City of Williamsburg, Virginia

Comprehensive Annual Financial Report

Fiscal Year Ended June 30, 2020

CITY OF WILLIAMSBURG, VIRGINIA

COMPREHENSIVE ANNUAL FINANCIAL REPORT

FOR THE YEAR ENDED JUNE 30, 2020

PREPARED BY:

Department of Finance

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CITY OF WILLIAMSBURG, VIRGINIA

COMPREHENSIVE ANNUAL FINANCIAL REPORT
FOR THE YEAR ENDED JUNE 30, 2020

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INTRODUCTORY SECTION

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CITY OF WILLIAMSBURG

Department of Finance

November 17, 2020

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

The Comprehensive Annual Financial Report (CAFR) of the City of Williamsburg, Virginia, for the fiscal year ended June 30, 2020, is submitted herewith in accordance with Section 15.2-2511 of the Code of Virginia. This report is designed in a manner to fairly set forth the financial position and results of operations of the City as measured by the financial activity of its various funds in conformity with accounting principles generally accepted in the United States of America (GAAP). We also believe that all disclosures necessary to enable the reader to gain the maximum understanding of the City's financial affairs are included. The Department of Finance has prepared this report in accordance with all governmental accounting and financial reporting standards as prescribed by the Governmental Accounting Standards Board (GASB), the Financial Accounting Standards Board (FASB), where applicable, and the Commonwealth of Virginia's Auditor of Public Accounts (APA).

This report consists of management's representations concerning the finances of the City. Consequently, management assumes full responsibility for the completeness and reliability of the information presented in this report. To provide a reasonable basis for making these representations, management of the City has established a comprehensive internal control framework designed to protect the City's assets from loss, theft, or misuse and to compile sufficient reliable information for the preparation of the City's financial statements. Because the cost of internal controls should not outweigh their benefits, the City's comprehensive framework of internal controls has been designed to provide reasonable rather than an absolute assurance that the financial statements will be free from material misstatement. As management, we assert that, to the best of our knowledge and belief, this financial report is complete and reliable in all material respects and presents fairly the financial position and results of operations of the various funds of the City.

This report is intended to provide informative and relevant financial information for the citizens of the City, the City Council, investors, creditors, and other concerned readers. All are encouraged to contact the Department of Finance with any comments or questions concerning this report.

The City's financial statements have been audited by Robinson, Farmer, Cox Associates, a firm of licensed certified public accountants. This is the sixth year of a renewed multi-year contract for professional auditing services with this firm. The goal of the independent audit was to provide reasonable assurance that the financial statements of the City for the fiscal year ended June 30, 2020, are free of material misstatement. The independent audit involved examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, and evaluating the overall financial statement presentation.

The independent auditor concluded, based upon the audit, that there was a reasonable basis for rendering an unmodified opinion that the City of Williamsburg's financial statements for the fiscal year ended June 30, 2020, are fairly presented in conformity with generally accepted accounting principals (GAAP). The independent auditor's report is presented as the first component of the financial section of this report.

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

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

Profile of the City

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

Williamsburg encompasses some nine square miles located between the James and York Rivers on the Virginia Peninsula in Southeastern Virginia. The 2010 US Census showed Williamsburg with a population of 14,068, up 17.2% from the 2000 US Census. The City is home to two premier institutions: William & Mary, established in 1693, and the Colonial Williamsburg Foundation, a living history museum that recreates the days when Williamsburg was the Capital of Colonial Virginia, from 1699 to 1780.

The financial reporting entity includes all the funds of the City of Williamsburg. The financial reporting entity consists of (a) the primary government, (b) organizations for which the primary government is financially accountable, and (c) other organizations for which the nature and significance of their relationship with the primary government are such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete. In September 2012, by ordinance, the Williamsburg City Council effectively terminated the Williamsburg Redevelopment & Housing Authority (WRHA) Board of Commissioners and appointed City Council members in their place. In February 2013, a Memorandum of Understanding between the City and the WRHA was signed, integrating services of existing City departments with WRHA. This change was made for operational assistance and administrative convenience, and also as a cost-control measure. The WRHA operation has been presented as a component unit of the City in the financial statements since Fiscal Year 2013.

The City provides the full range of municipal services, including public safety (police, fire, and emergency medical services, parking garage), public works (street construction and maintenance, landscaping, stormwater management, engineering, refuse collection, and a public cemetery), economic development, planning and zoning, code compliance, human and public housing services, parks and recreation, and general administrative services. The City also provides water and sewer services to approximately 3,900 residential and 930 commercial customers, with user charges set by City Council to ensure adequate coverage of operating and capital expenses.

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

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

The annual budget serves as the foundation for the City's financial planning and control. The budget process incorporates City Council's strategic plan, "Biennial Goals, Initiatives and Outcomes," and defines, communicates, and funds the City's programs and priorities. The completed budget is City Council's road map and a primary management tool for the City Manager and Department Heads. The annual Budget Guide is a formal call for all departments of the City, and agencies associated with it, to prepare and submit an estimate of the resources required for the next fiscal year. It includes a set of procedures for building a comprehensive budget for the City Manager to present to City Council each year. City Council is required to hold public hearings on the proposed budget and tax rates and to adopt a final budget resolution no later than June 30. The appropriated budget is prepared by fund, function (e.g., public works), and department (e.g., streets). Department heads may make necessary transfers of appropriations within a

department, with the approval of the City Manager. Budget amendments requiring changes in total fund appropriations require subsequent approval of City Council and a public hearing if it exceeds one percent of the total expenditures adopted in the current year. Budget-to-actual comparisons are provided in this report for each governmental fund for which an appropriated annual budget has been adopted. For the general fund, this comparison is presented as part of the required supplementary information other than management's discussion and analysis under the combining and individual funds tab of the report.

Factors Affecting Financial Condition

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

Economic Condition and Outlook:

The economy of the City of Williamsburg is propelled by tourism and education. Tourism – including major attractions and the hospitality industry – continues to provide the most significant source of tax base for the city government. Within the city limits are 27 hotels/motels with approximately 3,450 rooms, 14 operating bed and breakfasts with approximately 60 rooms, and five timeshares. There are also 131 eating establishments, including one meadery, two breweries, one distillery, and one wine tasting room.

The lynchpin of tourism is the Colonial Williamsburg Foundation, which operates the nation's most extensive living history museum. Encompassing 578 restored or reconstructed buildings and employing approximately 1,830, the Foundation interprets the 18th-century history of America in Virginia's colonial capital. Other nearby attractions not located in the City include Jamestown (site of the first permanent English settlement in 1607), Yorktown (site of Washington's victory over Cornwallis in the Revolutionary War), and Busch Gardens and Water Country USA amusement parks. Next to tourism, higher education drives the Williamsburg economy. William and Mary, located within the City, is the nation's second-oldest university. The University owns 22.6% of the land area of the City, currently enrolls 8,773 graduate and undergraduate students, and employs approximately 2,900 faculty and staff.

Historically, the City's most significant revenue streams in the General Fund have been real estate taxes, personal property taxes, meal taxes, lodging taxes, and State revenues. Since 2016, these five classes of revenue made up 80% of total General Fund revenue, as follows:

	% of Total Revenues	% of Total Revenues
	FY 2020	**Average FY 2016 – FY 2019**
Current Real Estate*	34%	31%
Current Personnel Property*	6%	6%
Meals Taxes	17%	20%
Lodging Taxes	6%	9%
Revenue from State	15%	14%
Total	78%	80%

*Includes public service corporation taxes

From FY 2010 thru FY 2019, the cumulative decline in real property assessed values was 1.4%. In FY 2013, the real estate tax rate was adjusted from $0.54/100 to $0.57 and in FY 2019 from $0.57 to $0.60 in response to the cumulative decline in the tax base. In FY 2020, real estate tax assessed values increased 6.6% (including new construction) compared to the FY 2019 assessed values. The FY 2020 increase brought the cumulative increases and decreases from FY 2010 to a cumulative increase of 5.1%. The increased revenue was used, primarily, to invest in Public Safety personnel. City staff continues to monitor the real estate assessment to sales ratio each month by closely tracking sales activity. The ratio is important in analyzing sales trends in neighborhoods and is vital to the City Assessor's job of assessing properties at market value each year. As of October 2020, the City's assessment to sales ratio of residential sales since July 1, 2020, on average, is approximately 98%, which shows current assessments are close to market value. Residential real estate assessments for FY 2020, on average, increased by 8.8%, while the average commercial real estate assessments increased by 2.6%.

Meal taxes for July 2019 thru January 2020 increased 4.6% compared to the same period in FY 2019. Lodging taxes increased by 2% during the same timeframe. However, from February 2020 thru June 2020, Meal taxes decreased 53% compared to the same period in FY 2019, and Lodging taxes decreased by 79%. Two factors contributed to this

decline: the economic impact of social concerns and restrictions due to COVID-19 and City Council's delay of the due date for the February and March lodging and meals taxes. As a result, the meals tax was only 17% of total revenues for FY 2020, compared to the previous four-year average of 20% of revenues. Likewise, lodging taxes dropped to 6% of total revenues for FY 2020, compared to the previous four-year average of 9% of total revenues.

Revenue from the Commonwealth of Virginia increased 1% as a percent of total revenues in FY 2020 compared to the average for the past four years.

Current year personal property taxes as a percent of total revenues in FY 2020 remained level with the average for the previous four years.

Overall, current year revenues in the General Fund decreased by 4% compared to FY 2019. While there are various positive and negative variances throughout the City's General Fund revenue accounts, compared to FY 2019 and the budget, the majority of negative variances are directly related to COVID-19.

As discussed in the Government Funds Revenue Analysis section of the Management's Discussion and Analysis, sales tax revenue in the Capital Projects Fund decreased $390 thousand, or 8.1% compared to FY 2019. Sales tax revenue did not decrease at the same level as meals and lodging tax due to the nexus of online sales increasing because of Covid-19 and the demand for essential items, combined with new legislation effective July 1, 2019, requiring remote sellers to collect and remit sales tax even if they do not have a physical presence in Virginia.

The General Fund revenues are discussed further in the Major Operating Revenues of the Long-Term Financial Planning section of this letter and the Management's Discussion and Analysis.

Economic Development Activity – Recent economic development activity in the City includes the following:

- Commercial development projects are progressing:
  - "Quarterpath at Williamsburg," a 350-acre mixed-use development in the southeast quadrant of the City, is zoned for retail, Class-A office space, and a 40-bed acute care doctor's hospital operated by Riverside Health System, which opened in May 2013. Riverside continues to work with JLL commercial brokerage to attract retail and Class-A office space users.
  - Downtown redevelopment continues with Illy Café and Secret Garden opening in renovated spaces, and Simply Southern opened a pop-up shop.
  - Copper Fox Distillery completed its $1,600,000 investment in its Phase 3 renovation to open a larger distilling and event area in addition to the existing tasting room, malting building, storage buildings, and distilling buildings.
  - In 2017, Broad St LLC purchased the 20-acre Williamsburg Shopping Center property and 5-acre Monticello Shopping Center at Midtown. Plans to construct a $120 million vertical mixed-use project on the property are on schedule to complete construction in the summer of 2021. Phase I of the project is completed with an $8+ million renovation of the Monticello Shopping Center and the location of Earth Fare grocery store. Phase II also finished with Marshall's relocating to new space in the Richmond Road facing portion of the renovated Williamsburg Shopping Center. Phase III is the construction of four 5-story vertical mixed-use buildings and a parking garage. Broad St and is on schedule for completion in the summer of 2021.
- New business openings after renovating existing commercial space between July 1, 2019, and June 30, 2020, include Lanna Thai Cuisine, Secret Garden restaurant, Three Cabanas Boutique, Bonanza Kitchen restaurant, Parkway Dental Laboratory, Colonial Sports, Korean Kitchen restaurant, Jolene's Bar & Grill, Taqueria Bar & Grill, Perfectly Natural Soap, Matchstix BBQ, and several professional service operations (accounting, medical, counseling, design, etc.)
- The Virginia Assembly approved Senate Bill 942 in the FY 2018 Session. This bill levied a one percent sales tax in the Historic Triangle, which includes the City of Williamsburg, James City County, and York County. Half of the funds collected from the additional sales tax will fund the Historic Triangle Marketing Fund, and the other half will

be distributed to the locality in which the sales tax was collected. The sole purpose of the Historic Triangle Marketing fund is to market and promote the Historic Triangle area as a tourist destination. In addition, Williamsburg's City Council established a Tourism Fund for the City and will use the City's share of the Historic sales tax as one of the revenue sources for the Fund. The purpose of the City's Tourism Fund is to provide financial assistance and reinvestment in tourism products through public-private partnerships, place-making projects, and special events that are designed to promote economic growth in the City. The City held its first-year grant application round for this fund and received twenty-two applications. Five projects are underway, including: Indoor Sports Complex development, Kiwanis Park softball field completion, portable stage procurement, wayfinding system design, and the activation of the City Square Plaza.

Budget Policies

The City's adopted Financial Planning Policies include requirements for balanced budgets and long-range planning. The FY 2020 General Fund balanced operating budget was approved in May 2019. Prior to FY 2019, the City's General Fund and Capital Projects Fund were combined for financial reporting purposes. Beginning with FY 2019, the General Fund and the Capital Improvement Fund are reported separately for transparency purposes. As discussed in the Management's Discussion and Analysis section of this report, the General Fund operating deficit for the year ended June 30, 2020, was $585 thousand and directly related to the economic impact of COVID-19.

Long-range planning is part of the budget process each year and included (1) Planning Commission review of current and future capital projects; (2) consideration of revenue, expenditure, and service implications of continuing existing programs, or adding new programs; (3) condition assessment of major buildings, roads, sidewalks, bridges, water lines, vehicles, and equipment; (4) maintaining, at a minimum, the City's 35% of total operating revenues as its unassigned fund balance, which can only be used for emergencies, non-recurring expenditures, or major capital purchases that cannot be acquired on a pay-as-you-go basis.

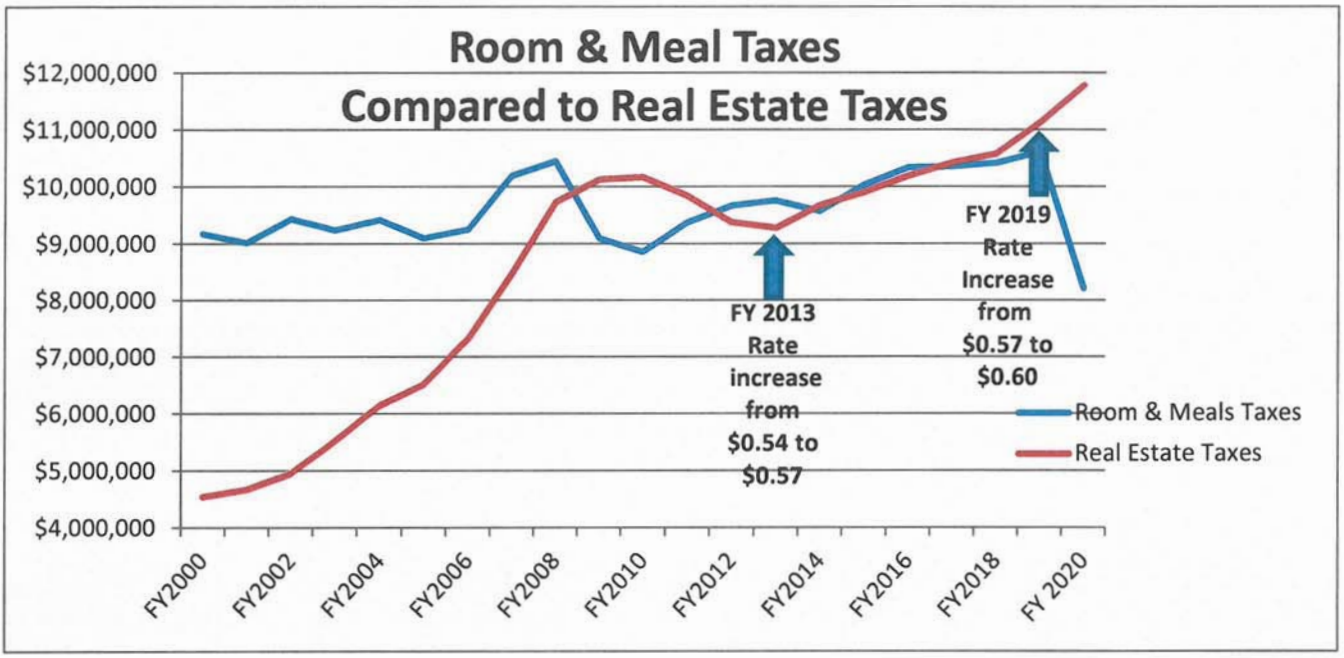
Revenue policies taken into consideration during the budget process included an annual review of tax rates, collection rates, and identification of all revenue and grant options available to the City. Also, user fees and charges were reviewed to ensure they keep pace with service delivery. Building permit and inspection fees, as well as all recreation program charges, were also considered during the budget process.

Expenditure policies include financing all current operating expenditures with current revenues. In addition, the City staff began a multi-year financial software conversion from its legacy software to a comprehensive and multi-functional Tyler-Munis platform during June 2017. Budgetary, as well as internal controls, have been further enhanced with the new software. The new accounting software went live July 1, 2017, followed by payroll, which went live in January 2018. Codes compliance cashiering went live in August 2019. General billing and business license went live in November of 2019, and Utility billing went live in October of 2020. The final phase, tax billing, is expected to go live in the Spring of 2021.

Long-Term Financial Planning

Major Operating Revenues - The City of Williamsburg takes pride in providing a high level of public services to its residents at a reasonable cost. The real estate tax rate of 60¢ per $100 of assessed value continues to be one of the lowest city tax rates in Virginia. Prior to FY 2009, room and meal taxes provided the largest source of funding for City services since the mid-1980s. Rising property assessments brought revenues that surpassed room and meal taxes during FY 2009 for the first time when most local governments began to feel the effects of the recent recession. Real estate taxes (not including public service corporation taxes) made up 33% of total revenues in FY 2020, compared to 19.9% in FY 2000. This shifting of the tax base is more pronounced when comparing actual tax revenues. During the period from FY 2000 thru FY 2019, room and meal taxes increased from $9.17 million to $10.62 million, a 15.8% increase. In FY 2020, the economic impact of COVID-19 resulted in a 23% decrease in the combined room and meal taxes. Real estate taxes increased from $4.5 million in FY 2000 to $11.8 million in FY 2020, an increase of 159%.

The following graph clearly depicts the gap between meal and room taxes and real estate taxes gradually narrowing between FY 2000 until FY 2009, when real estate taxes surpassed meal and room taxes. In FY 2012 and 2013, meals and room taxes once again surpassed real estate taxes, only to drop again briefly in FY 2014. For FY 2015 and 2016, meals and room taxes once again surpassed real estate taxes, but only narrowly. Since FY 2017, real estate taxes have exceeded room and meal taxes, with the economic impact of COVID-19 on meal and room taxes widening the gap in FY 2020.



The City's FY 2020 total personal property tax collections, including State reimbursement for the Car Tax program, increased by 4.8% compared to FY 2019 collections.

Revenue from the Commonwealth of Virginia increased 3% compared to FY 2019. It included $13,500 in grant funds from the Virginia Department of Housing and Community Development to assist with temporary emergency housing and food during the initial stages of the COVID-19 pandemic impacts on Williamsburg.

The City experienced business growth in early FY 2020; however, COVID-19 significantly stunted growth in early Spring of 2020. The City received Coronavirus Aid Relief Funds (CARES) in June and planned to make a portion available for grants to assist businesses in expanding their capacity while complying with social distancing restrictions. The City temporarily delayed issuing additional tourism grants (discussed on page V of this letter). The historic sales and lodging taxes (in the Tourism Fund) and the sales tax revenue (in the Capital Projects Fund) are available for transfer to the General Fund, if necessary, to maintain the City's Fund Balance Policy throughout the pandemic. As the nation moves from the COVID-19 crisis to recovery, the reestablishment of tourism grants, along with the economic development initiatives mentioned above, will be available to spark investment by new and existing businesses in the City. These initiatives will help to strengthen the City's real estate, personal property, and retail sales tax bases, as well as the recovery of meal and lodging taxes in the next few years.

A more detailed analysis of revenue trends is included in Management's Discussion and Analysis.

Major Operating Expenditures – The economy, and the added complication of COVID-19, continues to challenge the City's ability to provide the quality of services our residents are accustomed to and at relatively low tax rates. Total approved full-time equivalent positions were 205.5, an increase of one full-time position (Street Department) compared to FY 2019. The City budgeted a 2% cost of living increase and 0 – 3% merit increase for FY 2020, for an average total salary increase of 3%. Overall, the average actual increase in total salaries for FY 2020, compared to FY 2019, was 2.3%.

Personnel Costs - Employee benefit costs have increased substantially over the past several years. Healthcare benefits are analyzed each year relative to increases in premiums, and adjustments are recommended, if necessary, during the budget process. Beginning July 1, 2012, the City ended its self-insured healthcare plan, which was administered by Anthem, and now is offering employee & family coverage through the State's Local Choice healthcare plan. This move was intended (1) to limit exposure by joining a traditional insurance plan, with partial risk absorbed by the overall plan, which is made up of thousands of employees statewide, and (2) to reduce overall healthcare premiums by offering employees two different deductible plans. FY 2020 was the City's eighth year participating with the Local Choice healthcare plan. In FY 2020, the City's premiums for health insurance did not increase; however,

the City's overall cost for health insurance increased 3% compared to FY 2019. The increase in cost resulted from changes in the type of plan selected by employees and the number of employees selecting coverage.

The City is a member locality of the Virginia Retirement System (VRS). Pension costs are compensation-based, with funding rates set by VRS actuaries bi-annually. Significant increases in defined-benefit pension costs around the country have forced a variety of pension reform initiatives, as liabilities continue to outpace assets backing these long-term benefits. Pension reform by the Virginia General Assembly in 2011 has impacted localities and school districts by mandating employee contributions and changes in various components of benefit formulas. Note 13 of the financial statements includes extensive information on all VRS pension options, including the new Hybrid pension plan, which was effective January 2014.

The City's full-time salaried permanent employees are also covered by the VRS Group Life Insurance Program, and all paid employees and volunteers in hazardous duty positions are automatically covered by the Line of Duty Act Program (LODA). Note 15 of the financial statement includes information regarding the Group Life Insurance Program and Note 16 covers information regarding the Line of Duty Act Program.

City staff continues to analyze market conditions and formulate financing strategies with financial advisors, Davenport and Co., LLC, to stay on schedule with major projects. Since 2004, the City's fiscal policies include maintaining a minimum of 35% of total General Fund operating revenues as its operating fund balance. A detailed analysis of the City's fund balance is presented in the Management's Discussion and Analysis section of this report.

Independent Audit

The State Code of the Commonwealth of Virginia requires an annual audit of the books of account, financial records, and transactions of the City. This requirement has been complied with, and the unmodified opinion of Robinson, Farmer, Cox Associates, independent certified public accountants, has been included in this report.

Awards

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of Williamsburg, Virginia, for its Comprehensive Annual Financial Report for the fiscal year ended June 30, 2019. This was the 34th consecutive year that the City had received this prestigious award. In order to be awarded a Certificate of Achievement, a governmental unit must publish an easily readable and efficiently organized comprehensive annual financial report, with contents conforming to program standards. This report satisfied both generally accepted accounting principles and applicable legal requirements. A Certificate of Achievement is valid for a period of one year only. We believe our current report continues to conform to the Certificate of Achievement Program requirements, and we are submitting it to GFOA to determine its eligibility for another certificate.

The City also received the GFOA's Distinguished Budget Presentation Award for its annual budget document for the past 28 years. In order to qualify for the Distinguished Budget Presentation Award, the City's Budget document was judged to be proficient in several categories, including as a policy document, a financial plan, an operations guide, and a communications device. Both of these prestigious awards serve to continually improve the City's annual financial reports and budget documents by implementing professional suggestions from GFOA staff and reviewers across the country.

Acknowledgments

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

Respectfully Submitted,

Andrew O. Trivette
City Manager

Barbara A. Dameron, CPA
Director of Finance

Government Finance Officers Association

Certificate of Achievement for Excellence in Financial Reporting

Presented to

City of Williamsburg
Virginia

For its Comprehensive Annual
Financial Report
For the Fiscal Year Ended

June 30, 2019

Christopher P. Morrill

Executive Director/CEO

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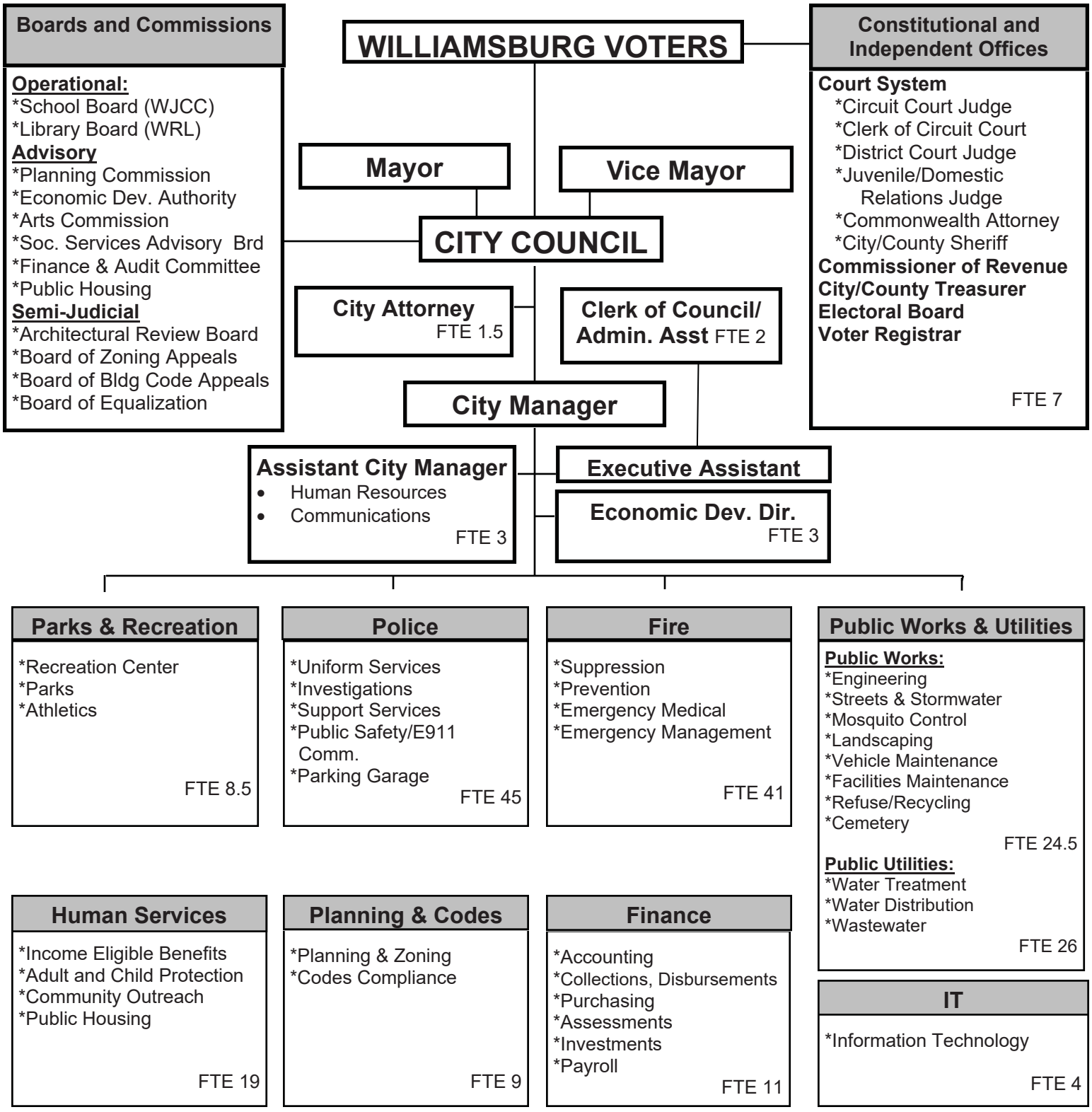
City of Williamsburg
Organizational Chart



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Members of the City Council

Douglas G. Pons, Mayor
Pat Dent, Vice-Mayor

Edward F. "Ted" Maslin
Caleb Rogers
Barbara L. Ramsey
Sandi Filicko, Clerk of Council

City Officials

City Manager ..... Andrew O. Trivette
Director of Finance ..... Barbara A. Dameron
Assistant City Manager ..... Vacant
Commonwealth's Attorney ..... Nate Green
City Attorney ..... Christina Shelton
Treasurer ..... Jennifer Otey Tomes
Commissioner of Revenue ..... Lara M. S. Overy
Clerk of Circuit Court ..... Mona A. Foley
Sheriff ..... Robert Deeds
Director of Public Works & Utilities ..... Daniel G. Clayton, III
Director of Planning ..... Carolyn Murphy
Director of Human Services ..... Wendy Evans
Director of Information Technology ..... Mark A. Barham
Director of Recreation ..... Robbi Hutton
Director of Economic Development ..... Michele Mixner DeWitt
Chief, Fire Department ..... W. Patrick Dent
Chief, Police Department ..... Sean Dunn
WHRA Executive Director ..... Tyrone Franklin

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FINANCIAL SECTION

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Independent Auditors' Report

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

Report on the Financial Statements

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

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

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

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

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of City of Williamsburg, Virginia, as of June 30, 2020, 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.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, budgetary comparison information, and schedules related to pension and OPEB funding progress on pages 4-20, 80-81, 82-91 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance. The budgetary comparison information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

Supplementary and Other Information

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

The other supplementary information and the schedule of expenditures of federal awards are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the 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.

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

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated October 13, 2020, on our consideration of City of Williamsburg, Virginia's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of City of Williamsburg, Virginia's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering City of Williamsburg, Virginia's internal control over financial reporting and compliance.

Robinson, Farmer, Cox Associates

Richmond, Virginia
October 13, 2020

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The Management's Discussion and Analysis (MD&A) offers readers of the City's financial statements a narrative overview and analysis of the City's financial activities for the year fiscal year ended June 30, 2020. Readers are encouraged to consider the information presented in conjunction with additional information furnished in our letter of transmittal, the financial statements, and the notes to the financial statements (which immediately follow this discussion).

FINANCIAL HIGHLIGHTS

Government-wide:

- The City's assets and deferred outflows exceeded its liabilities and deferred inflows (net position) at the close of Fiscal Year 2020 by $118 million. The unrestricted portion of net position is $19.9 million for the governmental activities and $7.2 million for the business-type activities for a total of $27.1 million. In the current year, the unrestricted net position decreased $1.6 million in the governmental activities and increased by $29 thousand in the business-type activities.
- The City's total net position increased $922 thousand from the prior fiscal year, of which the governmental activities increased $690 thousand, and business-type activities increased $232 thousand.

