

# City of Williamsburg, Virginia



## Annual Comprehensive Financial Report For the Year Ended June 30, 2025



**CITY OF WILLIAMSBURG, VIRGINIA**  
**ANNUAL COMPREHENSIVE FINANCIAL REPORT**  
**FOR THE YEAR ENDED JUNE 30, 2025**

**PREPARED BY:**

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Department of Finance

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ANNUAL COMPREHENSIVE FINANCIAL REPORT  
FOR THE YEAR ENDED JUNE 30, 2025

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**CITY OF WILLIAMSBURG**  
*Department of Finance*

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December 4, 2025

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

The Annual Comprehensive Financial Report (ACFR) of the City of Williamsburg, Virginia, for the fiscal year ending June 30, 2025, is hereby submitted. The City is required by the *Code of Virginia*, §15.2-2511, to publish at the close of each fiscal year a complete set of financial statements in conformity with accounting principles generally accepted in the United States of America (GAAP) and audited in accordance with *Government Auditing Standards* by an independent firm of certified public accountants. To meet this requirement, the Department of Finance has prepared this report in accordance with all governmental accounting and financial reporting standards as prescribed by the Governmental Accounting Standards Board (GASB), the Financial Accounting Standards Board (FASB), where applicable, and the Commonwealth of Virginia's Auditor of Public Accounts (APA).

Responsibility for the accuracy of the data and the completeness and fairness of presentation, including all disclosures, rests with City management. To provide a reasonable basis for making these representations, City management 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 exceed anticipated benefits, the City's internal controls are designed to provide reasonable, rather than absolute, assurance that the financial statements are free from material misstatement. To the best of our knowledge and belief, this financial report is complete and reliable in all material respects and presents fairly the financial position and results of operations of the various funds of the City.

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

**Independent Audit**

The City's financial statements have been audited by the independent accounting firm Robinson, Farmer, Cox Associates. The goal of the independent audit was to provide reasonable assurance that the City's financial statements for the fiscal year ended June 30, 2025, 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 issuing an unmodified opinion that the City of Williamsburg's financial statements for the fiscal year ended June 30, 2025, are fairly presented in conformity with accounting principles generally accepted in the United States of America (GAAP). The independent auditor's report is presented as the first component of the Financial Section of this report.

The independent audit of the City's financial statements 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 on the fair presentation of the financial statements and the City's compliance with the financial and administrative requirements applicable to each of the City's major federal programs. These reports are available in the Compliance Section of this report.

## Profile of the City

The City of Williamsburg was established by the General Assembly of the Commonwealth of Virginia in 1699 and was incorporated by the 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 every two years from among City Council members. The City Council is responsible for, among other things, passing ordinances, adopting the budget, appointing committees, and hiring both the City Manager and City Attorney. The City Manager is responsible for carrying out the policies and ordinances of the City Council, overseeing the day-to-day operations of the City, and appointing the heads of the various departments.

Williamsburg encompasses some nine square miles located between the James and York Rivers on the Virginia Peninsula in Southeastern Virginia. The Weldon Cooper Center at the University of Virginia estimates the City's 2024 population at 15,690, a 2.04% decrease from the 16,017 residents reported in the 2020 United States Census. The City is home to two premier institutions: William & Mary, established in 1693, and the Colonial Williamsburg Foundation, a living history museum that recreates the days when Williamsburg was the Capital of Colonial Virginia, from 1699 to 1780.

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

The City provides a 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 services to approximately 3,900 residential and 900 commercial customers, with user charges set by the City Council during the budget process to ensure adequate coverage of operating and capital expenses. Prior to July 2025, the City billed and collected charges for sewer services on behalf of the Hampton Roads Sanitation District (HRSD). In July 2025, the City ceased billing and collections on behalf of HRSD; City customers now receive sewer service bills directly from HRSD. The City owns and maintains the water and sewer infrastructure within the City limits, and after conducting an internal rate review, adopted a 30% utility rate increase for usage on and after July 1, 2025, to address rising maintenance and capital costs.

The City provides education jointly by contract with neighboring James City County 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. On October 10, 2025, the W-JCC School Board, Williamsburg City Council, and James City County Board of Supervisors approved a resolution to enter into a new contract for the joint operation of the W-JCC school system. The new agreement, which took effect on October 10, 2025, and cannot be modified before January 1, 2030, modernizes the approach to allocating operating and capital costs and aims to strengthen student outcomes by ensuring more operational investment from the localities, adjusted for student enrollment, simplifying capital funding, establishing predictable and planned annual funding, driving investment in student outcomes, and restructuring School Board governance. Detailed information, including a "Frequently Asked Questions" guide and the contract document, can be found on the City's website, [www.williamsburgva.gov](http://www.williamsburgva.gov).

