January 14, 1954, and subsequently revised, between the governing bodies and the school boards of the City of Williamsburg, Virginia and the County of James City, Virginia, effective July 1, 1955, the two localities consolidated the operations of their schools. The latest agreement was amended April 13, 2017 for Fiscal Years 2019 through 2022. That agreement provides that the City's share of operational costs will be equivalent to the percentage of City students each year, times an add-on factor, then averaged over the two past fiscal year funding shares. The add-on factor for Fiscal Year 2022 and forward is as follows:

<u>Fiscal Year</u>	<u>Factor</u>
2022	1.14
2023	1.14

Summary financial information on the school operations (General Fund) as of June 30, 2022, is as follows:

Total assets	\$ 25,216,300
Liabilities	\$ 22,636,979
Deferred inflows of resources	\$ 424,961
Fund balance and other credits	2,154,360
Total liabilities, deferred inflows, fund balance, and other credits	\$ 25,216,300
Revenues and other financing sources	\$ 149,498,492
Expenditures and other financing uses	149,469,169
Excess of expenditures and other financing uses over revenues and other financing sources	\$ 29,323
Fund balance, beginning	2,125,037
Fund balance, ending	\$ 2,154,360

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

Notes to Financial Statements (Continued)  
As of June 30, 2022

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

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C. Other Related Organizations (Continued)

2. Williamsburg Regional Library - The Library is a joint operation of the City of Williamsburg and the Counties of James City and York, Virginia, operating under a contract dated September 26, 2013. It receives funding from the Commonwealth of Virginia, the federal government, and some private sources. The Library's board is split between City and County appointees. During the current fiscal year, the City contributed \$906,654 to the Library's operating budget, or 12.43% of its net appropriated support. Separate financial statements are prepared and are available, which reflect the details of its operations.
3. Other Agencies - Certain agencies and commissions service both the City of Williamsburg and surrounding localities. Board membership is allocated among the localities and their governing bodies make appointments. These agencies include: Hampton Roads Planning District Commission (HRPDC), Colonial Behavioral Health, Virginia Peninsula Regional Jail, Colonial Group Home Commission, Middle Peninsula Juvenile Detention Commission, Peninsula Agency on Aging, Community Action Agency, Virginia Peninsula Public Service Authority, Greater Williamsburg Partnership, and the Williamsburg Area Arts Commission.

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

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

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

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

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

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

Notes to Financial Statements (Continued)  
As of June 30, 2022

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

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

environmental obligations are recognized later based on specific accounting rules applicable to each, generally when payment is due. General capital asset acquisitions, including entering into contracts giving the government the right to use lease assets, are reported as expenditures in the governmental funds. Issuance of long-term debt and financing through leases are reported as other financing sources.

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

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

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

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

**1. Governmental Funds**

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

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

Notes to Financial Statements (Continued)  
As of June 30, 2022

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

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

**1. Governmental Funds (Continued)**

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

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

**2. Proprietary Funds**

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

Enterprise funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses. The City's major Enterprise Fund consists of the Utility Fund.

**3. Fiduciary Funds**

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

**E. Cash and Cash Equivalents**

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

**F. Investments**

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



Notes to Financial Statements (Continued)  
As of June 30, 2022

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

F. Investments (Continued)

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

G. Receivables and payables

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

All trade and property tax receivables are shown net of an allowance for uncollectibles. The City calculates its allowance for uncollectible accounts using historical collection data and, in certain cases, specific account analysis. The allowance amounted to approximately \$419,650 at June 30, 2022 and is comprised of property taxes of \$63,529 water and sewer charges of \$88,952, and ambulance recovery fees of \$267,169.

Real and Personal Property Tax Data:

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

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

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

H. Capital Assets

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

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

Notes to Financial Statements (Continued)  
As of June 30, 2022

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

H. Capital Assets (Continued)

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

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

I. Leases

The City leases various assets requiring recognition. A lease is a contract that conveys control of the right to use another entity's nonfinancial asset. Lease recognition does not apply to short-term leases, contracts that transfer ownership, leases of assets that are investments, or certain regulated leases.

*Lessee*

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

*Lessor*

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

Notes to Financial Statements (Continued)  
As of June 30, 2022

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

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I. Leases (Continued)

*Key Estimates and Judgments*

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

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

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

J. Compensated Absences

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

K. Use of Estimates

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

Notes to Financial Statements (Continued)  
As of June 30, 2022

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

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**L. Deferred Outflows/Inflows of Resources**

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

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

**M. Net Position**

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

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

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

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

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N. Pensions

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

O. Other Postemployment Benefits (OPEB)

For purposes of measuring the net VRS related OPEB liabilities, deferred outflows of resources and deferred inflows of resources related to the OPEB, and OPEB expense, information about the fiduciary net position of the VRS GLI and LODA OPEB Plans and the additions to/deductions from the VRS OPEB Plans' fiduciary net position have been determined on the same basis as they were reported by VRS. In addition, benefit payments are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

P. Long-term Obligations

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

Q. Prepaid Items

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

R. Inventory

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

S. Fund Balance

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

- Nonspendable fund balance - amounts that are either not in spendable form (such as inventory and prepaids) or are legally or contractually required to be maintained intact (corpus of a permanent fund);

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

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**S. Fund Balance (Continued)**

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

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

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

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

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

CITY OF WILLIAMSBURG, VIRGINIA

Notes to Financial Statements (Continued)  
As of June 30, 2022

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

**S. Fund Balance (Continued)**

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

	Major Special Revenue Fund		Major Special Revenue Fund		Nonmajor Special Revenue Funds		Major Capital Projects Fund	
	General Fund	Tourism Fund	American Rescue Plan Fund	Virginia Public Assistance Fund	Law Enforcement Block Grant Fund	Capital Projects Fund	Total	
<b>Fund Balances:</b>								
<b>Nonspendable:</b>								
Prepaid Items	\$ 210,371	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 210,371	
Inventory of land held for resale	-	-	-	-	-	3,387,924	3,387,924	
<b>Total Nonspendable</b>	<u>\$ 210,371</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 3,387,924</u>	<u>\$ 3,598,295</u>	
<b>Restricted:</b>								
Social services	\$ -	\$ -	\$ -	\$ 920,199	\$ -	\$ -	\$ 920,199	
Law enforcement	-	-	-	-	12,078	-	12,078	
ARPA	-	-	19,127	-	-	-	19,127	
Fire and police capital improvements	-	-	-	-	-	10,988,495	10,988,495	
<b>Total Restricted</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 19,127</u>	<u>\$ 920,199</u>	<u>\$ 12,078</u>	<u>\$ 10,988,495</u>	<u>\$ 11,939,899</u>	
<b>Assigned:</b>								
Future capital projects	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 20,696,989	\$ 20,696,989	
Tourism	-	4,014,030	-	-	-	-	4,014,030	
<b>Total Assigned</b>	<u>\$ -</u>	<u>\$ 4,014,030</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 20,696,989</u>	<u>\$ 24,711,019</u>	
<b>Unassigned</b>	<u>\$ 20,541,513</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 20,541,513</u>	
<b>Total Fund Balances</b>	<u>\$ 20,751,884</u>	<u>\$ 4,014,030</u>	<u>\$ 19,127</u>	<u>\$ 920,199</u>	<u>\$ 12,078</u>	<u>\$ 35,073,408</u>	<u>\$ 60,790,726</u>	

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

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

1. The City Charter requires the City Manager to submit to the City Council an annual budget for the ensuing fiscal year at least 60 days prior to the beginning of such fiscal year.
2. A public hearing on the budget is held after a synopsis of the budget is published in a local newspaper of general circulation. After a public hearing, the City Council may change any item in the budget (other than debt service or items required by law). A budget resolution must be adopted by the City Council prior to June 30 or as soon thereafter as is practicable.
3. The City utilizes the budget resolution of budgetary control whereby City Council adopts budgets for estimated revenues and expenditures on a departmental basis for the General Fund and Special Revenue Funds. Adopted budgets may be amended or superseded by action of City Council.
4. Budgets are also adopted by City Council for the Enterprise Funds. Budget to actual comparisons for these funds are not presented herein since there is no legal requirement for such presentation.

## CITY OF WILLIAMSBURG, VIRGINIA

### Notes to Financial Statements (Continued) As of June 30, 2022

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#### ***Note 2—Stewardship, Compliance, and Accounting: (Continued)***

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5. All operating budgets include proposed expenditures and the means of financing them. The City Manager has the authority to transfer amounts within the departments, so long as the total appropriation for a department is not adjusted. Budgeted amounts as presented in the financial statements reflect reallocations within budget categories through June 30, 2022.
6. Appropriation control is maintained at the department level. Appropriations lapse at year end. Encumbrances and committed fund balances outstanding at year end are re-appropriated in the succeeding year.
7. All budgets are adopted on a basis consistent with generally accepted accounting principles (GAAP).
8. The City utilizes a Finance and Audit Committee to assist City Council in carrying out its oversight responsibilities as they relate to financial reporting, internal controls and compliance with laws and regulations.
9. Expenditures and Appropriations  
Expenditures did not exceed appropriations in any department.

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

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##### **Deposits**

Deposits with banks are covered by the Federal Deposit Insurance Corporation (FDIC) and collateralized in accordance with the Virginia Security for Public Deposits Act (the “Act”) Section 2.2-4400 et. seq. of the Code of Virginia. Under the Act, banks and saving institutions holding public deposits in excess of the amount insured by the FDIC must pledge collateral to the Commonwealth of Virginia Treasury Board. Financial Institutions may choose between two collateralization methodologies and depending upon that choice, will pledge collateral that ranges in the amounts from 50% to 130% of excess deposits. Accordingly, all deposits of the Williamsburg Redevelopment and Housing Authority, a discretely presented component unit, are considered fully collateralized.

At year-end the carrying value of the City’s deposits with banks and savings institutions was \$36,542,725 and the bank balance was \$37,102,476. Of the bank balance, \$37,102,476 was covered by Federal Depository Insurance Corporation. Of the Bank balance, \$15,255,291 was uncollateralized in banks or savings and loans not qualifying under the Virginia Security for Public Deposits Act at June 30, 2022.

##### **Investments**

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



CITY OF WILLIAMSBURG, VIRGINIA

Notes to Financial Statements (Continued)  
As of June 30, 2022

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

Credit Risk of Debt Securities

The City's rated debt investments as of June 30, 2022 were rated by *Standard and Poor's* and the ratings are presented below using the *Standard and Poor's* rating scale. The City's investment policy has an emphasis on high credit quality and known marketability. Holdings of commercial paper are not allowed to exceed thirty-five percent of the investment portfolio, and not more than 5% per issuer.

City's Rated Debt Investments' Values	
Rated Debt Investments	Fair Quality Ratings
	AAAm
Local Government Investment Pool	\$ 19,260,859
Virginia State Non-Arbitrage Pool	10,988,495
Total	<u>\$ 30,249,354</u>

Interest Rate Risk

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

Investment Maturities (in years)			
Investment Type	Fair Value	Less Than 1 Year	1-5 Years
Local Government Investment Pool	\$19,260,859	\$19,260,859	\$ -
Virginia State Non-Arbitrage Pool	10,988,495	10,988,495	
Total	<u>\$30,249,354</u>	<u>\$30,249,354</u>	<u>\$ -</u>

External Investment Pools

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

CITY OF WILLIAMSBURG, VIRGINIA

Notes to Financial Statements (Continued)  
As of June 30, 2022

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

At June 30, 2022, the City has receivables from other governments as follows:

	Governmental Activities
Other Local Governments:	
Williamsburg-James City County Public Schools	\$ 804,663
Williamsburg Redevelopment and Housing Authority	13,760
Commonwealth of Virginia:	
Communications tax	82,164
Car rental tax	10,865
CSA pool funds	28,170
Local sales tax	676,285
Shared expenses	10,088
Social services	30,222
Historic Triangle sales tax	297,295
Federal Government:	
ARPA funding	2,230,303
Highway planning and construction	50,188
Brownsfield grant	24,870
Social Services	48,393
Total	<u>\$ 4,307,266</u>

**Note 5—Interfund Obligations:**

Details of the Primary Government's interfund receivables and payables as of June 30, 2022 are as follows:

Fund	Interfund Receivables	Interfund Payables
General	\$ 3,725,629	\$ -
American Rescue Plan	-	3,682,623
Virginia Public Assistance	-	43,006
Total	<u>\$ 3,725,629</u>	<u>\$ 3,725,629</u>

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

CITY OF WILLIAMSBURG, VIRGINIA

Notes to Financial Statements (Continued)  
As of June 30, 2022

**Note 6—Capital Assets:**

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

	Balance July 1, 2021	Adjustments	Adjusted Balance July 1, 2021	Additions	Deletions	Balance June 30, 2022
<i>Governmental activities:</i>						
Capital assets not subject to depreciation:						
Land and land improvements	\$ 8,797,413	\$ -	\$ 8,797,413	\$ 700,084	\$ -	\$ 9,497,497
Works of art	28,400	-	28,400	58,500	-	86,900
Construction in progress	446,242	-	446,242	2,721,501	-	3,167,743
Total capital assets not subject to depreciation	\$ 9,272,055	\$ -	\$ 9,272,055	\$ 3,480,085	\$ -	\$ 12,752,140
Capital assets subject to depreciation:						
Buildings and system	\$ 43,590,797	\$ -	\$ 43,590,797	\$ -	\$ -	\$ 43,590,797
Improvements other than buildings	15,840,449	-	15,840,449	898,238	-	16,738,687
Infrastructure	70,072,002	-	70,072,002	355,979	-	70,427,981
Intangible	1,219,076	-	1,219,076	288,827	-	1,507,903
Lease equipment	-	145,394	145,394	-	-	145,394
Machinery and equipment	14,995,377	-	14,995,377	563,570	35,497	15,523,450
Total capital assets subject to depreciation	\$145,717,701	\$ 145,394	\$145,863,095	\$ 2,106,614	\$ 35,497	\$147,934,212
Accumulated depreciation:						
Buildings and system	\$ 22,594,065	\$ -	\$ 22,594,065	\$ 1,190,019	\$ -	\$ 23,784,084
Improvements other than buildings	11,435,199	-	11,435,199	407,520	-	11,842,719
Infrastructure	36,421,689	-	36,421,689	1,669,350	-	38,091,039
Intangible	488,024	-	488,024	80,715	-	568,739
Lease equipment	-	-	-	37,908	-	37,908
Machinery and equipment	10,585,261	-	10,585,261	843,962	35,497	11,393,726
Total accumulated depreciation	\$ 81,524,238	\$ -	\$ 81,524,238	\$ 4,229,474	\$ 35,497	\$ 85,718,215
Total capital assets subject to depreciation, net	\$ 64,193,463	\$ 145,394	\$ 64,338,857	\$ (2,122,860)	\$ -	\$ 62,215,997
Governmental activities capital assets, net	\$ 73,465,518	\$ 145,394	\$ 73,610,912	\$ 1,357,225	\$ -	\$ 74,968,137

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CITY OF WILLIAMSBURG, VIRGINIA

Notes to Financial Statements (Continued)  
As of June 30, 2022

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

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

	Balance July 1, 2021	Additions	Deletions	Balance June 30, 2022
<i>Business-type activities:</i>				
Capital assets not subject to depreciation:				
Land and land improvements	\$ 5,780,530	\$ 1,026,339	\$ -	\$ 6,806,869
Open easement	653,800	-	-	653,800
Total capital assets not subject to depreciation	\$ 6,434,330	\$ 1,026,339	\$ -	\$ 7,460,669
Capital assets subject to depreciation:				
Buildings and system	\$ 11,842,633	\$ -	\$ -	\$11,842,633
Intangibles	12,525,344	-	-	12,525,344
Improvements other than buildings	8,595,241	-	-	8,595,241
Infrastructure	83,860	-	-	83,860
Machinery and equipment	2,846,099	125,353	17,813	2,953,639
Total capital assets subject to depreciation	\$ 35,893,177	\$ 125,353	\$ 17,813	\$36,000,717
Accumulated depreciation:				
Buildings and system	\$ 7,973,395	\$ 225,336	\$ -	\$ 8,198,731
Intangibles	3,775,341	312,500	-	4,087,841
Improvements other than buildings	6,318,061	165,792	-	6,483,853
Infrastructure	35,690	3,147	-	38,837
Machinery and equipment	2,203,595	132,076	17,813	2,317,858
Total accumulated depreciation	\$ 20,306,082	\$ 838,851	\$ 17,813	\$21,127,120
Total capital assets subject to depreciation, net	\$ 15,587,095	\$ (713,498)	\$ -	\$14,873,597
Business-type activities capital assets, net	\$ 22,021,425	\$ 312,841	\$ -	\$22,334,266

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CITY OF WILLIAMSBURG, VIRGINIA

Notes to Financial Statements (Continued)  
As of June 30, 2022

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

Depreciation expense was charged to functions/programs as follows:

Governmental activities:	
General government administration	\$ 1,490,060
Public safety	676,535
Public works	1,675,373
Health and welfare	7,008
Parks, recreation and cultural	361,723
Community development	18,775
	<u>          </u>
Total depreciation expense - governmental activities	<u>\$ 4,229,474</u>
Business-type activities:	
Utility Fund	<u>\$ 838,851</u>

**Note 7— Interfund Transfers:**

Interfund transfers for the year ended June 30, 2022, consisted of the following:

<u>Fund</u>	<u>Transfers In</u>	<u>Transfers Out</u>
General Fund	\$ 12,892,454	\$ 13,790,141
Utility Fund	139,589	300,000
Capital Projects Fund	10,538,661	-
Special Revenue Fund:		
American Rescue Plan Fund	-	12,944,337
Tourism Fund	2,205,000	-
Virginia Public Assistance Fund	1,258,774	-
	<u>          </u>	<u>          </u>
Total	<u>\$ 27,034,478</u>	<u>\$ 27,034,478</u>

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

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CITY OF WILLIAMSBURG, VIRGINIA

Notes to Financial Statements (Continued)  
As of June 30, 2022

**Note 8—Long-Term Obligations:**

The following is a summary of long-term obligation transactions of the City for the year ended June 30, 2022:

*Primary Government:*

	Balance July 1, 2021	Adjustments	Adjusted Balance July 1, 2021	Issuances/ Increases	Retirements/ Decreases	Balance June 30, 2022	Amounts Due Within One Year
<b>Governmental activities:</b>							
General obligation bonds	\$ 15,142,840	\$ -	\$ 15,142,840	\$ -	\$ 905,920	\$ 14,236,920	\$ 952,200
Lease liabilities	-	145,394	145,394	-	38,435	106,959	38,636
Compensated absences	1,141,192	-	1,141,192	864,494	811,467	1,194,219	872,403
Net pension liability	13,743,328	-	13,743,328	9,186,945	17,148,502	5,781,771	-
Net OPEB liability	2,546,267	-	2,546,267	1,621,286	1,614,105	2,553,448	-
Adjustment for deferred amounts:							
For issuance premium	1,138,480	-	1,138,480	-	100,341	1,038,139	-
<b>Total Governmental activities</b>	<b>\$ 33,712,107</b>	<b>\$ 145,394</b>	<b>\$ 33,857,501</b>	<b>\$ 11,672,725</b>	<b>\$ 20,618,770</b>	<b>\$ 24,911,456</b>	<b>\$ 1,863,239</b>
<b>Business-type activities:</b>							
General obligation bond	\$ 2,932,160	\$ -	\$ 2,932,160	\$ -	\$ 379,080	\$ 2,553,080	\$ 397,800
Compensated absences	131,724	-	131,724	66,837	87,964	110,597	76,887
Net pension liability	1,443,963	-	1,443,963	899,720	1,772,560	571,123	-
Net OPEB liability	95,854	-	95,854	25,095	51,139	69,810	-
Adjustment for deferred amounts:							
For issuance premium	411,311	-	411,311	-	58,759	352,552	-
<b>Total Business-type activities</b>	<b>\$ 5,015,012</b>	<b>\$ -</b>	<b>\$ 5,015,012</b>	<b>\$ 991,652</b>	<b>\$ 2,349,502</b>	<b>\$ 3,657,162</b>	<b>\$ 474,687</b>

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

Year Ended June 30	Governmental Activities				Business-type Activities	
	Lease Liabilities		General Obligation Bonds		General Obligation Bond	
	Principal	Interest	Principal	Interest	Principal	Interest
2023	38,626	470	\$ 952,200	\$ 559,535	\$ 397,800	\$ 117,702
2024	38,833	263	1,003,800	510,636	421,200	97,227
2025	29,500	79	1,052,740	459,222	442,260	75,641
2026	-	-	1,106,680	405,237	463,320	53,001
2027	-	-	1,163,280	348,488	486,720	29,250
2028 - 2032	-	-	3,898,220	1,131,797	341,780	17,316
2033 - 2037	-	-	4,150,000	465,888	-	-
2038	-	-	910,000	14,219	-	-
<b>Total</b>	<b>\$ 106,959</b>	<b>\$ 812</b>	<b>\$ 14,236,920</b>	<b>\$ 3,895,022</b>	<b>\$ 2,553,080</b>	<b>\$ 390,137</b>

CITY OF WILLIAMSBURG, VIRGINIA

Notes to Financial Statements (Continued)  
As of June 30, 2022

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

Details of long-term indebtedness are as follows:

Long-Term Obligations, Governmental Activities:

General Obligation Bonds :

The City authorized and issued a \$7,370,000 general obligation refunding bond in December 2017 for the purpose of refunding a Series 2010 and a Series 2013 general obligation and enterprise fund obligation bonds. The bond is payable in annual principal installments plus semi-annual interest payments at 5.00%. Payments are due on July 1 and January 1. Payments began July 1, 2018 and end June 30, 2029. Carrying value of the debt allocable to general government is \$2,901,920 plus unamortized premium of \$311,321.

