



JAMES CITY COUNTY, VIRGINIA

ANNUAL COMPREHENSIVE FINANCIAL REPORT

FOR THE FISCAL YEAR ENDED JUNE 30, 2024

jamescitycountyva.gov
Prepared by the Department of Financial & Management Services

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

For the Fiscal Year Ended
June 30, 2024

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

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Introductory Section

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County of James City, Virginia
Annual Comprehensive Financial Report
For the Fiscal Year Ended June 30, 2024

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County of James City, Virginia
Principal Officials
For the Fiscal Year Ended June 30, 2024

Board of Supervisors

- Ruth Larson, Chair - Berkeley District
- Jim Icenhour, Vice Chair - Jamestown District
- John J. McGlennon - Roberts District
- Michael J. Hipple, Sr. - Powhatan District
- Barbara Null - Stonehouse District
- Scott Stevens, Clerk

Officials

- Holly B. Smith, Chief Judge - Circuit Court
- Wade A. Bowie, Chief Judge - General District Court
- Mara M. Matthews, Chief Judge - Juvenile and Domestic Relations Court
- Elizabeth O'Connor, Clerk of the Circuit Court
- Nathan R. Green, Commonwealth's Attorney
- David Hardin, Sheriff
- Richard W. Bradshaw, Commissioner of the Revenue
- Jennifer D. Tomes, Treasurer
- Scott Stevens, County Administrator
- Adam R. Kinsman, County Attorney
- Mark Jamison, Chief of Police

Board of Directors, James City Service Authority

- Barbara Null, Chair
- John J. McGlennon, Vice Chair
- Jim Icenhour
- Ruth Larson
- Michael J. Hipple
- M. Douglas Powell, General Manager
- Stephanie A. Luton, Assistant Manager/Treasurer

Williamsburg-James City County Public Schools

- Sarah G. Ortego, Chair - School Board
- Andrea M. Donnor, Vice Chair - School Board
- Daniel R. Cavazos - School Board
- Amy Chen - School Board
- Kimberley M. Hundley – School Board
- Michael T. Hosang - School Board
- Randy J. Riffle - School Board
- Dr. Daniel Keever, Superintendent of Schools

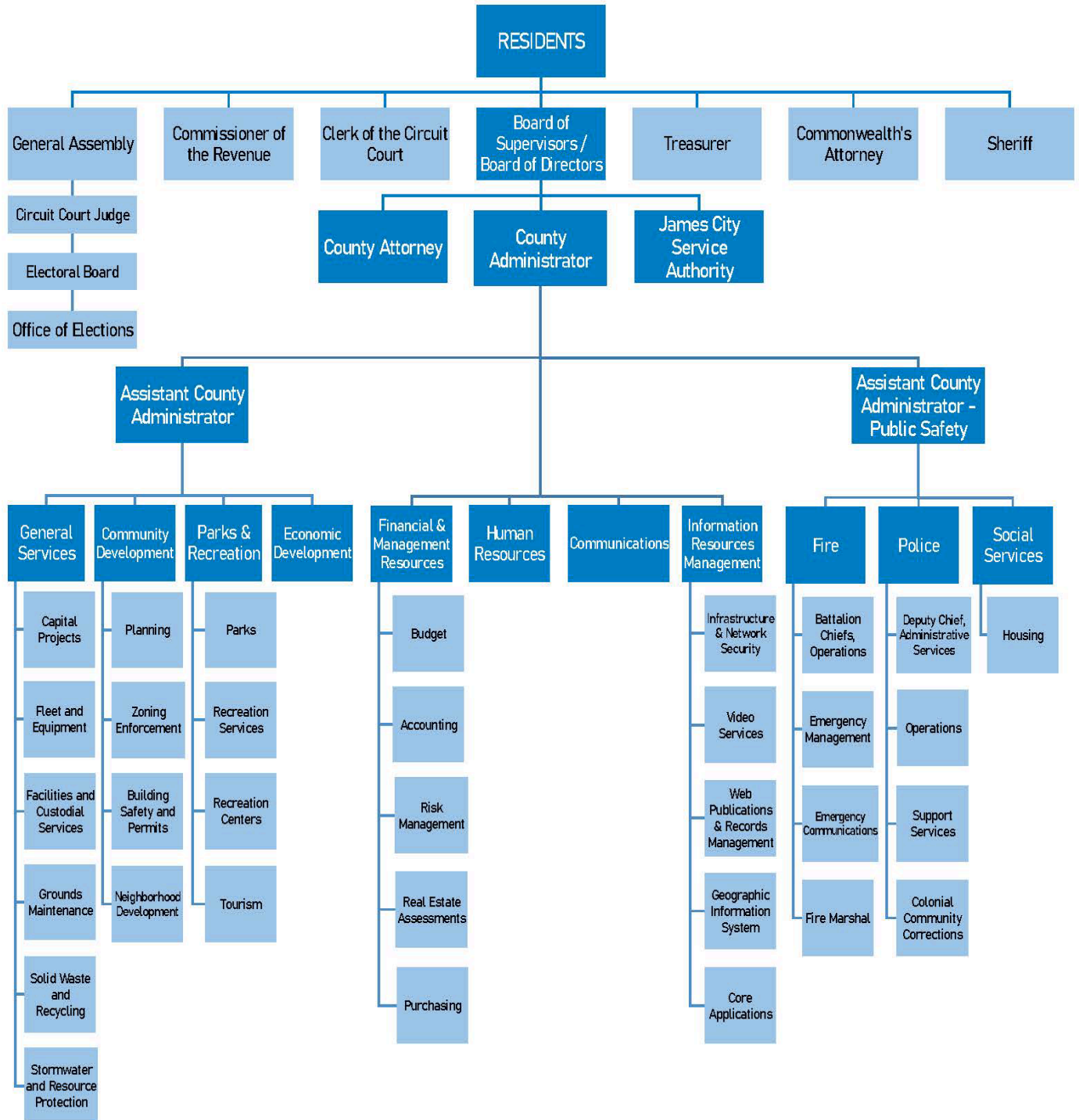
Board Members, Economic Development Authority

- Ellen Smith Gajda, Chair
- Lynn Meredith, Vice Chair
- Vince Campana III
- Rebecca Mulvain
- Brandon Nice
- Joseph Stanko
- William Turner



Organizational Chart

Updated as of 03/01/2023





December 9, 2024

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

We are pleased to submit to you the Annual Comprehensive Financial Report of James City County, Virginia (the County), for the fiscal year ended June 30, 2024, as required by the *Code of Virginia*. The Department of Financial and Management Services has prepared this report in accordance with accounting principles generally accepted in the United States of America, the standards of financial reporting prescribed by the Governmental Accounting Standards Board, and specifications of the Auditor of Public Accounts of the Commonwealth of Virginia. Section 15.1-67 of the *Code of Virginia* (1950, as amended) requires the County to have an annual audit of the books of account, financial records, and the transactions of the County. Cherry Bekaert, LLP was selected to perform the required audit. The unmodified report of Cherry Bekaert, LLP, the highest possible result of the audit process, accompanies the financial statements in this report.

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

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

Accounting principles generally accepted in the United States 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 MD&A can be found immediately following the report of the independent auditor on the financial statements.

Profile of the Government

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

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

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

The County provides a full range of municipal services, including police, fire and medical emergency services, court services, recreational activities, community development, and social services. Water and sewer services are provided through the legally separate James City Service Authority (JCSA). The Board of Supervisors of James City County serves as the Board of Directors of the JCSA, and the County's Strategic Plan serves as basis for the budgetary and operational initiatives of both entities. The County is also financially accountable for the legally separate Williamsburg-James City County (WJCC) School Board, who are elected by the citizenry.

The financial reporting entity includes all funds of the County and its component units. The County has two discretely presented component units, JCSA and WJCC Public Schools, and one blended component unit, the Economic Development Authority. The discretely presented component units are reported separately within the County's basic financial statements while the blended component unit is presented as though it were a fund of the County. Additional information concerning these legally separate organizations can be found in Note 1 to the financial statements.

The annual budget serves as the foundation for the County's financial planning and control. Each year, departments and agencies of the County are required to submit requests for appropriation to the County Administrator. In the spring, the County Administrator submits to the Board of Supervisors proposed operating and capital budgets for the fiscal year commencing the following July 1. The operating budget and capital budget include proposed expenditures and the means of financing them. Public hearings are conducted to obtain citizen comments. Prior to June 30, the budget is legally enacted through passage of an Appropriations Resolution. The Appropriations Resolution places legal restrictions on expenditures at the functional level for the General Fund and at the fund level for all other funds. The total appropriation for each fund can be revised only by the Board of Supervisors; however, the County Administrator may amend the budget between functions.

Budgets are prepared for all funds except Trust, Fiduciary, and Internal Service funds. The Trust and Fiduciary funds account for money and property held in a fiduciary capacity for individuals or other government entities, and do not involve the measurement of results of operations as they are custodial in nature. The Internal Service fund assists with the internal management of the County's health and dental plans. Budget-to-actual comparisons are provided in this report for each individual governmental fund for which an appropriated annual budget has been adopted.

Local Economy

Due to its strong and healthy local economy and prudent management, the County has maintained its AAA bond rating from 3 national credit rating agencies, the highest possible rating. This bond rating is based on analysts' recommendations after a review of economic and fiscal performance, strong liquidity, fiscal policies and practices, evidence of financial planning to meet future capital needs. This rating is excellent for a community the size of James City County and gives the County additional leverage in the bond market for potential bond buyers and investors.

James City County has experienced a gradual increase in economic activity after the impacts from the COVID-19 pandemic in prior fiscal years. Overall, General Fund revenues increased 1.5% from last year, the majority of which was attributable to higher real estate and personal property tax collections and in charges for services from medic transport services and parks and recreation programs. The County's General Fund's fund balance increased by \$17,126,158 for fiscal year 2024, due to the revenue increase as well as expenditure savings, from personnel vacancies and lower debt service due to the delay of a borrowing until next fiscal year.

Long-Term Financial Planning and Major Initiatives

The County's financial policies, adopted by the Board of Supervisors, provide a framework for the County to preserve its AAA General Obligation bond rating, make sound financial decisions, promote fiscal transparency, and ensure compliance with prevailing local, state, and federal laws and regulations. One of the policies requires that the County maintain a General Fund Unassigned Fund Balance equal to or greater than 12%, with a target of 15% of the total governmental expenditures, including the County's share of WJCC Schools' operating expenditures. At the end of fiscal year 2024, that percentage was 26.1%, which exceeded the requirement.

The County's budget supports its Strategic Plan, which serves as guidance between the budget and the long-range plans proposed by the County.

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

- Expanding and Diversifying Local Economy
- Protected Community Character and an Enhanced Built Environment
- Exceptional Public Services
- Fiscally Efficient Government
- High Quality Education
- Sustainable Long-Term Water Supply

These goals, and the initiatives developed to support them, allows the Board of Supervisors to prioritize initiatives, plan for the future, and allocate resources through the budget process, including developing a capital improvement program for the remaining four years of the plan.

The fiscal year 2025 budget includes no change in the real estate or personal property tax rates, and modest fee increases for curbside recycling, ambulance transport services (to align with the Medicare reimbursement rates), and in certain parks and recreation programs. The General Fund's revenues are expected to increase by approximately 10.5% compared to the 2024 budget, primarily due to 2025 being a real estate reassessment year. On the expenditure side, the General Fund's fiscal year 2025 budget supports a 5% salary increase and compensation adjustments for staff, a \$5.2 million increase in funding for school operations, and increased funding for capital projects.

Capital Improvement Program

Capital outlay expenditures (including County and school projects) totaled \$18,256,307 in fiscal year 2024. The largest capital expenditures were for capital maintenance projects whose purpose is to improve and extend the useful life of County or School buildings and to replace major pieces of equipment. In fiscal year 2024, major projects included Chickahominy Riverfront Park, the library's restroom, and various stormwater projects. Significant school expenditures included Pre-K space design, auxiliary gym and shelter at Warhill High School, and HVAC replacement and roof repair at Berkeley Middle School

James City County will continue to face challenges over the next several years. A steady growth in population has produced demands for public services and facilities. The County's five-year Capital Improvement Program totals approximately \$297.1 million and focuses on a wide variety of needs. In fiscal year 2025, ongoing projects include construction of Pre-K space for the school division, construction of a new General Services building, and design and land preparedness for a government center. Future planning includes construction of the government center, a new library, major park improvements, drainage projects, equipment and vehicle replacements, and other building maintenance projects. Anticipated impacts were included in the adopted budget for the fiscal year beginning July 1, 2024.

Economic Development

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

Launchpad, the Greater Williamsburg Entrepreneurship Hub, is a partnership between the College of William & Mary, James City County, York County, and the City of Williamsburg. It continues to support regional economic development through structured cohort-based support programs, mentorship, educational programs, community collaboration, and exclusive events, workshops and networking opportunities for entrepreneurs looking to start, expand, and grow their business in the Greater Williamsburg region.

The County is also a sponsor of the Hampton Roads Alliance, a regional economic development organization of 15 cities and counties in the Hampton Roads region of Virginia. It is a nonprofit, public-private partnership supported and led by the region's most influential business leaders, local governments, and top academic institutions. The Alliance represents the regional economic development efforts for business attraction, business expansion, and business intelligence to create a more resilient, inclusive, and equitable region of choice.

The fiscal year 2025 budget supports economic development initiatives, including funding to conduct due diligence studies on strategic industrial and commercial sites to enhance site readiness for targeted development opportunities. Increasing the inventory of construction-ready sites helps make the County more competitive for economic development projects, which brings capital investment and family sustaining, high-wage jobs.

In addition, a business investment grant program will begin in fiscal year 2025 to encourage private capital investment in existing commercial and industrial properties located along Community Character Corridors identified in the Comprehensive Plan.

In August 2024, Anheuser-Busch announced its plans to invest \$6.5 million into its County facility to uphold quality standards, improve infrastructure, and drive efficiency. The investment will go toward capital infrastructure projects including overhaul equipment and additional improvements. Part of the money will go toward increasing the capacity and capability of the warehouse.

In September 2024, Governor Youngkin announced Norwegian-based Kongsberg Defence & Aerospace Inc. will establish a 150,000-square-foot facility in James City County. The building will be a state-of-the-art cruise missile production facility being procured by The Department of Defense. The facility represents a \$71 million investment by Kongsberg Defense & Aerospace and will create 180 high-quality jobs. The company will invest an additional \$30 million in other costs, including engineering and software.

Awards and Acknowledgments

The GFOA awarded a Certificate of Achievement for Excellence in Financial Reporting to James City County, Virginia for its Annual Comprehensive Financial Report for the fiscal year ended June 30, 2023. This was the 39th consecutive year that the County has achieved this prestigious award. To be awarded a Certificate of Achievement, the County must publish an easily readable and efficiently organized comprehensive annual financial report. This report must satisfy both generally accepted accounting principles and applicable legal requirements.

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

The Government Finance Officers Association of the United States and Canada (GFOA) presented a Distinguished Budget Presentation Award to James City County, Virginia, for its Annual Budget for the fiscal year beginning July 1, 2023. This was the 7th consecutive year that the County has achieved this prestigious award. In order to receive this award, a governmental unit must publish a budget document that meets program criteria as a policy document, as a financial plan, as an operations guide, and as a communications device.

This award is valid for a period of one year only. We believe our current budget continues to conform to program requirements, and we are submitting it to GFOA to determine its eligibility for another award.

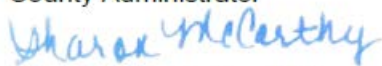
In November 2024, the County was reaffirmed Aaa/AAA/AAA by Moody's, Standard & Poor's, and Fitch respectively, the highest possible rating from each agency. The coveted "Triple-AAA" ratings signify unparalleled creditworthiness and are a significant recognition of the County's financial stability and prudent management.

The County has established and continues to maintain a strong and stable financial position through progressive management of financial operations and through sound accounting and financial reporting practices. Appreciation is expressed to the James City County Board of Supervisors and the Constitutional Officers for their interest and support in planning and conducting the financial operations of the County in a responsible and progressive manner. The preparation of this report could not have been accomplished without the extensive effort and efficient services of the staff of Financial and Management Services. We would like to express our appreciation to each employee of the department who assisted with the annual audit and preparation of the financial statements.

Respectfully submitted,



Scott A. Stevens
County Administrator



Sharon B. McCarthy, CPA
Director of Financial and Management Services



Government Finance Officers Association

Certificate of
Achievement
for Excellence
in Financial
Reporting

Presented to

**County of James City
Virginia**

For its Annual Comprehensive
Financial Report
For the Fiscal Year Ended

June 30, 2023

Christopher P. Merrill

Executive Director/CEO

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Financial Section

Report of Independent Auditor

To the Honorable Members of the Board of Supervisors
County of James City, 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 aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the County of James City, Virginia (the "County"), as of and for the year ended June 30, 2024, and the related notes to the financial statements, which collectively comprise the County's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the County, as of June 30, 2024, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America, the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, and the *Specifications for Audits of Counties, Cities, and Towns*, issued by the Auditor of Public Accounts of the Commonwealth of Virginia (the "Specifications"). Our responsibilities under those standards and Specifications are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are required to be independent of the County 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.

Emphasis of Matter

As discussed in Note 18 to the financial statements, the beginning net position of the business-type activities and the aggregate discretely presented component units have been restated from the previously issued financial statements to reflect a correction of an error. 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.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the County'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.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and, therefore, is not a guarantee that an audit conducted in accordance with generally accepted auditing standards, *Government Auditing Standards*, and the Specifications 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 we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the County'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 the County'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 (the "MD&A") and the required supplementary information other than MD&A, as listed in the table of contents, be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the County's basic financial statements. The accompanying Other Supplementary Information, as listed in the table of contents, and Schedule of Expenditures of Federal Awards, as required by Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the 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 auditor's report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

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

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated December 9, 2024, on our consideration of the County's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the County's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering County's internal control over financial reporting and compliance.



Richmond, Virginia
December 9, 2024

County of James City, Virginia
Management's Discussion and Analysis
June 30, 2024

As management of James City County (County), we offer readers of the County's financial statements this narrative overview and analysis of the financial activities of the County, as of and for the fiscal year ended June 30, 2024. We encourage readers to consider the information presented here in conjunction with additional information in our letter of transmittal at the front of this report and the County's financial statements, which follow this analysis.

Financial Highlights

- The County's total net position increased by \$36.5 million (8.3%) from fiscal year 2023. The net position of the governmental-type activities increased \$36.3 million (8.2%) and net position of the business-type activities increased \$.2 million (8.8%).
- The County's unrestricted net position increased by approximately \$34.5 million. Of this amount, the governmental-type activities increased \$33.6 million (18.1%) and business-type activities increased \$.8 million (51.3%).
- General Fund revenues were \$8.5 million (3.7%) higher than the final budget. The increase primarily related to growth in personal property taxes and business licenses, which are reflective of the area's economic recovery from the novel coronavirus (COVID-19).

Overview of the Financial Statements

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

Government-Wide Financial Statements

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

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

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

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

- *Governmental activities:* Most of the County's basic services are included here, such as the police, fire, parks and recreation, and general administration. Property taxes and state funding finance most of these activities.
- *Business-type activities:* Activities that are intended to recover all or a significant portion of their costs through user fee charges to parties external to the County for goods or services are included in the business-type activities. The Economic Development Authority (EDA) is included as a blended component unit in the business-type activities.
- *Component units:* The County includes two other entities in its report, the James City Service Authority and the Public Schools. Although legally separate, these component units are important because of the County's financial accountability or financial integration with these entities.

Fund Financial Statements

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

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

County of James City, Virginia
Management's Discussion and Analysis
June 30, 2024

The County has three kinds of funds:

- **Governmental funds:** Most of the County's basic services are included in governmental funds, which focus on (1) how cash and other financial assets can be readily converted to cash flow in and out and (2) the balances remaining at year end that are available for spending. Consequently, the governmental funds statements provide a detailed short-term view that helps in determining whether there are more or fewer financial resources that can be spent in the near future to finance the County's programs. Because this information does not encompass the additional long-term focus of the government-wide statements, further details are provided at the bottom of the governmental funds statement or on the subsequent page that explain the relationship (or differences) between them.
- **Proprietary fund:** Services for which the County charges customers and users a fee are generally reported in proprietary funds. Proprietary funds, like the government-wide statements, provide both long and short-term financial information. The County's blended component unit (EDA) is an enterprise fund and consequently is reported in the business-type activities of the government-wide financial statements. The County's internal service fund (Health and Dental fund) is reported in the governmental activities of the government-wide financial statements because this fund provides services internally to the County to manage its health and dental programs.
- **Fiduciary funds:** The County's fiduciary activities are reported in the custodial fund Statements of Fiduciary Net Position and Changes in Fiduciary Net Position. Custodial funds are used to provide accountability of client monies for which the County is the custodian. These activities are excluded from the County's government-wide financial statements because the County cannot use their assets to finance its operations.

Notes to the Basic Financial Statements

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

Other Information

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

Financial Analysis

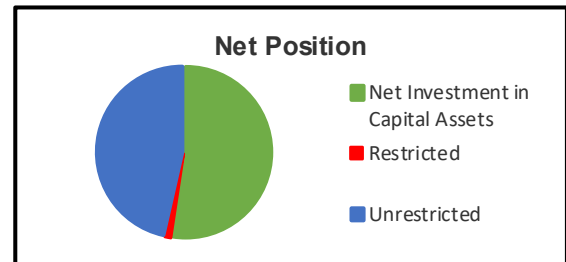
Statements of Net Position

	Governmental activities (condensed)		Business-type activities (condensed)		Total Primary Government (condensed)	
	6/30/2024	6/30/2023	6/30/2024	(As restated) 6/30/2023	6/30/2024	(As restated) 6/30/2023
Current and other assets	\$ 279,712,512	\$ 247,121,745	\$ 3,088,282	\$ 2,299,647	\$ 282,800,794	\$ 249,421,392
Capital assets, net	335,129,496	345,953,485	524,019	1,116,293	335,653,515	347,069,778
Total assets	614,842,008	593,075,230	3,612,301	3,415,940	618,454,309	596,491,170
Deferred outflows of resources	9,587,167	11,123,834	-	-	9,587,167	11,123,834
Total assets and deferred outflows	\$ 624,429,175	\$ 604,199,064	\$ 3,612,301	\$ 3,415,940	\$ 628,041,476	\$ 607,615,004
Long-term liabilities	116,588,688	129,539,539	-	-	116,588,688	129,539,539
Other liabilities	22,212,137	21,658,003	3,200	1	22,215,337	21,658,004
Total liabilities	138,800,825	151,197,542	3,200	1	138,804,025	151,197,543
Deferred inflows of resources	9,844,413	13,470,678	628,386	676,111	10,472,799	14,146,789
Net investment in capital assets	250,330,553	246,942,356	524,019	1,116,293	250,854,572	248,058,649
Restricted net position	5,546,745	6,314,526	-	-	5,546,745	6,314,526
Unrestricted net position	219,906,639	186,273,962	2,456,696	1,623,535	222,363,335	187,897,497
Total net position	475,783,937	439,530,844	2,980,715	2,739,828	478,764,652	442,270,672
Total liabilities, deferred inflows and net position	\$ 624,429,175	\$ 604,199,064	\$ 3,612,301	\$ 3,415,940	\$ 628,041,476	\$ 607,615,004

County of James City, Virginia
Management's Discussion and Analysis
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The County's net position was \$478.8 million at the close of fiscal year 2024. The largest portion of the County's net position at June 30, 2024 (52.4%) reflects its investment in capital assets, less any related debt used to acquire those assets that are still outstanding. The County uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the County's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, given that the capital assets themselves cannot be used to liquidate these liabilities.

The restricted net position (1.2%) is restricted for specific purposes. The unrestricted portion of net position (46.4%) may be used to meet the County's ongoing obligations to citizens and creditors. At the end of fiscal year 2024, the County reported positive balances in all three categories of net position. The County's overall net position increased 7.6% from last year. The reasons for the overall increase are discussed in the next sections.



Statement of Activities

	Governmental activities (condensed)		Business-type activities (condensed)		Total Primary Government (condensed)	
			(As restated)		(As restated)	
	6/30/2024	6/30/2023	6/30/2024	6/30/2023	6/30/2024	6/30/2023
Program revenues:						
Charges for services	\$ 14,483,994	\$ 13,602,751	\$ -	\$ -	\$ 14,483,994	\$ 13,602,751
Operating grants and contributions	25,689,646	27,167,341	239,861	172,360	25,929,507	27,339,701
Capital grants and contributions	4,717,807	1,093,064	-	-	4,717,807	1,093,064
General revenues:						
Property taxes	163,671,530	164,168,554	-	-	163,671,530	164,168,554
Other taxes	47,477,709	46,736,083	-	-	47,477,709	46,736,083
Interest and investment earnings	8,429,276	3,877,227	120,504	45,801	8,549,780	3,923,028
Miscellaneous	2,685,229	3,476,055	3,283	544,711	2,688,512	4,020,766
Total revenues	267,155,191	260,121,075	363,648	762,872	267,518,839	260,883,947
Expenses:						
General government administration	17,405,310	14,403,721	-	-	17,405,310	14,403,721
Judicial administration	7,131,765	7,021,177	-	-	7,131,765	7,021,177
Public safety	44,569,348	37,517,274	-	-	44,569,348	37,517,274
Public works	16,650,232	13,788,008	-	-	16,650,232	13,788,008
Health and human services	11,808,298	11,381,315	-	-	11,808,298	11,381,315
Education	98,781,751	92,152,089	-	-	98,781,751	92,152,089
Parks, recreation, and cultural	20,054,822	12,934,278	-	-	20,054,822	12,934,278
Community development	12,742,169	16,863,754	-	-	12,742,169	16,863,754
Interest on long-term debt	1,758,403	2,342,895	-	-	1,758,403	2,342,895
Blended component unit - EDA	-	-	122,761	120,497	122,761	120,497
Total expenses	230,902,098	208,404,511	122,761	120,497	231,024,859	208,525,008
Change in net position	36,253,093	51,716,564	240,887	642,375	36,493,980	52,358,939
Net position, beginning of year (as previously presented)	439,530,844	387,814,280	-	-	439,530,844	387,814,280
Change to financial reporting entity	-	-	2,739,828	2,097,453	2,739,828	2,097,453
Net position, beginning of year, as restated	439,530,844	387,814,280	2,739,828	2,097,453	442,270,672	389,911,733
Net position, end of year	\$ 475,783,937	\$ 439,530,844	\$ 2,980,715	\$ 2,739,828	\$ 478,764,652	\$ 442,270,672

Governmental Activities

As of June 30, 2024, the net position for governmental activities of \$475.8 million represents an increase of \$36.3 million from last year. For the fiscal year ended June 30, 2024, revenues from governmental activities totaled \$267.3 million, of which \$56.0 million (21.0%) is received from sources other than local tax revenue.

Real estate tax revenues, the County's largest single revenue source, totaled \$113.2 million. The County's assessed real property tax base for fiscal year 2024 was \$14.1 billion, a 9.0% increase from fiscal year 2023.

In fiscal year 2024, the County's collected \$38.7 million in personal property taxes and received reimbursement from the Commonwealth of Virginia of \$9.8 million. Under the Personal Property Tax Relief Act (PPTRA), the state's share of local personal property tax was approximately 25.2% of taxpayer's payments.

The increase in capital grants and contributions reflects the use of ARPA funds for capital projects, including the new government center. The County also experienced higher returns on its investments as rates were considerably better than in prior years and larger balances were invested.

On the expenditure side, for the fiscal year ended June 30, 2024, the governmental activities total was \$230.9 million, an increase of \$22.5 million (10.6%) over 2023. The County's largest expenditure of \$98.8 million is for Education to support the public school system, which was an increase of \$6.6 million (7.2%) from last year. Public Safety and Public Works increased compared to 2023 as staff levels began to stabilize and there were fewer vacancies. For Parks, Recreation, and Cultural, programs were back at pre-pandemic levels and participation was at an at-time high. In addition, all County employees received a 5% raise in fiscal year 2024.

Business-type Activities

Business-type activities increased the County's total net position by \$.24 million, accounting for .66% of the overall growth. Revenues from business-type activities decreased by \$.40 million (-52.3%) and expenses increased by \$2.3 thousand (1.9%). The main reason for the decrease in revenue was the sale of land in fiscal year 2023, which resulted in a gain on the disposal of capital assets.

Financial Analysis

Governmental Funds

General Fund: The County's General Fund is the chief operating fund of the County. At the end of fiscal year 2024, the General Fund had an overall increase in fund balance of \$17.1 million. This was primarily due to higher collections of personal property taxes and business licenses as well as expenditure savings in personnel from vacancies and debt service due to the delay of a borrowing until 2025. The portion of the unassigned fund balance for fiscal liquidity totaled \$80.3 million, which was 26.1% of the total general governmental expenditures (Table 11). The County's fiscal policy requires maintaining a fund balance for fiscal liquidity between 12% and 15% of total general governmental expenditures.

Capital Projects Fund: The Capital Projects Fund is used by the County to account for the financing sources used to acquire and construct major capital projects for the general government. At the end of fiscal year 2024, the Capital Projects Fund's fund balance increased by \$10.7 million, primarily due to an increase in revenues from the use of money and property and transfers from the General Fund of \$19.2 million to fund multi-year projects not fully expended at the end of fiscal year 2024. During the year, capital project expenditures of \$18.3 million included maintenance projects whose purpose is to improve and extend the useful life of County and School buildings and to replace major pieces of equipment. Major projects included Chickahominy Riverfront Park, the library's restroom, and various stormwater projects. Significant school expenditures included Pre-K space designs, auxiliary gym and shelter at Warhill High School, and HVAC replacement and roof repair at Berkeley Middle School.

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

Grants and Special Projects Fund: The Grants and Special Projects Fund is used by the County to account for revenues and expenditures related to grant programs and special projects. This fund also includes activity supported by the County's allocation of American Rescue Plan Act funds (ARPA).

County of James City, Virginia
Management's Discussion and Analysis
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During fiscal year 2024, the Grants and Special Projects Fund's fund balance increased by \$1.7 million, primarily due transfers from the General Fund for grants and special projects whose expenditures expand over multiple years.

Non-major Governmental Funds: The County maintains 5 non-major governmental funds. Information is presented separately in the Combining Balance Sheet and the Combining Statement of Revenues, Expenditures, and Changes in Fund Balances for all funds, located in the Other Supplementary Information section of this report. The non-major governmental funds had a decrease in fund balance of \$.15 million in fiscal year 2024 due to planned uses of accumulated fund balance in the Housing & Neighborhood Development Fund.

Proprietary Fund – Internal Service Fund

The County has one internal service fund that accounts for the charges to users and expenses of the health and dental programs. During fiscal year 2024, this fund's position increased by \$2.3 million due to lower claims.

General Fund Budgetary Highlights

General Fund revenues were \$8.5 million (3.7%) higher than the final budget. Much of this increase (\$4.1 million) was from personal property taxes and business licenses (\$2.0 million). Meals taxes and charges for services were also major contributors. These revenue sources were budgeted conservatively due to the lack of economic uncertainty at that time.

General Fund expenditures were \$15.2 million (7.7%) below the final budget, which included a surplus of \$8.8 million for fiscal year 2024 returned by the School Division to the County. By agreement, 90% of this amount is set aside for future school purposes. Also contributing to the savings in spending was significant staff turnover and vacancies in the departments and lower debt service payments (budgeted in Transfers Out) due to the delay of a borrowing until 2025.

As a result of revenues exceeding budget and underspending, the fund balance increased by \$17.1 million to \$130.7 million.

Capital Assets

At the end of fiscal year 2024, the County's investment in capital assets totaled \$335.7 million, net of accumulated depreciation and amortization. The County does not own its roads, and therefore they are not included in capital assets. In addition, the Public Schools own the school buildings, and the related debt is County debt. The value associated with the purchase and/or construction of the Public Schools' buildings is reported as capital assets in the governmental activities of the County to properly match with the associated debt, as allowed by Virginia state law. In fiscal year 2024, the net value of school buildings and related construction reflected in the governmental activities of the County equals \$190.9 million, and the associated depreciation expense of \$6.6 million is reflected in Education expense in the County's governmental activities in the statement of net position.

Summary of Capital Assets, Net

	Governmental activities		Business-type activities		Total Primary Government	
	6/30/2024	6/30/2023	6/30/2024	6/30/2023	6/30/2024	6/30/2023
Non-depreciable	\$ 51,469,265	\$ 51,363,237	\$ -	\$ 549,956	\$ 51,469,265	\$ 51,913,193
Depreciable	283,660,231	294,590,248	524,019	566,337	284,184,250	295,156,585
Total	<u>\$ 335,129,496</u>	<u>\$ 345,953,485</u>	<u>\$ 524,019</u>	<u>\$ 1,116,293</u>	<u>\$ 335,653,515</u>	<u>\$ 347,069,778</u>

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

County of James City, Virginia
Management's Discussion and Analysis
June 30, 2024

Long-Term Debt

Below is a summary of the County's long-term debt as of June 30, 2024, and 2023, respectively.

Summary of Long-Term Debt		
Governmental activities		
	6/30/2024	6/30/2023
General obligation bonds	\$ 15,850,000	\$ 18,835,000
Lease revenue bonds	60,311,296	71,645,924
Bond premiums, net	1,109,574	1,396,931
Financed purchases	3,227,556	4,488,517
Leases payable	839,600	996,926
Subscriptions liability	2,305,039	1,551,700
Pension	21,187,022	19,855,824
OPEB	5,831,049	6,296,811
Compensated absences	4,765,244	4,471,906
Total	\$ 115,426,380	\$ 129,539,539

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

Economic Factors and Next Year's Budget and Tax Rates

The County has a two-year budget cycle. The first year of a two-year cycle is adopted and appropriated and the second year is adopted for planning purposes. Fiscal year 2024 was the second year of the prior two-year cycle. The General Fund's fiscal year 2024 approved budget was \$231.1 million.

Fiscal year 2025 is the first year of the next two-year cycle, and the General Fund's adopted budget is \$255.4 million, an increase of \$24.3 million (10.5%) over 2024. The increase is primarily due to the reassessment of real property and modest fee increases for curbside recycling, ambulance transport services (to align with the Medicare reimbursement rates) and in certain parks and recreation programs. Much of the increase in revenue will be used to invest in education, infrastructure and capital, and employee retention and recruitment initiatives to attract and maintain a qualified workforce, including a 5% salary increase and the implementation of a compensation study for staff.