Fund Level:

- Total General Fund revenues were $35.7 million for FY 2020, a decrease of $1.5 million compared to FY 2019. General property tax receipts were $14.6 million, an increase of 6.3% compared to last year. Other local taxes decreased by 18.1% compared to FY 2019. The majority of the decrease was due to a reduction in hotel and motel taxes and restaurant food taxes, as social distancing restrictions brought on by COVID-19 impacted Williamsburg's tourism-based economy.
- Total General Fund expenditures increased by $284 thousand or .9% compared to FY 2019. The majority of the increase is attributed to General Government Administration and Community Development, offset by decreases in Parks and Recreation and Education expenditures.
- Spending on capital projects decreased $881 thousand, or 11.1% compared to last year. Debt service expenditures remained relatively level compared to FY 2019.
- The City's General Fund bonded debt decreased by $1.4 million with scheduled ongoing debt principal being paid down.
- The City's governmental funds reported combined ending fund balances of $45.3 million, a decrease of $1.5 million from the prior year. Fund balances are further categorized as Nonspendable ($34 thousand for prepaid), Restricted ($13.7 million for general obligation bonds issued for public safety facilities and .8 million for the Public Assistance Fund), Assigned ($12.9 million of carryover and future capital projects and $4.2 million for investment in tourism projects), and Unassigned ($13.7 million). The unassigned fund balance is 38.3% of the General Fund operating revenues.
- In October 2020, the Williamsburg City Council members were appointed as the Board of Commissioners of the Williamsburg Redevelopment & Housing Authority (WRHA). With the fiscal dependence, by way of City staff involved in the areas of payroll, accounts payable, and other managerial responsibilities, the WRHA is presented in this report as a Discretely Presented Component Unit of the City. Financial information is included herein for the WRHA's latest fiscal year ending September 30, 2019.
- Business-type activities (Utility Fund) reported a net position on June 30, 2020, of $26.2 million. Capital assets (net of depreciation and related debt) account for 73% of this amount, with the remaining net position of $7.2 million available without restriction. The Utility Fund reports combined cash and investments at year-end of $8.3 million, with total current liabilities of $1.4 million, including the current portion (due within one year) of compensated absences and bonds payable.

OVERVIEW OF THE FINANCIAL STATEMENTS

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

Government-wide Financial Statements

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

The government-wide financial statements (Exhibits 1 and 2) include the City itself (known as the primary government) and a legally separate Housing Authority for which the City is financially accountable. Financial information for this *component unit* is reported separately from the financial information presented for the primary government itself.

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

The *Statement of Activities* presents information showing how the government's net position changed during the most recent fiscal year. Because it separates program revenue (revenue generated by specific programs through charges for services, grants, and contributions) from general revenue (revenue provided by taxes and other sources not tied to a particular program), it shows to what extent each program has to rely on taxes for funding. All changes in net position are reported using the accrual basis of accounting, similar to the method used by most private-sector companies. The accrual basis of accounting requires that revenues be reported when they are earned, and expenses are reported when the goods and services are received, regardless of the timing of the cash flow. Items such as uncollected taxes, unpaid vendor invoices for items received before June 30, 2020, and earned but unused vacation and sick leave will be included in the statement of activities as revenue and expense, even though the cash associated with these items will not be received or distributed until after June 30, 2020.

Fund Financial Statements

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

held by the government as a trustee or agent for parties outside of the government. The resources of fiduciary funds cannot be used to support the government's own programs.

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

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

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

The City maintains budgetary controls over its operating funds. The objective of budgetary controls is to ensure compliance with legal provisions embodied in the annual appropriated budget. Budgets for governmental funds are established in accordance with state law and are adopted on a fund level. Personnel services are budgeted by full-time positions. Capital outlays are approved on an item-by-item basis or project basis. A budgetary comparison statement is provided for the General and Tourism Funds to demonstrate compliance with the budget. Major and nonmajor fund information follows the notes to the financial statements. Budgetary variances for the General Fund are discussed in some detail later in this section.

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

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

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

Notes to the Financial Statements

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

Other Information

In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information (RSI) concerning the (1) General and Tourism Funds revenues, expenditures, and changes in fund balances-budget and actual; and (2) the City's progress in funding its obligations to provide pension and other post-employment benefits to its current and future retirees. This required supplementary information can be found in Exhibit 11 through 21 of this report.

The combining financial statements for the Capital Project Fund and other nonmajor special revenue funds and fiduciary funds immediately follow the required supplementary information at exhibits 22 through 27 of this report.

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

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

GOVERNMENT-WIDE FINANCIAL ANALYSIS

Statement of Net Position

As noted earlier, changes in net position may serve over time as a useful indicator of a City's financial position. The City's net position totaled $118 million at June 30, 2020. The following table reflects the condensed Government-Wide Statement of Net Position:

City of Williamsburg - Summary of Net Position

	Governmental Activities		Business-type Activities		Total	
	2020	2019	2020	2019	2020	2019
Current and other Assets	$ 49,852,511	$ 48,673,643	$ 9,290,373	$ 9,255,727	$ 59,142,884	$ 57,929,370
Capital Assets	75,388,249	73,766,565	22,664,786	23,095,031	98,053,035	96,861,596
Total Assets	$ 125,240,760	$ 122,440,208	$ 31,955,159	$ 32,350,758	$ 157,195,919	$ 154,790,966
Deferred Outflow of Resources	$ 2,993,546	$ 1,716,120	$ 425,654	$ 294,910	$ 3,419,200	$ 2,011,030
Long-term Liabilities	$ 30,818,731	$ 30,165,357	$ 5,184,910	$ 5,609,158	$ 36,003,641	$ 35,774,515
Other Liabilities	4,492,311	1,899,578	911,471	886,839	5,403,782	2,786,417
Total Liabilities	$ 35,311,042	$ 32,064,935	$ 6,096,381	$ 6,495,997	$ 41,407,423	$ 38,560,932
Deferred Inflow of Resources	$ 1,085,305	$ 944,159	$ 106,602	$ 203,551	$ 1,191,907	$ 1,147,710
Net Position:						
Net Invested in Capital Assets	$ 71,245,385	$ 68,662,151	$ 19,020,022	$ 18,817,665	$ 90,265,407	$ 87,479,816
Restricted for:						
Fire and Police Capital	615,184	337,948			615,184	337,948
Other Restrictions		593,836				593,836
Unrestricted	19,977,390	21,553,299	7,157,808	7,128,455	27,135,198	28,681,754
Total Net Position	$ 91,837,959	$ 91,147,234	$ 26,177,830	$ 25,946,120	$ 118,015,789	$ 117,093,354

The City of Williamsburg's total assets were $157 million as of June 30, 2020. The largest portion, $98 million (62%), reflects its investment in capital assets (e.g., land, buildings, machinery, and equipment), less any related debt used to acquire assets that are still outstanding. The City uses these capital assets to provide services to citizens; consequently, these assets are *not* available for future spending. Although the City's investment in capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources since the capital assets themselves cannot be used to liquidate these liabilities. Of the remaining City assets, approximately $52 million is accounted for in cash, cash equivalents, and pooled investments, $2 million in accounts and notes receivable, $3 million in inventories, $2 million due from other governmental units.

At June 30, 2020, outstanding liabilities were $41 million, with $36 million in general obligation bonds payable, compensated absences, and net other post-employment (OPEB) liabilities. Of the bonds payable, $2 million is due within one year, with the remainder due at various dates until 2037. Additional information on the City's long-term debt obligations is included in Note 8 in the notes to the financial statement. Included in other liabilities above are $2.8 million in accounts payable, $1.4 million in unearned revenue, $644K in accrued liabilities, $418K in accrued interest payable, and $152K in customer deposits payable.

As of June 30, 2020, the City had positive balances in all categories of net position for the government as a whole and its separate governmental and business-type activities.

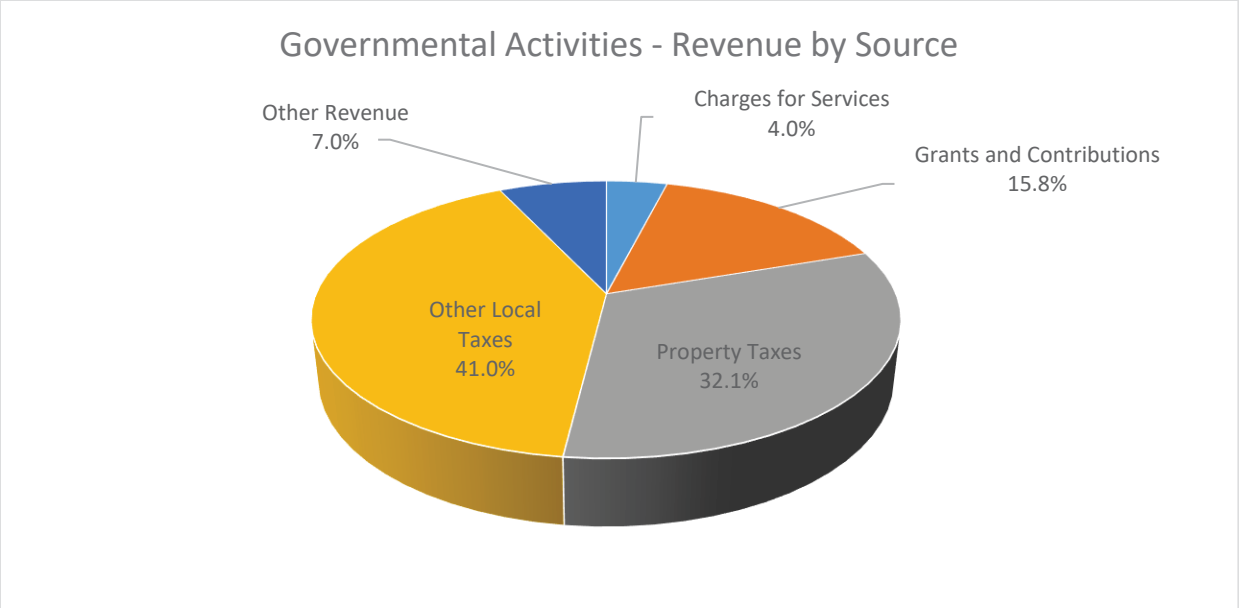
The following schedule summarizes the Statement of Activities of the primary government for the fiscal years ended June 30, 2020, and 2019:

City of Williamsburg - Summary of Changes in Net Position

	Governmental Activities		Business-type Activities		Total	
	2020	2019	2020	2019	2020	2019
Revenues:						
Program Revenues:						
Charges for Services	$ 1,816,447	$ 1,822,024	$ 6,864,385	$ 7,679,905	$ 8,680,832	$ 9,501,929
Operating Grants and Contributions	5,351,728	5,221,437	-	-	5,351,728	5,221,437
Capital Grants and Contributions	1,904,113	2,752,760	-	-	1,904,113	2,752,760
General Revenues:						
Property Taxes	14,711,270	13,780,244	-	-	14,711,270	13,780,244
Other Local Taxes	18,769,605	22,122,843	-	-	18,769,605	22,122,843
Other	3,226,054	3,951,541	314,305	323,144	3,540,359	4,274,685
Total Revenues	$ 45,779,217	$ 49,650,849	$ 7,178,690	$ 8,003,049	$ 52,957,907	$ 57,653,898
Expenses						
General Government	$ 4,908,020	$ 4,272,998	$ -	$ -	$ 4,908,020	$ 4,272,998
Judicial Administration	409,373	434,188	-	-	409,373	434,188
Public Safety	12,357,675	11,328,192	-	-	12,357,675	11,328,192
Public Works	5,065,484	5,447,775	-	-	5,065,484	5,447,775
Health and Welfare	2,691,147	2,815,978	-	-	2,691,147	2,815,978
Education	10,355,107	11,403,225	-	-	10,355,107	11,403,225
Parks, Recreation, & Cultural	3,289,491	2,626,637	-	-	3,289,491	2,626,637
Community Development	5,471,338	4,874,645	-	-	5,471,338	4,874,645
Interest Expense	540,857	573,264	-	-	540,857	573,264
Water	-	-	6,946,980	6,511,048	6,946,980	6,511,048
Total Expenses	$ 45,088,492	$ 43,776,902	$ 6,946,980	$ 6,511,048	$ 52,035,472	$ 50,287,950
Changes in Net Position	$ 690,725	$ 5,873,947	$ 231,710	$ 1,492,001	$ 922,435	$ 7,365,948
Net Position - Beginning	91,147,234	85,273,287	25,946,120	24,454,119	117,093,354	109,727,406
Net Position - Ending	$ 91,837,959	$ 91,147,234	$ 26,177,830	$ 25,946,120	$118,015,789	$117,093,354

Governmental Activities – Revenues

The City's total revenues from governmental activities were $46 million for FY 2020, a decrease of $4 million from last year. Percentages of FY 2020 governmental revenues by source are as follows:



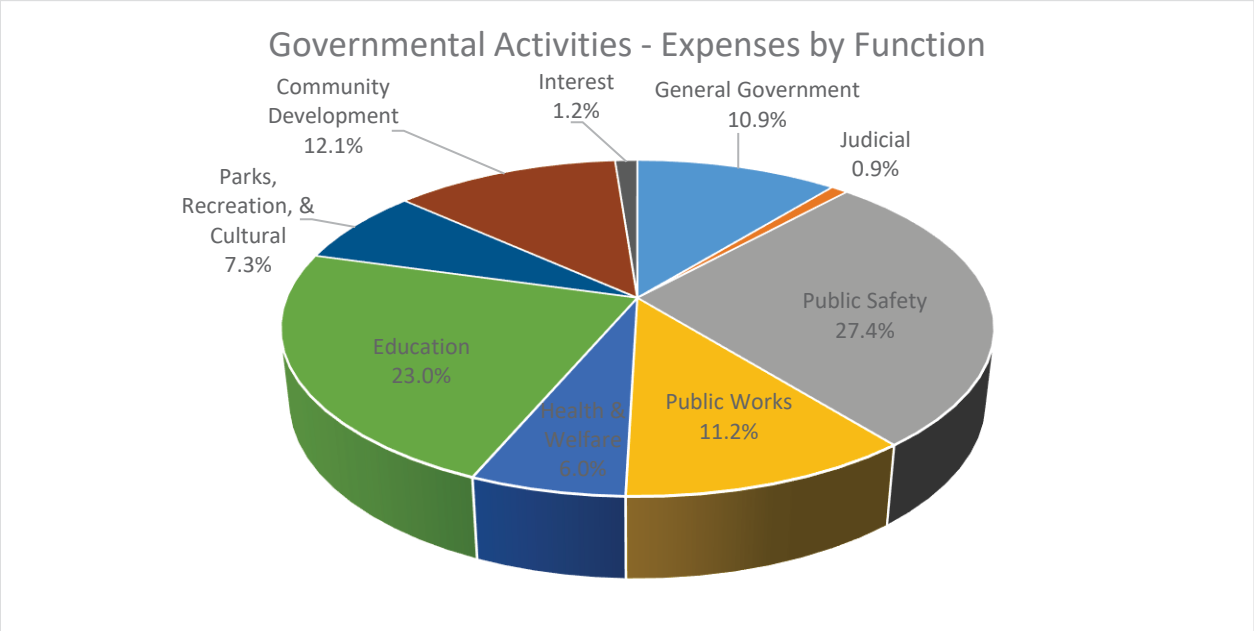
Taxes are the largest City Revenue source, with property and other local taxes accounting for 73.1% of the City's governmental activities. General property tax receipts were $14.7 million, an increase of 6.8% compared to last year. Other local taxes totaled $18.7 million during FY 2020, a decrease of 15.2%, or $3.4 million, primarily due to the economic impact of COVID-19. The majority of the decrease in other local taxes is attributed to declines in lodging taxes and prepared meals.

Governmental Activities – Expenses

The City's FY 2020 total expenses for governmental activities were $45.1 million, an increase of $1.3 million compared to FY 2019. The Governmental Fund expenditures decreased $1 million and the major variances are further discussed in the Financial Analysis of the City's Funds section. In the transition from fund statements to government-wide, there are some expenses that are reported in the Statement of Activities that do not require the use of current financial resources; therefore, these items are not reported as expenditures in the governmental funds. An example would be expense accruals for compensated absences that are not reported as expenditures in the fund statements. There are also some expenditures reported in the governmental funds that are not reported as expenses in the Statement of Activities. An example would be capital assets that are purchased or constructed are reported as expenditures in the governmental funds; however, for government-wide the asset is reported in the Statement of Net Position and the cost of the asset is allocated over its useful life as depreciation expense.

Highlights of the variances in these adjustments in transitioning from the Statement of Revenues, Expenditures, and Changes in Fund Balance - Governmental Funds to the Statement of Activities, in comparison with FY 2019 include:

- $1.5 million net increase in pension liability expenses and adjustments to other post-employment expenses.
- $701 thousand net increase in adjustments for capital outlays and depreciation expense.
- $146 thousand increase in expense accruals.
- $33 thousand net decrease in long-term debt transactions.



Business-type activities – The Utility Fund is the City's only business-type activity. The Utility rate structure recovers as much as possible of the operating expenses incurred to meet service demands through user charges. Change in the fund's net position is the difference between revenues and expenses, which for FY 2020 resulted in an increase of $232 thousand. More operating information for the Utility Fund operation is shown in the Funds section of this discussion.

FINANCIAL ANALYSIS OF THE CITY'S FUNDS

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

Governmental Funds Revenues – Analysis

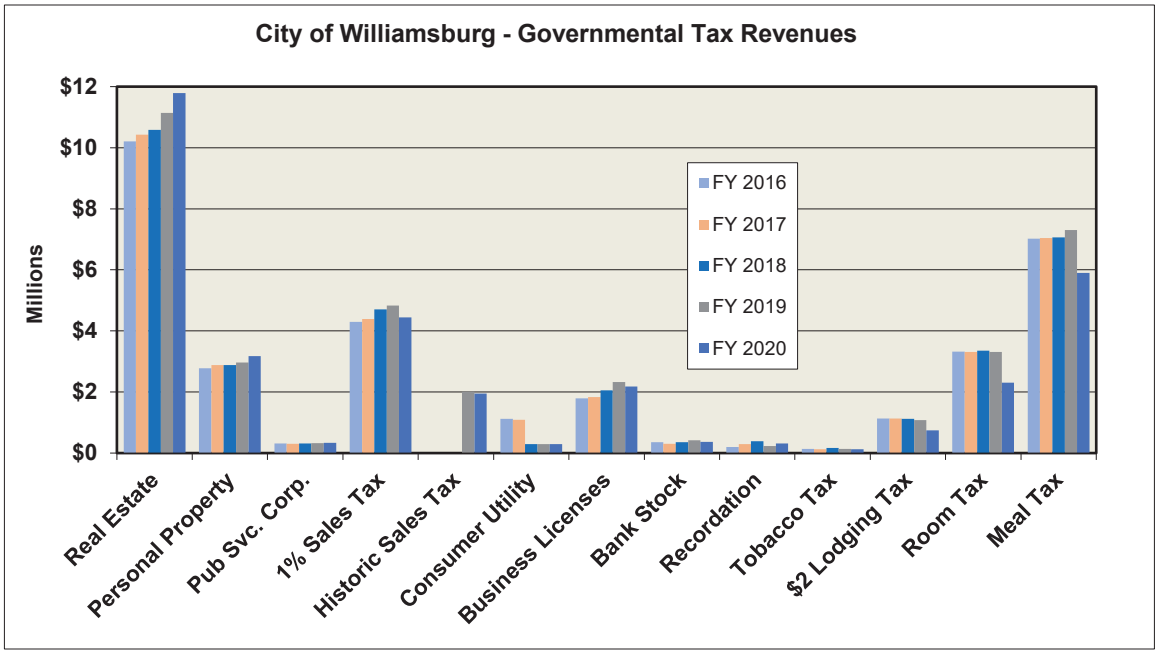
Revenues Classified by Source
Governmental Funds

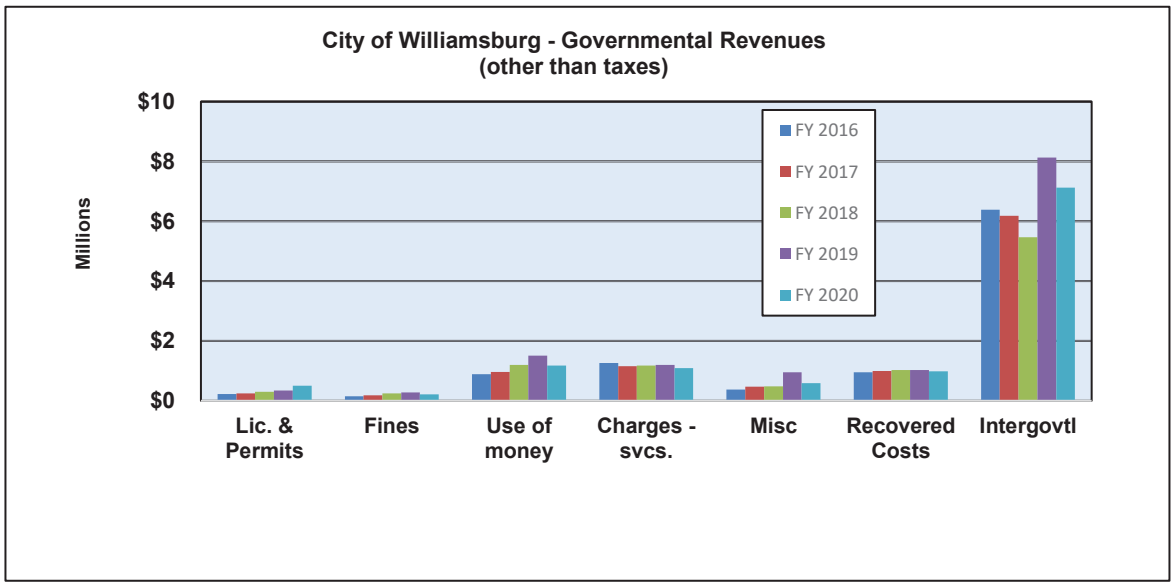
	June 30, 2020		June 30, 2019		Increase/(Decrease)	
Revenue by Source:	Amount	% of Total	Amount	% of Total	Amount	% of Change
General Property Taxes	$ 14,600,806	32.4%	$ 13,731,825	27.9%	$ 868,981	6.3%
Other Local Taxes	18,769,605	41.7%	22,122,843	44.9%	(3,353,238)	-15.2%
Licenses and Permits	501,907	1.1%	341,620	0.7%	160,287	46.9%
Fines and Forfeitures	218,387	0.5%	277,729	0.6%	(59,342)	-21.4%
Use of Money and Property	1,177,258	2.6%	1,508,346	3.0%	(331,088)	-22.0%
Charges for Services	1,096,153	2.4%	1,202,675	2.4%	(106,522)	-8.9%
Miscellaneous	584,353	1.3%	957,800	1.9%	(373,447)	-39.0%
Recovered Costs	987,646	2.2%	1,024,418	2.1%	(36,772)	-3.6%
Intergovernmental	7,128,527	15.8%	8,125,667	16.5%	(997,140)	-12.3%
Total Revenues	$ 45,064,642	100.0%	$ 49,292,923	100.0%	$ (4,228,281)	-8.6%

The Governmental Funds consist of the General Fund, Tourism Fund, Capital Projects Fund, the Public Assistance Fund, and the Law Enforcement Block Grant Fund. The general governmental functions are contained in the General Fund, the City's chief operating fund. The City's governmental funds focus is to provide information on near-term inflows, outflows, and balances of spendable resources. On June 30, 2020, the total fund balance of the General Fund was $13.7 million. A small portion of the fund balance, $34K, is *Nonspendable*, consisting of prepaid expenditures. The majority of the fund balance is *Unassigned*, representing 38.3% of operating revenue, in compliance with the City's unassigned fund balance policy of 35% of operating revenues for the year.

The following provides more detailed information about General Fund operating revenue collections during FY 2020:

- **General Property Taxes** – This consists of real and personal property tax receipts. Real property tax receipts were $11.8 million, an increase of $653 thousand, or 5.9%, compared to FY 2019. Personal property tax receipts for individuals and businesses, including reimbursement for the State's Car Tax relief block grant program, total $3.2 million, an increase of $208 thousand, or 7%, compared to last year.
- **Other Local Taxes** – Overall, these revenues decreased $2.6 million from last year. The majority of the decrease was in meals tax ($1.4 million) and transient lodging tax ($1.0 million) due to the economic impact of social distancing requirements enforced to slow the spread of COVID-19. Business licenses decreased $156 thousand, or 7%, compared to FY 2019. Recordation taxes increased $85, or 37% compared to the previous fiscal year.
- **Licenses and Permits** – This category of revenues increased $219 thousand, or 77%, compared to FY 2019. Building, Electrical, Plumbing, and Mechanical permits attributed to the increase as a result of new construction at Midtown Row and High Street developments.





- **Finance and Forfeitures** – This category includes court fines and forfeitures and parking fines. This revenue decreased by $59 thousand compared to FY 2019. $17 thousand of the reduction was in court fines and forfeitures, and $42 thousand was in parking fines. The reductions were due to COVID-19 closures.
- **Revenue from the Use of Money and Property** – In the General Fund, revenue in this category is primarily generated from use of property. In FY 2020, rental income decreased $123 thousand,

or 18%, due to a reduction in the rental of facilities as a result of COVID-19 restrictions, a renegotiated lease arrangement for the Transportation Center, and a vacancy at one of the City's retail properties.

- **Charges for Services** – This category consists mainly of EMS medical transport fees, recreation programs and facility rentals, and cemetery lots and fees. Overall revenues in this category were $1.1 million, a reduction of $107K, or 8.9%, compared to last year. Parks and Recreation fees decreased $150 thousand as a result of canceled programs due to COVID-19 restrictions. The sale of cemetery lots, fees for grave openings, and gravestones foundations increased by $30 thousand. EMS recovery of fees increased by $15 thousand.
- **Miscellaneous –** This category comprises fiscal agent fees, payments in lieu of taxes, and other revenues that are either small in amount or infrequent, or both. FY 2020, revenues in this category decreased by $39 thousand compared to FY 2019. The majority of FY 2020 decrease is attributed to FY 2019 other revenues recognizing an adjustment of $28K to recognized additional School surplus returned to the City (over and above the estimated amount for FY 2018 year-end).
- **Recovered Cost** – These include reimbursements for Utility Fund overhead charges, public safety overtime, stormwater management fees, and James City County's reimbursed portion of annual Arts Commission grants. FY 2020, recovered cost revenue decreased $37 thousand compared to FY 2019. The reduction is due to decreased public safety overtime because of fewer events as a result of COVID-19.
- **Intergovernmental** – Intergovernmental revenue in the General Fund for FY 2020 was $5.6 million, most of which was from the State, with the remaining $240 thousand from the Federal government. Intergovernmental revenue increased by $386K compared to FY 2019. The majority of this increase resulted from $219 thousand for Coronavirus Aid, Relief and Economic Security Act (CARES) funds, $104 thousand sales tax for education, $18 thousand in street paving, and $16 in funding for public safety. Note 18, Subsequent Events, discusses the COVID-19 outbreak and CARES Act funding in greater detail.

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

- **Other Local Taxes** – sales tax revenues decreased $390K in the Sales Tax Fund (CIP) and $64 thousand in the Tourism Fund compared to FY 2019. In the Tourism Fund, the $2 per night room tax decreased $331 thousand compared to last year.
- **Miscellaneous** - In the Sales Tax Fund, this revenue category decreased $376 thousand and was primarily due to a smaller adjustment in FY 2020 to the market value of land held for resale. The Public Assistance Fund had an increase in miscellaneous revenue of $42 thousand which was the result of an increase in local grants.
- **Intergovernmenta**l - The Sales Tax Fund realized $943 thousand less in State revenue and $128 thousand more in Federal revenue compared to FY 2019. The Public Assistance Fund realized a $161 thousand reduction in State revenue and $69K in Federal revenue. The Law Enforcement Fund's Federal revenue decreased by $43 thousand.

Governmental Funds Expenditure – Analysis

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

Expenditures by Function
Governmental Funds

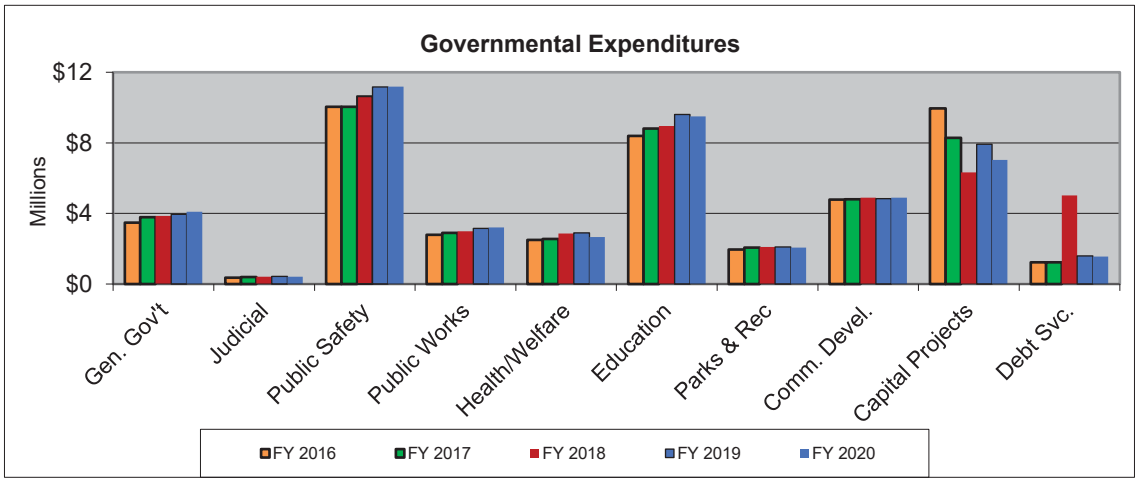
	June 30, 2020		June 30, 2019		Increase/(Decrease)	
Expenditures by Function:	Amount	% of Total	Amount	% of Total	Amount	% of Change
General Government	$ 4,103,114	8.8%	$ 3,954,853	8.3%	$ 148,261	3.7%
Judicial Administration	409,373	0.9%	434,188	0.9%	(24,815)	-5.7%
Public Safety	11,181,688	24.0%	11,159,742	23.4%	21,946	0.2%
Public Works	3,202,810	6.9%	3,145,566	6.6%	57,244	1.8%
Health and Welfare	2,658,330	5.7%	2,890,326	6.1%	(231,996)	-8.0%
Education	9,490,247	20.3%	9,605,544	20.1%	(115,297)	-1.2%
Parks, Recreation, and Cultural	2,066,641	4.4%	2,108,277	4.4%	(41,636)	-2.0%
Community Development	4,892,829	10.5%	4,842,357	10.2%	50,472	1.0%
Capital Projects	7,033,077	15.1%	7,913,834	16.6%	(880,757)	-11.1%
Principal Retirement	870,223	1.9%	837,370	1.8%	32,853	3.9%
Interest	690,039	1.5%	752,932	1.6%	(62,893)	-8.4%
Total Expenditures	$ 46,598,371	100.0%	$ 47,644,989	100.0%	$ (1,046,618)	-2.2%

The City's FY 2020 budget included $317 thousand in the General Fund to implement a cost of living increase and merit that combined averaged an increase of 3.0%. The employer contribution rate during FY 2020 for full-time employees covered by the Virginia Retirement System was 13.78% of salaries, with covered employees contributing their 5% share above the employer rate. Healthcare premiums for the City's plan with the Anthem's Local Choice program administered by the State remained level with FY 2019.