Total Amount
\$ 3,213,241

The City authorized and issued a \$12,260,000 general obligation public improvement bond to finance fire and police capital improvements in December 2017. The bond is payable in annual principal installments plus semi-annual interest payments at various coupon rates, 3.00% thru 5.00%. Payments are due on July 1 and January 1. Payments began July 1, 2018 and end June 30, 2038. Carrying value of the debt is \$11,335,000 plus unamortized premium of \$726,818.

12,061,818
\$ 15,275,059

Total general obligation bonds

Lease Liabilities:

\$22,345 copier lease, due in monthly installments of \$471 through November 2024, interest at 0.60%.

\$ 13,557
-----------

\$58,405 copier lease, due in monthly installments of \$985 through June 2025, interest at 0.48%.

35,195
--------

\$14,754 copier lease, due in monthly installments of \$249 through March 2025, interest at 0.52%.

8,160
-------

\$15,179 copier lease, due in monthly installments of \$320 through November 2024, interest at 0.60%.

9,208
-------

\$36,552 copier lease, due in monthly installments of \$769 through June 2025, interest at 0.50%.

27,471
--------

\$22,024 copier lease, due in monthly installments of \$464 through November 2024, interest at 0.60%.

13,368
--------

Total lease liabilities

\$ 106,959
------------

Compensated absences (payable from General Fund)

\$ 1,194,219
--------------

Net pension liability (payable from General Fund)

\$ 5,781,771
--------------

Net OPEB liability (payable from General Fund)

\$ 2,553,448
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Total Long-Term Obligations, Governmental Activities

\$ 24,911,456
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CITY OF WILLIAMSBURG, VIRGINIA

Notes to Financial Statements (Continued)  
As of June 30, 2022

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

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

Long-Term Obligations, Business-type Activities:	Total Amount
<u>General Obligation Bond:</u>	
The City authorized and issued a \$7,370,000 general obligation refunding bond in December 2017 for the purpose of refunding a Series 2010 and a Series 2013 general obligation and enterprise fund obligation bonds. The bond is payable in annual principal installments plus semi-annual interest payments at 5.00%. Payments are due on July 1 and January 1. Payments began July 1, 2018 and end June 30, 2029. Carrying value of the debt allocable to the business-type activities is \$2,553,080 plus unamortized premium of \$352,552.	\$ 2,905,632
Total general obligation bond	\$ 2,905,632
Compensated absences (payable from Enterprise Fund)	\$ 110,597
Net pension liability (payable from Enterprise Fund)	\$ 571,123
Net OPEB liability (payable from Enterprise Fund)	\$ 69,810
Total Long-Term Obligations, Business-type Activities	\$ 3,657,162

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

Unearned and unavailable revenue represents amounts for which asset recognition criteria have been met, but for which revenue recognition criteria have not been met. Under the modified accrual basis of accounting, such amounts are measurable, but not available. Under the accrual basis, assessments for future periods are deferred. Unavailable revenue of \$750,017 and unearned revenue of \$566,870 are comprised of the following:

Unavailable Property Tax Revenue: Unavailable revenue representing uncollected tax billings not available for funding of current expenditures totaled \$745,219 at June 30, 2022.

Prepaid Property Taxes: Property taxes due subsequent to June 30, 2022 but paid in advance by the taxpayers totaled \$4,798.

Unearned Revenue: Unearned revenue representing ARPA funds received but not expended totaled \$335,000 at June 30, 2022 and are reported in the general fund. The VPA Fund reports \$41,870 in unearned revenue related to summer youth program funds received but not expended at June 30, 2022.

The Utility Fund reports unearned revenue of \$190,000 which represents a lease agreement paid in advance by the County of York.



## CITY OF WILLIAMSBURG, VIRGINIA

### Notes to Financial Statements (Continued) As of June 30, 2022

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

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

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

The City is committed on a construction contract with David A. Nice Builders, Inc to build a new fire station. The construction contract total is \$13,616,744 with \$10,438,526 outstanding at June 30, 2022.

#### ***Note 11—Litigation:***

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At June 30, 2022, there were no matters of litigation involving the City or which would materially affect the City's financial position should any court decisions on pending matters not be favorable to such entities.

#### ***Note 12—Risk Management:***

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The City is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The City joined together with other local governments in Virginia to form the Virginia Municipal Liability Pool, a public entity risk pool currently operating as a common risk management and insurance program for participating local governments. The City pays annual premiums to the pool for its property, theft, auto liability, and general liability coverage. Settled claims for the City resulting from these risks have not exceeded insurance coverage for each of the past three years. There was no reduction in insurance coverage during fiscal year 2022.

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

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

***Note 13—Pension Plan:***

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***Plan Description***

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

***Benefit Structures***

The System administers three different benefit structures for covered employees - Plan 1, Plan 2 and Hybrid. Each of these benefit structures has different eligibility criteria, as detailed below.

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

Notes to Financial Statements (Continued)  
As of June 30, 2022

**Note 13—Pension Plan: (Continued)*****Average Final Compensation and Service Retirement Multiplier***

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

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

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

***Employees Covered by Benefit Terms***

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

	<b>Number</b>
Inactive members or their beneficiaries currently receiving benefits	<u>262</u>
Inactive members:	
Vested inactive members	49
Non-vested inactive members	45
Inactive members active elsewhere in VRS	<u>95</u>
Total inactive members	<u>189</u>
Active members	<u>192</u>
Total covered employees	<u><u>643</u></u>

Notes to Financial Statements (Continued)  
As of June 30, 2022

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**Note 13—Pension Plan: (Continued)**

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**Contributions**

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

The City’s contractually required employer contribution rate for the year ended June 30, 2022 was 15.43% of covered employee compensation. This rate was based on an actuarially determined rate from an actuarial valuation as of June 30, 2019.

This rate, when combined with employee contributions, was expected to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. Contributions to the pension plan from them were \$1,795,434 and \$1,744,139 for the years ended June 30, 2022 and June 30, 2021, respectively.

**Net Pension Liability**

The net pension liability (NPL) is calculated separately for each employer and represents that particular employer’s total pension liability determined in accordance with GASB Statement No. 68, less that employer’s fiduciary net position. For the City, the net pension liability was measured as of June 30, 2021. The total pension liability used to calculate the net pension liability was determined by an actuarial valuation performed as of June 30, 2020 rolled forward to the measurement date of June 30, 2021.

**Actuarial Assumptions - General Employees**

The total pension liability for General Employees in the City’s Retirement Plan was based on an actuarial valuation as of June 30, 2020, using the Entry Age Normal actuarial cost method and the following assumptions, applied to all periods included in the measurement and rolled forward to the measurement date of June 30, 2021.

Inflation	2.50%
Salary increases, including inflation	3.50% - 5.35%
Investment rate of return	6.75%, net of pension plan investment expense, including inflation

**Mortality rates:**

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

**Pre-Retirement:**

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

**Post-Retirement:**

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

Notes to Financial Statements (Continued)  
As of June 30, 2022

**Note 13—Pension Plan: (Continued)****Actuarial Assumptions - General Employees (Continued)**

Mortality rates: (Continued)

Post-Disablement:

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

Beneficiaries and Survivors:

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

Mortality Improvement:

Rates projected generationally with Modified MP-2020 Improvement Scale that is 75% of the MP-2020 rates

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

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

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

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

The total pension liability for Public Safety employees with Hazardous Duty Benefits in the City's Retirement Plan was based on an actuarial valuation as of June 30, 2020, using the Entry Age Normal actuarial cost method and the following assumptions, applied to all periods included in the measurement and rolled forward to the measurement date of June 30, 2021.

Notes to Financial Statements (Continued)  
As of June 30, 2022

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**Note 13—Pension Plan: (Continued)**

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

Inflation	2.50%
Salary increases, including inflation	3.50% - 4.75%
Investment rate of return	6.75%, net of pension plan investment expense, including inflation

Mortality rates:

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

Pre-Retirement:

Pub-2010 Amount Weighted Safety Employee Rates projected generationally with a Modified MP-2020 Improvement Scale; 95% of rates for males; 105% of rates for females set forward 2 years

Post-Retirement:

Pub-2010 Amount Weighted Safety Healthy Retiree Rates projected generationally with a Modified MP-2020 Improvement Scale; 110% of rates for males; 105% of rates for females set forward 3 years

Post-Disablement:

Pub-2010 Amount Weighted General Disabled Rates projected generationally with a Modified MP-2020 Improvement Scale; 95% of rates for males set back 3 years; 90% of rates for females set back 3 years

Beneficiaries and Survivors:

Pub-2010 Amount Weighted Safety Contingent Annuitant Rates projected generationally with a Modified MP-2020 Improvement Scale; 110% of rates for males and females set forward 2 years

Mortality Improvement:

Rates projected generationally with Modified MP-2020 Improvement Scale that is 75% of the MP-2020 rates

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Notes to Financial Statements (Continued)  
As of June 30, 2022

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**Note 13—Pension Plan: (Continued)**

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

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

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

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Notes to Financial Statements (Continued)  
As of June 30, 2022

**Note 13—Pension Plan: (Continued)**

**Long-Term Expected Rate of Return**

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

Asset Class (Strategy)	Long-Term Target Asset Allocation	Arithmetic Long-term Expected Rate of Return	Weighted Average Long-term Expected Rate of Return*
Public Equity	34.00%	5.00%	1.70%
Fixed Income	15.00%	0.57%	0.09%
Credit Strategies	14.00%	4.49%	0.63%
Real Assets	14.00%	4.76%	0.67%
Private Equity	14.00%	9.94%	1.39%
MAPS - Multi-Asset Public Strategies	6.00%	3.29%	0.20%
PIP - Private Investment Partnership	3.00%	6.84%	0.21%
Total	100.00%		4.89%
		Inflation	2.50%
		Expected arithmetic nominal return*	7.39%

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

\*On October 10, 2019, the VRS Board elected a long-term rate of return of 6.75% which was roughly at the 40<sup>th</sup> percentile of expected long-term results of the VRS fund asset allocation at that time, providing a median return of 7.11%, including expected inflation of 2.50%.

**Discount Rate**

The discount rate used to measure the total pension liability was 6.75%. The projection of cash flows used to determine the discount rate assumed that System member contributions will be made per the VRS Statutes and the employer contributions will be made in accordance with the VRS funding policy at rates equal to the difference between actuarially determined contribution rates adopted by the VRS Board of Trustees and the member rate. Consistent with the phased-in funding provided by the General Assembly for state and teacher employer contributions; the City was also provided with an opportunity to use an alternative employer contribution rate. For the year ended June 30, 2021, the alternate rate was the employer contribution rate used



## CITY OF WILLIAMSBURG, VIRGINIA

Notes to Financial Statements (Continued)  
As of June 30, 2022*Note 13—Pension Plan: (Continued)**Discount Rate (Continued)*

in FY 2012 or 100% of the actuarially determined employer contribution rate from the June 30, 2017 actuarial valuations, whichever was greater. From July 1, 2021 on, participating employers and school divisions are assumed to continue to contribute 100% of the actuarially determined contribution rates. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore, the long-term expected rate of return was applied to all periods of projected benefit payments to determine the total pension liability.

*Changes in Net Pension Liability*

	Primary Government		
	Increase (Decrease)		
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (a) - (b)
Balances at June 30, 2020	\$ 76,417,487	\$ 61,230,196	\$ 15,187,291
Changes for the year:			
Service cost	\$ 1,383,990	-	1,383,990
Interest	4,994,877	-	4,994,877
Changes of assumptions	3,078,948	-	3,078,948
Differences between expected and actual experience	508,022	-	508,022
Contributions - employer	-	1,801,653	(1,801,653)
Contributions - employee	-	578,702	(578,702)
Net investment income	-	16,460,541	(16,460,541)
Benefit payments, including refunds of employee contributions	(4,838,617)	(4,838,617)	-
Administrative expenses	-	(42,205)	42,205
Other changes	-	1,543	(1,543)
Net changes	\$ 5,127,220	\$ 13,961,617	\$ (8,834,397)
Balances at June 30, 2021	\$ 81,544,707	\$ 75,191,813	\$ 6,352,894

CITY OF WILLIAMSBURG, VIRGINIA

Notes to Financial Statements (Continued)  
As of June 30, 2022

*Note 13—Pension Plan: (Continued)*

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

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

	Rate		
	1% Decrease	Current Discount	1% Increase
	(5.75%)	(6.75%)	(7.75%)
City Net Pension Liability	\$ 16,373,415	\$ 6,352,894	\$ (1,958,208)

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

For the year ended June 30, 2022, the City recognized pension expense of \$1,240,848. At June 30, 2022, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 525,594	\$ -
Changes of assumptions	1,975,382	-
Net difference between projected and actual earnings on plan investments	-	8,123,610
Proportionate share	97,903	97,903
Employer contributions subsequent to the measurement date	1,795,434	-
Total	\$ 4,394,313	\$ 8,221,513

CITY OF WILLIAMSBURG, VIRGINIA

Notes to Financial Statements (Continued)  
As of June 30, 2022

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**Note 13—Pension Plan: (Continued)**

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

\$1,795,434 reported as deferred outflows of resources related to pensions resulting from the City's contributions subsequent to the measurement date will be recognized as a reduction of the Net Pension Liability in the fiscal year ending June 30, 2023. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense in future reporting periods as follows:

<u>Year ended June 30</u>	
2023	\$ (415,784)
2024	(833,730)
2025	(1,890,750)
2026	(2,482,370)
2027	-
Thereafter	-

***Pension Plan Data***

Information about the VRS Political Subdivision Retirement Plan is also available in the separately issued VRS 2021 Annual Comprehensive Financial Report (Annual Report). A copy of the 2021 VRS Annual Report may be downloaded from the VRS website at <http://www.varetire.org/pdf/publications/2021-annual-report.pdf>, or by writing to the System's Chief Financial Officer at P.O. Box 2500, Richmond, VA 23218-2500.

**Note 14—Surety Bonds:**

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Surety bonds covered the following constitutional officers and City employees at June 30, 2022:

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

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

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***Plan Description***

The Group Life Insurance (GLI) Plan was established pursuant to §51.1-500 et seq. of the Code of Virginia, as amended, and which provides the authority under which benefit terms are established or may be amended. All full-time, salaried permanent employees of the state agencies, teachers, and employees of participating political subdivisions are automatically covered by the VRS GLI Plan upon employment. This is a cost-sharing multiple-employer plan administered by the Virginia Retirement System (the System), along with pensions and other OPEB plans, for public employer groups in the Commonwealth of Virginia.

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

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

***Eligible Employees***

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

***Benefit Amounts***

The GLI Plan is a defined benefit plan with several components. The natural death benefit is equal to the employee's covered compensation rounded to the next highest thousand and then doubled. The accidental death benefit is double the natural death benefit. In addition to basic natural and accidental death benefits, the plan provides additional benefits provided under specific circumstances that include the following: accidental dismemberment benefit, seatbelt benefit, repatriation benefit, felonious assault benefit, and accelerated death benefit option. The benefit amounts are subject to a reduction factor. The benefit amount reduces by 25% on January 1 following one calendar year of separation. The benefit amount reduces by an additional 25% on each subsequent January 1 until it reaches 25% of its original value. For covered members with at least 30 years of service credit, the minimum benefit payable was set at \$8,000 by statute in 2015. This will be increased annually based on the VRS Plan 2 cost-of-living adjustment calculation. The minimum benefit adjusted for the COLA was \$8,722 as of June 30, 2022.

***Contributions***

The contribution requirements for the GLI Plan are governed by §51.1-506 and §51.1-508 of the Code of Virginia, as amended, but may be impacted as a result of funding provided to state agencies and school divisions by the Virginia General Assembly. The total rate for the GLI Plan was 1.34% of covered employee compensation. This was allocated into an employee and an employer component using a 60/40 split. The employee component was 0.80% (1.34% x 60%) and the employer component was 0.54% (1.34% x 40%). Employers may elect to pay all or part of the employee contribution; however, the employer must pay all of the employer contribution. Each employer's contractually required employer contribution rate for the year ended June 30, 2022 was 0.54% 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,

Notes to Financial Statements (Continued)  
As of June 30, 2022

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

**Contributions (Continued)**

was expected to finance the costs of benefits payable during the year, with an additional amount to finance any unfunded accrued liability. Contributions to the Group Life Insurance Program from the entity were \$64,681 and \$62,535 for the years ended June 30, 2022 and June 30, 2021, respectively.

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

At June 30, 2022, the entity reported a liability of \$653,040 for its proportionate share of the Net GLI OPEB Liability. The Net GLI OPEB Liability was measured as of June 30, 2021 and the total GLI OPEB liability used to calculate the Net GLI OPEB Liability was determined by an actuarial valuation as of June 30, 2020 and rolled forward to the measurement date of June 30, 2021. The covered employer's proportion of the Net GLI OPEB Liability was based on the covered employer's actuarially determined employer contributions to the GLI Plan for the year ended June 30, 2021 relative to the total of the actuarially determined employer contributions for all participating employers. At June 30, 2021, the participating employer's proportion was 0.05610% as compared to 0.05370% at June 30, 2020.

For the year ended June 30, 2022, the participating employer recognized GLI OPEB expense of \$30,294. Since there was a change in proportionate share between measurement dates, a portion of the GLI OPEB expense was related to deferred amounts from changes in proportion.