Contacting the County's Financial Management

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

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County of James City, Virginia
Statement of Net Position
June 30, 2024

	Primary Government			Discretely Presented Component Units		Total Reporting Entity
	Governmental activities	Business-type activities	Total	James City Service Authority	Public schools	
Assets						
Cash and cash equivalents (note 2)	\$ 136,071,547	\$ 2,326,785	\$ 138,398,332	\$ 25,031,534	\$ 38,146,648	\$ 201,576,514
Investments (note 2)	65,075,052	-	65,075,052	33,389,775	-	98,464,827
Restricted cash and cash equivalents (note 2)	12,470,362	-	12,470,362	889,583	-	13,359,945
Receivables, net of allowance for uncollectibles:						
Taxes, including penalties	37,129,177	-	37,129,177	-	-	37,129,177
Accounts	-	-	-	4,037,204	-	4,037,204
Interest	688,194	-	688,194	77,733	-	765,927
Loans (note 3)	294,776	-	294,776	-	-	294,776
Leases (note 16)	3,610,368	687,130	4,297,498	202,712	385,920	4,886,130
Miscellaneous (note 3)	7,967,751	74,367	8,042,118	27,115	136,565	8,205,798
Due from component units, net (note 7)	8,052,903	-	8,052,903	-	-	8,052,903
Due from other governments, net (note 5)	7,251,398	-	7,251,398	-	8,278,304	15,529,702
Inventory	233,968	-	233,968	1,996,799	54,655	2,285,422
Prepaid items	28,016	-	28,016	-	-	28,016
Other assets	839,000	-	839,000	-	-	839,000
Net pension asset (note 10)	-	-	-	-	1,480,491	1,480,491
Net OPEB assets (note 11)	-	-	-	-	8,068	8,068
Capital assets, net (note 6):						
Non-depreciable	51,469,265	-	51,469,265	11,749,171	19,369,862	82,588,298
Depreciable	283,660,231	524,019	284,184,250	152,217,586	50,059,286	486,461,122
Net capital assets	335,129,496	524,019	335,653,515	163,966,757	69,429,148	569,049,420
Total assets	614,842,008	3,612,301	618,454,309	229,619,212	117,919,799	965,993,320
Deferred Outflows of Resources						
Deferred charge on refundings, net	-	-	-	1,206,049	-	1,206,049
Pension related (note 10)	8,374,015	-	8,374,015	785,966	27,929,617	37,089,598
OPEB related (note 11)	1,213,152	-	1,213,152	170,648	3,385,357	4,769,157
Total deferred outflows of resources	9,587,167	-	9,587,167	2,162,663	31,314,974	43,064,804
Total assets and deferred outflows of resources	\$ 624,429,175	\$ 3,612,301	\$ 628,041,476	\$ 231,781,875	\$ 149,234,773	\$ 1,009,058,124
Liabilities						
Accounts payable	\$ 7,331,983	\$ 3,200	7,335,183	\$ 1,126,945	\$ 4,527,593	12,989,721
Accrued liabilities	1,813,591	-	1,813,591	624,468	20,822,798	23,260,857
Liabilities payable from restricted assets	2,238,210	-	2,238,210	-	-	2,238,210
Due to Primary Government, net (note 7)	-	-	-	1,388,374	6,664,529	8,052,903
Due to other governments	-	-	-	337	748,948	749,285
Deposits	-	-	-	943,714	-	943,714
Amounts held for others	-	-	-	-	-	-
Unearned revenues (note 8)	10,828,353	-	10,828,353	-	5,116,641	15,944,994
Long-term liabilities (notes 9, 10, 11, 16, and 17):						
Due within one year	19,259,891	-	19,259,891	2,117,077	1,318,947	22,695,915
Due in more than one year	96,166,489	-	96,166,489	28,426,186	107,462,745	232,055,420
Total liabilities	137,638,517	3,200	137,641,717	34,627,101	146,662,201	318,931,019
Deferred Inflows of Resources						
Deferred charge on refundings, net	1,266,365	-	1,266,365	-	-	1,266,365
Lease related (note 16)	3,343,919	628,386	3,972,305	198,538	352,628	4,523,471
Pension related (note 10)	4,060,809	-	4,060,809	342,486	11,269,058	15,672,353
OPEB related (note 11)	2,335,628	-	2,335,628	233,286	3,730,307	6,299,221
Total deferred inflows of resources	11,006,721	628,386	11,635,107	774,310	15,351,993	27,761,410
Net Position						
Net position:						
Net investment in capital assets	250,330,553	524,019	250,854,572	136,949,396	68,080,027	455,883,995
Restricted:						
Debt service	-	-	-	889,575	-	889,575
Net pension and OPEB assets	-	-	-	-	1,488,559	1,488,559
Grants and special projects	1,411,822	-	1,411,822	-	-	1,411,822
Non-major governmental funds	4,134,923	-	4,134,923	-	-	4,134,923
School grants, food services, and student activity funds	-	-	-	-	7,243,486	7,243,486
Unrestricted	219,906,639	2,456,696	222,363,335	58,541,493	(89,591,493)	191,313,335
Total net position (deficit)	475,783,937	2,980,715	478,764,652	196,380,464	(12,779,421)	662,365,695
Total liabilities, deferred inflows of resources, and net position	\$ 624,429,175	\$ 3,612,301	\$ 628,041,476	\$ 231,781,875	\$ 149,234,773	\$ 1,009,058,124

See accompanying notes to basic financial statements

County of James City, Virginia
Statement of Activities
Year ended June 30, 2024

Net (expenses) revenues and changes in net position											
Functions/programs	Expenses	Program revenues			Primary Government			Discretely Presented Component Units			Total Reporting Entity
		Charges for services	Operating grants and contributions	Capital grants and contributions	Governmental activities	Business-type activities	Total	James City Service Authority	Public schools	Economic Development Authority	
Primary Government:											
Governmental activities:											
General government administration	\$ 17,405,310	\$ 756,254	\$ 11,288,723	\$ 1,619,306	\$ (3,741,027)	\$ -	\$ (3,741,027)			\$ (3,741,027)	
Judicial administration	7,131,765	2,771,524	1,526,513	-	(2,833,728)	-	(2,833,728)			(2,833,728)	
Public safety	44,569,348	2,883,518	3,363,108	-	(38,322,722)	-	(38,322,722)			(38,322,722)	
Public works	16,650,232	1,607,148	145,957	1,796,851	(13,100,276)	-	(13,100,276)			(13,100,276)	
Health and human services	11,808,298	-	6,229,994	-	(5,578,304)	-	(5,578,304)			(5,578,304)	
Education (including School system)	98,781,751	-	-	-	(98,781,751)	-	(98,781,751)			(98,781,751)	
Parks, recreation, and cultural	20,054,822	4,290,292	4,500	966,005	(14,794,025)	-	(14,794,025)			(14,794,025)	
Community development	12,742,169	2,175,258	3,130,851	335,645	(7,100,415)	-	(7,100,415)			(7,100,415)	
Interest on long-term debt	1,758,403	-	-	-	(1,758,403)	-	(1,758,403)			(1,758,403)	
Total governmental activities	230,902,098	14,483,994	25,689,646	4,717,807	(186,010,651)	-	(186,010,651)			(186,010,651)	
Business-type activities	122,761	-	239,861	-	-	117,100	117,100			117,100	
Total Primary Government	\$ 231,024,859	\$ 14,483,994	\$ 25,929,507	\$ 4,717,807	\$ (186,010,651)	\$ 117,100	\$ (185,893,551)			\$ (185,893,551)	
Component units:											
James City Service Authority	\$ 28,419,344	\$ 23,090,243	\$ -	\$ 6,520,060				\$ 1,190,959	\$ -	\$ -	\$ 1,190,959
Public Schools	183,085,490	2,250,467	35,238,128	389,170				-	(145,207,725)	-	(145,207,725)
Total component units	\$ 211,504,834	\$ 25,340,710	\$ 35,238,128	\$ 6,909,230				\$ 1,190,959	\$ (145,207,725)	\$ -	\$ (144,016,766)
General revenues:											
Property taxes, levied for general purposes	\$ 163,671,530	\$ -	\$ 163,671,530	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 163,671,530
Local sales and use taxes	21,725,205	-	21,725,205	-	-	-	-	-	-	-	21,725,205
Franchise license taxes	753,255	-	753,255	-	-	-	-	-	-	-	753,255
Taxes on recordation and wills	1,291,681	-	1,291,681	-	-	-	-	-	-	-	1,291,681
Hotel and motel room taxes	4,484,791	-	4,484,791	-	-	-	-	-	-	-	4,484,791
Restaurant food taxes	9,229,066	-	9,229,066	-	-	-	-	-	-	-	9,229,066
Cigarette tax	439,300	-	439,300	-	-	-	-	-	-	-	439,300
Business license taxes	8,990,559	-	8,990,559	-	-	-	-	-	-	-	8,990,559
Deeds of conveyance	437,748	-	437,748	-	-	-	-	-	-	-	437,748
Penalties and interest	126,104	-	126,104	-	-	-	-	-	-	-	126,104
Grants and contributions not restricted to specific programs	-	-	-	-	-	-	-	-	156,018,471	-	156,018,471
Interest and investment earnings	8,429,276	-	8,429,276	-	-	120,504	8,549,780	2,825,956	898,550	-	12,274,286
Miscellaneous	2,685,229	-	2,685,229	-	-	3,283	2,688,512	508,287	2,521,864	-	5,718,663
Total general revenues and transfers	222,263,744	-	222,387,531	-	-	123,787	222,387,531	3,334,243	159,438,885	-	385,160,659
Change in net position	36,253,093	-	36,253,093	-	-	240,887	36,493,980	4,525,202	14,231,160	-	55,250,342
Net position (deficit), beginning of year, as previously presented	439,530,844	-	439,530,844	-	-	-	439,530,844	191,855,262	(27,010,581)	2,739,828	607,115,353
Change to financial reporting entity	-	-	-	-	-	2,739,828	2,739,828	-	-	(2,739,828)	-
Net position (deficit), beginning of year, as restated	439,530,844	-	439,530,844	-	-	2,739,828	442,270,672	191,855,262	(27,010,581)	-	607,115,353
Net position (deficit), end of year	\$ 475,783,937	\$ 2,980,715	\$ 478,764,652	\$ 196,380,464	\$ (12,779,421)	\$ -	\$ 662,365,695				

See accompanying notes to basic financials statements.

County of James City, Virginia
Balance Sheet
Governmental Funds
June 30, 2024

	Major Funds				Nonmajor governmental funds	Total governmental funds
	General	Capital projects	Debt service	Grants and special projects		
Assets						
Cash and cash equivalents (note 2)	\$ 39,586,445	\$ 66,471,303	\$ -	\$ 9,997,383	\$ 7,882,490	\$ 123,937,621
Investments (note 2)	65,075,052	-	-	-	-	65,075,052
Restricted cash and cash equivalents (note 2)	1,955,548	275,758	-	9,927,249	311,807	12,470,362
Receivables, net of allowance:						
Taxes	37,041,823	-	-	-	87,354	37,129,177
Interest	-	688,194	-	-	-	688,194
Leases (note 16)	3,610,368	-	-	-	-	3,610,368
Loans, net (note 3)	-	-	-	-	294,776	294,776
Miscellaneous (note 3)	6,245,307	-	-	1,139,638	17,741	7,402,686
Due from component units (note 7)	10,157,536	-	-	-	-	10,157,536
Due from other governments (note 5)	5,854,628	9,166	-	564,619	822,985	7,251,398
Inventory	233,968	-	-	-	-	233,968
Prepaid items	28,016	-	-	-	-	28,016
Total assets	<u>\$ 169,788,691</u>	<u>\$ 67,444,421</u>	<u>\$ -</u>	<u>\$ 21,628,889</u>	<u>\$ 9,417,153</u>	<u>\$ 268,279,154</u>
Liabilities						
Accounts payable	\$ 5,328,902	\$ 898,823	\$ -	\$ 664,108	\$ 107,586	\$ 6,999,419
Accrued liabilities	404,956	124,083	-	11,469	8,298	548,806
Payables from restricted assets	1,955,548	239,000	-	-	43,662	2,238,210
Due to component units (note 7)	-	1,998,724	-	105,909	-	2,104,633
Unearned revenues (note 8)	646,065	79,186	-	9,853,736	249,366	10,828,353
Total liabilities	<u>8,335,471</u>	<u>3,339,816</u>	<u>-</u>	<u>10,635,222</u>	<u>408,912</u>	<u>22,719,421</u>
Deferred Inflows of Resources						
Unavailable revenue (note 8)	27,456,083	-	-	1,170,786	60,256	28,687,125
Leases (note 16)	3,343,919	-	-	-	-	3,343,919
Total deferred inflows of resources	<u>30,800,002</u>	<u>-</u>	<u>-</u>	<u>1,170,786</u>	<u>60,256</u>	<u>32,031,044</u>
Fund Balances						
Fund balances:						
Nonspendable:						
Inventory	233,968	-	-	-	-	233,968
Prepaid items	28,016	-	-	-	-	28,016
Restricted:						
Debt service - bond proceeds held in escrow	-	36,758	-	-	-	36,758
Grants and special projects	-	-	-	1,411,822	-	1,411,822
Non-major governmental funds	-	-	-	-	4,134,923	4,134,923
Committed:						
Public Schools	13,698,027	-	-	-	-	13,698,027
General	6,500,000	-	-	-	-	6,500,000
Grants and special projects	-	-	-	8,249,333	-	8,249,333
Other governmental funds	-	-	-	-	1,783,095	1,783,095
Assigned:						
General	1,984,358	-	-	-	-	1,984,358
Capital projects	6,219,000	64,067,847	-	-	-	70,286,847
Debt service	21,729,886	-	-	-	-	21,729,886
Grants and special projects	-	-	-	161,726	-	161,726
Non-major governmental funds	-	-	-	-	3,029,967	3,029,967
Unassigned	80,259,963	-	-	-	-	80,259,963
Total fund balances	<u>130,653,218</u>	<u>64,104,605</u>	<u>-</u>	<u>9,822,881</u>	<u>8,947,985</u>	<u>213,528,689</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 169,788,691</u>	<u>\$ 67,444,421</u>	<u>\$ -</u>	<u>\$ 21,628,889</u>	<u>\$ 9,417,153</u>	<u>\$ 268,279,154</u>

See accompanying notes to basic financial statements.

County of James City, Virginia
Balance Sheet
Governmental Funds
June 30, 2024

Reconciliation of the Balance Sheet for governmental funds to the government-wide statement of net position:

Ending fund balance, governmental funds		\$ 213,528,689
Amounts reported for governmental activities in the Balance Sheet are different because:		
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.		335,129,496
Land held for resale and future development used in governmental activities are not financial resources and, therefore, are not reported in the funds.		839,000
Some receivables are not available to pay for current-period expenditures and, therefore, are unavailable revenue in the funds.		28,687,125
Differences between expected and actual experiences, assumption changes, and net differences between projected and actual earnings and contributions subsequent to the measurement date for the postretirement benefits (pension and OPEB) are recognized as deferred outflows of resources and deferred inflows of resources on the statement of net position.		
Deferred outflows - pension related	\$ 8,374,015	
Deferred outflows - OPEB related	1,213,152	
Deferred inflows - pension related	(4,060,809)	
Deferred inflows - OPEB related	<u>(2,335,628)</u>	3,190,730
Unmatured interest payable reported in governmental activities will not be paid with current financial resources and, therefore, is not reported in the funds.		(108,785)
Long-term liabilities, including bonds payable, are not due and payable in the current period and, therefore, are not reported in the funds.		
General obligation bonds	(15,850,000)	
EDA payable (lease revenue bonds), net	(61,473,604)	
Unamortized bond premiums, net	(1,109,574)	
Financed purchases	(3,227,556)	
Lease payable	(839,600)	
Subscription liability	(2,305,039)	
Net pension liability	(21,187,022)	
Net OPEB liabilities	(5,831,049)	
Compensated absences	<u>(4,765,244)</u>	(116,588,688)
Deferred charge on refundings, net represent an acquisition of net position that is applicable to a future reporting period and, therefore, is not reported in the governmental funds.		(104,057)
The Internal Service Fund is used by management to provide certain goods and services to governmental funds. The assets and liabilities of the Internal Service Fund is included in the governmental activities in the Statement of Net Position.		<u>11,210,427</u>
Net position, governmental activities		<u><u>\$ 475,783,937</u></u>

See accompanying notes to basic financials statements.

County of James City, Virginia
Statement of Revenues, Expenditures and Changes in Fund Balances
Governmental Funds
Year ended June 30, 2024

	Major Funds				Nonmajor governmental funds	Total governmental funds
	General	Capital projects	Debt service	Grants and special projects		
Revenues:						
General property taxes	\$ 163,483,990	\$ -	\$ -	\$ -	\$ -	\$ 163,483,990
Other local taxes	46,777,715	-	-	-	864,142	47,641,857
Permits, privilege fees and regulatory licenses	2,143,188	-	-	37,500	-	2,180,688
Fines and forfeitures	189,877	-	-	-	-	189,877
Use of money and property	841,574	7,541,821	45,881	-	-	8,429,276
Charges for services	9,236,960	-	-	-	-	9,236,960
Miscellaneous	581,105	860,586	40,196	229,845	437,458	2,149,190
Intergovernmental:						
Local	-	-	-	353,855	256,425	610,280
Commonwealth	16,230,570	1,359,503	-	3,311,044	2,712,395	23,613,512
Federal	9,746	-	-	4,179,667	5,884,210	10,073,623
Total revenues	239,494,725	9,761,910	86,077	8,111,911	10,154,630	267,609,253
Expenditures:						
Current:						
General government administration	17,763,837	-	52,166	1,798,758	-	19,614,761
Judicial administration	5,119,608	-	-	389,822	1,306,025	6,815,455
Public safety	40,562,456	-	-	1,071,857	20,177	41,654,490
Public works	12,334,788	-	-	1,790,488	-	14,125,276
Health and human services	3,650,650	-	-	1,748,438	6,255,775	11,654,863
Education	82,679,038	-	-	305,289	-	82,984,327
Parks, recreation and cultural	14,494,430	-	-	975,446	66,493	15,536,369
Community development	5,125,303	-	-	596,503	6,047,697	11,769,503
Debt service:						
Principal	-	-	13,060,961	-	-	13,060,961
Interest and other fiscal charges	-	-	3,361,275	-	-	3,361,275
Lease financing - principal	145,872	-	-	-	28,376	174,248
Lease financing - interest	18,874	-	-	-	7,531	26,405
Subscription financing - principal	717,183	-	-	-	6,115	723,298
Subscription financing - interest	37,617	-	-	-	-	37,617
Capital outlay - County activities	-	6,919,999	-	-	-	6,919,999
Capital outlay - School activities	-	11,336,308	-	-	-	11,336,308
Total expenditures	182,649,656	18,256,307	16,474,402	8,676,601	13,738,189	239,795,155
Excess (deficiency) of revenues over (under) expenditures	56,845,069	(8,494,397)	(16,388,325)	(564,690)	(3,583,559)	27,814,098
Other financing sources (uses):						
Transfers in (note 4)	122,711	19,173,444	16,388,325	2,216,172	4,510,785	42,411,437
Transfers out (note 4)	(41,288,726)	-	-	-	(1,122,711)	(42,411,437)
Lease issuances	-	-	-	-	16,922	16,922
Subscription issuances	1,447,104	-	-	-	29,533	1,476,637
Total other financing sources (uses), net	(39,718,911)	19,173,444	16,388,325	2,216,172	3,434,529	1,493,559
Net change in fund balances	17,126,158	10,679,047	-	1,651,482	(149,030)	29,307,657
Fund balances, beginning of year	113,527,060	53,425,558	-	8,171,399	9,097,015	184,221,032
Fund balances, end of year	\$ 130,653,218	\$ 64,104,605	\$ -	\$ 9,822,881	\$ 8,947,985	\$ 213,528,689

See accompanying notes to basic financial statements.

County of James City, Virginia
Statement of Revenues, Expenditures and Changes in Fund Balances
Governmental Funds
Year ended June 30, 2024

Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances of governmental funds to the Statement of Activities:

Net change in fund balances, governmental funds	\$	29,307,657
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Amounts reported for governmental activities in the Statement of Activities are different because:

Governmental funds report capital outlays as expenditures; however, in the Statement of Activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This amount represents the difference between depreciation expense and capital outlay expenditures.

Depreciation and amortization expense	\$ (19,082,204)		
Capital outlay expenditures	12,570,491		
Loss on disposal of capital assets	<u>(4,312,276)</u>		(10,823,989)

Land purchased for resale and future development is not reported in the governmental funds however, is reflected in the Statement of Activities. Other assets increased by this amount this year.

777,900

Revenues in the Statement of Activities that do not provide current financial resources are not reported as revenues in the funds. Unavailable revenues decreased by this amount this year.

(454,062)

Bond and other debt proceeds provide current financial resources to governmental funds, but issuing debt increases long-term liabilities in the Statement of Net Position. Repayment of bond and other debt principal is an expenditure in the governmental funds, but repayment reduces long-term liabilities in the Statement of 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.

Lease issuances	(16,922)		
Subscription issuances	(1,476,637)		
Principal payments on bonds and financed purchases	13,060,961		
Principal payments on leases	174,248		
Principal payments on subscriptions	723,298		
Amortization on premium	1,488,876		
Amortization on deferred charge on refundings	<u>160,650</u>		14,114,474

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.

Compensated absences	(293,338)		
Interest payable	17,368		
Pension expense, net of employer contributions	694,146		
OPEB expense, net of employer contributions	<u>635,057</u>		1,053,233

The Internal Service Fund is used by management to charge the costs of certain activities to other funds. The net income of the Internal Service Fund is reported in governmental activities in the Statement of Activities.

2,277,880

Change in net position, governmental activities	\$	<u><u>36,253,093</u></u>
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See accompanying notes to basic financial statements.

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

	Governmental- type activities - Internal Service Fund	Business-type activities - Enterprise Fund
	Health and dental claims	Economic Development Authority
Assets		
Cash and cash equivalents	\$ 12,133,926	\$ 2,326,785
Miscellaneous receivables - rebates, refunds, and bond fees	565,065	74,367
Lease receivables	-	687,130
Capital assets, depreciable, net	-	524,019
Total assets	<u>\$ 12,698,991</u>	<u>\$ 3,612,301</u>
Liabilities		
Accounts payable	\$ 332,564	\$ 3,200
Claims payable	1,156,000	-
Total liabilities	<u>1,488,564</u>	<u>3,200</u>
Deferred Inflows of Resources		
Deferred inflows, leases	<u>-</u>	<u>628,386</u>
Net Position		
Net investment in capital assets	-	524,019
Unrestricted	11,210,427	2,456,696
Total net position	<u>11,210,427</u>	<u>2,980,715</u>
Total liabilities, deferred inflows of resources, and net position	<u>\$ 12,698,991</u>	<u>\$ 3,612,301</u>

See accompanying notes to basic financials statements.

County of James City, Virginia
Statement of Revenues, Expenses and Changes in Net Position
Proprietary Funds
Year ended June 30, 2024

	Governmental- type activities - Internal Service Fund	Business-type activities - Enterprise Fund
	Health and dental claims	Economic Development Authority
Operating revenues:		
Charges for services	\$ 15,352,621	\$ -
Lease revenue	-	62,451
Bond fees	-	177,410
Miscellaneous	-	3,283
Total operating revenues	<u>15,352,621</u>	<u>243,144</u>
Operating expenses:		
Personnel services	10,994,453	-
Contractual services	2,080,288	13,200
Community development and promotion	-	65,150
Depreciation	-	24,632
Total operating expenses	<u>13,074,741</u>	<u>102,982</u>
Operating income	<u>2,277,880</u>	<u>140,162</u>
Nonoperating revenues (expenses):		
Interest income	-	120,504
Loss on disposal of capital assets	-	(19,779)
	<u>-</u>	<u>100,725</u>
Change in net position	2,277,880	240,887
Net position, beginning of year	8,932,547	-
Change to financial reporting entity (Note 18)	-	2,739,828
Net position, end of year	<u><u>\$ 11,210,427</u></u>	<u><u>\$ 2,980,715</u></u>

See accompanying notes to basic financials statements.

County of James City, Virginia
Statement of Cash Flows
Proprietary Funds
Year ended June 30, 2024

	Governmental- type activities - Internal Service Fund	Business-type activities - Enterprise Fund
	Health and dental claims	Economic Development Authority
Cash flows from operating activities:		
Receipts from users	\$ 15,506,062	\$ 224,464
Payments for personnel services	(10,721,235)	-
Payments to suppliers of goods and services	(2,071,932)	(75,151)
Net cash provided by operating activities	<u>2,712,895</u>	<u>149,313</u>
Cash flows from capital and related financing activities:		
Proceeds from sale of capital assets	-	547,863
Cash flows from investing activities:		
Interest received	-	123,671
Increase in cash and cash equivalents	2,712,895	820,847
Cash and cash equivalents, beginning of year	9,421,031	-
Change to financial reporting entity (Note 18)	-	1,505,938
Cash and cash equivalents, end of year	<u><u>\$ 12,133,926</u></u>	<u><u>\$ 2,326,785</u></u>
Reconciliation of operating income to net cash provided by operating activities:		
Operating income	\$ 2,277,880	\$ 140,162
Adjustments to reconcile operating income to net cash provided by operating activities:		
Depreciation	-	24,632
Change in operating assets, liabilities, and deferred inflows:		
(Increase) decrease in miscellaneous receivables	153,441	(1,708)
Decrease in lease receivable	-	30,753
Increase in accounts payable	283,574	3,199
Decrease in claims payable	(2,000)	-
Decrease in deferred inflows - leases	-	(47,725)
Net cash provided by operating activities	<u><u>\$ 2,712,895</u></u>	<u><u>\$ 149,313</u></u>

See accompanying notes to basic financial statements.

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

	Custodial funds
Assets	
Cash, cash equivalents and investments	\$ 18,535,809
Restricted cash, cash equivalents, and investments	6,062,820
Accounts receivable	390,786
Due from other governmental units	4,952,496
Total assets	<u>\$ 29,941,911</u>
Liabilities	
Accounts payable	\$ 920,879
Due to other governmental units	39,576
Accrued payroll and benefits	120,508
Unearned revenue	900,000
Total liabilities	<u>1,980,963</u>
Net Position	
Restricted:	
Individuals	12,728
Organizations	6,148,870
Other governments	21,799,350
Total net position	<u>27,960,948</u>
Total liabilities and net position	<u>\$ 29,941,911</u>

See accompanying report of independent auditor.

Exhibit 9

County of James City, Virginia
Statement of Changes in Fiduciary Net Position
Fiduciary Funds
Year Ended June 30, 2024

	Custodial funds
Additions	
Fees from members	\$ 10,953,820
Operating grants and contributions	15,818,768
Capital grants and contributions	1,054,881
Charges for services	5,195,713
Use of money and property	1,377,082
Other	609,781
Total additions	<u>35,010,045</u>
Deductions	
Personnel expenses	19,055,796
Materials and contractual services	9,414,711
Furniture and equipment	2,343,558
Other	200,502
Total deductions	<u>31,014,567</u>
Net increase in fiduciary net position	3,995,478
Net position, beginning of year	23,965,470
Net position, end of year	<u><u>\$ 27,960,948</u></u>

See accompanying report of independent auditor.

1) Summary of Significant Accounting Policies

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

The accompanying financial statements of the County conform to accounting principles generally accepted in the United States of America (GAAP) applicable to government units promulgated by the Governmental Accounting Standards Board (GASB). The County's significant accounting and reporting policies are described below.

The Financial Reporting Entity

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

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

Blended Component Unit

The James City County Economic Development Authority (the EDA) is a legally, separate entity that is responsible for industrial and commercial development in the County and makes recommendations to the James City County Board of Supervisors. The EDA consists of seven members appointed by the County's Board of Supervisors. The County's General Fund provides financial support by making direct payments of substantially all of the debt service expenses of the EDA which fulfills the requirements for reporting the EDA as a blended component unit under GAAP and consequently, the EDA is reported as a business-type activity in the County's financial statements. Separate audited financial statements may be obtained from the Director of Economic Development, 101-D Mounts Bay Road, Williamsburg, Virginia 23185.

Discretely Presented Component Units

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

Although the Public Schools are legally separate, the County is financially accountable due to the significance of the fiscal dependency relationship with the Public Schools. Local costs related to operations and capital projects of the Public Schools are apportioned between the participating localities in accordance with the agreement, as amended. Per the agreement, the apportionment is based on school enrollment and for the fiscal year ended June 30, 2024, the County share was 89.93% and the City's share was 10.07%. Separate audited financial statements may be obtained from the Public Schools' Finance Department, 117 Ironbound Road, Williamsburg, Virginia 23185.

The James City Service Authority (the Authority) was established on June 30, 1969, by resolution of the Board of Supervisors of James City County, Virginia and was chartered by the Commonwealth of Virginia State Corporation Commission in July 1969 to provide water and sewer service to County residents as permitted under the *Code of Virginia*, 1950, as amended (the Enabling Act). The Authority serves all the citizens and businesses of the County and is governed by a Board of Directors that is comprised of the County's elected Board of Supervisors. The County does not have operational responsibility over the Authority, but the Authority is considered to be financially integrated with the County based on the nature and significance of its relationship with the County. The County's Strategic Plan includes a sustainable long-term water supply as a primary goal, which is to be achieved through the efforts of the Authority. In addition, the Authority has adopted other Strategic Plan goals in developing its initiatives.

1) Summary of Significant Accounting Policies, Continued

As a result, the County's Strategic Plan serves as the basis for budgetary and operational decisions of both the County and the Authority and financially integrates these entities. As a result, the Authority is included as a discretely presented component unit in the County's financial statements. Separate audited financial statements may be obtained from the Department of Financial and Management Services, 101-F Mounts Bay Road, P.O. Box 8784, Williamsburg, Virginia 23187-8784.

Joint Venture Government Organizations

The County participates in several governmental organizations created as separate legal entities under the laws of the Commonwealth of Virginia. These entities have sufficient autonomy in the management of their affairs to distinguish them as separate from the administrative organization of the County although the County Board of Supervisors appoints certain members of their governing bodies. While the County may have some reversionary interest in the assets of these entities in the event they are dissolved, the nature and extent of that interest would be subject to negotiation at the time of dissolution. Separate audited financial statements for these entities may be obtained from the Department of Financial and Management Services of James City County, 101-F Mounts Bay Road, P.O. Box 8784, Williamsburg, Virginia 23187-8784, except for the Colonial Community Corrections Program, Inc., the Virginia Peninsulas Public Service Authority, and the Williamsburg Regional Library.

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

The Virginia Peninsula Regional Jail Authority (the Jail Authority) was organized and exists pursuant to resolutions adopted in 1993 by and between the Cities of Williamsburg and Poquoson and the Counties of James City and York. The Jail Authority is operated by a board. Each member jurisdiction appoints one member and the sheriff from that jurisdiction. The County, as fiscal agent, appoints one additional member. The Jail Authority is a legally separate organization, and the County cannot impose its will on the Jail Authority. The Jail Authority is fiscally independent, and there is no financial benefit or burden relationship with the County. The County is charged user fees based on inmate population to cover direct and indirect costs of the Jail Authority. The County is fiscal agent for the Jail Authority and has control over the Jail Authority's assets. These assets are not derived solely from the County's revenues, from the County's mandated or voluntary nonexchange transactions, or from the County's provision of goods or services to the Jail Authority. Instead, these assets are for the benefit of the Jail Authority. As a result, the Jail Authority's financial transactions are included as a custodial fund in the County's fiduciary financial statements.

The Middle Peninsula Juvenile Detention Commission (the Commission) was created as a political subdivision of the Commonwealth of Virginia by resolutions adopted in 1993. The member jurisdictions are as follows: Caroline County, Charles City County, Essex County, Gloucester County, Hanover County, James City County, King and Queen County, King William County, Lancaster County, Mathews County, Middlesex County, New Kent County, Northumberland County, City of Poquoson, Richmond County, Westmoreland County, City of Williamsburg, and York County. The Commission is operated by a board. Each member jurisdiction appoints one member.

The Commission is a legally separate organization, and the County cannot impose its will on the Commission. The Commission is fiscally independent, and there is no financial benefit or burden relationship with the County. The County is charged user fees based on juvenile population to cover direct and indirect costs of the Commission. The County is fiscal agent for the Commission and has control over the Commission's assets. These assets are not derived solely from the County's revenues, from the County's mandated or voluntary nonexchange transactions, or from the County's provision of goods or services to the Commission. Instead, these assets are for the benefit of the Commission. As a result, the Commission's financial statements are included as a custodial fund in the County's fiduciary financial statements.

1) Summary of Significant Accounting Policies, Continued

The Williamsburg Area Transit Authority (the Transit Authority) was created as a political subdivision of the Commonwealth of Virginia by resolutions adopted in 2008. Members include the County, City of Williamsburg, County of York, and the Colonial Williamsburg Foundation. The Transit Authority is governed by a board, consisting of five representatives appointed by the members. The Transit Authority is a legally separate organization, and the County cannot impose its will on the Transit Authority. The Transit Authority is fiscally independent from the County, and there is no financial benefit or burden relationship with the County. The County is fiscal agent for the Transit Authority and has control over the Transit Authority's assets. These assets are not derived from solely the County's revenues, from the County's mandated or voluntary nonexchange transactions, or from the County's provision of goods or services to the Transit Authority. Instead, these assets are for the benefit of the Transit Authority. As a result, the Transit Authority's financial statements are included as a custodial fund in the County's fiduciary financial statements.

The Williamsburg Area Medical Assistance Corporation (the Corporation) was incorporated on February 19, 1993. The Corporation provides a primary medical care clinic to economically disadvantaged persons in the Counties of James City and York and the City of Williamsburg. The County appoints two board members to the Corporation. The Corporation is a legally separate organization, and the County cannot impose its will on the Corporation. The program is fiscally independent, and there is no financial benefit or burden relationship with the County. However, the County is fiscal agent for the Corporation and has control over the Corporation's assets. These assets are not derived solely from the County's revenues, from the County's mandated or voluntary nonexchange transactions, or from the County's provision of goods or services to the Corporation. Instead, these assets are for the benefit of the Corporation. As a result, the Corporation's financial transactions are included as a custodial fund in the County's fiduciary financial statements.

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

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

The Eastern Virginia Regional Industrial Facility Authority (EVRIFA) was created pursuant to the Virginia Regional Industrial Facilities Act, Chapter 64, Title 15.2, Section 15.2-6400, et seq., of the Code to provide a regional authority mechanism for member localities to cooperate in developing, owning, and operating one or more facilities through combined action. EVRIFA was established in November 2018. A separate thirteen-primary member board, of which the County Board of Supervisor serves as a member and the County appoints one representative, governs the EVRIFA. EVRIFA is fiscally independent of the County because substantially all of its income is generated from a GO Virginia grant. Separate audited financial statements may be obtained from the City of Hampton at 22 Lincoln Street, Hampton, Virginia 23669.

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 160+ acres alongside the Colonial Williamsburg Visitor Center.

HTRFA is tasked with leasing the property, procuring the construction and financing for the project, and managing the operations of the facility once it has been constructed. The governing bodies are the City of Williamsburg, which is the fiscal agent, James City County and York County. HTRFA has members from the three localities to oversee the regional indoor sports facility planned for property near the Colonial Williamsburg Visitor Center.

1) Summary of Significant Accounting Policies, Continued

The Regional 9-1-1 Emergency Communications Center (the Center) was created pursuant to an agreement dated July 17, 2023, with York County, the County and York's emergency dispatch centers were consolidated into one larger center located in and ran by York. The Center handles all fire, police, and emergency medical calls for the County, York, and the Cities of Williamsburg and Poquoson. The Center is jointly funded by each of the localities of which it serves.

Basis of Presentation

Government-Wide and Fund Financial Statements

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

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

In the fund financial statements, financial transactions and accounts of the County are organized on the basis of funds. The operation of each fund is considered to be an independent fiscal and separate accounting entity, with a self-balancing set of accounts recording cash and/or other financial resources together with all related liabilities and residual equities or balances, and changes therein, which are segregated for the purpose of carrying on specific activities or attaining certain objectives in accordance with special regulations, restrictions, or limitations. The governmental funds' statements are presented on a current financial resources measurement focus and modified accrual basis of accounting. Since the governmental funds' statements are presented on a different measurement focus and basis of accounting than the government-wide statements' governmental activities' column, a reconciliation is presented which explains the adjustments necessary to reconcile the fund financial statements to the governmental activities' column of the government-wide financial statements. The County's proprietary funds' financial statements are prepared using the economic resources measurement focus and the accrual basis of accounting. The County's fiduciary funds are presented in the fund financial statements. Given that, by definition, these assets are being held for the benefit of third parties and cannot be used to address activities or obligations of the County, these funds are not incorporated into the government-wide statements.

The County reports the following major governmental funds:

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

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

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

1) Summary of Significant Accounting Policies, Continued

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

Additionally, the County reports the following fund types:

Proprietary Funds are used to account for the Primary Government's ongoing organizations and activities similar to those often found in the private sector. The County reports the following proprietary funds:

- Enterprise Fund: the EDA is a blended component unit of the County whose economic development operations are reported as a major fund.
- Internal Service Fund: accounts for the payment of claims and other expenses related to medical and dental benefits provided to employees and retirees.

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

Fiduciary Funds: used to account for assets held by the County in a trustee capacity or as a custodian for individuals, private organizations, other governmental units and/or other funds. The County's Fiduciary Funds consists of the following Custodial Funds: Special Welfare, Williamsburg Area Medical Assistance Corporation, Regional Jail, Juvenile Detention, and Williamsburg Area Transit Authority.

Basis of Accounting and Measurement Focus

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

The accompanying fund financial statements of the governmental funds are maintained and reported on the modified accrual basis of accounting using the current financial resources measurement focus. Under this method, revenues are recognized when measurable and available. Revenues are generally considered available to be used to pay liabilities of the current period if they are collectible within the current period or within 45 days thereafter, or within 90 days thereafter for intergovernmental reimbursement grants. In applying the susceptible to accrual concept to intergovernmental revenues, the legal and contractual requirements of the individual programs are used as guidance. There are essentially two types of those revenues. In one, monies must be expended for the specific purpose or project before any amounts will be paid to the County, which is usually within 90 days; therefore, revenues are recognized based upon the expenditures recorded. In the other, monies are virtually unrestricted as to purpose of expenditure and are usually revocable only for failure to comply with prescribed compliance requirements. These resources are reflected as revenues at the time of receipt or earlier if the susceptible to accrual criteria are met. Expenditures are generally recorded when the fund liability is incurred. Interest on long-term debt is recorded when due.

Real estate and personal property taxes are recorded as revenues and receivables when levied and billed, net of allowances for uncollectible amounts. Property taxes levied but not collected within 45 days after year end are reflected as deferred revenues. Sales taxes, which are collected by the state and subsequently remitted to the County, are recognized as revenues and receivables upon execution of the sale, which is generally two months preceding receipt by the County. License and permits, fines and rents are recorded as revenue when received in cash because they are generally not measurable until actually received. Investment earnings are recorded at fair value as earned since they are measurable and available.

The government-wide, proprietary, and fiduciary fund financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. With this measurement focus, all assets and all liabilities associated with the operation of these activities are included on the Statement of Net Position. Revenues are recorded when earned and expenses are recorded at the time liabilities are incurred, regardless of when the related cash flows take place. Nonexchange transactions, in which the County gives (or receives) value without directly receiving (or giving) equal value in exchange, include property taxes, grants, entitlements and donations.

County of James City, Virginia
Notes to Basic Financial Statements
June 30, 2024

1) Summary of Significant Accounting Policies, Continued

Revenue from grants, entitlements and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied.

Cash and Cash Equivalents

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

Investments

Investments are reported at fair value except for the position in Virginia's Local Government Investment Pool (LGIP) which in accordance with state law, is reported at amortized cost. The County determines fair value in accordance with GAAP, which requires the use of valuation techniques, which are appropriate under the circumstances and are either a market approach, a cost approach, or an income approach. GAAP establishes a hierarchy of inputs used to measure fair value consisting of three levels. Level 1 inputs are quoted prices in active markets for identical assets or liabilities. Level 2 inputs are inputs, other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly. The County uses a market approach as the valuation technique for Level 2 inputs. Level 3 inputs are unobservable inputs, such as management's assumption of the default rate among underlying mortgages of a mortgage-backed security. GAAP contains note disclosure requirements regarding the hierarchy of valuation inputs and valuation techniques that was used for the fair value measurements.

Allowance for Uncollectible Accounts

The County calculates its allowance for uncollectible accounts using historical collection data and specific account analysis.

Inventory

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

Capital Assets

Capital outlays are recorded as expenditures of the governmental funds and as assets in the accompanying government-wide financial statements to the extent the County's capitalization thresholds are met. In fiscal year 2024, the County updated its asset capitalization policy from a historical cost or acquisition value at time of donation of \$5,000 or greater to the thresholds in the table below. This update was treated prospectively as a change in accounting estimate.

Asset Class	Threshold
Land	All
Land improvements	\$ 10,000
Easements	\$ 10,000
Intangibles	\$ 10,000
Buildings	\$ 50,000
Building improvements	\$ 25,000
Infrastructure	\$ 25,000
Equipment	\$ 10,000
Vehicles	\$ 10,000
Land Leases	All
Building Leases	\$ 50,000
Equipment Leases	\$ 10,000
Subscriptions	\$ 10,000

County of James City, Virginia
Notes to Basic Financial Statements
June 30, 2024

1) Summary of Significant Accounting Policies, Continued

The costs of major improvements are capitalized while the cost of maintenance and repairs, which do not improve or extend the list of an asset are expensed. When capital assets are sold or retired, the cost and related accumulated depreciation, if applicable, are removed from the accounts, and any resulting gain or loss on disposal is included in non-operating revenues (expenses). Depreciation of capital assets is calculated on the straight-line basis over the following estimated useful lives.

Buildings and improvements	10-40 years
Furniture, equipment, and vehicles	3-12 years
Equipment leases	Term of lease (greater than one year)

Compensated Absences

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

Property Taxes

Real property taxes are recognized as receivables when levied. Real property taxes attach as an enforceable lien on property automatically. Taxes are levied no later than October 1 and are due by December 5 and June 5. Property taxes levied in the current and prior year have been recorded in governmental activities as receivables as of the date the County has the legal right to receive payments thereon. Personal property taxes create a lien on the assessed property. The receivables collected during the fiscal year and during the first 45 days of the succeeding fiscal year are recognized in the General Fund as revenues in the current fiscal year. A penalty of 10% of the tax is assessed the business day after the due date on taxes outstanding as of those dates and interest at 10% per annum is added.