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

- **General Government Administration** – increased by 3.7%, or $148 thousand. Increases in salaries and benefits amounted to $35 thousand, which includes the cost of living increase, offset by vacancy savings. Professional services and maintenance service agreements accounted for $82 thousand of the increased cost. The increase in maintenance service cost accounted for 56% of the increase in cost and was primarily due to new software and the associated maintenance cost. The remaining $31 thousand increase was the netting of small positive and negative variances spread throughout the category.
- **Health and Welfare Cost** – decreased compared to FY 2019 by $232 thousand. In the Public Assistance Fund, the cost for Comprehensive Services decreased $319 thousand as a result of less restrictive services reducing cost. Welfare Administration costs increased $157 thousand due to vacant positions in FY 2019. Public assistance cost decreased by $107 thousand as a result of vacancies in FY 2020. In the General Fund, the local share of cost for comprehensive services increased $37 thousand.
- **Education** – Education costs were $9.5 million, a decrease of $115 thousand compared to FY 2019, or 1.2%. The City's share of the jointly operated Williamsburg-James City County Schools for Fiscal Year FY 2020 was 9.48%. FY 2020 was the third year of a five year renegotiated joint agreement, with operating funding based on the City's share of student population multiplied by a 14% factor, then averaged over the past three years. The City also funds approved capital projects at the same rate.

- **Capital Projects** – Capital project spending varies each year, depending on the 5-year program. Major capital projects in FY 2020 included a street resurfacing program, corridor enhancements and underground wiring, bridge inspections, pedestrian and bicycle improvements, demolition of an old motel, improvements to schools, and vehicles. More information is provided under the Capital Asset section of this analysis. For FY 2020, capital spending decreased $881 thousand compared to FY 2019.
- **Principal and Interest Payments** – Total principal payments during FY 2020 were $870 thousand, and interest payments on outstanding debt totaled $690 thousand. Details on long-term debt obligations are included in the notes to the financial statements.



Budget Variances

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

General Fund operating revenues were under budget by $1.7 million, or 4.6%. The majority of the shortfall is attributed to restaurant food taxes ($1.3 million) and hotel and motel taxes ($995 thousand) due to social distancing restrictions in place due to COVID-19. This shortfall was offset by increases in general property taxes, permits, other licenses, and CARES funding.

General Fund operating expenditures were under budget by $1.1 million. The majority of underspending is attributed to the City's share of surplus funds from the operating budget of the Schools. Section 22.1-100 of the Code of Virginia requires that schools unspent funds at year-end revert back to the locality that funded the appropriation. The overall, general government administration was under budget by $153 thousand, of which $129 thousand is attributed to salary and benefits budgeted in the City Manager's office that remained vacant.

Public Works was under budget by $112 thousand. Maintenance service contracts contributed $51 thousand to the variance, primarily due to a revised agreement with the Colonial Williamsburg Foundation (the Foundation). Previously, the Foundation maintained historic streets, and the City's contribution to this effort was appropriated as a Public Works maintenance service contract. In FY 2020, the City's Public Works Department took over historic street maintenance as part of the regular paving program. Vacancies

in the Stormwater Division resulted in salaries and benefits coming in under budget by $32 thousand. Changes to employees' selection of health benefits contributed to Engineering being under budget by $18 thousand. The City's recycling program's costs were also under budget by $18 thousand.

Overall spending in Parks and Recreation was under budget by $201 thousand, mainly due to COVID-19's impact on classes and programming offered during the spring and summer months.

It is also important to note that CARES funding was utilized for expenditures that were not budgeted. Schedule 2, Schedule of Expenditures – Budget and Actual in the Combining and Individual Funds Section identifies these expenditures as CARES Act. There is one exception in general government administration. Other general and financial administration is over budget by $38 thousand due to purchases of supplies for COVID response and excess credit card fees that resulted from the City eliminating convenience fees to allow for payments during the period the municipal building was not open to the public. These expenditures will either be reimbursed by FEMA or CARES funding.

The Tourism Fund was under budget by $4.5 million primarily due to the Tourism Grant Awards during FY 20 being put on hold to maintain the City's financial stability until revenues recover from the economic impact of COVID. Previous grant awards are still being honored; however, the impact of COVID has slowed the spending of award monies. This accounts for $4.2 million of the underspending.

The Tourism Fund receives a $2 per night/per room lodging tax for transient lodging in the City. Half of this tax is remitted to the State for the Historic Triangle Marketing Fund. The remittance of the $2 lodging tax to the State was under budget by $168 thousand due to the impact of COVID on lodging.

The Tourism Fund's administrative cost was under budget by $218 thousand due to contingency funds and professional service funds remaining unspent at year-end.

The Public Assistance Fund was under budget by $543K. Public assistance costs were $378K less than budget primarily due to adjustments in State funding that were unknown at the time the City's budget was passed and, to a lesser extent, vacancies in FY 2020. Cost for Comprehensive Services was under the budgeted appropriation by $133 thousand due to less restrictive services reducing cost. Welfare Administration costs were under budget by $32 thousand due to vacant positions for a portion of FY 2020.

Capital Projects - $7 million was expended on capital projects in FY 2020. As mentioned earlier, capital project funding and expenditures vary each year, depending on the 5-year plan. The budget balances of any appropriated capital projects not completed at year-end carry forward to the next fiscal year, as provided for in the City's Financial Policies. More information is provided in the Capital Assets section of this analysis.

Fund Balance

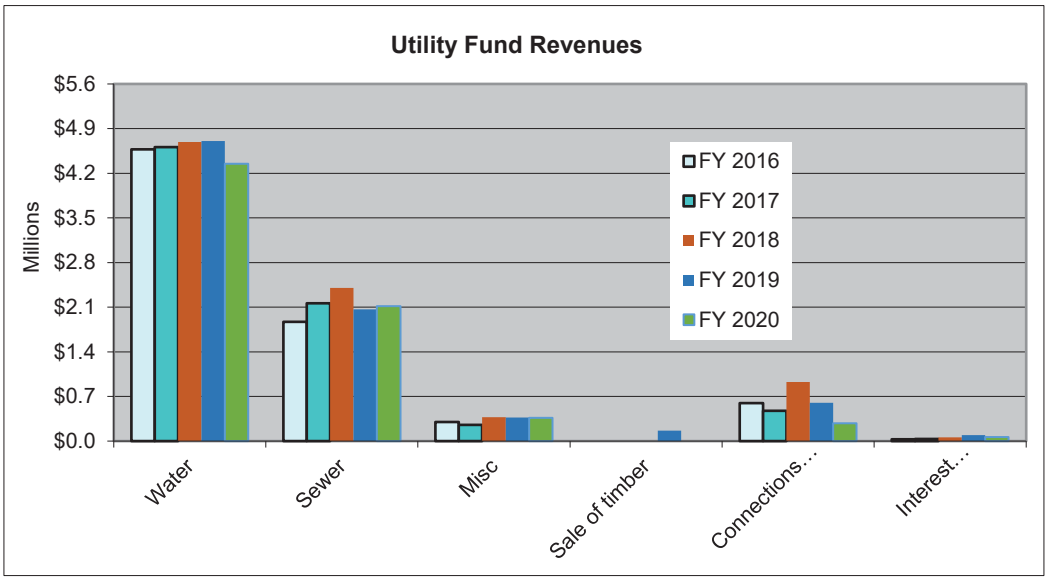
Total Fund Balance for the General Fund decreased from $14.3 million to $13.7 for the year. Of that, $34 thousand is nonspendable and represents prepaids, and the remaining amount is unassigned. The decrease in fund balance is primarily attributed to the reduction in motel and hotel taxes and restaurant food taxes resulting from the economic impact of social distancing requirements to slow the spread of COVID-19.

Enterprise Funds Revenue/Expense Analysis

The business-type activity (water and sewer services of the Utility Fund) operating revenues for the year were $7.1 million, a decrease of $626 thousand, or 8%, compared to the last year. There was no increase in water rates, which are $5.30 per 1000 gallons. Highlights include:

- Total billed water consumption for FY 2020 was 765 million gallons, a decrease of 9% compared to the 840 million gallons consumed last year. The decrease is primarily attributed to businesses that were either closed or operating on a limited basis due to COVID-19.

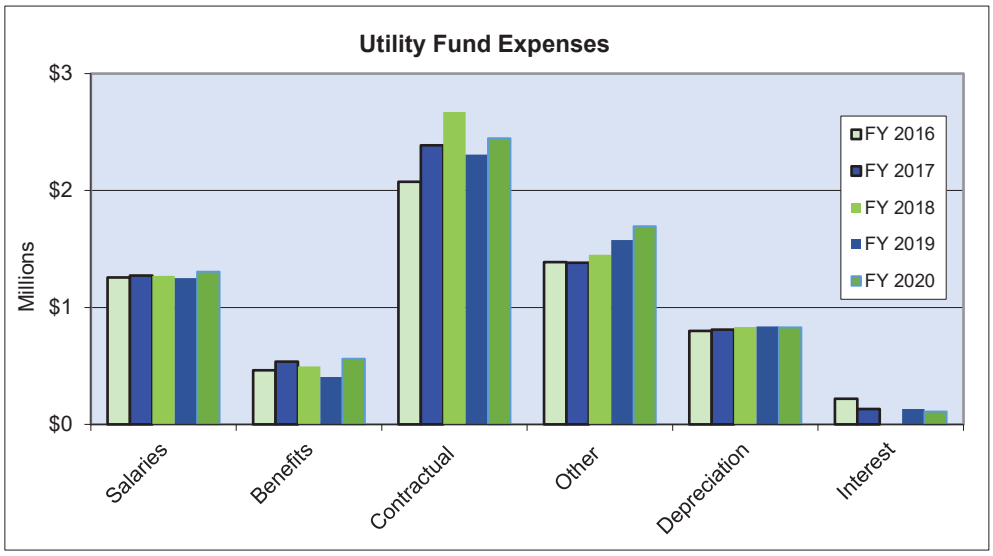
- Water revenues were $4.3 million, an 8% decrease compared to FY 2019.
- Sewer revenues were $2.1 million, a 3% increase compared to last year. This increase resulted from a 9% rate increase, offset by an 8% decrease in consumption compared to FY 2019.
- Tap and availability fees were $381 thousand, a 47% reduction compared to last year.
- Rental fees from cell-phone providers using water tanks as a base for telecommunications equipment were $222 thousand, a 2% increase compared to last year.
- Investment earnings were $65 thousand last year, a decrease of 31% from last year due to lower interest rates.



Utility Fund operating expenses totaled $6.8 million, an increase of $455 thousand, or 7% compared to FY 2019. This increase is primarily attributed to:

- Fringe benefits increased by $154 thousand compared to last year. This increase is primarily due to GASB 68 adjustments to pension liability that reduced pension expenses in FY 2019.
- The contractual services increased by $138 thousand. This increase is attributed to an increase in pass-thru payments to the Hampton Roads Sewer District for sewage treatment fees collected on their behalf. This resulted from the sewer rate increasing from $7.18 per 1,000 gallons to $7.83 per 1,000 gallons.
- Other charges increased $117 thousand, most of which resulted from an increase in water system infrastructure improvements compared to FY 2019.
- Personnel services increased $55 thousand compared to last year, mostly due to the cost of living and merit increases.
- Depreciation expense decreased by $9 thousand compared to last year. Depreciation charges include a portion of the 25-lease amortization of the total $12.5 million costs of the Newport News Water agreement, classified as intangible water rights in the Utility Fund.

The year's operating income was $276 thousand, a decrease of $1.1 million, or 80%, compared to the $1.4 million reported in FY 2019. The total net position of the Utility Fund increased by the total net income for FY 2020 of $231 thousand, leaving the fund's ending total net position at $26.2 million, an increase of .9% compared to last year.



Original and Final Amended Budgets

By resolution, the FY 2020 General Fund Budget was amended by $147,211. The real estate assessment process lags the City's budget schedule. When the FY 2020 Budget was developed, the estimated increase in real estate assessments was 6%. The FY 2020 Budget was adopted with a conservative 4% increase. Once the real estate assessment appeal process concluded in early fall and the 6% increase stood, the budget was amended to recognize $110,400 of the additional increase. This appropriation funded one additional firefighter and two additional police officers. The remaining $36,811 was for a state ($8,828) and federal police safety grants ($21,172), asset forfeiture proceeds ($5,611), and a donation ($1,200) to support landscaping.

The Capital Projects Fund was amended by $15,966,623. Of this amount, $14,991,138 was to carry forward appropriations from FY 2019 for ongoing projects, $196,642 was encumbrances from FY 2019, $600,000 was for a Federal Brownfield Grant, and $178,843 was appropriated to support the School System's projects.

The Tourism Fund's budget was amended by $2,239,154 to carry forward grant awards from FY 2019. The Public Assistance Fund was amended by $11,892 to appropriate a Workforces Grant, and the Utility Fund was amended by $3,750 to appropriate a Virginia Resource Authority Dam Safety Grant to fund improvements at the Waller Mill Dam.

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital Assets

The City of Williamsburg's total investment in capital assets for its governmental and business-type activities as of June 30, 2020, was $98 million, net of accumulated depreciation. This investment in capital assets includes land, buildings, machinery and equipment, and recreation and park facilities. Major capital assets of the Utility Fund consist of all assets used to provide water and sewer services to City residents, including the significant investments in the Waller Mill Reservoir and all properties adjacent to this watershed, and intangible water rights with the Newport News water agreement.

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

Government Funds (Capital Projects Fund):

- Monticello Avenue Redesign – This project is in the Midtown Row area of the City. It features roadway improvements such as three lanes, parallel parking, a two-way cycle track, a new traffic signal, and wide sidewalks with amenities such as bike racks, benches, and landscaping. This project incurred $2.5 million in costs during FY 2020.
- Repaving costs during FY 2020 were $969 thousand, including $116 thousand to resurface historic streets.
- The City's share of School projects, including renovations to existing facilities, was $865 thousand.
- Monticello Avenue Multi-use Trail is a 4,200 foot-long lighted trail that runs from the entrance of William & Mary School of Education to Ironbound Road. This corridor connects the Midtown Row area of the City, William & Mary campus, and the New Town area of James City County. $799 thousand was expended on this project during FY 2020.
- Demolition costs for a derelict hotel total $465 thousand.
- Vehicles were replaced citywide under the replacement plan at the cost of $393 thousand.
- Public Safety projects totaled $345 thousand and included equipment and professional services costs to assist in determining options for a new fire station.
- Bridge inspections were conducted at the cost of $208 thousand.
- Improvements to Quarterpath Recreation Center included resurfacing the gym floor and converting the gym lights to LEDs. The cost totaled $77 thousand.

Utility Fund:

- Repairs and maintenance costs totaled $96 thousand in FY 2020.
- Water system improvements totaled $43 thousand.
- Pump Station upgrades total $33 thousand.
- Sewer System Rehab costs totaled $28 thousand.

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

Long-term Debt

At June 30, 2020, the City of Williamsburg's total outstanding bonded debt was $19.3 million. Bonds payable for Governmental Activities were $16 million, while business-type activities owed $3.3 million at year-end. The full faith and credit of the government back these instruments. The City's total bonded debt decreased by $1.4 million. The City's remaining capacity for debt at June 30, 2020, is approximately $178 million.

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

Request for Information

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

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BASIC FINANCIAL STATEMENTS

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GOVERNMENT-WIDE FINANCIAL STATEMENTS

City of Williamsburg, Virginia
Statement of Net Position
June 30, 2020

	Primary Government			Component Unit
	Governmental Activities	Business-type Activities	Total	Williamsburg Redevelopment and Housing Authority
ASSETS				
Cash and cash equivalents	$ 24,971,135	$ 4,175,845	$ 29,146,980	$ 865,594
Investments	4,992,153	4,079,570	9,071,723	258,096
Investments in custody of others	13,698,910	-	13,698,910	-
Receivables (net of allowance for uncollectibles):				
Taxes receivable	510,737	-	510,737	-
Accounts receivable	553,162	1,034,958	1,588,120	8,746
Notes receivable	114,000	-	114,000	-
Due from other governmental units	1,893,950	-	1,893,950	-
Inventories	3,084,924	-	3,084,924	14,550
Prepaid items	33,540	-	33,540	20,702
Capital assets (net of accumulated depreciation):				
Land and land improvements	8,797,413	6,434,330	15,231,743	2,377,895
Works of art	28,400	-	28,400	-
Buildings and system	22,186,751	4,094,576	26,281,327	1,223,334
Improvements other than buildings	4,631,735	2,445,744	7,077,479	19,401
Machinery and equipment	4,508,403	576,316	5,084,719	9,671
Intangibles	737,886	9,062,503	9,800,389	-
Infrastructure	34,497,661	51,317	34,548,978	-
Total assets	$ 125,240,760	$ 31,955,159	$ 157,195,919	$ 4,797,989
DEFERRED OUTFLOWS OF RESOURCES				
Pension related items	$ 2,393,433	$ 285,055	$ 2,678,488	$ -
OPEB related items	582,742	20,433	603,175	-
Deferred charges on refunding	17,371	120,166	137,537	-
Total deferred outflows of resources	$ 2,993,546	$ 425,654	$ 3,419,200	$ -
LIABILITIES				
Accounts payable	$ 2,239,803	$ 593,016	$ 2,832,819	$ 40,275
Accrued liabilities	593,000	50,902	643,902	7,844
Refundable deposits	88,439	63,785	152,224	36,563
Accrued interest payable	335,876	82,268	418,144	-
Unearned revenue	1,235,193	121,500	1,356,693	225
Long-term liabilities:				
Due within one year	1,655,788	457,337	2,113,125	-
Due in more than one year	16,698,477	3,450,845	20,149,322	114,000
Net pension liability, due in more than one year	10,141,390	1,180,461	11,321,851	-
Net OPEB liability, due in more than one year	2,323,076	96,267	2,419,343	-
Total liabilities	$ 35,311,042	$ 6,096,381	$ 41,407,423	$ 198,907

City of Williamsburg, Virginia
Statement of Net Position
June 30, 2020

	Primary Government			Component Unit
	Governmental Activities	Business-type Activities	Total	Williamsburg Redevelopment and Housing Authority
DEFERRED INFLOWS OF RESOURCES				
Pension related items	$ 890,747	$ 99,434	$ 990,181	$ -
OPEB related items	194,558	7,168	201,726	-
Total deferred inflows of resources	$ 1,085,305	$ 106,602	$ 1,191,907	$ -
NET POSITION				
Net Investment in capital assets	$ 71,245,385	$ 19,020,022	$ 90,265,407	$ 3,516,301
Restricted:				
Fire and police capital improvements	615,184	-	615,184	-
Unrestricted	19,977,390	7,157,808	27,135,198	1,082,781
Total net position	$ 91,837,959	$ 26,177,830	$ 118,015,789	$ 4,599,082

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

City of Williamsburg, Virginia
Statement of Activities
For the Year Ended June 30, 2020

Functions/Programs	Expenses	Program Revenues: Charges for Services	Program Revenues: Operating Grants and Contributions	Program Revenues: Capital Grants and Contributions
PRIMARY GOVERNMENT:				
Governmental activities:				
General government administration	$ 4,908,020	$ 280	$ 148,123	$ -
Judicial administration	409,373	218,387	-	-
Public safety	12,357,675	1,287,597	544,789	-
Public works	5,065,484	-	1,914,132	1,904,113
Health and welfare	2,691,147	-	1,121,016	-
Education	10,355,107	-	1,391,001	-
Parks, recreation, and cultural	3,289,491	310,183	-	-
Community development	5,471,338	-	232,667	-
Interest on long-term debt	540,857	-	-	-
Total governmental activities	$ 45,088,492	$ 1,816,447	$ 5,351,728	$ 1,904,113
Business-type activities:				
Utility Fund	$ 6,946,980	$ 6,864,385	$ -	$ -
Total business-type activities	$ 6,946,980	$ 6,864,385	$ -	$ -
Total primary government	$ 52,035,472	$ 8,680,832	$ 5,351,728	$ 1,904,113
COMPONENT UNIT:				
WRHA	$ 1,080,563	$ 488,340	$ 221,573	$ 284,466
Total component unit	$ 1,080,563	$ 488,340	$ 221,573	$ 284,466

General revenues:	
General property taxes	
Local sales and use taxes	
Restaurant food taxes	
Hotel and motel taxes	
$2 lodging taxes	
Business license taxes	
Other local taxes	
Unrestricted revenues from use of money and property	
Miscellaneous	
Grants and contributions not restricted to specific programs	
Total general revenues	
Change in net position	
Net position - beginning	
Net position - ending	

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

Net (Expense) Revenue and Changes in Net Position			
Primary Government			Component Unit
Governmental Activities	Business-type Activities	Total	Williamsburg Redevelopment and Housing Authority
$ (4,759,617)	$ -	$ (4,759,617)	$ -
(190,986)	-	(190,986)	-
(10,525,289)	-	(10,525,289)	-
(1,247,239)	-	(1,247,239)	-
(1,570,131)	-	(1,570,131)	-
(8,964,106)	-	(8,964,106)	-
(2,979,308)	-	(2,979,308)	-
(5,238,671)	-	(5,238,671)	-
(540,857)	-	(540,857)	-
$ (36,016,204)	$ -	$ (36,016,204)	$ -
$ -	$ (82,595)	$ (82,595)	$ -
$ -	$ (82,595)	$ (82,595)	$ -
$ (36,016,204)	$ (82,595)	$ (36,098,799)	$ -
			$ (86,184)
			$ (86,184)
$ 14,711,270	$ -	$ 14,711,270	$ -
6,388,075	-	6,388,075	-
5,896,140	-	5,896,140	-
2,305,404	-	2,305,404	-
748,242	-	748,242	-
2,174,694	-	2,174,694	-
1,257,050	-	1,257,050	-
1,177,258	65,390	1,242,648	6,371
584,353	248,915	833,268	-
1,464,443	-	1,464,443	-
$ 36,706,929	$ 314,305	$ 37,021,234	$ 6,371
$ 690,725	$ 231,710	$ 922,435	$ (79,813)
91,147,234	25,946,120	117,093,354	4,678,895
$ 91,837,959	$ 26,177,830	$ 118,015,789	$ 4,599,082

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FUND FINANCIAL STATEMENTS

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Exhibit 3

City of Williamsburg, Virginia
Balance Sheet
Governmental Funds
June 30, 2020

	General Fund	Tourism Fund	Capital Projects Fund	Other Governmental Funds	Total
ASSETS					
Cash and cash equivalents	$ 9,619,773	$ 4,040,382	$ 10,433,407	$ 877,573	$ 24,971,135
Investments	4,658,252	-	333,901	-	4,992,153
Investments in custody of others	-	-	13,698,910	-	13,698,910
Receivables (net of allowance for uncollectibles):					
Taxes receivable	510,737	-	-	-	510,737
Accounts receivable	529,575	23,484	103	-	553,162
Notes receivable	114,000	-	-	-	114,000
Due from other funds	40,968	-	-	-	40,968
Due from other governmental units	876,402	167,054	746,463	104,031	1,893,950
Inventories	-	-	3,084,924	-	3,084,924
Prepaid items	33,540	-	-	-	33,540
Total assets	$ 16,383,247	$ 4,230,920	$ 28,297,708	$ 981,604	$ 49,893,479
LIABILITIES					
Accounts payable	$ 525,773	$ 21,153	$ 1,682,865	$ 10,012	$ 2,239,803
Accrued liabilities	585,241	2,756	5,003	-	593,000
Refundable deposits	88,439	-	-	-	88,439
Due to other funds	-	-	-	40,968	40,968
Unearned revenue	1,085,552	-	-	149,641	1,235,193
Total liabilities	$ 2,285,005	$ 23,909	$ 1,687,868	$ 200,621	$ 4,197,403
DEFERRED INFLOWS OF RESOURCES					
Unavailable revenue - property taxes	$ 375,127	$ -	$ -	$ -	$ 375,127
Total deferred inflows of resources	$ 375,127	$ -	$ -	$ -	$ 375,127
FUND BALANCES					
Nonspendable	$ 33,540	$ -	$ -	$ -	$ 33,540
Restricted	-	-	13,698,910	780,983	14,479,893
Assigned	-	4,207,011	12,910,930	-	17,117,941
Unassigned	13,689,575	-	-	-	13,689,575
Total fund balances	$ 13,723,115	$ 4,207,011	$ 26,609,840	$ 780,983	$ 45,320,949
Total liabilities, deferred inflows of resources and fund balances	$ 16,383,247	$ 4,230,920	$ 28,297,708	$ 981,604	$ 49,893,479

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

City of Williamsburg, Virginia
Reconciliation of the Balance Sheet of Governmental Funds
To the Statement of Net Position
June 30, 2020

Amounts reported for governmental activities in the statement of net position are different because:		
Total fund balances per Exhibit 3 - Balance Sheet - Governmental Funds		$ 45,320,949
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.	$ 75,388,249	75,388,249
Other long-term assets are not available to pay for current-period expenditures and, therefore, are reported as deferred inflows of resources in the funds. The following is a summary of items supporting this adjustment:		
Unavailable revenue - property taxes	$ 375,127	375,127
Deferred outflows of resources are not availabe to pay for current-period expenditures and, therefore, are not reported in the funds.		
Deferred charge on refunding	$ 17,371	
Pension related items	2,393,433	
OPEB related items	582,742	2,993,546
Long-term liabilities, including bonds payable, are not due and payable in the current period and, therefore, are not reported in the funds. The following is a summary of items supporting this adjustment:		
General obligation bonds	$ (17,243,961)	
Net OPEB liability	(2,323,076)	
Net pension liability	(10,141,390)	
Accrued interest payable	(335,876)	
Compensated absences	(1,110,304)	(31,154,607)
Deferred inflows of resources are not due and payable in the current period and, therefore, are not reported in the funds.		
OPEB related items	$ (194,558)	
Pension related items	(890,747)	(1,085,305)
Net position of governmental activities		$ 91,837,959

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

Exhibit 5

City of Williamsburg, Virginia
Statement of Revenues, Expenditures, and Changes in Fund Balances
Governmental Funds
For the Year Ended June 30, 2020

	General Fund	Tourism Fund	Capital Projects Fund	Other Governmental Funds	Total
REVENUES					
General property taxes	$ 14,600,806	$ -	$ -	$ -	$ 14,600,806
Other local taxes	11,633,288	2,697,545	4,438,772	-	18,769,605
Permits, privilege fees, and regulatory licenses	501,907	-	-	-	501,907
Fines and forfeitures	218,387	-	-	-	218,387
Revenue from the use of money and property	576,510	-	600,739	9	1,177,258
Charges for services	1,096,153	-	-	-	1,096,153
Miscellaneous	484,287	-	57,876	42,190	584,353
Recovered costs	987,646	-	-	-	987,646
Intergovernmental:					
Commonwealth	5,361,137	-	48,471	459,699	5,869,307
Federal	240,299	-	344,073	674,848	1,259,220
Total revenues	$ 35,700,420	$ 2,697,545	$ 5,489,931	$ 1,176,746	$ 45,064,642
EXPENDITURES					
Current:					
General government administration	$ 4,103,114	$ -	$ -	$ -	$ 4,103,114
Judicial administration	409,373	-	-	-	409,373
Public safety	11,159,127	-	-	22,561	11,181,688
Public works	3,202,810	-	-	-	3,202,810
Health and welfare	528,215	-	-	2,130,115	2,658,330
Education	9,490,247	-	-	-	9,490,247
Parks, recreation, and cultural	2,066,641	-	-	-	2,066,641
Community development	1,958,141	2,934,688	-	-	4,892,829
Capital projects	-	-	7,033,077	-	7,033,077
Debt service:					
Principal retirement	-	-	870,223	-	870,223
Interest and other fiscal charges	-	-	690,039	-	690,039
Total expenditures	$ 32,917,668	$ 2,934,688	$ 8,593,339	$ 2,152,676	$ 46,598,371
Excess (deficiency) of revenues over (under) expenditures	$ 2,782,752	$ (237,143)	$ (3,103,408)	$ (975,930)	$ (1,533,729)
OTHER FINANCING SOURCES (USES)					
Transfers in	$ -	$ 2,205,000	$ -	$ 1,163,077	$ 3,368,077
Transfers out	(3,368,077)	-	-	-	(3,368,077)
Total other financing sources (uses)	$ (3,368,077)	$ 2,205,000	$ -	$ 1,163,077	$ -
Net change in fund balances	$ (585,325)	$ 1,967,857	$ (3,103,408)	$ 187,147	$ (1,533,729)
Fund balances - beginning	14,308,440	2,239,154	29,713,248	593,836	46,854,678
Fund balances - ending	$ 13,723,115	$ 4,207,011	$ 26,609,840	$ 780,983	$ 45,320,949

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

Exhibit 6

City of Williamsburg, Virginia
Reconciliation of Statement of Revenues,
Expenditures, and Changes in Fund Balances of Governmental Funds
To the Statement of Activities
For the Year Ended June 30, 2020

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

Net change in fund balances - total governmental funds		$ (1,533,729)
Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which the capital outlays exceeded the depreciation expense in the current period. The following is a summary of items supporting this adjustment:		
Capital outlay	$ 5,675,387	
Depreciation expense	(4,053,703)	1,621,684
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.		
Property taxes	$ 110,464	110,464
The issuance of long-term debt (e.g. bonds, leases) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position. Also, governmental funds report the effect of premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. This amount is the net effect of these differences in the treatment of long-term debt and related items. The following is a summary of items supporting this adjustment:		
Principal retirement on general obligation bonds	$ 870,223	870,223
Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore are not reported as expenditures in governmental funds. The following is a summary of items supporting this adjustment:		
Change in compensated absences	$ (121,882)	
OPEB expense	(45,664)	
Pension expense	(359,553)	
Amortization of premium	141,953	
Amortization of deferred charges on refunding	(2,171)	
Change in accrued interest payable	9,400	(377,917)
Change in net position of governmental activities		$ 690,725

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

City of Williamsburg, Virginia
Statement of Net Position
Proprietary Funds
June 30, 2020