At June 30, 2022, the employer reported deferred outflows of resources and deferred inflows of resources related to the GLI OPEB from the following sources:

	<b>Deferred Outflows of Resources</b>	<b>Deferred Inflows of Resources</b>
Differences between expected and actual experience \$	74,481	\$ 4,976
Net difference between projected and actual earnings on GLI OPEB plan investments	-	155,867
Change of assumptions	36,002	89,350
Changes in proportionate share	39,234	21,739
Employer contributions subsequent to the measurement date	64,681	-
Total	<u>\$ 214,398</u>	<u>\$ 271,932</u>

Notes to Financial Statements (Continued)  
As of June 30, 2022

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

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

\$64,681 reported as deferred outflows of resources related to the GLI OPEB resulting from the employer’s contributions subsequent to the measurement date will be recognized as a reduction of the Net GLI OPEB Liability in the fiscal year ending June 30, 2023. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to the GLI OEPB will be recognized in the GLI OPEB expense in future reporting periods as follows:

<u>Year Ended June 30</u>	
2023	\$ 12,490
2024	20,097
2025	27,779
2026	26,046
2027	2,981
Thereafter	(393)

*Actuarial Assumptions*

The total GLI OPEB liability was based on an actuarial valuation as of June 30, 2020, using the Entry Age Normal actuarial cost method and the following assumptions, applied to all periods included in the measurement and rolled forward to the measurement date of June 30, 2021. The assumptions include several employer groups. Salary increases and mortality rates included herein are for relevant employer groups. Information for other groups can be referenced in the VRS Annual Report.

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

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Notes to Financial Statements (Continued)  
As of June 30, 2022

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

**Actuarial Assumptions: (Continued)**

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

Pre-Retirement:

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

Post-Retirement:

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

Post-Disablement:

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

Beneficiaries and Survivors:

Pub-2010 Amount Weighted Safety Contingent Annuitant Rates projected generationally

Mortality Improvement Scale:

Rates projected generationally with Modified MP-2020 Improvement Scale that is 75% of the MP-2020 rates

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

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

Notes to Financial Statements (Continued)  
As of June 30, 2022

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

**Actuarial Assumptions: (Continued)**

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

Pre-Retirement:

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

Post-Retirement:

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

Post-Disablement:

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

Beneficiaries and Survivors:

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

Mortality Improvement Scale:

Rates projected generationally with Modified MP-2020 Improvement Scale that is 75% of the MP-2020 rates

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

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



Notes to Financial Statements (Continued)  
As of June 30, 2022

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

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**NET GLI OPEB Liability**

The net OPEB liability (NOL) for the GLI Plan represents the plan’s total OPEB liability determined in accordance with GASB Statement No. 74, less the associated fiduciary net position. As of the measurement date of June 30, 2021, NOL amounts for the GLI Plan are as follows (amounts expressed in thousands):

		<b>GLI OPEB Plan</b>
		<hr/>
Total GLI OPEB Liability	\$	3,577,346
Plan Fiduciary Net Position		2,413,074
GLI Net OPEB Liability (Asset)	\$	<hr/> 1,164,272
Plan Fiduciary Net Position as a Percentage of the Total GLI OPEB Liability		67.45%

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

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Notes to Financial Statements (Continued)  
As of June 30, 2022

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

**Long-Term Expected Rate of Return**

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

<b>Asset Class (Strategy)</b>	<b>Long-Term Target Asset Allocation</b>	<b>Arithmetic Long-term Expected Rate of Return</b>	<b>Weighted Average Long-term Expected Rate of Return*</b>
Public Equity	34.00%	5.00%	1.70%
Fixed Income	15.00%	0.57%	0.09%
Credit Strategies	14.00%	4.49%	0.63%
Real Assets	14.00%	4.76%	0.67%
Private Equity	14.00%	9.94%	1.39%
MAPS - Multi-Asset Public Strategies	6.00%	3.29%	0.20%
PIP - Private Investment Partnership	3.00%	6.84%	0.21%
Total	100.00%		4.89%
		Inflation	2.50%
		Expected arithmetic nominal return*	7.39%

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

\* On October 10, 2019, the VRS Board elected a long-term rate of return of 6.75%, which was roughly at the 40<sup>th</sup> percentile of expected long-term results of the VRS fund asset allocation at that time, providing a median return of 7.11%, including expected inflation of 2.50%.

**Discount Rate**

The discount rate used to measure the total GLI OPEB liability was 6.75%. The projection of cash flows used to determine the discount rate assumed that employer contributions will be made in accordance with the VRS funding policy and at rates equal to the actuarially determined contribution rates adopted by the VRS Board of Trustees. Through the fiscal year ended June 30, 2021, the rate contributed by the entity for the GLI OPEB will be subject to the portion of the VRS Board-certified rates that are funded by the Virginia General Assembly which was 100% of the actuarially determined contribution rate. From July 1, 2021 on, employers are assumed to continue to contribute 100% of the actuarially determined contribution rates. Based on those assumptions, the GLI OPEB's fiduciary net position was projected to be available to make all projected future benefit payments of eligible employees. Therefore, the long-term expected rate of return was applied to all periods of projected benefit payments to determine the total GLI OPEB liability.

CITY OF WILLIAMSBURG, VIRGINIA

Notes to Financial Statements (Continued)  
As of June 30, 2022

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

***Sensitivity of the Employer's Proportionate Share of the Net GLI OPEB Liability to Changes in the Discount Rate***

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

	Rate		
	1% Decrease	Current Discount	1% Increase
	(5.75%)	(6.75%)	(7.75%)
City's proportionate share of the GLI Plan			
Net OPEB Liability	\$ 954,115	\$ 653,040	\$ 409,908

***GLI Plan Fiduciary Net Position***

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

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

***Plan Description***

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

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

***Eligible Employees***

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

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

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***Benefit Amounts***

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

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

***Contributions***

The contribution requirements for the LODA Program are governed by §9.1-400.1 of the Code of Virginia, as amended, but may be impacted as a result of funding provided to state agencies by the Virginia General Assembly. Each employer's contractually required employer contribution rate for the LODA Program for the year ended June 30, 2022 was \$722.55 per covered full-time-equivalent employee. This rate was based on an actuarially determined rate from an actuarial valuation as of June 30, 2019 and represents the pay-as-you-go funding rate and not the full actuarial cost of the benefits under the program. The actuarially determined pay-as-you-go rate was expected to finance the costs and related expenses of benefits payable during the year. Contributions to the Line of Duty Act Program from the entity were \$62,501 and \$61,509 for the years ended June 30, 2022 and June 30, 2021, respectively.

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

At June 30, 2022, the entity reported a liability of \$1,970,218 for its proportionate share of the Net LODA OPEB Liability. The Net LODA OPEB Liability was measured as of June 30, 2021 and the total LODA OPEB liability used to calculate the Net LODA OPEB Liability was determined by an actuarial valuation as of June 30, 2020, and rolled forward to the measurement date of June 30, 2021. The entity's proportion of the Net LODA OPEB Liability was based on the entity's actuarially determined pay-as-you-go employer contributions to the LODA OPEB plan for the year ended June 30, 2021 relative to the total of the actuarially determined pay-as-you-go employer contributions for all participating employers. At June 30, 2021, the entity's proportion was 0.44680% as compared to 0.41680% at June 30, 2020.

For the year ended June 30, 2022, the entity recognized LODA OPEB expense of \$195,390. Since there was a change in proportionate share between measurement dates, a portion of the LODA OPEB expense was related to deferred amounts from changes in proportion.

## CITY OF WILLIAMSBURG, VIRGINIA

Notes to Financial Statements (Continued)  
As of June 30, 2022*Note 16—Line of Duty Act (LODA) Program: (Continued)**LODA OPEB Liabilities, LODA OPEB Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to the LODA OPEB: (Continued)*

At June 30, 2022, the entity reported deferred outflows of resources and deferred inflows of resources related to the LODA OPEB from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Difference between expected and actual experience	\$ 164,263	\$ 298,308
Net difference between projected and actual earnings on LODA OPEB program investments	-	11,409
Change of assumptions	545,225	94,245
Changes in proportionate share	138,750	16,476
Employer contributions subsequent to the measurement date	<u>62,501</u>	<u>-</u>
Total	<u>\$ 910,739</u>	<u>\$ 420,438</u>

\$62,501 reported as deferred outflows of resources related to the LODA OPEB resulting from the entity's contributions subsequent to the measurement date will be recognized as a reduction of the Net LODA OPEB Liability in the fiscal year ending June 30, 2023. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to the LODA OPEB will be recognized in LODA OPEB expense in future reporting periods as follows:

Year Ended June 30

2023	\$ 59,223
2024	59,748
2025	59,902
2026	60,066
2027	62,768
Thereafter	126,093

Notes to Financial Statements (Continued)  
As of June 30, 2022

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

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**Actuarial Assumptions**

The total LODA OPEB liability was based on an actuarial valuation as of June 30, 2020, using the Entry Age Normal actuarial cost method and the following assumptions, applied to all periods included in the measurement and rolled forward to the measurement date of June 30, 2021. The assumptions include several employer groups. Salary increases and mortality rates included herein are for relevant employer groups. Information for other groups can be referenced in the VRS Annual Report.

Inflation	2.50%
Salary increases, including inflation:	
Locality employees	N/A
Medical cost trend rates assumption:	
Under age 65	7.00%-4.75%
Ages 65 and older	5.375%-4.75%
Year of ultimate trend rate:	
Under age 65	Fiscal year ended 2029
Ages 65 and older	Fiscal year ended 2024
Investment rate of return	2.16%, including inflation*

\* Since LODA is funded on a current-disbursement basis, the assumed annual rate of return of 2.16% was used since it approximates the risk-free rate of return.

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

**Pre-Retirement:**

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

**Post-Retirement:**

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

**Post-Disablement:**

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

**Beneficiaries and Survivors:**

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

**Mortality Improvement Scale:**

Rates projected generationally with Modified MP-2020 Improvement Scale that is 75% of the MP-2020 rates

Notes to Financial Statements (Continued)  
As of June 30, 2022

**Note 16—Line of Duty Act (LODA) Program: (Continued)****Actuarial Assumptions (Continued)****Mortality Rates - Non-Largest Ten Locality Employers with Public Safety Employees (Continued)**

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

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

**Net LODA OPEB Liability**

The net OPEB liability (NOL) for the LODA Program represents the program's total OPEB liability determined in accordance with GASB Statement No. 74, less the associated fiduciary net position. As of the measurement date of June 30, 2021, NOL amounts for the LODA Program are as follows (amounts expressed in thousands):

	<u><b>LODA Program</b></u>
Total LODA OPEB Liability	\$ 448,542
Plan Fiduciary Net Position	7,553
Employers' Net OPEB Liability (Asset)	<u><u>\$ 440,989</u></u>
Plan Fiduciary Net Position as a Percentage of the Total LODA OPEB Liability	1.68%

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

Notes to Financial Statements (Continued)  
As of June 30, 2022

**Note 16—Line of Duty Act (LODA) Program: (Continued)****Long-Term Expected Rate of Return**

The long-term expected rate of return on LODA OPEB Program's investments was set at 2.16% for this valuation. Since LODA is funded on a current-disbursement basis, it is not able to use the VRS Pooled Investments 6.75% assumption. Instead, the assumed annual rate of return of 2.16% was used since it approximates the risk-free rate of return. This Single Equivalent Interest Rate (SEIR) is the applicable municipal bond index rate based on the Bond Buyer General Obligation 20-year Municipal Bond Index as of the measurement date of June 30, 2021.

**Discount Rate**

The discount rate used to measure the total LODA OPEB liability was 2.16%. The projection of cash flows used to determine the discount rate assumed that employer contributions will be made per the VRS Statutes and that they will be made in accordance with the VRS funding policy and at rates equal to the actuarially determined contribution rates adopted by the VRS Board of Trustees. Through the fiscal year ended June 30, 2021, the rate contributed by participating employers to the LODA OPEB Program will be subject to the portion of the VRS Board-certified rates that are funded by the Virginia General Assembly.

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

The following presents the covered employer's proportionate share of the net LODA OPEB liability using the discount rate of 2.16%, as well as what the covered employer's proportionate share of the net LODA OPEB liability would be if it were calculated using a discount rate that is one percentage point lower (1.16%) or one percentage point higher (3.16%) than the current rate:

	Discount Rate		
	1% Decrease (1.16%)	Current (2.16%)	1% Increase (3.16%)
County's proportionate share of the total LODA Net OPEB Liability	\$ 2,266,473	\$ 1,970,218	\$ 1,734,819

**Sensitivity of the Covered Employer's Proportionate Share of the Net LODA OPEB Liability to Changes in the Health Care Trend Rate**

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

	Health Care Trend Rates		
	1% Decrease (6.00% decreasing to 3.75%)	Current (7.00% decreasing to 4.75%)	1% Increase (8.00% decreasing to 5.75%)
City's proportionate share of the LODA Net OPEB Liability	\$ 1,616,614	\$ 1,970,218	\$ 2,423,612



## CITY OF WILLIAMSBURG, VIRGINIA

Notes to Financial Statements (Continued)  
As of June 30, 2022**Note 16—Line of Duty Act (LODA) Program: (Continued)****LODA OPEB Fiduciary Net Position**

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

**Aggregate OPEB Information**

	Primary Government			
	Deferred Outflows	Deferred Inflows	Net OPEB Liability	OPEB Expense
VRS OPEB Plans:				
Group Life Insurance Plan (Note 15)	\$ 214,398	\$ 271,932	\$ 653,040	\$ 30,294
Line of Duty Act Plan (Note 16)	910,739	420,438	1,970,218	195,390
Totals	<u>\$ 1,125,137</u>	<u>\$ 692,370</u>	<u>\$ 2,623,258</u>	<u>\$ 225,684</u>

**Note 17—Leases Receivable:**

The City leases land and rights-of-way to tenants under various lease contracts. In fiscal year 2022, the City recognized principal and interest revenue in the amount of \$478,064 and \$26,877, respectively. A description of the leases is as follows:

Lease Description	Start Date	End Date	Frequency	Rate	Balance
24 parking spaces in parking terrace	7/1/2021	6/30/2025	Monthly	0.52%	\$ 62,471
City Square Lot 2 Parking and amenities	7/1/2021	12/31/1949	Quarterly	1.63%	613,942
City Square Lot 3 Parking and amenities	7/1/2021	12/31/1949	Monthly	1.63%	305,836
Municipal Center additional parking	3/1/2022	2/28/2027	Monthly	1.30%	76,934
Office space at Transportation Center	8/1/2021	7/31/2026	Monthly	1.19%	583,434
Use of Transportation Center	7/1/2021	6/30/2024	Monthly	0.41%	59,765
Office space at Transportation Center	7/1/2021	6/30/2024	Monthly	0.41%	28,963
601 Prince George Street Bookstore	7/1/2021	5/31/2026	Monthly	0.55%	577,087
204 Armistead Street Bakery	7/1/2021	5/31/2026	Monthly	0.55%	173,163
603 Prince George Street	7/1/2021	7/31/2025	Monthly	0.50%	85,621
206 Armistead	7/1/2021	12/31/2021	Monthly	0.41%	73,414
Water Tower Usage for cellular antenna	7/1/2021	9/30/2024	Annually	1.41%	560,897
Water Tower Usage for cellular antenna	7/1/2021	10/15/2022	Annually	1.41%	657,924
Water Tower Usage for cellular antenna	7/1/2021	12/31/2026	Annually	0.22%	305,259
Water Tower Usage for cellular antenna	7/1/2021	9/30/1940	Annually	1.41%	948,567
Total					<u>\$ 5,113,277</u>

## CITY OF WILLIAMSBURG, VIRGINIA

Notes to Financial Statements (Continued)  
As of June 30, 2022**Note 17—Leases Receivable: (Continued)**

Expected future payments at June 30, 2022 are as follows:

Year Ended June 30	Governmental Activities			Business-type Activities		
	Principal	Interest	Total	Principal	Interest	Total
2023	245,535	27,446	\$ 272,981	164,913	31,233	\$ 196,146
2024	241,915	25,782	267,697	166,582	29,564	196,146
2025	209,409	24,403	233,812	172,814	27,873	200,687
2026	162,887	22,853	185,740	178,403	26,096	204,499
2027	157,472	21,474	178,946	181,526	24,244	205,770
2028 - 2032	694,249	88,119	782,368	730,555	92,407	822,962
2033 - 2037	356,321	58,528	414,849	651,406	40,460	691,866
2038 - 2042	199,362	39,234	238,596	226,448	6,697	233,145
2043 - 2047	255,755	20,846	276,601	-	-	-
2048 - 2049	117,725	3,127	120,852	-	-	-
Total	<u>\$ 2,640,630</u>	<u>\$ 331,812</u>	<u>\$ 2,972,442</u>	<u>\$ 2,472,647</u>	<u>\$ 278,574</u>	<u>\$ 2,751,221</u>

**Note 18 —Adoption of Accounting Principles:**

The City implemented provisions of Governmental Accounting Standards Board Statement Nos. 87, *Leases* and 92, *Omnibus 2020* during the fiscal year ended June 30, 2022. Statement No. 87, *Leases* requires recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and recognized as inflows of resources or outflows of resources based on the payment provisions of the contract. Statement No. 92, *Omnibus 2020* addresses a variety of topics, including leases. No restatement of beginning net position was required as a result of this implementation. Using the facts and circumstances that existed at the beginning of the year of implementation, the following balances were recognized as of July 1, 2021 related to the lease(s):

**Primary Government:**

	Governmental Activities	General Fund	Business-type Activities	Utility Fund
Lessee activity:				
Leased equipment	\$ 145,394	\$ -	\$ -	\$ -
Lease liabilities	\$ 145,394	\$ -	\$ -	\$ -
Lessor activity:				
Leases receivable	\$ 2,878,580	\$ 2,878,580	\$ 2,590,785	\$ 2,590,785
Deferred inflows of resources - leases	\$ 2,878,580	\$ 2,878,580	\$ 2,590,785	\$ 2,590,785

Notes to Financial Statements (Continued)  
As of June 30, 2022

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**Note 19—Upcoming Pronouncements:**

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Statement No. 91, *Conduit Debt Obligations*, provides a single method of reporting conduit debt obligations by issuers and eliminates diversity in practice associated with (1) commitments extended by issuers, (2) arrangements associated with conduit debt obligations, and (3) related note disclosures. The requirements of this Statement are effective for reporting periods beginning after December 15, 2021.

Statement No. 94, *Public-Private and Public-Public Partnerships and Availability of Payment Arrangements*, addresses issues related to public-private and public-public partnership arrangements. This Statement also provides guidance for accounting and financial reporting for availability payment arrangements. The requirements of this Statement are effective for fiscal years beginning after June 15, 2022.

Statement No. 96, *Subscription-Based Information Technology Arrangements (SBITAs)*, (1) defines a SBITA; (2) establishes that a SBITA results in a right-to-use subscription asset—an intangible asset—and a corresponding subscription liability; (3) provides the capitalization criteria for outlays other than subscription payments, including implementation costs of a SBITA; and (4) requires note disclosures regarding a SBITA. The requirements of this Statement are effective for fiscal years beginning after June 15, 2022.

Statement No. 99, *Omnibus 2022*, addresses (1) practice issues that have been identified during implementation and application of certain GASB Statements and (2) accounting and financial reporting for financial guarantees. The effective dates differ based on the requirements of the Statement, ranging from April 2022 to for fiscal years beginning after June 15, 2023.

Statement No. 100, *Accounting Changes and Error Corrections - an amendment of GASB Statement No. 62*, provides more understandable, reliable, relevant, consistent, and comparable information for making decisions or assessing accountability for accounting changes and error corrections. The requirements of this Statement are effective for fiscal years beginning after June 15, 2023.

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

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

**Note 20—COVID-19 Pandemic Funding and Subsequent Events:**

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The COVID-19 pandemic and its impact on operations continues to evolve. Specific to the City, COVID-19 impacted various parts of its 2022 operations and financial results including, but not limited to, costs for emergency preparedness and shortages of personnel. Federal relief has been received through various programs. Management believes the City is taking appropriate actions to mitigate the negative impact. The extent to which COVID-19 may impact operations in subsequent years remains uncertain, and management is unable to estimate the effects on future results of operations, financial condition, or liquidity for fiscal year 2022.

CITY OF WILLIAMSBURG, VIRGINIA

Notes to Financial Statements (Continued)  
As of June 30, 2022

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***Note 20—COVID-19 Pandemic Funding and Subsequent Events:***

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**ARPA Funding**

On March 11, 2022, the American Rescue Plan (ARPA) Act of 2022 was passed by the federal government. A primary component of the ARPA was the establishment of the Coronavirus State and Local Fiscal Recovery Fund (CSLFRF). Local governments are to receive funds in two tranches, with 50% provided beginning in May 2022 and the balance delivered approximately 12 months later.