Bond Premiums, Discounts, and Issuance Costs

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

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

Interfund Transactions

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

Deferred Outflows and Inflows of Resources

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

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

1) Summary of Significant Accounting Policies, Continued

Deferred gain/loss on refunding: A deferred amount on refunding is a deferred outflows/inflows, which results from the difference in the carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded or refunding debt.

Contributions subsequent to the measurement date for pensions and OPEB: These contributions are always a deferred outflow, which will be applied to the net pension or OPEB liability in the next fiscal year.

Differences between expected and actual experience for economic/demographic factors in the measurement of the total pension or OPEB liability: This difference will be recognized in pension or OPEB expense over the expected average remaining service life of all employees provided with benefits in the plan and may be reported as deferred inflows or outflows as appropriate.

Differences resulting from a change in proportion of the collective net pension and OPEB liabilities: This difference will be recognized in pension and OPEB expense over the expected average remaining service life of all employees provided with benefits in the plan and may be reported as a deferred inflow or outflow as appropriate.

Net difference between projected and actual earnings on pension and OPEB plan investments: This difference will be recognized in pension or OPEB expense over the closed five-year period and may be reported as a deferred outflow or inflow as appropriate.

Differences resulting from changes in assumptions on pension plan or OPEB investments: These differences will be recognized in pension or OPEB expense over the estimated remaining service life of employees subject to the plan.

Value of lease receivables plus any payments received at or before the commencement of the lease term that relate to future periods: These values will be recognized as inflows of resources systematically over the term of the lease.

Encumbrances

Encumbrance accounting in which purchase orders, contracts, and other commitments for the expenditure of monies are recorded to reserve that portion of the applicable appropriations, is employed as an extension of formal budgetary integration. Outstanding encumbrances at year-end are reported in their appropriate fund balance classification in accordance with GAAP.

Fund Balances

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

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

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

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

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

County of James City, Virginia
Notes to Basic Financial Statements
June 30, 2024

1) Summary of Significant Accounting Policies, Continued

Unassigned: Includes the residual classification for the County's General Fund and includes all spendable amounts not contained in other classifications. Only the General Fund can report a positive unassigned fund balance. This includes the County's goal of maintaining a fiscal liquidity balance between 12%-15% of the total general governmental expenditures. The County's policy is to apply expenditures against restricted resources first when either restricted or unrestricted amounts are available. Within unrestricted fund balance, it is the County's policy to apply expenditures against committed amounts first, followed by assigned, and then unassigned amounts.

In a governmental fund other than the General Fund, a negative unassigned fund balance could result if expenditures incurred for a specific purpose exceed the amounts in the fund that are restricted, committed, and assigned for that purpose. The use of the General Fund's unassigned fund balance may be necessary from time to time to meet unexpected events including, but not limited to: catastrophic (emergency funds in the event of natural or man-made disasters); financial opportunity (to enhance the well-being of the County or other such global purpose to protect its long-term fiscal security); operational (provide additional funds for limited unexpected needs); and revenue shortfalls (to provide limited funds to smooth fluctuations caused by changes in economic conditions). It is the County's policy that if the use of the General Fund's unassigned fund balance causes the balance to fall below the minimum fiscal liquidity balance of 12%, the Board of Supervisors will adopt a plan and a timeline for replenishing the balance to its minimum level.

The constraints placed on fund balance at June 30, 2024, were as follows:

	General	Capital projects	Grants and special projects	Nonmajor governmental
Nonspendable:				
Inventory	\$ 233,968	\$ -	\$ -	\$ -
Prepaid items	28,016	-	-	-
Total	261,984	-	-	-
Restricted:				
Bond proceeds held in escrow	-	36,758	-	-
Judicial administration	-	-	27,970	-
Public safety	-	-	361,136	-
Public works	-	-	683,178	-
Health and welfare	-	-	246,425	-
Education	-	-	93,113	-
Community development	-	-	-	4,134,923
Total	-	36,758	1,411,822	4,134,923
Committed:				
Education	13,698,027	-	-	-
Public works	-	-	8,067,961	-
Community development	-	-	181,372	1,783,095
Next year's budget - tax credit	6,500,000	-	-	-
Total	20,198,027	-	8,249,333	1,783,095
Assigned:				
General government	324,537	13,852,489	161,726	-
Judicial administration	140,059	217,700	-	788,043
Public safety	309,262	4,381,804	-	94,524
Public works	996,942	22,946,373	-	-
Health and welfare	-	-	-	1,748,208
Education	-	10,694,091	-	-
Parks, recreation, and cultural	102,436	8,051,220	-	30,988
Community development	111,122	3,924,170	-	368,204
Capital projects	6,219,000	-	-	-
Debt service reserve	21,729,886	-	-	-
Total	29,933,244	64,067,847	161,726	3,029,967
Unassigned	80,259,963	-	-	-
Total fund balance	\$ 130,653,218	\$ 64,104,605	\$ 9,822,881	\$ 8,947,985

Estimates

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

1) Summary of Significant Accounting Policies, Continued

Leases

Lessee: The County is a lessee for noncancellable leases of equipment and property. The County recognizes a lease liability and a lease asset in the government-wide financial statements. At the commencement of a lease, the County initially measures the lease liability at the present value of payments expected to be made during the lease term. Subsequently, the lease liability is reduced by the principal portion of lease payments made.

The lease asset is initially measured as the initial amount of the lease liability, adjusted for lease payments made at or before the lease commencement date, plus certain initial direct costs. Subsequently, the lease asset is amortized on a straight-line basis over its useful life.

Key estimates and judgments related to leases include how the County determines (1) the discount rate it uses to discount the expected lease payments to present value, (2) lease term, and (3) lease payments. The County uses the interest rate charged by the lessor as the discount rate. When the interest rate charged by the lessor is not provided, the County generally uses its estimated incremental borrowing rate as the discount rate for leases. The lease term includes the non-cancellable period of the lease. In addition, the likelihood of any extension, renewal, or termination option is assessed in determining the lease term. Lease payments included in the measurement of the lease liability are composed of fixed payments and purchase option price that the County is reasonably certain to exercise.

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

Lessor: The County is a lessor for noncancellable leases of property. The County recognizes a lease receivable and deferred inflows of resources in the government-wide and governmental funds' financial statements. At the commencement of a lease, the County initially measures the lease receivable at the present value of payments expected to be received during the lease term. Subsequently, the lease receivable is reduced by the principal portion of lease payments received. The deferred inflow of resources is initially measured as the initial amount of the lease receivable, adjusted for lease payments received at or before the lease commencement date. Subsequently, the deferred inflow of resources is recognized as revenue over the life of the lease term.

Key estimates and judgments include how the County determines (1) the discount rate it uses to discount the expected lease receipts to present value, (2) lease term, and (3) lease receipts. The County uses the interest rate included in the lease as the discount rate. When the interest rate is not provided, the interest rate implicit in the lease is determined and used as the discount rate. The lease term includes the non-cancellable period of the lease. In addition, the likelihood of any extension, renewal, or termination option is assessed in determining the lease term. Lease receipts included in the measurement of the lease receivable are composed of fixed payments from the lessee.

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

Subscription-Based Information Technology Arrangements (SBITAs)

The County has entered into various SBITAs. SBITAs are identified as a contract that conveys control of the right to use a SBITA vendor's information technology (IT) software, alone or in combination with tangible capital assets, as specified for a contract period of time in an exchange or exchange-like transaction.

A contract conveys control of the right to use the underlying IT asset if it has both of the following:

- The right to obtain the present service capacity from use of the underlying IT asset as specified in the contract.
- The right to determine the nature and manner of use of the underlying IT asset specified in the contract.

County of James City, Virginia
Notes to Basic Financial Statements
June 30, 2024

1) Summary of Significant Accounting Policies, Continued

The County recognizes the right -to-use subscription asset, which is an intangible capital asset, and a corresponding subscription liability in the Statement of Net Position at the commencement of the subscription term. The commencement of the subscription term occurs when the initial implementation state is completed and thus the asset is placed into service. At the commencement of a subscription, the County initially measures the subscription liability at the present value of payments expected to be made during the subscription term. Subsequently, the subscription liability is reduced by the principal portion of subscription payments made. The subscription asset is initially measured as the initial amount of the subscription liability, adjusted for SBITA payments made at or before the subscription commencement date, plus certain initial implementation stage costs. Subsequently, the subscription asset is amortized on a straight-line basis over the subscription term.

The County's uses the same key estimates and judgments and monitoring of changes in circumstances for SBITAs as leases. Subscription assets are reported with other depreciable capital assets and subscription liabilities are reported with long-term debt on the Statement of Net Position.

2) Cash, Cash Equivalents, and Investments

Primary Government

Cash, cash equivalents and investments at June 30, 2024, consisted of the following:

	Governmental activities	Fiduciary funds	Total
Bank deposits	\$ 31,798,365	\$ 3,401,558	\$ 35,199,923
Petty cash	6,700	1,500	8,200
Amounts held for others	-	86	86
Money market	116,736,844	15,132,665	131,869,509
Investments	65,075,052	6,062,820	71,137,872
Total	<u>\$ 213,616,961</u>	<u>\$ 24,598,629</u>	<u>\$ 238,215,590</u>
<u>Per Exhibit 1:</u>			
Cash and cash equivalents	\$ 136,071,547	-	\$ 136,071,547
Investments	65,075,052	-	65,075,052
Restricted cash and cash equivalents	12,470,362	-	12,470,362
<u>Per Exhibit 8:</u>			
Cash, cash equivalents, and investments	-	18,535,809	18,535,809
Restricted cash and investments	-	6,062,820	6,062,820
Total	<u>\$ 213,616,961</u>	<u>\$ 24,598,629</u>	<u>\$ 238,215,590</u>

The business-type activities had cash and cash equivalents of \$2,326,785 as of June 30, 2024. Of this amount, \$27,591 was in bank deposits and \$2,299,194 was invested in the LGIP.

The Fiduciary Funds balance of \$24,598,629 is not a part of the government-wide financial statements.

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

Restricted cash, cash equivalents, and investments as of June 30, 2024, was:

Fund	Purpose	Amount	Total
Major governmental funds:			
General	Subdivision escrow	\$ 1,955,548	\$ 1,955,548
Capital projects	Unspent bond proceeds	36,758	
	Developer escrows	<u>239,000</u>	275,758
Grants and special projects	ARPA grant	9,224,024	
	Other grants	<u>703,225</u>	9,927,249
Nonmajor governmental funds:			
Housing & Neighborhood Development	HUD escrows		311,807
		Total	<u>\$ 12,470,362</u>

Fair Value Hierarchy

GAAP establishes a hierarchy of valuation techniques based on inputs used to measure the fair value of an asset. Level 1 inputs are quoted prices in active markets for identical assets or liabilities. Level 2 inputs are inputs, other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly. Level 3 inputs are unobservable inputs. The County uses a market approach as the valuation technique for Level 2 inputs.

County of James City, Virginia
Notes to Basic Financial Statements
June 30, 2024

2) Cash, Cash Equivalents, and Investments, Continued

As of June 30, 2024, investments valued at fair value were as follows:

Investment Type	Cost	Fair value	Level 1	Level 2	Level 3
U.S. Treasury securities	\$ 38,016,071	\$ 37,980,792	\$ -	\$ 37,980,792	\$ -
Federal agency notes and bonds	1,410,815	1,416,353	-	1,416,353	-
Corporate notes and bonds	5,349,826	5,357,518	-	5,357,518	-
Commercial paper	5,756,294	5,872,085	-	5,872,085	-
Certificates of deposit	6,700,386	6,697,849	-	6,697,849	-
Bank Note	970,051	974,450	-	974,450	-
Municipal notes and bonds	222,551	222,511	-	222,511	-
Federal agency commercial mortgage-backed security	5,166,380	5,185,093	-	5,185,093	-
Federal agency CMO	116,888	117,471	-	117,471	-
Supra-National agency bond/note	1,257,856	1,250,930	-	1,250,930	-
Total	\$ 64,967,118	\$ 65,075,052	\$ -	\$ 65,075,052	\$ -

Investment Type	Fair value	Investment maturity (in years)		
		Less than 1	1-2	2-7
U.S. Treasury securities	\$ 37,980,792	\$ 9,709,358	\$ 13,795,378	\$ 14,476,056
Federal agency notes and bonds	1,416,353	545,260	270,443	600,650
Corporate notes and bonds	5,357,518	244,474	3,219,607	1,893,437
Commercial paper	5,872,085	5,872,085	-	-
Certificates of deposit	6,697,849	5,550,541	400,095	747,213
Bank Note	974,450	-	415,532	558,918
Municipal notes and bonds	222,511	-	80,145	142,366
Federal agency collateralized mortgage obligation	5,185,093	919,451	1,016,999	3,248,643
Federal agency CMO	117,471	-	117,471	-
Supra-National agency bond/note	1,250,930	-	804,111	446,819
Total	\$65,075,052	\$ 22,841,169	\$ 20,119,781	\$ 22,114,102

Investment Policy

In accordance with the Code of Virginia and other applicable law, including regulations, the County's Investment Policy (the Policy) permits investments in U.S. government obligations, municipal obligations, prime quality commercial paper, and certain corporate notes, bankers' acceptances, repurchase agreements, negotiable certificates of deposit, bank deposit notes, mutual funds, and the State Treasurer's Local Government Investment Pool (the Virginia LGIP, which measures its investments at amortized cost). The Treasury Board of the Commonwealth of Virginia has regulatory oversight of the LGIP. The Policy establishes limitations on the holdings of non-U.S. government obligations. The maximum percentage of the portfolio (book value at the date of acquisition) permitted in each security is as follows:

U.S. Treasury obligations, federal agency obligations, registered money market mutual funds, Commonwealth of Virginia LGIP, bank deposits, SNAP funds (bond proceeds)	100% maximum
Repurchase agreements	50% maximum
Bankers' acceptances	40% maximum
Commercial paper, negotiable certificates of deposit/bank notes, municipal obligations, corporate notes, mortgage-backed securities	35% maximum
Supranational bonds	30% maximum

Credit Risk

As required by state statute, the Policy requires that commercial paper have a short-term debt rating of no less than "A-1" (or its equivalent) from at least two of the following: Moody's Investors Service, Standard & Poor's, Fitch Investor's Service, and Duff and Phelps. Corporate notes must have a minimum of "Aa" long-term debt rating by Moody's Investors Service and a minimum of "AA" long-term debt rating by Standard & Poor's. Negotiable Certificates of Deposit and bank deposit notes maturing in less than one year must have a short-term debt rating of at least "A-1" by Standard & Poor's and "P-1" by Moody's Investors Service.

County of James City, Virginia
Notes to Basic Financial Statements
June 30, 2024

2) Cash, Cash Equivalents, and Investments, Continued

Notes having a maturity of greater than one year must be rated "AA" by Standard & Poor's and "Aa" by Moody's Investors Service.

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

The governmental activities' investments and cash equivalents as of June 30, 2024, were rated by Standard & Poor's, Moody's, and Fitch and/or an equivalent national rating organization, and the ratings are as follows:

	Unrated	AAA	AA+	AA	AA-	A+	A-1
Federal agency notes and bonds	\$ -	\$ -	\$ 1,416,353	\$ -	\$ -	\$ -	\$ -
Corporate notes and bonds	-	-	139,976	1,411,652	3,034,706	771,184	-
Commercial paper	-	-	-	-	-	-	5,872,085
Certificates of deposit	-	-	-	-	400,095	747,214	5,550,540
Bank Note	-	-	-	-	-	974,450	-
Municipal notes and bonds	-	142,366	-	-	80,145	-	-
Federal agency commercial mortgage-backed security	-	-	5,185,093	-	-	-	-
Federal agency CMO	-	-	117,471	-	-	-	-
Supra-National agency bond and notes	-	1,250,930	-	-	-	-	-
US Treasury securities	-	-	37,980,792	-	-	-	-
LGIP	-	60,289,820	-	-	-	-	-
Money market	36,758	56,410,266	-	-	-	-	-
Total	\$ 36,758	\$ 118,093,382	\$ 44,839,685	\$ 1,411,652	\$ 3,514,946	\$ 2,492,848	\$ 11,422,625

Concentration of Credit Risk

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

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

As of June 30, 2024, the portion of the County's portfolio, excluding U.S. Treasury securities, which exceed 5% of the total portfolio was Freddie MAC at 8.51%.

Interest Rate Risk

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

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

Custodial Credit Risk

The Policy requires that all investment securities purchased by the County or held as collateral on deposits or investments shall be held by the County or by a third-party custodial agent who may not otherwise be a counterparty to the investment transaction. As of June 30, 2024, all the County's investments are held in a bank's trust department in the name of the County.

County of James City, Virginia
Notes to Basic Financial Statements
June 30, 2024

3) Receivables

Amounts due from miscellaneous sources at June 30, 2024, are detailed as follows:

	General	Grants and special projects	Nonmajor governmental	Total
Sales tax	\$ 3,834,209	\$ -	\$ -	\$ 3,834,209
Business license	243,929	-	-	243,929
Meals tax	917,584	-	-	917,584
Medical transport services, net allowance for doubtful accounts of \$365,496	649,771	-	-	649,771
National opioid settlement	-	979,049	-	979,049
Grants	-	160,589	-	160,589
Recordation tax	138,922	-	-	138,922
Charges for services	270,707	-	-	270,707
Deeds of conveyance	51,282	-	-	51,282
Motor vehicle licenses	33,311	-	-	33,311
Utility consumption fee	27,320	-	-	27,320
Other	78,272	-	17,741	96,013
Total	\$ 6,245,307	\$ 1,139,638	\$ 17,741	\$ 7,402,686

The Housing and Neighborhood Development Fund (a nonmajor governmental fund) provides loans related to certain programs. The net balance as of June 30, 2024 was comprised of the following:

Gross loan balances outstanding	\$ 2,666,330
Less allowance for forgiven and deferred loans	(2,371,554)
Loans receivable, net	<u>\$ 294,776</u>

4) Interfund Transfers

Transfers are used to (1) move revenues from the fund that statute or budget requires to collect them to the fund that statute or budget requires to expend them, (2) move receipts restricted to debt service from the funds collecting the receipts to the debt service fund as debt service payments become due, and (3) use unrestricted revenues collected in the General Fund to finance various programs accounted for in other funds in accordance with budgetary authorizations.

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

	Transfers in	Transfers out
General fund	\$ 122,711	\$ (41,288,726)
Capital projects	19,173,444	-
Debt service	16,388,325	-
Grants and special projects	2,216,172	-
Nonmajor governmental	4,510,785	(1,122,711)
Total	\$ 42,411,437	\$ (42,411,437)

Transfers from the General Fund of \$41,288,726 consisted of the following: \$18,173,444 to the Capital Projects fund for pay-as-you-go project funding; \$16,388,325 to the Debt Service fund for the repayment of outstanding debt as the payments became due; \$2,216,172 to the Grants and Special Projects fund for the local portion of grants and to fund other special projects; and transfers of \$4,510,785 to the Nonmajor governmental funds for the local share of grants and for the portion of the lodging tax required to be used for tourism related purposes.

The transfer from the nonmajor governmental funds of \$1,122,711 consisted of \$122,711 to the General Fund to partially fund tourism-related positions and \$1,000,000 to the Capital Projects Fund for tourism-related capital projects.

County of James City, Virginia
Notes to Basic Financial Statements
June 30, 2024

5) Due from/to Other Governments

Amounts due from other governments are expected to be collected within one year. The details as of June 30, 2024, are as follows:

Primary Government	General	Capital projects	Grants & special projects	Nonmajor governmental	Total
Local:					
City of Williamsburg	\$ 364,957	\$ -	\$ -	\$ -	\$ 364,957
Wmbg. Regional Library	18,377	-	-	-	18,377
WJCC Schools - for services provided	36,189	-	-	-	36,189
Other	37,225	-	-	-	37,225
Commonwealth of Virginia:					
Rolling stock tax	59,469	-	-	-	59,469
Communications sales and use tax	174,839	-	-	-	174,839
Personal property tax relief	4,836,856	-	-	-	4,836,856
Compensation Board	241,314	-	-	-	241,314
Car rental tax	6,178	-	-	-	6,178
Mobile Home Tax Commission	13,226	-	-	-	13,226
Dept. of Health & Human Services	-	-	-	157,626	157,626
Comprehensive Services Act	-	-	276,584	-	276,584
Supreme Court of Virginia	4,440	-	-	-	4,440
Dept. of Transportation	-	-	6,544	-	6,544
VA Housing Development Authority	-	-	42,936	71,712	114,648
Dept. of Criminal Justice Services	-	-	60,910	-	60,910
E911 Wireless Board	28,099	-	1,890	-	29,989
VA Employment Commission	4,569	-	-	-	4,569
Dept. of Motor Vehicles	6,551	-	-	-	6,551
Chesapeake Bay Preservation	-	-	5,390	-	5,390
VA Conservation	-	9,166	-	-	9,166
VA Tourism	-	-	-	268,989	268,989
Federal:					
Internal Revenue Service	54	-	-	-	54
Dept. of Emergency Management	-	-	28,474	-	28,474
Dept. of Transportation	-	-	11,178	-	11,178
Dept. of Criminal Justice Services	-	-	111,557	-	111,557
Dept. of Health & Human Services	-	-	2,786	317,327	320,113
Dept of Housing & Comm. Devel.	-	-	-	7,331	7,331
FEMA	22,285	-	16,370	-	38,655
Total	<u>\$ 5,854,628</u>	<u>\$ 9,166</u>	<u>\$ 564,619</u>	<u>\$ 822,985</u>	<u>\$ 7,251,398</u>

Component unit - Public Schools

Commonwealth of Virginia	\$ 3,661,406
Federal	4,616,898
Total	<u>\$ 8,278,304</u>

County of James City, Virginia
Notes to Basic Financial Statements
June 30, 2024

6) Capital Assets

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

Governmental activities:	Balances June 30, 2023	Increases	Decreases	Balances June 30, 2024
Capital assets not being depreciated:				
Land	\$ 33,566,557	\$ 267,301	\$ 1,389,933	\$ 32,443,925
Land improvements	171,200	-	171,200	-
Construction in progress	6,772,811	9,060,826	7,612,231	8,221,406
Intangibles - easements	10,826,349	-	22,415	10,803,934
Total capital assets not being depreciated	51,336,917	9,328,127	9,195,779	51,469,265
Capital assets being depreciated:				
Land improvements	37,245,338	1,870,054	43,316	39,072,076
Land lease	228,281	-	-	228,281
Intangibles	5,430,115	-	117,968	5,312,147
Buildings	378,578,633	-	3,454,576	375,124,057
Building leases	659,997	-	-	659,997
Building improvements	25,424,305	402,093	792,740	25,033,658
Infrastructure	12,438,676	3,908,634	527,826	15,819,484
Equipment	41,332,334	1,263,912	3,642,570	38,953,676
Vehicles	23,836,288	1,916,343	2,215,725	23,536,906
Subscriptions	2,239,151	1,476,637	201,831	3,513,957
Equipment leases	285,272	16,922	142,133	160,061
Total capital assets being depreciated	527,698,390	10,854,595	11,138,685	527,414,300
Less accumulated depreciation for:				
Land improvements	18,926,180	4,929,433	8,814	23,846,799
Land leases	22,828	22,828	-	45,656
Intangible assets	4,954,299	205,662	104,592	5,055,369
Buildings	148,227,564	8,036,639	1,981,666	154,282,537
Building leases	41,345	57,653	-	98,998
Building improvements	7,066,762	1,287,295	572,532	7,781,525
Infrastructure	6,844,224	556,649	412,408	6,988,465
Equipment	30,826,296	1,671,803	2,867,619	29,630,480
Vehicles	15,464,892	1,555,718	2,188,684	14,831,926
Subscriptions	578,673	717,077	196,250	1,099,500
Equipment leases	128,759	41,447	77,392	92,814
Total accumulated depreciation	233,081,822	19,082,204	8,409,957	243,754,069
Total capital assets being depreciated, net	294,616,568	(8,227,609)	2,728,728	283,660,231
Total	\$ 345,953,485	\$ 1,100,518	\$ 11,924,507	\$ 335,129,496

Depreciation and amortization were charged to governmental functions as follows:

General government administration	\$ 1,680,261
Judicial administration	394,484
Public safety	3,509,877
Public works	614,241
Parks, recreation, and cultural	5,426,458
Community development	584,684
Education	6,624,804
Health and welfare	247,395
Total	<u>\$ 19,082,204</u>

County of James City, Virginia
Notes to Basic Financial Statements
June 30, 2024

6) Capital Assets, Continued

Business-type activities, blended component unit - EDA	Balances June 30, 2023	Increases	Decreases	Balances June 30, 2024
Capital assets not being depreciated:				
Land	\$ 515,756	\$ -	\$ 515,756	\$ -
Land improvements	34,200	-	34,200	-
Total capital assets not being depreciated	549,956	-	549,956	-
Capital assets being depreciated:				
Land improvements	237,988	-	-	237,988
Buildings and improvements	290,095	-	-	290,095
Infrastructure	182,379	-	22,983	159,396
Total capital assets being depreciated	710,462	-	22,983	687,479
Less accumulated depreciation for:				
Buildings and improvements	41,146	11,957	-	53,103
Land improvements	67,603	7,269	-	74,872
Infrastructure	35,376	5,406	5,297	35,485
Total accumulated depreciation	144,125	24,632	5,297	163,460
Total capital assets being depreciated, net	566,337	(24,632)	17,686	524,019
Total	\$ 1,116,293	\$ (24,632)	\$ 567,642	\$ 524,019

7) Due From and To Component Units

Amounts due to and from the County's component units at June 30, 2024 consisted of the following:

Description	Amount
Public Schools year-end surplus due to County	\$ 8,769,162
Capital project reimbursement due to Public Schools	(1,998,724)
Local match for School Resource Officers, Comprehensive Services Act, and reimbursements due to Public Schools	(105,909)
Public schools - Due to Primary Government, net	6,664,529
Payroll and Pcard reimbursement, JCSA - Due to Primary Government, net	1,388,374
Total	\$ 8,052,903

8) Unavailable Revenues and Unearned Revenues

Unavailable revenues represent amounts that have been earned but that were not collected within the availability period. Details of unavailable revenue as of June 30, 2024, were:

Source	General	Grants and special projects	Nonmajor governmental	Total
Property taxes	\$ 27,045,121	\$ -	\$ -	\$ 27,045,121
Charges for services	388,677	-	-	388,677
National opioid settlement	-	946,314	-	946,314
Grants	22,285	224,472	60,256	307,013
Total	\$ 27,456,083	\$ 1,170,786	\$ 60,256	\$ 28,687,125

Unearned revenues represent amounts for which asset recognition criteria have been met, but for which revenue recognition criteria have not been met. Details of unearned revenues as of June 30, 2024, were:

Source	General	Capital projects	Grants and special projects	Nonmajor governmental	Total
Prepaid property taxes and fees	\$ 646,065	\$ -	\$ -	\$ -	\$ 646,065
Grants received in advance	-	79,186	9,853,736	249,366	10,182,288
Total	\$ 646,065	\$ 79,186	\$ 9,853,736	\$ 249,366	\$ 10,828,353

County of James City, Virginia
Notes to Basic Financial Statements
June 30, 2024

9) Long-Term Liabilities

The County's long-term liability activity for the year ended June 30, 2024, is presented below:

Category	Balance June 30, 2023	Additions	Reductions	Balance June 30, 2024	Due within one year
General obligation bonds	\$ 18,835,000	\$ -	\$ 2,985,000	\$ 15,850,000	\$ 3,055,000
Lease revenue bonds					
Bonds	63,365,000	-	8,815,000	54,550,000	8,995,000
Premium, net	6,889,086	-	1,201,519	5,687,567	1,201,518
Interest payable	89,692	-	15,963	73,729	73,729
Bond premiums, net	1,396,931	-	287,357	1,109,574	287,357
Financed purchases	4,488,517	-	1,260,961	3,227,556	1,287,023
Compensated absences	4,471,906	5,792,696	5,499,358	4,765,244	3,573,933
Leases payable	996,926	16,922	174,248	839,600	96,370
Subscription liability	1,551,700	1,476,637	723,298	2,305,039	689,961
Net pension liability	19,855,824	1,331,198	-	21,187,022	-
Net OPEB retiree healthcare liability	3,264,216	-	513,531	2,750,685	-
Net OPEB group life insurance liability	2,391,215	4,294	-	2,395,509	-
Net OPEB health insurance credit liability	641,380	43,475	-	684,855	-
Total	\$ 128,237,393	\$ 8,665,222	\$ 21,476,235	\$ 115,426,380	\$ 19,259,891

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

Arbitrage is the difference between the yield on an issuer's tax-exempt bonds and the investment income earned on the proceeds. Arbitrage restrictions imposed by the federal government prohibit an issuer from retaining arbitrage profits when investing bond proceeds at a yield that exceeds the yield on the bonds. Any excess arbitrage must be rebated to the U.S. Treasury. As of June 30, 2024, there was no rebate liability.

Details of long-term bond indebtedness at June 30, 2024 were as follows:

	Sale date	Original borrowing	Interest rates	Final maturity	Balance June 30, 2024
General obligation bonds (GOB)					
Virginia Public School Authority bonds (Series A)	2011	\$ 1,000,000	4.25%	2031	\$ 385,000
GOB - refunding bonds	2014	21,610,000	2.00-5.00%	2028	8,320,000
GOB - refunding bonds (Series A)	2015	11,280,000	2.50-5.00%	2030	7,145,000
				Total	\$ 15,850,000
Lease revenue bonds (LRB)					
LRB - refunding bonds	2014	\$ 12,575,000	3.00-4.00%	2026	\$ 2,685,000
Lease revenue refunding bonds	2015	49,815,000	4.00-5.00%	2026	8,820,000
LRB	2016	26,750,000	2.00-5.00%	2036	18,270,000
LRB - refunding bonds	2018	21,015,000	4.00-5.00%	2039	15,920,000
LRB - refunding bonds	2021	11,030,000	3.00-5.00%	2033	8,855,000
				Total	\$ 54,550,000
Financed purchases					
Portable radio	2020	\$ 1,693,311	2.140%	2024	\$ 345,755
Motorola radio system upgrade	2023	4,708,260	2.040%	2027	2,881,801
				Total	\$ 3,227,556

The debt service requirements for the general obligation bonds and lease revenue bonds are as follows:

Year ending June 30,	General obligation bonds		Lease revenue bonds	
	Principal	Interest	Principal	Interest
2025	\$ 3,055,000	\$ 516,813	\$ 8,995,000	\$ 2,195,738
2026	3,115,000	405,713	9,165,000	1,772,489
2027	2,190,000	292,813	3,585,000	1,341,438
2028	2,250,000	227,988	3,715,000	1,204,188
2029	2,555,000	194,750	3,855,000	1,061,188
2030-2034	2,685,000	141,000	16,970,000	3,130,150
2035-2039	-	-	8,265,000	745,050
Total	\$ 15,850,000	\$ 1,779,077	\$ 54,550,000	\$ 11,450,241

9) Long-Term Liabilities, Continued

In July 2016, the County entered a Memorandum of Understanding with York County, Virginia to upgrade the joint public safety/public services radio communication system. The County's portion of \$4,736,044 is included in capital assets and accumulated depreciation was \$4,736,044 as of June 30, 2024.

An additional Memorandum of Understanding was entered into with York County, Virginia to upgrade the joint public safety/public services radio communication system, and the County's portion was \$4,708,260, which is included in capital assets and accumulated depreciation was \$784,710 as of June 30, 2024. Depreciation expense was \$470,826 for the fiscal year ended June 30, 2024.

In November 2020, the County entered into a financed purchase agreement with Motorola to replace public safety portable radios. The amount included in capital assets was \$1,693,311 and accumulated depreciation was \$1,241,761 as of June 30, 2024. Depreciation expense was \$338,662 for the fiscal year ended June 30, 2024.

The present value of future minimum financed purchase payments of the County as of June 30, 2024 was:

Year ending June 30:	
2025	\$ 1,353,210
2026	1,000,057
2027	<u>1,000,057</u>
Total minimum lease payments	3,353,324
Less amount representing interest	(125,768)
Present value of minimum financed purchase payments	<u>\$ 3,227,556</u>

10) Pension Plan

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

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

Plan Description

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

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

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

County of James City, Virginia
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10) Pension Plan, Continued

Agent Multiple-Employer Political Subdivision Retirement Plan

Employees Covered by Benefit Terms

As of the June 30, 2022 actuarial valuation, the number of employees covered by the benefit terms of the pension plan were as follows:

	Governmental activities	Component unit-	
		Authority	Public Schools (non-professional)
Inactive members or their beneficiaries currently receiving benefits	577	65	142
Inactive members:			
Vested	175	14	36
Non-vested	263	43	138
Long-term disability	-	-	2
Active elsewhere in VRS	291	46	65
Total inactive members	1,306	168	383
Active members	749	90	207
Total	2,055	258	590

Contributions

The contributions requirement for active employees is governed by §51.1-145 of the *Code of Virginia*, as amended, but may be impacted as a result of funding options provided to political subdivisions by the Virginia General Assembly. Employees are required to contribute 5% of their compensation toward their retirement.

The County's, Authority's and Public Schools' contractually required contribution rates for the year ended June 30, 2024, were 13.30%, 6.69% and 4.37%, respectively, of covered employee compensation. These rates were based on actuarially determined rates from an actuarial valuation as of June 30, 2021.

These rates, when combined with employee contributions, were expected to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. Total contributions to the pension plan from the County were \$6,330,739 and \$5,903,389, the Authority were \$368,602 and \$341,006, and the Public Schools were \$226,321 and \$206,318 for years ended June 30, 2024, and 2023, 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 GAAP, less that employer's fiduciary net position. The net pension liability was measured as of June 30, 2023. The total pension liability used to calculate the net pension liability was determined by an actuarial valuation performed as of June 30, 2022, rolled forward to the measurement date of June 30, 2023.

Actuarial Assumptions

The total pension liability for general employees, public safety employees with hazardous duty benefits, and teachers was based on an actuarial valuation as of June 30, 2022, using the Entry Age Normal actuarial cost method and the following assumptions, applied to all periods included in the measurement and rolled forward to the measurement date of June 30, 2023:

Inflation	2.50%
<u>Salary increases, including inflation:</u>	
Non-hazardous duty	3.5% - 5.35%
Enhanced hazardous duty	3.5% - 4.75%
Teacher cost-sharing plan	3.5% - 5.95%
Investment rate of return	6.75%, net of investment expenses

County of James City, Virginia
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10) 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 as follows:

Asset Class (Strategy)	Target Allocation	Arithmetic Long-Term Expected Rate of Return	Weighted Avg. Long-Term Expected Rate of Return*
Public equity	34.00%	6.14%	2.09%
Fixed income	15.00%	2.56%	0.38%
Credit strategies	14.00%	5.60%	0.78%
Real assets	14.00%	5.02%	0.70%
Private equity	16.00%	9.17%	1.47%
MAPS - Multi-Asset Public Strategies	4.00%	4.50%	0.18%
PIP- Private Investment Partnership	2.00%	7.18%	0.14%
Cash	1.00%	1.20%	0.01%
Total	100.00%	Total	5.75%
		Inflation	2.50%
		Expected arithmetic nominal return*	8.25%

**The above allocation provides for a one-year return of 8.25%. However, one-year returns do not take into account the volatility present in each of the asset classes. In setting the long-term expected rate of return for the system, stochastic projections are employed to model future returns under various economic conditions. The results provide a range of returns over various time periods that ultimately provide a median return of 7.14%, including expected inflation of 2.5%.*

On June 15, 2023, the VRS Board elected a long-term rate of 6.75% which is roughly at the 45th percentile of expected long-term results of the VRS fund asset allocation at that time, providing a median return of 7.14%, including expected inflation of 2.50%.

Discount Rate

The discount rate used to measure the total pension liability was 6.75%. The projection of cash flows used to determine the discount rate assumed that System member contributions will be made per the VRS Statutes and the employer contributions will be made in accordance with the VRS funding policy at rates equal to the difference between actuarially determined contribution rates adopted by the VRS Board of Trustees and the member rate. Consistent with the phased-in funding provided by the General Assembly for state and teacher employer contributions; political subdivisions were also provided with an opportunity to use an alternate employer contribution rate. For the year ended June 30, 2023, the alternate rate was the employer contribution rate used in FY 2012 or 100% of the actuarially determined employer contribution rate from the June 30, 2022, actuarial valuations, whichever was greater. From July 1, 2023, on, participating employers are assumed to continue to contribute 100% of the actuarially determined contribution rates. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore, the long-term expected rate of return was applied to all periods of projected benefit payments to determine the total pension liability.