		Utility Fund
ASSETS		
Current assets:		
Cash and cash equivalents	$	4,175,845
Investments		4,079,570
Accounts receivable (net of allowances for uncollectibles)		1,034,958
Total current assets	$	9,290,373
Noncurrent assets:		
Capital assets:		
Land and land improvement and open easement	$	6,434,330
Buildings and system		11,842,633
Improvements other than buildings		8,595,241
Machinery and equipment		2,666,862
Intangibles		12,525,344
Infrastructure		83,860
Accumulated depreciation		(19,483,484)
Total net capital assets	$	22,664,786
Total noncurrent assets	$	22,664,786
Total assets	$	31,955,159
DEFERRED OUTFLOWS OF RESOURCES		
Deferred charges on refundings	$	120,166
Pension related items		285,055
OPEB related items		20,433
Total deferred outflows of resources	$	425,654
LIABILITIES		
Current liabilities:		
Accounts payable	$	593,016
Accrued liabilities		50,902
Refundable deposits		63,785
Accrued interest payable		82,268
Compensated absences - current portion		94,637
Unearned revenue		121,500
General obligation bonds - current portion		362,700
Total current liabilities	$	1,368,808

City of Williamsburg, Virginia
Statement of Net Position
Proprietary Funds
June 30, 2020

		Utility Fund
LIABILITIES (Continued)		
Noncurrent liabilities:		
General obligation bonds - net of current portion	$	3,402,230
Net pension liability		1,180,461
Net OPEB liability		96,267
Compensated absences - net of current portion		48,615
Total noncurrent liabilities	$	4,727,573
Total liabilities	$	6,096,381
DEFERRED INFLOWS OF RESOURCES		
Pension related items	$	99,434
OPEB related items		7,168
Total deferred inflows of resources	$	106,602
NET POSITION		
Net investment in capital assets	$	19,020,022
Unrestricted		7,157,808
Total net position	$	26,177,830

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

Exhibit 8

City of Williamsburg, Virginia
Statement of Revenues, Expenses, and Changes in Net Position
Proprietary Funds
For the Year Ended June 30, 2020

		Utility Fund
OPERATING REVENUES		
Charges for services:		
Water revenues	$	4,349,873
Sewer revenues		2,115,250
Tap and availability fees		381,065
Penalty and interest		16,597
Miscellaneous		248,915
Total operating revenues	$	7,111,700
OPERATING EXPENSES		
Personnel services	$	1,305,906
Fringe benefits		559,962
Contractual services		2,446,723
Other charges		1,694,474
Depreciation		829,028
Total operating expenses	$	6,836,093
Operating income (loss)	$	275,607
NONOPERATING REVENUES (EXPENSES)		
Investment income	$	65,390
Interest and other fiscal charges		(110,887)
Connection fees		1,600
Total nonoperating revenues (expenses)	$	(43,897)
Change in net position	$	231,710
Total net position - beginning		25,946,120
Total net position - ending	$	26,177,830

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

Exhibit 9

City of Williamsburg, Virginia
Statement of Cash Flows
Proprietary Funds
For the Year Ended June 30, 2020

	Utility Fund
CASH FLOWS FROM OPERATING ACTIVITIES	
Receipts from customers and users	$ 7,220,086
Payments to suppliers	(4,125,516)
Payments to and for employees	(1,868,958)
Net cash provided by (used for) operating activities	$ 1,225,612
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES	
Connection fees	$ 1,600
Net cash provided by (used for) noncapital financing activities	$ 1,600
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES	
Purchases of capital assets	$ (398,783)
Principal payments on bonds	(564,777)
Interest expense	(183,660)
Net cash provided by (used for) capital and related financing activities	$ (1,147,220)
Net increase (decrease) in cash and cash equivalents	$ 79,992
Cash and cash equivalents - beginning	4,095,853
Cash and cash equivalents - ending	$ 4,175,845
Reconciliation of operating income (loss) to net cash provided by (used for) operating activities:	
Operating income (loss)	$ 275,607
Adjustments to reconcile operating income to net cash provided by (used for) operating activities:	
Depreciation	$ 829,028
(Increase) decrease in accounts receivable	110,736
(Increase) decrease in deferred outflows of resources related to pension and OPEB	(145,765)
Increase (decrease) in compensated absences	11,784
Increase (decrease) in accounts payable	15,681
Increase (decrease) in accrued liabilities	16,249
Increase (decrease) in unearned revenue	(4,500)
Increase (decrease) refundable deposits	2,150
Increase (decrease) in OPEB liability	5,830
Increase (decrease) in net pension liability	205,761
Increase (decrease) in deferred inflows of resources related to pension and OPEB	(96,949)
Total adjustments	$ 950,005
Net cash provided by (used for) operating activities	$ 1,225,612

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

Exhibit 10

City of Williamsburg, Virginia
Statement of Fiduciary Net Position
Fiduciary Funds
June 30, 2020

		Agency Funds
ASSETS		
Cash and cash equivalents	$	1,324,478
Investments, at fair value:		
Other investments		1,650,964
Other assets		193,152
Total assets	$	3,168,594
LIABILITIES		
Accounts payable	$	280,664
Accrued liabilities		31,456
Amounts held for others		2,856,474
Total liabilities	$	3,168,594

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

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NOTES TO THE FINANCIAL STATEMENTS

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Note 1—Summary of Significant Accounting Policies:

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

Financial Statement Presentation

Government-wide and Fund Financial Statements

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

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

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

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

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

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

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

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

A. Financial Reporting Entity

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

B. Individual Component Unit Disclosures

Blended Component Unit - The City has no blended component units to be included for the fiscal year ended June 30, 2020.

Discretely Presented Component Units – The Williamsburg Redevelopment and Housing Authority (WRHA) is responsible for operating a low income housing program in the City which provides housing for eligible families, for operating redevelopment and conservation programs and for delivering of services to citizens of low income housing and urban renewal areas through the encouragement and development of social and economic opportunities. The Commissioners of the Authority are the members of City Council in addition to a Member-at-Large and a Public Housing Resident Member. The Authority is fiscally dependent on the City. The City does not have operational responsibility for the WRHA. The City is involved in the day-to-day fiscal operations of the WRHA, including the processing of their payroll, accounts payable and other managerial functions and therefore, the WRHA is included in the City's financial statements as a discrete presentation for the year ended June 30, 2020. WRHA's fiscal year of October 1 to September 30 differs from the City's fiscal year of July 1 to June 30. A copy of the separately issued financial statements may be obtained for the WRHA by writing to Williamsburg Redevelopment and Housing Authority, 401 Lafayette Street, P.O. Box 411, Williamsburg, VA 23185 or by calling (757) 220-3477.

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

C. Other Related Organizations

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

1. The City of Williamsburg – County of James City, Virginia Joint Public Schools – Under the terms of an agreement dated January 14, 1954, and subsequently revised, between the governing bodies and the school boards of the City of Williamsburg, Virginia and the County of James City, Virginia, effective July 1, 1955, the two localities consolidated the operations of their schools. The latest agreement was amended April 13, 2017 for Fiscal Years 2019 through 2022. That agreement provides that the City's share of operational costs will be equivalent to the percentage of City students each year, times an add-on factor, then averaged over the two past fiscal year funding shares. The add-on factor for Fiscal Year 2020 and forward is as follows:

Fiscal Year	Factor
2020	1.14
2021	1.14
2022	1.14

Summary financial information on the school operations (General Fund) as of June 30, 2020, is as follows:

Total assets	$	20,502,368
Liabilities		20,302,368
Fund equity and other credits		200,000
Total liabilities, fund equity, and other credits	$	20,502,368
Revenues	$	137,380,090
Expenditures and other financing uses		137,380,090
Excess of expenditures and other financing uses over revenues	$	-
Fund balance, beginning		200,000
Fund balance, ending	$	200,000

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

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

C. Other Related Organizations (Continued)

2. Williamsburg Regional Library – The Library is a joint operation of the City of Williamsburg and the Counties of James City and York, Virginia, operating under a contract dated September 26, 2013. It receives funding from the Commonwealth of Virginia, the federal government, and some private sources. The Library's board is split between City and County appointees. The Library's management is independent from City and County control. During the current fiscal year, the City contributed $909,764 to the Library's operating budget, or 12.19% of its net appropriated support. Separate financial statements are prepared and are available, which reflect the details of its operations.

3. Other Agencies – Certain agencies and commissions service both the City of Williamsburg and surrounding localities. Board membership is allocated among the localities and their governing bodies make appointments. These agencies include: Hampton Roads Planning District Commission (HRPDC), Colonial Behavioral Health, Virginia Peninsula Regional Jail, Colonial Group Home Commission, Middle Peninsula Juvenile Detention Commission, Peninsula Agency on Aging, Community Action Agency, Virginia Peninsula Public Service Authority, Greater Williamsburg Partnership, and the Williamsburg Area Arts Commission.

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

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

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

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

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

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

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

The City's fiduciary funds are presented in the fund financial statements by type and have no measurement focus but use the accrual basis of accounting for asset and liability recognition. Since by definition these assets are being held for the benefit of a third party and cannot be used to address activities or obligations of the government, these funds are not incorporated into the government-wide statements.

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

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

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

1. Governmental Funds

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

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

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

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

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

1. Governmental Funds (Continued)

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

2. Proprietary Funds

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

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

3. Fiduciary Funds

Fiduciary Funds (Trust and Agency Funds) account for assets held by the City unit in a trustee capacity or as an agent or custodian for individuals, private organizations, other governmental units, or other funds. These funds include Agency Funds. Agency Funds utilize the accrual basis of accounting as described in the Proprietary Funds Presentation. Agency funds do not have a measurement focus. Agency funds include the Williamsburg Regional Library, the Williamsburg Tricentennial Fund, Economic Development Authority, the Farmers Market Fund, and the Special Welfare Fund. Fiduciary funds are not included in the government-wide financial statements.

E. Cash and Cash Equivalents

Cash and cash equivalents include cash on hand, amounts in demand deposits as well as short-term investments with a maturity date within three months of the date acquired by the government. For purposes of the statement of cash flows, the government's proprietary funds consider their demand deposits and all highly liquid investments with an original maturity of three months or less when purchased to be cash equivalents.

F. Investments

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

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

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

G. Receivables and payables

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

All trade and property tax receivables are shown net of an allowance for uncollectibles. The City calculates its allowance for uncollectible accounts using historical collection data and, in certain cases, specific account analysis. The allowance amounted to approximately $363,007 at June 30, 2020 and is comprised of property taxes of $70,758 water and sewer charges of $76,056, and ambulance recovery fees of $216,193.

Real and Personal Property Tax Data:

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

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

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

H. Capital Assets

Capital assets, which include property, plant and equipment, infrastructure, and intangibles are reported in the applicable governmental columns in the government-wide financial statements. Capital assets are defined by the City as land, buildings, infrastructure, and equipment with an initial individual cost of more than $5,000 (amount not rounded) and an estimated useful life in excess of two years. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at acquisition value at the date of donation. Intangible assets lack physical substance and have a nonfinancial nature and initial useful life extending beyond a single reporting period.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend the asset's life are not capitalized.

Major outlays for capital assets and improvements are capitalized as projects are constructed. Interest incurred during the construction phase of capital assets of business-type activities is included as part of the capitalized value of the assets constructed. Interest attributable to capitalized assets as of June 30, 2020 was immaterial.

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

H. Capital Assets (Continued)

Property, plant and equipment, infrastructure, and intangibles of the primary government are depreciated (including amortization of intangible assets) using the straight-line method over the following estimated useful lives.

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

I. Compensated Absences

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

J. Use of Estimates

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

K. Deferred Outflows/Inflows of Resources

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. The City has multiple items that qualify for reporting in this category. One item is the deferred charge on refunding reported in the government-wide statement of net position. A deferred charge on refunding results from the difference in the carrying value of refunded debt and its refunded or refunding debt. The other item is comprised of certain items related to the measurement of the net pension liability and net OPEB liabilities and contributions to the pension and OPEB plans made during the current year and subsequent to the net pension and net OPEB liability measurement date. For more detailed information on these items, reference the related notes.

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

K. Deferred Outflows/Inflows of Resources (Continued)

In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The City has multiple items that qualify for reporting in this category. Under a modified accrual basis of accounting, unavailable revenue representing property taxes receivable is reported in the governmental funds balance sheet. This amount is comprised of uncollected property taxes due prior to June 30 and is deferred and recognized as an inflow of resources in the period that the amount becomes available. In addition, certain items related to the measurement of the net pension liability and net OPEB liabilities are reported as deferred inflows of resources. These include differences between expected and actual experience, change in assumptions, and the net difference between projected and actual earnings on pension plan investments. For more detailed information on these items, reference the related notes.

L. Net Position

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

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

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

M. Pensions

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

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

N. Other Postemployment Benefits (OPEB)

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

O. Long-term Obligations

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

P. Prepaid Items

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

Q. Inventory

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

R. Fund Balance

The following classifications of fund balance describe the relative strength of the spending constraints placed on the purposes for which resources can be used:

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

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

R. Fund Balance (Continued)

- Unassigned fund balance – amounts that are available for any purpose; positive amounts are only reported in the general fund. Additionally, any deficit fund balance within the other governmental fund types is reported as unassigned.

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

City Council establishes (and modifies or rescinds) fund balance commitments by passage of a resolution. This is typically done through adoption and amendment of the budget. A fund balance commitment is further indicated in the budget document as a designation or commitment of the fund (such as for special incentives).

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

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

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

R. Fund Balance (Continued)

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

	General Fund	Major Special Revenue Fund: Tourism Fund	Nonmajor Special Revenue Funds: Virginia Public Assistance Fund	Nonmajor Special Revenue Funds: Law Enforcement Block Grant Fund	Major Capital Projects Fund: Sales Tax Fund	Total
Fund Balances:						
Nonspendable:						
Prepaid Items	$ 33,540	$ -	$ -	$ -	$ -	$ 33,540
Total Nonspendable	$ 33,540	$ -	$ -	$ -	$ -	$ 33,540
Restricted:						
Social services	$ -	$ -	$ 768,671	$ -	$ -	$ 768,671
Law enforcement	-	-	-	12,312	-	12,312
Fire and police capital improvements	-	-	-	-	13,698,910	13,698,910
Total Restricted	$ -	$ -	$ 768,671	$ 12,312	$ 13,698,910	$ 14,479,893
Assigned:						
Future capital projects	$ -	$ -	$ -	$ -	12,910,930	$ 12,910,930
Tourism	-	4,207,011	-	-	-	4,207,011
Total Assigned	$ -	$ 4,207,011	$ -	$ -	$ 12,910,930	$ 17,117,941
Unassigned	$ 13,689,575	$ -	$ -	$ -	$ -	$ 13,689,575
Total Fund Balances	$ 13,723,115	$ 4,207,011	$ 768,671	$ 12,312	$ 26,609,840	$ 45,320,949

***N**ote 2—Stewardship, Compliance, and Accounting:*

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

1. The City Charter requires the City Manager to submit to the City Council an annual budget for the ensuing fiscal year at least 60 days prior to the beginning of such fiscal year.

2. A public hearing on the budget is held after a synopsis of the budget is published in a local newspaper of general circulation. After a public hearing, the City Council may change any item in the budget (other than debt service or items required by law). A budget resolution must be adopted by the City Council prior to June 30 or as soon thereafter as is practicable.

3. The City utilizes the budget resolution of budgetary control whereby City Council adopts budgets for estimated revenues and expenditures on a departmental basis for the General Fund and Special Revenue Funds. Adopted budgets may be amended or superseded by action of City Council.

4. Budgets are also adopted by City Council for the Enterprise Funds. Budget to actual comparisons for these funds are not presented herein since there is no legal requirement for such presentation.

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

5. All operating budgets include proposed expenditures and the means of financing them. The City Manager has the authority to transfer amounts within the departments, so long as the total appropriation for a department is not adjusted. Budgeted amounts as presented in the financial statements reflect reallocations within budget categories through June 30, 2020.

6. Appropriation control is maintained at the department level. Appropriations lapse at year end. Encumbrances and committed fund balances outstanding at year end are re-appropriated in the succeeding year.

7. All budgets are adopted on a basis consistent with generally accepted accounting principles (GAAP).

8. The City utilizes a Finance and Audit Committee to assist City Council in carrying out its oversight responsibilities as they relate to financial reporting, internal controls and compliance with laws and regulations.

Expenditures and Appropriations

Expenditures exceeded appropriations in the following departments:

Department	Final Budget	Actual	Over exceed Amount
General Fund:			
Information technology - CARES Act	$ -	$ 59,510	$ (59,510)
Other general and financial administration	93,423	131,774	(38,351)
Police department - CARES Act	-	10,958	(10,958)
Fire department - CARES Act	-	1,246	(1,246)
Public assistance - CARES Act	-	13,540	(13,540)
Recreation facility programs - CARES Act	-	3,075	(3,075)
Community development WRL - CARES Act	-	4,012	(4,012)
Economic development - CARES Act	-	140,326	(140,326)
Sales Tax Fund:			
Interest and other fiscal charges	679,033	690,039	(11,006)

Note 3—Deposits and Investments:

Deposits

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

Note 3—Deposits and Investments: (Continued)

Deposits (Continued)

At year-end the carrying value of the City's deposits with banks and savings institutions was $30,459,460 and the bank balance was $30,697,753. Of the bank balance, $30,697,753 was covered by Federal Depository Insurance Corporation. Of the Bank balance, $15,165,188 was uncollateralized in banks or savings and loans not qualifying under the Virginia Security for Public Deposits Act at June 30, 2020.

Investments

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

Credit Risk of Debt Securities

The City's rated debt investments as of June 30, 2020 were rated by *Standard and Poor's* and the ratings are presented below using the *Standard and Poor's* rating scale. The City's investment policy has an emphasis on high credit quality and known marketability. Holdings of commercial paper are not allowed to exceed thirty-five percent of the investment portfolio, and not more than 5% per issuer.

City's Rated Debt Investments' Values

Rated Debt Investments	Fair Quality Ratings
	AAAm
Local Government Investment Pool	$ 10,722,687
Virginia State Non-Arbitrage Pool	13,698,910
Total	$ 24,421,597

Interest Rate Risk

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

Investment Maturities (in years)

Investment Type	Fair Value	Less Than 1 Year	1-5 Years
Local Government Investment Pool	$ 10,722,687	$ 10,722,687	$ -
Virginia State Non-Arbitrage Pool	13,698,910	13,698,910	
Total	$ 24,421,597	$ 24,421,597	$ -

Note 3—Deposits and Investments: (Continued)

External Investment Pools

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

Note 4—Due from Other Governments:

At June 30, 2020, the City has receivables from other governments as follows:

	Governmental Activities
Other Local Governments:	
Williamsburg-James City County Public Schools	$ 554,245
Williamsburg Redevelopment and Housing Authority	9,598
Commonwealth of Virginia:	
Communications tax	97,755
Car rental tax	6,121
CSA pool funds	33,214
Local sales tax	520,279
Shared expenses	8,840
Social services	27,010
Historic Triangle sales tax	167,054
State sales tax	183,338
VHCD grant	13,540
Other	2,965
Federal Government:	
Highway planning and construction	220,949
Brownsfield grant	5,235
Social Services	43,807
Total	$ 1,893,950

Note 5—Interfund Obligations:

Details of the Primary Government's interfund receivables and payables as of June 30, 2020 are as follows:

Fund	Interfund Receivables	Interfund Payables
General	$ 40,968	$ -
Virginia Public Assistance	-	40,968
Total	$ 40,968	$ 40,968

Note 5—Interfund Obligations: (Continued)

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

Note 6—Capital Assets:

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

	Balance July 1, 2019	Additions	Deletions	Balance June 30, 2020
Governmental activities:				
Capital assets not subject to depreciation:				
Land and land improvements	$ 8,797,413	$ -	$ -	$ 8,797,413
Works of art	28,400	-	-	28,400
Construction in progress	517,748	-	517,748	-
Total capital assets not subject to depreciation	$ 9,343,561	$ -	$ 517,748	$ 8,825,813
Capital assets subject to depreciation:				
Buildings and system	$ 43,590,797	$ -	$ -	$ 43,590,797
Improvements other than buildings	15,501,566	154,893	12,660	15,643,799
Infrastructure	64,566,401	4,957,504	-	69,523,905
Intangible	1,058,996	91,157	-	1,150,153
Machinery and equipment	13,469,808	989,581	149,067	14,310,322
Total capital assets subject to depreciation	$ 138,187,568	$ 6,193,135	$ 161,727	$ 144,218,976
Accumulated depreciation:				
Buildings and system	$ 20,214,027	$ 1,190,019	$ -	$ 21,404,046
Improvements other than buildings	10,526,205	511,179	12,660	11,024,724
Infrastructure	33,552,014	1,461,570	-	35,013,584
Intangible	333,872	78,395	-	412,267
Machinery and equipment	9,138,446	812,540	149,067	9,801,919
Total accumulated depreciation	$ 73,764,564	$ 4,053,703	$ 161,727	$ 77,656,540
Total capital assets subject to depreciation, net	$ 64,423,004	$ 2,139,432	$ -	$ 66,562,436
Governmental activities capital assets, net	$ 73,766,565	$ 2,139,432	$ 517,748	$ 75,388,249

Note 6—Capital Assets: (Continued)

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

	Balance July 1, 2019	Additions	Deletions	Balance June 30, 2020
Business-type activities:				
Capital assets not subject to depreciation:				
Land and land improvements	$ 5,780,530	$ -	$ -	$ 5,780,530
Open easement	653,800	-	-	653,800
Total capital assets not subject to depreciation	$ 6,434,330	$ -	$ -	$ 6,434,330
Capital assets subject to depreciation:				
Buildings and system	$ 11,842,633	$ -	$ -	$ 11,842,633
Intangibles	12,525,344	-	-	12,525,344
Improvements other than buildings	8,575,937	19,304	-	8,595,241
Infrastructure	83,860	-	-	83,860
Machinery and equipment	2,301,863	379,479	14,480	2,666,862
Total capital assets subject to depreciation	$ 35,329,637	$ 398,783	$ 14,480	$ 35,713,940
Accumulated depreciation:				
Buildings and system	$ 7,517,746	$ 230,311	$ -	$ 7,748,057
Intangibles	3,148,017	314,824	-	3,462,841
Improvements other than buildings	5,975,854	173,643	-	6,149,497
Infrastructure	29,396	3,147	-	32,543
Machinery and equipment	1,997,923	107,103	14,480	2,090,546
Total accumulated depreciation	$ 18,668,936	$ 829,028	$ 14,480	$ 19,483,484
Total capital assets subject to depreciation, net	$ 16,660,701	$ (430,245)	$ -	$ 16,230,456
Business-type activities capital assets, net	$ 23,095,031	$ (430,245)	$ -	$ 22,664,786

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Note 6—Capital Assets: (Continued)

Depreciation expense was charged to functions/programs as follows:

Governmental activities:	
General government administration	$ 1,422,605
Public safety	666,847
Public works	1,509,697
Health and welfare	9,441
Parks, recreation and cultural	427,742
Community development	17,371
Total depreciation expense - governmental activities	$ 4,053,703
Business-type activites:	
Utility Fund	$ 829,028

Note 7— Interfund Transfers:

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

Fund	Transfers In	Transfers Out
General Fund	$ -	$ 3,368,077
Tourism Fund	2,205,000	-
Special Revenue Fund:		
Virginia Public Assistance Fund	1,163,077	-
Total	$ 3,368,077	$ 3,368,077

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

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Note 8—Long-Term Obligations:

The following is a summary of long-term obligation transactions of the City for the year ended June 30, 2020:

Primary Government:

	Balance July 1, 2019	Issuances/ Increases	Retirements/ Decreases	Balance June 30, 2020	Amounts Due Within One Year
Governmental activities:					
General obligation bond	$ 16,875,363	$ -	$ 870,223	$ 16,005,140	$ 862,300
Compensated absences	988,422	242,338	120,456	1,110,304	793,488
Net pension liability	8,875,234	7,247,881	5,981,725	10,141,390	-
Net OPEB liability	2,045,563	855,793	578,280	2,323,076	-
Adjustment for deferred amounts:					
For issuance premium	1,380,774	-	141,953	1,238,821	-
Total Governmental activities	$ 30,165,356	$ 8,346,012	$ 7,692,637	$ 30,818,731	$ 1,655,788
Business-type activities:					
General obligation bonds	$ 3,859,637	$ -	$ 564,777	$ 3,294,860	$ 362,700
Compensated absences	131,468	18,608	6,824	143,252	94,637
Net pension liability	974,700	895,949	690,188	1,180,461	-
Net OPEB liability	90,437	25,902	20,072	96,267	-
Adjustment for deferred amounts:					
For issuance premium	552,916	-	82,846	470,070	-
Total Business-type activities	$ 5,609,158	$ 940,459	$ 1,364,707	$ 5,184,910	$ 457,337

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

Year Ended June 30	Governmental Activities		Business-type Activities	
	Principal	Interest	Principal	Interest
2021	$ 862,300	$ 650,194	$ 362,700	$ 155,669
2022	905,920	605,989	379,080	137,124
2023	952,200	559,535	397,800	117,702
2024	1,003,800	510,636	421,200	97,227
2025	1,052,740	459,222	442,260	75,641
2026 - 2030	4,678,180	1,528,645	1,291,820	99,566
2031 - 2035	3,905,000	711,812	-	-
2036 - 2038	2,645,000	125,169	-	-
Total	$ 16,005,140	$ 5,151,202	$ 3,294,860	$ 682,929

Note 8—Long-Term Obligations: (Continued)

Details of long-term indebtedness are as follows:

Long-Term Obligations, Governmental Activities:	Total Amount
General Obligation Bonds :	
The City authorized and issued a $7,370,000 general obligation refunding bond in December 2017 for the purpose of refunding a Series 2010 and a Series 2013 general obligation and enterprise fund obligation bonds. The bond is payable in annual principal installments plus semi-annual interest payments at 5.00%. Payments are due on July 1 and January 1. Payments began July 1, 2018 and end June 30, 2029. Carrying value of the debt allocable to general government is $3,745,140 plus unamortized premium of $415,095.	$ 4,160,235
The City authorized and issued a $12,260,000 general obligation public improvement bond to finance fire and police capital improvements in December 2017. The bond is payable in annual principal installments plus semi-annual interest payments at various coupon rates, 3.00% thru 5.00%. Payments are due on July 1 and January 1. Payments began July 1, 2018 and end June 30, 2038. Carrying value of the debt is $12,260,000 plus unamortized premium of $823,726.	13,083,726
Total general obligation bonds	$ 17,243,961
Compensated absences (payable from General Fund)	$ 1,110,304
Net pension liability (payable from General Fund)	$ 10,141,390
Net OPEB liability (payable from General Fund)	$ 2,323,076
Total Long-Term Obligations, Governmental Activities	$ 30,818,731

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Note 8—Long-Term Obligations: (Continued)

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

Long-Term Obligations, Business-type Activities:	Total Amount
General Obligation Bond :	
The City authorized and issued a $7,370,000 general obligation refunding bond in December 2017 for the purpose of refunding a Series 2010 and a Series 2013 general obligation and enterprise fund obligation bonds. The bond is payable in annual principal installments plus semi-annual interest payments at 5.00%. Payments are due on July 1 and January 1. Payments began July 1, 2018 and end June 30, 2029. Carrying value of the debt allocable to the business-type activities is $3,294,860 plus unamortized premium of $470,070.	$ 3,764,930
Total general obligation bond	$ 3,764,930
Compensated absences (payable from Enterprise Fund)	$ 143,252
Net pension liability (payable from Enterprise Fund)	$ 1,180,461
Net OPEB liability (payable from Enterprise Fund)	$ 96,267
Total Long-Term Obligations, Business-type Activities	$ 5,184,910

Note 9—Unearned and Unavailable Revenue:

Unearned and unavailable revenue represents amounts for which asset recognition criteria have been met, but for which revenue recognition criteria have not been met. Under the modified accrual basis of accounting, such amounts are measurable, but not available. Unavailable revenue of $375,127 and unearned revenue of $1,356,693 is comprised of the following:

Unavailable Property Tax Revenue: Unavailable revenue representing uncollected tax billings not available for funding of current expenditures totaled $375,127 at June 30, 2020.

Unearned Revenue: Unearned revenue representing CARES Act funds received but not expended totaled $1,085,552 at June 30, 2020 and is reported in the general fund. The Special Revenue Funds reports $99,591 in unearned revenue related to summer youth program funds received but not expended at June 30, 2020 and $50,050 in unearned revenue related to a federal criminal justice grant received but not expended at June 30, 2020.

The Utility Fund reports unearned revenue of $121,500 which represents a lease agreement paid in advance by Crossroads Community Youth Home.

Note 10—Commitments and Contingencies:

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

Note 10—Commitments and Contingencies: (Continued)

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

The City is committed on a construction contract with Henderson, Inc. for Monticello Avenue Improvements. The construction contract total is $3,880,694 with $1,477,933 outstanding at June 30, 2020. The City is also committed on a construction contract with Howard Brothers Contractor, Inc. for improvements to a multi-use trail. The construction contract total is $1,194,111 with $403,092 outstanding at June 30, 2020.

Note 11—Litigation:

At June 30, 2020, there were no matters of litigation involving the City or which would materially affect the City's financial position should any court decisions on pending matters not be favorable to such entities.

Note 12—Risk Management:

The City is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The City joined together with other local governments in Virginia to form the Virginia Municipal Liability Pool, a public entity risk pool currently operating as a common risk management and insurance program for participating local governments. The City pays annual premiums to the pool for its property, theft, auto liability, and general liability coverage. Settled claims for the City resulting from these risks have not exceeded insurance coverage for each of the past three years. There was no reduction in insurance coverage during fiscal year 2020.

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

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

Note 13—Pension Plan:

Plan Description

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

Note 13—Pension Plan:

Benefit Structures

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

a. Employees hired before July 1, 2010, vested as of January 1, 2013, and have not taken a refund, are covered under Plan 1, a defined benefit plan. Non-hazardous duty employees are eligible for an unreduced retirement benefit beginning at age 65 with at least 5 years of service credit or age 50 with at least 30 years of service credit. Non-hazardous duty employees may retire with a reduced benefit as early as age 55 with at least 5 years of service credit or age 50 with at least 10 years of service credit. Hazardous duty employees (law enforcement officers, firefighters, and sheriffs) are eligible for an unreduced benefit beginning at age 60 with at least 5 years of service credit or age 50 with at least 25 years of service credit. Hazardous duty employees may retire with a reduced benefit as early as age 50 with at least 5 years of service credit.

b. Employees hired on or after July 1, 2010, or their membership date is before July 1, 2010, and they were not vested as of January 1, 2013 are covered under Plan 2, a defined benefit plan. Non-hazardous duty employees are eligible for an unreduced benefit beginning at their normal social security retirement age with at least 5 years of service credit or when the sum of their age plus service equals 90. Non-hazardous duty employees may retire with a reduced benefit as early as age 60 with at least 5 years of service credit. Hazardous duty employees are eligible for an unreduced benefit beginning at age 60 with at least 5 years of service credit or age 50 with at least 25 years of service credit. Hazardous duty employees may retire with a reduced benefit as early as age 50 with at least 5 years of service credit.

c. Non-hazardous duty employees hired on or after January 1, 2014 are covered by the Hybrid Plan combining the features of a defined benefit plan and a defined contribution plan. Plan 1 and Plan 2 members also had the option of opting into this plan during the election window held January 1 – April 30, 2014 with an effective date of July 1, 2014. Employees covered by this plan are eligible for an unreduced benefit beginning at their normal social security retirement age with at least 5 years of service credit, or when the sum of their age plus service equals 90. Employees may retire with a reduced benefit as early as age 60 with at least 5 years of service credit. For the defined contribution component, members are eligible to receive distributions upon leaving employment, subject to restrictions.