On June 30, 2022, the City received its share of the first half of the CSLFRF funds. As of June 30, 2022, the City accrued \$2,230,303 of the second half of CSLFRF funds. As a condition of receiving CSLFRF funds, any funds unobligated by December 31, 2024, and unexpended by December 31, 2026, will be returned to the federal government.

**Issuance of General Obligation Bond**

On September 8, 2022, the City approved a resolution to issue a general obligation bond for the purpose of financing capital improvements. On October 25, 2022, the City issued a Series 2022 General Obligation Public Improvement Bond in the amount of \$24,500,000.

*REQUIRED SUPPLEMENTARY INFORMATION*

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City of Williamsburg, Virginia  
General Fund  
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual  
For the Year Ended June 30, 2022

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with</u>
	<u>Original</u>	<u>Final</u>	<u>Amounts</u>	<u>Final Budget -</u> <u>Positive</u> <u>(Negative)</u>
<b>REVENUES</b>				
General property taxes	\$ 16,656,042	\$ 16,646,990	\$ 16,742,322	\$ 95,332
Other local taxes	12,394,300	12,394,300	15,196,888	2,802,588
Permits, privilege fees, and regulatory licenses	158,500	158,500	275,127	116,627
Fines and forfeitures	200,000	200,000	200,957	957
Revenue from the use of money and property	826,719	826,719	800,689	(26,030)
Charges for services	1,155,437	1,160,829	1,248,421	87,592
Miscellaneous	466,750	699,757	789,355	89,598
Recovered costs	1,161,300	1,161,300	1,342,479	181,179
Intergovernmental:				
Commonwealth	3,988,202	4,006,512	3,958,535	(47,977)
Federal	141,375	177,250	168,180	(9,070)
Total revenues	<u>\$ 37,148,625</u>	<u>\$ 37,432,157</u>	<u>\$ 40,722,953</u>	<u>\$ 3,290,796</u>
<b>EXPENDITURES</b>				
Current:				
General government administration	\$ 4,969,567	\$ 5,156,112	\$ 4,967,798	\$ 188,314
Judicial administration	490,000	490,000	482,442	7,558
Public safety	11,864,786	12,292,757	12,024,197	268,560
Public works	3,456,913	3,594,173	3,456,518	137,655
Health and welfare	508,013	512,471	487,145	25,326
Education	9,230,331	9,249,531	8,665,672	583,859
Parks, recreation, and cultural	2,334,429	2,377,928	2,129,713	248,215
Community development	1,820,978	1,887,126	1,660,825	226,301
Nondepartmental	438,000	214,164	-	214,164
Debt service:				
Principal retirement	-	-	38,435	(38,435)
Interest and other fiscal charges	-	-	661	(661)
Total expenditures	<u>\$ 35,113,017</u>	<u>\$ 35,774,262</u>	<u>\$ 33,913,406</u>	<u>\$ 1,860,856</u>
Excess (deficiency) of revenues over (under) expenditures	<u>\$ 2,035,608</u>	<u>\$ 1,657,895</u>	<u>\$ 6,809,547</u>	<u>\$ 5,151,652</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	\$ -	\$ 9,209,831	\$ 12,892,454	\$ 3,682,623
Transfers out	(4,519,138)	(14,128,144)	(13,790,141)	338,003
Total other financing sources (uses)	<u>\$ (4,519,138)</u>	<u>\$ (4,918,313)</u>	<u>\$ (897,687)</u>	<u>\$ 4,020,626</u>
Net change in fund balances	<u>\$ (2,483,530)</u>	<u>\$ (3,260,418)</u>	<u>\$ 5,911,860</u>	<u>\$ 9,172,278</u>
Fund balances - beginning	2,483,530	3,260,418	14,840,024	11,579,606
Fund balances - ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 20,751,884</u>	<u>\$ 20,751,884</u>

City of Williamsburg, Virginia  
Tourism Fund - Major Fund  
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual  
For the Year Ended June 30, 2022

	Budgeted Amounts		Actual	Variance with Final Budget - Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Amounts</u>	
<b>REVENUES</b>				
Other local taxes	\$ 2,565,000	\$ 2,565,000	\$ 2,976,264	\$ 411,264
Total revenues	\$ 2,565,000	\$ 2,565,000	\$ 2,976,264	\$ 411,264
<b>EXPENDITURES</b>				
Current:				
Community development	\$ 5,232,287	\$ 6,396,791	\$ 4,190,836	\$ 2,205,955
Total expenditures	\$ 5,232,287	\$ 6,396,791	\$ 4,190,836	\$ 2,205,955
Excess (deficiency) of revenues over (under) expenditures	\$ (2,667,287)	\$ (3,831,791)	\$ (1,214,572)	\$ 2,617,219
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	\$ 2,205,000	\$ 2,205,000	\$ 2,205,000	\$ -
Total other financing sources (uses)	\$ 2,205,000	\$ 2,205,000	\$ 2,205,000	\$ -
Net change in fund balances	\$ (462,287)	\$ (1,626,791)	\$ 990,428	\$ 2,617,219
Fund balances - beginning	462,287	1,626,791	3,023,602	1,396,811
Fund balances - ending	\$ -	\$ -	\$ 4,014,030	\$ 4,014,030



City of Williamsburg, Virginia  
American Rescue Plan Fund - Major Fund  
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual  
For the Year Ended June 30, 2022

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with</u>
	<u>Original</u>	<u>Final</u>	<u>Amounts</u>	<u>Final Budget -</u> <u>Positive</u> <u>(Negative)</u>
<b>REVENUES</b>				
Revenue from the use of money and property	\$ -	\$ -	\$ 19,127	\$ 19,127
Intergovernmental revenues:				
Federal	-	19,141,546	12,944,337	(6,197,209)
Total revenues	\$ -	\$ 19,141,546	\$ 12,963,464	\$ (6,178,082)
 Excess (deficiency) of revenues over (under) expenditures	 \$ -	 \$ 19,141,546	 \$ 12,963,464	 \$ (6,178,082)
 <b>OTHER FINANCING SOURCES (USES)</b>				
Transfers out	\$ -	\$ (19,141,546)	\$ (12,944,337)	\$ 6,197,209
Total other financing sources (uses)	\$ -	\$ (19,141,546)	\$ (12,944,337)	\$ 6,197,209
 Net change in fund balances	 \$ -	 \$ -	 \$ 19,127	 \$ 19,127
Fund balances - beginning	-	-	-	-
Fund balances - ending	\$ -	\$ -	\$ 19,127	\$ 19,127

# CITY OF WILLIAMSBURG, VIRGINIA

## Schedule of Changes in Net Pension Liability and Related Ratios For the Measurement Dates of June 30, 2014 through June 30, 2021

	2021	2020
<b>Total pension liability</b>		
Service cost	\$ 1,383,990	\$ 1,338,975
Interest	4,994,877	4,840,945
Changes of assumptions	3,078,948	-
Difference between expected and actual experience	508,022	854,275
Benefit payments	(4,838,617)	(4,668,833)
<b>Net change in total pension liability</b>	<b>\$ 5,127,220</b>	<b>\$ 2,365,362</b>
<b>Total pension liability - beginning</b>	<b>76,417,487</b>	<b>74,052,125</b>
<b>Total pension liability - ending (a)</b>	<b>\$ 81,544,707</b>	<b>\$ 76,417,487</b>
<b>Plan fiduciary net position</b>		
Contributions - employer	\$ 1,801,653	\$ 1,487,194
Contributions - employee	578,702	539,231
Net investment income	16,460,541	1,185,570
Benefit payments	(4,838,617)	(4,668,833)
Refunds of contributions	-	-
Administrator charges	(42,205)	(41,859)
Other	1,543	(1,381)
<b>Net change in plan fiduciary net position</b>	<b>\$ 13,961,617</b>	<b>\$ (1,500,078)</b>
<b>Plan fiduciary net position - beginning</b>	<b>61,230,196</b>	<b>62,730,274</b>
<b>Plan fiduciary net position - ending (b)</b>	<b>\$ 75,191,813</b>	<b>\$ 61,230,196</b>
<b>City's net pension liability - ending (a) - (b)</b>	<b>\$ 6,352,894</b>	<b>\$ 15,187,291</b>
<b>Plan fiduciary net position as a percentage of the total pension liability</b>	<b>92.21%</b>	<b>80.13%</b>
<b>Covered payroll</b>	<b>\$ 11,573,683</b>	<b>\$ 11,036,370</b>
<b>City's net pension liability as a percentage of covered payroll</b>	<b>54.89%</b>	<b>137.61%</b>

Schedule is intended to show information for 10 years. Information prior to the 2014 valuation is not available. However, additional years will be included as they become available.

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

Schedule of Employer Contributions - Pension Plan  
 For the Years Ended June 30, 2013 through June 30, 2022

Date	Contractually Required Contribution (1)*	Contributions in Relation to Contractually Required Contribution (2)*	Contribution Deficiency (Excess) (3)	Employer's Covered Payroll (4)	Contributions as a % of Covered Payroll (5)
2021	\$ 1,795,434	\$ 1,795,434	\$ -	\$ 11,963,840	15.01%
2021	1,744,139	1,744,139	-	11,573,683	15.07%
2020	1,484,653	1,484,653	-	11,036,370	13.45%
2019	1,460,073	1,460,073	-	10,806,259	13.51%
2018	1,464,447	1,464,447	-	10,581,720	13.84%
2017	1,407,381	1,407,381	-	9,988,509	14.09%
2016	1,675,182	1,675,182	-	9,830,879	17.04%
2015	1,652,087	1,652,087	-	9,695,347	17.04%
2014	1,559,104	1,559,104	-	9,570,924	16.29%
2013	1,503,579	1,503,579	-	9,230,075	16.29%

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

Notes to Required Supplementary Information - Pension Plan  
For the Year Ended June 30, 2022

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

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

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

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

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

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

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

## Group Life Insurance (GLI) Plan

For the Measurement Dates of June 30, 2017 through June 30, 2021

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

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

## Schedule of Employer Contributions

## Group Life Insurance (GLI) Plan

For the Years Ended June 30, 2016 through June 30, 2022

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

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

Notes to Required Supplementary Information  
 Group Life Insurance (GLI) Plan  
 For the Year Ended June 30, 2022

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

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

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

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

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

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



## Schedule of Employer's Share of Net LODA OPEB Liability

## Line of Duty Act (LODA) Program

For the Measurement Dates of June 30, 2017 through 2021

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

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

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

## Schedule of Employer Contributions

## Line of Duty Act (LODA) Program

For the Years Ended June 30, 2016 through June 30, 2022

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

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

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

Notes to Required Supplementary Information  
Line of Duty Act (LODA) Program  
For the Year Ended June 30, 2021

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

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

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

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

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*OTHER SUPPLEMENTARY INFORMATION*

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City of Williamsburg, Virginia  
Capital Projects Fund  
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual  
For the Year Ended June 30, 2022

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with</u>
	<u>Original</u>	<u>Final</u>	<u>Amounts</u>	<u>Final Budget -</u> <u>Positive</u> <u>(Negative)</u>
<b>REVENUES</b>				
Other local taxes	\$ 4,400,000	\$ 4,400,000	\$ 4,837,678	\$ 437,678
Revenue from the use of money and property	200,000	200,000	93,599	(106,401)
Charges for services	40,000	40,000	-	(40,000)
Miscellaneous	-	25,927	493,159	467,232
Intergovernmental:				
Commonwealth	1,162,770	4,007,822	254,818	(3,753,004)
Federal	-	2,558,484	381,193	(2,177,291)
Total revenues	<u>\$ 5,802,770</u>	<u>\$ 11,232,233</u>	<u>\$ 6,060,447</u>	<u>\$ (5,171,786)</u>
<b>EXPENDITURES</b>				
Capital projects	\$ 10,147,608	\$ 34,636,906	\$ 6,808,437	\$ 27,828,469
Debt service:				
Principal retirement	905,920	905,920	905,920	-
Interest and other fiscal charges	605,989	605,989	605,989	-
Total expenditures	<u>\$ 11,659,517</u>	<u>\$ 36,148,815</u>	<u>\$ 8,320,346</u>	<u>\$ 27,828,469</u>
Excess (deficiency) of revenues over (under) expenditures	<u>\$ (5,856,747)</u>	<u>\$ (24,916,582)</u>	<u>\$ (2,259,899)</u>	<u>\$ 22,656,683</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	\$ 1,240,635	\$ 10,538,661	\$ 10,538,661	\$ -
Total other financing sources (uses)	<u>\$ 1,240,635</u>	<u>\$ 10,538,661</u>	<u>\$ 10,538,661</u>	<u>\$ -</u>
Net change in fund balances	\$ (4,616,112)	\$ (14,377,921)	\$ 8,278,762	\$ 22,656,683
Fund balances - beginning	4,616,112	14,377,921	26,794,646	12,416,725
Fund balances - ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 35,073,408</u>	<u>\$ 35,073,408</u>

City of Williamsburg, Virginia  
Combining Balance Sheet  
Nonmajor Special Revenue Funds  
June 30, 2022

	Virginia Public Assistance <u>Fund</u>	Law Enforcement Block Grant <u>Fund</u>	<u>Total</u>
<b>ASSETS</b>			
Cash and cash equivalents	\$ 895,771	\$ 5,987	\$ 901,758
Receivables (net of allowance for uncollectibles):			
Accounts receivable	2,519	15,623	18,142
Due from other governmental units	106,785	-	106,785
Total assets	<u>\$ 1,005,075</u>	<u>\$ 21,610</u>	<u>\$ 1,026,685</u>
<b>LIABILITIES</b>			
Accounts payable	\$ -	\$ 9,532	\$ 9,532
Due to other funds	43,006	-	43,006
Unearned revenue	41,870	-	41,870
Total liabilities	<u>\$ 84,876</u>	<u>\$ 9,532</u>	<u>\$ 94,408</u>
<b>FUND BALANCES:</b>			
Restricted	\$ 920,199	\$ 12,078	\$ 932,277
Total fund balances	<u>\$ 920,199</u>	<u>\$ 12,078</u>	<u>\$ 932,277</u>
Total liabilities and fund balances	<u>\$ 1,005,075</u>	<u>\$ 21,610</u>	<u>\$ 1,026,685</u>



City of Williamsburg, Virginia  
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances  
Nonmajor Special Revenue Funds  
For the Year Ended June 30, 2022

	Virginia Public Assistance <u>Fund</u>	Law Enforcement Block Grant <u>Fund</u>	<u>Total</u>
<b>REVENUES</b>			
Revenue from the use of money and property	\$ -	\$ 1	\$ 1
Miscellaneous	83,336	-	83,336
Intergovernmental:			
Commonwealth	582,070	-	582,070
Federal	743,174	17,410	760,584
Total revenues	<u>\$ 1,408,580</u>	<u>\$ 17,411</u>	<u>\$ 1,425,991</u>
<b>EXPENDITURES</b>			
Current:			
Public safety	\$ -	\$ 18,418	\$ 18,418
Health and welfare	2,644,394	-	2,644,394
Total expenditures	<u>\$ 2,644,394</u>	<u>\$ 18,418</u>	<u>\$ 2,662,812</u>
Excess (deficiency) of revenues over (under) expenditures	<u>\$ (1,235,814)</u>	<u>\$ (1,007)</u>	<u>\$ (1,236,821)</u>
<b>OTHER FINANCING SOURCES (USES)</b>			
Transfers in	\$ 1,258,774	\$ -	\$ 1,258,774
Total other financing sources (uses)	<u>\$ 1,258,774</u>	<u>\$ -</u>	<u>\$ 1,258,774</u>
Net change in fund balances	\$ 22,960	\$ (1,007)	\$ 21,953
Fund balances - beginning	897,239	13,085	910,324
Fund balances - ending	<u>\$ 920,199</u>	<u>\$ 12,078</u>	<u>\$ 932,277</u>

City of Williamsburg, Virginia  
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual  
Nonmajor Special Revenue Funds  
For the Year Ended June 30, 2022

	Virginia Public Assistance Fund			
	Budgeted Amounts			Variance with
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	Final Budget Positive (Negative)
<b>REVENUES</b>				
Revenue from the use of money and property	\$ -	\$ -	\$ -	\$ -
Miscellaneous	25,000	25,000	83,336	58,336
Intergovernmental:				
Commonwealth	866,590	921,606	582,070	(339,536)
Federal	758,295	758,295	743,174	(15,121)
Total revenues	<u>\$ 1,649,885</u>	<u>\$ 1,704,901</u>	<u>\$ 1,408,580</u>	<u>\$ (296,321)</u>
<b>EXPENDITURES</b>				
Current:				
Public safety	\$ -	\$ -	\$ -	\$ -
Health and welfare	3,021,388	3,234,555	2,644,394	590,161
Total expenditures	<u>\$ 3,021,388</u>	<u>\$ 3,234,555</u>	<u>\$ 2,644,394</u>	<u>\$ 590,161</u>
Excess (deficiency) of revenues over (under) expenditures	<u>\$ (1,371,503)</u>	<u>\$ (1,529,654)</u>	<u>\$ (1,235,814)</u>	<u>\$ 293,840</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	\$ 1,371,503	\$ 1,371,503	\$ 1,258,774	\$ (112,729)
Total other financing sources (uses)	<u>\$ 1,371,503</u>	<u>\$ 1,371,503</u>	<u>\$ 1,258,774</u>	<u>\$ (112,729)</u>
Net change in fund balances	\$ -	\$ (158,151)	\$ 22,960	\$ 181,111
Fund balances - beginning	-	158,151	897,239	739,088
Fund balances - ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 920,199</u>	<u>\$ 920,199</u>

Law Enforcement Block Grant Fund				
Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)	
Original	Final			
\$ -	\$ -	\$ 1	\$	1
-	-	-		-
-	-	-		-
-	19,494	17,410		(2,084)
\$ -	\$ 19,494	\$ 17,411	\$	(2,083)
\$ -	\$ 19,494	\$ 18,418	\$	1,076
-	-	-		-
\$ -	\$ 19,494	\$ 18,418	\$	1,076
\$ -	\$ -	\$ (1,007)	\$	(1,007)
\$ -	\$ -	\$ -	\$	-
\$ -	\$ -	\$ -	\$	-
\$ -	\$ -	\$ (1,007)	\$	(1,007)
	-	13,085		13,085
\$ -	\$ -	\$ 12,078	\$	12,078

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City of Williamsburg, Virginia  
Combining Statement of Fiduciary Net Position  
Fiduciary Funds  
June 30, 2022

	Custodial Funds				
	Williamsburg Regional Library Fund	Williamsburg Tricentennial Fund	Farmers Market Fund	Special Welfare Fund	Total
<b>ASSETS</b>					
Cash and cash equivalents	\$ 1,378,814	\$ -	\$ 13,198	\$ 143,538	\$ 1,535,550
Investments, at fair value:					
Other investments	1,260,422	7,011	111,456	-	1,378,889
Other assets	21,238	-	-	-	21,238
Total assets	<u>\$ 2,660,474</u>	<u>\$ 7,011</u>	<u>\$ 124,654</u>	<u>\$ 143,538</u>	<u>\$ 2,935,677</u>
<b>LIABILITIES</b>					
Accounts payable	\$ 79,419	\$ -	\$ 1,294	\$ -	\$ 80,713
Accrued liabilities	79,604	-	-	-	79,604
Total liabilities	<u>\$ 159,023</u>	<u>\$ -</u>	<u>\$ 1,294</u>	<u>\$ -</u>	<u>\$ 160,317</u>
<b>NET POSITION</b>					
Restricted for:					
Individuals	\$ -	\$ -	\$ -	\$ 143,538	\$ 143,538
Organizations	-	7,011	123,360	-	130,371
Other governments	2,501,451	-	-	-	2,501,451
Total net position	<u>\$ 2,501,451</u>	<u>\$ 7,011</u>	<u>\$ 123,360</u>	<u>\$ 143,538</u>	<u>\$ 2,775,360</u>