County of James City, Virginia
Notes to Basic Financial Statements
June 30, 2024

10) Pension Plan, Continued

Changes in Net Pension Liability (Asset)

	Increase (decrease)		
	Total pension liability (a)	Plan fiduciary net pension (b)	Net pension liability (asset) (a) - (b)
Governmental activities:			
Balances at June 30, 2022	\$ 238,104,144	\$ 218,248,320	\$ 19,855,824
Changes for the year:			
Service cost	5,393,256	-	5,393,256
Interest	16,065,148	-	16,065,148
Difference between expected and actual experience	1,942,788	-	1,942,788
Contributions - employer	-	5,903,106	(5,903,106)
Contributions - employee	-	2,229,536	(2,229,536)
Net investment income	-	14,070,884	(14,070,884)
Benefit payments, including refunds of employee contributions	(10,990,404)	(10,990,404)	-
Administrative expenses	-	(139,210)	139,210
Other changes	-	5,678	(5,678)
Net changes	12,410,788	11,079,590	1,331,198
Balances at June 30, 2023	\$ 250,514,932	\$ 229,327,910	\$ 21,187,022
Component unit - Authority:			
Balances at June 30, 2022	\$ 23,181,763	\$ 22,179,143	\$ 1,002,620
Changes for the year:			
Service cost	440,954	-	440,954
Interest	1,561,858	-	1,561,858
Difference between expected and actual experience	383,483	-	383,483
Contributions - employer	-	340,978	(340,978)
Contributions - employee	-	269,746	(269,746)
Net investment income	-	1,427,563	(1,427,563)
Benefit payments, including refunds of employee contributions	(968,152)	(968,152)	-
Administrative expenses	-	(14,191)	14,191
Other changes	-	575	(575)
Net changes	1,418,143	1,056,519	361,624
Balances at June 30, 2023	\$ 24,599,906	\$ 23,235,662	\$ 1,364,244
Component unit - Public Schools (non-professional):			
Balances at June 30, 2022	\$ 23,828,098	\$ 25,804,227	\$ (1,976,129)
Changes for the year:			
Service cost	538,065	-	538,065
Interest	1,602,826	-	1,602,826
Difference between expected and actual experience	474,462	-	474,462
Contributions - employer	-	206,293	(206,293)
Contributions - employee	-	283,776	(283,776)
Net investment income	-	1,645,642	(1,645,642)
Benefit payments, including refunds of employee contributions	(1,241,175)	(1,241,175)	-
Administrative expenses	-	(16,657)	16,657
Other changes	-	661	(661)
Net changes	1,374,178	878,540	495,638
Balances at June 30, 2023	\$ 25,202,276	\$ 26,682,767	\$ (1,480,491)

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

The following presents the net pension liability (asset) using the discount rate of 6.75%, as well as what the net pension liability would be if it were calculated using a discount rate that is 1% lower (5.75%) or 1% higher (7.75%) than the current rate:

	1% Decrease (5.75%)	Current Discount Rate (6.75%)	1% Increase (7.75%)
Governmental activities:			
Net pension liability (asset)	\$ 55,751,954	\$ 21,187,022	\$ (7,075,640)
Component unit - Authority:			
Net pension liability (asset)	\$ 4,674,833	\$ 1,364,244	\$ (1,341,601)
Component unit - Public Schools (non-professional):			
Net pension liability (asset)	\$ 1,488,925	\$ (1,480,491)	\$ (3,982,223)

County of James City, Virginia
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10) Pension Plan, Continued

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

For the year ended June 30, 2024, the County, Authority, and Public Schools (non-professional) recognized pension expense of \$5,636,310, \$617,716, and \$458,823, respectively. At June 30, 2024, deferred outflows of resources and deferred inflows of resources related to pensions from the following sources were reported:

	Deferred outflows of resources	Deferred inflows of resources
<u>Governmental activities:</u>		
Differences between expected and actual experience	\$ 1,314,695	\$ 665,256
Changes of assumptions	728,581	-
Net difference between projected and actual earnings on pension plan investments	-	3,395,553
Employer contributions subsequent to the measurement date	6,330,739	-
Total	<u>\$ 8,374,015</u>	<u>\$ 4,060,809</u>
<u>Component unit - Authority:</u>		
Differences between expected and actual experience	\$ 417,364	\$ -
Net difference between projected and actual earnings on pension plan investments	-	342,486
Employer contributions subsequent to the measurement date	368,602	-
Total	<u>\$ 785,966</u>	<u>\$ 342,486</u>
<u>Component unit - Public Schools (non-professional):</u>		
Differences between expected and actual experience	\$ 309,002	\$ -
Net difference between projected and actual earnings on pension plan investments	-	415,141
Employer contributions subsequent to the measurement date	226,321	-
Total	<u>\$ 535,323</u>	<u>\$ 415,141</u>

The County, Authority, and Public Schools reported deferred outflows of resources of \$6,330,739, \$368,602 and \$226,321, respectively, related to pensions resulting from contributions subsequent to the measurement date, which will be recognized as a reduction of the net pension liability in the year ending June 30, 2025. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year ended	Governmental Activities	Component unit - Authority	Component unit - Public Schools (non-professional)
2025	\$ (1,655,005)	\$ 97,648	\$ (58,461)
2026	(3,662,093)	(352,248)	(433,590)
2027	3,187,579	318,076	371,863
2028	111,986	11,402	14,049
Total	<u>\$ (2,017,533)</u>	<u>\$ 74,878</u>	<u>\$ (106,139)</u>

Pension Plan Data

Information about the VRS Political Subdivision Retirement Plans is also available in the separately issued VRS's 2023 Annual Comprehensive Annual Report, which can be downloaded from the VRS website at <https://www.varetire.org/pdf/publications/2023-annual-report.pdf>.

10) Pension Plan, Continued

Cost-Sharing Multiple-Employer Plan - Teacher Retirement Plan (Professional Plan)

Contributions

The contribution requirement for active employees is governed by §51.1-145 of the *Code of Virginia*, as amended, but may be impacted as a result of funding provided to school divisions by the Virginia General Assembly. Employees are required to contribute 5% of their compensation toward their retirement. The Public Schools' contractually required contribution rate for the year ended June 30, 2024, was 16.62% of covered employee compensation. This rate was based on an actuarially determined rate from an actuarial valuation as of June 30, 2021. The actuarially determined rate, when combined with employee contributions, was expected to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. Contributions to the pension plan from the Public Schools were \$14,302,098 and \$13,448,721 for the years ended June 30, 2024, and June 30, 2023, respectively.

In June 2023, the Commonwealth made a special contribution of approximately \$147.5 million to the VRS Teacher Employee Plan. This special payment was authorized by a budget amendment included in Chapter 2 of the Acts of Assembly of 2022, Special Session I, as amended by Chapter 769, 2023 Acts of Assembly Reconvened Session, and is classified as a non-employer contribution.

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

At June 30, 2024, the Public Schools' reported a liability of \$86,044,656 for its proportionate share of the Net Pension Liability of the Teacher Retirement Plan. The Net Pension Liability was measured as of June 30, 2023, and the total pension liability used to calculate the Net Pension Liability was determined by an actuarial valuation performed as of June 30, 2022, and rolled forward to the measurement date of June 30, 2023.

The Public Schools' proportion of the Net Pension Liability was based on the Public Schools' actuarially determined employer contributions to the pension plan for the year ended June 30, 2023, relative to the total of the actuarially determined employer contributions for all participating employers. At June 30, 2023, the Public Schools' proportion was 0.85132% as compared to 0.85716% at June 30, 2022.

For the year ended June 30, 2024, the Public Schools recognized pension expense of \$8,634,208. Since there was a change in proportionate share between measurement dates, a portion of the pension expense was related to deferred amounts from changes in proportion and from differences between employer contributions and the proportionate share of employer contributions. Beginning with the June 30, 2022 measurement date, the difference between expected and actual contributions is included with the pension expense calculation.

At June 30, 2024, the Public Schools reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources for the Teacher Retirement Plan:

	<u>Deferred outflows of resources</u>	<u>Deferred inflows of resources</u>
<u>Component unit - Public Schools (professional plan):</u>		
Differences between expected and actual experience	\$ 7,391,309	\$ 3,357,830
Change in assumptions	3,900,706	-
Changes in proportion and differences between employer contributions and proportionate share of contributions	1,800,181	1,901,449
Differences between expected and actual investment earnings on pension plan investments	-	5,594,638
Employer contributions subsequent to the measurement date	14,302,098	-
Total	<u>\$ 27,394,294</u>	<u>\$ 10,853,917</u>

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10) Pension Plan, Continued

The \$14,302,098 reported as deferred outflows of resources related to pensions resulting from the Public Schools' contributions subsequent to the measurement date will be recognized as a reduction of the Net Pension Liability in the year ended June 30, 2025. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense (recovery) in future reporting periods as follows:

Year ended	Component unit - Public Schools (professional plan)
2025	\$ (1,633,729)
2026	(5,040,028)
2027	7,331,627
2028	1,580,409
Total	<u>\$ 2,238,279</u>

Actuarial Assumptions

The total pension liability for the VRS Teacher Retirement Plan was based on an actuarial valuation as of June 30, 2022, using the Entry Age Normal actuarial cost method and the following assumptions, applied to all periods included in the measurement and rolled forward to the measurement date of June 30, 2023.

Inflation	2.50%
<u>Salary increases, including inflation:</u>	
Teacher cost-sharing plan	3.5% - 5.95%
Non-professional plan	3.5% - 5.35%
	6.75%, net of
Investment rate of return	investment expenses

Net Pension Liability

The net pension liability (NPL) is calculated separately for each system and represents that particular system's total pension liability determined in accordance with GAAP, less that system's fiduciary net position. As of June 30, 2023, NPL amounts for the VRS Teacher Employee Retirement Plan is as follows (amounts expressed in thousands):

	Teacher Employee Retirement Plan
Total Pension Liability	\$ 57,574,609
Plan Fiduciary Net Position	47,467,405
Employers' Net Pension Liability	<u>\$ 10,107,204</u>
Plan Fiduciary Net Position as a % of the Total Pension Liability	82.45%

The total pension liability is calculated by the System's actuary, and each plan's fiduciary net position is reported in the System's financial statements. The net pension liability is disclosed in accordance with the requirements of GAAP in the System's notes to the financial statements and required supplementary information.

Long-Term Expected Rate of Return

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

County of James City, Virginia
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10) Pension Plan, Continued

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

Asset Class (Strategy)	Target Allocation	Arithmetic Long-Term Expected Rate of Return	Weighted Average Long-Term Expected Rate of Return*
Public equity	34.00%	6.14%	2.09%
Fixed income	15.00%	2.56%	0.38%
Credit strategies	14.00%	5.60%	0.78%
Real assets	14.00%	5.02%	0.70%
Private equity	16.00%	9.17%	1.47%
MAPS - Multi-Asset Public Strategies	4.00%	4.50%	0.18%
PIP- Private Investment Partnership	2.00%	7.18%	0.14%
Cash	1.00%	1.20%	0.01%
Total	100.00%	Total	5.75%
		Inflation	2.50%
		Expected arithmetic nominal return*	8.25%

**The above allocation provides for a one-year return of 8.25%. However, one-year returns do not take into account the volatility present in each of the asset classes. In setting the long-term expected rate of return for the system, stochastic projections are employed to model future returns under various economic conditions. The results provide a range of returns over various time periods that ultimately provide a median return of 7.14%, including expected inflation of 2.5%.*

On June 15, 2023, the VRS Board elected a long-term rate of 6.75% which is roughly at the 45th percentile of expected long-term results of the VRS fund asset allocation at that time, providing a median return of 7.14%, including expected inflation of 2.50%.

Discount Rate

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

For the non-professional plan, consistent with the phased-in funding provided by the General Assembly for state and teacher employer contributions; political subdivisions were also provided with an opportunity to use an alternate employer contribution rate. For the year ended June 30, 2023, the alternate rate was the employer contribution rate used in FY 2012 or 100% of the actuarially determined employer contribution rate from the June 30, 2022, actuarial valuations, whichever was greater.

Through the fiscal year ending June 30, 2023 for the professional plan, the rate contributed by the schools for the VRS Teacher Retirement Plan will be subject to the portion of the VRS Board-certified rates that are funded by the Virginia General Assembly which was 112% of the actuarially determined contribution rate.

From July 1, 2023, on, participating employers are assumed to continue to contribute 100% of the actuarially determined contribution rates. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore, the long-term expected rate of return was applied to all periods of projected benefit payments to determine the total pension liability.

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

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

	1% Decrease (5.75%)	Current Discount Rate (6.75%)	1% Increase (7.75%)
<u>Component unit - Public Schools (professional plan):</u>			
Net pension liability	\$ 152,526,485	\$ 86,044,656	\$ 31,391,124

10) Pension Plan, Continued

Pension Plan Fiduciary Net Position

Detailed information about the VRS Teacher Retirement Plan's Fiduciary Net Position is available in the separately issued VRS Annual Comprehensive Financial Report (Annual Report). A copy of the 2023 VRS Annual Report may be downloaded from the VRS website at <https://www.varetire.org/pdf/publications/2023-annual-report.pdf>.

11) Other Postemployment Benefits (OPEB)

Multiple Employer Cost-Sharing Plan - Retiree Healthcare

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

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

Plan Description

Participants must be eligible to retire under VRS and must be full-time active employees who retire directly from the County or Authority and are at least 50 years of age with 15 years of service. Each year, retirees participating in the County or Authority's sponsored plans will be given the opportunity to change plans or drop coverage during an open enrollment period. For fiscal year 2024, the pre-Medicare retirees have a choice of two plans offered by Optima. Dental plans are available at the retiree's cost and therefore, have no employer obligation. There is no coverage for post-Medicare retirees.

The Public Schools provides a single-employer medical plan and a retiree health insurance premium contribution plan that covers retirees until they reach 65 years of age. There is no coverage for retirees or their spouses once they reach the age of 65 and are eligible for Medicare. Both plans were established under the authority of the Williamsburg-James City County School Board and any amendments to the plans must be approved by the School Board. The Public Schools' single-employer medical plan allows retirees under the age of 65 to remain in the same medical and dental plan as active employees if they have at least 5 years of service with the Public Schools and are a covered member under the plan at retirement and for at least 24 months prior to retiring. Retirees pay 100% of the premium, minus any applicable \$62.50 monthly contribution. The Public Schools' plan allows eligible retirees to receive a \$750 annual contribution toward their health insurance premium if they have a minimum of 12 continuous years of service.

Funding Policy

Retirees contribute towards their health insurance premiums based on a blended rate and therefore, the County and Authority have an implicit obligation. Retirees pay 100% of the published rates for individual and dependent coverage until age 65. The estimated contributions are based on the implicit rate subsidy payments made during the year by the retirees.

The County, Authority, and Public Schools do not intend to establish a trust to pre-fund their obligations. The anticipated growth in the net retiree healthcare OPEB liability is based on contributions to the benefit plan on a pay-as-you-go cost basis. The data has been projected into the future based on the assumption that the current active population remains constant.

11) Other Postemployment Benefits (OPEB), Continued

Employees Covered by Benefit Terms - Component Unit - Public Schools

As of the January 1, 2024, actuarial valuation, the following employees were covered by the benefit terms of the Public Schools' retiree healthcare OPEB plan:

	Number
Active employees	1,225
Retirees	30
Spouses	6
Total	<u>1,261</u>

Actuarial Methods and Assumptions

For the actuarial valuation at January 1, 2024 (measurement date of June 30, 2023), for the Public Schools, County, and Authority, the entry age normal funding method was used. The goal of this method is that the annual accrual (or normal cost) be a level percent of pay throughout an employee's career. This method requires a salary increase assumption. The normal cost percentage is equal to the present value of benefits divided by the present value of future salary determined when the employee was hired. The actuarial accrued liability is equal to the present value of benefits minus the normal cost percentage times the present value of future salaries at the valuation date.

The actuarial assumptions included calculations based on a discount rate of 3.86% for the unfunded liability. Benefits are discounted based on an index rate for 20-year tax exempt general obligation (GO) municipal bonds with an average rating of AA/Aa or higher.

The healthcare cost trend assumption was developed using the Society of Actuaries (SOA) Getzen Long-Term Healthcare Cost Trend Model baseline assumptions. The model was designed to estimate the trend after 2025. The trend rate was set to 7.5% for 2024 and 7.0% for 2025. The following assumptions were used as input variables into this model:

Inflation	2.60%
Rate of growth in real income/ GDP per capita	1.40%
Extra trend due to technology and other factors	0.90%
Expected health share of GDP in 2033	19.00%
Health share of GDP resistance point	17.00%
Year for limiting cost growth to GDP growth	2075

The SOA Long-Run Medical Cost Trend Model and its baseline projection are based on an econometric analysis of historical U.S. medical expenditures and the judgments of experts in the field. The long-run baseline projection, tolerance ranges and input variables have been developed under the guidance of an SOA Project Oversight Group. Administrative expenses and stop-loss fees are expected to increase by 3% per year.

The actuarial assumptions included calculations based on salary increases of 2.85%-1.00% (general) and 2.25%-1.00% (public safety) based on years of service. The valuation assumed that 40% of participants currently with coverage will elect coverage upon retirement and that 30% of participants electing coverage at retirement will elect coverage for their spouse.

The actuarial assumptions for the Public Schools included calculations based on a net of 2.5% inflation assumption. The valuation assumed that 60% of participants currently with coverage will elect coverage upon retirement and that 40% of participants electing coverage at retirement will elect coverage for their spouse.

Mortality Rates

Pre-Retirement: Pub-2010 General Employees, Public Safety Employees, and Teachers Employees Headcount-Weighted Mortality Table, projected on a fully generational basis using the mortality improvement scale MP-2021

Post-Retirement: Pub-2010 General Retirees, Public Safety Retirees, and Teachers Retirees Headcount-Weighted Mortality Table, projected on a fully generational basis using the mortality improvement scale MP-2021

County of James City, Virginia
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11) Other Postemployment Benefits (OPEB), Continued

Disabled: Pub-2010 General Disabled, Public Safety Disabled, and Teachers Disabled Headcount-Weighted Mortality Table, projected on a fully generational basis using the mortality improvement scale MP-2021

Surviving Spouse: Pub-2010 Teachers Contingent Survivors Headcount-Weighted Mortality Table, projected on a fully generational basis using the mortality improvement scale MP-2021

Changes in Assumptions Since Prior Valuation

- The per capita cost assumption was updated based on claims and enrolment information as well as the FY2024 premium rates provided by the County.
- The healthcare cost trend assumption was updated based on the 2024 Getzen model released by the Society of Actuaries (SOA).
- The discount rate was updated to 3.86%, the Fidelity Municipal 20-year GO Bond Index rate as of June 30, 2023.

Retiree Healthcare OPEB Liability for the County and the Authority

At June 30, 2024, the County reported a retiree healthcare OPEB liability of \$2,750,685 for its proportionate share of the County's retiree healthcare OPEB liability and the Authority reported a retiree healthcare OPEB liability of \$250,687 for its proportionate share of the County's retiree healthcare OPEB liability. The County's and the Authority's June 30, 2024, retiree healthcare OPEB liabilities were measured as of June 30, 2023, and were determined by an actuarial valuation performed January 1, 2024. The County's and the Authority's proportion of the County's retiree healthcare OPEB liability was based on each entity's projected long-term contribution effort to the OPEB plan as compared to the total projected long-term contribution effort of all contributing entities to determine each entity's proportion. At June 30, 2024, and 2023, the County's proportion of the County's retiree healthcare OPEB liability was 79.99% and 81.72%, respectively, and the Authority's proportion of the County's retiree healthcare OPEB liability was 7.29% and 6.46%, respectively.

Changes in Retiree Healthcare OPEB Liability for the Component Unit - Public Schools

	Increase (decrease)		
	Total OPEB liability (a)	Plan fiduciary net position (b)	Net OPEB liability (a) - (b)
Balances at June 30, 2022	\$ 5,211,645	\$ -	\$ 5,211,645
Changes for the year:			
Service cost	464,665	-	464,665
Interest	186,495	-	186,495
Experience losses	(710,939)	-	(710,939)
Employer contribution	-	315,167	(315,167)
Changes in assumptions	(223,452)	-	(223,452)
Benefit payments	(315,167)	(315,167)	-
Net changes	(598,398)	-	(598,398)
Balances at June 30, 2023	\$ 4,613,247	\$ -	\$ 4,613,247

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

The following presents the retiree healthcare OPEB liability using the discount rate of 3.86%, as well as what the retiree healthcare OPEB liability would be if it were calculated using a discount rate that is one percentage point lower (2.86%) or one percentage point higher (4.86%) than the current rate:

	1% Decrease (2.86%)	Current Discount Rate (3.86%)	1% Increase (4.86%)
<u>Governmental activities:</u>			
Retiree Healthcare OPEB liability	\$ 3,015,395	\$ 2,750,685	\$ 2,509,174
<u>Component unit - Authority:</u>			
Retiree Healthcare OPEB liability	\$ 274,812	\$ 250,687	\$ 228,677
<u>Component unit - Public Schools:</u>			
Total and Net OPEB liability	\$ 4,872,718	\$ 4,613,247	\$ 4,357,610

County of James City, Virginia
Notes to Basic Financial Statements
June 30, 2024

11) Other Postemployment Benefits (OPEB), Continued

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

The following presents the retiree healthcare OPEB liability using the health care cost trend rate of 4.04%, as well as what the retiree healthcare OPEB liability would be if it were calculated using a health cost trend rate that is one percentage point lower (3.04%) or one percentage point higher (5.04%) than the current rate:

	1% Decrease (3.04%)	Ultimate Trend Rate (4.04%)	1% Increase (5.04%)
<u>Governmental Activities:</u>			
Retiree Healthcare OPEB liability	\$ 2,444,506	\$ 2,750,685	\$ 3,108,577
<u>Component unit - Authority:</u>			
Retiree Healthcare OPEB liability	\$ 222,784	\$ 250,687	\$ 283,304
<u>Component unit - Public Schools:</u>			
Total and Net OPEB liability	\$ 4,185,054	\$ 4,613,247	\$ 5,106,385

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

For the year ended June 30, 2024, the County, Authority, and Public Schools recognized retiree healthcare OPEB expense (recovery) of (\$310,399), (\$33,476), and \$56,585, respectively. At June 30, 2024, deferred outflows of resources and deferred inflows of resources related to retiree healthcare OPEB from the following sources were reported:

	Deferred outflows of resources	Deferred inflows of resources
<u>Governmental activities:</u>		
Differences between expected and actual experience	\$ 100,253	\$ 1,335,479
Change of assumptions	148,571	398,113
Change in proportion	95,922	92,528
Total	<u>\$ 344,746</u>	<u>\$ 1,826,120</u>
<u>Component unit - Authority:</u>		
Differences between expected and actual experience	\$ 9,137	\$ 121,710
Change of assumptions	13,540	36,281
Change in proportion	40,467	20,702
Total	<u>\$ 63,144</u>	<u>\$ 178,693</u>
<u>Component unit - Public Schools:</u>		
Differences between expected and actual experience	\$ -	\$ 1,059,232
Change of assumptions	106,756	964,050
Employer contributions subsequent to the measurement date	22,875	-
Total	<u>\$ 129,631</u>	<u>\$ 2,023,282</u>

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

Year ended	Governmental activities	Component unit - Authority	Public Schools
2025	\$ (542,221)	\$ (54,598)	\$ (559,606)
2026	(451,034)	(45,351)	(518,930)
2027	(247,250)	(12,903)	(440,474)
2028	(120,437)	(1,348)	(241,785)
2029	(120,432)	(1,349)	(155,731)
Total	<u>\$ (1,481,374)</u>	<u>\$ (115,549)</u>	<u>\$ (1,916,526)</u>

Virginia Retirement System Plans

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

11) Other Postemployment Benefits (OPEB), Continued

Plan Description

General Employee Health Insurance Credit (HIC) Program

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

As of the June 30, 2022, actuarial valuation, the following employees were covered by the benefit terms of the General Employee HIC Program:

	Governmental activities	Component unit -	
		Authority	Public Schools (non-professional)
Inactive members or their beneficiaries receiving benefits	451	32	138
Inactive members - vested	26	1	1
Total inactive members	477	33	139
Active members	664	136	207
Total	1,141	169	346

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

Group Life Insurance (GLI) Program

All full-time, salaried permanent employees of the state agencies, teachers and employees of participating political subdivisions are automatically covered by the VRS GLI Program upon employment. 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 Program. For members who elect the optional GLI coverage, the insurer bills employers directly for the premiums. Employers deduct these premiums from members' paychecks and pay the premiums to the insurer. Since this is a separate and fully insured program, it is not included as part of the GLI PEB. The specific information for the GLI is available at <https://www.varetire.org/members/benefits/life-insurance/basic-group-life-insurance.asp>

Public Schools Professional Plan HIC Program

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

Virginia Local Disability Program (VDLP) – Public Schools Non-Professional Plan

All full-time, salaried general employees; including local law enforcement officers, firefighters, or emergency medical technicians of political subdivisions who do not provide enhanced hazardous duty benefits; who are in the VRS Hybrid Retirement Plan benefit structure and whose employer has not elected to opt out of the VRS-sponsored program are automatically covered by the VRS Political Subdivision Employee VLDP.

County of James City, Virginia
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June 30, 2024

11) Other Postemployment Benefits (OPEB), Continued

VDLP – Public Schools Professional Plan

All full-time, salaried permanent (professional) employees of public school divisions who are in the VRS Hybrid Retirement Plan benefit structure and whose employer has not elected to opt out of the VRS-sponsored program are automatically covered by the VRS Teacher Employee VLDP. School divisions are required by Title 51.1 of the *Code of Virginia*, as amended, to provide short-term and long-term disability benefits for their Hybrid employees either through a local plan or through the VLDP. The specific information about the VLDP is available at <https://www.varetirement.org/hybrid/benefits/disability/virginia-local-disability-program.html>

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

Contributions

Contributions to the VRS OPEB programs were based on actuarially determined rates from actuarial valuations as of June 30, 2022. The actuarially determined rates were expected to finance the cost of benefits earned by employees during the year, with an additional amount to fund any unfunded accrued liability.

Specific details related to the contributions for the VRS OPEB programs are as follows:

General Employee HIC Program	Component unit -		
	Governmental activities	Authority	Public Schools' (non-professional)
Governed by	<i>Code of Virginia</i> 51.1-1401(E) and may be impacted as a result of funding provided to governmental agencies by the Virginia General Assembly		
Total rate of employee compensation	0.22%	0.10%	0.46%
June 30, 2024 Contribution	\$ 98,550	\$ 6,421	\$ 31,889

GLI Program	Component unit -		
	Governmental activities	Authority	Public Schools' (professional and non-professional)
Governed by	<i>Code of Virginia</i> 51.1-506 and 51.1-508 and may be impacted as a result of funding provided to governmental agencies by the Virginia General Assembly		
Total rate of employee compensation	1.34%; rate is allocated 60/40; 0.80% employee and 0.54% employer; employers may elect to pay all or part of the employee contribution.		
June 30, 2024 Contribution	\$ 271,059	\$ 34,413	\$ 525,635

Component Unit - Public Schools' Professional Plan HIC Program

Governed by	<i>Code of Virginia</i> 51.1-1401(E) and may be impacted as a result of funding provided to school divisions by the Virginia General Assembly.
Total rate of employee compensation	1.21%
June 30, 2024 Contribution	\$ 1,096,120

Component Unit - Public Schools' VLDP Non-Professional Plan

Governed by	<i>Code of Virginia</i> 51.1-1178(C) and may be impacted as a result of funding provided to political subdivisions by the Virginia General Assembly.
Total rate of employee compensation	0.85%
June 30, 2024 Contribution	\$ 32,277

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June 30, 2024

11) Other Postemployment Benefits (OPEB), Continued

Component Unit - Public Schools' VLDP Professional Plan

Governed by	Code of Virginia 51.1-1178(C) and may be impacted as a result of funding provided to school divisions by the Virginia General Assembly.
Total rate of employee compensation	0.47%
June 30, 2024 Contribution	\$ 179,223

VRS OPEB Liabilities, VRS OPEB Expense, VRS OPEB Deferred Inflows and Outflows of Resources

The net VRS OPEB liabilities were measured as of June 30, 2023, and the total VRS OPEB liabilities used to calculate the net VRS OPEB liabilities were determined by actuarial valuations performed as of June 30, 2022, and rolled forward to the measurement date of June 30, 2023.

Changes in net OPEB liability of the General Employee HIC Program were as follows:

	Increase (decrease)		
	Total OPEB - HIC liability (a)	Plan fiduciary net position (b)	Net OPEB - HIC liability (asset) (a) - (b)
Governmental activities:			
Balances at June 30, 2022	\$ 1,548,501	\$ 907,121	\$ 641,380
Changes for the year:			
Service cost	22,944	-	22,944
Interest	102,811	-	102,811
Difference between expected and actual experience	61,593	-	61,593
Contributions - employer	-	89,781	(89,781)
Net investment income	-	54,172	(54,172)
Benefit payments, including refunds of employee contributions	(96,651)	(96,651)	-
Administrative expenses	-	(1,288)	1,288
Other changes	-	1,208	(1,208)
Net changes	90,697	47,222	43,475
Balances at June 30, 2023	\$ 1,639,198	\$ 954,343	\$ 684,855
Component unit - Authority:			
Balances at June 30, 2022	\$ 176,478	\$ 147,951	\$ 28,527
Changes for the year:			
Service cost	1,875	-	1,875
Interest	11,721	-	11,721
Difference between expected and actual experience	(2,333)	-	(2,333)
Contributions - employer	-	5,883	(5,883)
Net investment income	-	8,761	(8,761)
Benefit payments, including refunds of employee contributions	(9,405)	(9,405)	-
Administrative expenses	-	(210)	210
Other changes	-	152	(152)
Net changes	1,858	5,181	(3,323)
Balances at June 30, 2023	\$ 178,336	\$ 153,132	\$ 25,204
Component unit - Public Schools (non-professional):			
Balances at June 30, 2022	\$ 553,974	\$ 407,127	\$ 146,847
Changes for the year:			
Service cost	8,702	-	8,702
Interest	36,841	-	36,841
Difference between expected and actual experience	40,460	-	40,460
Contributions - employer	-	28,361	(28,361)
Net investment income	-	24,130	(24,130)
Benefit payments, including refunds of employee contributions	(33,759)	(33,759)	-
Administrative expenses	-	(574)	574
Other changes	-	511	(511)
Net changes	52,244	18,669	33,575
Balances at June 30, 2023	\$ 606,218	\$ 425,796	\$ 180,422

In addition, for the year ended June 30, 2024, the County, Authority, and Public Schools recognized OPEB expense (recovery) of \$88,775, (\$1,096), and \$22,668, respectively, related to the General Employee Health Insurance Credit Program. The covered employer's proportion of the net OPEB liabilities (assets) were based on the covered employer's actuarially determined employer contributions for the year ended June 30, 2023, relative to the total of the actuarially determined employer contributions for all participating employers.

County of James City, Virginia
Notes to Basic Financial Statements
June 30, 2024

11) Other Postemployment Benefits (OPEB), Continued

GLI Program	Governmental activities	Component unit - Authority	Component unit - Public Schools'	
			Professional	Non-professional
June 30, 2024 proportionate share of liability	\$ 2,395,509	\$ 300,548	\$ 4,353,028	\$ 317,458
June 30, 2023 proportion	0.19974%	0.02506%	0.36296%	0.02647%
June 30, 2022 proportion	0.19859%	0.02390%	0.36867%	0.02716%
June 30, 2024 expense	\$ 88,775	\$ (1,096)	\$183,080 (combined total)	

Component Unit - Public Schools' Professional Plan HIC Program

June 30, 2024 proportionate share of liability	\$ 10,301,288
June 30, 2023 proportion	85.03500%
June 30, 2022 proportion	85.59500%
June 30, 2024 expense	\$ 762,133

Component Unit - Public Schools' VLDP	Professional Plan	Non-professional Plan
June 30, 2024 proportionate share of Liability (asset)	\$ 22,437	\$ (8,068)
June 30, 2023 proportion	3.37952%	0.50142%
June 30, 2022 proportion	3.26303%	0.56161%
June 30, 2024 expense	\$ 118,977	\$ 20,497

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

At June 30, 2024, reported deferred outflows and inflows of resources related to VRS OPEB were as follows:

General Employee HIC Program	Deferred outflows of resources	Deferred inflows of resources
<u>Governmental activities:</u>		
Differences between expected and actual experience	\$ 71,899	\$ 85,171
Change of assumptions	107,865	-
Net difference between projected and actual earnings on OPEB plan investments	-	8,661
Employer contributions subsequent to the measurement date	98,550	-
Total	<u>\$ 278,314</u>	<u>\$ 93,832</u>
<u>Component unit - Authority:</u>		
Differences between expected and actual experience	\$ 861	\$ 10,562
Change of assumptions	3,580	19
Net difference between projected and actual earnings on OPEB plan investments	-	1,241
Employer contributions subsequent to the measurement date	6,421	-
Total	<u>\$ 10,862</u>	<u>\$ 11,822</u>
<u>Component unit - Public Schools (non-professional):</u>		
Differences between expected and actual experience	\$ 32,139	\$ 46,814
Change of assumptions	33,868	-
Net difference between projected and actual earnings on OPEB plan investments	-	4,381
Employer contributions subsequent to the measurement date	31,889	-
Total	<u>\$ 97,896</u>	<u>\$ 51,195</u>

County of James City, Virginia
Notes to Basic Financial Statements
June 30, 2024

11) Other Postemployment Benefits (OPEB), Continued

Component Unit - Public Schools' Professional Plan HIC Program	Deferred outflows of resources	Deferred inflows of resources
Differences between expected and actual experience	\$ -	\$ 453,411
Change of assumptions	239,797	10,381
Net difference between projected and actual earnings on OPEB plan investments	5,169	-
Changes in proportionate share	276,659	331,022
Employer contributions subsequent to the measurement date	1,096,120	-
Total	<u>\$ 1,617,745</u>	<u>\$ 794,814</u>

GLI Program	Deferred outflows of resources	Deferred inflows of resources
Governmental activities:		
Differences between expected and actual experience	\$ 239,253	\$ 72,716
Change of assumptions	51,205	165,970
Net difference between projected and actual earnings on OPEB plan investments	-	96,265
Changes in proportionate share	28,575	80,725
Employer contributions subsequent to the measurement date	271,059	-
Total	<u>\$ 590,092</u>	<u>\$ 415,676</u>

Component unit - Authority:		
Differences between expected and actual experience	\$ 30,017	\$ 9,123
Change of assumptions	6,424	20,823
Net difference between projected and actual earnings on OPEB plan investments	-	12,078
Changes in proportionate share	25,788	747
Employer contributions subsequent to the measurement date	34,413	-
Total	<u>\$ 96,642</u>	<u>\$ 42,771</u>

Component unit - Public Schools:		
Differences between expected and actual experience	\$ 466,467	\$ 141,773
Change of assumptions	99,834	323,590
Net difference between projected and actual earnings on OPEB plan investments	-	187,686
Changes in proportionate share	124,517	187,366
Employer contributions subsequent to the measurement date	525,635	-
Total	<u>\$ 1,216,453</u>	<u>\$ 840,415</u>

Component Unit - Public Schools' VLDP	Professional Plan		Non-professional Plan	
	Deferred outflows of resources	Deferred inflows of resources	Deferred outflows of resources	Deferred inflows of resources
Differences between expected and actual experience	\$ 98,473	\$ 9,836	\$ 3,029	\$ 5,026
Change of assumptions	9,756	-	53	739
Net difference between projected and actual earnings on OPEB plan investments	695	-	20	-
Changes in proportionate share	67	4,274	39	726
Employer contributions subsequent to the measurement date	179,223	-	32,277	-
Total	<u>\$ 288,214</u>	<u>\$ 14,110</u>	<u>\$ 35,418</u>	<u>\$ 6,491</u>

The deferred outflows of resources related to VRS OPEB resulting from the County's, Authority's, and Public Schools' contributions subsequent to the measurement date will be recognized as a reduction of the net VRS OPEB liability in the year ended June 30, 2025.

County of James City, Virginia
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11) Other Postemployment Benefits (OPEB), Continued

Other amounts reported as deferred outflows of resources and deferred inflows of resources related to VRS OPEB will be recognized in VRS OPEB expense (recovery) as follows:

HIC Program				
Year ended	General Employee			Teacher
	Governmental activities	Component unit -		Public Schools (professional)
		Authority	Public Schools (non-professional)	
2025	\$ 24,672	\$ (4,375)	\$ 5,041	\$ (77,238)
2026	14,027	(4,407)	1,538	(57,011)
2027	32,474	668	7,936	(23,565)
2028	14,128	733	297	(67,364)
2029	631	-	-	(26,033)
Thereafter	-	-	-	(21,978)
Total	\$ 85,932	\$ (7,381)	\$ 14,812	\$ (273,189)

GLI Program			
Year ended	Governmental activities	Component unit -	
		Authority	Public Schools
2025	\$ (48,160)	\$ 4,251	\$ (44,428)
2026	(123,490)	(6,631)	(211,938)
2027	41,109	10,384	56,071
2028	7,858	6,075	17,928
2029	26,040	5,379	32,770
Total	\$ (96,643)	\$ 19,458	\$ (149,597)

Component Unit - Public Schools' VLDP			
Year ended	Non-Professional Plan		Professional Plan
	Amount		Amount
2025	\$ (471)	\$	8,465
2026	(1,596)		7,738
2027	127		13,005
2028	(199)		9,675
2029	(552)		9,682
Thereafter	(659)		46,316
Total	\$ (3,350)	\$	94,881

Actuarial Assumptions

The total VRS OPEB liability was determined using the following assumptions based on an actuarial valuation date of June 30, 2022, applied to all periods included in the measurement and rolled forward to the measurement date of June 30, 2023:

Inflation	2.50%
Salary increases, including inflation:	
Non-hazardous duty	3.5% - 5.35%
Enhanced hazardous duty	3.5% - 4.75%
Teacher cost-sharing plan	3.5% - 5.95%
	6.75%, net of
Investment rate of return	investment expenses

Mortality rates used for the various VRS OPEB plans are the same as those used for the actuarial valuations of the VRS pension plans.

Net VRS OPEB Liabilities

The net VRS OPEB liabilities represent each program's total OPEB liability determined in accordance with GAAP, less the associated fiduciary net position.

County of James City, Virginia
Notes to Basic Financial Statements
June 30, 2024

11) Other Postemployment Benefits (OPEB), Continued

As of the measurement date of June 30, 2023, net OPEB liability amounts for the various VRS OPEB programs are as follows (amounts expressed in thousands):

	GLI OPEB Program	Component unit - Public Schools		
		Professional Plan HIC	Non-Prof. Plan VLDP	Professional Plan VLDP
Total OPEB Liability	\$ 3,907,052	\$ 1,475,471	\$ 9,525	\$ 10,672
Plan Fiduciary Net Position	2,707,739	264,054	11,134	10,007
Employers' Net OPEB Liability (Asset)	\$ 1,199,313	\$ 1,211,417	\$ (1,609)	\$ 665
Plan Fiduciary Net Position as a % of the Total OPEB Liability	69.30%	17.90%	116.89%	93.77%

The total liability is calculated by the VRS actuary and each plan's fiduciary net position is reported in the VRS financial statements. The net OPEB liability is disclosed in accordance with the requirements of GAAP in the VRS notes to the financial statements and required supplementary information.