Average Final Compensation and Service Retirement Multiplier

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

Note 13—Pension Plan: (Continued)

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

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

Employees Covered by Benefit Terms

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

	Number
Inactive members or their beneficiaries currently receiving benefits	236
Inactive members:	
Vested inactive members	43
Non-vested inactive members	39
Inactive members active elsewhere in VRS	93
Total inactive members	175
Active members	185
Total covered employees	596

Contributions

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

The City's contractually required employer contribution rate for the year ended June 30, 2020 was 13.78% of covered employee compensation. This rate was based on an actuarially determined rate from an actuarial valuation as of June 30, 2017.

This rate, when combined with employee contributions, was expected to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. Contributions to the pension plan from them were $1,484,653 and $1,460,073 for the years ended June 30, 2020 and June 30, 2019, respectively.

Note 13—Pension Plan: (Continued)

Net Pension Liability

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

Actuarial Assumptions – General Employees

The total pension liability for General Employees in the City's Retirement Plan was based on an actuarial valuation as of June 30, 2018, using the Entry Age Normal actuarial cost method and the following assumptions, applied to all periods included in the measurement and rolled forward to the measurement date of June 30, 2019.

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

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

Mortality rates:

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

Pre-Retirement:
RP-2014 Employee Rates to age 80, Healthy Annuitant Rates at ages 81 and older projected with scale BB to 2020; males 95% of rat58es; females 105% of rates.

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

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

Note 13—Pension Plan: (Continued)

Actuarial Assumptions – General Employees (Continued)

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

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

Mortality Rates (pre-retirement, post-retirement healthy, and disabled)	Updated to a more current mortality table - RP-2014 projected to 2020
Retirement Rates	Lowered rates at older ages and changed final retirement from 70 to 75
Withdrawal Rates	Adjusted rates to better fit experience at each year age and service through 9 years of service
Disability Rates	Lowered rates
Salary Scale	No change
Line of Duty Disability	Increased rate from 14.00% to 15.00%
Discount Rate	Decreased rate from 7.00% to 6.75%

Actuarial Assumptions – Public Safety Employees with Hazardous Duty Benefits

The total pension liability for Public Safety employees with Hazardous Duty Benefits in the City's Retirement Plan was based on an actuarial valuation as of June 30, 2017, using the Entry Age Normal actuarial cost method and the following assumptions, applied to all periods included in the measurement and rolled forward to the measurement date of June 30, 2019.

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

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

Note 13—Pension Plan: (Continued)

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

Mortality rates:

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

Pre-Retirement:
RP-2014 Employee Rates to age 80, Healthy Annuitant Rates at ages 81 and older projected with scale BB to 2020; males 90% of rates; females set forward 1 year.

Post-Retirement:
RP-2014 Employee Rates to age 49, Healthy Annuitant Rates at ages 50 and older projected with scale BB to 2020; males set forward 1 year, 1.0% increase compounded from ages 70 to 90; females set forward 3 years.

Post-Disablement:
RP-2014 Disability Mortality Rates projected with scale BB to 2020; males set forward 2 years; unisex using 100% male.

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

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

Mortality Rates (pre-retirement, post-retirement healthy, and disabled)	Updated to a more current mortality table - RP-2014 projected to 2020
Retirement Rates	Increased age 50 rates, and lowered rates at older ages
Withdrawal Rates	Adjusted rates to better fit experience at each year age and service through 9 years of service
Disability Rates	Adjusted rates to better fit experience
Salary Scale	No change
Line of Duty Disability	Decreased rate from 60.00% to 45.00%
Discount Rate	Decreased rate from 7.00% to 6.75%

Note 13—Pension Plan: (Continued)

Long-Term Expected Rate of Return

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

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

* The above allocation provides a one-year return of 7.63%. However, one-year returns do not take into account the volatility present in each of the asset classes. In setting the long-term expected return for the system, stochastic projections are employed to model future returns under various economic conditions. The results provide a range of returns over various time periods that ultimately provide a median return of 6.83%, including expected inflation of 2.50%. The VRS Board elected a long-term rate of 6.75% which is roughly at the 40th percentile of expected long-term results of the VRS fund asset allocation.

Discount Rate

The discount rate used to measure the total pension liability was 6.75%. The projection of cash flows used to determine the discount rate assumed that System member contributions will be made per the VRS Statutes and the employer contributions will be made in accordance with the VRS funding policy at rates equal to the difference between actuarially determined contribution rates adopted by the VRS Board of Trustees and the member rate. Consistent with the phased-in funding provided by the General Assembly for state and teacher employer contributions; the City was also provided with an opportunity to use an alternative employer contribution rate. For the year ended June 30, 2019, the alternate rate was the employer contribution rate used in FY 2012 or 100% of the actuarially determined employer contribution rate from the June 30, 2017 actuarial valuations, whichever was greater. Through the fiscal year ended June 30, 2019, the rate contributed by the school division for the VRS Teacher Retirement Plan was subject to the portion of the VRS Board-certified rates that are funded by the Virginia General Assembly, which was 100% of the actuarially determined contribution rate. From July 1, 2019 on, participating employers and school divisions are assumed to continue to contribute

Note 13—Pension Plan: (Continued)

Discount Rate

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

Changes in Net Pension Liability

	Primary Government		
	Increase (Decrease)		
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (a) - (b)
Balances at June 30, 2018	$ 70,710,195	$ 60,860,260	$ 9,849,935
Changes for the year:			
Service cost	$ 1,272,636	$ -	$ 1,272,636
Interest	4,806,679	-	4,806,679
Changes of assumptions	1,969,052	-	1,969,052
Differences between expected and actual experience	(619,735)	-	(619,735)
Contributions - employer	-	1,453,252	(1,453,252)
Contributions - employee	-	567,049	(567,049)
Net investment income	-	3,979,585	(3,979,585)
Benefit payments, including refunds of employee contributions	(4,086,702)	(4,086,702)	-
Administrative expenses	-	(40,666)	40,666
Other changes	-	(2,504)	2,504
Net changes	$ 3,341,930	$ 1,870,014	$ 1,471,916
Balances at June 30, 2019	$ 74,052,125	$ 62,730,274	$ 11,321,851

Note 13—Pension Plan: (Continued)

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

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

	Rate		
	1% Decrease (5.75%)	Current Discount (6.75%)	1% Increase (7.75%)
City Net Pension Liability	$ 20,220,182	$ 11,321,851	$ 4,198,203

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

For the year ended June 30, 2020, the City recognized pension expense of $1,809,804. At June 30, 2020, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$ -	$ 461,361
Changes of assumptions	1,193,835	-
Net difference between projected and actual earnings on plan investments	-	528,820
Employer contributions subsequent to the measurement date	1,484,653	-
Total	$ 2,678,488	$ 990,181

Note 13—Pension Plan: (Continued)

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

$1,484,653 reported as deferred outflows of resources related to pensions resulting from the City's contributions subsequent to the measurement date will be recognized as a reduction of the Net Pension Liability in the fiscal year ending June 30, 2021. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense in future reporting periods as follows:

Year ended June 30		
2021	$	446,129
2022		(273,489)
2023		(10,344)
2024		41,358
2025		-
Thereafter		-

Pension Plan Data

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

Note 14—Surety Bonds:

Surety bonds covered the following constitutional officers and City employees at June 30, 2020:

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

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

Plan Description

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

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

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

Eligible Employees

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

Benefit Amounts

The GLI Plan is a defined benefit plan with several components. The natural death benefit is equal to the employee's covered compensation rounded to the next highest thousand and then doubled. The accidental death benefit is double the natural death benefit. In addition to basic natural and accidental death benefits, the plan provides additional benefits provided under specific circumstances that include the following: accidental dismemberment benefit, safety belt benefit, repatriation benefit, felonious assault benefit, and accelerated death benefit option. The benefit amounts are subject to a reduction factor. The benefit amount reduces by 25% on January 1 following one calendar year of separation. The benefit amount reduces by an additional 25% on each subsequent January 1 until it reaches 25% of its original value. For covered members with at least 30 years of service credit, the minimum benefit payable was set at $8,000 by statute in 2015. This will be increased annually based on the VRS Plan 2 cost-of-living adjustment calculation. The minimum benefit adjusted for the COLA was $8,463 as of June 30, 2020.

Contributions

The contribution requirements for the GLI Plan are governed by §51.1-506 and §51.1-508 of the Code of Virginia, as amended, but may be impacted as a result of funding provided to state agencies and school divisions by the Virginia General Assembly. The total rate for the GLI Plan was 1.31% of covered employee compensation. This was allocated into an employee and an employer component using a 60/40 split. The employee component was 0.79% (1.31% x 60%) and the employer component was 0.52% (1.31% x 40%). Employers may elect to pay all or part of the employee contribution; however, the employer must pay all of the employer contribution. Each employer's contractually required employer contribution rate for the year ended June 30, 2020 was 0.52% of covered employee compensation. This rate was based on an actuarially determined rate from an actuarial valuation as of June 30, 2017. The actuarially determined rate, when combined with employee

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

Contributions (Continued)

contributions, was expected to finance the costs of benefits payable during the year, with an additional amount to finance any unfunded accrued liability. Contributions to the Group Life Insurance Program from the entity were $57,498 and $55,094 for the years ended June 30, 2020 and June 30, 2019, respectively.

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

At June 30, 2020, the entity reported a liability of $900,529 for its proportionate share of the Net GLI OPEB Liability. The Net GLI OPEB Liability was measured as of June 30, 2019 and the total GLI OPEB liability used to calculate the Net GLI OPEB Liability was determined by an actuarial valuation as of that date. The covered employer's proportion of the Net GLI OPEB Liability was based on the covered employer's actuarially determined employer contributions to the GLI Plan for the year ended June 30, 2019 relative to the total of the actuarially determined employer contributions for all participating employers. At June 30, 2019, the participating employer's proportion was .05534% as compared to .05572% at June 30, 2018.

For the year ended June 30, 2020, the participating employer recognized GLI OPEB expense of $22,826. Since there was a change in proportionate share between measurement dates, a portion of the GLI OPEB expense was related to deferred amounts from changes in proportion.

At June 30, 2020, the employer reported deferred outflows of resources and deferred inflows of resources related to the GLI OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$ 59,891	$ 11,680
Net difference between projected and actual earnings on GLI OPEB plan investments	-	18,498
Change of assumptions	56,854	27,155
Changes in proportionate share	18,725	9,722
Employer contributions subsequent to the measurement date	57,498	-
Total	$ 192,968	$ 67,055

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

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

$57,498 reported as deferred outflows of resources related to the GLI OPEB resulting from the employer's contributions subsequent to the measurement date will be recognized as a reduction of the Net GLI OPEB Liability in the fiscal year ending June 30, 2021. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to the GLI OEPB will be recognized in the GLI OPEB expense in future reporting periods as follows:

Year Ended June 30		
2021	$	5,202
2022		5,203
2023		13,037
2024		20,927
2025		19,203
Thereafter		4,843

Actuarial Assumptions

The total GLI OPEB liability was based on an actuarial valuation as of June 30, 2018, using the Entry Age Normal actuarial cost method and the following assumptions, applied to all periods included in the measurement and rolled forward to the measurement date of June 30, 2019. The assumptions include several employer groups as noted below. Salary increases and mortality rates included herein are for relevant employer groups. Information for other groups can be referenced in the VRS CAFR.

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

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

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

Actuarial Assumptions: (Continued)

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

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

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

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

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

Mortality Rates (pre-retirement, post-retirement healthy, and disabled)	Updated to a more current mortality table - RP-2014 projected to 2020
Retirement Rates	Lowered retirement rates at older ages and extended final retirement age from 70 to 75
Withdrawal Rates	Adjusted termination rates to better fit experience at each age and service year
Disability Rates	Lowered disability rates
Salary Scale	No change
Line of Duty Disability	Increased rate from 14.00% to 15.00%
Discount Rate	Decreased rate from 7.00% to 6.75%

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

Pre-Retirement:
RP-2014 Employee Rates to age 80, Healthy Annuitant Rates to 81 and older projected with scale BB to 2020; males 90% of rates; females set forward 1 year.

Post-Retirement:
RP-2014 Employee Rates to age 49, Healthy Annuitant Rates at ages 50 and older projected with scale BB to 2020; males set forward 1 year with 1.0% increase compounded from ages 70 to 90; females set forward 3 years.

Post-Disablement:
RP-2014 Disability Mortality Rates projected with scale BB to 2020; males set forward 2 years; unisex using 100% male.

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

Actuarial Assumptions: (Continued)

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

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

Mortality Rates (pre-retirement, post-retirement healthy, and disabled)	Updated to a more current mortality table - RP-2014 projected to 2020
Retirement Rates	Increased age 50 rates and lowered rates at older ages
Withdrawal Rates	Adjusted termination rates to better fit experience at each age and service year
Disability Rates	Adjusted rates to better match experience
Salary Scale	No change
Line of Duty Disability	Decreased rate from 60.00% to 45.00%
Discount Rate	Decreased rate from 7.00% to 6.75%

NET GLI OPEB Liability

The net OPEB liability (NOL) for the GLI Plan represents the plan's total OPEB liability determined in accordance with GASB Statement No. 74, less the associated fiduciary net position. As of the measurement date of June 30, 2019, NOL amounts for the GLI Plan are as follows (amounts expressed in thousands):

		Group Life Insurance OPEB Program
Total GLI OPEB Liability	$	3,390,238
Plan Fiduciary Net Position		1,762,972
GLI Net OPEB Liability (Asset)	$	1,627,266
Plan Fiduciary Net Position as a Percentage of the Total GLI OPEB Liability		52.00%

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

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

Long-Term Expected Rate of Return

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

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

*The above allocation provides a one-year return of 7.63%. However, one-year returns do not take into account the volatility present in each of the asset classes. In setting the long-term expected return for the system, stochastic projections are employed to model future returns under various economic conditions. The results provide a range of returns over various time periods that ultimately provide a median return of 7.11%, including expected inflation of 2.50%. The VRS Board elected a long-term rate of 6.75% which is roughly at the 40th percentile of expected long-term results of the VRS fund asset allocation.

Discount Rate

The discount rate used to measure the total GLI OPEB 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 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 ended June 30, 2019, the rate contributed by the entity for the GLI OPEB will be subject to the portion of the VRS Board-certified rates that are funded by the Virginia General Assembly which was 100% of the actuarially determined contribution rate. From July 1, 2019 on, employers are assumed to continue to contribute 100% of the actuarially determined contribution rates. Based on those assumptions, the GLI OPEB's fiduciary net position was projected to be available to make all projected future benefit payments of eligible employees. Therefore, the long-term expected rate of return was applied to all periods of projected benefit payments to determine the total GLI OPEB liability.

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

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

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

	Rate		
	1% Decrease (5.75%)	Current Discount (6.75%)	1% Increase (7.75%)
City's proportionate share of the GLI Plan Net OPEB Liability	$ 1,183,046	$ 900,529	$ 671,416

GLI Plan Fiduciary Net Position

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

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

Plan Description

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

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

Eligible Employees

All paid employees and volunteers in hazardous duty positions in Virginia localities and hazardous duty employees who are covered under the Virginia Retirement System (VRS), the State Police Officers' Retirement System (SPORS), or the Virginia Law Officers' Retirement System (VaLORS) are automatically covered by the Line of Duty Act Program (LODA).

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

Benefit Amounts

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

The LODA program also provides health insurance benefits. Prior to July 1, 2017, these benefits were managed through the various employer plans and maintained the benefits that existed prior to the employee's death or disability. These premiums were reimbursed to the employer by the LODA program. Beginning July 1, 2017, the health insurance benefits are managed through the Virginia Department of Human Resource Management (DHRM). The health benefits are modeled after the State Employee Health Benefits Program plans and provide consistent, premium-free continued health plan coverage for LODA-eligible disabled individuals, survivors and family members. Individuals receiving the health insurance benefits must continue to meet eligibility requirements as defined by LODA.

Contributions

The contribution requirements for the LODA Program are governed by §9.1-400.1 of the Code of Virginia, as amended, but may be impacted as a result of funding provided to state agencies by the Virginia General Assembly. Each employer's contractually required employer contribution rate for the LODA Program for the year ended June 30, 2020 was $705.77 per covered full-time-equivalent employee. This rate was based on an actuarially determined rate from an actuarial valuation as of June 30, 2017 and represents the pay-as-you-go funding rate and not the full actuarial cost of the benefits under the program. The actuarially determined pay-as-you-go rate was expected to finance the costs and related expenses of benefits payable during the year. Contributions to the Line of Duty Act Program from the entity were $56,638 and $56,814 for the years ended June 30, 2020 and June 30, 2019, respectively.

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

At June 30, 2020, the entity reported a liability of $1,518,814 for its proportionate share of the Net LODA OPEB Liability. The Net LODA OPEB Liability was measured as of June 30, 2019 and the total LODA OPEB liability used to calculate the Net LODA OPEB Liability was determined by an actuarial valuation as of June 30, 2018, and rolled forward to the measurement date of June 30, 2019. The entity's proportion of the Net LODA OPEB Liability was based on the entity's actuarially determined pay-as-you-go employer contributions to the LODA OPEB plan for the year ended June 30, 2019 relative to the total of the actuarially determined pay-as-you-go employer contributions for all participating employers. At June 30, 2019, the entity's proportion was .42332% as compared to .41149% at June 30, 2018.

For the year ended June 30, 2020, the entity recognized LODA OPEB expense of $133,830. Since there was a change in proportionate share between measurement dates, a portion of the LODA OPEB expense was related to deferred amounts from changes in proportion.

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

LODA OPEB Liabilities, LODA OPEB Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to the LODA OPEB: (Continued)

At June 30, 2020, the entity reported deferred outflows of resources and deferred inflows of resources related to the LODA OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	$ 220,758	$ -
Net difference between projected and actual earnings on LODA OPEB program investments	-	3,007
Change of assumptions	71,264	131,664
Changes in proportionate share	61,547	-
Employer contributions subsequent to the measurement date	56,638	-
Total	$ 410,207	$ 134,671

$56,638 reported as deferred outflows of resources related to the LODA OPEB resulting from the entity's contributions subsequent to the measurement date will be recognized as a reduction of the Net LODA OPEB Liability in the fiscal year ending June 30, 2021. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to the LODA OPEB will be recognized in LODA OPEB expense in future reporting periods as follows:

Year Ended June 30	
2021	$ 27,766
2022	27,772
2023	28,237
2024	28,732
2025	28,878
Thereafter	77,513

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

Actuarial Assumptions

The total LODA OPEB liability was based on an actuarial valuation as of June 30, 2018, using the Entry Age Normal actuarial cost method and the following assumptions, applied to all periods included in the measurement and rolled forward to the measurement date of June 30, 2019. The assumptions include several employer groups as noted below. Salary increases and mortality rates included herein are for relevant employer groups. Information for other groups can be referenced in the VRS CAFR.

Inflation	2.50%
Salary increases, including inflation:	
Locality employees	N/A
Medical cost trend rates assumption:	
Under age 65	7.25%-4.75%
Ages 65 and older	5.50%-4.75%
Year of ultimate trend rate:	
Post-65	Fiscal year ended 2023
Pre-65	Fiscal year ended 2028
Investment rate of return	3.50%, including inflation*

*Administrative expenses as a percent of the market value of assets for the last experience study were found to be approximately 0.06% of the market assets for all of the VRS plans. This would provide an assumed investment return rate for GASB purposes of slightly more than the assumed 3.50%. However, since the difference was minimal, a more conservative 3.50% investment return assumption has been used. Since LODA is funded on a current-disbursement basis, the assumed annual rate of return of 3.50% was used since it approximates the risk-free rate of return.

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

Pre-Retirement:
RP-2014 Employee Rates to age 80, Healthy Annuitant Rates to 81 and older projected with scale BB to 2020; males 90% of rates; females set forward 1 year.

Post-Retirement:
RP-2014 Employee Rates to age 49, Healthy Annuitant Rates at ages 50 and older projected with scale BB to 2020; males set forward 1 year with 1.0% increase compounded from ages 70 to 90; females set forward 3 years.

Post-Disablement:
RP-2014 Disability Life Mortality Table projected with scale BB to 2020; males set forward 2 years; unisex using 100% male.

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

Actuarial Assumptions (Continued)

Mortality Rates – Non-Largest Ten Locality Employers with Public Safety Employees (Continued)

The actuarial assumptions used in the June 30, 2018 valuation were based on the results of an actuarial experience study for the period from July 1, 2012 through June 30, 2016. Changes to the actuarial assumptions as a result of the experience study are as follows:

Mortality Rates (pre-retirement, post-retirement healthy, and disabled)	Updated to a more current mortality table - RP-2014 projected to 2020
Retirement Rates	Increased age 50 rates and lowered rates at older ages
Withdrawal Rates	Adjusted termination rates to better fit experience at each age and service year
Disability Rates	Adjusted rates to better match experience
Salary Scale	No change
Line of Duty Disability	Decreased rate from 60.00% to 45.00%

Net LODA OPEB Liability

The net OPEB liability (NOL) for the LODA Program represents the program's total OPEB liability determined in accordance with GASB Statement No. 74, less the associated fiduciary net position. As of the measurement date of June 30, 2019, NOL amounts for the LODA Program are as follows (amounts expressed in thousands):

	LODA Program
Total LODA OPEB Liability	$ 361,626
Plan Fiduciary Net Position	2,839
Employers' Net OPEB Liability (Asset)	$ 358,787
Plan Fiduciary Net Position as a Percentage of the Total LODA OPEB Liability	0.79%

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

Long-Term Expected Rate of Return

The long-term expected rate of return on LODA OPEB Program's investments was set at 3.50% for this valuation. Since LODA is funded on a current-disbursement basis, it is not able to use the VRS Pooled Investments 6.75% assumption. Instead, the assumed annual rate of return of 3.50% was used since it approximates the risk-free rate of return. This Single Equivalent Interest Rate (SEIR) is the applicable municipal bond index rate based on the Bond Buyer General Obligation 20-year Municipal Bond Index as of the measurement date of June 30, 2019.

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

Discount Rate

The discount rate used to measure the total LODA OPEB liability was 3.50%. The projection of cash flows used to determine the discount rate assumed that employer contributions will be made per the VRS Statutes and that they will be made in accordance with the VRS funding policy and at rates equal to the actuarially determined contribution rates adopted by the VRS Board of Trustees. Through the fiscal year ended June 30, 2019, the rate contributed by participating employers to the LODA OPEB Program will be subject to the portion of the VRS Board-certified rates that are funded by the Virginia General Assembly.

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

The following presents the covered employer's proportionate share of the net LODA OPEB liability using the discount rate of 3.89%, as well as what the covered employer's proportionate share of the net LODA OPEB liability would be if it were calculated using a discount rate that is one percentage point lower (2.89%) or one percentage point higher (4.89%) than the current rate:

	Discount Rate		
	1% Decrease (2.50%)	Current (3.50%)	1% Increase (4.50%)
County's proportionate share of the total LODA Net OPEB Liability	$ 1,761,932	$ 1,518,814	$ 1,326,523

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

Because the LODA Program contains a provision for the payment of health insurance premiums, the liabilities are also impacted by the health care trend rates. The following presents the covered employer's proportionate share of the net LODA OPEB liability using the health care trend rate of 7.75% decreasing to 5.00%, as well as what the covered employer's proportionate share of the net LODA OPEB liability would be if it were calculated using a health care trend rate that is one percentage point lower (6.75% decreasing to 4.00%) or one percentage point higher (8.75% decreasing to 6.00%) than the current rate:

	Health Care Trend Rates		
	1% Decrease (6.75% decreasing to 4.00%)	Current (7.75% decreasing to 5.00%)	1% Increase (8.75% decreasing to 6.00)
City's proportionate share of the LODA Net OPEB Liability	$ 1,284,142	$ 1,518,814	$ 1,814,759

LODA OPEB Fiduciary Net Position

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

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

Aggregate OPEB Information

	Primary Government			
	Deferred Outflows	Deferred Inflows	Net OPEB Liability	OPEB Expense
VRS OPEB Plans:				
Group Life Insurance Program (Note 15)	$ 192,968	$ 67,055	$ 900,529	$ 22,826
Line of Duty Act Program (Note 16)	410,207	134,671	1,518,814	133,830
Totals	$ 603,175	$ 201,726	$ 2,419,343	$ 156,656

Note 17—Upcoming Pronouncements:

Statement No. 84, *Fiduciary Activities*, establishes criteria for identifying fiduciary activities of all state and local governments for accounting and financial reporting purposes and how those activities should be reported. The requirements of this Statement are effective for reporting periods beginning after December 15, 2019.

Statement No. 87, *Leases*, requires recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and recognized as inflows of resources or outflows of resources based on the payment provisions of the contract. It establishes a single model for lease accounting based on the foundational principle that leases are financings of the right to use an underlying asset. The requirements of this Statement are effective for reporting periods beginning after June 15, 2021.

Statement No. 89, *Accounting for Interest Cost Incurred Before the End of a Construction Period*, provides guidance for reporting capital assets and the cost of borrowing for a reporting period and simplifies accounting for interest cost incurred before the end of a construction period. The requirements of this Statement are effective for reporting periods beginning after December 15, 2020.

Statement No. 90, *Majority Equity Interests – An Amendment of GASB Statements No, 14 and No. 61*, provides guidance for reporting a government's majority equity interest in a legally separate organization and for reporting financial statement information for certain component units. The requirements of this Statement are effective for reporting periods beginning after December 15, 2019.

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

Statement No. 92, *Omnibus 2020*, addresses practice issues that have been identified during implementation and application of certain GASB Statements. This Statement addresses a variety of topics such as leases, assets related to pension and postemployment benefits, and reference to nonrecurring fair value measurements of assets or liabilities in authoritative literature. The effective dates differ by topic, ranging from January 2020 to periods beginning after June 15, 2021.

Note 17—Upcoming Pronouncements: (Continued)

Statement No. 93, Replacement of Interbank Offered Rates, establishes accounting and financial reporting requirements related to the replacement of Interbank Offered Rates (IBORs) in hedging derivative instruments and leases. It also identifies appropriate benchmark interest rates for hedging derivative instruments. The requirements of this Statement, except for removal of London Interbank Offered Rate (LIBOR) as an appropriate benchmark interest rate and the requirements related to lease modifications, are effective for reporting periods beginning after June 15, 2020. The removal of LIBOR as an appropriate benchmark interest rate is effective for reporting periods ending after December 31, 2021. All requirements related to lease modifications in this Statement are effective for reporting periods beginning after June 15, 2021.

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

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

Statement No. 97, Certain Component Unit Criteria, and Accounting and Financial Reporting for Internal Revenue Code (IRC) Section 457 Deferred Compensation Plans – an Amendment of GASB Statements No. 14 and No. 84, and a Supersession of GASB Statement. No 32, (1) increases consistency and comparability related to reporting of fiduciary component units in certain circumstances; (2) mitigates costs associated with the reporting of certain plans as fiduciary component units in fiduciary fund financial statements; and (3) enhances the relevance, consistency, and comparability of the accounting and financial reporting for Section 457 plans that meet the definition of a pension plan and for benefits provided through those plans. The effective dates differ based on the requirements of the Statement, ranging from June 2020 to reporting periods beginning after June 15, 2021.

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

Note 18—Subsequent Events:

On January 30, 2020, the World Health Organization ("WHO") announced a global health emergency stemming from a new strain of coronavirus that was spreading globally (the "COVID-19 outbreak"). On March 11, 2020, the WHO classified the COVID-19 outbreak as a pandemic, triggering volatility in financial markets and a significant negative impact on the global economy. The COVID-19 pandemic has developed rapidly in 2020 and remains a quickly evolving situation. As a result of the spread of COVID-19, economic uncertainties have arisen which are likely to negatively impact economic activity. City of Williamsburg, Virginia is not able to estimate the effects of the COVID-19 pandemic for fiscal year 2021.

On March 27, 2020, the Coronavirus Aid, Relief, and Economic Security Act (CARES Act) was passed by the federal government to alleviate some of the effects of the sharp economic downturn due to the COVID-19 pandemic. Among the CARES Act key provisions was $339.8 billion designated for programs for state and local government, which included $150 billion in direct aid for state and local governments from the federal Coronavirus Relief Fund (CRF), pursuant to the federal CARES Act, to address spending shortages related to the COVID-19 pandemic.

Note 18—Subsequent Events: (Continued)

The Commonwealth of Virginia received approximately $3.1 billion from the CRF, of which $1.3 billion was allocated for localities with fewer than 500,000 people. Localities with populations greater than 500,000 could apply to receive funds directly. All other CRF funds were distributed to the states to determine the allocations to localities.

On May 12, 2020, the first round of the allocations to local governments was authorized by the Commonwealth. On June 1, 2020, each locality received its share of the first half, or fifty (50) percent, of the locally based allocations. Unspent funds at June 30 from the initial allocation are reported as unearned revenue. Like the first round, the second round of allocations was based on population and was for the same total amount distributed in the first round. City of Williamsburg, Virginia, received the second round of CRF funds in the amount of $1,304,679 on August 26, 2020.

The federal guidance for the CARES Act states that the CRF funds can be used only for the direct costs associated with the response to the COVID-19 pandemic and cannot be used to address revenue shortfalls. CRF funds are considered one-time funds and should not be used for ongoing services or base operations. As a condition of receiving CRF funds, any funds unexpended as of December 30, 2020 will be returned to the federal government.