City of Williamsburg, Virginia  
Combining Statement of Changes in Fiduciary Net Position  
Fiduciary Funds  
For the Year Ended June 30, 2022

	Custodial Funds	
	Williamsburg Regional Library Fund	Williamsburg Tricentennial Fund
<b>ADDITIONS</b>		
Contributions:		
Other governmental entities	\$ 7,286,093	\$ -
Participant fees	44,690	-
Miscellaneous	104,138	-
Investment earnings:		
Interest and dividends	3,261	18
Special assessment tax collected for other governments	-	-
Issuance of leases	8,157	-
Miscellaneous	21,155	-
Total additions	<u>\$ 7,467,494</u>	<u>\$ 18</u>
<b>DEDUCTIONS</b>		
Recipient payments	\$ -	\$ -
Administrative expenses	-	-
Payment of special assessment taxes to governments	-	-
Payments for personnel	5,237,248	-
Payments for operations	1,377,725	-
Purchases for supplies	639,542	-
Principal retirement	16,266	-
Interest and other fiscal charges	2,040	-
Total deductions	<u>\$ 7,272,821</u>	<u>\$ -</u>
Net increase (decrease) in fiduciary net position	<u>\$ 194,673</u>	<u>\$ 18</u>
Net position, beginning	<u>\$ 2,306,778</u>	<u>\$ 6,993</u>
Net position, ending	<u><u>\$ 2,501,451</u></u>	<u><u>\$ 7,011</u></u>

Exhibit 29

Quarterpath CDA Fund	Farmers Market Fund	Special Welfare Fund	Total	
\$ -	\$ 49,427	\$ -	\$ 7,335,520	
-	178,645	-	223,335	
-	15,280	6,180	125,598	
-	287	14	3,580	
585,889	-	-	585,889	
-	-	-	8,157	
-	-	-	21,155	
\$ 585,889	\$ 243,639	\$ 6,194	\$ 8,303,234	
\$ -	\$ -	\$ 5,061	\$ 5,061	
-	19,117	-	19,117	
585,889	-	-	585,889	
-	69,836	-	5,307,084	
-	123,172	-	1,500,897	
-	34,009	-	673,551	
-	-	-	16,266	
-	-	-	2,040	
\$ 585,889	\$ 246,134	\$ 5,061	\$ 8,109,905	
\$ -	\$ (2,495)	\$ 1,133	\$ 193,329	
\$ -	\$ 125,855	\$ 142,405	\$ 2,582,031	
\$ -	\$ 123,360	\$ 143,538	\$ 2,775,360	

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## *SUPPORTING SCHEDULES*

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City of Williamsburg, Virginia  
Schedule of Revenues - Budget and Actual  
Governmental Funds  
For the Year Ended June 30, 2022

Schedule 1  
Page 1 of 4

<u>Fund, Major and Minor Revenue Source</u>	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget - Positive (Negative)</u>
<b>General Fund:</b>				
Revenue from local sources:				
General property taxes:				
Real property taxes	\$ 13,482,914	\$ 13,473,862	\$ 13,628,060	\$ 154,198
Real and personal public service corporation taxes	350,500	350,500	371,423	20,923
Personal property taxes	1,261,428	1,261,428	1,115,259	(146,169)
Business property taxes	1,482,200	1,482,200	1,499,525	17,325
Penalties	61,000	61,000	91,187	30,187
Interest	18,000	18,000	36,868	18,868
Total general property taxes	<u>\$ 16,656,042</u>	<u>\$ 16,646,990</u>	<u>\$ 16,742,322</u>	<u>\$ 95,332</u>
Other local taxes:				
Consumers' utility taxes	\$ 291,000	\$ 291,000	\$ 297,000	\$ 6,000
Business license taxes	1,951,200	1,951,200	2,349,858	398,658
Franchise license taxes	105,100	105,100	94,819	(10,281)
Bank stock taxes	375,000	375,000	376,742	1,742
Taxes on recordation and wills	200,000	200,000	450,965	250,965
Hotel and motel taxes	2,200,000	2,200,000	3,489,094	1,289,094
Restaurant food taxes	7,100,000	7,100,000	7,877,823	777,823
Tobacco taxes	135,000	135,000	182,672	47,672
Penalty and interest on other local taxes	37,000	37,000	77,915	40,915
Total other local taxes	<u>\$ 12,394,300</u>	<u>\$ 12,394,300</u>	<u>\$ 15,196,888</u>	<u>\$ 2,802,588</u>
Permits, privilege fees, and regulatory licenses:				
Animal licenses	\$ 1,900	\$ 1,900	\$ 2,382	\$ 482
Land use application fees	2,000	2,000	15,600	13,600
Transfer fees	600	600	417	(183)
Permits and other licenses	154,000	154,000	256,728	102,728
Total permits, privilege fees, and regulatory licenses	<u>\$ 158,500</u>	<u>\$ 158,500</u>	<u>\$ 275,127</u>	<u>\$ 116,627</u>
Fines and forfeitures:				
Court fines and forfeitures	\$ 200,000	\$ 200,000	\$ 200,957	\$ 957
Total fines and forfeitures	<u>\$ 200,000</u>	<u>\$ 200,000</u>	<u>\$ 200,957</u>	<u>\$ 957</u>
Revenue from use of money and property:				
Revenue from use of money	\$ -	\$ -	\$ 26,877	\$ 26,877
Revenue from use of property	826,719	826,719	773,812	(52,907)
Total revenue from use of money and property	<u>\$ 826,719</u>	<u>\$ 826,719</u>	<u>\$ 800,689</u>	<u>\$ (26,030)</u>
Charges for services:				
Charges for law enforcement and traffic control	\$ 1,300	\$ 1,300	\$ 1,366	\$ 66
Charges for emergency medical services	740,012	740,012	850,015	110,003
Charges for Commonwealth's Attorney	300	300	-	(300)
Charges for parks and recreation	413,825	419,217	397,040	(22,177)
Total charges for services	<u>\$ 1,155,437</u>	<u>\$ 1,160,829</u>	<u>\$ 1,248,421</u>	<u>\$ 87,592</u>
Miscellaneous:				
Miscellaneous	\$ 201,750	\$ 206,483	\$ 295,581	\$ 89,098
Williamsburg Health Foundation Grant	265,000	493,274	493,774	500
Total miscellaneous	<u>\$ 466,750</u>	<u>\$ 699,757</u>	<u>\$ 789,355</u>	<u>\$ 89,598</u>

City of Williamsburg, Virginia  
Schedule of Revenues - Budget and Actual  
Governmental Funds  
For the Year Ended June 30, 2022

Schedule 1  
Page 2 of 4

<u>Fund, Major and Minor Revenue Source</u>	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget - Positive (Negative)</u>
<b>General Fund: (Continued)</b>				
Revenue from local sources: (Continued)				
Recovered costs:				
Enterprise fund	\$ 1,012,000	\$ 1,012,000	\$ 1,148,844	\$ 136,844
Overtime - police and fire	69,800	69,800	109,635	39,835
Other recovered costs	79,500	79,500	84,000	4,500
Total recovered costs	<u>\$ 1,161,300</u>	<u>\$ 1,161,300</u>	<u>\$ 1,342,479</u>	<u>\$ 181,179</u>
Total revenue from local sources	<u>\$ 33,019,048</u>	<u>\$ 33,248,395</u>	<u>\$ 36,596,238</u>	<u>\$ 3,347,843</u>
Intergovernmental:				
Revenue from the Commonwealth:				
Noncategorical aid:				
Rolling stock tax	\$ 1,000	\$ 1,000	\$ 11,772	\$ 10,772
Motor vehicle rental tax	36,000	36,000	52,120	16,120
Games of skill	-	-	432	432
Communications tax	584,000	584,000	513,646	(70,354)
Personal property tax relief funds	773,572	773,572	773,572	-
Total noncategorical aid	<u>\$ 1,394,572</u>	<u>\$ 1,394,572</u>	<u>\$ 1,351,542</u>	<u>\$ (43,030)</u>
Categorical aid:				
Shared expenses:				
Commissioner of revenue	\$ 95,430	\$ 95,430	\$ 94,625	\$ (805)
Treasurer	18,935	18,935	19,132	197
Registrar/electoral board	57,520	57,520	65,092	7,572
Total shared expenses	<u>\$ 171,885</u>	<u>\$ 171,885</u>	<u>\$ 178,849</u>	<u>\$ 6,964</u>
Other categorical aid:				
599 Funds	\$ 415,176	\$ 415,176	\$ 415,214	\$ 38
Streets and sidewalks	1,970,969	1,970,969	1,956,720	(14,249)
Emergency services grant	\$ 30,000	\$ 30,000	\$ 30,000	\$ -
Litter control	5,600	8,081	7,981	(100)
Asset forfeiture	-	1,023	1,023	-
Miscellaneous grant	-	14,806	17,206	2,400
Total other categorical aid	<u>\$ 2,421,745</u>	<u>\$ 2,440,055</u>	<u>\$ 2,428,144</u>	<u>\$ (11,911)</u>
Total categorical aid	<u>\$ 2,593,630</u>	<u>\$ 2,611,940</u>	<u>\$ 2,606,993</u>	<u>\$ (4,947)</u>
Total revenue from the Commonwealth	<u>\$ 3,988,202</u>	<u>\$ 4,006,512</u>	<u>\$ 3,958,535</u>	<u>\$ (47,977)</u>
Revenue from the Federal government:				
Categorical aid:				
SAFER grant	\$ 133,875	\$ 133,875	\$ 132,305	\$ (1,570)
Police and fire grant	7,500	11,174	3,674	(7,500)
DMV transfer payments	-	11,970	11,970	-
CARES Act grant	-	20,231	20,231	-
Total categorical aid	<u>\$ 141,375</u>	<u>\$ 177,250</u>	<u>\$ 168,180</u>	<u>\$ (9,070)</u>
Total revenue from the federal government	<u>\$ 141,375</u>	<u>\$ 177,250</u>	<u>\$ 168,180</u>	<u>\$ (9,070)</u>
Total General Fund	<u><u>\$ 37,148,625</u></u>	<u><u>\$ 37,432,157</u></u>	<u><u>\$ 40,722,953</u></u>	<u><u>\$ 3,290,796</u></u>
<b>Special Revenue Funds:</b>				
<b>Tourism Fund:</b>				
Revenue from local sources:				
Other local taxes:				
Local sales and use taxes	\$ 1,850,000	\$ 1,850,000	\$ 2,050,048	\$ 200,048
\$2 lodging taxes	715,000	715,000	926,216	211,216
Total other local taxes	<u>\$ 2,565,000</u>	<u>\$ 2,565,000</u>	<u>\$ 2,976,264</u>	<u>\$ 411,264</u>
Total revenue from local sources	<u>\$ 2,565,000</u>	<u>\$ 2,565,000</u>	<u>\$ 2,976,264</u>	<u>\$ 411,264</u>
Total Tourism Fund	<u><u>\$ 2,565,000</u></u>	<u><u>\$ 2,565,000</u></u>	<u><u>\$ 2,976,264</u></u>	<u><u>\$ 411,264</u></u>

City of Williamsburg, Virginia  
Schedule of Revenues - Budget and Actual  
Governmental Funds  
For the Year Ended June 30, 2022

Schedule 1  
Page 3 of 4

<u>Fund, Major and Minor Revenue Source</u>	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget - Positive (Negative)</u>
<b>Special Revenue Funds: (Continued)</b>				
<b>American Rescue Plan Fund:</b>				
Revenue from local sources:				
Revenue from use of money and property:				
Revenue from the use of money	\$ -	\$ -	\$ 19,127	\$ 19,127
Total revenue from use of money and property	\$ -	\$ -	\$ 19,127	\$ 19,127
Total revenue from local sources	\$ -	\$ -	\$ 19,127	\$ 19,127
Revenue from the federal government:				
Categorical aid:				
ARPA funding	\$ -	\$ 19,141,546	\$ 12,944,337	\$ (6,197,209)
Total categorical aid	\$ -	\$ 19,141,546	\$ 12,944,337	\$ (6,197,209)
Total revenue from the federal government	\$ -	\$ 19,141,546	\$ 12,944,337	\$ (6,197,209)
Total American Rescue Plan Fund	\$ -	\$ 19,141,546	\$ 12,963,464	\$ (6,178,082)
<b>Virginia Public Assistance Fund:</b>				
Revenue from local sources:				
Miscellaneous:				
Workforce grant	\$ -	\$ -	\$ 39,576	\$ 39,576
Summer youth program	25,000	25,000	43,760	18,760
Total miscellaneous	\$ 25,000	\$ 25,000	\$ 83,336	\$ 58,336
Total revenue from local sources	\$ 25,000	\$ 25,000	\$ 83,336	\$ 58,336
Intergovernmental:				
Revenue from the Commonwealth:				
Categorical aid:				
Public assistance and welfare administration	\$ 584,806	\$ 639,822	\$ 388,928	\$ (250,894)
Comprehensive services act	281,784	281,784	193,142	(88,642)
Total categorical aid	\$ 866,590	\$ 921,606	\$ 582,070	\$ (339,536)
Total revenue from the Commonwealth	\$ 866,590	\$ 921,606	\$ 582,070	\$ (339,536)
Revenue from the federal government:				
Categorical aid:				
Public assistance and welfare administration	\$ 758,295	\$ 758,295	\$ 743,174	\$ (15,121)
Total categorical aid	\$ 758,295	\$ 758,295	\$ 743,174	\$ (15,121)
Total revenue from the federal government	\$ 758,295	\$ 758,295	\$ 743,174	\$ (15,121)
Total Virginia Public Assistance Fund	\$ 1,649,885	\$ 1,704,901	\$ 1,408,580	\$ (296,321)
<b>Law Enforcement Block Grant Fund:</b>				
Revenue from local sources:				
Revenue from use of money and property:				
Revenue from the use of money	\$ -	\$ -	\$ 1	\$ 1
Total revenue from use of money and property	\$ -	\$ -	\$ 1	\$ 1
Total revenue from local sources	\$ -	\$ -	\$ 1	\$ 1

City of Williamsburg, Virginia  
Schedule of Revenues - Budget and Actual  
Governmental Funds  
For the Year Ended June 30, 2022

Schedule 1  
Page 4 of 4

<u>Fund, Major and Minor Revenue Source</u>	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget - Positive (Negative)</u>
<b>Special Revenue Funds: (Continued)</b>				
<b>Law Enforcement Block Grant Fund: (Continued)</b>				
Intergovernmental:				
Revenue from the federal government:				
Categorical aid:				
Local law enforcement training grant	\$ -	\$ 19,494	\$ 17,410	\$ (2,084)
Total categorical aid	\$ -	\$ 19,494	\$ 17,410	\$ (2,084)
Total revenue from the federal government	\$ -	\$ 19,494	\$ 17,410	\$ (2,084)
Total Law Enforcement Block Grant Fund	\$ -	\$ 19,494	\$ 17,411	\$ (2,083)
<b>Capital Projects Fund:</b>				
Revenue from local sources:				
Other local taxes:				
Local sales and use tax	\$ 4,400,000	\$ 4,400,000	\$ 4,837,678	\$ 437,678
Total other local taxes	\$ 4,400,000	\$ 4,400,000	\$ 4,837,678	\$ 437,678
Revenue from use of money and property:				
Revenue from the use of money	\$ 200,000	\$ 200,000	\$ 93,599	\$ (106,401)
Total revenue from use of money and property	\$ 200,000	\$ 200,000	\$ 93,599	\$ (106,401)
Charges for services:				
Charges for courthouse maintenance	\$ 40,000	\$ 40,000	\$ -	\$ (40,000)
Total charges for services	\$ 40,000	\$ 40,000	\$ -	\$ (40,000)
Miscellaneous:				
Other miscellaneous	\$ -	\$ 25,927	\$ 493,159	\$ 467,232
Total miscellaneous	\$ -	\$ 25,927	\$ 493,159	\$ 467,232
Total revenue from local sources	\$ 4,640,000	\$ 4,665,927	\$ 5,424,436	\$ 758,509
Intergovernmental:				
Revenue from the Commonwealth:				
Categorical aid:				
Highway construction funds	\$ 1,162,770	\$ 4,007,822	\$ 46,995	\$ (3,960,827)
Fire programs funds	-	-	56,940	56,940
Four for Life grant	-	-	50,963	50,963
VRA demolition grant	-	-	99,920	99,920
Total categorical aid	\$ 1,162,770	\$ 4,007,822	\$ 254,818	\$ (3,753,004)
Total revenue from the Commonwealth	\$ 1,162,770	\$ 4,007,822	\$ 254,818	\$ (3,753,004)
Revenue from the federal government:				
Categorical aid:				
VDOT Highway planning and construction	\$ -	\$ 2,558,484	\$ 220,473	\$ (2,338,011)
EPA grant	-	-	160,720	160,720
Total categorical aid	\$ -	\$ 2,558,484	\$ 381,193	\$ (2,177,291)
Total revenue from the federal government	\$ -	\$ 2,558,484	\$ 381,193	\$ (2,177,291)
Total Capital Projects Fund	\$ 5,802,770	\$ 11,232,233	\$ 6,060,447	\$ (5,171,786)
Total Primary Government	\$ 47,166,280	\$ 72,095,331	\$ 64,149,119	\$ (7,946,212)

City of Williamsburg, Virginia  
Schedule of Expenditures - Budget and Actual  
Governmental Funds  
For the Year Ended June 30, 2022

Schedule 2  
Page 1 of 4

<u>Fund, Function, Activity and Elements</u>	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget - Positive (Negative)</u>
<b>General Fund:</b>				
General government administration:				
Legislative:				
City council	\$ 197,152	\$ 197,152	\$ 184,301	\$ 12,851
Clerk of council	12,476	12,476	9,074	3,402
Total legislative	<u>\$ 209,628</u>	<u>\$ 209,628</u>	<u>\$ 193,375</u>	<u>\$ 16,253</u>
General and financial administration:				
City manager	\$ 837,192	\$ 881,110	\$ 874,998	\$ 6,112
City attorney	300,128	320,189	316,939	3,250
Human resources	124,793	129,771	129,771	-
Commissioner of revenue	366,573	381,991	362,555	19,436
Assessor	268,695	275,154	259,305	15,849
Treasurer	71,274	74,504	70,984	3,520
Finance	1,024,287	1,057,163	1,056,732	431
Information technology	1,006,189	1,017,263	974,918	42,345
Automotive/motor pool	278,287	284,746	248,547	36,199
Other general and financial administration	207,303	242,916	242,855	61
Total general and financial administration	<u>\$ 4,484,721</u>	<u>\$ 4,664,807</u>	<u>\$ 4,537,604</u>	<u>\$ 127,203</u>
Board of elections:				
Electoral board and officials	\$ 57,660	\$ 57,660	\$ 35,037	\$ 22,623
Registrar	217,558	224,017	201,782	22,235
Total board of elections	<u>\$ 275,218</u>	<u>\$ 281,677</u>	<u>\$ 236,819</u>	<u>\$ 44,858</u>
Total general government administration	<u>\$ 4,969,567</u>	<u>\$ 5,156,112</u>	<u>\$ 4,967,798</u>	<u>\$ 188,314</u>
Judicial administration:				
Courts:				
Courthouse activities	\$ 490,000	\$ 490,000	\$ 482,442	\$ 7,558
Public safety:				
Law enforcement and traffic control:				
Police department	\$ 4,705,146	\$ 4,899,406	\$ 4,882,232	\$ 17,174
Prince George parking garage	188,439	191,669	94,301	97,368
Line of Duty Act	63,400	63,400	62,501	899
E-911	595,150	595,150	592,920	2,230
Total law enforcement and traffic control	<u>\$ 5,552,135</u>	<u>\$ 5,749,625</u>	<u>\$ 5,631,954</u>	<u>\$ 117,671</u>
Fire and rescue services:				
Fire department	\$ 4,611,115	\$ 4,825,446	\$ 4,814,109	\$ 11,337
Total fire and rescue services	<u>\$ 4,611,115</u>	<u>\$ 4,825,446</u>	<u>\$ 4,814,109</u>	<u>\$ 11,337</u>
Correction and detention:				
Juvenile detention commission	\$ 52,762	\$ 52,764	\$ 52,764	\$ -
Regional jail	1,063,885	1,063,885	1,019,915	43,970
Group home commission	59,396	59,396	46,374	13,022
Total correction and detention	<u>\$ 1,176,043</u>	<u>\$ 1,176,045</u>	<u>\$ 1,119,053</u>	<u>\$ 56,992</u>