Long-Term Expected Rate of Return

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

Asset Class (Strategy)	Target Allocation	Arithmetic Long-Term Expected Rate of Return	Weighted Average Long-Term Expected Rate of Return*
Public Equity	34.00%	6.14%	2.09%
Fixed Income	15.00%	2.56%	0.38%
Credit Strategies	14.00%	5.60%	0.78%
Real Assets	14.00%	5.02%	0.70%
Private Equity	16.00%	9.17%	1.47%
MAPS - Multi-Asset Public Strategies	4.00%	4.50%	0.18%
PIP - Private Onvestment Partnership	2.00%	7.18%	0.14%
Cash	1.00%	1.20%	0.01%
Total	100.00%	Total	5.75%
		Inflation	2.50%
		Expected arithmetic nominal return*	8.25%

**The above allocation provides for a one-year return of 8.25%. However, one-year returns do not take into account the volatility present in each of the asset classes. In setting the long-term expected rate of return for the system, stochastic projections are employed to model future returns under various economic conditions. The results provide a range of returns over various time periods that ultimately provide a median return of 7.14%, including expected inflation of 2.5%.*

On June 15, 2023, the VRS Board elected a long-term rate of 6.75% which is roughly at the 45th percentile of expected long-term results of the VRS fund asset allocation at that time, providing a median return of 7.14%, including expected inflation of 2.50%.

Discount Rate

The discount rate used to measure the total VRS OPEB liabilities was 6.75%. The projection of cash flows used to determine the discount rate assumed that System member contributions will be made per the VRS Guidance and the employer contributions will be made in accordance with the VRS funding policy at rates equal to the difference between actuarially determined contribution rates adopted by the VRS Board of Trustees and the member rate. Through the fiscal year ending June 30, 2023, the rate contributed by the employer for the OPEB liabilities will be subject to the portion of the VRS Board-certified rates that are funded by the Virginia General Assembly, which was 113% of the actuarially determined contribution rate. From July 1, 2023, on, participating employers are assumed to contribute 100% of the actuarially determined contribution rates. Based on those assumptions, the OPEB plans' fiduciary net position was projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore, the long-term expected rate of return was applied to all periods of projected benefit payments to determine the total OPEB liability.

County of James City, Virginia
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June 30, 2024

11) Other Postemployment Benefits (OPEB), Continued

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

The following presents the employer's proportionate share of the net VRS OPEB liability using the discount rate of 6.75%, as well as what the employer's proportionate share of the net VRS OPEB liability would be if it were calculated using a discount rate that is 1% lower (5.75%) or 1% higher (7.75%) than the current rate.

Program	1% Decrease (5.75%)	Current Discount (6.75%)	1% Increase (7.75%)
<u>Governmental activities</u>			
Net OPEB liability - GLI	\$ 3,550,892	\$ 2,395,509	\$ 1,461,373
Net OPEB liability - HIC	\$ 869,670	\$ 684,855	\$ 529,106
<u>Component unit - Authority</u>			
Net OPEB liability - GLI	\$ 445,506	\$ 300,548	\$ 183,348
Net OPEB liability - HIC	\$ 45,179	\$ 25,204	\$ 8,371
<u>Component unit - Public Schools</u>			
Net OPEB liability - GLI (non-prof.)	\$ 6,923,120	\$ 4,670,486	\$ 2,849,218
Net OPEB liability - HIC (non-prof.)	\$ 244,737	\$ 180,422	\$ 125,831
Net OPEB liability - HIC (prof.)	\$ 11,651,907	\$ 10,301,288	\$ 9,156,756
Net OPEB liability (asset) - VLDP (non-prof.)	\$ (4,227)	\$ (8,068)	\$ 11,433
Net OPEB liability (asset) - VLDP (prof.)	\$ 63,244	\$ 22,437	\$ (13,047)

OPEB Plan Fiduciary Net Position

Information about the various VRS OPEB plan fiduciary net position is available in the separately issued VRS's 2023 Annual Comprehensive Financial Report, which can be downloaded from the VRS website at <https://www.varetire.org/Pdf/Publications/2023-annual-report.pdf>, or by writing to the System's Chief Financial Officer at P.O. Box 2500, Richmond, VA, 23218-2500.

Payables to the OPEB Plan – Public Schools

At June 30, 2024, the following amounts were payable to the VRS for the legally required contributions related to June 2024 payroll: GLI Program (\$125,265), Professional Plan Teacher HIC Program (\$104,783), Non-Professional Plan HIC Program (\$2,854), Professional Teacher VLDP (\$17,457), and Non-Professional VLDP (\$2,982).

OPEB Expense – Aggregate Information

The total amount of expense (recovery) recognized by the County, the Authority, and the Public Schools for their OPEB plans is summarized below for fiscal year 2024:

	Governmental activities	Component unit -	
		Authority	Public Schools
Retiree healthcare	\$ (310,399)	\$ (33,476)	\$ 56,585
Group life insurance	81,304	19,709	183,080
General employee HIC program	88,775	(1,096)	22,668
Professional plan HIC program	-	-	762,133
Non-professional VLDP	-	-	20,497
Professional VLDP	-	-	118,977
Total	\$ (140,320)	\$ (14,863)	\$ 1,163,940

12) Deferred Compensation Plan

The County offers its employees a deferred compensation plan created in accordance with Internal Revenue Code (IRC) Section 457. The plan, available to permanent part-time and full-time County and Authority employees, permits them to defer 25% of their gross income up to the maximum allowable by the IRC (\$23,000 and \$22,500 in calendar years 2024 and 2023, respectively). The deferred compensation is not available to employees until termination, retirement, death, or an unforeseeable emergency.

County of James City, Virginia
Notes to Basic Financial Statements
June 30, 2024

12) Deferred Compensation Plan, Continued

All amounts of compensation deferred under the plan, all property and rights purchased with those amounts, and all income attributable to those amounts, property, or rights are held in trust for the participants. The County sponsors the plan with the choice of investment options being made by the participants.

13) Related-Party Transactions

The County provides procurement, risk management, accounting, fleet maintenance, and other services to the Authority. Total charges for these services were \$1,108,695 for the year ended June 30, 2024. The Authority also owed the County \$1,388,374 at June 30, 2024, which primarily represents payroll expenses and purchase card expenses paid by the County on behalf of the Authority. In addition, the County leases space in the Authority's buildings under a long-term agreement, which is discussed in Note 17.

The County has a memorandum of understanding (MOU) with the Public Schools to provide risk management services. The MOU was renewed on July 1, 2024, with initial term of one year with the option of renewal for four additional one-year terms.

14) Risk Management

The County is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. Property, liability, and line of duty coverages are provided through a group self-insurance risk pool. Surety coverage for principal officials is provided under the general liability coverage with a limit of \$9,000,000. Elected officials, appointed officials, members of all appointed governing bodies, employees and volunteers are covered while acting within the scope of their duties with the County. The County's retention is through deductibles on a per-claim basis.

Deductibles and coverage limits at June 30, 2024, are as follows:

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

The County reports its risk management expenditures in the General Fund. There have been no reductions in insurance coverages from the prior year and settled claims have not exceeded the amount of insurance coverage in any of the past three fiscal years.

County of James City, Virginia
Notes to Basic Financial Statements
June 30, 2024

14) Risk Management, Continued

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

15) Commitments and Contingencies

Construction in Progress

At June 30, 2024, the County had several major projects under construction presented in the financial statements as construction in progress as follows:

<u>Project</u>	<u>Budget</u>	<u>Expenditures to date</u>	<u>Balance of contract</u>	<u>Budget balance</u>
Governmental activities				
General government admin.	\$ 15,443,222	\$ 1,975,846	\$ 2,981,114	\$ 10,486,262
Public safety	5,276,237	894,433	994,247	3,387,557
Public works	56,098,655	1,940,255	1,834,234	52,324,166
Judicial administration	217,700	-	96,228	121,472
Education	28,359,750	2,163,688	-	26,196,062
Community development	4,119,347	-	-	4,119,347
Parks, recreation, and cultural	14,326,137	1,247,184	690,647	12,388,306
Total	<u>\$ 123,841,048</u>	<u>\$ 8,221,406</u>	<u>\$ 6,596,470</u>	<u>\$ 109,023,172</u>

Encumbrances

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

General fund	\$ 1,984,358
Capital projects	6,596,470
Grants and special projects	537,883
Nonmajor governmental	230,523
Total	<u>\$ 9,349,234</u>

Other

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

The County is currently not involved in any litigation in which management deems any potential impact would be material to their respective financial statements.

16) Leases

Lease Receivables

The County leases land, buildings, office space, and equipment to third parties. As of June 30, 2024, the County had 13 active leases with terms ranging from 2 - 60 years and interest rates from 1% - 3.13%. The total value of the leases receivable was \$3,610,368 and the total value of the deferred inflows of resources was \$3,343,919 at June 30, 2024. The County recognized lease revenue of \$841,574 during the fiscal year.

County of James City, Virginia
Notes to Basic Financial Statements
June 30, 2024

16) Leases, Continued

As of June 30, 2024, the County's component unit - EDA had an active lease at a marina. The lease receivable and lease interest receivable were \$683,944 and \$3,186, respectively, and the deferred inflows of resources was \$628,386 as of June 30, 2024.

The future payments on these leases as of June 30, 2024, were as follows:

Governmental activities				Business-type activities - EDA		
Fiscal Year Ending June 30,	Principal	Interest	Total	Principal	Interest	Total
2025	\$ 311,634	92,136	\$ 403,770	\$ 32,594	37,406	\$ 70,000
2026	328,235	89,173	417,408	34,464	35,536	70,000
2027	344,118	74,105	418,223	36,440	33,560	70,000
2028	356,049	64,499	420,548	41,509	31,408	72,917
2029	255,390	55,436	310,826	44,502	28,998	73,500
2030-2034	964,539	176,300	1,140,839	270,931	103,306	374,237
2035-2039	442,104	86,973	529,077	223,504	20,844	244,348
2040-2044	229,107	34,345	263,452	-	-	-
2045-2049	131,702	20,790	152,492	-	-	-
2050-2054	122,116	9,518	131,634	-	-	-
2055-2059	123,109	3,347	126,456	-	-	-
2060	2,265	1	2,266	-	-	-
Total	\$ 3,610,368	\$ 706,623	\$ 4,316,991	\$ 683,944	\$ 291,058	\$ 975,002

Leases Payable

As of June 30, 2024, the County had 9 leases with terms ranging from 2 - 33 years and interest rates from 2.23% - 3.479%. The leases have annual payments that range from \$1,495 - \$45,019. The total of the leases payable was \$839,600, with a short-term portion of \$96,370 at June 30, 2024.

The future principal and interest payments for these leases as of June 30, 2024, were as follows:

Governmental activities			
Fiscal Year Ending June 30,	Principal	Interest	Total
2025	\$ 96,370	22,448	\$ 118,818
2026	95,355	19,932	115,287
2027	88,327	17,610	105,937
2028	67,764	15,506	83,270
2029	32,428	14,292	46,720
2030-2034	130,154	57,625	187,779
2035-2039	60,267	45,048	105,315
2040-2044	73,411	35,064	108,475
2045-2049	88,782	22,947	111,729
2050-2054	106,742	8,339	115,081
Total	\$ 839,600	\$ 258,811	\$ 1,098,411

The carrying value of these lease assets, included in capital assets as of June 30, 2024, was as follows:

Governmental activities			
	Cost	Accumulated Amortization	Net Book Value
Land leases	\$ 228,281	\$ (45,656)	\$ 182,625
Building leases	659,997	(98,998)	560,999
Equipment leases	160,061	(92,814)	67,247
Total	\$ 1,048,339	\$ (237,468)	\$ 810,871

County of James City, Virginia
Notes to Basic Financial Statements
June 30, 2024

17) Subscription-Based Information Technology Arrangements (SBITAs)

As of June 30, 2024, the County had subscriptions with terms ranging from 2 - 5 years and interest rates from 1.894% - 3.155%. The subscriptions have annual payments that range from \$2,426 - \$255,592. The total of the subscription liability was \$2,305,039, with a short-term portion of \$689,961 as of June 30, 2024.

The future principal and interest payments for these subscriptions as of June 30, 2024, were as follows:

Governmental Activities			
Fiscal Year Ending June 30,	Principal	Interest	Total
2025	\$ 689,961	\$ 58,770	\$ 748,731
2026	491,304	41,950	533,254
2027	495,861	29,100	524,961
2028	372,322	16,102	388,424
2029	255,591	6,697	262,288
Total	\$ 2,305,039	\$ 152,619	\$ 2,457,658

The carrying value of these subscription assets, included in capital assets at June 30, 2024, was as follows:

Governmental Activities			
	Cost	Accumulated Amortization	Net Book Value
Subscriptions	\$ 3,513,957	\$ (1,099,500)	\$ 2,414,457

18) Correction of An Error - Change to the Financial Reporting Entity

The County implemented GASB Statement No. 100, *Accounting Changes and Error Corrections—an Amendment of GASB Statement No. 62*, in fiscal year 2024. This Statement prescribes the accounting and financial reporting for each type of accounting change and error corrections. It requires that changes to or within the financial reporting entity be reported by adjusting beginning balances of the current period.

The County changed the presentation of its component unit - EDA from discretely presented to blended in fiscal year 2024. This change represents a change to the reporting entity, affecting the beginning net position of the primary government's business-type activities in the government-wide statements and of the fund net position on its enterprise fund as follows:

	Beginning Balance, July 1, 2022	Change to Financial Reporting Entity	Restated Balance, June 30, 2023
Net position, government-wide statements, business-type activities - total primary government	\$ -	\$ 2,739,828	\$ 2,739,828
Fund net position, enterprise fund - total	\$ -	\$ 2,739,828	\$ 2,739,828

19) Subsequent Events

On November 13, 2024, the County sold \$75.5 million of Series 2024 Public Facility Revenue Bonds. The bonds are scheduled to close on December 5, 2024, and the proceeds will be used to fund the costs of issuance, pre-kindergarten space, a high school cafeteria expansion, a General Services Administration building, and a portion of the design for a new Government Center. The interest rate is 3.72% and the bonds have a 20-year repayment term.

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Required Supplementary Information Other Than MD&A

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County of James City, Virginia
Budgetary Comparison Schedule
General Fund

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

County of James City, Virginia
 Budgetary Comparison Schedule - General Fund (Unaudited)
 Year ended June 30, 2024

Fund, major and minor revenue source	Original budget	Final budget	Actual	Variance positive (negative)
Revenue from local sources:				
General property taxes:				
Real property taxes	\$ 113,900,000	\$ 113,900,000	\$ 113,234,924	\$ (665,076)
Real and personal public service corporation property taxes	3,800,000	3,800,000	3,613,903	(186,097)
Personal property taxes	34,565,000	34,565,000	38,697,215	4,132,215
Machinery and tools taxes	6,400,000	6,400,000	6,660,202	260,202
Penalties	650,000	650,000	937,169	287,169
Interest	300,000	300,000	340,577	40,577
Total general property taxes	<u>159,615,000</u>	<u>159,615,000</u>	<u>163,483,990</u>	<u>3,868,990</u>
Other local taxes:				
Local sales and use taxes	21,750,000	21,710,579	21,725,205	14,626
Franchise license taxes	850,000	850,000	753,255	(96,745)
Taxes on recordation and wills	1,400,000	1,400,000	1,291,681	(108,319)
Hotel and motel room taxes	3,500,000	3,570,225	3,620,649	50,424
Restaurant food taxes	8,600,000	8,600,000	9,229,066	629,066
Cigarette taxes	650,000	439,300	439,300	-
Business licenses	7,000,000	7,000,000	8,990,559	1,990,559
Motor vehicle licenses	130,000	130,000	164,148	34,148
Deeds of conveyance	450,000	450,000	437,748	(12,252)
Penalties	-	-	84,041	84,041
Interest	-	-	42,063	42,063
Total other local taxes	<u>44,330,000</u>	<u>44,150,104</u>	<u>46,777,715</u>	<u>2,627,611</u>
Permits, privilege fees and regulatory licenses:				
Animal licenses	11,000	11,000	8,465	(2,535)
Building permits	1,000,000	1,000,000	1,096,747	96,747
Permits and other licenses	840,000	840,000	1,037,976	197,976
Total permits, privilege fees and regulatory licenses	<u>1,851,000</u>	<u>1,851,000</u>	<u>2,143,188</u>	<u>292,188</u>
Fines and forfeitures	192,500	192,500	189,877	(2,623)
Use of money and property	700,000	700,000	841,574	141,574
Charges for services:				
Court related costs	264,200	264,200	209,134	(55,066)
Law enforcement and traffic control	5,200	5,200	2,960	(2,240)
Emergency medical services	2,550,000	2,550,000	3,053,716	503,716
Parks and recreation	3,844,200	3,844,200	4,290,292	446,092
Recycling fees	1,000,000	1,000,000	1,025,850	25,850
Landfill and bulk pickup fees	540,000	540,000	585,071	45,071
Other fees	55,800	55,800	69,937	14,137
Total charges for services	<u>8,259,400</u>	<u>8,259,400</u>	<u>9,236,960</u>	<u>977,560</u>
Miscellaneous revenue:				
Sale of property	85,000	85,000	89,356	4,356
Miscellaneous	130,000	130,000	491,749	361,749
Total miscellaneous revenue	<u>215,000</u>	<u>215,000</u>	<u>581,105</u>	<u>366,105</u>
Total revenue from local sources	<u>215,162,900</u>	<u>214,983,004</u>	<u>223,254,409</u>	<u>8,271,405</u>
Revenue from the Commonwealth:				
Noncategorical aid:				
Mobile home titling taxes	40,000	40,000	50,414	10,414
Railroad rolling stock taxes	55,000	55,000	106,293	51,293
Personal property tax relief	9,770,000	9,770,000	9,770,137	137
Communications sales and use tax	1,150,000	1,150,000	1,111,532	(38,468)
Car rental tax	90,000	90,000	75,024	(14,976)
Total noncategorical aid	<u>11,105,000</u>	<u>11,105,000</u>	<u>11,113,400</u>	<u>8,400</u>
Categorical aid:				
Shared expenses:				
Commonwealth's Attorney	700,000	745,700	745,447	(253)
Sheriff	909,000	924,700	924,496	(204)
Commissioner of the Revenue	239,000	251,100	251,189	89
Treasurer	250,000	266,400	266,416	16
Registrar/Electoral Board	90,000	90,000	172,891	82,891
Clerk of the Circuit Court	649,000	649,000	620,164	(28,836)
Total shared expenses	<u>2,837,000</u>	<u>2,926,900</u>	<u>2,980,603</u>	<u>53,703</u>
Other categorical aid:				
Wireless Board	260,000	260,000	329,130	69,130
Commission of the arts	4,500	4,500	4,500	-
Spay and Neuter animal support	2,500	2,902	2,902	-
HB 599 payments	1,614,600	1,614,600	1,698,234	83,634
DMV Select	105,000	105,000	101,801	(3,199)
Total other categorical aid	<u>1,986,600</u>	<u>1,987,002</u>	<u>2,136,567</u>	<u>149,565</u>
Total categorical aid	<u>4,823,600</u>	<u>4,913,902</u>	<u>5,117,170</u>	<u>203,268</u>
Total from the Commonwealth	<u>15,928,600</u>	<u>16,018,902</u>	<u>16,230,570</u>	<u>211,668</u>
Revenue from the federal government:				
Payments in lieu of taxes	8,500	8,500	9,746	1,246
Total from the federal government	<u>8,500</u>	<u>8,500</u>	<u>9,746</u>	<u>1,246</u>
Total revenues	<u>\$ 231,100,000</u>	<u>\$ 231,010,406</u>	<u>\$ 239,494,725</u>	<u>\$ 8,484,319</u>

(Continued)

County of James City, Virginia
Budgetary Comparison Schedule - General Fund (Unaudited)
Year ended June 30, 2024

Fund, major and minor expenditure source	Original budget	Final budget	Actual	Variance positive (negative)
General government administration:				
Legislative:				
Board of supervisors	\$ 218,000	\$ 218,000	\$ 194,252	\$ 23,748
General and financial administration:				
County administrator	1,446,760	1,651,229	1,466,275	184,954
County Attorney	634,590	742,519	651,951	90,568
Human resources	980,170	1,115,207	939,739	175,468
Commissioner of the Revenue	1,145,060	1,166,515	1,047,749	118,766
Real estate assessments	907,590	969,590	896,764	72,826
Treasurer	1,582,880	1,602,537	1,459,722	142,815
Financial management services	853,580	900,844	857,013	43,831
Accounting	492,510	496,110	288,871	207,239
Purchasing	411,560	419,260	403,253	16,007
Risk management	1,001,320	1,004,920	880,332	124,588
Information Resource Management	5,865,510	6,717,430	6,146,168	571,262
Fleet maintenance	1,263,040	1,363,409	1,555,555	(192,146)
Total general and financial administration	16,584,570	18,149,570	16,593,392	1,556,178
Board of elections:				
Office of Elections	1,026,350	1,026,413	976,193	50,220
Total general government administration	17,828,920	19,393,983	17,763,837	1,630,146
Judicial administration:				
Courts:				
Circuit court and judicial services	172,650	232,758	183,111	49,647
General district court	59,310	55,811	14,537	41,274
Juvenile and domestic relations district court	38,650	39,114	19,202	19,912
Clerk of the circuit court	1,093,290	1,092,567	1,035,991	56,576
Sheriff	1,779,040	1,808,066	1,642,247	165,819
9th judicial district	7,030	7,030	8,171	(1,141)
Court services	106,620	106,620	102,155	4,465
Courthouse	704,710	805,822	626,974	178,848
Total courts	3,961,300	4,147,788	3,632,388	515,400
Commonwealth's attorney	1,429,020	1,468,449	1,487,220	(18,771)
Total judicial administration	5,390,320	5,616,237	5,119,608	496,629
Public safety:				
Law enforcement and traffic control:				
Police department	14,412,810	15,006,499	14,112,400	894,099
Emergency communications	3,809,050	4,194,948	4,181,570	13,378
Total law enforcement and traffic control	18,221,860	19,201,447	18,293,970	907,477
Fire and rescue services:				
Fire department and emergency medical services	16,759,050	16,840,214	17,216,942	(376,728)
Correction and detention:				
Regional jail	2,511,880	2,511,880	2,509,022	2,858
Juvenile detention	246,840	246,840	246,836	4
Total correction and detention:	2,758,720	2,758,720	2,755,858	2,862
Inspections:				
Building and safety permits	1,689,040	1,862,183	1,664,594	197,589
Other protection:				
Animal control	444,380	444,782	371,911	72,871
Emergency management	307,690	289,778	259,181	30,597
Total other protection	752,070	734,560	631,092	103,468
Total public safety	40,180,740	41,397,124	40,562,456	834,668

(Continued)

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

County of James City, Virginia
Budgetary Comparison Schedule - General Fund (Unaudited)
Year ended June 30, 2024

Fund, major and minor expenditure source	Original budget	Final budget	Actual	Variance positive (negative)
Public works:				
Maintenance of highways, streets, and sidewalks:				
Regional transportation	\$ 708,760	\$ 708,760	\$ 708,760	\$ -
Sanitation and waste removal:				
Solid waste and recycling	2,670,700	2,753,764	2,593,640	160,124
Maintenance of general buildings and grounds:				
Grounds maintenance	3,280,340	3,623,259	2,828,844	794,415
Facilities management	6,457,290	6,925,582	6,203,544	722,038
Total maintenance of general buildings and grounds	9,737,630	10,548,841	9,032,388	1,516,453
Total public works	13,117,090	14,011,365	12,334,788	1,676,577
Health and human services:				
Local health department	810,910	823,360	823,359	1
Behavioral health and development services	2,511,200	2,511,200	2,511,194	6
Contributions to outside agencies	316,100	316,100	316,097	3
Total health and human services	3,638,210	3,650,660	3,650,650	10
Education:				
WJCC School Division	91,303,470	91,303,470	82,526,338	8,777,132
Contribution to community college	152,700	152,700	152,700	-
Total Education	91,456,170	91,456,170	82,679,038	8,777,132
Parks, recreation and cultural:				
Parks and recreation:				
Administration and recreation services	7,645,990	7,574,600	7,508,604	65,996
Community centers	491,030	550,220	455,517	94,703
Park operations	497,700	670,091	613,289	56,802
Total parks and recreation	8,634,720	8,794,911	8,577,410	217,501
Library:				
Regional library	5,917,020	5,917,020	5,917,020	-
Total parks, recreation and cultural	14,551,740	14,711,931	14,494,430	217,501
Community development:				
Planning and community development:				
Planning	1,190,230	1,258,324	1,060,422	197,902
Community Development	891,540	948,200	919,505	28,695
Zoning enforcement	409,360	409,360	402,556	6,804
Economic development	615,750	618,545	307,428	311,117
Total planning and community development	3,106,880	3,234,429	2,689,911	544,518
Environmental management:				
Cooperative extension	58,000	58,000	18,424	39,576
Environmental management:				
Stormwater & Resource protection	2,484,720	2,874,332	2,416,968	457,364
Total community development	5,649,600	6,166,761	5,125,303	1,041,458
Nondepartmental:				
Miscellaneous	2,500,000	495,783	-	495,783
Debt service:				
Lease financing - principal	-	145,872	145,872	-
Lease financing - interest	-	18,874	18,874	-
Subscription financing - principal	-	717,183	717,183	-
Subscription financing - interest	-	37,617	37,617	-
Total debt service	-	919,546	919,546	-
Total expenditures	194,312,790	197,819,560	182,649,656	15,169,904
Excess of revenues over expenditures	36,787,210	33,190,846	56,845,069	23,654,223
Other financing sources (uses):				
Transfers in	118,000	118,000	122,711	4,711
Transfers out	(36,905,210)	(47,453,159)	(41,288,726)	6,164,433
Subscription issuances	-	1,447,104	1,447,104	-
Total other financing uses, net	(36,787,210)	(45,888,055)	(39,718,911)	6,169,144
Net change in fund balance	-	(12,697,209)	17,126,158	29,823,367
Fund balance, beginning of year	-	12,697,209	113,527,060	100,829,851
Fund balance, end of year	\$ -	\$ -	\$ 130,653,218	\$ 130,653,218

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

County of James City, Virginia
Budgetary Comparison Schedule
Grants and Special Projects Fund

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

County of James City, Virginia

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

Grants and Special Projects Fund

Year ended June 30, 2024

	Original Budget	Revised Budget	Actual	Variance positive (negative)
Revenues:				
Permits, privilege fees and regulatory licenses	\$ -	\$ 37,500	37,500	\$ -
Miscellaneous	-	1,247,612	229,845	(1,017,767)
Intergovernmental:				
Local	-	438,500	353,855	(84,645)
Commonwealth	1,689,793	4,572,583	3,311,044	(1,261,539)
Federal	39,978	13,236,078	4,179,667	(9,056,411)
Total revenues	1,729,771	19,532,273	8,111,911	(11,420,362)
Expenditures:				
Current:				
General government administration	-	3,334,248	1,798,758	1,535,490
Judicial administration	217,600	582,231	389,822	192,409
Public safety	39,978	2,375,219	1,071,857	1,303,362
Public works	2,000,000	11,403,105	1,790,488	9,612,617
Health and human services	1,837,193	2,277,512	1,748,438	529,074
Education	-	460,105	305,289	154,816
Parks, recreation and cultural	-	7,332,080	975,446	6,356,634
Community development	50,000	2,701,415	596,503	2,104,912
Total expenditures	4,144,771	30,465,915	8,676,601	21,789,314
Excess (deficiency) of revenues over (under) expenditures	(2,415,000)	(10,933,642)	(564,690)	10,368,952
Other financing sources:				
Transfers in	2,165,000	2,216,172	2,216,172	-
Total other financing sources	2,165,000	2,216,172	2,216,172	-
Net change in fund balance	(250,000)	(8,717,470)	1,651,482	(10,368,952)
Fund balance, beginning of year	250,000	8,717,470	8,171,399	546,071
Fund balance, end of year	\$ -	\$ -	\$ 9,822,881	\$ (9,822,881)

See accompanying report of independent auditor.

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

	Component unit - Service Authority		Component unit - Service Authority		Component unit - Service Authority		Component unit - Service Authority		Component unit - Service Authority		Component unit - Service Authority		Component unit - Service Authority		Component unit - Service Authority		Component unit - Service Authority		Component unit - Service Authority	
	County	County	County	County	County	County	County	County	County	County	County	County	County	County	County	County	County	County	County	County
Year ended June 30,*	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024										
Total pension liability																				
Service cost	\$ 4,376,092	\$ 417,066	\$ 4,416,137	\$ 430,269	\$ 4,398,469	\$ 404,294	\$ 4,344,463	\$ 411,137	\$ 4,233,955	\$ 379,365	\$ 4,329,341	\$ 378,585	\$ 4,498,054	\$ 400,579	\$ 4,539,185	\$ 393,653	\$ 4,837,048	\$ 387,269	\$ 5,393,256	\$ 440,954
Interest	9,996,496	913,818	10,586,624	978,647	11,164,260	1,032,165	11,561,915	1,104,651	12,034,506	1,132,686	12,600,514	1,198,755	12,930,800	1,265,059	13,977,620	1,317,521	15,493,524	1,441,308	16,065,148	1,561,858
Changes of benefit terms	-	-	-	-	-	-	-	-	-	-	(4,186,347)	-	3,287,161	26,989	-	-	-	817,428	-	-
Differences between expected and actual experience	-	-	252,227	(146,331)	(2,733,673)	128,139	(554,290)	(213,521)	(258,300)	62,537	1,286,792	182,506	4,023,942	(172,618)	8,045	(27,793)	(1,746,972)	-	1,942,788	383,483
Changes in assumptions	-	-	-	-	-	-	(1,296,832)	(335,427)	-	-	5,993,876	546,875	-	-	9,135,268	557,493	-	-	-	-
Benefit payments, including refunds of employee contributions	(5,223,843)	(376,365)	(6,660,511)	(433,146)	(7,345,595)	(562,945)	(6,950,943)	(495,181)	(7,656,974)	(637,522)	(8,191,674)	(623,967)	(8,736,556)	(756,401)	(9,726,471)	(729,183)	(10,352,191)	(859,354)	(10,990,404)	(968,152)
Net change in total pension liability	9,148,745	954,519	8,594,477	829,439	5,483,461	1,001,653	7,104,313	471,659	8,353,187	937,066	11,832,502	1,682,754	16,003,401	763,608	17,933,647	1,511,691	8,231,409	1,786,651	12,410,788	1,418,143
Total pension liability, beginning	145,419,002	13,242,723	154,567,747	14,197,242	163,162,224	15,026,681	168,645,685	16,028,334	175,749,998	16,499,993	184,103,185	17,437,059	195,935,687	19,119,813	211,939,088	19,883,421	229,872,735	21,395,112	238,104,144	23,181,763
Total pension liability, ending (a)	\$ 154,567,747	\$ 14,197,242	\$ 163,162,224	\$ 15,026,681	\$ 168,645,685	\$ 16,028,334	\$ 175,749,998	\$ 16,499,993	\$ 184,103,185	\$ 17,437,059	\$ 195,935,687	\$ 19,119,813	\$ 211,939,088	\$ 19,883,421	\$ 229,872,735	\$ 21,395,112	\$ 238,104,144	\$ 23,181,763	\$ 250,514,932	\$ 24,599,906
Plan fiduciary net position																				
Contributions - employer	4,362,691	308,820	4,065,806	329,381	4,133,647	336,720	3,536,962	288,588	3,660,271	297,525	3,662,166	235,463	3,904,631	243,251	4,535,863	271,540	4,743,535	295,888	5,903,106	340,978
Contributions - employee	1,909,429	197,188	1,844,202	193,349	1,870,648	197,261	1,934,998	210,624	1,952,900	204,311	2,023,105	212,351	1,927,807	220,872	1,960,133	219,619	2,057,224	241,614	2,229,536	269,746
Net investment income	18,931,089	1,802,418	6,365,577	612,704	2,508,354	245,617	17,721,493	1,734,000	11,930,106	1,174,317	11,422,082	1,128,516	3,361,921	340,716	48,333,112	4,896,608	(223,827)	(23,391)	14,070,884	1,427,563
Benefit payments, including refunds of employee contributions	(5,223,843)	(376,365)	(6,660,511)	(433,146)	(7,345,595)	(562,945)	(6,950,943)	(495,181)	(7,656,974)	(637,522)	(8,191,674)	(623,967)	(8,736,556)	(756,401)	(9,726,471)	(729,183)	(10,352,191)	(859,354)	(10,990,404)	(968,152)
Administrative expense	(100,186)	(9,511)	(86,580)	(8,173)	(89,515)	(8,604)	(101,649)	(9,804)	(102,499)	(10,045)	(112,707)	(11,054)	(117,595)	(11,611)	(120,157)	(12,086)	(137,959)	(14,003)	(136,210)	(14,191)
Other	998	95	(1,349)	(130)	(1,066)	(104)	(15,816)	(1,553)	(10,651)	(1,050)	(3,597,077)	(713)	12,497	(403)	4,559	463	5,128	521	5,678	575
Net change in plan fiduciary net position	19,880,178	1,922,645	5,527,145	693,985	1,076,473	207,945	16,125,045	1,726,674	9,773,153	1,027,536	5,205,895	940,596	352,705	36,424	44,987,039	4,646,959	(3,908,090)	(358,725)	11,079,590	1,056,519
Plan fiduciary net position, beginning	119,228,777	11,335,104	139,108,955	13,257,749	144,636,100	13,951,734	145,712,573	14,159,679	161,837,618	15,886,353	171,610,771	16,913,889	176,816,666	17,854,485	177,169,371	17,890,909	222,156,410	22,537,868	218,248,320	22,179,143
Plan fiduciary net position, ending (b)	139,108,955	13,257,749	144,636,100	13,951,734	145,712,573	14,159,679	161,837,618	15,886,353	171,610,771	16,913,889	176,816,666	17,854,485	177,169,371	17,890,909	222,156,410	22,537,868	218,248,320	22,179,143	229,327,910	23,235,662
Net pension liability (a) - (b)	\$ 15,458,792	\$ 939,493	\$ 18,526,124	\$ 1,074,947	\$ 22,933,112	\$ 1,868,655	\$ 13,912,380	\$ 613,640	\$ 12,492,414	\$ 523,170	\$ 19,119,021	\$ 1,265,328	\$ 34,769,717	\$ 1,992,512	\$ 7,716,325	\$ (1,142,756)	\$ 19,855,824	\$ 1,002,620	\$ 21,187,022	\$ 1,364,244
Plan fiduciary net position as a percentage of the total pension liability	90.00%	93.38%	88.65%	92.85%	86.40%	88.34%	92.08%	96.28%	93.21%	97.00%	90.24%	93.38%	83.59%	89.98%	96.64%	105.34%	91.66%	95.67%	91.54%	94.45%
Covered payroll	\$ 37,347,889	\$ 3,943,686	\$ 36,788,968	\$ 3,897,762	\$ 36,788,968	\$ 4,026,779	\$ 38,853,860	\$ 4,083,082	\$ 40,475,381	\$ 4,230,543	\$ 40,710,451	\$ 4,445,820	\$ 40,413,598	\$ 4,673,979	\$ 40,918,484	\$ 4,675,862	\$ 43,073,802	\$ 5,198,520	\$ 46,865,712	\$ 5,881,716
Net pension liability as a percentage of the total covered payroll	41.39%	23.82%	50.36%	27.58%	62.34%	46.41%	35.81%	15.03%	30.86%	12.37%	46.96%	28.46%	86.03%	42.63%	18.86%	-24.44%	46.10%	19.29%	45.21%	23.19%

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

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

Year ended June 30,*	Component unit - Public Schools' Non-professional									
	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Total pension liability										
Service cost	\$ 507,972	\$ 526,136	\$ 540,481	\$ 523,460	\$ 506,887	\$ 485,858	\$ 552,167	\$ 545,063	\$ 477,779	\$ 538,065
Interest	1,021,383	1,087,945	1,157,021	1,222,200	1,254,419	1,297,224	1,309,428	1,366,821	1,530,373	1,602,826
Differences between expected and actual experience	-	(13,491)	(122,658)	(318,599)	(287,441)	(426,300)	78,555	324,773	202,069	474,462
Changes in assumptions	-	-	-	(236,957)	-	528,041	-	813,135	-	-
Benefit payments, including refunds of employee contributions	(570,189)	(586,736)	(640,852)	(646,577)	(813,097)	(911,625)	(1,123,687)	(1,056,098)	(1,153,064)	(1,241,175)
Net change in total pension liability	<u>959,166</u>	<u>1,013,854</u>	<u>933,992</u>	<u>543,527</u>	<u>660,768</u>	<u>973,198</u>	<u>816,463</u>	<u>1,993,694</u>	<u>1,057,157</u>	<u>1,374,178</u>
Total pension liability, beginning	<u>14,876,279</u>	<u>15,835,445</u>	<u>16,849,299</u>	<u>17,783,291</u>	<u>18,326,818</u>	<u>18,987,586</u>	<u>19,960,784</u>	<u>20,777,247</u>	<u>22,770,941</u>	<u>23,828,098</u>
Total pension liability, ending (a)	<u>\$ 15,835,445</u>	<u>\$ 16,849,299</u>	<u>\$ 17,783,291</u>	<u>\$ 18,326,818</u>	<u>\$ 18,987,586</u>	<u>\$ 19,960,784</u>	<u>\$ 20,777,247</u>	<u>\$ 22,770,941</u>	<u>\$ 23,828,098</u>	<u>\$ 25,202,276</u>
Plan fiduciary net position										
Contributions - employer	435,519	372,141	369,942	233,501	224,276	173,657	172,426	158,331	163,014	206,293
Contributions - employee	237,728	256,454	256,786	257,483	249,325	268,278	279,227	255,416	266,640	283,776
Net investment income	2,265,304	764,646	309,381	2,158,117	1,451,191	1,377,110	404,254	5,804,084	(20,911)	1,645,642
Benefit payments, including refunds of employee contributions	(570,189)	(586,736)	(640,852)	(646,577)	(813,097)	(911,625)	(1,123,687)	(1,056,098)	(1,153,064)	(1,241,175)
Administrative expense	(12,002)	(10,296)	(10,703)	(12,355)	(12,546)	(13,730)	(14,290)	(14,667)	(16,643)	(16,657)
Other	120	(162)	(130)	(1,926)	(1,291)	(866)	(483)	545	606	661
Net change in plan fiduciary net position	<u>2,356,480</u>	<u>796,047</u>	<u>284,424</u>	<u>1,988,243</u>	<u>1,097,858</u>	<u>892,824</u>	<u>(282,553)</u>	<u>5,147,611</u>	<u>(760,358)</u>	<u>878,540</u>
Plan fiduciary net position, beginning	<u>14,283,651</u>	<u>16,640,131</u>	<u>17,436,178</u>	<u>17,720,602</u>	<u>19,708,845</u>	<u>20,806,703</u>	<u>21,699,527</u>	<u>21,416,974</u>	<u>26,564,585</u>	<u>25,804,227</u>
Plan fiduciary net position, ending (b)	<u>16,640,131</u>	<u>17,436,178</u>	<u>17,720,602</u>	<u>19,708,845</u>	<u>20,806,703</u>	<u>21,699,527</u>	<u>21,416,974</u>	<u>26,564,585</u>	<u>25,804,227</u>	<u>26,682,767</u>
Net pension liability (asset) (a) - (b)	<u>\$ (804,686)</u>	<u>\$ (586,879)</u>	<u>\$ 62,689</u>	<u>\$ (1,382,027)</u>	<u>\$ (1,819,117)</u>	<u>\$ (1,738,743)</u>	<u>\$ (639,727)</u>	<u>\$ (3,793,644)</u>	<u>\$ (1,976,129)</u>	<u>\$ (1,480,491)</u>
Plan fiduciary net position as a percentage of the total pension liability	105.08%	103.48%	99.65%	107.54%	109.58%	108.71%	103.08%	116.66%	108.29%	105.87%
Covered payroll	\$ 4,812,365	\$ 5,154,307	\$ 5,123,850	\$ 5,000,257	\$ 4,802,484	\$ 4,905,565	\$ 4,870,819	\$ 5,556,149	\$ 5,858,963	\$ 6,165,355
Net pension liability (asset) as a percentage of the total covered payroll	-16.72%	-11.39%	1.22%	-27.64%	-37.88%	-35.44%	-13.13%	-68.28%	-33.73%	-24.01%