REQUIRED SUPPLEMENTARY INFORMATION

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Exhibit 11

City of Williamsburg, Virginia
General Fund
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
For the Year Ended June 30, 2020

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
REVENUES				
General property taxes	$ 14,261,628	$ 14,372,028	$ 14,600,806	$ 228,778
Other local taxes	13,825,385	13,825,385	11,633,288	(2,192,097)
Permits, privilege fees, and regulatory licenses	223,890	223,890	501,907	278,017
Fines and forfeitures	280,000	280,000	218,387	(61,613)
Revenue from the use of money and property	714,779	714,779	576,510	(138,269)
Charges for services	1,184,790	1,184,790	1,096,153	(88,637)
Miscellaneous	457,070	458,270	484,287	26,017
Recovered costs	1,043,300	1,043,300	987,646	(55,654)
Intergovernmental:				
Commonwealth	5,269,776	5,284,215	5,361,137	76,922
Federal	-	21,172	240,299	219,127
Total revenues	$ 37,260,618	$ 37,407,829	$ 35,700,420	$ (1,707,409)
EXPENDITURES				
Current:				
General government administration	$ 4,213,331	$ 4,255,884	$ 4,103,114	$ 152,770
Judicial administration	471,000	471,000	409,373	61,627
Public safety	10,908,558	11,224,128	11,159,127	65,001
Public works	3,267,796	3,315,099	3,202,810	112,289
Health and welfare	516,556	516,556	528,215	(11,659)
Education	10,040,252	10,040,252	9,490,247	550,005
Parks, recreation, and cultural	2,259,271	2,268,312	2,066,641	201,671
Community development	1,845,351	1,895,231	1,958,141	(62,910)
Nondepartmental	317,136	-	-	-
Total expenditures	$ 33,839,251	$ 33,986,462	$ 32,917,668	$ 1,068,794
Excess (deficiency) of revenues over (under) expenditures	$ 3,421,367	$ 3,421,367	$ 2,782,752	$ (638,615)
OTHER FINANCING SOURCES (USES)				
Transfers out	$ (3,368,077)	$ (3,368,077)	$ (3,368,077)	$ -
Total other financing sources (uses)	$ (3,368,077)	$ (3,368,077)	$ (3,368,077)	$ -
Net change in fund balances	$ 53,290	$ 53,290	$ (585,325)	$ (638,615)
Fund balances - beginning	-	-	14,308,440	14,308,440
Fund balances - ending	$ 53,290	$ 53,290	$ 13,723,115	$ 13,669,825

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City of Williamsburg, Virginia
Tourism Fund - Major Fund
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
For the Year Ended June 30, 2020

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
REVENUES				
Other local taxes	$ 3,056,000	$ 3,056,000	$ 2,697,545	$ (358,455)
Total revenues	$ 3,056,000	$ 3,056,000	$ 2,697,545	$ (358,455)
EXPENDITURES				
Current:				
Community development	$ 5,261,000	$ 7,500,154	$ 2,934,688	$ 4,565,466
Total expenditures	$ 5,261,000	$ 7,500,154	$ 2,934,688	$ 4,565,466
Excess (deficiency) of revenues over (under) expenditures	$ (2,205,000)	$ (4,444,154)	$ (237,143)	$ 4,207,011
OTHER FINANCING SOURCES (USES)				
Transfers in	$ 2,205,000	$ 2,205,000	$ 2,205,000	$ -
Total other financing sources (uses)	$ 2,205,000	$ 2,205,000	$ 2,205,000	$ -
Net change in fund balances	$ -	$ (2,239,154)	$ 1,967,857	$ 4,207,011
Fund balances - beginning	-	2,239,154	2,239,154	-
Fund balances - ending	$ -	$ -	$ 4,207,011	$ 4,207,011

CITY OF WILLIAMSBURG, VIRGINIA

Schedule of Changes in Net Pension Liability and Related Ratios
Pension Plan
For the Measurement Dates of June 30, 2014 through June 30, 2019

	2019	2018
Total pension liability		
Service cost	$ 1,272,636	$ 1,203,231
Interest	4,806,679	4,691,888
Difference between expected and actual experience	(619,735)	(386,020)
Changes of assumptions	1,969,052	-
Benefit payments	(4,086,702)	(3,651,762)
Net change in total pension liability	$ 3,341,930	$ 1,857,337
Total pension liability - beginning	70,710,195	68,852,858
Total pension liability - ending (a)	$ 74,052,125	$ 70,710,195
Plan fiduciary net position		
Contributions - employer	$ 1,453,252	$ 1,464,447
Contributions - employee	567,049	520,088
Net investment income	3,979,585	4,279,006
Benefit payments	(4,086,702)	(3,651,762)
Administrator charges	(40,666)	(37,516)
Other	(2,504)	(3,777)
Net change in plan fiduciary net position	$ 1,870,014	$ 2,570,486
Plan fiduciary net position - beginning	60,860,260	58,289,774
Plan fiduciary net position - ending (b)	$ 62,730,274	$ 60,860,260
City's net pension liability - ending (a) - (b)	$ 11,321,851	$ 9,849,935
Plan fiduciary net position as a percentage of the total pension liability	84.71%	86.07%
Covered payroll	$ 10,806,259	$ 10,581,720
City's net pension liability as a percentage of covered payroll	104.77%	93.08%

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

	2017	2016	2015	2014
	$ 1,169,362	$ 1,192,219	$ 1,178,813	$ 1,182,529
	4,592,124	4,472,336	4,331,841	4,155,774
	(515,043)	(554,448)	(361,478)	-
	(295,496)	-	-	-
	(3,399,707)	(3,398,006)	(2,886,192)	(2,759,933)
	$ 1,551,240	$ 1,712,101	$ 2,262,984	$ 2,578,370
	67,301,618	65,589,517	63,326,533	60,748,163
	$ 68,852,858	$ 67,301,618	$ 65,589,517	$ 63,326,533
	$ 1,390,195	$ 1,666,704	$ 1,649,556	$ 1,558,890
	494,042	487,862	506,966	478,336
	6,434,478	915,305	2,381,156	7,179,163
	(3,399,707)	(3,398,006)	(2,886,192)	(2,759,933)
	(37,916)	(33,783)	(32,867)	(38,979)
	(5,696)	(392)	(500)	379
	$ 4,875,396	$ (362,310)	$ 1,618,119	$ 6,417,856
	53,414,378	53,776,688	52,158,569	45,740,713
	$ 58,289,774	$ 53,414,378	$ 53,776,688	$ 52,158,569
	$ 10,563,084	$ 13,887,240	$ 11,812,829	$ 11,167,964
	84.66%	79.37%	81.99%	82.36%
	$ 9,988,509	$ 9,830,879	$ 9,695,347	$ 9,570,924
	105.75%	141.26%	121.84%	116.69%

Schedule of Employer Contributions - Pension Plan
For the Years Ended June 30, 2011 through June 30, 2020

Date	Contractually Required Contribution (1)	Contributions in Relation to Contractually Required Contribution (2)	Contribution Deficiency (Excess) (3)	Employer's Covered Payroll (4)	Contributions as a % of Covered Payroll (5)
2020	$ 1,484,653	1,484,653	$ -	$ 11,036,370	13.45%
2019	1,460,073	1,460,073	-	10,806,259	13.51%
2018	1,464,447	1,464,447	-	10,581,720	13.84%
2017	1,407,381	1,407,381	-	9,988,509	14.09%
2016	1,675,182	1,675,182	-	9,830,879	17.04%
2015	1,652,087	1,652,087	-	9,695,347	17.04%
2014	1,559,104	1,559,104	-	9,570,924	16.29%
2013	1,503,579	1,503,579	-	9,230,075	16.29%
2012	1,020,021	1,020,021	-	8,916,264	11.44%
2011	1,002,249	1,002,249	-	8,760,922	11.44%

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

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

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

Mortality Rates (pre-retirement, post-retirement healthy, and disabled)	Updated to a more current mortality table - RP-2014 projected to 2020
Retirement Rates	Lowered rates at older ages and changed final retirement from 70 to 75
Withdrawal Rates	Adjusted rates to better fit experience at each year age and service through 9 years of service
Disability Rates	Lowered rates
Salary Scale	No change
Line of Duty Disability	Increased rate from 14.00% to 15.00%
Discount Rate	Decreased rate from 7.00% to 6.75%

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

Mortality Rates (pre-retirement, post-retirement healthy, and disabled)	Updated to a more current mortality table - RP-2014 projected to 2020
Retirement Rates	Increased age 50 rates, and lowered rates at older ages
Withdrawal Rates	Adjusted rates to better fit experience at each year age and service through 9 years of service
Disability Rates	Adjusted rates to better fit experience
Salary Scale	No change
Line of Duty Disability	Decreased rate from 60.00% to 45.00%
Discount Rate	Decreased rate from 7.00% to 6.75%

Schedule of City's Share of Net OPEB Liability
Group Life Insurance (GLI) Plan
For the Measurement Dates of June 30, 2017 through June 30, 2019

Date (1)	Employer's Proportion of the Net GLI OPEB Liability (Asset) (2)	Employer's Proportionate Share of the Net GLI OPEB Liability (Asset) (3)	Employer's Covered Payroll (4)	Employer's Proportionate Share of the Net GLI OPEB Liability (Asset) as a Percentage of Covered Payroll (3)/(4) (5)	Plan Fiduciary Net Position as Percentage of Total GLI OPEB Liability (6)
2019	0.05534%	$ 901,000	$ 10,848,895	8.30%	52.00%
2018	0.05572%	846,000	10,594,918	7.98%	51.22%
2017	0.05415%	815,000	9,988,509	8.16%	48.86%

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

Schedule of Employer Contributions
Group Life Insurance (GLI) Plan
For the Years Ended June 30, 2016 through June 30, 2020

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

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

Notes to Required Supplementary Information
Group Life Insurance (GLI) Plan
For the Year Ended June 30, 2020

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

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

Non-Largest Ten Locality Employers - General Employees

Mortality Rates (pre-retirement, post-retirement healthy, and disabled)	Updated to a more current mortality table - RP-2014 projected to 2020
Retirement Rates	Lowered retirement rates at older ages and extended final retirement age from 70 to 75
Withdrawal Rates	Adjusted termination rates to better fit experience at each age and service year
Disability Rates	Lowered disability rates
Salary Scale	No change
Line of Duty Disability	Increased rate from 14.00% to 15.00%
Discount Rate	Decreased rate from 7.00% to 6.75%

Non-Largest Ten Locality Employers - Hazardous Duty Employees

Mortality Rates (pre-retirement, post-retirement healthy, and disabled)	Updated to a more current mortality table - RP-2014 projected to 2020
Retirement Rates	Increased age 50 rates and lowered rates at older ages
Withdrawal Rates	Adjusted termination rates to better fit experience at each age and service year
Disability Rates	Adjusted rates to better match experience
Salary Scale	No change
Line of Duty Disability	Decreased rate from 60.00% to 45.00%
Discount Rate	Decreased rate from 7.00% to 6.75%

Schedule of Employer's Share of Net LODA OPEB Liability
Line of Duty Act (LODA) Program
For the Measurement Dates of June 30, 2017 through 2019

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

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

Schedule of Employer Contributions
Line of Duty Act (LODA) Program
For the Years Ended June 30, 2016 through June 30, 2020

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

* The contributions for the Line of Duty Act Program are based on the number of participants in the Program using a per capita-based contribution versus a payroll-based contribution. Therefore, covered-employee payroll is the relevant measurement, which is the total payroll of employees in the OPEB plan. However, when volunteers and part-time employees make up a significant percentage of the employer's members in the plan, the employer may determine that covered-employee payroll is misleading and, therefore, not applicable for disclosure.

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

Notes to Required Supplementary Information
Line of Duty Act (LODA) Program
For the Year Ended June 30, 2020

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

Changes of assumptions – The actuarial assumptions used in the June 30, 2018 valuation were based on results of an actuarial experience study for the period from July 1, 2012 through June 30, 2016. Changes to the actuarial assumptions as a result of the experience study are as follows:

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

Mortality Rates (pre-retirement, post-retirement healthy, and disabled)	Updated to a more current mortality table - RP-2014 projected to 2020
Retirement Rates	Increased age 50 rates and lowered rates at older ages
Withdrawal Rates	Adjusted termination rates to better fit experience at each age and service year
Disability Rates	Adjusted rates to better match experience
Salary Scale	No change
Line of Duty Disability	Decreased rate from 60.00% to 45.00%

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OTHER SUPPLEMENTARY INFORMATION

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City of Williamsburg, Virginia
Capital Projects Fund
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
For the Year Ended June 30, 2020

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
REVENUES				
Other local taxes	$ 4,500,000	$ 4,500,000	$ 4,438,772	$ (61,228)
Revenue from the use of money and property	200,000	200,000	600,739	400,739
Charges for services	40,000	40,000	-	(40,000)
Miscellaneous	-	-	57,876	57,876
Intergovernmental:				
Commonwealth	2,783,995	2,783,995	48,471	(2,735,524)
Federal	-	600,000	344,073	(255,927)
Total revenues	$ 7,523,995	$ 8,123,995	$ 5,489,931	$ (2,634,064)
EXPENDITURES				
Capital projects	$ 14,867,175	$ 30,833,798	$ 7,033,077	$ 23,800,721
Debt service:				
Principal retirement	954,465	954,465	870,223	84,242
Interest and other fiscal charges	679,033	679,033	690,039	(11,006)
Total expenditures	$ 16,500,673	$ 32,467,296	$ 8,593,339	$ 23,873,957
Excess (deficiency) of revenues over (under) expenditures	$ (8,976,678)	$ (24,343,301)	$ (3,103,408)	$ 21,239,893
Net change in fund balances	$ (8,976,678)	$ (24,343,301)	$ (3,103,408)	$ 21,239,893
Fund balances - beginning	10,220,000	25,586,623	29,713,248	4,126,625
Fund balances - ending	$ 1,243,322	$ 1,243,322	$ 26,609,840	$ 25,366,518

Exhibit 23

City of Williamsburg, Virginia
Combining Balance Sheet
Nonmajor Special Revenue Funds
June 30, 2020

	Virginia Public Assistance Fund	Law Enforcement Block Grant Fund	Total
ASSETS			
Cash and cash equivalents	$ 805,199	$ 72,374	$ 877,573
Due from other governmental units	104,031	-	104,031
Total assets	$ 909,230	$ 72,374	$ 981,604
LIABILITIES			
Accounts payable	$ -	$ 10,012	$ 10,012
Due to other funds	40,968	-	40,968
Unearned revenue	99,591	50,050	149,641
Total liabilities	$ 140,559	$ 60,062	$ 200,621
FUND BALANCES:			
Restricted	$ 768,671	$ 12,312	$ 780,983
Total fund balances	$ 768,671	$ 12,312	$ 780,983
Total liabilities and fund balances	$ 909,230	$ 72,374	$ 981,604

Exhibit 24

City of Williamsburg, Virginia
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
Nonmajor Special Revenue Funds
For the Year Ended June 30, 2020

	Virginia Public Assistance Fund	Law Enforcement Block Grant Fund	Total
REVENUES			
Revenue from the use of money and property	$ -	$ 9	$ 9
Miscellaneous	42,190	-	42,190
Intergovernmental:			
Commonwealth	459,699	-	459,699
Federal	661,317	13,531	674,848
Total revenues	$ 1,163,206	$ 13,540	$ 1,176,746
EXPENDITURES			
Current:			
Public safety	$ -	$ 22,561	$ 22,561
Health and welfare	2,130,115	-	2,130,115
Total expenditures	$ 2,130,115	$ 22,561	$ 2,152,676
Excess (deficiency) of revenues over (under) expenditures	$ (966,909)	$ (9,021)	$ (975,930)
OTHER FINANCING SOURCES (USES)			
Transfers in	$ 1,163,077	$ -	$ 1,163,077
Total other financing sources (uses)	$ 1,163,077	$ -	$ 1,163,077
Net change in fund balances	$ 196,168	$ (9,021)	$ 187,147
Fund balances - beginning	572,503	21,333	593,836
Fund balances - ending	$ 768,671	$ 12,312	$ 780,983

City of Williamsburg, Virginia
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
Nonmajor Special Revenue Funds
For the Year Ended June 30, 2020

	Virginia Public Assistance Fund			
	Budgeted Amounts			Variance with Final Budget Positive
	Original	Final	Actual	(Negative)
REVENUES				
Revenue from the use of money and property	$ -	$ -	$ -	$ -
Miscellaneous	-	46,892	42,190	(4,702)
Intergovernmental:				
Commonwealth	707,056	707,056	459,699	(247,357)
Federal	755,828	755,828	661,317	(94,511)
Total revenues	$ 1,462,884	$ 1,509,776	$ 1,163,206	$ (346,570)
EXPENDITURES				
Current:				
Public safety	$ -	$ -	$ -	$ -
Health and welfare	2,660,961	2,672,853	2,130,115	542,738
Total expenditures	$ 2,660,961	$ 2,672,853	$ 2,130,115	$ 542,738
Excess (deficiency) of revenues over (under) expenditures	$ (1,198,077)	$ (1,163,077)	$ (966,909)	$ 196,168
OTHER FINANCING SOURCES (USES)				
Transfers in	$ 1,198,077	$ 1,163,077	$ 1,163,077	$ -
Total other financing sources (uses)	$ 1,198,077	$ 1,163,077	$ 1,163,077	$ -
Net change in fund balances	$ -	$ -	$ 196,168	$ 196,168
Fund balances - beginning	-	-	572,503	572,503
Fund balances - ending	$ -	$ -	$ 768,671	$ 768,671

Law Enforcement Block Grant Fund			
Budgeted Amounts			Variance with Final Budget Positive
Original	Final	Actual	(Negative)
$ -	$ -	$ 9	$ 9
-	-	-	-
-	-	-	-
63,581	63,581	13,531	(50,050)
$ 63,581	$ 63,581	$ 13,540	$ (50,041)
$ 71,806	$ 71,806	$ 22,561	$ 49,245
-	-	-	-
$ 71,806	$ 71,806	$ 22,561	$ 49,245
$ (8,225)	$ (8,225)	$ (9,021)	$ (796)
$ -	$ -	$ -	$ -
$ -	$ -	$ -	$ -
$ (8,225)	$ (8,225)	$ (9,021)	$ (796)
8,225	8,225	21,333	13,108
$ -	$ -	$ 12,312	$ 12,312

Exhibit 26

City of Williamsburg, Virginia
Combining Statement of Fiduciary Net Position
Fiduciary Funds
June 30, 2020

	Agency Funds					
	Williamsburg Regional Library Fund	Williamsburg Tricentennial Fund	Economic Development Authority	Farmers Market Fund	Special Welfare Fund	Total
ASSETS						
Cash and cash equivalents	$ 929,880	$ -	$ 263,145	$ 376	$ 131,077	$ 1,324,478
Investments, at fair value:						
Other investments	1,255,235	6,982	252,748	135,999	-	1,650,964
Other assets	149,949	-	43,203	-	-	193,152
Total assets	$ 2,335,064	$ 6,982	$ 559,096	$ 136,375	$ 131,077	$ 3,168,594
LIABILITIES						
Accounts payable	$ 214,092	$ -	$ 60,783	$ 5,789	$ -	$ 280,664
Accrued liabilities	31,456	-	-	-	-	31,456
Amounts held for others	2,089,516	6,982	498,313	130,586	131,077	2,856,474
Total liabilities	$ 2,335,064	$ 6,982	$ 559,096	$ 136,375	$ 131,077	$ 3,168,594

City of Williamsburg, Virginia
Combining Statement of Changes in Assets and Liabilities
Agency Funds
For the Year Ended June 30, 2020

	Balance Beginning of Year	Additions	Deductions	Balance End of Year
Williamsburg Regional Library Fund:				
ASSETS				
Cash and cash equivalents	$ 1,352,212	$ 7,386,674	$ 7,809,006	$ 929,880
Investments, at fair value:				
Other investments	1,235,115	20,120	-	1,255,235
Other assets	9,723	149,949	9,723	149,949
Total assets	$ 2,597,050	$ 7,556,743	$ 7,818,729	$ 2,335,064
LIABILITIES				
Accounts payable	$ 392,274	$ 214,092	$ 392,274	$ 214,092
Accrued liabilities	40,955	31,456	40,955	31,456
Amounts held for others	2,163,821	7,311,195	7,385,500	2,089,516
Total liabilities	$ 2,597,050	$ 7,556,743	$ 7,818,729	$ 2,335,064
Williamsburg Tricentennial Fund:				
ASSETS				
Investments, at fair value:				
Other investments	$ 6,870	$ 112	$ -	$ 6,982
Total assets	$ 6,870	$ 112	$ -	$ 6,982
LIABILITIES				
Amounts held for others	$ 6,870	$ 112	$ -	$ 6,982
Total liabilities	$ 6,870	$ 112	$ -	$ 6,982
Quarterpath CDA Fund:				
ASSETS				
Cash and cash equivalents	$ -	$ 594,851	$ 594,851	$ -
Total assets	$ -	$ 594,851	$ 594,851	$ -
LIABILITIES				
Amounts held for others	$ -	594,851	594,851	$ -
Total liabilities	$ -	$ 594,851	$ 594,851	$ -
Economic Development Authority:				
ASSETS				
Cash and cash equivalents	$ 285,972	$ 407,930	$ 430,757	$ 263,145
Investments, at fair value:				
Other investments	248,697	4,051	-	252,748
Other assets	-	43,203	-	43,203
Total assets	$ 534,669	$ 455,184	$ 430,757	$ 559,096

City of Williamsburg, Virginia
Combining Statement of Changes in Assets and Liabilities
Agency Funds
For the Year Ended June 30, 2020

	Balance Beginning of Year	Additions	Deductions	Balance End of Year
Economic Development Authority (continued):				
LIABILITIES				
Accounts payable	$ 32,652	$ 60,783	$ 32,652	$ 60,783
Amounts held for others	502,017	394,401	398,105	498,313
Total liabilities	$ 534,669	$ 455,184	$ 430,757	$ 559,096
Farmers Market Fund:				
ASSETS				
Cash and cash equivalents	$ 31,136	$ 205,306	$ 236,066	$ 376
Investments, at fair value:				
Other investments	133,819	2,180	-	135,999
Total assets	$ 164,955	$ 207,486	$ 236,066	$ 136,375
LIABILITIES				
Accounts payable	$ 2,044	$ 5,789	$ 2,044	$ 5,789
Amounts held for others	162,911	201,697	234,022	130,586
Total liabilities	$ 164,955	$ 207,486	$ 236,066	$ 136,375
Special Welfare Fund:				
ASSETS				
Cash and cash equivalents	$ 126,629	$ 6,921	$ 2,473	$ 131,077
Total assets	$ 126,629	$ 6,921	$ 2,473	$ 131,077
LIABILITIES				
Amounts held for others	$ 126,629	$ 6,921	$ 2,473	$ 131,077
Total liabilities	$ 126,629	$ 6,921	$ 2,473	$ 131,077
Totals - All Agency Funds:				
ASSETS				
Cash and cash equivalents	$ 1,795,949	$ 8,601,682	$ 9,073,153	$ 1,324,478
Investments, at fair value:				
Other investments	1,624,501	26,463	-	1,650,964
Other assets	9,723	193,152	9,723	193,152
Total assets	$ 3,430,173	$ 8,821,297	$ 9,082,876	$ 3,168,594
LIABILITIES				
Accounts payable	$ 426,970	$ 280,664	$ 426,970	$ 280,664
Accrued liabilities	40,955	31,456	40,955	31,456
Amounts held for others	2,962,248	8,509,177	8,614,951	2,856,474
Total liabilities	$ 3,430,173	$ 8,821,297	$ 9,082,876	$ 3,168,594

SUPPORTING SCHEDULES

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City of Williamsburg, Virginia
Schedule of Revenues - Budget and Actual
Governmental Funds
For the Year Ended June 30, 2020

Fund, Major and Minor Revenue Source	Original Budget	Final Budget	Actual	Variance with Final Budget - Positive (Negative)
General Fund:				
Revenue from local sources:				
General property taxes:				
Real property taxes	$ 11,617,500	$ 11,727,900	$ 11,787,371	$ 59,471
Real and personal public service corporation taxes	330,700	330,700	334,579	3,879
Personal property taxes	781,428	781,428	873,026	91,598
Business property taxes	1,453,000	1,453,000	1,524,638	71,638
Penalties	54,000	54,000	63,115	9,115
Interest	25,000	25,000	18,077	(6,923)
Total general property taxes	$ 14,261,628	$ 14,372,028	$ 14,600,806	$ 228,778
Other local taxes:				
Consumers' utility taxes	$ 291,000	$ 291,000	$ 288,678	$ (2,322)
Business license taxes	2,200,000	2,200,000	2,174,694	(25,306)
Franchise license taxes	122,785	122,785	109,411	(13,374)
Bank stock taxes	340,000	340,000	368,697	28,697
Taxes on recordation and wills	230,000	230,000	313,652	83,652
Hotel and motel taxes	3,300,000	3,300,000	2,305,404	(994,596)
Restaurant food taxes	7,164,000	7,164,000	5,896,140	(1,267,860)
Tobacco taxes	140,000	140,000	126,420	(13,580)
Penalty and interest on other local taxes	37,600	37,600	50,192	12,592
Total other local taxes	$ 13,825,385	$ 13,825,385	$ 11,633,288	$ (2,192,097)
Permits, privilege fees, and regulatory licenses:				
Animal licenses	$ 2,225	$ 2,225	$ 1,866	$ (359)
Land use application fees	1,200	1,200	3,605	2,405
Transfer fees	1,100	1,100	335	(765)
Permits and other licenses	219,365	219,365	496,101	276,736
Total permits, privilege fees, and regulatory licenses	$ 223,890	$ 223,890	$ 501,907	$ 278,017
Fines and forfeitures:				
Court fines and forfeitures	$ 280,000	$ 280,000	$ 218,387	$ (61,613)
Total fines and forfeitures	$ 280,000	$ 280,000	$ 218,387	$ (61,613)
Revenue from use of money and property:				
Revenue from use of property	$ 714,779	$ 714,779	$ 576,510	$ (138,269)
Total revenue from use of money and property	$ 714,779	$ 714,779	$ 576,510	$ (138,269)

City of Williamsburg, Virginia
Schedule of Revenues - Budget and Actual
Governmental Funds
For the Year Ended June 30, 2020

Fund, Major and Minor Revenue Source	Original Budget	Final Budget	Actual	Variance with Final Budget - Positive (Negative)
General Fund: (Continued)				
Revenue from local sources: (Continued)				
Charges for services:				
Charges for law enforcement and traffic control	$ 1,370	$ 1,370	$ 1,366	$ (4)
Charges for emergency medical services	745,000	745,000	784,324	39,324
Charges for Commonwealth's Attorney	320	320	280	(40)
Charges for parks and recreation	438,100	438,100	310,183	(127,917)
Total charges for services	$ 1,184,790	$ 1,184,790	$ 1,096,153	$ (88,637)
Miscellaneous:				
Miscellaneous	$ 197,070	$ 198,270	$ 224,287	$ 26,017
Williamsburg Health Foundation Grant	260,000	260,000	260,000	-
Total miscellaneous	$ 457,070	$ 458,270	$ 484,287	$ 26,017
Recovered costs:				
Enterprise fund	$ 840,000	$ 840,000	$ 855,646	$ 15,646
Overtime - police and fire	128,300	128,300	52,500	(75,800)
Other recovered costs	75,000	75,000	79,500	4,500
Total recovered costs	$ 1,043,300	$ 1,043,300	$ 987,646	$ (55,654)
Total revenue from local sources	$ 31,990,842	$ 32,102,442	$ 30,098,984	$ (2,003,458)
Intergovernmental:				
Revenue from the Commonwealth:				
Noncategorical aid:				
Rolling stock tax	$ 10,000	$ 10,000	$ 9,744	$ (256)
Motor vehicle rental tax	37,000	37,000	31,588	(5,412)
Grantors tax	60,000	60,000	53,744	(6,256)
Communications tax	615,300	615,300	595,795	(19,505)
Personal property tax relief funds	773,572	773,572	773,572	-
Total noncategorical aid	$ 1,495,872	$ 1,495,872	$ 1,464,443	$ (31,429)
Categorical aid:				
Shared expenses:				
Commissioner of revenue	$ 75,800	$ 75,800	$ 77,858	$ 2,058
Treasurer	18,400	18,400	18,935	535
Registrar/electoral board	37,000	37,000	51,330	14,330
Total shared expenses	$ 131,200	$ 131,200	$ 148,123	$ 16,923
Other categorical aid:				
599 Funds	$ 399,592	$ 399,592	$ 415,176	$ 15,584
Streets and sidewalks	1,859,430	1,859,430	1,877,532	18,102

City of Williamsburg, Virginia
Schedule of Revenues - Budget and Actual
Governmental Funds
For the Year Ended June 30, 2020

Fund, Major and Minor Revenue Source	Original Budget	Final Budget	Actual	Variance with Final Budget - Positive (Negative)
General Fund: (Continued)				
Intergovernmental: (Continued)				
Revenue from the Commonwealth: (Continued)				
Categorical aid: (Continued)				
Other categorical aid: (Continued)				
Emergency preparedness grant	$ 30,000	$ 30,000	$ 30,000	$ -
Litter control	6,000	6,000	4,883	(1,117)
VDHCD grant	-	-	13,540	13,540
Asset forfeiture	-	5,611	5,611	-
Miscellaneous grant	-	8,828	10,828	2,000
State sales tax	1,347,682	1,347,682	1,391,001	43,319
Total other categorical aid	$ 3,642,704	$ 3,657,143	$ 3,748,571	$ 91,428
Total categorical aid	$ 3,773,904	$ 3,788,343	$ 3,896,694	$ 108,351
Total revenue from the Commonwealth	$ 5,269,776	$ 5,284,215	$ 5,361,137	$ 76,922
Revenue from the Federal government:				
Categorical aid:				
Transportation safety grant	$ -	$ 21,172	$ 21,172	$ -
CARES Act grant	-	-	219,127	219,127
Total categorical aid	$ -	$ 21,172	$ 240,299	$ 219,127
Total revenue from the federal government	$ -	$ 21,172	$ 240,299	$ 219,127
Total General Fund	$ 37,260,618	$ 37,407,829	$ 35,700,420	$ (1,707,409)
Special Revenue Funds:				
Tourism Fund:				
Revenue from local sources:				
Other local taxes:				
Local sales and use taxes	$ 1,970,000	$ 1,970,000	$ 1,949,303	$ (20,697)
$2 lodging taxes	1,086,000	1,086,000	748,242	(337,758)
Total other local taxes	$ 3,056,000	$ 3,056,000	$ 2,697,545	$ (358,455)
Total revenue from local sources	$ 3,056,000	$ 3,056,000	$ 2,697,545	$ (358,455)
Total Tourism Fund	$ 3,056,000	$ 3,056,000	$ 2,697,545	$ (358,455)
Virginia Public Assistance Fund:				
Revenue from local sources:				
Miscellaneous:				
Workforce grant	$ -	$ 11,892	$ 11,892	$ -
Summer youth program	-	35,000	30,298	(4,702)
Total miscellaneous	$ -	$ 46,892	$ 42,190	$ (4,702)
Total revenue from local sources	$ -	$ 46,892	$ 42,190	$ (4,702)

City of Williamsburg, Virginia
Schedule of Revenues - Budget and Actual
Governmental Funds
For the Year Ended June 30, 2020