City of Williamsburg, Virginia  
Schedule of Expenditures - Budget and Actual  
Governmental Funds  
For the Year Ended June 30, 2022

Schedule 2  
Page 2 of 4

<u>Fund, Function, Activity and Elements</u>	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget - Positive (Negative)</u>
<b>General Fund: (Continued)</b>				
Public safety: (Continued)				
Inspections:				
Building	\$ 506,593	\$ 522,741	\$ 440,181	\$ 82,560
Other protection:				
Animal control	\$ 18,900	\$ 18,900	\$ 18,900	\$ -
Total other protection	\$ 18,900	\$ 18,900	\$ 18,900	\$ -
Total public safety	\$ 11,864,786	\$ 12,292,757	\$ 12,024,197	\$ 268,560
Public works:				
Maintenance of highways, streets, bridges and sidewalks:				
Highways, streets, bridges and sidewalks	\$ 963,545	\$ 986,152	\$ 978,842	\$ 7,310
Engineering	281,817	288,276	281,959	6,317
Stormwater operations	248,587	258,276	162,533	95,743
Total maintenance of highways, streets, bridges and sidewalks	\$ 1,493,949	\$ 1,532,704	\$ 1,423,334	\$ 109,370
Sanitation and waste removal:				
Refuse collection	\$ 706,400	\$ 706,400	\$ 681,724	\$ 24,676
Maintenance of general buildings and grounds:				
Maintenance of general buildings and grounds	\$ 533,754	\$ 603,686	\$ 601,076	\$ 2,610
Landscaping	722,810	751,383	750,384	999
Total maintenance of general buildings and grounds	\$ 1,256,564	\$ 1,355,069	\$ 1,351,460	\$ 3,609
Total public works	\$ 3,456,913	\$ 3,594,173	\$ 3,456,518	\$ 137,655
Health and welfare:				
Health:				
Local health department	\$ 220,513	\$ 224,971	\$ 224,971	\$ -
Mental health and mental retardation:				
Administration - mental health and retardation	\$ 259,000	\$ 259,000	\$ 259,000	\$ -
Welfare:				
Public assistance	\$ 25,000	\$ 25,000	\$ -	\$ 25,000
Transportation programs for elderly	3,500	3,500	3,174	326
Total welfare	\$ 28,500	\$ 28,500	\$ 3,174	\$ 25,326
Total health and welfare	\$ 508,013	\$ 512,471	\$ 487,145	\$ 25,326
Education:				
Other instructional costs:				
Contribution to local school board	\$ 9,230,331	\$ 9,249,531	\$ 8,665,672	\$ 583,859



City of Williamsburg, Virginia  
Schedule of Expenditures - Budget and Actual  
Governmental Funds  
For the Year Ended June 30, 2022

Schedule 2  
Page 3 of 4

<u>Fund, Function, Activity and Elements</u>	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget - Positive (Negative)</u>
<b>General Fund: (Continued)</b>				
Parks, recreation, and cultural:				
Parks and recreation:				
Supervision of parks and recreation	\$ 439,415	\$ 444,489	\$ 405,621	\$ 38,868
Waller Mill park facility	347,862	366,506	298,785	67,721
Recreation facility programs	561,510	573,865	432,401	141,464
Cemeteries	78,988	86,414	86,252	162
Total parks and recreation	<u>\$ 1,427,775</u>	<u>\$ 1,471,274</u>	<u>\$ 1,223,059</u>	<u>\$ 248,215</u>
Library:				
Contribution to regional library	\$ 906,654	\$ 906,654	\$ 906,654	\$ -
Total library	<u>\$ 906,654</u>	<u>\$ 906,654</u>	<u>\$ 906,654</u>	<u>\$ -</u>
Total parks, recreation, and cultural	<u>\$ 2,334,429</u>	<u>\$ 2,377,928</u>	<u>\$ 2,129,713</u>	<u>\$ 248,215</u>
Community development:				
Planning and community development:				
Planning	\$ 470,998	\$ 533,916	\$ 490,130	\$ 43,786
Community development	783,087	783,087	781,246	1,841
Triangle building management	46,718	46,718	42,260	4,458
Economic development	297,610	300,840	166,146	134,694
Contribution to Economic Development Authority	222,565	222,565	181,043	41,522
Total planning and community development	<u>\$ 1,820,978</u>	<u>\$ 1,887,126</u>	<u>\$ 1,660,825</u>	<u>\$ 226,301</u>
Total community development	<u>\$ 1,820,978</u>	<u>\$ 1,887,126</u>	<u>\$ 1,660,825</u>	<u>\$ 226,301</u>
Nondepartmental:				
Contingency	\$ 438,000	\$ 214,164	\$ -	\$ 214,164
Total nondepartmental	<u>\$ 438,000</u>	<u>\$ 214,164</u>	<u>\$ -</u>	<u>\$ 214,164</u>
Debt service:				
Principal retirement	\$ -	\$ -	\$ 38,435	\$ (38,435)
Interest and other fiscal charges	-	-	661	(661)
Total debt service	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 39,096</u>	<u>\$ (39,096)</u>
Total General Fund	<u>\$ 35,113,017</u>	<u>\$ 35,774,262</u>	<u>\$ 33,913,406</u>	<u>\$ 1,860,856</u>
<b>Special Revenue Funds:</b>				
<b>Tourism Fund:</b>				
Community development:				
Planning and community development:				
Administrative	\$ 251,940	\$ 251,940	\$ 220,465	\$ 31,475
Tourism marketing maintenance of effort	1,157,500	1,157,500	1,263,108	(105,608)
Tourism development	1,976,000	1,991,000	1,856,000	135,000
Tourism grant awards	1,470,847	2,620,351	836,819	1,783,532
Tourism resiliency	376,000	376,000	14,444	361,556
Total planning and community development	<u>\$ 5,232,287</u>	<u>\$ 6,396,791</u>	<u>\$ 4,190,836</u>	<u>\$ 2,205,955</u>
Total community development	<u>\$ 5,232,287</u>	<u>\$ 6,396,791</u>	<u>\$ 4,190,836</u>	<u>\$ 2,205,955</u>
Total Tourism Fund	<u>\$ 5,232,287</u>	<u>\$ 6,396,791</u>	<u>\$ 4,190,836</u>	<u>\$ 2,205,955</u>

City of Williamsburg, Virginia  
Schedule of Expenditures - Budget and Actual  
Governmental Funds  
For the Year Ended June 30, 2022

Schedule 2  
Page 4 of 4

<u>Fund, Function, Activity and Elements</u>	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget - Positive (Negative)</u>
<b>Special Revenue Funds: (Continued)</b>				
<b>Virginia Public Assistance Fund:</b>				
Health and welfare:				
Welfare and social services:				
Welfare administration	\$ 496,352	\$ 500,352	\$ 647,406	\$ (147,054)
Public assistance	2,007,716	2,216,883	1,640,820	576,063
Comprehensive services	517,320	517,320	356,168	161,152
Total welfare and social services	<u>\$ 3,021,388</u>	<u>\$ 3,234,555</u>	<u>\$ 2,644,394</u>	<u>\$ 590,161</u>
Total health and welfare	<u>\$ 3,021,388</u>	<u>\$ 3,234,555</u>	<u>\$ 2,644,394</u>	<u>\$ 590,161</u>
Total Virginia Public Assistance Fund	<u>\$ 3,021,388</u>	<u>\$ 3,234,555</u>	<u>\$ 2,644,394</u>	<u>\$ 590,161</u>
<b>Law Enforcement Block Grant Fund:</b>				
Public safety:				
Other protection:				
Other protection	\$ -	\$ 19,494	\$ 18,418	\$ 1,076
Total Law Enforcement Block Grant Fund	<u>\$ -</u>	<u>\$ 19,494</u>	<u>\$ 18,418</u>	<u>\$ 1,076</u>
<b>Capital Projects Fund:</b>				
Capital projects expenditures:				
CIP Street construction	\$ 3,072,770	\$ 7,551,567	\$ 1,301,201	\$ 6,250,366
Pedestrian bicycle improvements	10,000	318,747	39,410	279,337
Stormwater management	-	664,975	65,920	599,055
Recreation facilities	400,000	1,304,413	77,445	1,226,968
Public safety equipment and facilities	1,285,190	1,622,260	999,557	622,703
Contingency/Studies	445,000	3,567,494	-	3,567,494
Vehicle replacement	588,000	1,064,273	227,059	837,214
Economic development	-	682,578	278,307	404,271
Redevelopment housing	184,285	462,053	145,908	316,145
General government facilities	105,000	140,787	61,707	79,080
Fire station	2,948,910	14,464,302	2,912,610	11,551,692
General government IT	240,000	598,383	427,102	171,281
School construction	828,453	2,155,074	272,211	1,882,863
Courthouse maintenance projects	40,000	40,000	-	40,000
Total capital projects	<u>\$ 10,147,608</u>	<u>\$ 34,636,906</u>	<u>\$ 6,808,437</u>	<u>\$ 27,828,469</u>
Debt service:				
Principal retirement	\$ 905,920	\$ 905,920	\$ 905,920	\$ -
Interest and other fiscal charges	605,989	605,989	605,989	-
Total debt service	<u>\$ 1,511,909</u>	<u>\$ 1,511,909</u>	<u>\$ 1,511,909</u>	<u>\$ -</u>
Total Capital Projects Fund	<u>\$ 11,659,517</u>	<u>\$ 36,148,815</u>	<u>\$ 8,320,346</u>	<u>\$ 27,828,469</u>
Total Primary Government	<u>\$ 55,026,209</u>	<u>\$ 81,573,917</u>	<u>\$ 49,087,400</u>	<u>\$ 32,486,517</u>

## *STATISTICAL SECTION*

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## Statistical Section

### Contents

### Tables

#### Financial Trends

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

1 - 4

#### Revenue Capacity

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

5 - 9

#### Debt Capacity

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

10 - 12

#### Demographic and Economic Information

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

13-14

#### Operating Information

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

15-17

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

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

	<u>2013</u>	<u>2014</u>	<u>2015</u>
<b>Governmental activities</b>			
Net investment in capital assets	\$ 62,277,812	\$ 61,470,986	\$ 58,427,633
Restricted for:			
Fire and police capital improvements	-	-	-
Other restrictions	-	-	-
Unrestricted	30,324,199	31,727,986	24,496,187
<b>Total governmental activities net position</b>	<u>\$ 92,602,011</u>	<u>\$ 93,198,972</u>	<u>\$ 82,923,820</u>
<b>Business-type activities</b>			
Net investment in capital assets	\$ 17,888,271	\$ 17,806,425	\$ 17,981,499
Unrestricted	4,198,379	4,537,882	3,143,100
<b>Total business-type activities net position</b>	<u>\$ 22,086,650</u>	<u>\$ 22,344,307</u>	<u>\$ 21,124,599</u>
<b>Primary government</b>			
Net investment in capital assets	\$ 80,166,083	\$ 79,277,411	\$ 76,409,132
Restricted for:			
Fire and police capital improvements	\$ -	\$ -	\$ -
Other restrictions	-	-	-
Unrestricted	34,522,578	36,265,868	27,639,287
<b>Total primary government net position</b>	<u>\$ 114,688,661</u>	<u>\$ 115,543,279</u>	<u>\$ 104,048,419</u>

Table 1

<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>
\$ 64,690,552	\$ 64,556,652	\$ 52,444,883	\$ 68,662,151	\$ 71,245,385	\$ 69,784,670	\$ 70,587,642
-	-	13,144,192	337,948	615,184	694,583	-
-	-	584,890	593,836	-	-	-
22,521,523	20,966,196	19,099,322	21,553,299	19,977,390	19,560,626	37,768,988
\$ 87,212,075	\$ 85,522,848	\$ 85,273,287	\$ 91,147,234	\$ 91,837,959	\$ 90,039,879	\$ 108,356,630
\$ 18,084,285	\$ 18,835,808	\$ 18,769,281	\$ 18,817,665	\$ 19,020,022	\$ 18,783,099	\$ 19,518,759
4,202,535	4,475,559	5,684,838	7,128,455	7,157,808	7,594,963	7,718,281
\$ 22,286,820	\$ 23,311,367	\$ 24,454,119	\$ 25,946,120	\$ 26,177,830	\$ 26,378,062	\$ 27,237,040
\$ 82,774,837	\$ 83,392,460	\$ 71,214,164	\$ 87,479,816	\$ 90,265,407	\$ 88,567,769	\$ 90,106,401
\$ -	\$ -	13,144,192	337,948	615,184	694,583	\$ -
-	-	584,890	593,836	-	-	-
26,724,058	25,441,755	24,784,160	28,681,754	27,135,198	27,155,589	45,487,269
\$ 109,498,895	\$ 108,834,215	\$ 109,727,406	\$ 117,093,354	\$ 118,015,789	\$ 116,417,941	\$ 135,593,670

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

	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>
<b>Expenses</b>				
Governmental activities:				
General government administration	\$ 4,252,911	\$ 4,070,451	\$ 3,998,879	\$ 4,072,768
Judicial administration	501,565	439,441	459,778	525,421
Public safety	9,671,016	10,122,867	9,777,938	10,290,497
Public works	4,142,471	4,526,929	5,056,076	3,721,977
Health and welfare	2,251,382	2,309,325	2,208,356	2,452,903
Education	8,205,970	9,170,571	9,132,615	8,929,127
Parks, recreation and cultural	2,430,750	2,399,212	2,455,296	2,285,504
Community development	4,512,839	4,684,339	4,666,769	5,055,084
Interest expense	122,847	175,563	207,260	185,452
Total governmental activities expenses	<u>\$ 36,091,751</u>	<u>\$ 37,898,698</u>	<u>\$ 37,962,967</u>	<u>\$ 37,518,733</u>
Business-type activities				
Water and sewer services	\$ 6,019,724	\$ 6,042,928	\$ 6,827,214	\$ 6,202,622
Total business-type activities expenses	<u>\$ 6,019,724</u>	<u>\$ 6,042,928</u>	<u>\$ 6,827,214</u>	<u>\$ 6,202,622</u>
Total primary government expenses	<u>\$ 42,111,475</u>	<u>\$ 43,941,626</u>	<u>\$ 44,790,181</u>	<u>\$ 43,721,355</u>
<b>Program Revenues</b>				
Governmental activities:				
Charges for services:				
General government administration	\$ -	\$ -	\$ -	\$ -
Judicial administration	331,835	242,359	256,600	315,991
Public safety	578,682	673,805	695,048	936,509
Public works	-	3,500	14,960	-
Parks, recreation and cultural	419,959	361,824	341,745	342,613
Community development	-	38,667	43,300	53,734
Operating grants and contributions	4,062,259	4,888,993	4,934,029	4,597,704
Capital grants and contributions	2,322,693	-	-	1,357,913
Total governmental activities program revenues	<u>\$ 7,715,428</u>	<u>\$ 6,209,148</u>	<u>\$ 6,285,682</u>	<u>\$ 7,604,464</u>
Business-type activities:				
Charges for services:				
Water and sewer	\$ 6,024,722	\$ 6,102,936	\$ 6,932,559	\$ 7,061,086
Total business-type activities program revenues	<u>\$ 6,024,722</u>	<u>\$ 6,102,936</u>	<u>\$ 6,932,559</u>	<u>\$ 7,061,086</u>
Total primary government program revenues	<u>\$ 13,740,150</u>	<u>\$ 12,312,084</u>	<u>\$ 13,218,241</u>	<u>\$ 14,665,550</u>



Table 2  
Page 1 of 2

<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>
\$ 6,828,770	\$ 5,009,427	\$ 4,272,998	\$ 4,908,020	\$ 5,917,023	\$ 5,093,268
412,269	422,688	434,188	409,373	449,662	482,442
10,805,800	10,746,688	11,328,192	12,357,675	12,835,007	12,811,708
5,792,493	4,716,472	5,447,775	5,065,484	4,842,879	6,107,188
2,546,971	2,816,519	2,815,978	2,691,147	3,220,829	3,064,367
10,121,948	10,936,896	11,403,225	10,355,107	10,156,551	8,937,883
2,875,228	2,648,545	2,626,637	3,289,491	3,118,164	1,751,740
5,036,866	5,013,184	4,874,645	5,471,338	5,090,986	6,235,582
158,220	596,354	573,264	540,857	530,466	485,833
\$ 44,578,565	\$ 42,906,773	\$ 43,776,902	\$ 45,088,492	\$ 46,161,567	\$ 44,970,011

\$ 6,521,031	\$ 6,713,633	\$ 6,511,048	\$ 6,946,980	\$ 7,034,704	\$ 7,572,444
\$ 6,521,031	\$ 6,713,633	\$ 6,511,048	\$ 6,946,980	\$ 7,034,704	\$ 7,572,444
\$ 51,099,596	\$ 49,620,406	\$ 50,287,950	\$ 52,035,472	\$ 53,196,271	\$ 52,542,455

\$ -	\$ -	\$ -	\$ 280	\$ -	\$ -
192,412	249,548	278,401	218,387	197,671	200,957
950,334	1,039,496	1,112,089	1,287,597	855,250	1,126,508
-	-	-	-	-	-
398,700	391,493	392,219	310,183	375,800	397,040
50,305	53,946	39,315	-	-	-
6,485,071	2,939,477	5,221,437	5,351,728	8,492,768	17,170,067
-	3,329,824	2,752,760	1,904,113	1,200,479	528,108
\$ 8,076,822	\$ 8,003,784	\$ 9,796,221	\$ 9,072,288	\$ 11,121,968	\$ 19,422,680

\$ 7,325,679	\$ 8,176,441	\$ 7,679,905	\$ 6,864,385	\$ 6,807,640	\$ 8,258,979
\$ 7,325,679	\$ 8,176,441	\$ 7,679,905	\$ 6,864,385	\$ 6,807,640	\$ 8,258,979
\$ 15,402,501	\$ 16,180,225	\$ 17,476,126	\$ 15,936,673	\$ 17,929,608	\$ 27,681,659

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

	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>
<b>Net (Expense)/Revenue</b>				
Governmental activities	\$ (28,376,323)	\$ (31,689,550)	\$ (31,677,285)	\$ (29,914,269)
Business-type activities	4,998	60,008	105,345	858,464
Total primary government net expense	\$ (28,371,325)	\$ (31,629,542)	\$ (31,571,940)	\$ (29,055,805)

**General Revenues and Other Changes in Net Position**

Governmental activities:

Taxes

General property taxes	\$ 10,494,240	\$ 10,613,393	\$ 11,050,728	\$ 11,370,789
Sales taxes	4,494,328	4,239,957	4,352,601	4,298,743
Business property taxes	1,096,833	1,326,998	1,213,731	1,257,334
Consumer utility taxes	306,596	309,602	308,027	308,493
Business license taxes	1,646,691	1,630,018	1,685,718	1,790,395
Hotel and room taxes	3,369,785	3,129,262	3,220,638	3,319,625
\$2 lodging taxes	1,222,448	1,130,804	1,122,632	1,130,176
Meals taxes	6,391,022	6,446,505	6,819,384	7,022,994
Other local taxes	821,634	762,296	884,244	831,413