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

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

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

Year ended June 30,*	Component unit - Public Schools' Professional									
	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Employer's proportion of the net pension liability	0.85987%	0.87896%	0.87104%	0.86356%	0.84943%	0.86221%	0.85779%	0.83377%	0.85716%	85.13200%
Employer's proportionate share of the net pension liability	\$ 103,913,000	\$ 110,629,000	\$ 122,069,000	\$ 106,201,000	\$ 99,893,000	\$ 113,471,736	\$ 124,830,972	\$ 64,726,377	\$ 81,606,763	\$ 86,044,656
Employer's covered payroll	\$ 62,882,350	\$ 65,034,559	\$ 65,800,057	\$ 67,052,585	\$ 67,353,977	\$ 70,456,378	\$ 72,905,344	\$ 73,604,525	\$ 79,775,536	\$ 84,788,694
Employer's proportionate share of the net pension liability as a percentage of its covered payroll	165.25%	170.11%	185.52%	158.38%	148.31%	161.05%	171.22%	87.94%	102.30%	101.48%
Plan fiduciary net position as a percentage of the total pension liability	70.88%	70.68%	68.28%	72.92%	74.81%	73.51%	71.47%	85.46%	82.61%	82.45%

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

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

County of James City, Virginia
Schedule of Employer Pension Contributions
Required Supplementary Information (Unaudited)

Fiscal year	Contractually required contribution		Contributions in relation to contractually required contribution		Contribution deficiency (excess)*		Employer's covered payroll		Contributions as a % of covered payroll	
	County	Component unit - Service Authority	County	Component unit - Service Authority	County	Component unit - Service Authority	County	Component unit - Service Authority	County	Component unit - Service Authority
2015	\$ 4,090,933	\$ 330,920	\$ 4,091,153	\$ 330,920	\$ 220	\$ -	\$ 36,788,968	\$ 3,897,762	11.12%	8.49%
2016	4,190,228	341,874	4,190,244	341,874	16	-	37,681,907	4,026,779	11.12%	8.49%
2017	3,640,607	297,668	3,640,677	297,668	70	-	38,853,860	4,083,082	9.37%	7.29%
2018	3,792,543	308,672	3,793,308	308,672	765	-	40,475,381	4,230,543	9.37%	7.30%
2019	3,814,569	250,534	3,816,392	250,534	1,823	-	40,710,451	4,445,820	9.37%	5.64%
2020	4,085,815	265,027	4,085,863	265,027	48	-	40,413,598	4,673,979	10.11%	5.67%
2021	4,535,863	271,540	4,535,863	271,540	-	-	40,918,484	4,675,862	11.09%	5.81%
2022	4,743,535	295,888	4,743,535	295,888	-	-	43,073,802	5,198,520	11.01%	5.69%
2023	5,903,389	341,006	5,903,389	341,006	-	-	46,865,712	5,881,716	12.60%	5.80%
2024	6,330,739	368,602	6,330,739	368,602	-	-	50,570,681	6,420,348	12.52%	5.74%

Fiscal year	Contractually required contribution		Contributions in relation to contractually required contribution		Contribution deficiency (excess)		Employer's covered payroll		Contributions as a % of covered payroll	
	Non-professional	Professional	Non-professional	Professional	Non-professional	Professional	Non-professional	Professional	Non-professional	Professional
2015	\$ 372,141	\$ 9,430,011	\$ 372,141	\$ 9,430,011	\$ -	\$ -	\$ 5,154,307	\$ 65,034,559	7.22%	14.50%
2016	369,942	9,251,488	369,942	9,251,488	-	-	5,123,850	65,800,057	7.22%	14.06%
2017	233,512	9,829,909	233,512	9,829,909	-	-	5,000,257	67,052,585	4.67%	14.66%
2018	224,276	10,992,169	224,276	10,992,169	-	-	4,802,484	67,353,977	4.67%	16.32%
2019	173,657	11,047,560	173,657	11,047,560	-	-	4,905,565	70,456,378	3.54%	15.68%
2020	172,427	11,431,558	172,427	11,431,558	-	-	4,870,819	72,905,344	3.54%	15.68%
2021	158,334	11,795,307	158,334	11,795,307	-	-	5,556,149	73,604,525	2.85%	16.03%
2022	163,014	12,731,972	163,014	12,731,972	-	-	5,858,963	79,775,536	2.78%	15.96%
2023	206,318	13,448,721	206,318	13,448,721	-	-	6,165,355	84,788,694	3.35%	15.86%
2024	226,321	14,302,098	226,321	14,302,098	-	-	5,178,970	88,230,093	4.37%	16.21%

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

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

County of James City, Virginia
Schedule of Employer's Share of Retiree Healthcare OPEB Liability (1) (2)
Required Supplementary Information (Unaudited)

Measurement date as of June 30,	Component unit - Service County Authority		Component unit - Service County Authority		Component unit - Service County Authority		Component unit - Service County Authority		Component unit - Service County Authority		Component unit - Service County Authority		Component unit - Service County Authority	
	2018		2019		2020		2021		2022		2023		2024	
Employer's proportion of the County's Retiree Healthcare OPEB Liability	77.59%	7.35%	77.59%	7.35%	78.42%	7.30%	78.42%	7.30%	81.72%	6.46%	81.72%	6.46%	79.99%	7.29%
Employer's proportionate share of the County's Retiree Healthcare OPEB Liability	\$ 4,296,213	\$ 406,742	\$ 4,571,936	\$ 432,969	\$ 4,097,564	\$ 381,436	\$ 4,649,834	\$ 432,846	\$ 3,598,216	\$ 284,440	\$ 3,264,216	\$ 258,038	\$ 2,750,685	\$ 250,687
Fiduciary net position as a % of total OPEB liability	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Expected average remaining service years of all participants	7	7	7	7	6	6	6	6	5	5	5	5	6	6

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

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

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

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

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

Year ended June 30,*	Component Unit - Public Schools' Non-professional						
	2018	2019	2020	2021	2022	2023	2024
Total OPEB - RH liability							
Service cost	\$ 457,670	\$ 432,740	\$ 448,112	\$ 580,721	\$ 657,420	\$ 551,331	\$ 464,665
Interest cost	126,557	165,148	180,316	158,452	142,801	98,456	186,495
Differences between expected and actual experience	-	(270,907)	(487,307)	(180,989)	(370,916)	(38,738)	(710,939)
Changes in assumptions	(244,756)	(13,843)	(61,871)	249,100	(879,609)	(477,580)	(223,452)
Benefit payments	(127,182)	64,113	(9,510)	(21,200)	(282,806)	(138,264)	(315,167)
Net change in total OPEB - RH liability	212,289	377,251	69,740	786,084	(733,110)	(4,795)	(598,398)
Total OPEB - RH liability, beginning	4,504,186	4,716,475	5,093,726	5,163,466	5,949,550	5,216,440	5,211,645
Total OPEB - RH liability, ending (a)	<u>\$ 4,716,475</u>	<u>\$ 5,093,726</u>	<u>\$ 5,163,466</u>	<u>\$ 5,949,550</u>	<u>\$ 5,216,440</u>	<u>\$ 5,211,645</u>	<u>\$ 4,613,247</u>
Plan fiduciary net position - RH							
Contributions - employer	206,794	(64,113)	9,510	21,200	293,622	150,218	315,167
Benefit payments	(206,794)	64,113	(9,510)	(21,200)	(282,806)	(138,264)	(315,167)
Administrative expense	-	-	-	-	(10,816)	(11,954)	-
Net change in plan fiduciary net position - RH	-	-	-	-	-	-	-
Plan fiduciary net position - RH, beginning	-	-	-	-	-	-	-
Plan fiduciary net position - RH, ending (b)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
OPEB - RH liability (a) - (b)	<u>\$ 4,716,475</u>	<u>\$ 5,093,726</u>	<u>\$ 5,163,466</u>	<u>\$ 5,949,550</u>	<u>\$ 5,216,440</u>	<u>\$ 5,211,645</u>	<u>\$ 4,613,247</u>
Plan fiduciary net position - RH as a percentage of the total OPEB - RH liability	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Expected average remaining service years of all participants	7	7	7	7	6	6	6

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

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

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

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

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

Year ended June 30,*	County		Component unit - Service Authority		County		Component unit - Service Authority		County		Component unit - Service Authority		County		Component unit - Service Authority		County		Component unit - Service Authority		County		Component unit - Service Authority		County		Component unit - Service Authority	
	2018		2019		2020		2021		2022		2023		2024															
Total OPEB - HIC liability																												
Service cost	\$	29,486	\$	3,682	\$	29,285	\$	3,588	\$	31,239	\$	3,579	\$	28,624	\$	3,812	\$	29,856	\$	3,338	\$	46,706	\$	2,822	\$	22,944	\$	1,875
Interest cost		84,387		10,769		86,675		11,121		89,705		11,031		91,010		11,040		94,908		11,465		100,817		11,172		102,811		11,721
Changes of benefit terms		-		-		-		-		(36,541)		-		-		-		-		-		-		-		-		-
Differences between expected and actual experience		-		-		12,586		(7,706)		32,810		(3,892)		32,494		(113)		(10,093)		(13,932)		(112,702)		1,335		61,593		(2,333)
Changes in assumptions		(10,761)		(3,953)		-		-		36,394		4,095		-		-		26,493		919		118,163		3,212		-		-
Benefit payments, including refunds of employee contributions		(53,124)		(3,508)		(87,727)		(7,440)		(82,782)		(9,131)		(90,830)		(8,554)		(97,936)		(8,357)		(102,727)		(9,518)		(96,651)		(9,405)
Net change in total OPEB - HIC liability		49,988		6,990		40,819		(437)		70,825		5,682		61,298		6,185		43,228		(6,567)		50,257		9,023		90,697		1,858
Total OPEB - HIC liability, beginning		1,232,086		155,602		1,282,074		162,592		1,322,893		162,155		1,393,718		167,837		1,455,016		174,022		1,498,244		167,455		1,548,501		176,478
Total OPEB - HIC liability, ending (a)	\$	1,282,074	\$	162,592	\$	1,322,893	\$	162,155	\$	1,393,718	\$	167,837	\$	1,455,016	\$	174,022	\$	1,498,244	\$	167,455	\$	1,548,501	\$	176,478	\$	1,639,198	\$	178,336
Plan fiduciary net position - HIC																												
Contributions - employer		65,197		8,166		67,836		8,467		74,871		8,002		74,360		8,413		78,543		8,417		82,163		9,357		89,781		5,883
Net investment income		71,316		10,122		49,083		7,150		46,337		6,922		14,671		2,272		191,205		30,356		1,379		172		54,172		8,761
Benefit payments, including refunds of employee contributions		(53,124)		(3,508)		(87,727)		(7,440)		(82,782)		(9,131)		(90,830)		(8,554)		(97,936)		(8,357)		(102,727)		(9,518)		(96,651)		(9,405)
Administrative expense		(1,170)		(170)		(1,138)		(170)		(1,004)		(151)		(1,374)		(219)		(2,217)		(362)		(1,555)		(256)		(1,288)		(210)
Other		3,562		494		(3,562)		(494)		(19,114)		(8)		(2,240)		(1)		-		-		22,419		2,815		1,208		152
Net change in plan fiduciary net position - HIC		85,781		15,104		24,492		7,513		18,308		5,634		(5,413)		1,911		169,595		30,054		1,679		2,570		47,222		5,181
Plan fiduciary net position - HIC, beginning		612,679		85,165		698,460		100,269		722,952		107,782		741,260		113,416		735,847		115,327		905,442		145,381		907,121		147,951
Plan fiduciary net position - HIC, ending (b)		698,460		100,269		722,952		107,782		741,260		113,416		735,847		115,327		905,442		145,381		907,121		147,951		954,343		153,132
Net OPEB - HIC liability (a) - (b)	\$	583,614	\$	62,323	\$	599,941	\$	54,373	\$	652,458	\$	54,421	\$	719,169	\$	58,695	\$	592,802	\$	22,074	\$	641,380	\$	28,527	\$	684,855	\$	25,204
Plan fiduciary net position - HIC as a percentage of the total OPEB - HIC liability		54.48%		61.67%		54.65%		66.47%		53.19%		67.58%		50.57%		66.27%		60.43%		86.82%		58.58%		83.84%		58.22%		85.87%
Covered payroll	\$	38,853,860	\$	4,083,082	\$	40,475,381	\$	4,230,543	\$	40,710,451	\$	4,445,820	\$	40,413,598	\$	4,673,979	\$	40,918,484	\$	4,675,862		43,073,802	\$	5,198,520	\$	46,865,712	\$	5,881,716
Net OPEB - HIC liability as a percentage of the total covered payroll		1.50%		1.53%		1.48%		1.29%		1.60%		1.22%		1.78%		1.26%		1.45%		0.47%		1.49%		0.55%		1.46%		0.43%

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

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

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

Year ended June 30,*	Component Unit - Public Schools Non-professional						
	2018	2019	2020	2021	2022	2023	2024
Total OPEB - HIC liability							
Service cost	\$ 8,750	\$ 8,619	\$ 7,967	\$ 8,604	\$ 8,696	\$ 5,774	\$ 8,702
Interest cost	21,536	21,905	21,557	21,755	23,703	25,358	36,841
Changes of benefit terms	-	-	-	23,639	-	199,383	-
Differences between expected and actual experience	-	(16,514)	(2,594)	(765)	6,777	(76,824)	40,460
Changes in assumptions	(11,335)	-	7,656	-	9,929	47,991	-
Benefit payments, including refunds of employee contributions	(6,674)	(20,665)	(17,320)	(23,176)	(25,544)	(35,205)	(33,759)
Net change in total OPEB - HIC liability	12,277	(6,655)	17,266	30,057	23,561	166,477	52,244
Total OPEB - HIC liability, beginning	310,991	323,268	316,613	333,879	363,936	387,497	553,974
Total OPEB - HIC liability, ending (a)	\$ 323,268	\$ 316,613	\$ 333,879	\$ 363,936	\$ 387,497	\$ 553,974	\$ 606,218
Plan fiduciary net position - HIC							
Contributions - employer	11,391	11,165	9,260	9,712	9,444	16,404	28,361
Net investment income	33,666	23,057	21,491	6,935	88,482	883	24,130
Benefit payments, including refunds of employee contributions	(6,674)	(20,665)	(17,320)	(23,176)	(25,544)	(35,205)	(33,759)
Administrative expense	(552)	(535)	(466)	(657)	(1,007)	(693)	(574)
Other	1,683	(1,683)	(25)	(3)	-	9,500	511
Net change in plan fiduciary net position - HIC	39,514	11,339	12,940	(7,189)	71,375	(9,111)	18,669
Plan fiduciary net position - HIC, beginning	288,259	327,773	339,112	352,052	344,863	416,238	407,127
Plan fiduciary net position - HIC, ending (b)	327,773	339,112	352,052	344,863	416,238	407,127	425,796
Net OPEB - HIC liability (asset) (a) - (b)	\$ (4,505)	\$ (22,499)	\$ (18,173)	\$ 19,073	\$ (28,741)	\$ 146,847	\$ 180,422
Plan fiduciary net position - HIC as a percentage of the total OPEB - HIC liability	101.39%	107.11%	105.44%	94.76%	107.42%	73.49%	70.24%
Covered payroll	\$ 5,000,257	\$ 4,854,348	\$ 5,766,438	\$ 6,070,000	\$ 5,556,149	\$ 5,858,963	\$ 6,165,217
Net OPEB - HIC liability (asset) as a percentage of the total covered payroll	-0.09%	-0.46%	-0.32%	0.31%	-0.52%	2.51%	2.93%

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

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

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

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

Year ended June 30,*	Component unit - County Service Authority		Component unit - County Service Authority		Component unit - County Service Authority		Component unit - County Service Authority		Component unit - County Service Authority		Component unit - County Service Authority		Component unit - County Service Authority	
	2018		2019		2020		2021		2022		2023		2024	
Employer's proportionate share of the net OPEB - GLI liability	0.21149%	0.02217%	0.21342%	0.02234%	0.20827%	0.02269%	0.19670%	0.02274%	0.19847%	0.02265%	0.19859%	0.02390%	0.19974%	0.02506%
Employer's proportionate share of the net OPEB - GLI liability	\$ 3,183,000	\$ 333,000	\$ 3,241,000	\$ 340,000	\$ 3,389,000	\$ 369,227	\$ 3,282,601	\$ 379,494	\$ 2,310,729	\$ 263,708	\$ 2,391,215	\$ 287,779	\$ 2,395,509	\$ 300,548
Employer's covered payroll	\$ 38,853,860	\$ 4,083,082	\$ 40,475,381	\$ 4,230,543	\$ 40,710,451	\$ 4,445,820	\$ 40,413,598	\$ 4,673,979	\$ 40,918,484	\$ 4,675,862	43,073,802	5,198,520	\$ 46,865,712	\$ 5,881,716
OPEB - GLI liability as a percentage of its covered payroll	8.19%	8.16%	8.01%	8.04%	8.32%	8.31%	8.12%	8.12%	5.65%	5.64%	5.55%	5.54%	5.11%	5.11%
Plan fiduciary net position as a % of total OPEB - GLI liability	48.86%	48.86%	51.22%	51.22%	52.00%	52.00%	52.64%	52.64%	67.45%	67.45%	67.21%	67.21%	69.30%	69.30%

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

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

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

Year ended June 30,*	Component Unit - Public Schools													
	Non- professional	Professional	Non- professional	Professional	Non- professional	Professional	Non- professional	Professional	Non- professional	Professional	Non- professional	Professional	Non- professional	Professional
	2018		2019		2020		2021		2022		2023		2024	
Employer's proportion of the net OPEB - GLI liability	0.02951%	0.37116%	0.02817%	0.36332%	0.02987%	0.37153%	0.02965%	0.36879%	0.02735%	0.35894%	0.02716%	0.36867%	0.02647%	0.36296%
Employer's proportionate share of the net OPEB - GLI liability	\$ 444,000	\$ 5,585,000	\$ 428,000	\$ 5,518,000	\$ 486,064	\$ 6,045,782	\$ 494,810	\$ 6,154,501	\$ 318,428	\$ 4,179,035	\$ 327,033	\$ 4,439,142	\$ 317,458	\$ 4,353,028
Employer's covered payroll	\$ 5,000,257	\$ 67,052,585	\$ 4,802,484	\$ 67,353,977	\$ 5,844,231	\$ 72,572,692	\$ 6,149,423	\$ 76,495,192	\$ 5,645,747	\$ 74,108,820	\$ 5,907,714	\$ 80,195,631	\$ 6,189,259	\$ 84,859,444
Employer's proportionate share of the net OPEB - GLI liability as a percentage of its covered payroll	8.88%	8.33%	8.91%	8.19%	8.32%	8.33%	8.05%	8.05%	5.64%	5.64%	5.54%	5.54%	5.13%	5.13%
Plan fiduciary net position as a % of total OPEB - GLI liability	48.86%	48.86%	51.22%	51.22%	52.00%	52.00%	52.64%	52.64%	67.45%	67.45%	67.21%	67.21%	69.30%	69.30%

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

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

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

Fiscal year	Contractually required contribution		Contributions in relation to contractually required contribution		Contribution (deficiency) excess *		Employer's covered payroll		Contributions as a % of covered payroll	
	County	Component unit - Service Authority	County	Component unit - Service Authority	County	Component unit - Service Authority	County	Component unit - Service Authority	County	Component unit - Service Authority
2018	\$ 210,472	\$ 21,999	\$ 212,091	\$ 22,168	\$ 1,619	\$ 169	\$ 40,475,381	\$ 4,230,543	0.52%	0.52%
2019	211,694	23,118	213,323	21,000	1,629	(2,118)	40,710,451	4,445,820	0.52%	0.47%
2020	210,151	23,131	211,767	24,492	1,616	1,361	40,413,598	4,673,979	0.52%	0.52%
2021	219,323	24,339	221,278	25,063	1,955	724	40,918,484	4,675,862	0.54%	0.54%
2022	230,876	25,250	230,876	27,864	-	2,614	43,073,802	5,198,520	0.54%	0.54%
2023	251,200	28,072	251,200	31,526	-	3,454	46,865,712	5,881,716	0.54%	0.54%
2024	271,059	34,413	271,059	34,413	-	-	50,570,681	6,420,348	0.54%	0.54%

Fiscal year	Contractually required contribution		Contributions in relation to contractually required contribution		Contribution deficiency		Employer's covered payroll		Contributions as a % of covered payroll	
	Component unit - Public Schools									
	Non- professional	Professional	Non- professional	Professional	Non- professional	Professional	Non- professional	Professional	Non- professional	Professional
2018	\$ 25,165	\$ 352,935	\$ 25,165	\$ 352,935	\$ -	\$ -	\$ 4,802,484	\$ 67,353,977	0.52%	0.52%
2019	30,390	377,378	30,390	377,378	-	-	5,844,231	72,572,693	0.52%	0.52%
2020	31,977	397,775	31,977	397,775	-	-	6,149,423	76,695,192	0.52%	0.52%
2021	30,260	397,270	30,260	397,270	-	-	5,645,747	74,108,820	0.54%	0.54%
2022	31,666	429,466	31,666	429,466	-	-	5,907,714	80,195,631	0.54%	0.54%
2023	33,422	458,241	33,422	458,241	-	-	6,189,259	84,859,444	0.54%	0.54%
2024	37,425	488,210	37,425	488,210	-	-	6,930,556	90,409,259	0.54%	0.54%

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

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

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

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

Fiscal year	Contractually required contribution		Contributions in relation to contractually required contribution		Contribution deficiency (excess)*		Employer's covered payroll		Contributions as a % of covered payroll	
	County	Component unit - Service Authority	County	Component unit - Service Authority	County	Component unit - Service Authority	County	Component unit - Service Authority	County	Component unit - Service Authority
2018	\$ 76,903	\$ 8,461	\$ 67,836	\$ 8,467	\$ (9,067)	\$ 6	\$ 40,475,381	\$ 4,230,543	0.17%	0.20%
2019	77,350	8,002	74,871	8,467	(2,479)	465	40,710,451	4,445,820	0.18%	0.19%
2020	76,786	8,413	74,360	8,413	(2,426)	-	40,413,598	4,673,979	0.18%	0.18%
2021	78,543	8,417	78,541	8,417	(2)	-	40,918,484	4,675,862	0.19%	0.18%
2022	82,163	9,358	82,163	9,358	-	-	43,073,802	5,198,520	0.19%	0.18%
2023	89,781	5,884	89,781	5,884	-	-	46,865,712	5,881,716	0.19%	0.10%
2024	98,550	6,421	98,550	6,421	-	-	50,570,681	6,420,348	0.19%	0.10%

Fiscal year	Contractually required contribution		Contributions in relation to contractually required contribution		Contribution deficiency (excess)		Employer's covered payroll		Contributions as a % of covered payroll	
	Non-professional	Professional	Non-professional	Professional	Non-professional	Professional	Non-professional	Professional	Non-professional	Professional
2018	\$ 11,165	\$ 851,814	\$ 11,165	\$ 851,814	\$ -	\$ -	\$ 4,854,348	\$ 69,253,171	0.23%	1.23%
2019	9,226	864,798	9,226	864,798	-	-	5,766,438	72,066,466	0.16%	1.20%
2020	9,712	905,688	9,712	905,688	-	-	6,070,000	75,474,000	0.16%	1.20%
2021	9,444	890,724	9,444	890,724	-	-	5,556,149	73,604,525	0.17%	1.21%
2022	16,404	965,285	16,404	965,285	-	-	5,858,963	79,775,536	0.28%	1.21%
2023	28,360	1,026,696	28,360	1,026,696	-	-	6,165,217	84,850,909	0.46%	1.21%
2024	31,889	1,096,120	31,889	1,096,120	-	-	6,932,391	90,588,430	0.46%	1.21%

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

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

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

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

Year ended June 30,*	Component Unit - Public Schools' Professional						
	2018	2019	2020	2021	2022	2023	2024
Employer's proportion of the net OPEB - HIC liability	0.86281%	0.85004%	0.86297%	0.86058%	0.83226%	0.85595%	0.85035%
Employer's proportionate share of the net OPEB - HIC liability	\$ 10,946,000	\$ 10,793,000	\$ 11,297,117	\$ 11,226,409	\$ 10,682,633	\$ 10,691,214	\$ 10,301,288
Employer's covered payroll	\$ 67,052,585	\$ 69,253,171	\$ 72,066,466	\$ 75,474,000	\$ 73,604,525	\$ 79,775,536	\$ 84,850,909
Employer's proportionate share of the net OPEB - HIC liability as a percentage of its covered payroll	16.32%	15.58%	15.68%	14.87%	14.51%	13.40%	12.14%
Plan fiduciary net position as a % of total OPEB - HIC liability	7.04%	8.08%	8.97%	9.95%	13.15%	15.08%	17.90%

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

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

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

Year ended June 30,*	Component unit - Public Schools															
	Non-professional		Professional		Non-professional		Professional		Non-professional		Professional		Non-professional		Professional	
	2018		2019		2020		2021		2022		2023		2024			
Employer's proportion of the net OPEB - VLDP liability (asset)	0.75284%	3.31886%	0.67880%	3.37801%	0.68330%	3.28952%	0.65040%	3.13334%	0.55743%	2.91940%	0.56161%	3.26030%	0.50142%	3.37952%		
Employer's proportionate share of the net OPEB - VLDP liability (asset)	\$ 4,000	\$ 20,000	\$ 5,000	\$ 25,000	\$ 13,843	\$ 19,124	\$ 6,492	\$ 25,138	\$ (5,643)	\$ (20,553)	\$ (3,302)	\$ (3,669)	\$ (8,068)	\$ 22,437		
Employer's covered payroll	\$ 5,000,257	\$ 67,052,585	\$ 1,648,333	\$ 12,595,806	\$ 2,093,665	\$ 15,633,273	\$ 2,423,750	\$ 18,547,073	\$ 2,239,265	\$ 19,644,936	\$ 2,631,055	\$ 26,262,831	\$ 3,069,059	\$ 31,614,468		
Employer's proportionate share of the net OPEB - VLDP liability (asset) as a percentage of its covered payroll	0.08%	0.03%	0.30%	0.20%	0.66%	0.12%	0.27%	0.14%	-0.25%	-0.10%	-0.13%	-0.01%	-0.26%	0.07%		
Plan fiduciary net position as a % of total OPEB - VLDP liability (asset)	38.40%	31.96%	51.22%	46.18%	49.19%	74.12%	76.84%	78.28%	119.59%	114.46%	107.99%	101.57%	116.89%	93.77%		

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

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

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

Fiscal year	Contractually required contribution		Contributions in relation to contractually required contribution		Contribution deficiency (excess)		Employer's covered payroll		Contributions as a % of covered payroll	
	Component unit - Public Schools									
	Non- professional	Professional	Non- professional	Professional	Non- professional	Professional	Non- professional	Professional	Non- professional	Professional
2018	\$ 9,890	\$ 39,047	\$ 9,890	\$ 39,047	\$ -	\$ -	\$ 1,648,333	\$ 12,595,806	0.60%	0.31%
2019	15,074	64,098	15,074	64,098	-	-	2,093,665	15,633,273	0.72%	0.41%
2020	17,451	76,043	17,451	76,043	-	-	2,433,750	18,547,073	0.72%	0.41%
2021	18,585	92,336	18,585	92,336	-	-	2,239,265	19,644,936	0.83%	0.47%
2022	21,838	123,435	21,838	123,435	-	-	2,631,055	26,262,831	0.83%	0.47%
2023	26,087	148,588	26,087	148,588	-	-	3,069,059	31,614,468	0.85%	0.47%
2024	32,277	179,223	32,277	179,223	-	-	3,797,294	38,132,553	0.85%	0.47%

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

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

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

County of James City, Virginia
Notes to Required Supplementary Information (Unaudited)
June 30, 2024

1) Budgeting and Budgetary Accounting

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

Prior to April 1, the County Administrator submits to the Board of Supervisors a proposed operating and capital budget for the fiscal year commencing the following July 1. The operating budget and capital budget include proposed expenditures and the means of financing them. Public hearings are conducted to obtain citizen comments. Prior to June 30, the budget is legally enacted through passage of an Appropriations Resolution. The Appropriations Resolution places legal restrictions on expenditures at the fund and function level. The total appropriated budget for each fund can be revised only by the Board of Supervisors unless authority has been specifically delegated to the County Administrator in the Appropriations Resolution. However, the County Administrator may transfer budgets within and between the functions. Supplemental appropriations to the original budget were done throughout the year.

Formal budgetary integration is employed as a management control device during the year for those funds with legally adopted annual budgets, which are the General Fund, Debt Service Fund, Capital Projects Fund, and Special Projects Funds (except the Donation Trust Fund). Certain funds such as the Capital Projects Fund and Special Revenue Funds include projects and grants expanding greater than one year and those appropriations remain open and carry over to the succeeding years.

All budgets are adopted on the modified accrual basis of accounting. Appropriations lapse on June 30 for all County funds, except the funds referenced above. The budget presented in the accompanying basic financial statements represents the appropriated budget as of June 30, 2023, as adopted and amended by supplemental appropriations.

2) Pensions and OPEB GLI, HIC, and VLDP - Changes of Benefit Terms

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

3) Pensions, OPEB HIC, and VLDP Political Subdivision Plan - Changes of Assumptions

The actuarial assumptions used in the June 30, 2022, valuation were based on the results of an actuarial experience study for the period from July 1, 2016, through June 30, 2020, except the change in the discount rate, which was based on VRS Board action effective as of July 1, 2021. Changes to the actuarial assumptions as a result of the experience study and VRS Board action are as follows:

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

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

4) OPEB GLI - Changes of Assumptions

The actuarial assumptions used in the June 30, 2022 valuation were based on the results of an actuarial experience study for the period from July 1, 2016, through June 30, 2020, except the change in the discount rate, which was based on VRS Board action effective as of July 1, 2021.

County of James City, Virginia
Notes to Required Supplementary Information (Unaudited)
June 30, 2024

4) OPEB GLI - Change of Assumptions, Continued

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

	Non-Largest 10 Locality Employers - General Employees and Teachers:	Non-Largest 10 - Hazardous Duty:
Mortality Rates (Pre-retirement, post-retirement healthy, and disabled)	Update to PUB2010 public sector mortality tables. For future mortality improvements, replace load with a modified Mortality Improvement Scale MP-2020	Update to PUB2010 public sector mortality tables. For future mortality improvements, replace load with a modified Mortality Improvement Scale MP-2020
Retirement Rates	Adjusted rates to better fit experience for Plan 1; set separate rates based on experience for Plan 2/Hybrid; changed final retirement age from 75 to 80 for all	Adjusted rates to better fit experience and changed final retirement age from 65 to 70
Withdrawal Rates	Adjusted rates to better fit experience at each age and servicedecrement through 9 years of service	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	No change
Salary Scale	No change	No change
Line of Duty Disability	No change	No change
Discount Rate	No change	No change

5) OPEB Retiree Healthcare

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

Changes of Benefit Terms: There have been no actuarially material changes to the benefit provisions since the prior actuarial valuation.

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

<u>Measurement Date</u>	<u>Discount Rate</u>
June 30, 2017	3.58%
June 30, 2018	3.62%
June 30, 2019	3.13%
June 30, 2020	2.45%
June 30, 2021	1.92%
June 30, 2022	3.69%
June 30, 2023	3.86%

6) OPEB Teacher VLDP Plan - Changes of Assumptions

The actuarial assumptions used in the June 30, 2022, valuation were based on the results of an actuarial experience study for the period from July 1, 2016, through June 30, 2020, except the change in the discount rate, which was based on VRS Board action effective as of July 1, 2021.

See accompanying report of independent auditor.

Supplementary Information

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County of James City, Virginia
Nonmajor & Other Major Governmental Funds

Special Revenue Funds:

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

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

Housing and Neighborhood Development Fund - accounts for the revenues and expenditures that are utilized to improve targeted areas within the County.

Donation Trust Fund - accounts for monies and donations used for various special purposes.

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

Debt Service Fund - accounts for the receipt and payment of bonds and loans issued for the construction and maintenance of County and School facilities and equipment. This is a major governmental fund; however, it is shown here for budgetary comparison purposes.

Capital Projects Fund - accounts for the revenue and expenditures related to maintenance, construction, and acquisition of facilities and equipment in the general government areas such as public safety, parks and recreation, community development, public works, and schools. This is a major governmental fund; however, it is shown here for budgetary comparison purposes.

County of James City, Virginia
Combining Balance Sheet
Nonmajor Governmental Funds
June 30, 2024

	Virginia Public Assistance Fund	Colonial Community Corrections Fund	Housing & Neighborhood Development Fund	Donation Trust Fund	Tourism Fund	Total
Assets						
Cash and cash equivalents and investments	\$ 1,281,973	\$ 622,443	\$ 2,590,666	\$ 335,432	\$ 3,051,976	\$ 7,882,490
Restricted cash, cash equivalents, and investments	-	-	311,807	-	-	311,807
Taxes receivable	-	-	-	-	87,354	87,354
Loans receivable, net	-	-	294,776	-	-	294,776
Miscellaneous receivables	-	-	17,741	-	-	17,741
Due from other governments	474,953	-	79,043	-	268,989	822,985
Total assets	<u>\$ 1,756,926</u>	<u>\$ 622,443</u>	<u>\$ 3,294,033</u>	<u>\$ 335,432</u>	<u>\$ 3,408,319</u>	<u>\$ 9,417,153</u>
Liabilities						
Liabilities:						
Accounts payable	\$ 989	\$ 26,647	\$ 38,957	\$ -	\$ 40,993	\$ 107,586
Accrued liabilities	5,140	3,158	-	-	-	8,298
Liabilities payable from restricted assets	-	-	43,662	-	-	43,662
Unearned revenues	-	-	249,366	-	-	249,366
Total liabilities	<u>6,129</u>	<u>29,805</u>	<u>331,985</u>	<u>-</u>	<u>40,993</u>	<u>408,912</u>
Deferred Inflows of Resources						
Unavailable revenues - grants	<u>2,589</u>	<u>-</u>	<u>57,667</u>	<u>-</u>	<u>-</u>	<u>60,256</u>
Fund Balances						
Fund balances:						
Restricted	-	-	767,597	-	3,367,326	4,134,923
Committed	-	-	1,783,095	-	-	1,783,095
Assigned	1,748,208	592,638	353,689	335,432	-	3,029,967
Total fund balance	<u>1,748,208</u>	<u>592,638</u>	<u>2,904,381</u>	<u>335,432</u>	<u>3,367,326</u>	<u>8,947,985</u>
Total liabilities, deferred inflows of resources, and fund balance	<u>\$ 1,756,926</u>	<u>\$ 622,443</u>	<u>\$ 3,294,033</u>	<u>\$ 335,432</u>	<u>\$ 3,408,319</u>	<u>\$ 9,417,153</u>

See accompanying report of independent auditor.

County of James City, Virginia
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Governmental Funds
Year ended June 30, 2024

	Virginia Public Assistance Fund	Colonial Community Corrections Fund	Housing & Neighborhood Development Fund	Donation Trust Fund	Tourism Fund	Total
Revenues:						
Other local taxes	\$ -	\$ -	\$ -	\$ -	\$ 864,142	\$ 864,142
Miscellaneous	4,198	20,865	207,368	205,027	-	437,458
Intergovernmental:						
Local	-	256,425	-	-	-	256,425
Commonwealth	1,405,986	952,790	102,119	-	251,500	2,712,395
Federal	3,364,584	-	2,250,637	-	268,989	5,884,210
Total revenues	<u>4,774,768</u>	<u>1,230,080</u>	<u>2,560,124</u>	<u>205,027</u>	<u>1,384,631</u>	<u>10,154,630</u>
Expenditures:						
Current:						
Judicial administration	-	1,226,839	-	79,186	-	1,306,025
Public safety	-	-	-	20,177	-	20,177
Health and human services	6,255,775	-	-	-	-	6,255,775
Parks, recreation, and cultural	-	-	-	66,493	-	66,493
Community development	-	-	3,936,378	-	2,111,319	6,047,697
Debt service:						
Lease financing - principal	3,648	7,047	-	-	17,681	28,376
Lease financing - interest	358	-	-	-	7,173	7,531
Subscription financing - principal	-	6,115	-	-	-	6,115
Total expenditures	<u>6,259,781</u>	<u>1,240,001</u>	<u>3,936,378</u>	<u>165,856</u>	<u>2,136,173</u>	<u>13,738,189</u>
Deficiency of revenues under expenditures	<u>(1,485,013)</u>	<u>(9,921)</u>	<u>(1,376,254)</u>	<u>39,171</u>	<u>(751,542)</u>	<u>(3,583,559)</u>
Other financing sources (uses):						
Transfers in	1,517,000	123,560	700,000	-	2,170,225	4,510,785
Transfers out	-	-	-	-	(1,122,711)	(1,122,711)
Lease issuances	16,922	-	-	-	-	16,922
Subscription issuances	-	29,533	-	-	-	29,533
Total other financing sources, net	<u>1,533,922</u>	<u>153,093</u>	<u>700,000</u>	<u>-</u>	<u>1,047,514</u>	<u>3,434,529</u>
Net change in fund balance	<u>48,909</u>	<u>143,172</u>	<u>(676,254)</u>	<u>39,171</u>	<u>295,972</u>	<u>(149,030)</u>
Fund balance, beginning of year	<u>1,699,299</u>	<u>449,466</u>	<u>3,580,635</u>	<u>296,261</u>	<u>3,071,354</u>	<u>9,097,015</u>
Fund balance, end of year	<u>\$ 1,748,208</u>	<u>\$ 592,638</u>	<u>\$ 2,904,381</u>	<u>\$ 335,432</u>	<u>\$ 3,367,326</u>	<u>\$ 8,947,985</u>

See accompanying report of independent auditor.