Fund, Major and Minor Revenue Source	Original Budget	Final Budget	Actual	Variance with Final Budget - Positive (Negative)
Special Revenue Funds: (Continued)				
Virginia Public Assistance Fund: (Continued)				
Intergovernmental:				
Revenue from the Commonwealth:				
Categorical aid:				
Public assistance and welfare administration	$ 534,212	$ 534,212	$ 357,878	$ (176,334)
Comprehensive services act	172,844	172,844	101,821	(71,023)
Total categorical aid	$ 707,056	$ 707,056	$ 459,699	$ (247,357)
Total revenue from the Commonwealth	$ 707,056	$ 707,056	$ 459,699	$ (247,357)
Revenue from the federal government:				
Categorical aid:				
Public assistance and welfare administration	$ 755,828	$ 755,828	$ 661,317	$ (94,511)
Total categorical aid	$ 755,828	$ 755,828	$ 661,317	$ (94,511)
Total revenue from the federal government	$ 755,828	$ 755,828	$ 661,317	$ (94,511)
Total Virginia Public Assistance Fund	$ 1,462,884	$ 1,509,776	$ 1,163,206	$ (346,570)
Law Enforcement Block Grant Fund:				
Revenue from local sources:				
Revenue from use of money and property:				
Revenue from the use of money	$ -	$ -	$ 9	$ 9
Total revenue from use of money and property	$ -	$ -	$ 9	$ 9
Total revenue from local sources	$ -	$ -	$ 9	$ 9
Intergovernmental:				
Revenue from the federal government:				
Categorical aid:				
Local law enforcement training grant	$ 63,581	$ 63,581	$ 13,531	$ (50,050)
Total categorical aid	$ 63,581	$ 63,581	$ 13,531	$ (50,050)
Total revenue from the federal government	$ 63,581	$ 63,581	$ 13,531	$ (50,050)
Total Law Enforcement Block Grant Fund	$ 63,581	$ 63,581	$ 13,540	$ (50,041)

City of Williamsburg, Virginia
Schedule of Revenues - Budget and Actual
Governmental Funds
For the Year Ended June 30, 2020

Fund, Major and Minor Revenue Source	Original Budget	Final Budget	Actual	Variance with Final Budget - Positive (Negative)
Capital Projects Fund:				
Sales Tax Fund:				
Revenue from local sources:				
Other local taxes:				
Local sales and use tax	$ 4,500,000	$ 4,500,000	$ 4,438,772	$ (61,228)
Total other local taxes	$ 4,500,000	$ 4,500,000	$ 4,438,772	$ (61,228)
Revenue from use of money and property:				
Revenue from the use of money	$ 200,000	$ 200,000	$ 600,739	$ 400,739
Total revenue from use of money and property	$ 200,000	$ 200,000	$ 600,739	$ 400,739
Charges for services:				
Charges for courthouse maintenance	$ 40,000	$ 40,000	$ -	$ (40,000)
Total charges for services	$ 40,000	$ 40,000	$ -	$ (40,000)
Miscellaneous:				
Other miscellaneous	$ -	$ -	$ 57,876	$ 57,876
Total miscellaneous	$ -	$ -	$ 57,876	$ 57,876
Total revenue from local sources	$ 4,740,000	$ 4,740,000	$ 5,097,387	$ 357,387
Revenue from the Commonwealth:				
Categorical aid:				
Highway construction funds	$ 2,713,995	2,713,995	$ -	$ (2,713,995)
Fire programs funds	45,000	45,000	48,471	3,471
Four for Life grant	25,000	25,000	-	(25,000)
Total categorical aid	$ 2,783,995	$ 2,783,995	$ 48,471	$ (2,735,524)
Total revenue from the Commonwealth	$ 2,783,995	$ 2,783,995	$ 48,471	$ (2,735,524)
Revenue from the federal government:				
Categorical aid:				
VDOT Highway planning and construction	$ -	$ 600,000	$ 312,356	$ (287,644)
Other categorical aid	-	-	31,717	31,717
Total categorical aid	$ -	$ 600,000	$ 344,073	$ (255,927)
Total revenue from the federal government	$ -	$ 600,000	$ 344,073	$ (255,927)
Total Sales Tax Fund	$ 7,523,995	$ 8,123,995	$ 5,489,931	$ (2,634,064)
Total Primary Government	$ 49,367,078	$ 50,161,181	$ 45,064,642	$ (5,096,539)

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City of Williamsburg, Virginia
Schedule of Expenditures - Budget and Actual
Governmental Funds
For the Year Ended June 30, 2020

Fund, Function, Activity and Elements	Original Budget	Final Budget	Actual	Variance with Final Budget - Positive (Negative)
General Fund:				
General government administration:				
Legislative:				
City council	$ 182,469	$ 157,469	$ 132,092	$ 25,377
Clerk of council	164,475	153,465	117,098	36,367
Total legislative	$ 346,944	$ 310,934	$ 249,190	$ 61,744
General and financial administration:				
City manager	$ 491,377	$ 491,377	$ 362,227	$ 129,150
City attorney	280,288	294,028	294,028	-
Human resources	114,852	115,137	115,137	-
Commissioner of revenue	335,524	364,488	364,488	-
Assessor	245,140	257,600	257,600	-
Treasurer	76,211	76,211	67,207	9,004
Finance	835,895	878,658	878,658	-
Information technology	892,820	914,861	914,861	-
Information technology - CARES Act	-	-	59,510	(59,510)
Automotive/motor pool	259,100	259,100	219,289	39,811
Other general and financial administration	138,600	93,423	131,774	(38,351)
Total general and financial administration	$ 3,669,807	$ 3,744,883	$ 3,664,779	$ 80,104
Board of elections:				
Electoral board and officials	$ 35,633	$ 39,120	$ 39,120	$ -
Registrar	160,947	160,947	150,025	10,922
Total board of elections	$ 196,580	$ 200,067	$ 189,145	$ 10,922
Total general government administration	$ 4,213,331	$ 4,255,884	$ 4,103,114	$ 152,770
Judicial administration:				
Courts:				
Courthouse activities	$ 471,000	$ 471,000	$ 409,373	$ 61,627
Public safety:				
Law enforcement and traffic control:				
Police department	$ 4,391,499	$ 4,567,592	$ 4,567,592	$ -
Police department - CARES Act	-	-	10,958	(10,958)
Prince George parking garage	117,212	117,212	63,384	53,828
Line of Duty Act	60,000	60,000	56,638	3,362
E-911	583,204	583,204	578,859	4,345
Total law enforcement and traffic control	$ 5,151,915	$ 5,328,008	$ 5,277,431	$ 50,577

City of Williamsburg, Virginia
Schedule of Expenditures - Budget and Actual
Governmental Funds
For the Year Ended June 30, 2020

Fund, Function, Activity and Elements	Original Budget	Final Budget	Actual	Variance with Final Budget - Positive (Negative)
General Fund: (Continued)				
Public safety: (Continued)				
Fire and rescue services:				
Fire department	$ 4,124,278	$ 4,257,946	$ 4,257,946	$ -
Fire department - CARES Act	-	-	1,246	(1,246)
Total fire and rescue services	$ 4,124,278	$ 4,257,946	$ 4,259,192	$ (1,246)
Correction and detention:				
Juvenile detention commission	$ 53,620	$ 53,620	$ 37,950	$ 15,670
Regional jail	1,001,539	1,001,947	1,001,947	-
Group home commission	137,201	137,201	137,201	-
Total correction and detention	$ 1,192,360	$ 1,192,768	$ 1,177,098	$ 15,670
Inspections:				
Building	$ 421,105	$ 426,506	$ 426,506	$ -
Other protection:				
Animal control	$ 18,900	$ 18,900	$ 18,900	$ -
Total other protection	$ 18,900	$ 18,900	$ 18,900	$ -
Total public safety	$ 10,908,558	$ 11,224,128	$ 11,159,127	$ 65,001
Public works:				
Maintenance of highways, streets, bridges and sidewalks:				
Highways, streets, bridges and sidewalks	$ 953,405	$ 943,841	$ 905,454	$ 38,387
Engineering	287,784	287,784	269,608	18,176
Stormwater operations	222,038	222,038	184,747	37,291
Total maintenance of highways, streets, bridges and sidewalks	$ 1,463,227	$ 1,453,663	$ 1,359,809	$ 93,854
Sanitation and waste removal:				
Refuse collection	$ 671,650	$ 671,650	$ 653,215	$ 18,435
Maintenance of general buildings and grounds:				
Maintenance of general buildings and grounds	$ 498,077	$ 520,884	$ 520,884	$ -
Landscaping	634,842	668,902	668,902	-
Total maintenance of general buildings and grounds	$ 1,132,919	$ 1,189,786	$ 1,189,786	$ -
Total public works	$ 3,267,796	$ 3,315,099	$ 3,202,810	$ 112,289

City of Williamsburg, Virginia
Schedule of Expenditures - Budget and Actual
Governmental Funds
For the Year Ended June 30, 2020

Fund, Function, Activity and Elements	Original Budget	Final Budget	Actual	Variance with Final Budget - Positive (Negative)
General Fund: (Continued)				
Health and welfare:				
Health:				
Local health department	$ 219,156	$ 219,156	$ 218,692	$ 464
Mental health and mental retardation:				
Administration - mental health and retardation	$ 259,000	$ 259,000	$ 259,000	$ -
Welfare:				
Public assistance	$ 35,000	$ 35,000	$ 35,000	$ -
Public assistance - CARES Act	-	-	13,540	(13,540)
Transportation programs for elderly	3,400	3,400	1,983	1,417
Total welfare	$ 38,400	$ 38,400	$ 50,523	$ (12,123)
Total health and welfare	$ 516,556	$ 516,556	$ 528,215	$ (11,659)
Education:				
Other instructional costs:				
Contribution to local school board	$ 10,040,252	$ 10,040,252	$ 9,490,247	$ 550,005
Parks, recreation, and cultural:				
Parks and recreation:				
Supervision of parks and recreation	$ 422,150	$ 422,150	$ 387,893	$ 34,257
Waller Mill park facility	302,638	302,638	215,393	87,245
Recreation facility programs	555,150	555,150	471,906	83,244
Recreation facility programs - CARES Act	-	-	3,075	(3,075)
Cemeteries	75,089	78,610	78,610	-
Total parks and recreation	$ 1,355,027	$ 1,358,548	$ 1,156,877	$ 201,671
Library:				
Contribution to regional library	$ 904,244	$ 909,764	$ 909,764	$ -
Total parks, recreation, and cultural	$ 2,259,271	$ 2,268,312	$ 2,066,641	$ 201,671
Community development:				
Planning and community development:				
Planning	$ 463,365	$ 473,967	$ 458,866	$ 15,101
Community development	757,383	757,557	728,232	29,325
Community development WRL - CARES Act	-	-	4,012	(4,012)
Triangle building management	55,000	55,000	31,507	23,493
Economic development	569,603	581,707	568,198	13,509

City of Williamsburg, Virginia
Schedule of Expenditures - Budget and Actual
Governmental Funds
For the Year Ended June 30, 2020

Fund, Function, Activity and Elements	Original Budget	Final Budget	Actual	Variance with Final Budget - Positive (Negative)
General Fund: (Continued)				
Community development: (Continued)				
Planning and community development: (Continued)				
Economic development - CARES Act	$ -	$ -	$ 140,326	$ (140,326)
Other community development	-	27,000	27,000	-
Total planning and community development	$ 1,845,351	$ 1,895,231	$ 1,958,141	$ (62,910)
Total community development	$ 1,845,351	$ 1,895,231	$ 1,958,141	$ (62,910)
Nondepartmental:				
Contingency	$ 317,136	$ -	$ -	$ -
Total nondepartmental	$ 317,136	$ -	$ -	$ -
Total General Fund	$ 33,839,251	$ 33,986,462	$ 32,917,668	$ 1,068,794
Special Revenue Funds:				
Tourism Fund:				
Community development:				
Planning and community development:				
Administrative	$ 316,100	$ 316,100	$ 97,245	$ 218,855
Tourism marketing maintenance of effort	1,343,000	1,343,000	1,174,121	168,879
Tourism development	3,601,900	3,520,438	1,570,000	1,950,438
Tourism grant awards	-	2,239,154	11,860	2,227,294
Tourism resiliency	-	81,462	81,462	-
Total welfare and social services	$ 5,261,000	$ 7,500,154	$ 2,934,688	$ 4,565,466
Total community development	$ 5,261,000	$ 7,500,154	$ 2,934,688	$ 4,565,466
Total Tourism Fund	$ 5,261,000	$ 7,500,154	$ 2,934,688	$ 4,565,466
Virginia Public Assistance Fund:				
Health and welfare:				
Welfare and social services:				
Welfare administration	$ 498,174	$ 510,066	$ 478,355	$ 31,711
Public assistance	1,845,467	1,845,467	1,466,985	378,482
Comprehensive services	317,320	317,320	184,775	132,545
Total welfare and social services	$ 2,660,961	$ 2,672,853	$ 2,130,115	$ 542,738
Total health and welfare	$ 2,660,961	$ 2,672,853	$ 2,130,115	$ 542,738
Total Virginia Public Assistance Fund	$ 2,660,961	$ 2,672,853	$ 2,130,115	$ 542,738

City of Williamsburg, Virginia
Schedule of Expenditures - Budget and Actual
Governmental Funds
For the Year Ended June 30, 2020

Fund, Function, Activity and Elements	Original Budget	Final Budget	Actual	Variance with Final Budget - Positive (Negative)
Special Revenue Funds: (Continued)				
Law Enforcement Block Grant Fund:				
Public safety:				
Other protection:				
Other protection	$ 71,806	$ 71,806	$ 22,561	$ 49,245
Total Law Enforcement Block Grant Fund	$ 71,806	$ 71,806	$ 22,561	$ 49,245
Capital Projects Fund:				
Sales Tax Fund:				
Capital projects expenditures:				
CIP Street construction	$ 1,829,870	$ 10,348,350	$ 3,775,427	$ 6,572,923
Pedestrian bicycle improvements	298,250	1,739,181	809,948	929,233
Stormwater management	461,750	544,246	2,480	541,766
Recreation facilities	350,000	524,046	77,038	447,008
Public safety equipment and facilities	3,578,565	4,243,779	295,831	3,947,948
Contingency/Studies	200,000	600,019	25,132	574,887
Vehicle replacement	345,000	576,258	392,999	183,259
Economic development	300,000	1,332,206	501,152	831,054
Redevelopment housing	30,000	57,953	50,106	7,847
General government facilities	7,010,000	8,301,780	107,926	
General government IT	59,790	217,541	130,177	87,364
Library renovations	60,000	268,740	-	268,740
School construction	303,950	2,039,699	864,861	1,174,838
Courthouse maintenance projects	40,000	40,000	-	40,000
Total capital projects	$ 14,867,175	$ 30,833,798	$ 7,033,077	$ 15,606,867
Debt service:				
Principal retirement	$ 954,465	$ 954,465	$ 870,223	$ 84,242
Interest and other fiscal charges	679,033	679,033	690,039	(11,006)
Total debt service	$ 1,633,498	$ 1,633,498	$ 1,560,262	$ 73,236
Total Capital Projects Fund	$ 16,500,673	$ 32,467,296	$ 8,593,339	$ 15,680,103
Total Primary Government	$ 58,333,691	$ 76,698,571	$ 46,598,371	$ 21,906,346

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STATISTICAL SECTION

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Statistical Section

Contents	Tables
Financial Trends These tables contain trend information to help the reader understand how the the City's financial performance and well-being have changed over time.	1 - 4
Revenue Capacity These tables contain information to help the reader assess the factors affecting the City's ability to generate its property and sales taxes.	5 - 9
Debt Capacity These tables present information to help the reader assess the affordability of the City's current levels of outstanding debt and the City's ability to issue debt in the future.	10 - 12
Demographic and Economic Information These tables offer demographic and economic indicators to help the reader understand the environment within which the City's financial activities take place and to help make comparisons over time and with other governments.	13-14
Operating Information These tables contain information about the City's operations and resources to help the reader understand how the City's financial information relates to the services the City provides and the activities it performs.	15-17

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

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

	2011	2012	2013	2014
Governmental activities				
Net investment in capital assets	$ 61,799,859	$ 60,919,382	$ 62,277,812	$ 61,470,986
Restricted for:				
Fire and police capital improvements	-	-	-	-
Other restrictions	-	-	-	-
Unrestricted	26,187,098	27,808,616	30,324,199	31,727,986
Total governmental activities net position	$ 87,986,957	$ 88,727,998	$ 92,602,011	$ 93,198,972
Business-type activities				
Net investment in capital assets	$ 16,771,608	$ 17,403,766	$ 17,888,271	$ 17,806,425
Unrestricted	5,067,039	4,473,289	4,198,379	4,537,882
Total business-type activities net position	$ 21,838,647	$ 21,877,055	$ 22,086,650	$ 22,344,307
Primary government				
Net investment in capital assets	$ 78,571,467	$ 78,323,148	$ 80,166,083	$ 79,277,411
Restricted for:				
Fire and police capital improvements	-	-	-	-
Other restrictions	-	-	-	-
Unrestricted	31,254,137	32,281,905	34,522,578	36,265,868
Total primary government net position	$ 109,825,604	$ 110,605,053	$ 114,688,661	$ 115,543,279

Table 1

	2015	2016	2017	2018	2019	2020
	$ 58,427,633	$ 64,690,552	$ 64,556,652	$ 52,444,883	$ 68,662,151	$ 71,245,385
	-	-	-	13,144,192	337,948	615,184
	-	-	-	584,890	593,836	-
	24,496,187	22,521,523	20,966,196	19,099,322	21,553,299	19,977,390
	$ 82,923,820	$ 87,212,075	$ 85,522,848	$ 85,273,287	$ 91,147,234	$ 91,837,959
	$ 17,981,499	$ 18,084,285	$ 18,835,808	$ 18,769,281	$ 18,817,665	$ 19,020,022
	3,143,100	4,202,535	4,475,559	5,684,838	7,128,455	7,157,808
	$ 21,124,599	$ 22,286,820	$ 23,311,367	$ 24,454,119	$ 25,946,120	$ 26,177,830
	$ 76,409,132	$ 82,774,837	$ 83,392,460	$ 71,214,164	$ 87,479,816	$ 90,265,407
	-	-	-	13,144,192	337,948	615,184
	-	-	-	584,890	593,836	-
	27,639,287	26,724,058	25,441,755	24,784,160	28,681,754	27,135,198
	$ 104,048,419	$ 109,498,895	$ 108,834,215	$ 109,727,406	$ 117,093,354	$ 118,015,789

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

	2011	2012	2013	2014
Expenses				
Governmental activities:				
General government administration	$ 3,563,461	$ 4,067,673	$ 4,252,911	$ 4,070,451
Judicial administration	405,416	375,239	501,565	439,441
Public safety	9,275,831	9,638,966	9,671,016	10,122,867
Public works	4,750,649	4,505,943	4,142,471	4,526,929
Health and welfare	2,245,513	2,414,154	2,251,382	2,309,325
Education	7,736,481	7,756,817	8,205,970	9,170,571
Parks, recreation and cultural	2,314,517	2,424,850	2,430,750	2,399,212
Community development	4,482,731	4,418,902	4,512,839	4,684,339
Interest expense	284,738	472,343	122,847	175,563
Total governmental activities expenses	$ 35,059,337	$ 36,074,887	$ 36,091,751	$ 37,898,698
Business-type activities				
Water and sewer services	$ 6,046,002	$ 5,935,670	$ 6,019,724	$ 6,042,928
Total business-type activities expenses	$ 6,046,002	$ 5,935,670	$ 6,019,724	$ 6,042,928
Total primary government expenses	$ 41,105,339	$ 42,010,557	$ 42,111,475	$ 43,941,626
Program Revenues				
Governmental activities:				
Charges for services:				
General government administration	$ -	$ -	$ -	$ -
Judicial administration	222,572	259,700	331,835	242,359
Public safety	155,522	183,113	578,682	673,805
Public works	-	-	-	3,500
Parks, recreation and cultural	390,220	401,398	419,959	361,824
Community development	43,742	42,702	-	38,667
Operating grants and contributions	4,715,846	4,414,469	4,062,259	4,888,993
Capital grants and contributions	-	21,777	2,322,693	-
Total governmental activities program revenues	$ 5,527,902	$ 5,323,159	$ 7,715,428	$ 6,209,148
Business-type activities:				
Charges for services:				
Water and sewer	$ 7,496,603	$ 5,783,098	$ 6,024,722	$ 6,102,936
Total business-type activities program revenues	$ 7,496,603	$ 5,783,098	$ 6,024,722	$ 6,102,936
Total primary government program revenues	$ 13,024,505	$ 11,106,257	$ 13,740,150	$ 12,312,084

2015	2016	2017	2018	2019	2020
$ 3,998,879	$ 4,072,768	$ 6,828,770	$ 5,009,427	$ 4,272,998	$ 4,908,020
459,778	525,421	412,269	422,688	434,188	409,373
9,777,938	10,290,497	10,805,800	10,746,688	11,328,192	12,357,675
5,056,076	3,721,977	5,792,493	4,716,472	5,447,775	5,065,484
2,208,356	2,452,903	2,546,971	2,816,519	2,815,978	2,691,147
9,132,615	8,929,127	10,121,948	10,936,896	11,403,225	10,355,107
2,455,296	2,285,504	2,875,228	2,648,545	2,626,637	3,289,491
4,666,769	5,055,084	5,036,866	5,013,184	4,874,645	5,471,338
207,260	185,452	158,220	596,354	573,264	540,857
$ 37,962,967	$ 37,518,733	$ 44,578,565	$ 42,906,773	$ 43,776,902	$ 45,088,492
$ 6,827,214	$ 6,202,622	$ 6,521,031	$ 6,713,633	$ 6,511,048	$ 6,946,980
$ 6,827,214	$ 6,202,622	$ 6,521,031	$ 6,713,633	$ 6,511,048	$ 6,946,980
$ 44,790,181	$ 43,721,355	$ 51,099,596	$ 49,620,406	$ 50,287,950	$ 52,035,472
$ -	$ -	$ -	$ -	$ -	$ 280
256,600	315,991	192,412	249,548	278,401	218,387
695,048	936,509	950,334	1,039,496	1,112,089	1,287,597
14,960	-	-	-	-	-
341,745	342,613	398,700	391,493	392,219	310,183
43,300	53,734	50,305	53,946	39,315	-
4,934,029	4,597,704	6,485,071	2,939,477	5,221,437	5,351,728
-	1,357,913	-	3,329,824	2,752,760	1,904,113
$ 6,285,682	$ 7,604,464	$ 8,076,822	$ 8,003,784	$ 9,796,221	$ 9,072,288
$ 6,932,559	$ 7,061,086	$ 7,325,679	$ 8,176,441	$ 7,679,905	$ 6,864,385
$ 6,932,559	$ 7,061,086	$ 7,325,679	$ 8,176,441	$ 7,679,905	$ 6,864,385
$ 13,218,241	$ 14,665,550	$ 15,402,501	$ 16,180,225	$ 17,476,126	$ 15,936,673

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

	2011	2012	2013	2014
Net (Expense)/Revenue				
Governmental activities	$ (29,531,435)	$ (30,751,728)	$ (28,376,323)	$ (31,689,550)
Business-type activities	1,450,601	(152,572)	4,998	60,008
Total primary government net expense	$ (28,080,834)	$ (30,904,300)	$ (28,371,325)	$ (31,629,542)
General Revenues and Other Changes in Net Position				
Governmental activities:				
Taxes				
General property taxes	$ 10,745,485	$ 10,367,460	$ 10,494,240	$ 10,613,393
Sales taxes	3,963,454	4,161,131	4,494,328	4,239,957
Business property taxes	1,329,808	1,304,252	1,096,833	1,326,998
Consumer utility taxes	300,969	295,788	306,596	309,602
Business license taxes	1,497,159	1,598,958	1,646,691	1,630,018
Hotel and room taxes	3,384,922	3,396,446	3,369,785	3,129,262
$2 lodging taxes	1,299,244	1,264,046	1,222,448	1,130,804
Meals taxes	5,989,446	6,277,434	6,391,022	6,446,505
Other local taxes	640,363	655,754	821,634	762,296
Use of money and property	624,386	647,887	775,355	756,800
Grants and contributions not restricted to specific programs	1,463,933	1,491,961	1,540,889	1,587,926
Miscellaneous	666,543	720,497	216,620	352,950
Transfers	-	-	-	-
Total governmental activities	$ 31,905,712	$ 32,181,614	$ 32,376,441	$ 32,286,511
Business-type activities:				
Investment earnings	$ 8,536	$ 29,772	$ 29,914	$ 28,330
Miscellaneous	147,350	161,208	174,683	169,319
Transfers				
Total business-type activities	$ 155,886	$ 190,980	$ 204,597	$ 197,649
Total primary government	$ 32,061,598	$ 32,372,594	$ 32,581,038	$ 32,484,160
Change in Net Position				
Governmental activities	$ 2,374,277	$ 1,429,886	$ 4,000,118	$ 596,961
Business-type activities	1,606,487	38,408	209,595	257,657
Total primary government	$ 3,980,764	$ 1,468,294	$ 4,209,713	$ 854,618

2015	2016	2017	2018	2019	2020
$ (31,677,285)	$ (29,914,269)	$ (36,501,743)	$ (34,902,989)	$ (33,980,681)	$ (36,016,204)
105,345	858,464	804,648	1,462,808	1,168,857	(82,595)
$ (31,571,940)	$ (29,055,805)	$ (35,697,095)	(33,440,181)	$ (32,811,824)	$ (36,098,799)
$ 11,050,728	$ 11,370,789	$ 11,511,859	$ 11,714,272	$ 12,372,434	$ 13,186,632
4,352,601	4,298,743	4,388,596	4,706,583	6,841,762	6,388,075
1,213,731	1,257,334	1,370,354	1,342,087	1,407,810	1,524,638
308,027	308,493	290,524	292,764	294,232	288,678
1,685,718	1,790,395	1,833,991	2,049,988	2,330,418	2,174,694
3,220,638	3,319,625	3,316,634	3,358,649	3,308,661	2,305,404
1,122,632	1,130,176	1,128,430	1,123,558	1,079,370	748,242
6,819,384	7,022,994	7,043,184	7,062,010	7,308,479	5,896,140
884,244	831,413	896,775	1,090,584	959,921	968,372
794,410	888,071	962,887	1,200,582	1,508,346	1,177,258
1,605,883	1,567,337	1,565,704	1,588,563	1,485,395	1,464,443
246,268	417,154	503,578	525,463	957,800	584,353
-	-	-	500,000	-	-
$ 33,304,264	$ 34,202,524	$ 34,812,516	$ 36,555,103	$ 39,854,628	$ 36,706,929
$ 28,353	$ 29,570	$ 33,650	$ 57,365	$ 94,973	$ 65,390
193,023	274,187	186,249	225,665	228,171	248,915
			(500,000)	-	-
$ 221,376	$ 303,757	$ 219,899	$ (216,970)	323,144	314,305
$ 33,525,640	$ 34,506,281	$ 35,032,415	$ 36,338,133	40,177,772	37,021,234
$ 1,626,979	$ 4,288,255	$ (1,689,227)	$ 1,652,114	$ 5,873,947	$ 690,725
326,721	1,162,221	1,024,547	1,245,838	1,492,001	231,710
$ 1,953,700	$ 5,450,476	$ (664,680)	$ 2,897,952	$ 7,365,948	$ 922,435

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

	2011	2012	2013	2014
General Fund				
Reserved	$ -	$ -	$ -	$ -
Unreserved	-	-	-	-
Nonspendable	13,326	1,178,530	1,179,522	1,178,480
Restricted	-	-	-	4,820,655
Assigned	3,591,208	1,375,060	18,037,302	19,317,000
Unassigned	22,875,543	25,288,755	11,426,473	11,707,336
Total general fund	$ 26,480,077	$ 27,842,345	$ 30,643,297	$ 37,023,471
Tourism Fund				
Assigned	$ -	$ -	$ -	$ -
Total tourism fund	$ -	$ -	$ -	$ -
Capital Projects Fund				
Nonspendable	$ -	$ -	$ -	$ -
Restricted	-	-	-	-
Assigned	-	-	-	-
Total capital projects fund	$ -	$ -	$ -	$ -
All Other Governmental Funds				
Restricted (Special Revenue funds)	$ -	$ -	$ -	$ -
Assigned (Special Revenue funds)	399,209	365,844	275,829	300,711
Total all other governmental funds	$ 399,209	$ 365,844	$ 275,829	$ 300,711

**** Previously the Capital Projects Fund was combined with the General Fund for financial reports. Beginning in FY 2019, each fund is reported separately to improve transparency.***

Table 3

2015	2016	2017	2018	2019*	2020*
$ -	$ -	$ -	$ -	$ -	$ -
-	-	-	-	-	-
1,918,709	1,919,711	3,201,923	2,770,074	$ 28,717	$ 33,540
1,748,630	-	-	13,144,192	-	-
20,318,269	18,818,825	15,458,283	15,788,818	-	-
11,991,519	12,382,517	12,649,882	12,918,770	14,279,723	13,689,575
$ 35,977,127	$ 33,121,053	$ 31,310,088	$ 44,621,854	$ 14,308,440	$ 13,723,115
$ -	$ -	$ -	$ -	$ 2,239,154	$ 4,207,011
$ -	$ -	$ -	$ -	$ 2,239,154	$ 4,207,011
$ -	$ -	$ -	$ -	$ 3,085,024	$ -
-	-	-	-	13,470,129	13,698,910
-	-	-	-	13,158,095	12,910,930
$ -	$ -	$ -	$ -	$ 29,713,248	$ 26,609,840
$ -	$ -	$ -	$ -	$ 593,836	$ 780,983
428,711	524,301	653,939	584,890	-	-
$ 428,711	$ 524,301	$ 653,939	$ 584,890	$ 593,836	$ 780,983