Use of Money & Property

775,355	756,800	794,410	888,071
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Gain on sale of capital assets

-	-	-	-
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Grants and contributions not restricted to specific programs

1,540,889	1,587,926	1,605,883	1,567,337
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Miscellaneous

216,620	352,950	246,268	417,154
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Payment to WRHA

-	-	-	-
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Transfers

-	-	-	-
---	---	---	---

Total governmental activities	\$ 32,376,441	\$ 32,286,511	\$ 33,304,264	\$ 34,202,524
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Business-type activities:

Investment earnings

\$ 29,914	\$ 28,330	\$ 28,353	\$ 29,570
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Miscellaneous

174,683	169,319	193,023	274,187
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Transfers

-	-	-	-
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Total business-type activities	\$ 204,597	\$ 197,649	\$ 221,376	\$ 303,757
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Total primary government	\$ 32,581,038	\$ 32,484,160	\$ 33,525,640	\$ 34,506,281
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**Change in Net Position**

Governmental activities	\$ 4,000,118	\$ 596,961	\$ 1,626,979	\$ 4,288,255
Business-type activities	209,595	257,657	326,721	1,162,221
Total primary government	\$ 4,209,713	\$ 854,618	\$ 1,953,700	\$ 5,450,476

Table 2  
Page 2 of 2

<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>
\$ (36,501,743)	\$ (34,902,989)	\$ (33,980,681)	\$ (36,016,204)	\$ (35,039,599)	\$ (25,547,331)
804,648	1,462,808	1,168,857	(82,595)	(227,064)	686,535
\$ (35,697,095)	(33,440,181)	\$ (32,811,824)	\$ (36,098,799)	\$ (35,266,663)	\$ (24,860,796)
\$ 11,511,859	\$ 11,714,272	\$ 12,372,434	\$ 13,186,632	\$ 13,651,528	\$ 15,562,508
4,388,596	4,706,583	6,841,762	6,388,075	6,424,415	6,887,726
1,370,354	1,342,087	1,407,810	1,524,638	1,573,031	1,499,525
290,524	292,764	294,232	288,678	289,287	297,000
1,833,991	2,049,988	2,330,418	2,174,694	1,867,598	2,349,858
3,316,634	3,358,649	3,308,661	2,305,404	1,770,894	3,489,094
1,128,430	1,123,558	1,079,370	748,242	617,886	926,216
7,043,184	7,062,010	7,308,479	5,896,140	5,850,176	7,877,823
896,775	1,090,584	959,921	968,372	857,152	1,183,113
962,887	1,200,582	1,508,346	1,177,258	651,308	913,416
-	-	-	-	-	-
1,565,704	1,588,563	1,485,395	1,464,443	1,383,295	1,351,542
503,578	525,463	957,800	584,353	918,132	1,365,850
-	-	-	-	(848,124)	-
-	500,000	-	-	(71,796)	160,411
\$ 34,812,516	\$ 36,555,103	\$ 39,854,628	\$ 36,706,929	\$ 34,934,782	\$ 43,864,082
\$ 33,650	\$ 57,365	\$ 94,973	\$ 65,390	\$ 6,258	\$ 34,774
186,249	225,665	228,171	248,915	349,242	298,080
-	(500,000)	-	-	71,796	(160,411)
\$ 219,899	\$ (216,970)	\$ 323,144	\$ 314,305	\$ 427,296	\$ 172,443
\$ 35,032,415	\$ 36,338,133	\$ 40,177,772	\$ 37,021,234	\$ 35,362,078	\$ 44,036,525
\$ (1,689,227)	\$ 1,652,114	\$ 5,873,947	\$ 690,725	\$ (104,817)	\$ 18,316,751
1,024,547	1,245,838	1,492,001	231,710	200,232	858,978
\$ (664,680)	\$ 2,897,952	\$ 7,365,948	\$ 922,435	\$ 95,415	\$ 19,175,729

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

	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>
<b>General Fund</b>				
Reserved	\$ -	\$ -	\$ -	\$ -
Unreserved	-	-	-	-
Nonspendable	1,179,522	1,178,480	1,918,709	1,919,711
Restricted	-	4,820,655	1,748,630	-
Assigned	18,037,302	19,317,000	20,318,269	18,818,825
Unassigned	11,426,473	11,707,336	11,991,519	12,382,517
Total general fund	<u>\$ 30,643,297</u>	<u>\$ 37,023,471</u>	<u>\$ 35,977,127</u>	<u>\$ 33,121,053</u>
 <b>Tourism Fund</b>				
Assigned	\$ -	\$ -	\$ -	\$ -
Total tourism fund	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
 <b>American Rescue Plan Fund</b>				
Restricted	\$ -	\$ -	\$ -	\$ -
Total American Rescue Plan fund	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
 <b>Capital Projects Fund</b>				
Nonspendable	\$ -	\$ -	\$ -	\$ -
Restricted	-	-	-	-
Assigned	-	-	-	-
Total capital projects fund	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
 <b>All Other Governmental Funds</b>				
Restricted (Special Revenue funds)	\$ -	\$ -	\$ -	\$ -
Assigned (Special Revenue funds)	275,829	300,711	428,711	524,301
Total all other governmental funds	<u>\$ 275,829</u>	<u>\$ 300,711</u>	<u>\$ 428,711</u>	<u>\$ 524,301</u>

Table 3

<u>2017</u>	<u>2018</u>	<u>2019*</u>	<u>2020*</u>	<u>2021*</u>	<u>2022*</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-
3,201,923	2,770,074	\$ 28,717	\$ 33,540	\$ 13,442	\$ 210,371
-	13,144,192	-	-	-	-
15,458,283	15,788,818	-	-	-	-
12,649,882	12,918,770	14,279,723	13,689,575	14,826,582	20,541,513
\$ 31,310,088	\$ 44,621,854	\$ 14,308,440	\$ 13,723,115	\$ 14,840,024	\$ 20,751,884
<hr/>					
\$ -	\$ -	\$ 2,239,154	\$ 4,207,011	\$ 3,023,602	\$ 4,014,030
\$ -	\$ -	\$ 2,239,154	\$ 4,207,011	\$ 3,023,602	\$ 4,014,030
<hr/>					
\$ -	\$ -	\$ -	\$ -	\$ -	\$ 19,127
\$ -	\$ -	\$ -	\$ -	\$ -	\$ 19,127
<hr/>					
\$ -	\$ -	\$ 3,085,024	\$ -	\$ -	\$ -
-	-	13,470,129	13,698,910	13,279,855	10,988,495
-	-	13,158,095	12,910,930	13,514,791	24,084,913
\$ -	\$ -	\$ 29,713,248	\$ 26,609,840	\$ 26,794,646	\$ 35,073,408
<hr/>					
\$ -	\$ -	\$ 593,836	\$ 780,983	\$ 910,324	\$ 932,277
653,939	584,890	-	-	-	-
\$ 653,939	\$ 584,890	\$ 593,836	\$ 780,983	\$ 910,324	\$ 932,277
<hr/>					

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

	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>
<b>Revenues</b>						
Taxes	\$ 29,786,811	\$ 29,736,493	\$ 30,628,000	\$ 31,301,136	\$ 31,815,149	\$ 32,773,958
Licenses, fees, and permits	151,637	240,017	255,915	229,485	249,819	302,819
Fines and penalties	228,172	214,373	197,117	155,032	181,175	249,211
Use of money and property	775,355	756,797	794,407	888,063	962,887	1,200,582
Charges for services	950,667	865,765	898,621	1,264,330	1,160,757	1,182,453
Intergovernmental	5,603,148	6,476,919	6,539,912	7,522,954	7,317,493	6,712,840
Other revenues	1,015,233	1,279,747	1,181,005	1,375,375	1,499,843	1,552,045
Total revenues	\$ 38,511,023	\$ 39,570,111	\$ 40,494,977	\$ 42,736,375	\$ 43,187,123	\$ 43,973,908
<b>Expenditures</b>						
General government	\$ 3,509,833	\$ 3,403,525	\$ 3,493,522	\$ 3,475,742	\$ 3,786,601	\$ 3,852,694
Judicial	398,300	411,806	400,605	365,281	401,237	422,688
Police	4,197,314	4,417,042	4,368,153	4,515,626	4,566,572	4,952,575
Fire	3,297,878	3,479,594	3,556,562	3,734,705	3,727,221	3,981,397
Other public safety	1,694,206	1,719,162	1,718,468	1,793,039	1,740,769	1,707,999
Public works	2,922,135	2,914,416	2,936,678	2,786,405	2,890,124	2,986,028
Health and welfare	2,256,347	2,306,790	2,255,020	2,499,978	2,552,959	2,865,062
Education	7,673,329	8,181,450	8,540,794	8,388,204	8,817,150	8,962,074
Parks and recreation	1,220,914	1,202,169	1,138,321	1,120,804	1,218,835	1,245,196
Library	819,526	820,156	827,166	842,160	841,810	859,699
Community Development	4,478,159	4,591,577	4,599,954	4,776,918	4,799,435	4,896,820
Non-departmental	-	-	-	-	-	-
Capital projects	2,432,992	3,820,162	6,180,712	9,958,807	8,289,153	6,323,793
Debt Service						
Principal	758,761	683,990	988,147	1,006,410	1,032,568	4,880,676
Interest	140,392	213,216	252,415	232,780	204,016	147,577
Total expenditures	\$ 35,800,086	\$ 38,165,055	\$ 41,256,517	\$ 45,496,859	\$ 44,868,450	\$ 48,084,278
Excess of revenues over (under) expenditures	\$ 2,710,937	\$ 1,405,056	\$ (761,540)	\$ (2,760,484)	\$ (1,681,327)	\$ (4,110,370)
<b>Other Financing Sources (Uses)</b>						
Issuance of bonds	\$ -	\$ 5,000,000	\$ -	\$ -	\$ -	\$ 12,260,000
Refunding bonds issued	-	-	-	-	-	3,920,700
Bond premium issuance	-	-	-	-	-	1,539,845
Bond issuance cost	-	-	-	-	-	(273,376)
Redemption of refunded bonds	-	-	-	-	-	(561,403)
Disposal of capital asset	-	-	(156,804)	-	-	-
Transfers in	-	-	-	-	-	500,000
Transfers out	-	-	-	-	-	-
Total other financing sources (uses)	\$ -	\$ 5,000,000	\$ (156,804)	\$ -	\$ -	\$ 17,385,766
Net change in fund balances	\$ 2,710,937	\$ 6,405,056	\$ (918,344)	\$ (2,760,484)	\$ (1,681,327)	\$ 13,275,396
Debt service as a percentage of noncapital expenditures	2.82%	2.48%	3.34%	3.36%	2.92%	11.03%

Table 4

<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>
\$ 35,854,668	\$ 33,370,411	\$ 32,851,586	\$ 39,753,152
341,620	501,907	240,832	275,127
277,729	218,387	197,671	200,957
1,508,346	1,177,258	651,308	913,416
1,202,675	1,096,153	990,218	1,248,421
8,125,667	7,128,527	10,864,246	19,049,717
1,982,218	1,571,999	2,082,076	2,708,329
\$ 49,292,923	\$ 45,064,642	\$ 47,877,937	\$ 64,149,119
\$ 3,954,853	\$ 4,103,114	\$ 4,966,751	\$ 4,967,798
434,188	409,373	449,662	482,442
5,306,406	5,299,992	5,321,620	5,631,954
4,153,194	4,259,192	4,843,222	4,814,109
1,700,142	1,622,504	1,664,437	1,596,552
3,145,566	3,202,810	3,230,663	3,456,518
2,890,326	2,658,330	3,219,159	3,131,539
9,605,544	9,490,247	10,073,887	8,665,672
1,236,425	1,156,877	1,322,261	1,223,059
871,852	909,764	918,254	906,654
4,842,357	4,892,829	5,680,412	5,851,661
7,913,834	7,033,077	4,355,650	6,808,437
837,370	870,223	862,300	944,355
752,932	690,039	650,194	606,650
\$ 47,644,989	\$ 46,598,371	\$ 47,558,472	\$ 49,087,400
\$ 1,647,934	\$ (1,533,729)	\$ 319,465	\$ 15,061,719
\$ -	\$ -	\$ -	\$ -
-	-	-	-
-	-	-	-
-	-	-	-
-	-	-	-
-	-	-	-
-	-	6,352,951	26,894,889
-	-	(6,424,747)	(26,734,478)
\$ -	\$ -	\$ (71,796)	\$ 160,411
\$ 1,647,934	\$ (1,533,729)	\$ 247,669	\$ 15,222,130
3.62%	3.83%	3.61%	3.42%

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

Fiscal Year	Property	1% Sales & Use	Consumer Utility	Business License	Franchise	Tobacco	Hotel & Motel
2013	\$ 12,307,879	\$ 4,494,328	\$ 1,042,165	\$ 1,646,691	\$ 104,682	\$ 183,155	\$ 3,369,785
2014	12,861,621	4,239,957	1,032,653	1,630,018	129,792	148,320	3,129,262
2015	13,008,328	4,352,601	1,024,760	1,685,718	123,048	156,911	3,220,638
2016	13,372,869	4,298,743	1,004,008	1,790,395	114,402	134,640	3,319,625
2017	13,690,588	4,388,595	968,943	1,833,991	119,948	130,032	3,316,633
2018	13,863,394	4,706,583	949,973	2,049,988	122,942	167,638	3,358,649
2019	14,505,397	6,841,762	903,929	2,330,418	120,660	140,211	3,308,661
2020	15,374,378	6,388,075	884,473	2,174,694	109,411	126,420	2,305,404
2021	15,947,750	6,424,415	818,488	1,770,953	96,664	129,061	1,770,894
2022	17,515,894	6,887,726	810,646	2,349,858	94,819	182,672	3,489,094



Table 5

\$2 Lodging	Restaurant	Other	Total
\$ 1,222,448	\$ 6,391,022	\$ 533,798	\$ 31,295,953
1,130,804	6,446,505	484,184	31,233,116
1,122,632	6,819,384	604,285	32,118,305
1,130,176	7,022,994	582,371	32,770,223
1,128,430	7,043,184	646,796	33,267,140
1,123,558	7,062,010	800,005	34,204,740
1,079,370	7,308,479	699,050	37,237,937
748,242	5,896,140	732,541	34,739,778
617,886	5,850,176	728,091	34,154,377
926,216	7,877,823	905,622	41,040,370

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

Table 6

Fiscal Year	Real Property		Personal Property		Less: Tax Exempt Real Property	Total Taxable Assessed Value	Total Direct Tax Rate
	Residential Property	Commercial Property <sup>1</sup>	Motor Vehicles <sup>2</sup>	Other			
2013	\$ 1,064,590,700	\$ 1,408,826,400	\$ 39,582,570	\$ 37,495,959	\$ 845,513,900	\$ 1,704,981,729	4.07
2014	1,083,446,200	1,522,534,200	40,845,200	38,241,433	918,768,400	1,766,298,633	4.07
2015	1,108,726,200	1,571,532,200	42,220,440	36,393,827	943,646,700	1,815,225,967	4.07
2016	1,168,895,100	1,581,516,100	43,377,030	37,405,286	964,234,400	1,866,959,116	4.07
2017	1,190,581,300	1,610,013,500	44,053,770	39,765,792	971,263,000	1,913,151,362	4.07
2018	1,216,085,400	1,620,357,700	44,479,900	42,369,965	976,996,200	1,946,296,765	4.07
2019	1,225,705,700	1,628,894,100	47,608,960	43,749,786	989,455,800	1,956,502,746	4.10
2020	1,322,641,400	1,709,250,800	49,398,887	45,944,506	1,043,197,900	2,084,037,693	4.10
2021	1,371,385,600	1,754,778,800	65,402,520	38,797,064	1,068,742,900	2,161,621,084	4.10
2022	1,192,790,550	2,104,599,350	84,516,670	37,536,890	1,147,301,800	2,272,141,660	4.14

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

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

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

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

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

Table 7

Fiscal Year Ended June 30	Real Estate Tax <sup>1</sup>	Personal Property Tax <sup>1</sup>	Room Tax	Meal Tax	Retail Sales Tax <sup>2</sup>	Senate Bill 942 Sales Tax <sup>2</sup>	Total Direct Tax Rate
2013	\$0.57	\$3.50	5%	5%	1%	-	\$4.07
2014	\$0.57	\$3.50	5%	5%	1%	-	\$4.07
2015	\$0.57	\$3.50	5%	5%	1%	-	\$4.07
2016	\$0.57	\$3.50	5%	5%	1%	-	\$4.07
2017	\$0.57	\$3.50	5%	5%	1%	-	\$4.07
2018	\$0.57	\$3.50	5%	5%	1%	-	\$4.07
2019	\$0.60	\$3.50	5%	5%	1%	0.50%	\$4.10
2020	\$0.60	\$3.50	5%	5%	1%	0.50%	\$4.10
2021	\$0.60	\$3.50	5%	5%	1%	0.50%	\$4.10
2022	\$0.64	\$3.50	5%	5%	1%	0.50%	\$4.14

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

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

The City of Williamsburg has no overlapping taxes.