County of James City, Virginia
Budgetary Comparison Schedule
Nonmajor Special Revenue Funds
Year ended June 30, 2024

	Virginia Public Assistance Fund				Colonial Community Corrections Fund			
	Original Budget	Revised Budget	Actual	Variance positive (negative)	Original Budget	Revised Budget	Actual	Variance positive (negative)
Revenues:								
Miscellaneous	\$ -	\$ -	\$ 4,198	\$ 4,198	\$ 22,000	\$ 22,000	\$ 20,865	\$ (1,135)
Intergovernmental:								
Local	-	54,687	-	(54,687)	260,413	260,413	256,425	(3,988)
Commonwealth	-	51,178	1,405,986	1,354,808	938,900	957,066	952,790	(4,276)
Federal	4,483,200	4,625,349	3,364,584	(1,260,765)	-	-	-	-
Total revenues	4,483,200	4,731,214	4,774,768	43,554	1,221,313	1,239,479	1,230,080	(9,399)
Expenditures:								
Current:								
Judicial administration	-	-	-	-	1,458,949	1,494,686	1,226,839	267,847
Health and human services	6,802,265	7,168,007	6,255,775	912,232	-	-	-	-
Debt service:								
Lease financing - principal	-	3,648	3,648	-	-	7,047	7,047	-
Lease financing - interest	-	358	358	-	-	-	-	-
Subscription financing - principal	-	-	-	-	-	6,115	6,115	-
Total expenditures	6,802,265	7,172,013	6,259,781	912,232	1,458,949	1,507,848	1,240,001	267,847
Excess (deficiency) of revenues over (under) expenditures	(2,319,065)	(2,440,799)	(1,485,013)	955,786	(237,636)	(268,369)	(9,921)	258,448
Other financing sources:								
Transfers in	1,400,000	1,517,000	1,517,000	-	122,360	123,560	123,560	-
Lease issuances	-	16,922	16,922	-	-	-	-	-
Subscription issuances	-	-	-	-	-	29,533	29,533	-
Total other financing sources	1,400,000	1,533,922	1,533,922	-	122,360	153,093	153,093	-
Excess (deficiency) of revenues and other sources over (under) expenditures	(919,065)	(906,877)	48,909	955,786	(115,276)	(115,276)	143,172	258,448
Fund balance, beginning of year	919,065	906,877	1,699,299	792,422	115,276	115,276	449,466	334,190
Fund balance, end of year	\$ -	\$ -	\$ 1,748,208	\$ 1,748,208	\$ -	\$ -	\$ 592,638	\$ 592,638

	Housing & Neighborhood Development Fund				Tourism Fund			
	Original Budget	Revised Budget	Actual	Variance positive (negative)	Original Budget	Revised Budget	Actual	Variance positive (negative)
Revenues:								
Other local taxes	\$ -	\$ -	\$ -	\$ -	\$ 800,000	\$ 863,008	\$ 864,142	\$ 1,134
Miscellaneous	200,000	203,025	207,368	4,343	-	-	-	-
Intergovernmental:								
Commonwealth	368,872	509,086	102,119	(406,967)	-	251,500	251,500	-
Federal	2,223,641	2,832,645	2,250,637	(582,008)	-	275,000	268,989	(6,011)
Total revenues	2,792,513	3,544,756	2,560,124	(984,632)	800,000	1,389,508	1,384,631	(4,877)
Expenditures:								
Current:								
Community development	3,681,770	5,430,923	3,936,378	1,494,545	1,782,000	2,464,464	2,111,319	353,145
Debt service:								
Lease financing - principal	-	-	-	-	-	17,681	17,681	-
Lease financing - interest	-	-	-	-	-	7,173	7,173	-
Total expenditures	3,681,770	5,430,923	3,936,378	1,494,545	1,782,000	2,489,318	2,136,173	353,145
Excess (deficiency) of revenues over (under) expenditures	(889,257)	(1,886,167)	(1,376,254)	912,537	(982,000)	(1,099,810)	(751,542)	348,268
Other financing sources (uses):								
Transfers in	700,000	700,000	700,000	-	2,100,000	2,170,225	2,170,225	-
Transfers out	-	-	-	-	(1,118,000)	(1,118,000)	(1,122,711)	4,711
Total other financing sources, net	700,000	700,000	700,000	-	982,000	1,052,225	1,047,514	4,711
Excess (deficiency) of revenues and other sources over (under) expenditures and other uses	(189,257)	(1,186,167)	(676,254)	509,913	-	(47,585)	295,972	343,557
Fund balance, beginning of year	189,257	1,186,167	3,580,635	2,394,468	-	47,585	3,071,354	3,023,769
Fund balance, end of year	\$ -	\$ -	\$ 2,904,381	\$ 2,904,381	\$ -	\$ -	\$ 3,367,326	\$ 3,367,326

See accompanying report of independent auditor.

County of James City, Virginia
Budgetary Comparison Schedule
Capital Projects Fund
Year ended June 30, 2024

	Original Budget	Final Budget	Actual	Variance positive (negative)
Revenues:				
Use of money and property	\$ -	\$ -	\$ 7,541,821	\$ 7,541,821
Miscellaneous	710,635	887,127	860,586	(26,541)
Intergovernmental:				
Commonwealth	-	2,498,129	1,359,503	(1,138,626)
Total revenues	<u>710,635</u>	<u>3,385,256</u>	<u>9,761,910</u>	<u>6,376,654</u>
Expenditures:				
Capital outlay	95,536,350	145,974,995	18,256,307	127,718,688
Total expenditures	<u>95,536,350</u>	<u>145,974,995</u>	<u>18,256,307</u>	<u>127,718,688</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(94,825,715)</u>	<u>(142,589,739)</u>	<u>(8,494,397)</u>	<u>134,095,342</u>
Other financing sources:				
Transfers in	19,423,565	19,173,444	19,173,444	-
Bond issuance	74,902,150	74,902,150	-	
Total other financing sources	<u>94,325,715</u>	<u>94,075,594</u>	<u>19,173,444</u>	<u>-</u>
Excess (deficiency) of revenues and other sources over (under) expenditures	<u>(500,000)</u>	<u>(48,514,145)</u>	<u>10,679,047</u>	<u>59,193,192</u>
Fund balance, beginning of year	500,000	48,514,145	53,425,558	4,911,413
Fund balance, end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 64,104,605</u>	<u>\$ 64,104,605</u>

See accompanying report of independent auditor.

County of James City, Virginia
 Budgetary Comparison Schedule
 Debt Service Fund
 Year ended June 30, 2024

	Original Budget	Final Budget	Actual	Variance positive (negative)
Revenues:				
Use of money and property	\$ -	\$ -	\$ 45,881	\$ 45,881
Miscellaneous	42,500	42,500	40,196	(2,304)
Total revenues	<u>42,500</u>	<u>42,500</u>	<u>86,077</u>	<u>43,577</u>
Expenditures:				
General government administration	75,000	75,000	52,166	22,834
Debt service:				
Principal	15,326,196	15,326,196	13,060,961	2,265,235
Interest and other fiscal charges	7,106,384	7,106,384	3,361,275	3,745,109
Total expenditures	<u>22,507,580</u>	<u>22,507,580</u>	<u>16,474,402</u>	<u>6,033,178</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(22,465,080)</u>	<u>(22,465,080)</u>	<u>(16,388,325)</u>	<u>6,076,755</u>
Other financing sources:				
Transfers in	20,500,000	20,500,000	16,388,325	(4,111,675)
Total other financing sources	<u>20,500,000</u>	<u>20,500,000</u>	<u>16,388,325</u>	<u>(4,111,675)</u>
Excess (deficiency) of revenues and other sources over (under) expenditures	<u>(1,965,080)</u>	<u>(1,965,080)</u>	-	1,965,080
Fund balance, beginning of year	1,965,080	1,965,080	-	(1,965,080)
Fund balance, end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

See accompanying report of independent auditor.

County of James City, Virginia
Custodial Funds

Custodial funds account for money received and held by the County in the capacity of fiscal agent for individuals, other governmental agencies, and private organizations. The County reports the following Custodial funds:

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

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

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

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

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

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

	Special Welfare	WAMAC	Regional Jail	Juvenile Detention	Williamsburg Area Transit Authority	Total
Assets						
Cash, cash equivalents, and investments	\$ 17,240	\$ 831,677	\$ 9,029,854	\$ 3,704,885	\$ 4,952,153	\$ 18,535,809
Restricted cash, cash equivalents, and investments	-	6,062,820	-	-	-	6,062,820
Accounts receivable	-	222,378	63,852	102,198	2,358	390,786
Due from other governmental units	-	-	1,404,896	782	3,546,818	4,952,496
Total assets	<u>\$ 17,240</u>	<u>\$ 7,116,875</u>	<u>\$ 10,498,602</u>	<u>\$ 3,807,865</u>	<u>\$ 8,501,329</u>	<u>\$ 29,941,911</u>
Liabilities						
Accounts payable	\$ 4,512	\$ 45,369	\$ 395,365	\$ 65,910	\$ 409,723	\$ 920,879
Due to other governmental units	-	17,909	14,210	-	7,457	39,576
Accrued payroll and benefits	-	4,727	10,895	29,149	75,737	120,508
Unearned revenue	-	900,000	-	-	-	900,000
Total liabilities	<u>4,512</u>	<u>968,005</u>	<u>420,470</u>	<u>95,059</u>	<u>492,917</u>	<u>1,980,963</u>
Net Position						
Restricted:						
Individuals	12,728	-	-	-	-	12,728
Organizations	-	6,148,870	-	-	-	6,148,870
Other governments	-	-	10,078,132	3,712,806	8,008,412	21,799,350
Total net position	<u>12,728</u>	<u>6,148,870</u>	<u>10,078,132</u>	<u>3,712,806</u>	<u>8,008,412</u>	<u>27,960,948</u>
Total liabilities and net position	<u>\$ 17,240</u>	<u>\$ 7,116,875</u>	<u>\$ 10,498,602</u>	<u>\$ 3,807,865</u>	<u>\$ 8,501,329</u>	<u>\$ 29,941,911</u>

See accompanying report of independent auditor.

County of James City, Virginia
Combining Statement of Changes in Fiduciary Net Position
Fiduciary Funds
Year Ended June 30, 2024

	Special Welfare	WAMAC	Regional Jail	Juvenile Detention	Williamsburg Area Transit Authority	Total
Additions						
Fees from members	\$ -	\$ 641,020	\$ 7,003,089	\$ 1,852,540	\$ 1,457,171	\$ 10,953,820
Operating grants and contributions	38,819	1,275,129	6,471,127	2,000,323	6,033,370	15,818,768
Capital grants and contributions	-	-	-	-	1,054,881	1,054,881
Charges for services	-	938,964	904,168	1,594,971	1,757,610	5,195,713
Use of money and property	-	825,915	348,448	-	202,719	1,377,082
Other	-	144,723	244,886	155,157	65,015	609,781
Total additions	<u>38,819</u>	<u>3,825,751</u>	<u>14,971,718</u>	<u>5,602,991</u>	<u>10,570,766</u>	<u>35,010,045</u>
			\$ 14,966,649			
Deductions						
Personnel expenses	-	2,672,505	7,909,353	3,891,467	4,582,471	19,055,796
Materials and contractual services	-	670,292	5,026,878	557,172	3,160,369	9,414,711
Furniture and equipment	-	1,309	1,003,316	264,887	1,074,046	2,343,558
Other	45,732	67,757	34,315	52,698	-	200,502
Total deductions	<u>45,732</u>	<u>3,411,863</u>	<u>13,973,862</u>	<u>4,766,224</u>	<u>8,816,886</u>	<u>31,014,567</u>
Net increase (decrease) in fiduciary net position	(6,913)	413,888	997,856	836,767	1,753,880	3,995,478
Net position, beginning of year	19,641	5,734,982	9,080,276	2,876,039	6,254,532	23,965,470
Net position, end of year	<u>\$ 12,728</u>	<u>\$ 6,148,870</u>	<u>\$ 10,078,132</u>	<u>\$ 3,712,806</u>	<u>\$ 8,008,412</u>	<u>\$ 27,960,948</u>

See accompanying report of independent auditor.

Statistical Section (Unaudited)

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County of James City, Virginia
Statistical Section Overview

This part of the James City County's annual comprehensive financial report presents detailed information as a context for understanding what the information in the financial statements, note disclosures and required supplementary information says about the County's overall financial health.

Financial Trends

Tables 1 - 4

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

Revenue Capacity

Tables 5 - 9

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

Debt Capacity

Tables 10 - 11

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

Demographic & Economic Information

Tables 12 - 14

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

Operation Information

Tables 15 - 16

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

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

Table 1

County of James City, Virginia
Net Position by Component
Last Ten Fiscal Years

	2015	2016	2017	2018	2019	(1)				(1) and (2)
	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Governmental activities:										
Net investment in capital assets	\$ 159,469,360	\$ 176,303,250	\$ 185,274,286	\$ 198,539,384	\$ 210,357,610	\$ 223,523,519	\$ 231,590,103	\$ 240,797,862	\$ 246,942,356	\$ 250,330,553
Restricted:										
Capital projects	1,551,387	-	-	-	-	-	-	-	-	-
Debt service	-	1,222,336	1,226,566	1,236,338	4,536,503	2,030,253	-	-	-	-
Other purposes	-	1,899,944	3,067,921	4,940,612	1,043,098	1,319,233	1,350,727	1,276,896	6,314,526	5,546,745
Unrestricted	51,222,452	52,962,121	63,841,474	70,378,940	82,578,292	96,534,809	118,340,056	145,739,522	186,273,962	219,906,639
Total governmental activities net position	\$ 212,243,199	\$ 232,387,651	\$ 253,410,247	\$ 275,095,274	\$ 298,515,503	\$ 323,407,814	\$ 351,280,886	\$ 387,814,280	\$ 439,530,844	\$ 475,783,937
Business-type activity:										
Net investment in capital assets	\$ 137,173,064	\$ 139,312,785	\$ 136,696,744	\$ 132,616,889	\$ 134,359,937	\$ -	\$ -	\$ -	\$ -	\$ 524,019
Restricted:										
Capital projects	2,716,277	-	-	-	-	-	-	-	-	-
Debt service	-	729,605	677,614	567,011	569,708	-	-	-	-	-
Unrestricted	32,903,518	37,014,202	41,443,900	46,664,323	49,536,564	-	-	-	-	2,456,696
Total business-type activity net position	\$ 172,792,859	\$ 177,056,592	\$ 178,818,258	\$ 179,848,223	\$ 184,466,209	\$ -	\$ -	\$ -	\$ -	\$ 2,980,715
Primary Government:										
Net investment in capital assets	\$ 296,642,424	\$ 315,616,035	\$ 321,971,030	\$ 331,156,273	\$ 344,717,547	\$ 223,523,519	\$ 231,590,103	\$ 240,797,862	\$ 246,942,356	\$ 250,854,572
Restricted:										
Capital projects	4,267,664	-	-	-	-	-	-	-	-	-
Debt Service	-	1,951,941	1,904,180	1,803,349	5,106,211	2,030,253	-	-	-	-
Other purposes	-	1,899,944	3,067,921	4,940,612	1,043,098	1,319,233	1,350,727	1,276,896	6,314,526	5,546,745
Unrestricted	84,125,970	89,976,323	105,285,374	117,043,263	132,114,856	96,534,809	118,340,056	145,739,522	186,273,962	222,363,335
Total Primary Government net position	\$ 385,036,058	\$ 409,444,243	\$ 432,228,505	\$ 454,943,497	\$ 482,981,712	\$ 323,407,814	\$ 351,280,886	\$ 387,814,280	\$ 439,530,844	\$ 478,764,652

(1) Prior to fiscal year 2020 (FY2020), JCSA was reported as a blended component unit and business-type activity of James City County. Beginning in FY2020, JCSA is reported as a discretely presented component unit and is not reported as part of the Primary Government.

(2) Prior to fiscal year 2024 (FY2024), the EDA was reported as a discretely presented component unit and therefore, not reported as part of the Primary Government. Beginning in FY2024, the EDA is reported as a blended component unit and business-type activity of James City County and is reported as part of the Primary Government.

County of James City, Virginia
Government-Wide Expenses and Program Revenues by Function
Last Ten Fiscal Years

Table 2

	2015	2016	2017	2018	2019	(1)				(1) and (2)
						2020	2021	2022	2023	2024
Expenses:										
Governmental activities:										
General government administration	\$ 19,278,147	\$ 8,807,519	\$ 11,261,405	\$ 8,768,221	\$ 11,011,081	\$ 15,165,784	\$ 21,099,810	\$ 17,494,683	\$ 14,403,721	\$ 17,405,310
Judicial administration	5,598,594	5,682,096	5,147,078	6,053,891	6,153,636	6,339,331	6,487,976	6,806,106	7,021,177	7,131,765
Public safety	23,996,973	30,842,789	30,313,710	32,036,916	34,180,592	34,366,944	36,231,265	38,479,969	37,517,274	44,569,348
Public works	6,985,073	7,986,260	9,161,360	7,258,365	9,128,572	9,918,359	9,467,161	12,068,804	13,788,008	16,650,232
Health and human services	7,013,325	7,368,295	7,742,508	7,883,242	8,482,617	9,523,747	9,861,040	10,013,082	11,381,315	11,808,298
Education	87,713,464	87,508,710	93,728,530	94,073,287	100,445,268	101,088,169	98,469,065	90,097,401	92,152,089	98,781,751
Parks, recreation, and cultural	9,386,351	10,650,141	11,779,541	12,346,131	12,909,059	12,629,914	14,935,315	13,648,175	12,934,278	20,054,822
Community development	10,692,736	12,787,069	11,905,882	10,627,626	9,481,249	9,095,405	11,895,580	12,755,621	16,863,754	12,742,169
Interest on long-term debt	7,787,361	5,869,933	5,386,316	4,905,534	5,647,370	3,919,485	3,164,043	2,718,104	2,342,895	1,758,403
Total governmental activities expenses	178,452,024	177,502,812	186,426,330	183,953,213	197,439,444	202,047,138	211,611,255	204,081,945	208,404,511	230,902,098
Business-type activities:										
James City Service Authority	19,888,935	19,971,937	19,876,242	19,522,028	20,319,667	-	-	-	-	-
Economic Development Authority	-	-	-	-	-	-	-	-	-	122,761
Total business-type expenses	19,888,935	19,971,937	19,876,242	19,522,028	20,319,667	-	-	-	-	122,761
Total Primary Government expenses	\$ 198,340,959	\$ 197,474,749	\$ 206,302,572	\$ 203,475,241	\$ 217,759,111	\$ 202,047,138	\$ 211,611,255	\$ 204,081,945	\$ 208,404,511	\$ 231,024,859
Program revenues:										
Governmental activities:										
Charges for services:										
General government administration	\$ 8,047,642	\$ 7,547,746	\$ 7,797,839	\$ 7,973,771	\$ 8,423,063	\$ 7,864,966	\$ 7,037,200	\$ 8,964,741	\$ 723,447	\$ 756,254
Judicial administration	1,832,471	2,464,271	2,366,908	2,407,582	2,404,298	2,409,617	2,356,934	2,442,666	2,578,045	2,771,524
Public safety	3,455,177	3,558,411	3,281,957	2,964,057	2,875,855	2,854,882	3,228,215	3,640,278	2,530,564	2,883,518
Public works	270,799	649,214	665,260	666,939	717,890	1,519,402	1,821,129	1,904,929	2,393,552	1,607,148
Parks, recreation and cultural	3,109,047	3,563,791	3,667,720	3,694,635	3,734,663	2,844,953	2,280,933	3,347,556	3,961,768	4,290,292
Community development	-	392,584	362,057	348,103	366,606	330,451	448,007	645,255	1,415,375	2,175,258
Total charges for services	16,715,136	18,176,017	18,141,741	18,055,087	18,522,375	17,824,271	17,172,418	20,945,425	13,602,751	14,483,994
Operating grants and contributions	31,767,861	32,181,074	32,903,768	32,980,663	33,465,872	41,795,253	40,978,706	26,916,551	27,167,341	25,689,646
Capital grants and contributions	346,627	269,439	196,051	828,415	1,125,513	180,635	1,639,515	169,569	1,093,064	4,717,807
Total governmental activities program revenues	48,829,624	50,626,530	51,241,560	51,864,165	53,113,760	59,800,159	59,790,639	48,031,545	41,863,156	44,891,447
Business-type activities:										
Charges for services	16,452,120	16,018,375	19,064,677	19,523,972	19,248,136	-	-	-	-	-
Operating grants and contributions	-	-	-	-	-	-	-	-	-	239,861
Capital grants and contributions	5,284,379	6,865,346	1,509,214	796,235	5,137,825	-	-	-	-	-
Total business-type activities program revenues	21,736,499	22,883,721	20,573,891	20,320,207	24,385,961	-	-	-	-	239,861
Total Primary Government program revenues	\$ 70,566,123	\$ 73,510,251	\$ 71,815,451	\$ 72,184,372	\$ 77,499,721	\$ 59,800,159	\$ 59,790,639	\$ 48,031,545	\$ 41,863,156	\$ 45,131,308
Net (expense)/revenue:										
Governmental activities	\$ (129,622,400)	\$ (126,876,282)	\$ (135,184,770)	\$ (132,089,048)	\$ (144,325,684)	\$ (142,246,979)	\$ (151,820,616)	\$ (156,050,400)	\$ (166,541,355)	\$ (186,010,651)
Business-type activities	1,847,564	2,911,784	697,649	798,179	4,066,294	-	-	-	-	117,100
Total Primary Government net expense	\$ (127,774,836)	\$ (123,964,498)	\$ (134,497,121)	\$ (131,290,869)	\$ (140,259,390)	\$ (142,246,979)	\$ (151,820,616)	\$ (156,050,400)	\$ (166,541,355)	\$ (185,893,551)
General revenues and other changes in net position:										
Governmental activities:										
Taxes:										
Property taxes, levied for general purposes	\$ 113,359,672	\$ 120,796,742	\$ 128,334,481	\$ 131,493,564	\$ 134,846,403	\$ 138,698,177	\$ 145,884,708	\$ 149,086,210	\$ 164,168,554	\$ 163,671,530
Other local taxes	22,771,626	24,027,667	24,555,363	24,442,882	29,324,049	25,981,646	29,370,617	38,372,537	46,736,083	47,477,709
Interest on investment earnings	232,388	263,745	402,544	382,080	795,865	966,252	349,292	444,493	3,877,227	8,429,276
Miscellaneous	4,217,842	1,932,580	2,924,978	3,065,493	2,779,596	1,493,215	3,950,128	5,433,116	3,476,055	2,685,229
Total governmental activities	140,581,528	147,020,734	156,217,366	159,384,019	167,745,913	167,139,290	179,554,745	193,336,356	218,257,919	222,263,744
Business-type activities:										
Interest on investment earnings	248,207	519,767	90,148	43,940	1,904,327	-	-	-	-	120,504
Miscellaneous	1,013,854	832,182	973,869	726,432	495,207	-	-	-	-	3,283
Total business-type activities	1,262,061	1,351,949	1,064,017	770,372	2,399,534	-	-	-	-	123,787
Total Primary Government	\$ 141,843,589	\$ 148,372,683	\$ 157,281,383	\$ 160,154,391	\$ 170,145,447	\$ 167,139,290	\$ 179,554,745	\$ 193,336,356	\$ 218,257,919	\$ 222,263,744
Change in net position:										
Governmental activities	\$ 10,959,128	\$ 20,144,452	\$ 21,032,596	\$ 27,294,971	\$ 23,420,229	\$ 24,892,311	\$ 27,734,129	\$ 37,285,956	\$ 51,716,564	\$ 36,253,093
Business-type activities	3,109,625	4,263,733	1,761,666	1,568,551	6,465,828	-	-	-	-	240,887
Total Primary Government	\$ 14,068,753	\$ 24,408,185	\$ 22,794,262	\$ 28,863,522	\$ 29,886,057	\$ 24,892,311	\$ 27,734,129	\$ 37,285,956	\$ 51,716,564	\$ 36,493,980

(1) Prior to fiscal year 2020 (FY2020), JCSCA was reported as a blended component unit and business-type activity of James City County. Beginning in FY2020, JCSCA is reported as a discretely presented component unit and is not reported as part of the Primary Government.

(2) Prior to fiscal year 2024 (FY2024), the EDA was reported as a discretely presented component unit and therefore, not reported as part of the Primary Government. Beginning in FY2024, the EDA is reported as a blended component unit and business-type activity of James City County and is reported as part of the Primary Government.

Table 3

County of James City, Virginia
Fund Balances, Governmental Funds
Last Ten Fiscal Years

	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
General fund:										
Nonspendable:										
Inventory	\$ 340,709	\$ 336,498	\$ 332,335	\$ 311,882	\$ 252,792	\$ 232,235	\$ 222,172	\$ 287,924	\$ 276,396	\$ 233,968
Prepaid items	2,111	-	-	-	-	-	-	-	26,599	28,016
Committed:										
Public Schools	-	-	-	-	-	-	8,128,540	6,581,532	7,805,781	13,698,027
General	-	-	-	-	-	-	-	-	-	6,500,000
Assigned:										
General	5,991,822	7,860,584	7,249,473	8,384,195	7,825,910	9,436,272	7,333,706	8,604,806	1,910,388	1,984,358
Capital projects	4,968,111	5,414,938	6,001,542	6,963,412	7,116,956	7,853,810	15,833,459	15,952,529	8,644,565	6,219,000
Debt service	-	-	-	-	-	-	-	-	15,653,131	21,729,886
Unassigned	23,360,679	24,681,548	28,339,753	30,119,197	31,693,639	42,058,054	56,029,027	65,248,514	79,210,200	80,259,963
Total general fund	<u>\$ 34,663,432</u>	<u>\$ 38,293,568</u>	<u>\$ 41,923,103</u>	<u>\$ 45,778,686</u>	<u>\$ 46,889,297</u>	<u>\$ 59,580,371</u>	<u>\$ 87,546,904</u>	<u>\$ 96,675,305</u>	<u>\$ 113,527,060</u>	<u>\$ 130,653,218</u>
All other government funds:										
Restricted:										
Bond proceeds held in escrow	\$ -	\$ -	\$ -	\$ 1,236,338	\$ 4,536,503	\$ 2,030,253	\$ 9,687	\$ 11,218	\$ 28,738	\$ 36,758
Grants and special projects	-	-	-	-	-	-	-	315,786	1,984,281	1,411,822
Nonmajor governmental funds	-	-	-	-	-	1,319,233	882,066	961,110	4,330,245	4,134,923
Committed:										
Capital projects	1,551,387	28,907,491	13,781,490	-	-	-	-	-	-	-
Grants and special projects	69	-	-	-	-	-	1,661,733	2,549,008	6,187,118	8,249,333
Nonmajor governmental funds	-	-	-	-	-	-	-	-	1,390,129	1,783,095
Assigned:										
Capital projects	16,178,748	18,699,213	26,115,707	26,401,040	29,732,523	31,263,804	27,489,088	39,845,175	53,396,820	64,067,847
Grants and special projects	-	-	-	-	-	-	-	-	-	161,726
Nonmajor governmental funds	4,957,409	6,111,183	7,233,419	10,523,259	9,761,066	12,375,121	4,508,720	12,306,078	3,376,641	3,029,967
Total all other governmental funds	<u>\$ 22,687,613</u>	<u>\$ 53,717,887</u>	<u>\$ 47,130,616</u>	<u>\$ 38,160,637</u>	<u>\$ 44,030,092</u>	<u>\$ 46,988,411</u>	<u>\$ 34,551,294</u>	<u>\$ 55,988,375</u>	<u>\$ 70,693,972</u>	<u>\$ 82,875,471</u>

Table 4

County of James City, Virginia
Changes in Fund Balances, Governmental Funds
Last Ten Fiscal Years

	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Revenues:										
General property taxes	\$ 112,542,078	\$ 124,363,595	\$ 128,094,252	\$ 130,402,106	\$ 134,744,837	\$ 138,724,196	\$ 144,766,114	\$ 146,502,246	\$ 160,843,816	\$ 163,483,990
Other local taxes	22,771,626	24,027,667	24,555,363	24,442,882	29,324,049	25,981,646	29,370,617	38,372,537	46,904,944	47,641,857
Licenses, permits, and fees	8,443,821	8,779,496	9,049,208	8,892,499	9,496,531	8,878,568	8,354,258	10,507,338	2,227,922	2,180,688
Fines and forfeitures	271,615	309,278	270,716	265,561	292,518	231,608	154,314	205,478	188,209	189,877
Use of money and property	232,388	263,745	402,544	382,080	795,865	966,252	349,292	444,493	3,877,227	8,429,276
Charges for services	5,944,750	6,623,273	6,471,404	6,656,889	6,586,341	6,291,204	6,341,310	7,678,699	8,232,122	9,236,960
Miscellaneous	4,217,842	1,932,580	2,924,978	3,065,493	2,779,596	1,493,215	3,929,305	4,753,731	3,432,978	2,149,190
Intergovernmental	34,169,438	34,635,171	35,092,799	35,731,814	36,733,787	44,338,305	44,917,875	29,392,759	30,505,767	34,297,415
Total revenues	188,593,558	200,934,805	206,861,264	209,839,324	220,753,524	226,904,994	238,183,085	237,857,281	256,212,985	267,609,253
Expenditures:										
General government administration	9,432,889	9,678,060	9,770,250	10,086,403	11,651,426	12,905,240	15,239,378	15,448,266	16,957,522	19,614,761
Judicial administration	5,599,728	5,463,744	5,870,569	5,856,353	5,908,750	5,954,875	6,276,544	6,450,992	6,932,333	6,815,455
Public works	6,976,533	27,878,252	28,443,672	28,728,800	31,127,333	31,102,285	32,582,648	35,344,302	41,889,727	41,654,490
Health and human services	7,193,841	7,082,202	7,833,811	7,635,751	8,235,686	8,652,838	8,542,554	9,858,415	11,057,736	14,125,276
Education	79,610,865	7,234,052	7,350,896	7,584,697	8,259,078	9,383,160	9,613,906	9,826,707	11,280,547	11,654,863
Parks, recreation, and cultural	9,858,887	79,825,974	84,299,207	85,395,004	91,070,061	92,286,710	91,265,989	80,953,282	78,622,373	82,984,327
Public safety	27,475,307	9,872,451	10,293,611	10,394,095	10,896,838	10,751,418	10,947,198	11,646,489	13,638,908	15,536,369
Community development	10,769,064	10,353,844	11,827,600	9,959,810	10,451,529	9,682,050	10,318,221	12,209,744	14,621,063	11,769,503
Nondepartmental	525,433	1,183,538	-	-	-	16,128	-	51,542	-	-
Debt service (2):										
Principal	16,862,695	17,122,377	16,206,234	16,284,125	14,343,182	14,282,841	12,471,271	12,408,938	12,770,426	13,060,961
Interest and other fiscal charges	7,787,361	6,188,222	6,841,056	6,195,080	5,848,486	5,447,279	4,655,693	4,441,433	3,927,359	3,361,275
Bond issuance costs	112,863	1,173,546	-	-	380,771	-	273,391	-	-	-
Lease financing	-	-	-	-	-	-	-	-	314,423	200,653
Subscription financing	-	-	-	-	-	-	-	-	687,451	760,915
Capital outlay (1)	13,424,741	12,647,985	25,818,138	26,833,602	26,793,328	11,824,193	13,411,798	15,893,291	12,605,501	18,256,307
Total expenditures	195,630,207	195,704,247	214,555,044	214,953,720	224,966,468	212,289,017	215,598,591	214,533,401	225,305,369	239,795,155
Excess (deficiency) of revenues over (under) expenditures	(7,036,649)	5,230,558	(7,693,780)	(5,114,396)	(4,212,944)	14,615,977	22,584,494	23,323,880	30,907,616	27,814,098
Other financing sources (uses):										
Transfers in	35,271,660	40,956,217	40,745,506	40,309,261	46,365,441	36,233,275	26,987,246	51,168,906	45,595,301	42,411,437
Transfers out	(35,271,660)	(40,956,217)	(40,745,506)	(40,309,261)	(46,365,441)	(36,233,275)	(26,987,246)	(51,168,906)	(52,403,952)	(42,411,437)
Issuance of debt	34,185,000	91,665,000	-	-	14,195,000	-	11,030,000	-	-	-
Premiums on bonds issued	3,907,273	10,930,294	-	-	1,150,501	-	2,450,765	-	-	-
Payment to refunded bond escrow agent	(39,371,952)	(73,165,442)	-	-	-	-	(14,297,561)	-	-	-
Financed purchase	-	-	-	-	-	-	-	62,571	4,708,260	-
Lease issuances	-	-	4,736,044	-	-	-	1,693,311	-	510,976	16,922
Subscription issuances	-	-	-	-	-	-	-	-	2,239,151	1,476,637
Total other financing sources (uses), net	(1,279,679)	29,429,852	4,736,044	-	15,345,501	-	876,515	62,571	649,736	1,493,559
Net change in fund balances	\$ (8,316,328)	\$ 34,660,410	\$ (2,957,736)	\$ (5,114,396)	\$ 11,132,557	\$ 14,615,977	\$ 23,461,009	\$ 23,386,451	\$ 31,557,352	\$ 29,307,657
Debt service as a percentage of noncapital expenditures	13.35%	12.56%	11.99%	11.74%	10.18%	0.10%	8.43%	8.39%	8.38%	7.65%

(1) Including operating transfers to capital projects.

(2) Noncapital expenditures equals total expenditures less amounts for capitalized assets on the government-wide statement of net position.

Table 5

County of James City, Virginia
Assessed Value and Actual Value of Taxable Property
Last Ten Fiscal Years

Fiscal Year	Personal Property					Public Service	Total Assessed Value	Total Direct Tax Rate
	Real Property	General	Machinery and Tools	Mobile Homes	Total			
2015	\$ 11,148,405,300	\$ 783,249,672	\$ 144,694,099	\$ 7,901,856	\$ 935,845,627	\$ 336,370,602	\$ 12,420,621,529	\$ 4.77
2016	11,352,153,219	770,378,346	145,094,277	7,533,858	923,006,481	236,177,856	12,511,337,556	4.84
2017	11,608,801,433	809,023,687	147,942,350	7,008,284	963,974,321	245,349,999	12,818,125,753	4.84
2018	11,797,419,633	862,391,419	151,313,988	6,377,045	1,020,082,452	247,568,334	13,065,070,419	4.84
2019	12,089,303,067	898,095,969	150,923,619	6,628,640	1,055,648,228	262,267,902	13,407,219,197	4.84
2020	12,241,257,556	895,259,839	155,315,787	7,099,488	1,057,675,114	388,057,441	13,686,990,111	4.84
2021	12,617,887,537	970,206,188	155,735,247	8,655,439	1,134,596,874	551,095,928	14,303,580,339	4.84
2022	12,762,586,854	1,060,624,768	156,981,638	9,802,261	1,227,408,667	492,067,041	14,482,062,562	4.84
2023	13,991,898,842	1,175,910,328	163,770,203	11,304,406	1,350,984,937	510,430,407	15,853,314,186	4.83
2024	14,112,129,193	1,215,404,752	166,805,897	11,970,908	1,394,181,557	459,626,490	15,965,937,240	4.83

Source: James City County Real Estate Assessments Department, Commissioner of the Revenue, and Treasurer

Note: Tax rate is per \$100 of assessed value.

Table 6

County of James City, Virginia
Tax Rates
Last Ten Fiscal Years

Fiscal Year	Real Estate Tax (1)	Personal Property Tax(1)	Room Tax	Meal Tax	Retail Sales Tax (2)	Historic Triangle Sales Tax (3)	Total Direct Tax Rate
2015	\$ 0.77	\$ 4.00	\$ 5.00	\$ 4.00	\$ 1.00	\$ -	\$ 4.77
2016	0.84	4.00	5.00	4.00	1.00	-	4.84
2017	0.84	4.00	5.00	4.00	1.00	-	4.84
2018	0.84	4.00	5.00	4.00	1.00	-	4.84
2019	0.84	4.00	5.00	4.00	1.00	1.00	4.84
2020	0.84	4.00	5.00	4.00	1.00	1.00	4.84
2021	0.84	4.00	5.00	4.00	1.00	1.00	4.84
2022	0.84	4.00	5.00	4.00	1.00	1.00	4.84
2023	0.83	4.00	5.00	4.00	1.00	1.00	4.83
2024	0.83	4.00	5.00	4.00	1.00	1.00	4.83

(1) Per \$100 assessed value

(2) Collected by the State and remitted to the County monthly

(3) Effective July 1, 2018

Note: There are no overlapping taxes in the rates disclosed in this table.

Table 7

County of James City, Virginia
Principal Tax Payers
Current Year and Ten Years Ago

Principal Property Tax Payers						
	2024			2015		
	Property Taxes Assessed	Rank	Percent of Total	Property Taxes Assessed	Rank	Percent of Total
Anheuser-Busch, Inc.	\$ 5,713,246	1	3.24%	\$ 5,007,638	1	4.04%
Virginia Electric & Power Company	2,835,881	2	1.61%	1,396,208	3	1.13%
Seaworld Parks & Entertainment, LLC	2,273,723	3	1.29%	1,980,424	2	1.60%
Wal-Mart, Inc	1,202,431	4	0.68%	1,087,484	4	0.88%
Premium Outlets of Williamsburg (1)	1,169,966	5	0.66%	1,045,175	5	0.84%
Ball Metal Container	1,058,705	6	0.60%	688,884	8	0.56%
Historic Powhatan Resort Owners Assoc	1,023,948	7	0.58%	980,222	6	0.79%
Williamsburg Landing, Inc	917,045	8	0.52%	769,057	7	0.62%
Riverside Healthcare Assoc	695,724	9	0.39%	-	-	-
Vacation Village @ Williamsburg (2)	692,239	10	0.39%	657,613	9	0.53%
Owens-Brockway	-	-	-	532,259	10	0.43%
Total	\$ 17,582,908		9.96%	\$ 14,144,964		11.42%

Source: Commissioner of the Revenue

(1) Premium Outlets includes two related parties, Williamsburg Outlets, LLC and Williamsburg Mazel, LLC, which have been combined to show the value of the shopping center.