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

	2011	2012	2013	2014
Revenues				
Taxes	$ 29,210,384	$ 29,274,314	$ 29,786,811	$ 29,736,493
Licenses, fees, and permits	154,108	181,806	151,637	240,017
Fines and penalties	221,767	259,308	228,172	214,373
Use of money and property	624,377	647,887	775,355	756,797
Charges for services	436,181	445,799	950,667	865,765
Intergovernmental	6,179,779	5,928,207	5,603,148	6,476,919
Other revenues	1,343,191	1,489,696	1,015,233	1,279,747
Total revenues	$ 38,169,787	$ 38,227,017	$ 38,511,023	$ 39,570,111
Expenditures				
General government	$ 3,341,506	$ 3,781,205	$ 3,509,833	$ 3,403,525
Judicial	405,416	371,366	398,300	411,806
Police	3,876,496	4,069,699	4,197,314	4,417,042
Fire	3,108,601	3,146,035	3,297,878	3,479,594
Other public safety	1,744,010	1,829,335	1,694,206	1,719,162
Public works	2,877,077	3,129,845	2,922,135	2,914,416
Health and welfare	2,241,201	2,416,361	2,256,347	2,306,790
Education	6,991,174	7,337,320	7,673,329	8,181,450
Parks and recreation	1,205,651	1,232,402	1,220,914	1,202,169
Library	750,959	779,744	819,526	820,156
Community Development	4,469,891	4,419,267	4,478,159	4,591,577
Capital projects	5,206,675	3,701,211	2,432,992	3,820,162
Debt Service				
Principal	1,149,694	886,240	758,761	683,990
Interest	275,348	354,583	140,392	213,216
Total expenditures	$ 37,643,699	$ 37,454,613	$ 35,800,086	$ 38,165,055
Excess of revenues over (under) expenditures	$ 526,088	$ 772,404	$ 2,710,937	$ 1,405,056
Other Financing Sources (Uses)				
Issuance of bonds	$ -	$ -	$ -	$ 5,000,000
Refunding bonds issued	1,398,911	5,481,048	-	-
Bond premium issuance	-	-	-	-
Bond issuance cost	-	-	-	-
Redemption of refunded bonds	(1,375,000)	(5,376,749)	-	-
Disposal of capital asset	-	-	-	-
Transfers in	-	-	-	-
Total other financing sources (uses)	$ 23,911	$ 104,299	$ -	$ 5,000,000
Net change in fund balances	$ 549,999	$ 876,703	$ 2,710,937	$ 6,405,056
Debt service as a percentage of noncapital expenditures	4.19%	3.55%	2.82%	2.48%

Table 4

	2015	2016	2017	2018	2019	2020
	$ 30,628,000	$ 31,301,136	$ 31,815,149	$ 32,773,958	$ 35,854,668	$ 33,370,411
	255,915	229,485	249,819	302,819	341,620	501,907
	197,117	155,032	181,175	249,211	277,729	218,387
	794,407	888,063	962,887	1,200,582	1,508,346	1,177,258
	898,621	1,264,330	1,160,757	1,182,453	1,202,675	1,096,153
	6,539,912	7,522,954	7,317,493	6,712,840	8,125,667	7,128,527
	1,181,005	1,375,375	1,499,843	1,552,045	1,982,218	1,571,999
	$ 40,494,977	$ 42,736,375	$ 43,187,123	$ 43,973,908	$ 49,292,923	$ 45,064,642
	$ 3,493,522	$ 3,475,742	$ 3,786,601	$ 3,852,694	$ 3,954,853	$ 4,103,114
	400,605	365,281	401,237	422,688	434,188	409,373
	4,368,153	4,515,626	4,566,572	4,952,575	5,306,406	5,299,992
	3,556,562	3,734,705	3,727,221	3,981,397	4,153,194	4,259,192
	1,718,468	1,793,039	1,740,769	1,707,999	1,700,142	1,622,504
	2,936,678	2,786,405	2,890,124	2,986,028	3,145,566	3,202,810
	2,255,020	2,499,978	2,552,959	2,865,062	2,890,326	2,658,330
	8,540,794	8,388,204	8,817,150	8,962,074	9,605,544	9,490,247
	1,138,321	1,120,804	1,218,835	1,245,196	1,236,425	1,156,877
	827,166	842,160	841,810	859,699	871,852	909,764
	4,599,954	4,776,918	4,799,435	4,896,820	4,842,357	4,892,829
	6,180,712	9,958,807	8,289,153	6,323,793	7,913,834	7,033,077
	988,147	1,006,410	1,032,568	4,880,676	837,370	870,223
	252,415	232,780	204,016	147,577	752,932	690,039
	$ 41,256,517	$ 45,496,859	$ 44,868,450	$ 48,084,278	$ 47,644,989	$ 46,598,371
	$ (761,540)	$ (2,760,484)	$ (1,681,327)	$ (4,110,370)	$ 1,647,934	$ (1,533,729)
	$ -	$ -	$ -	$ 12,260,000	$ -	$ -
	-	-	-	3,920,700	-	-
	-	-	-	1,539,845	-	-
	-	-	-	(273,376)	-	-
	-	-	-	(561,403)	-	-
	(156,804)	-	-	-	-	-
	-	-	-	500,000	-	-
	$ (156,804)	$ -	$ -	$ 17,385,766	$ -	$ -
	$ (918,344)	$ (2,760,484)	$ (1,681,327)	$ 13,275,396	$ 1,647,934	$ (1,533,729)
	3.34%	3.36%	2.92%	11.33%	3.81%	3.81%

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

Fiscal Year	Property	1% Sales & Use	Consumer Utility	Business License	Franchise
2011	$ 12,908,398	$ 3,963,454	$ 1,049,808	$ 1,497,160	$ 111,020
2012	12,351,657	4,161,131	1,029,412	1,598,958	103,571
2013	12,307,879	4,494,328	1,042,165	1,646,691	104,682
2014	12,861,621	4,239,957	1,032,653	1,630,018	129,792
2015	13,008,328	4,352,601	1,024,760	1,685,718	123,048
2016	13,372,869	4,298,743	1,004,008	1,790,395	114,402
2017	13,690,588	4,388,595	968,943	1,833,991	119,948
2018	13,863,394	4,706,583	949,973	2,049,988	122,942
2019	14,505,397	6,841,762	903,929	2,330,418	120,660
2020	15,374,378	6,388,075	884,473	2,174,694	109,411

Table 5

Tobacco	Hotel & Motel	$2 Lodging	Restaurant	Other	Total
$ 148,032	$ 3,384,922	$ 1,299,244	$ 5,989,446	$ 381,311	$ 30,732,795
147,870	3,396,446	1,264,046	6,277,434	404,313	30,734,838
183,155	3,369,785	1,222,448	6,391,022	533,798	31,295,953
148,320	3,129,262	1,130,804	6,446,505	484,184	31,233,116
156,911	3,220,638	1,122,632	6,819,384	604,285	32,118,305
134,640	3,319,625	1,130,176	7,022,994	582,371	32,770,223
130,032	3,316,633	1,128,430	7,043,184	646,796	33,267,140
167,638	3,358,649	1,123,558	7,062,010	800,005	34,204,740
140,211	3,308,661	1,079,370	7,308,479	699,050	37,237,937
126,420	2,305,404	748,242	5,896,140	732,541	34,739,778

City of Williamsburg, Virginia **Table 6**
Assessed Value and Estimated Actual Value of Taxable Property
Last Ten Fiscal Years

	Real Property		Personal Property				
Fiscal Year	Residential Property	Commercial Property [1]	Motor Vehicles [2]	Other	Less: Tax Exempt Real Property	Total Taxable Assessed Value	Total Direct Tax Rate
2011	$ 1,166,641,800	$ 1,335,437,900	$ 35,652,620	$ 39,303,636	$ 674,570,500	$ 1,902,465,456	$ 4.04
2012	1,134,906,200	1,373,260,600	36,082,270	39,746,802	772,009,200	1,811,986,672	4.04
2013	1,064,590,700	1,408,826,400	39,582,570	37,495,959	845,513,900	1,704,981,729	4.07
2014	1,083,446,200	1,522,534,200	40,845,200	38,241,433	918,768,400	1,766,298,633	4.07
2015	1,108,726,200	1,571,532,200	42,220,440	36,393,827	943,646,700	1,815,225,967	4.07
2016	1,168,895,100	1,581,516,100	43,377,030	37,405,286	964,234,400	1,866,959,116	4.07
2017	1,190,581,300	1,610,013,500	44,053,770	39,765,792	971,263,000	1,913,151,362	4.07
2018	1,216,085,400	1,620,357,700	44,479,900	42,369,965	976,996,200	1,946,296,765	4.07
2019	1,225,705,700	1,628,894,100	47,608,960	43,749,786	989,455,800	1,956,502,746	4.10
2020	1,322,641,400	1,709,250,800	49,398,887	45,944,506	1,043,197,900	2,084,037,693	4.10

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

[1] Includes tax-exempt property.

[2] Motor vehicles are assessed at NADA average loan value as of January 1st each year

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

City of Williamsburg, Virginia **Table 7**
Direct Tax Rates
Last Ten Fiscal Years

Fiscal Year Ended June 30	Real Estate Tax[1]	Personal Property Tax[1]	Room Tax	Meal Tax	Retail Sales Tax [2]	Senate Bill 942 Sales Tax [2]	Total Direct Tax Rate
2011	$0.54	$3.50	5%	5%	1%	-	$4.04
2012	$0.54	$3.50	5%	5%	1%	-	$4.04
2013	$0.57	$3.50	5%	5%	1%	-	$4.07
2014	$0.57	$3.50	5%	5%	1%	-	$4.07
2015	$0.57	$3.50	5%	5%	1%	-	$4.07
2016	$0.57	$3.50	5%	5%	1%	-	$4.07
2017	$0.57	$3.50	5%	5%	1%	-	$4.07
2018	$0.57	$3.50	5%	5%	1%	-	$4.07
2019	$0.60	$3.50	5%	5%	1%	0.50%	$4.10
2020	$0.60	$3.50	5%	5%	1%	0.50%	$4.10

[1] per $100 assessed value

[2] Collected by State, remitted monthly to City

City of Williamsburg, Virginia **Table 8**
Principal Real Estate Property Taxpayers
Current Year and Nine Years Ago

	2011			2020		
Taxpayers	**Taxable Assessed Value**	**Rank**	**Percentage of Total City Taxable Assessed Value**	**Taxable Assessed Value**	**Rank**	**Percentage of Total City Taxable Assessed Value**
Colonial Williamsburg Foundation	$ 257,865,300	1	14.11%	$ 279,517,000	1	14.06%
Bluegreen Vacations, Unlimited	24,955,300	2	1.37%	16,574,800	7	0.83%
Riverside Healthcare Associates	24,857,600	3	1.36%	44,430,900	2	2.23%
Westgate Resorts, LTD	19,829,000	4	1.09%			
Williamsburg Improvements LLC	17,806,900	5	0.97%			
Sunrise Investment Group, LLC	14,502,800	6	0.79%			
Oam Shree Corporation	11,494,400	7	0.63%			
JIN, Inc	10,471,900	8	0.57%			
Woodshire, LTC	9,710,100	9	0.53%			
GMRI, Inc.	9,066,800	10	0.50%			
Quarterpath Williamsburg LLC				35,721,300	3	1.80%
BRG Quarterpath LLC				24,545,200	5	1.23%
High Street Retail Phase I LLC				18,835,000	6	0.95%
Sterling Manor Apartments LLC				32,629,000	4	1.64%
SLN Quarterpath Associates LLC				14,804,700	9	0.74%
BSV Colonial Owner LLC				12,962,600	10	0.65%
High Street Apartment Land LC				15,262,500	8	0.77%

City of Williamsburg, Virginia **Table 9**
Property Tax Levies and Collections
Last Ten Fiscal Years

		Collected Within the Fiscal Year of the Levy			Total Collections to Date	
Fiscal Year Ended June 30	Taxes Levied for the Fiscal Year	Amount	Percentage of Levy	Collections in Subsequent Years	Amount	Percentage of Levy
2011	$ 12,470,676	$ 12,266,609	98.36%	$ 241,915	$ 12,508,524	100.30%
2012	11,969,157	11,772,415	98.36%	227,776	12,000,191	100.26%
2013	11,945,819	11,687,094	97.83%	213,810	11,900,904	99.62%
2014	12,348,440	12,122,381	98.17%	170,906	12,293,287	99.55%
2015	12,632,981	12,409,075	98.23%	181,600	12,590,675	99.67%
2016	13,009,018	12,796,868	98.37%	148,154	12,945,022	99.51%
2017	13,314,963	13,079,983	98.24%	130,468	13,210,451	99.22%
2018	13,477,747	13,258,466	98.37%	150,159	13,408,625	99.49%
2019	14,165,997	13,886,696	98.03%	213,192	14,099,888	99.53%
2020	15,040,398	14,661,249	97.48%	N/A	14,661,249	97.48%

Source: City of Williamsburg Assessor's Office

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

City of Williamsburg, Virginia **Table 10**
Ratios of Outstanding Debt by Type
Last Ten Fiscal Years

Fiscal Year	Governmental Activities: General Obligation Bonds	Business-type Activities: General Obligation Bonds	Total Primary Government	Debt Per Capita	Debt as Percentage of Personal Income
2011	$ 7,306,844	$ 9,231,593	$ 16,538,437	$ 1,160	0.4%
2012	6,796,767	8,643,971	15,440,738	1,065	0.3%
2013	5,997,390	8,051,980	14,049,370	943	0.3%
2014	10,270,795	7,446,884	17,717,679	1,176	0.4%
2015	9,241,038	6,819,945	16,060,983	1,081	0.3%
2016	8,193,018	6,184,269	14,377,287	932	0.3%
2017	7,118,840	5,526,750	12,645,590	821	0.2%
2018	19,235,458	5,033,028	24,268,486	1,598	0.4%
2019	18,256,137	4,412,553	22,668,690	1,474	0.4%
2020	17,243,961	3,764,930	21,008,891	1,366	0.3%

City of Williamsburg, Virginia **Table 11**
Ratios of General Bonded Debt Outstanding
Last Ten Fiscal Years

Fiscal Year	Total General Obligation Bonds	Percentage of Actual Taxable Value of Property[1]	Per Capita[2]
2011	$ 16,538,437	0.87%	$ 1,160
2012	15,440,738	0.85%	1,065
2013	14,049,370	0.82%	943
2014	17,717,679	1.00%	1,176
2015	16,060,983	0.88%	1,081
2016	14,377,287	0.77%	932
2017	12,645,590	0.66%	821
2018	24,268,486	1.25%	1,598
2019	22,668,690	1.16%	1,474
2020	21,008,891	1.06%	1,366

[1] See Table 6 for property value data.

[2] Population data can be found in Table 13

City of Williamsburg, Virginia
Legal Debt Margin Information
Last Ten Fiscal Years

	2011	2012	2013	2014
Debt Limit	$ 182,750,920	$ 173,615,760	$ 162,790,320	$ 168,721,200
Total net debt applicable to limit	16,538,737	15,440,738	14,049,370	17,717,679
Legal debt margin	$ 166,212,183	$ 158,175,022	$ 148,740,950	$ 151,003,521
Total net debt applicable to the limit as a percentage of debt limit	9.05%	8.89%	8.63%	10.50%

Legal Debt Margin Calculation for Fiscal Year 2020:

Assessed Value	$ 1,988,694,300
Debt Limit (10% of assessed value)	198,869,430
Debt applicable to limit:	
General obligation bonds	21,008,891
Legal debt margin	$ 177,860,539

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

Table 12

2015	2016	2017	2018	2019	2020
$ 173,661,170	$ 178,617,680	$ 182,933,180	$ 185,944,690	$ 186,514,400	$ 198,869,430
16,060,983	14,377,287	12,645,590	24,268,486	22,668,690	21,008,891
$ 157,600,187	$ 164,240,393	$ 170,287,590	$ 161,676,204	$ 163,845,710	$ 177,860,539
9.25%	8.05%	6.91%	13.05%	12.15%	10.56%

City of Williamsburg, Virginia **Table 13**
Demographic and Economic Statistics
Last Ten Fiscal Years

Fiscal Year	City Population *	Area Population *	Personal Income (thousands of dollars)[2]	Per Capita Personal Income[2]	Public School Enrollment [3]	Unemployment Rate[1]
2011	14,256	82,591	$4,474,583	$54,224	10,549	9.0%
2012	14,503	84,149	$4,703,429	$55,990	10,671	8.3%
2013	14,893	85,709	$4,745,679	$55,550	10,748	7.7%
2014	15,064	87,274	$4,954,338	$56,960	10,998	7.3%
2015	14,860	88,199	$5,160,028	$58,504	11,116	6.3%
2016	15,429	89,044	$5,344,090	$59,632	11,303	5.6%
2017	15,404	90,555	$5,646,096	$60,350	11,431	4.4%
2018	15,183	91,020	$6,016,740	$65,906	11,477	4.6%
2019	15,383	91,290	**	**	11,461	4.3%
2020	**	**	**	**	11,448	**

* Population figures supplied by Weldon Cooper Center for Public Service (University of VA) & U.S. Bureau of Census
** not available

[1] Virginia Employment Commission *(calendar year figures)*

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

[3] Source - Williamsburg-James City County Public Schools

City of Williamsburg, Virginia **Table 14**
Principal Employers
Current Year and Nine Years Ago

	2011			2020		
Employer	**Employees[1]**	**Rank**	**Percentage of Total City Employment**	**Employees[1]**	**Rank**	**Percentage of Total City Employment**
College of William & Mary	1,000+	1	18.78%	1,000+	1	24.22%
Colonial Williamsburg Foundation	1,000+	2	8.74%	1,000+	2	8.78%
Colonial Williamsburg Company	1000+	3	5.97%	500 to 999	3	6.23%
W-JCC Schools	250 to 499	4	1.73%	250 to 499	5	3.08%
Aramark	250 to 499	5	1.50%			
City of Williamsburg	250 to 499	6	1.44%	250 to 499	6	2.63%
Red Lobster & The Olive Garden	100 to 249	7	0.56%	100 to 249	8	1.35%
Walsingham Academy	100 to 249	8	0.56%	100 to 249	9	0.82%
National Center for State Courts	100 to 249	9	0.56%	100 to 249	10	0.78%
Outback Steakhouse	50 to 99	10	0.28%			
Sodexo				250 to 499	4	3.27%
Riverside Doctors' Hospital				250 to 499	7	2.13%

[1] includes part-time and seasonal employees

City of Williamsburg, Virginia **Table 15**
Full-time-Equivalent City Employees by Function/Program
Last Ten Fiscal Years

	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
General Government										
City Manager	5.5	5.5	6.5	6.5	6.5	6.5	6.5	6.0	7.0	7.0
Clerk of Council	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	1.0
City Attorney	1.5	1.5	1.5	1.5	1.5	1.5	1.5	1.5	1.5	1.5
Commissioner of Revenue	3.0	3.0	3.0	3.0	3.0	3.0	3.0	3.0	4.0	4.0
Treasurer	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0
Registrar	1.5	1.5	1.5	1.5	1.5	2.0	2.0	2.0	2.0	2.0
Assessor	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0
Information Technology	3.0	3.0	3.0	3.0	3.0	3.0	3.0	3.0	4.0	4.0
Finance	9.0	9.0	8.0	8.0	8.0	8.0	9.0	9.0	9.0	9.0
Police										
Officers	34.0	35.0	35.0	35.0	35.0	36.0	36.0	38.0	41.0	41.0
Civilians	5.0	5.0	5.0	5.0	5.0	5.0	5.0	4.0	4.0	5.0
Fire										
Firefighters & officers	36.0	36.0	36.0	36.0	36.0	36.0	39.0	39.0	40.0	40.0
Civilians	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0
Public Works										
Engineering	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0
Streets	9.0	9.0	9.0	9.0	9.0	9.0	9.0	9.0	9.0	10.0
Landscape	7.0	7.0	7.0	7.0	7.0	7.0	7.0	7.0	7.5	7.5
Shop	3.0	3.0	3.0	3.0	3.0	3.0	3.0	3.0	3.0	3.0
Building Maintenance	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0
Planning	4.0	4.0	4.0	4.0	4.0	4.0	4.0	4.0	4.0	4.0
Code Compliance	4.0	4.0	4.0	4.0	5.0	5.0	5.0	5.0	5.0	5.0
Recreation	8.0	8.0	8.5	8.5	8.5	8.5	8.5	8.5	8.5	8.5
Human Services/Public Housing	13.0	13.0	17.0	19.0	19.0	19.0	19.0	19.0	19.0	19.0
Public Utilities	26.0	26.0	26.0	26.0	26.0	26.0	26.0	26.0	26.0	26.0
Total	182.5	183.5	188.0	190.0	191.0	192.5	196.5	197.0	204.5	205.5

Source: City Finance Department

City of Williamsburg, Virginia **Table 16**
Operating Indicators by Function/Program
Last Ten Fiscal Years

	2011	2012	2013	2014	2015	2016	2017	2018*	2019	2020
General Government										
Real estate parcels appraised	4,220	4,220	4,214	4,216	4,299	4,313	4,318	4319	4,335	4,345
Real estate property transfers	330	337	285	302	415	370	421	505	426	422
Police										
Calls for service	37,844	37,283	36,956	37,774	36,168	34,837	34,033	34,385	41,377	46,703
Moving violations	1,586	1,800	1,457	1,107	1,147	1,238	1,364	1,228	2,390	2,161
Offenses	403	389	376	307	314	301	333	280	344	320
Fire										
Emergency fire responses	1,738	1,834	1,884	1,988	2,226	1,048	1,181	1,331	1,493	1,105
Emergency EMS responses	2,164	2,443	2,455	2,435	2,523	2,890	2,875	2,951	3,102	2,948
Public Works										
Street miles maintained	65	65	65	65	65	65	65	65	65	
Tons of res. solid waste collected	2,108	2,250	2,094	1,966	1,814	1,925	2,063	2,170	2,050	1,942
Planning										
Subdivision lots approved	4	0	2	0	0	0	0	14	46	52
Site plans processed	9	1	5	1	1	2	0	18	11	14
Code Compliance										
Total permits issued	1,725	1,436	1,336	1,555	1,344	1,538	1,920	1,968	1,443	1,030
Total inspections performed	6,824	5,171	5,491	5,178	6,966	7,284	7,082	4,427	7,130	5,198
Recreation										
Program participants	22,010	26,135	25,886	25,487	21,684	23,135	23,706	16,159	13,958	9,571
Waller Mill Park attendance	86,413	81,254	90,066	109,144	112,854	95,312	107,036	137,894	103,461	79,254
Human Services (avg. monthly)										
Total benefit program cases	1,125	1,182	1,228	1,248	1,365	1,320	1,338	1,420	1,495	1,735
Public Utilities										
Water consumed (million gallons)	1,059	1,015	937	931	997	959	953	918	913	822
Water leaks repaired	32	36	45	31	32	31	26	35	20	22
Sewer backups	65	53	53	31	35	47	22	31	40	33

Source: City operating departments

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

City of Williamsburg, Virginia **Table 17**
Capital Asset Statistics by Function
Last Ten Fiscal Years

Function/Program	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
General Government										
Number of buildings	28	28	28	28	28	28	28	28	28	28
Number of parking structures	2	2	2	2	2	2	2	2	2	2
Total number of active vehicles in vehicle replacement plan	80	83	84	82	83	84	85	85	101	102
Public Safety										
Number of police stations	1	1	1	1	1	1	1	1	1	1
Number of fire stations	1	1	1	1	1	1	1	1	1	1
Public Works										
Lane miles of streets maintained	53.2	53.2	53.2	53.2	53.2	53.2	53.2	53.2	53.2	53.2
Number of traffic signals	15	15	15	15	15	15	15	15	15	15
Bridges	4	4	4	4	4	4	4	4	4	4
Education-Regional Schools										
Grades: K - 5	9	9	9	9	9	9	9	9	9	9
Grades: 6 - 8	3	3	3	3	3	3	3	3	4	4
Grades: 9 -12	3	3	3	3	3	3	3	3	3	3
Parks & Recreation										
Number of parks	10	10	10	10	10	10	10	10	11	11
Number of ball fields	6	6	6	6	6	6	6	6	6	6
Number of tennis courts	10	10	10	10	10	10	10	10	10	10
Number of total acres	2,036	2,036	2,036	2,036	2,036	2,036	2,036	2,787	2,787	2,787
Culture										
Number of public libraries (regional)	2	2	2	2	2	2	2	2	2	2
Public Utilities										
Miles of water distribution	48	48	48	48	48	48	48	48	48	48
Number of water tanks	5	6	6	6	6	6	6	6	6	6
Number of pump stations	14	14	14	15	15	15	15	15	15	15

Source: City departments.

COMPLIANCE SECTION

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

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

We have audited, in accordance with the auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards,* issued by the Comptroller General of the United States; and the *Specifications for Audits of Counties, Cities, and Towns,* issued by the Auditor of Public Accounts of the Commonwealth of Virginia, the financial statements of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the City of Williamsburg, Virginia, as of and for the year ended June 30, 2020, and the related notes to the financial statements, which collectively comprise the City of Williamsburg, Virginia's basic financial statements, and have issued our report thereon dated October 13, 2020.

Internal Control over Financial Reporting

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

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

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

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated October 13, 2020, on our consideration of City of Williamsburg, Virginia's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of City of Williamsburg, Virginia's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering City of Williamsburg, Virginia's internal control over financial reporting and compliance.

Robinson, Farmer, Cox Associates

Richmond, Virginia
October 13, 2020

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

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

Report on Compliance for Each Major Federal Program

We have audited the City of Williamsburg, Virginia's compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of City of Williamsburg, Virginia's major federal programs for the year ended June 30, 2020. The City of Williamsburg, Virginia's major federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with federal statutes, regulations, and the terms and conditions of its federal awards applicable to its federal programs.

Auditors' Responsibility

Our responsibility is to express an opinion on compliance for each of the City of Williamsburg, Virginia's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards,* issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the City of Williamsburg, Virginia's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of the City of Williamsburg, Virginia's compliance.

Opinion on Each Major Federal Program

In our opinion, City of Williamsburg, Virginia complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2020.

Report on Internal Control over Compliance

Management of City of Williamsburg, Virginia is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered City of Williamsburg, Virginia'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 City of Williamsburg, Virginia'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 first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

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

Robinson, Farmer, Cox Associates

Richmond, Virginia
October 13, 2020

City of Williamsburg, Virginia
Schedule of Expenditures of Federal Awards
For the year ended June 30, 2020

Federal Grantor/State Pass - Through Grantor/ Program Title	Federal CFDA Number	Pass-Through Entity Identifying Number	Federal Expenditures
Department of Health and Human Services:			
Pass Through Payments:			
Department of Social Services:			
MaryLee Allen Promoting Safe and Stable Families Program	93.556	0950109/0950110	$ 7,054
Temporary Assistance for Needy Families (TANF Cluster)	93.558	0400111/0400112	75,176
Refugee and Entrant Assistance - Replacement Designee Administered Programs	93.566	0500111/0500112	110
Low-Income Home Energy Assistance	93.568	0600411/0600412	14,044
Child Care Mandatory and Matching Funds of the Child Care and Development Fund	93.596	0760111/0760112	14,092
Stephanie Tubbs Jones Child Welfare Services Program	93.645	0900111/0900112	174
Foster Care - Title IV-E	93.658	1100111/1100112	70,383
Adoption Assistance	93.659	1120111/1120112	79,606
Social Services Block Grant	93.667	1000111/1000112	65,297
John H. Chafee Foster Care Program for Successful Transition to Adulthood	93.674	9150111/9150112	792
Children's Health Insurance Program	93.767	0540111/0540112	2,212
Medical Assistance Program (Medicaid Cluster)	93.778	1200111/1200112	163,111
Total Department of Health and Human Services			$ 492,051
Department of Agriculture:			
Pass Through Payments:			
Department of Social Services:			
State Administrative Matching Grants for the Supplemental Nutrition Assistance Program (SNAP Cluster)	10.561	0010111/0010112 0040111/0040112	$ 169,266
Total Department of Agriculture			$ 169,266
Department of Justice:			
Pass Through Payments:			
Department of Criminal Justice Services:			
Edward Byrne Memorial Justice Assistance Grant Program	16.738	12-J1208LO11 13-K1208LO12	$ 11,835
Total Department of Justice			$ 11,835
Department of Transportation:			
Pass Through Payments:			
Department of Transportation			
Highway Planning and Construction (Highway Planning and Construction Cluster)	20.205	N/A	$ 312,356
Department of Motor Vehicles			
State and Community Highway Safety (Highway Safety Cluster)	20.600	K81252285	22,868
Total Department of Transportation			$ 335,224

City of Williamsburg, Virginia
Schedule of Expenditures of Federal Awards
For the year ended June 30, 2020 (Continued)

Federal Grantor/State Pass - Through Grantor/ Program Title	Federal CFDA Number	Pass-Through Entity Identifying Number	Federal Expenditures
Environmental Protection Agency:			
Direct Payments:			
Brownfields Multipurpose, Assessment, Revolving Loan Fund, and Cleanup Cooperative Agreements	66.818	N/A	$ 31,717
Total Environmental Protection Agency			$ 31,717
Department of Treasury:			
Pass Through Payments:			
Department of Accounts:			
Coronavirus Relief Funds (CRF)	21.019	10110-728021	$ 219,127
Total Department of Treasury			$ 219,127
Total Expenditures of Federal Awards			$ 1,259,220

See accompanying notes to schedule of expenditures of federal awards.

City of Williamsburg, Virginia
Notes to Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2020

Note 1 - Basis of Presentation

The accompanying schedule of expenditures of federal awards (the Schedule) includes the federal award activity of the City of Williamsburg, Virginia under programs of the federal government for the year ended June 30, 2020. The information in this Schedule is presented in accordance with the requirements of Title 2 *U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements of Federal Awards* (Uniform Guidance). Because the Schedule presents on a selected portion of the operations of the City of Williamsburg, Virginia, it is not intended to be and does not present the financial position, changes in net position, or cash flows of the City of Williamsburg, Virginia.

Note 2 - Summary of Significant Accounting Policies

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

Note 3 - Food Donation

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

Note 4 - Relationship to Financial Statements

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

Intergovernmental federal revenues per the basic financial statements:		
Primary government:		
General fund	$	240,299
Virginia public assistance fund		661,317
Law enforcement block grant fund		13,531
Sales tax fund		344,073
Total federal expenditures per the Schedule of Expenditures of Federal Awards	$	1,259,220

Note 5 - Subrecipients

No awards were passed through to subrecipients.

Note 6 - De Minimis Cost Rate

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

Note 7 - Loan Balances

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

City of Williamsburg, Virginia
Schedule of Findings and Questioned Costs
For the year ended June 30, 2020

Section I–Summary of Auditors' Results

Financial Statements

Type of auditors' report issued:	*unmodified*		
Internal control over financial reporting:			
Material weakness(es) identified?	____ yes	✓ no	
Significant deficiency(ies) identified that are not considered to be material weakness(es)?	____ yes	✓ none reported	
Noncompliance material to financial statements noted?	____ yes	✓ no	

Federal Awards

Internal control over major programs:		
Material weakness(es) identified?	____ yes	✓ no
Significant deficiency(ies) identified?	____ yes	✓ no
Type of auditors' report issued on compliance for major programs:	*unmodified*	
Any findings disclosed that are required to be reported in accordance with 2 CFR section 200.516 (a)?	____ yes	✓ no

Identification of major programs:

CFDA Number(s)	Name of Federal Program or Cluster
93.778	Medical Assistance Program
10.561	State Administrative Matching Grants for the Supplemental Nutrition Assistance Program

Dollar threshold used to distinguish between type A and type B programs:	$750,000		
Auditee qualified as low-risk auditee?	✓ yes	____ no	

Section II–Financial Statement Findings

None

Section III-Federal Award Findings and Questioned Costs

None

City of Williamsburg, Virginia
Summary Schedule of Prior Audit Findings
For the year ended June 30, 2020

There were no prior audit findings.

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