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

Table 8

Taxpayers	2013				2022			
	Taxable Assessed Value	Rank	Percentage of Total City Taxable Assessed Value		Taxable Assessed Value	Rank	Percentage of Total City Taxable Assessed Value	
Colonial Williamsburg Foundation	\$ 256,596,100	1	15.76%		\$ 280,951,600	1	13.07%	
Riverside Healthcare Associates	55,906,000	2	3.43%		46,815,400	4	2.18%	
High Street Retail Phase LLC	20,909,400	3	1.28%					
Bluegreen Vacations, Unlimited	20,312,600	4	1.25%					
Sterling Manor Apartments LLC	19,935,600	5	1.22%					
Westgate Resorts LTD	14,157,300	6	0.87%		18,871,800	10	0.88%	
Williamsburg Improvements, LLC	13,522,000	7	0.83%					
SLN Quarterpath Associates, LLC	12,025,500	8	0.74%					
Virginia Landmark Hotels, LLC	9,872,400	9	0.61%					
The Townehomes at Treyburn	8,643,600	10	0.53%					
BBL Current Owner LLC					114,966,100	2	5.35%	
HS APT Land LC					63,443,600	3	2.95%	
BRG Quarterpath LLC					45,740,200	5	2.13%	
CCC Sterling Manor DE LLC					44,583,300	6	2.07%	
Quarterpath Williamsburg, LLC					32,192,800	7	1.50%	
160 Merrimac Associates LLC					20,970,400	8	0.98%	
High Street Shops LLC					19,740,700	9	0.92%	

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

Table 9

Fiscal Year Ended June 30	Taxes Levied for the Fiscal Year	Collected Within the Fiscal Year of the Levy		Collections in Subsequent Years	Total Collections to Date	
		Amount	Percentage of Levy		Amount	Percentage of Levy
2013	11,945,819	11,687,094	97.83%	213,810	11,900,904	99.62%
2014	12,348,440	12,122,381	98.17%	170,906	12,293,287	99.55%
2015	12,632,981	12,409,075	98.23%	181,600	12,590,675	99.67%
2016	13,009,018	12,796,868	98.37%	148,154	12,945,022	99.51%
2017	13,314,963	13,079,983	98.24%	130,468	13,210,451	99.22%
2018	13,477,747	13,258,466	98.37%	150,159	13,408,625	99.49%
2019	14,165,997	13,886,696	98.03%	213,192	14,099,888	99.53%
2020	15,040,398	14,661,249	97.48%	307,700	14,968,950	99.52%
2021	15,601,477	15,202,930	97.45%	183,377	15,386,307	98.62%
2022	17,355,816	16,833,039	96.99%	N/A	16,833,039	96.99%

Source: City of Williamsburg Assessor's Office

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

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

Table 10

Fiscal Year	Governmental Activities		Business-Type Activities		Total Primary Government	Debt Per Capita	Debt as Percentage of Personal Income
	General Obligation Bonds		General Obligation Bonds				
2013	\$ 5,997,390		\$ 8,051,980		\$ 14,049,370	\$ 943	0.3%
2014	10,270,795		7,446,884		17,717,679	1,176	0.4%
2015	9,241,038		6,819,945		16,060,983	1,081	0.3%
2016	8,193,018		6,184,269		14,377,287	932	0.3%
2017	7,118,840		5,526,750		12,645,590	821	0.2%
2018	19,235,458		5,033,028		24,268,486	1,598	0.4%
2019	18,256,137		4,412,553		22,668,690	1,474	0.4%
2020	17,243,961		3,764,931		21,008,892	1,366	0.3%
2021	16,281,320		3,343,471		19,624,791	1,225	0.3%
2022	15,275,059		2,905,632		18,180,691	1,135	0.3%

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

Table 11

<b>Fiscal Year</b>	<b>Total General Obligation Bonds</b>	<b>Percentage of Actual Taxable Value of Property<sup>1</sup></b>	<b>Per Capita<sup>2</sup></b>
2013	\$ 14,049,370	0.82%	\$ 943
2014	17,717,679	1.00%	1,176
2015	16,060,983	0.88%	1,081
2016	14,377,287	0.77%	932
2017	12,645,590	0.66%	821
2018	24,268,486	1.25%	1,598
2019	22,668,690	1.16%	1,474
2020	21,008,892	1.01%	1,366
2021	19,624,791	0.91%	1,225
2022	18,180,691	0.80%	1,135

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

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

	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>
Debt Limit	\$162,790,320	\$168,721,200	\$173,661,170	\$178,617,680	\$182,933,180	\$185,944,690	\$186,514,400	\$198,869,430	\$205,742,150	\$214,706,550
Total net debt applicable to limit	14,049,370	17,717,679	16,060,983	14,377,287	12,645,590	24,268,486	22,668,690	21,008,892	19,624,791	18,180,691
Legal debt margin	148,740,950	151,003,521	157,600,187	164,240,393	170,287,590	161,676,204	163,845,710	177,860,538	186,117,359	196,525,859
Total net debt applicable to the limit as a percentage of debt limit	8.63%	10.50%	9.25%	8.05%	6.91%	13.05%	12.15%	10.56%	9.54%	8.47%

Legal Debt Margin Calculation for Fiscal Year 2022

Assessed Value	\$ 2,147,065,500
Debt Limit (10% of assessed value)	214,706,550
Debt applicable to limit:	
General obligation bonds	18,180,691
Legal debt margin	<u>\$ 196,525,859</u>

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



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

Table 13

Fiscal Year	City Population *	Area Population *	Personal Income (thousands of dollars) <sup>2</sup>	Per Capita Personal Income <sup>2</sup>	Public School Enrollment <sup>3</sup>	Unemployment Rate <sup>1</sup>
2013	14,893	85,709	\$ 4,745,679	\$ 55,550	10,748	7.7%
2014	15,064	87,274	4,954,338	56,960	10,998	7.3%
2015	14,860	88,199	5,160,028	58,504	11,116	6.3%
2016	15,429	89,044	5,344,090	59,632	11,303	5.6%
2017	15,404	90,555	5,646,096	60,350	11,431	4.4%
2018	15,183	91,020	6,016,740	65,906	11,477	4.6%
2019	15,383	91,477	6,065,503	66,306	11,461	4.3%
2020	16,017	92,871	6,341,149	68,279	11,448	8.1%
2021	16,015	**	**	**	10,858	4.9%
2022	**	**	**	**	11,018	4.4%

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

\*\* not available

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

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

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

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

Table 14

Employer	2013			2022		
	Employees <sup>1</sup>	Rank	Percentage of Total City Employment	Employees <sup>1</sup>	Rank	Percentage of Total City Employment
College of William & Mary	1,000+	1	22.99%	1,000+	1	27.50%
Colonial Williamsburg Foundation	1,000+	2	11.38%	1,000+	2	9.16%
Colonial Williamsburg Company	1,000+	3	7.62%	250 to 499	3	5.19%
Riverside Doctors' Hospital				250 to 499	4	3.15%
W-JCC Schools	250 to 499	4	2.21%	100 to 249	7	1.23%
Aramark	250 to 499	5	1.91%			
City of Williamsburg	100 to 249	6	1.84%	100 to 249	5	1.96%
Red Lobster & The Olive Garden	100 to 249	7	0.71%			
Walsingham Academy	100 to 249	8	0.71%	100 to 249	8	1.04%
National Center for State Courts	100 to 249	9	0.71%	100 to 249	6	1.37%
Harris Teeter Supermarket				100 to 249	9	1.03%
Outback Steakhouse	50 to 99	10	0.35%			
Envoy of Williamsbrg				100 to 249	10	0.98%

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

Table 15

	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>
<b>General Government</b>										
City Manager	6.5	6.5	6.5	6.5	6.5	6.0	7.0	7.0	8.0	8.5
Clerk of Council	2.0	2.0	2.0	2.0	2.0	2.0	2.0	1.0	1.0	1.0
City Attorney	1.5	1.5	1.5	1.5	1.5	1.5	1.5	1.5	1.5	1.5
Commissioner of Revenue	3.0	3.0	3.0	3.0	3.0	3.0	4.0	4.0	4.0	4.0
Treasurer	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0
Registrar	1.5	1.5	1.5	2.0	2.0	2.0	2.0	2.0	2.0	2.0
Assessor	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0
Information Technology	3.0	3.0	3.0	3.0	3.0	3.0	4.0	4.0	4.0	4.5
Finance	8.0	8.0	8.0	8.0	9.0	9.0	9.0	9.0	10.0	10.0
<b>Police</b>										
Officers	35.0	35.0	35.0	36.0	36.0	38.0	41.0	41.0	42.0	43.0
Civilians	5.0	5.0	5.0	5.0	5.0	4.0	4.0	5.0	5.0	4.0
<b>Fire</b>										
Firefighters & officers	36.0	36.0	36.0	36.0	39.0	39.0	40.0	40.0	45.0	45.0
Civilians	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0
<b>Public Works</b>										
Engineering	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0
Streets & Storm Water	9.0	9.0	9.0	9.0	9.0	9.0	9.0	10.0	10.0	10.0
Landscape	7.0	7.0	7.0	7.0	7.0	7.0	7.5	7.5	7.5	7.5
Shop	3.0	3.0	3.0	3.0	3.0	3.0	3.0	3.0	3.0	3.0
Building Maintenance	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0
<b>Planning</b>	4.0	4.0	4.0	4.0	4.0	4.0	4.0	4.0	4.0	4.0
<b>Code Compliance</b>	4.0	4.0	5.0	5.0	5.0	5.0	5.0	5.0	6.0	6.0
<b>Recreation</b>	8.5	8.5	8.5	8.5	8.5	8.5	8.5	8.5	8.5	8.5
<b>Human Services/Public Housing</b>	17.0	19.0	19.0	19.0	19.0	19.0	19.0	19.0	22.0	23.5
<b>Public Utilities</b>	<u>26.0</u>	<u>26.0</u>	<u>26.0</u>	<u>26.0</u>	<u>26.0</u>	<u>26.0</u>	<u>26.0</u>	<u>26.0</u>	<u>26.0</u>	<u>26.0</u>
<b>Total</b>	<u>188.0</u>	<u>190.0</u>	<u>191.0</u>	<u>192.5</u>	<u>196.5</u>	<u>197.0</u>	<u>204.5</u>	<u>205.5</u>	<u>217.5</u>	<u>220.0</u>

Source: City Finance Department

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

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

Table 16

	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018*</u>	<u>2019</u>	<u>2020 ^</u>	<u>2021 ^</u>	<u>2022 ^</u>
General Government										
Real estate parcels appraised	4,214	4,216	4,299	4,313	4,318	4319	4,335	4,345	4,343	4,770
Real estate property transfers	285	302	415	370	421	505	426	422	398	567
Police										
Calls for service	36,956	37,774	36,168	34,837	34,033	34,385	41,377	46,703	39,436	34,808
Moving violations	1,457	1,107	1,147	1,238	1,364	1,228	2,390	2,161	1,779	1,452
Offenses	376	307	314	301	333	280	344	320	347	336
Fire										
Emergency fire responses	1,884	1,988	2,226	1,048	1,181	1,331	1,493	1,105	1,004	1,302
Emergency EMS responses	2,455	2,435	2,523	2,890	2,875	2,951	3,102	2,948	2,461	2,920
Public Works										
Tons of res. solid waste collected	2,094	1,966	1,814	1,925	2,063	2,170	2,050	1,942	1,997	1,997
Planning										
Subdivision lots approved	2	0	0	0	0	14	46	52	49	23
Site plans processed	5	1	1	2	0	18	11	14	16	17
Code Compliance										
Total permits issued	1,336	1,555	1,344	1,538	1,920	1,968	1,443	1,030	979	1,193
Total inspections performed	5,491	5,178	6,966	7,284	7,082	4,427	7,130	5,198	8,896	5,735
Recreation										
Program participants	25,886	25,487	21,684	23,135	23,706	16,159	13,958	9,571	3,404	7,466
Waller Mill Park attendance	90,066	109,144	112,854	95,312	107,036	137,894	103,461	79,254	134,355	127,079
Human Services (avg. monthly)										
Total benefit program cases	1,228	1,248	1,365	1,320	1,338	1,420	1,495	1,735	2,128	2,619
Public Utilities										
Water consumed (million gallons)	937	931	997	959	953	918	913	822	842	895
Water leaks repaired	45	31	32	31	26	35	20	22	33	27
Sewer backups	53	31	35	47	22	31	40	33	50	38

Source: City operating departments

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

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

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

Table 17

	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>
<b>Function/Program</b>										
<b>General Government</b>										
Number of buildings	28	28	28	28	28	28	28	28	28	28
Number of parking structures	2	2	2	2	2	2	2	2	2	2
Total number of active vehicles in vehicle replacement plan	84	82	83	84	85	85	101	102	102	102
<b>Public Safety</b>										
Number of police stations	1	1	1	1	1	1	1	1	1	1
Number of fire stations	1	1	1	1	1	1	1	1	1	1
<b>Public Works</b>										
Lane miles of streets maintained	113.37	115.99	115.99	118.58	116.73	117.53	118.02	119.44	119.92	119.92
Number of Signalized Intersections	15	15	15	15	15	15	15	15	17	17
Bridges	4	4	4	4	4	4	4	4	4	4
<b>Education-Regional Schools</b>										
Grades: K - 5	9	9	9	9	9	9	9	9	9	9
Grades: 6 - 8	3	3	3	3	3	3	4	4	4	4
Grades: 9 -12	3	3	3	3	3	3	3	3	3	3
<b>Parks &amp; Recreation</b>										
Number of parks	10	10	10	10	10	10	11	11	12	12
Number of ball fields	6	6	6	6	6	6	6	6	6	6
Number of tennis courts	10	10	10	10	10	10	10	10	10	10
Number of total acres	2,036	2,036	2,036	2,036	2,036	2,787	2,787	2,787	2,787	2,787
<b>Culture</b>										
Number of public libraries (regional)	2	2	2	2	2	2	2	2	2	2
<b>Public Utilities</b>										
Miles of water distribution	48	48	48	48	48	48	48	48	50	50
Number of water tanks	6	6	6	6	6	6	6	6	6	6
Number of pump stations	14	15	15	15	15	15	15	15	15	15

Source: City departments.

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## *COMPLIANCE SECTION*

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**Independent Auditors' Report on Internal Control over Financial Reporting and on  
Compliance and Other Matters Based on an Audit of Financial Statements  
Performed in Accordance with *Government Auditing Standards***

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

We have audited, in accordance with the auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the *Specifications for Audits of Counties, Cities, and Towns*, issued by the Auditor of Public Accounts of the Commonwealth of Virginia, the financial statements of the governmental activities, the business-type activities, the discretely presented component units, each major fund, and the aggregate remaining fund information of City of Williamsburg, Virginia, as of and for the year ended June 30, 2022, and the related notes to the financial statements, which collectively comprise City of Williamsburg, Virginia's basic financial statements, and have issued our report thereon dated October 12, 2022.

**Report on Internal Control over Financial Reporting**

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

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

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

## Report on Compliance and Other Matters

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

### Purpose of This Report

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

*Robinson, Farnum, Cox Associates*

Richmond, Virginia  
October 12, 2022



ROBINSON, FARMER, COX ASSOCIATES, PLLC

*Certified Public Accountants*

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

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

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

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

We have audited City of Williamsburg, Virginia's compliance with the types of compliance requirements identified as subject to audit in the *OMB Compliance Supplement* that could have a direct and material effect on each of City of Williamsburg, Virginia's major federal programs for the year ended June 30, 2022. City of Williamsburg, Virginia's major federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

In our opinion, City of Williamsburg, Virginia complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2022.

***Basis for Opinion on Each Major Federal Program***

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

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

***Responsibilities of Management for Compliance***

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

## ***Auditors' Responsibilities for the Audit of Compliance***

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

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

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

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

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

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

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

## Report on Internal Control over Compliance (Continued)

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

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

*Robinson, Farmer, Cox Associates*

Richmond, Virginia  
October 12, 2022

City of Williamsburg, Virginia  
Schedule of Expenditures of Federal Awards  
For the Year Ended June 30, 2022

Federal Grantor/State Pass - Through Grantor/ Program Title	Federal Assistance Listing Number	Pass-Through Entity Identifying Number	Federal Expenditures
<i>Department of Health and Human Services:</i>			
Pass Through Payments:			
<i>Department of Social Services:</i>			
Guardianship Assistance	93.472	1140122	\$ 1,497
Title VI-E Prevention Program	90.090	1110121/1110122	128
MaryLee Allen Promoting Safe and Stable Families Program	93.556	0950120/0950121	\$ 3,085
COVID-19 - MaryLee Allen Promoting Safe and Stable Families Program	93.556	0950120/0950121	529
Total 93.556			3,614
Temporary Assistance for Needy Families	93.558	0400121/0400122	83,833
Refugee and Entrant Assistance - State/Replacement Designee Administered Programs	93.566	0500121/0500122	3,852
Low-Income Home Energy Assistance	93.568	0600421/0600422	13,342
Community-Based Child Abuse Prevention Grants	93.590	9560121	720
Child Care Mandatory and Matching Funds of the Child Care and Development Fund (CCDF Cluster)	93.596	0760121/0760122	16,978
Stephanie Tubbs Jones Child Welfare Services Program	93.645	0900121/0900122	168
Foster Care - Title IV-E	93.658	1100121/1100122	64,511
Adoption Assistance	93.659	1120121/1120122	85,385
Social Services Block Grant	93.667	1000121/1000122	67,535
John H. Chafee Foster Care Program for Successful Transition to Adulthood	93.674	9150121/9150122	672
COVID-19 - Elder Abuse Prevention Interventions Program	93.747	8000221	7,544
Children's Health Insurance Program	93.767	0540121/0540122	1,152
Medical Assistance Program (Medicaid Cluster)	93.778	1200121/1200122	139,787
Total Department of Health and Human Services-pass through			\$ 490,718
Total Department of Health and Human Services			\$ 490,718
<i>Department of Agriculture:</i>			
Pass Through Payments:			
<i>Department of Social Services:</i>			
State Administrative Matching Grants for the Supplemental Nutrition Assistance Program (SNAP Cluster)	10.561	0010121/0010122	\$ 252,456
Total Department of Agriculture			\$ 252,456
<i>Department of Homeland Security:</i>			
Direct payments:			
Staffing for Adequate Fire and Emergency Response (SAFER)	97.083	N/A	\$ 132,305
Total Department of Homeland Security			\$ 132,305

City of Williamsburg, Virginia  
Schedule of Expenditures of Federal Awards  
For the Year Ended June 30, 2022

Federal Grantor/State Pass - Through Grantor/ Program Title	Federal Assistance Listing Number	Pass-Through Entity Identifying Number	Federal Expenditures
<i>Department of Justice:</i>			
Direct payments:			
Bulletproof Vest Partnership Program	16.607	N/A	\$ 3,674
Pass Through Payments:			
<i>Department of Criminal Justice Services:</i>			
Edward Byrne Memorial Justice Assistance Grant Program	16.738	12-J1208L011	\$ 17,410
Total Department of Justice - pass-through			\$ 17,410
Total Department of Justice			\$ 21,084
<i>Department of Transportation:</i>			
Pass Through Payments:			
<i>Department of Transportation</i>			
Highway Planning and Construction (Highway Planning and Construction Cluster)	20.205	603023/4- 15000/15017/15078	\$ 220,473
<i>Department of Motor Vehicles</i>			
Alcohol Open Container Requirements	20.607	605007-50235/51107	5,560
National Priority Safety Programs (Highway Safety Cluster)	20.616	605007-51132	\$ 1,400
		605007-	
State and Community Highway Safety (Highway Safety Cluster)	20.600	50238/50241/51128	5,010
	Total Highway Safety Cluster		\$ 6,410
Total Department of Transportation			\$ 232,443
<i>Environmental Protection Agency:</i>			
Direct Payments:			
Brownfields Multipurpose, Assessment, Revolving Loan Fund, and Cleanup Cooperative Agreements	66.818	N/A	\$ 160,720
Total Environmental Protection Agency			\$ 160,720
<i>Department of Treasury:</i>			
Pass Through Payments:			
<i>Department of Accounts:</i>			
COVID-19 Coronavirus Relief Fund (CRF)	21.019	10110-728021	\$ 20,231
COVID-19 - Coronavirus State and Local Fiscal Recovery Funds	21.027	Not Available	12,944,337
Total Department of Treasury			\$ 12,964,568
Total Expenditures of Federal Awards			\$ 14,254,294

See accompanying notes to schedule of expenditures of federal awards.

**City of Williamsburg, Virginia**  
**Notes to Schedule of Expenditures of Federal Awards**  
**For the Year Ended June 30, 2022**

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Note 1 - Basis of Presentation

The accompanying schedule of expenditures of federal awards (the Schedule) includes the federal award activity of the City of Williamsburg, Virginia under programs of the federal government for the year ended June 30, 2022. The information in this Schedule is presented in accordance with the requirements of Title 2 *U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements of Federal Awards* (Uniform Guidance). Because the Schedule presents on a selected portion of the operations of the City of Williamsburg, Virginia, it is not intended to be and does not present the financial position, changes in net position, or cash flows of the City of Williamsburg, Virginia.

Note 2 - Summary of Significant Accounting Policies

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

Note 3 - Food Donation

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

Note 4 - Relationship to Financial Statements

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

Intergovernmental federal revenues per the basic financial statements:

Primary government:

General fund	\$ 168,180
American Rescue Plan fund	12,944,337
Virginia public assistance fund	743,174
Law enforcement block grant fund	17,410
Capital projects fund	381,193

Total federal expenditures per the Schedule of Expenditures of Federal Awards	<u><u>\$ 14,254,294</u></u>
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Note 5 - Subrecipients

No awards were passed through to subrecipients.

Note 6 - De Minimis Cost Rate

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

Note 7 - Loan Balances

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



City of Williamsburg, Virginia  
Schedule of Findings and Questioned Costs  
For the Year Ended June 30, 2022

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Section I-Summary of Auditors' Results

Financial Statements

Type of auditors' report issued: unmodified

Internal control over financial reporting:

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

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

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

Federal Awards

Internal control over major programs:

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

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

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

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

Identification of major programs:

Assistance Listing Number(s)

21.027

Name of Federal Program or Cluster

COVID-19 - Coronavirus State and Local Fiscal  
Recovery Funds

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

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

Section II-Financial Statement Findings

None

Section III-Federal Award Findings and Questioned Costs

None

**City of Williamsburg, Virginia  
Summary Schedule of Prior Audit Findings  
For the Year Ended June 30, 2022**

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There were no prior audit findings.