(2) Formerly known as Williamsburg Plantation Owners Association.

Principal Personal Property Tax Payers						
	2024			2015		
	Property Taxes Assessed	Rank	Percent of Total	Property Taxes Assessed	Rank	Percent of Total
Anheuser-Busch, Inc.	\$ 4,574,304	1	8.26%	\$ 3,924,079	1	11.02%
Seaworld Parks, LLC	1,708,228	2	3.08%	1,458,740	2	4.10%
Ball Metal Container	919,157	3	1.66%	559,424	3	1.57%
Cox Communications of Hampton Roads	638,097	4	1.15%	242,898	7	0.68%
Owens-Brockway Glass Container	561,575	5	1.01%	448,168	5	1.26%
Printpack, Inc	400,033	6	0.72%	466,985	4	1.31%
Allan Myers	341,567	7	0.62%	-	-	-
Wal-Mart, Inc	318,481	8	0.58%	317,484	6	0.89%
Citizen Asset Finance, Inc	270,525	9	0.49%	-	-	-
HVT, Inc	227,719	10	0.41%	110,893	9	0.31%
Toyota Lease Trust	-	-	-	226,624	8	0.64%
Branscome, Inc	-	-	-	106,533	10	0.30%
Total	\$ 9,959,686		17.98%	\$ 7,861,828		22.08%

Source: James City County, Commissioner of the Revenue

Principal Real Estate Property Tax Payers						
	2024			2015		
	Property Taxes Assessed	Rank	Percent of Total	Property Taxes Assessed	Rank	Percent of Total
Virginia Electric & Power Company	\$ 2,835,881	1	2.34%	\$ 1,392,726	1	1.57%
Premium Outlets of Williamsburg (1)	1,169,966	2	0.97%	1,038,962	3	1.17%
Anheuser-Busch, Inc.	1,138,942	3	0.94%	1,083,559	2	1.23%
Historic Powhatan Resort Owners Assoc	997,634	4	0.82%	966,499	4	1.09%
Wal-Mart, Inc.	883,950	5	0.73%	770,000	5	0.87%
Williamsburg Landing, Inc	814,438	6	0.67%	675,738	6	0.76%
Riverside Healthcare Assoc.	695,724	7	0.58%	-	-	-
Vacation Village @ Williamsburg (2)	692,239	8	0.57%	650,029	7	0.74%
Manor Club @ Ford's Colony (3)	643,256	9	0.53%	580,068	8	0.66%
Virginia United Methodist Homes, Inc.	638,067	10	0.53%	577,698	9	0.65%
Seaworld Parks, LLC	-	-	-	521,684	10	0.59%
Total	\$ 10,510,097		8.68%	\$ 8,256,963		9.33%

Source: James City County, Commissioner of the Revenue

(1) Premium Outlets includes two related parties, Williamsburg Outlets, LLC and Williamsburg Mazel, LLC, which have been combined to show the value of the shopping center.

(2) Formerly known as Williamsburg Plantation Owners Association.

(3) Formerly known as Powhatan Plantation Owners Association.

Table 8

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

Fiscal year	Taxes Levied	Collected in the Fiscal Year of the Levy		Collections in Subsequent Years	Total	
		Amount (1)	Percent of Levy		Collections to Date	Percent of Levy
2015	\$ 116,289,522	\$ 101,071,578	86.91%	\$ 14,681,894	\$ 115,753,472	99.54%
2016	122,616,224	106,867,113	87.16%	14,476,777	121,343,890	98.96%
2017	126,902,513	109,436,232	86.24%	15,895,512	125,331,744	98.76%
2018	129,502,759	111,268,080	85.92%	17,510,094	128,778,174	99.44%
2019	133,720,786	114,672,068	85.75%	16,894,911	131,566,979	98.39%
2020	135,651,256	114,426,238	84.35%	19,252,744	133,678,982	98.55%
2021	142,108,857	120,664,965	84.91%	19,196,062	139,861,027	98.42%
2022	143,792,467	122,219,660	85.00%	19,533,920	141,753,580	98.58%
2023	160,735,079	133,520,676	83.07%	24,375,831	157,896,507	98.23%
2024	158,219,912	134,119,404	84.77%	-	134,119,404	84.77%

Source: James City County, Treasurer

(1) Collections related to fiscal year levies includes PPTRA claimed by taxpayers.

Table 9

County of James City, Virginia
Taxable Sales by Category
Last Ten Fiscal Years

Category	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Apparel stores	\$ 194,143,321	\$ 194,900,831	\$ 186,607,800	\$ 161,355,210	\$ 153,888,820	\$ 148,561,525	\$ 116,650,461	\$ 125,868,678	\$ 124,983,917	\$ 97,421,095
Automotive dealers, supplies and repair	20,893,120	23,582,443	23,292,016	27,301,606	27,495,725	27,923,233	29,737,445	40,036,732	44,731,855	73,615,419
Building materials, machinery and equipment	18,046,110	20,957,143	19,658,032	18,140,731	16,525,955	15,897,685	32,678,513	34,325,048	30,432,607	96,245,794
Eating and drinking establishments	112,320,430	116,764,293	113,221,696	96,580,559	100,513,316	103,898,550	96,894,374	118,945,292	124,859,642	133,181,007
Food stores	172,591,926	178,533,330	173,053,026	166,510,730	159,139,231	171,721,520	215,713,106	226,813,897	249,773,470	197,892,180
Furniture, home furnishings and household equipment	33,524,596	34,915,814	33,199,279	30,254,081	29,813,814	28,837,623	28,645,435	29,436,353	24,906,212	19,285,228
General merchandise	133,412,703	138,011,583	138,691,794	148,614,533	158,022,671	148,055,718	157,187,098	177,380,986	187,545,120	159,854,775
Lodging	20,352,083	22,528,553	21,630,584	23,009,096	20,053,827	18,872,605	7,885,431	19,862,330	21,573,083	21,946,887
Other outlets	32,410,167	31,055,094	31,872,830	38,055,982	23,929,492	13,410,125	78,373,797	149,942,530	171,438,838	183,121,669
Other retail stores, dealers, trades and services	231,051,462	250,886,839	243,076,757	261,444,986	275,721,770	277,858,734	113,465,655	138,168,869	147,637,581	152,169,418
Total	\$ 968,745,918	\$ 1,012,135,923	\$ 984,303,814	\$ 971,267,514	\$ 965,104,621	\$ 955,037,318	\$ 877,231,315	\$ 1,060,780,715	\$ 1,127,882,325	\$ 1,134,733,472

Source: Weldon Cooper Center

Note: Some data is not categorized to protect confidentiality of the business.

Table 10

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

Fiscal Year	Governmental Activities						Business-type Activity (3)	Total Primary Government	Percent of Personal Income (1)	Per Capita Personal Income (2)
	General Obligation Bonds	Financed Purchases	Leases	Subscriptions	Lease Revenue Bonds	Total	Revenue Bonds			
2015	\$ 65,458,589	\$ 858,833	\$ -	\$ -	\$ 103,604,000	\$ 169,921,422	\$ 24,115,000	\$ 194,036,422	26.89%	\$ 59,126
2016	49,844,842	728,456	-	-	130,451,552	181,024,850	24,118,109	205,142,959	26.61%	60,952
2017	44,155,482	4,195,266	-	-	119,855,768	168,206,516	23,269,202	191,475,718	29.60%	62,192
2018	38,348,323	3,183,141	-	-	109,069,984	150,601,448	22,600,295	173,201,743	32.90%	61,913
2019	33,966,163	2,146,958	-	-	112,183,815	148,296,936	21,906,388	170,203,324	34.83%	63,901
2020	29,479,003	1,086,117	-	-	102,028,321	132,593,441	-	132,593,441	47.80%	67,460
2021	26,481,646	1,340,157	-	-	90,434,122	118,255,925	-	118,255,925	59.27%	73,319
2022	23,404,288	1,015,683	779,568	-	80,105,604	105,305,143	-	105,305,143	69.63%	75,459
2023	20,231,931	4,488,517	996,926	1,551,700	70,254,086	97,523,160	-	97,523,160	82.58%	81,761
2024	16,959,574	3,227,556	839,600	2,305,039	60,237,567	83,569,336	-	83,569,336	**	**

(1) Based on personal income from Table 12

(2) From Table 12, calendar year basis

(3) Prior to fiscal year 2020 (FY2020), the James City Service Authority (JCSA) was reported as a blended component unit and business-type activity of James City County. Beginning in FY2020, JCSA is reported as a discretely presented component unit and is not reported as part of the Primary Government.

** Statistics not yet available

Table 11

County of James City, Virginia
Debt Statistics
Last Ten Fiscal Years

Ratio of Net General Bonded Debt to Assessed Value and Net Bonded Debt Per Capita							
Fiscal year	Population (1)	Assessed Value (2)	Gross Bonded Debt (3)	Less Debt Service Monies Available (4)	Net Bonded Debt	Ratio of Net Bonded Debt to Assessed Value	Net Bonded Debt Per Capita
2015	71,015	\$ 12,420,621,529	\$ 65,458,589	\$ 2,920,369	\$ 62,538,220	50.35%	\$ 881
2016	72,099	12,511,337,556	49,844,842	1,219,616	48,625,226	38.86%	674
2017	73,189	12,818,125,753	44,155,482	1,221,521	42,933,961	33.49%	587
2018	74,309	13,065,070,419	38,348,323	1,222,024	37,126,299	28.42%	500
2019	75,444	13,407,219,197	33,966,163	1,226,463	32,739,700	24.42%	434
2020	76,633	13,686,990,111	29,479,003	-	29,479,003	21.54%	385
2021	78,317	14,303,580,339	26,481,646	-	26,481,646	18.51%	338
2022	78,567	14,482,062,562	23,404,288	-	23,404,288	16.16%	298
2023	79,488	15,853,314,186	20,231,931	-	20,231,931	12.76%	255
2024	80,678	15,965,937,240	16,959,574	-	16,959,574	10.62%	210

(1) From Table 12; based on calendar year

(2) From Table 5

(3) From Table 10

(4) Debt Service Reserve Funds held by a trustee

Ratio of Annual Debt Service Expenditures for General Bonded Debt and Lease Revenue Bonds to Total General Government Expenditures and Revenues							
Fiscal year	Principal	Interest (1)	Total Debt Service	Total General Governmental Expenditures (2)	Ratio of Debt Service to General Total Governmental Expenditures	Total General Governmental Revenues (2)	Ratio of Debt Service to General Total Governmental Revenues
2015	\$ 16,862,695	\$ 8,781,971	\$ 25,644,666	\$ 218,984,810	11.71%	\$ 213,074,589	12.04%
2016	17,122,377	6,188,222	23,310,599	226,845,449	10.28%	239,451,445	9.74%
2017	16,206,234	6,841,056	23,047,290	231,072,402	9.97%	245,652,126	9.38%
2018	16,284,125	6,195,080	22,479,205	231,635,241	9.70%	248,003,274	9.06%
2019	14,343,182	5,848,486	20,191,668	251,898,565	8.02%	259,858,415	7.77%
2020	14,282,841	5,447,279	19,730,120	243,309,721	8.11%	269,835,290	7.31%
2021	12,471,271	4,655,693	17,126,964	241,887,289	7.08%	279,751,973	6.12%
2022	11,917,000	4,393,270	16,310,270	280,172,584	5.82%	290,202,319	5.62%
2023	11,535,000	3,809,575	15,344,575	296,230,822	5.18%	310,251,316	4.95%
2024	12,138,510	3,269,025	15,407,535	307,442,341	5.01%	322,028,641	4.78%

(1) Excludes bond issuance and other costs.

Reflects recurring expenditures and revenues in the General Fund, Debt Service Fund, Special Revenue funds, transfers to Capital

(2) Projects Fund and the County's percentage of discretely presented Component Unit - Public Schools' Operating Fund.

Note: The County has no overlapping debt.

Table 12

County of James City, Virginia
Demographic and Economic Statistics
Last Ten Years

Calendar Year	Population (1)	Personal Income (2)	Per Capita Personal Income (2)	Unemployment Rate (3)
2015	71,015	\$5,216,840,000	\$ 59,126	4.3%
2016	72,099	5,459,563,000	60,952	3.8%
2017	73,189	5,667,509,000	62,192	3.5%
2018	74,309	5,697,923,000	61,913	2.9%
2019	75,444	5,928,428,000	63,901	2.6%
2020	76,633	6,338,434,000	67,460	7.1%
2021	78,317	7,009,303,000	73,319	3.9%
2022	78,567	7,332,189,000	75,459	2.8%
2023	79,488	8,053,579,000	81,761	2.8%
2024	80,678	**	**	**

Source: (1) Weldon Cooper Center

(2) Bureau of Economic Analysis; combined data for James City County and the City of Williamsburg

(3) Virginia Employment Commission

** Statistics not yet available

Median Household Income				
Calendar Year	James City County	Virginia	United States	
2015	\$ 75,710	\$ 65,015	\$ 53,889	
2016	80,226	66,149	55,322	
2017	80,772	68,766	57,652	
2018	83,048	71,564	60,293	
2019	87,678	74,222	62,843	
2020	91,675	76,398	64,994	
2021	94,907	80,615	69,021	
2022	100,711	87,249	75,149	
2023	110,137	89,931	77,719	
2024	**	**	**	

Source: U.S. Census Bureau

** Statistics not yet available

Households and Poverty					
Fiscal Year	Occupied Households (2)	Persons per Household (1)	Total Household Population	Supplemental Nutrition Assistance Program (SNAP)	
				No. of Households (2)	Percent of Occupied Households
2015	28,986	2.62	75,943	2,006	6.92%
2016	29,390	2.61	76,708	1,870	6.36%
2017	29,807	2.62	78,094	1,773	5.95%
2018	30,240	2.61	78,926	1,729	5.72%
2019	30,608	2.61	79,887	1,690	5.52%
2020	31,036	2.60	80,694	1,676	5.40%
2021	31,458	2.57	80,847	1,893	6.02%
2022	32,068	2.55	81,773	2,271	7.08%
2023	32,766	2.53	82,898	2,366	7.22%
2024	34,719	**	**	2,218	6.39%

Source: (1) U.S. Census Bureau

(2) James City County, Social Services Department

** Statistics not yet available

(Continued)

Table 12 (Continued)

County of James City, Virginia
Demographic and Economic Statistics
Last Ten Years

Population and Age Distribution										
Year	Population		Percentage Increase							
1950	6,317		28.7%							
1960	11,539		82.7%							
1970	17,853		54.7%							
1980	22,763		27.5%							
1990	34,859		53.1%							
2000	48,102		38.0%							
2010	67,009		39.3%							
2020	78,254		16.8%							
Age	1980		1990		2000		2010		2020	
0-14	5,008	22.0%	7,211	20.7%	9,254	19.2%	11,608	17.3%	12,220	15.6%
15-19	2,276	10.0%	2,147	6.2%	2,838	5.9%	4,120	6.1%	4,335	5.5%
20-29	3,870	17.0%	5,330	15.3%	-	0.0%	-	0.0%	-	0.0%
20-34	*	*	*	*	7,484	15.6%	9,741	14.5%	11,525	14.7%
30-44	4,780	21.0%	8,901	25.5%	-	0.0%	-	0.0%	-	0.0%
35-44	*	*	*	*	7,866	16.4%	8,133	12.1%	8,647	11.0%
45-64	5,235	23.0%	7,255	20.8%	12,563	26.1%	19,537	29.2%	20,130	25.7%
65+	1,594	7.0%	4,015	11.5%	8,097	16.8%	13,870	20.7%	21,397	27.3%
Total	22,763	100%	34,859	100%	48,102	100%	67,009	100%	78,254	100%

Source: U.S. Census Bureau

* New categories, as defined by the U.S. Census

Unemployment Rate and Labor Force				
Calendar year	Civilian Labor Force	Employed	Unemployed	Unemployment Rate
2015	34,430	32,960	1,470	4.3%
2016	34,910	33,580	1,330	3.8%
2017	36,236	34,977	1,259	3.5%
2018	36,646	35,579	1,067	2.9%
2019	36,951	35,981	970	2.6%
2020	36,749	34,137	2,612	7.1%
2021	36,365	34,940	1,425	3.9%
2022	37,027	35,991	1,036	2.8%
2023	38,032	36,964	1,068	2.8%
2024	**	**	**	**

Source: Virginia Employment Commission

** Statistics not yet available

Table 13

County of James City, Virginia
Principal Employers in James City County
Current Year and Ten Years Ago

	2024			2015		
	Employees	Rank	Percent of Total County Employment	Employees	Rank	Percent of Total County Employment
Williamsburg-James City County Public Schools	1000+	1	7.05%	1000+	2	4.95%
James City County	1000+	2	2.84%	500-999	4	2.32%
Busch Entertainment	1000+	3	3.10%	1000+	1	**
Eastern State Hospital	500-999	4	2.39%	500-999	3	2.79%
Wal-Mart Import Distribution Center	500-999	5	2.15%	500-999	5	0.19%
Riverside Regional Medical Center	500-999	6	2.03%			
Anheuser-Busch Inbev	500-999	7	1.51%	500-999	7	1.55%
Williamsburg Landing	250-499	8	1.14%	250-999	10	0.93%
Owens & Minor/AVID Medical	250-499	9	1.18%	500-999	8	1.55%
Ball Metal	100-249	10	0.61%			
Kingsmill Resort				500-999	6	1.55%
Jamestown-Yorktown Foundation				250-499	9	0.93%
Total			<u>24.00%</u>			<u>16.76%</u>

Source: James City County, Economic Development Department

** Information was not available.

County of James City, Virginia
Full-time County Government Employees by Function/Program
Last Ten Fiscal Years

Function/program	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Administrative:										
Board of Supervisors	1.0	0.5	0.5	0.5	0.5	-	-	-	-	-
County Administration	3.0	3.0	3.0	4.0	6.0	7.0	7.0	8.0	8.0	8.0
County Attorney	5.0	5.0	5.0	5.0	4.0	4.0	4.0	4.0	4.0	4.0
Communications	7.0	8.0	8.0	8.0	-	-	-	-	-	-
Economic Development	4.0	3.5	3.5	3.5	3.5	3.0	4.0	4.0	4.0	3.0
Office of Elections	3.0	3.0	3.0	3.0	3.0	3.0	3.0	4.0	5.0	5.0
Human Resources	7.0	7.0	7.0	7.0	8.0	7.0	7.0	7.0	8.0	8.0
Financial Administration:										
Accounting	8.0	8.0	7.0	7.0	7.0	7.0	7.0	8.0	9.0	9.0
Commissioner of the Revenue	11.0	11.0	11.0	11.0	11.0	11.0	11.0	11.0	11.0	11.0
Financial and Management Services	7.0	7.0	8.0	8.0	8.0	8.0	8.0	8.0	5.0	5.0
Purchasing	4.0	4.0	5.0	5.0	5.0	5.5	6.0	6.0	6.0	6.0
Real estate Assessments	10.0	10.0	10.0	10.0	8.0	8.0	8.0	8.0	9.0	9.0
Treasurer	13.0	13.0	13.0	13.0	13.0	14.0	14.0	14.0	16.0	16.0
Satellite Services	3.0	3.0	3.0	3.0	3.0	3.0	3.0	4.0	**	**
Information Resources Management:										
Information Resources Management	21.0	21.0	21.0	21.0	15.0	14.0	13.0	13.0	14.0	14.0
Information Technology Core Applications	-	-	-	-	5.0	6.0	6.0	7.0	7.0	7.0
Information Technology Infrastructure	-	-	-	-	8.0	9.0	9.0	11.0	11.0	11.0
General Services:										
Facilities Maintenance	18.0	18.0	19.0	18.0	18.0	18.0	18.5	19.0	19.0	19.0
Fleet and Equipment	8.0	8.0	8.0	8.0	8.0	8.5	9.0	9.0	10.0	10.0
General and Capital Services	7.0	7.0	7.0	9.5	10.5	11.5	11.5	12.5	13.5	13.5
Grounds Maintenance	25.0	25.0	26.0	26.5	27.5	28.5	28.5	29.5	35.5	35.5
Solid Waste Management	5.0	5.0	5.0	5.0	5.0	6.0	6.0	7.0	8.0	8.0
Stormwater	6.0	8.0	8.0	7.0	18.0	18.0	18.0	19.0	20.0	20.0
Community Development:										
Building Safety and Permits	14.0	14.0	15.0	16.0	17.0	17.0	17.0	17.0	18.0	18.0
Community Development	2.0	2.0	2.0	2.0	2.0	2.0	3.0	4.0	4.0	4.0
Engineering and Resource Protection	11.0	11.0	11.0	11.0	-	-	-	-	-	-
Planning	10.0	10.0	10.0	9.0	11.0	11.0	11.0	11.0	11.0	12.0
Zoning Enforcement	4.0	4.0	4.0	4.0	4.0	4.0	4.0	4.0	4.0	4.0
Judicial:										
Courts/Judicial	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0
Courthouse	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0
Clerk of the Circuit Court	11.0	11.0	11.0	11.0	11.0	11.0	11.0	11.0	13.0	13.0
Commonwealth's Attorney	9.0	9.0	10.0	11.0	11.0	13.0	13.0	13.0	13.0	13.0
Sheriff	16.0	16.0	16.0	17.0	17.0	17.0	17.0	17.0	17.0	17.0
Public Safety:										
Animal Control	2.0	2.0	2.0	2.0	2.0	2.0	2.0	3.0	3.0	3.0
Emergency Communications	29.0	29.0	29.0	29.0	28.0	28.0	28.0	28.0	28.0	28.0
Emergency Management	3.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0
Fire	114.0	115.0	115.0	115.0	122.0	128.0	128.0	128.0	137.0	137.0
Police	100.0	103.0	103.0	105.0	108.0	111.0	111.0	112.0	112.0	113.0
Parks and Recreation	47.0	49.0	52.0	52.0	54.0	54.0	54.0	53.0	57.0	56.0
Total General Fund	552.0	559.0	567.0	573.0	588.0	604.0	606.5	620.0	646.0	646.0
Other Funds:										
Social Services	51.0	51.0	52.0	53.0	53.0	56.0	56.0	60.0	61.0	61.0
Colonial Community Corrections	13.0	13.0	12.0	12.0	14.0	14.0	14.0	14.0	14.0	14.0
Housing and Neighborhood Development	8.0	8.0	7.0	8.0	9.0	9.0	10.0	10.0	10.0	10.0
Special Projects/Grants	3.0	3.0	3.0	6.0	5.0	8.0	8.5	9.0	16.0	18.0
Total Other Funds	75.0	75.0	74.0	79.0	81.0	87.0	88.5	93.0	101.0	103.0
Total - All Funds	627.0	634.0	641.0	652.0	669.0	691.0	695.0	713.0	747.0	749.0

Source: James City County, Financial and Management Services Department

**Satellite Services became part of the Treasurer's office in fiscal year 2023.

Table 15

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

Function/Program	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Police:										
Calls for service	20,875	22,225	21,829	22,247	21,806	20,677	20,623	21,683	22,100	22,724
Major crimes reported	1,182	1,260	1,153	1,133	976	724	791	938	864	764
Major crimes cleared	335	390	335	374	343	231	227	244	211	223
Fire:										
Fire/other responses	3,153	3,302	4,010	3,774	3,978	3,646	3,800	3,884	4,382	4,649
Inspections	1,320	1,255	1,169	1,046	914	500	425	437	886	496
EMS responses	6,666	7,039	7,141	7,330	7,894	7,486	7,844	8,599	8,951	8,738
Refuse collection:										
Refuse collected (tons per day)	10	11	12	12	17	18	36	20	17	16
Recyclables collected (tons per day)	1	1	1	2	1	1	2	1	1	1
Recyclables collected curbside (tons per day)	23	24	23	23	24	15	12	11	14	14
Parks and recreation:										
Community center admissions	400,367	401,111	434,719	404,919	431,581	296,848	182,210	283,462	383,934	385,664
Park attendance	2,595,974	2,817,348	3,075,306	3,742,009	3,997,042	3,930,165	5,340,313	6,114,292	6,367,876	6,950,311
Participants in programs offered	441,969	463,319	508,776	528,703	505,780	307,607	220,404	223,153	261,532	252,814

Source: James City County departments.

Table 16

County of James City, Virginia
Capital Asset Statistics by Function/Program
Last Ten Fiscal Years

Function/Program	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Police stations	1	1	1	1	1	1	1	1	1	1
Fire stations	5	5	5	5	5	5	5	5	5	5
Parks and recreation:										
Acreage	1,582	1,582	1,592	1,592	1,592	1,592	1,711	1,711	1,711	1,711
Playgrounds	12	12	10	10	10	10	10	10	10	10
Ball fields maintained	65	65	70	70	68	68	68	68	67	67
Tennis/pickleball courts maintained	4	6	6	6	6	8	8	8	8	8
Community centers	2	2	2	2	2	2	2	2	2	2

Source: James City County departments

Compliance Section

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County of James City, Virginia
Schedule of Expenditures of Federal Awards
Year ending June 30, 2024

Federal Grantor/Pass-Through Grantor/Cluster/Program Title/Grant Number	Assistance Listing No.	Subtotal	Total
Department of Agriculture			
Virginia Department of Social Services			
Child Nutrition Cluster:			
Virginia Department of Education:			
School Breakfast Program (1616VA307N1099)	10.553	\$ 1,048,230	
National School Lunch Program (1616VA307N1099)	10.555	2,940,573	
Summer Food Service Program (1616VA307N1099)	10.559	11,693	
Total Child Nutrition Cluster			\$ 4,000,496
Child and Adult Care Food Program*	10.558		36,846
Team Nutrition*	10.574		2,275
Supplemental Nutrition Assistance Program (SNAP) Cluster: State Admin. Matching Grants*	10.561		1,026,435
Pandemic EBT Administrative Costs*	10.649		3,256
Department of Health and Human Services:			
Virginia Department of Social Services:			
Guardianship Assistance*	93.090		616
Kinship Navigator*	93.471		74,329
Title IV-E Prevention Program*	93.472		8,839
Promoting Safe and Stable Families*	93.556		4,095
Temporary Assistance for Needy Families*	93.558		296,191
Refugee and Entrant Assistance - State Administered Programs*	93.566		16,894
Low-Income Home Energy Assistance*	93.568		60,073
Child Care and Development Fund (CCDF) Cluster: Child Care Mandatory and Matching Funds*	93.596		71,934
Chafee Education and Training Vouchers Program*	93.599		309
Adoption and Legal Guardianship Incentive*	93.603		737
Child Welfare Services*	93.645		421
Foster Care - Title IV-E*	93.658		278,928
Adoption Assistance*	93.659		471,841
Social Services Block Grant*	93.667		282,191
Chafee Foster Care Independent Living*	93.674		3,793
Elder Abuse Prevention Intervention*	93.747		15,793
State Children's Insurance Program*	93.767		7,342
Medicaid Cluster:			
Medical Assistance Program, James City County*	93.778	718,679	
Medical Assistance Program, WJCC School Division*	93.778	12,377	
Total Medicaid Cluster			731,056
Head Start Program Cluster: Williamsburg-James City County Community Action Agency*	93.600		163,073
Epidemiology and Laboratory Capacity for Infectious Diseases (NU50CK000555)	93.323		44,640
Department of Interior: Bureau of Cash Management Payment in Lieu of Taxes	15.000		9,746
Department of Treasury:			
Coronavirus State & Local Fiscal Recovery Fund - James City County	21.027	3,958,687	
Coronavirus State & Local Fiscal Recovery Fund - WJCC Schools	21.027	526,556	
Total Program			4,485,243
Department of Homeland Security:			
Virginia Department of Emergency Management:			
Homeland Security Grant Program*	97.067		208,313
Department of Housing and Urban Development:			
Housing Counseling Assistance Program	14.169		26,642
Housing Voucher Cluster:			
Section 8 Housing Choice Vouchers	14.871	1,778,113	
Mainstream Vouchers	14.879	206,067	
Total Housing Voucher Cluster			1,984,180
Family Self Sufficiency Program	14.896		26,150
Virginia Department of Housing and Community Development:			
Community Development Block Grants/State's program and Non-Entitlement Grants in Hawaii*	14.228		251,248
Emergency Solutions Grant Program*	14.231		17,434
Department of Transportation:			
Highway Safety Cluster:			
National Highway Traffic Safety Administration - Highway Safety Grant (BXC_2023-53364-23364)	20.600	1,010	
National Highway Traffic Safety Administration - Highway Safety Grant (ENF AL-2023-53361-23361)	20.600	4,831	
National Highway Traffic Safety Administration - Highway Safety Grant (BPT-2024-54283-24283)	20.600	28,828	
National Highway Traffic Safety Administration - Highway Safety Grant (ENF AL-2024-54282-24282)	20.600	16,800	
Total Highway Safety Cluster			51,469
Highway Planning and Construction:			
Highway Planning and Construction (51SR7101M3001)	20.205		49,616
Department of Justice:			
Bureau of Justice Administration:			
BJA - Bulletproof Vests Partnership*	16.607		24,996
Office of Justice:			
Edward Byrne Memorial Justice Assistance Grant Program (15PBJA-22-GG-02927-JAGX)	16.738	1,885	
Edward Byrne Memorial Justice Assistance Grant Program (15PBJA-23-GG-03859-JAGX)	16.738	12,226	
Total Program			14,111
Virginia Department of Criminal Justice Services:			
Crime Victim Assistance (21-A8579VW19)	16.575	114,195	
Violence Against Women Formula Grants (23-A9412VA21)	16.588	6,068	
Violence Against Women Formula Grants (24-A9412VA22)	16.588	23,694	
Total Program			143,957
Department of Education:			
Education Stab. Fund - Elementary and Secondary School Emerg. Relief Fund (S425D200008)	84.425D	125,324	
American Rescue Plan Act - Elementary and Secondary School (S425U210008)	84.425U	4,336,352	
Total Program			4,461,676
Impact Aid	84.041		309,162
College of William and Mary - Project HOPE (S196A210048, S196A220048)	84.196		5,279
Virginia Department of Education:			
Title I Grants to Local Educational Agencies (S010A190046, S010A200046, S010A210046, S010A220046)	84.010		1,793,657
Title I, Part D, Neglected and Delinquent Children (S013A210046/S013A220046)	84.013		100,562
Vocational Education - Basic Grants to States (V048A220046)	84.048		181,572
Title II, Part A, Supporting Effective Instruction State Grants (S367A190044, S367A200044, S367A210044, S367A220044)	84.367		276,033
Title III, Part A, English Language Acquisition Grants (S365A190046, S365A200046, S365A210046, S365A220046)	84.365		105,370
Title IV, Part A, Student Support and Academic Enrichment Grants (S424A190048, S424A200048, S424A210048, S424A220048)	84.424		123,949
Special Education Cluster:			
Special Education - Grants to States (11027A210107, 11027A220107)	84.027	2,139,835	
American Rescue Plan Act - Special Education - Grants to States (H027X210107)	84.027X	120,878	
Total Program		2,260,713	
Special Education - Preschool Grants (H173A210112, H173A220112)	84.173	34,071	
American Rescue Plan Act - Special Education - Preschool Grants (H173A210112, H173A220112)	84.173X	23,201	
Total Program		57,272	
Total Special Education Cluster			2,317,985
Total		\$	24,570,753

* Pass-through identifying number is not available.

See accompanying notes to schedule of expenditures of federal awards.

County of James City, Virginia
Notes to Schedule of Expenditures of Federal Awards
Year ended June 30, 2024

1) Basis of Presentation

The accompanying Schedule of Expenditures of Federal Awards (SEFA) includes the federal award activity of the County of James City, Virginia (the County) and its component unit, Williamsburg-James City County Public Schools (the Public Schools). The information in this schedule is presented in accordance with the requirements of Title 2 U.S. *Code of Federal Regulations* (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the SEFA presents only a selected portion of the operations of the County and Public Schools, it is not intended to and does not present the financial position, changes in net position or cash flows of the County and Public Schools.

2) Summary of Significant Accounting Policies

Expenditures reported in the schedule are reported on the modified accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance wherein certain types of expenditures are not allowable or are limited as to reimbursement.

3) Indirect Cost Rate

The County and Public Schools have elected not to use the 10% de minimus indirect cost rate allowed under the Uniform Guidance.

4) Sub-recipient Payments

There were no awards passed through to sub-recipients during the fiscal year ended June 30, 2024.

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

To the Honorable Members of the Board of Supervisors
County of James City, 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 “Specifications”), the financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the County of James City, Virginia (the “County”), as of and for the year ended June 30, 2024, and the related notes to the financial statements, which collectively comprise the County’s basic financial statements, and have issued our report thereon dated December 9, 2024. Our report included an emphasis paragraph indicating that the business-type activities’ and the aggregate discretely presented component units’ beginning net position balance has been restated.

Report on Internal Control over Financial Reporting

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

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

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

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the County’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 instance of noncompliance or other matters that are required to be reported under *Government Auditing Standards* and one matter required to be reported in accordance with the Specifications as described in the accompanying schedule of findings and questioned costs as item 2024-001.

County's Response to Finding

The County's response to the finding identified in our audit is described in the accompanying schedule of findings and questioned costs. The County's response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on the response.

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.

Cherry Bekaert LLP

Richmond, Virginia
December 9, 2024

Report of Independent Auditor on Compliance for Each Major Federal Program and on Internal Control over Compliance Required by the Uniform Guidance

To the Honorable Members of the Board of Supervisors
County of James City, Virginia

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited the County of James City, Virginia's (the "County") compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of the County's major federal programs for the year ended June 30, 2024. The County's major federal programs are identified in the *Summary of Auditor's Results* section of the accompanying Schedule of Findings and Questioned Costs.

In our opinion, the County complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2024.

Basis for Opinion on Each Major Federal Program

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

We are required to be independent of the County and to meet our other ethical responsibilities, in accordance with relevant ethical requirements 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 the County's compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

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

Auditor's Responsibility for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the County's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and, therefore, is not a guarantee that an audit conducted in accordance with generally accepted auditing standards, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the County'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 the County's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of the County's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of the County's internal control over compliance. Accordingly, no such opinion is expressed.

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

Report on Internal Control over Compliance

Management of the County is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the County's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the County's internal control over compliance.

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

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

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

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

Cherry Bekaert LLP

Richmond, Virginia
December 9, 2024

COUNTY OF JAMES CITY, VIRGINIA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS

JUNE 30, 2024

A. Summary of Auditor’s Results

Financial Statements:

Type of auditor’s report issued on the financial statements:	Unmodified
Internal control over financial reporting:	
Material weaknesses identified:	No
Significant deficiencies identified:	None reported
Noncompliance material to the financial statements noted?	No

Federal Awards:

Type of auditor’s report issued on compliance for major programs:	Unmodified
Internal control over financial reporting:	
Material weaknesses identified:	No
Significant deficiencies identified:	None reported
Any audit findings disclosed that are required to be reported in Accordance with Section 200.516(a) of the Uniform Guidance?	No

Identification of major federal programs:

<u>Name of Program</u>	<u>Assistance Listing #</u>
Department of Agriculture: Supplemental Nutrition Assistance Program	10.561
Department of the Treasury: Coronavirus State and Local Fiscal Recovery Funds	21.027
Department of Education: Education Stabilization Fund	84.425D and U
Dollar threshold to distinguish between Types A and B Programs:	\$750,000
The County of James City qualified as a low risk auditee in 2024	No

COUNTY OF JAMES CITY, VIRGINIA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)

JUNE 30, 2024

B. Finding Relating to the Financial Statements Reported in Accordance with *Government Auditing Standards*

None reported.

C. Section III – Findings and Questioned Costs Relating to Federal Awards

None reported.

D. Section IV – Findings and Questioned Costs Relating to Compliance with Commonwealth of Virginia Regulations, Contracts and Grants

2024-001: Non-material Noncompliance – Virginia Initiative for Education and Work (“VIEW”) Program

Criteria: Section 63.2 of the Code of Virginia oversees the operation of social service programs administered at the local level. Eligibility is determined at the local level using guidelines and procedures set forth in the Virginia Department of Social Services (“VDSS”) guides. Guideline 51 of the VIEW Program Spending Funds Guide for local departments of social services states that VIEW must be used for eligible participants.

Condition: Of the twenty-five (25) VIEW purchases service transactions selected for testing we noted:

- Two (2) instances where the case had been closed, but payment was received after the eligibility period.
- Five (5) instances where an updated activity and service plan was not created prior to authorizing payment.

Cause: Lack of review of case eligibility before approving payment.

Effect: The County is not in compliance with Section 63.2 of the Code and non-compliance may result in action by the VDSS.

Recommendation: Local government officials and employees should review case files of eligibility and ensure proper documentation is on file.

Views of Responsible Officials and Planned Corrective Action:

#1 Corrective action has been implemented to prevent future errors by ensuring the system is updated with the assigned activity and a new ASP is created prior to authorizing the case action.

#2 Corrective action has been implemented including supervisor reviewing transportation assistance list received from accounting and inquiring the system to ensure the TANF case is still open. The supervisor is also checking the list of active VIEW cases at the end of each month to ensure that the TANF cases are still open and eligible for VIEW.

#3 Corrective action implemented that supervisor will review the system for an entry of assigned activity and an updated ASP listing the current activity prior to authorization of purchase.

COUNTY OF JAMES CITY, VIRGINIA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)

JUNE 30, 2024

#4 Corrective action has been implemented including supervisor reviewing transportation assistance list received from accounting and inquiring the system to ensure the TANF case is still open. The supervisor is also checking the list of active VIEW cases at the end of each month to ensure that the TANF cases are still open and eligible for VIEW.

#5 Corrective action has been implemented in that supervisor will not sign off on case actions for purchases until the system is checked for current activity assignment and updated ASP.

#6 Corrective action has been implemented that supervisor will not sign off on case actions for purchases until the system is checked for current activity assignment and updated ASP

#7 Corrective action has been implemented in that supervisor will not sign off on case actions for purchases until the system is checked for current activity assignment and updated ASP.

E. Section V – Status of Prior Year Findings

Finding: 2023-001 – Material Weakness in Internal Control – Financial Reporting – not repeated