The City also provides library services jointly by contract with James City County and York County through the Williamsburg Regional Library (WRL). The joint contract provides for board membership, operational funding, and responsibilities for repairing and maintaining the facilities and grounds of each locality's respective library building and is another step toward regionalism in the Historic Triangle to benefit the citizens of all three jurisdictions.

## **Budget Process**

The annual budget serves as the foundation for the City's financial planning and control. The budget process incorporates City Council's strategic plan, "Biennial Goals, Initiatives, and Outcomes," and defines, communicates, and funds the City's programs and priorities. The completed budget is City Council's road map and a primary management tool for the City Manager and Department Heads. The annual Budget Guide is a formal call for all departments of the City and agencies associated with it to prepare and submit an estimate of the resources required for the next fiscal year. It includes a set of procedures for building a comprehensive budget for the City Manager to present to the City Council each year. City Council is required to hold public hearings on the proposed budget and local tax levies (real estate, personal property, electricity and natural gas consumption, transient lodging, meals, and cigarette taxes), and to adopt a final budget resolution no later than June 30. Activities of the following governmental funds are included in the annual appropriation resolution and the adopted budget: General Fund, Capital Project Fund, Tourism Development Fund, and Public Assistance Fund. Also included in the annual appropriation resolution and the adopted budget are the Utility Fund (enterprise fund), and the Quarterpath Community Development Authority Fund (fiduciary fund). The level of appropriation control (the level at which expenditures cannot legally exceed the appropriated amount) is established at the individual fund level. Management control is maintained at the department level, with all departments having online access to expenditure account information. 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 in Schedule 1 of the required supplementary information other than management's discussion and analysis, under the combining and individual funds tab of the report.

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

## **Factors Affecting Financial Condition**

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

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

The economy of the City of Williamsburg remains fundamentally strong, though there is uncertainty around the potential economic impacts of recent changes in federal policy and inflation. Historically, the City's economy, driven primarily by tourism and higher education, has shown resilience in similar periods of uncertainty. Nonetheless, the City's financial policies and budgetary approach for the upcoming fiscal year and beyond remain conservative and committed to providing high-quality, core services while minimizing the financial impact on residents, businesses, and employees. The average unemployment rate (unadjusted) at June 30, 2025, was 6.1% for the City of Williamsburg, 3.9% for the Commonwealth of Virginia, and 4.1% for the United States, compared to 5.1%, 3.0%, and 4.3% for the City, Virginia, and the United States, respectively, at June 30, 2024. The median household income according to the most recent data available from the United States Census Bureau was \$70,206 for Williamsburg, \$92,090 for the Commonwealth of Virginia, and \$81,604 for the United States.

The City's economy is anchored by two world-class institutions, the Colonial Williamsburg Foundation and William & Mary. The Colonial Williamsburg Foundation operates the nation's most extensive living history museum, and owns and operates hotels, retail shops, and golf courses. Encompassing 589 restored or reconstructed buildings and employing approximately 1,600 people, the foundation interprets the 18<sup>th</sup>-century history of America in Virginia's colonial capital. Other nearby attractions not located in the City include Jamestown (site of the first permanent English settlement in 1607), Yorktown (site of Washington's victory over Cornwallis in the Revolutionary War), Great Wolf Lodge, Busch Gardens, and Water Country USA, amusement parks.

William & Mary, located within the City's limits, is the nation's second-oldest University. The University owns 22.6% of the City's land area, enrolls 10,067 graduate and undergraduate students, and employs approximately 3,400 faculty and staff.

These major institutions and nearby attractions draw approximately six to eight million visitors to the region annually. Visitor-related activity continues to be the primary driver of local spending, employment, and local tax revenues. The majority of the business establishments in the City fall into the retail and accommodations/food services categories. Within the city limits, there are 87 hotels/motels with approximately 2,736 rooms, 14 operating beds and breakfasts with approximately 60 rooms, and eight timeshares with 283 rooms. There are also 135 eating establishments, one meadery (a winery that produces honey wines and mead, a historic drink), two breweries, one distillery, 20 food trucks, and one wine-tasting room. Tourism indicators show steady performance in the Historic Triangle region, though visitor spending has moderated compared to the rapid rebound in the years immediately following the COVID-19 pandemic. Consumer-driven tax revenues recorded by the City reflect these trends and are shown in the table below. Note that local sales taxes fund capital improvements and tourism efforts and are not recorded in or used by the General Fund.

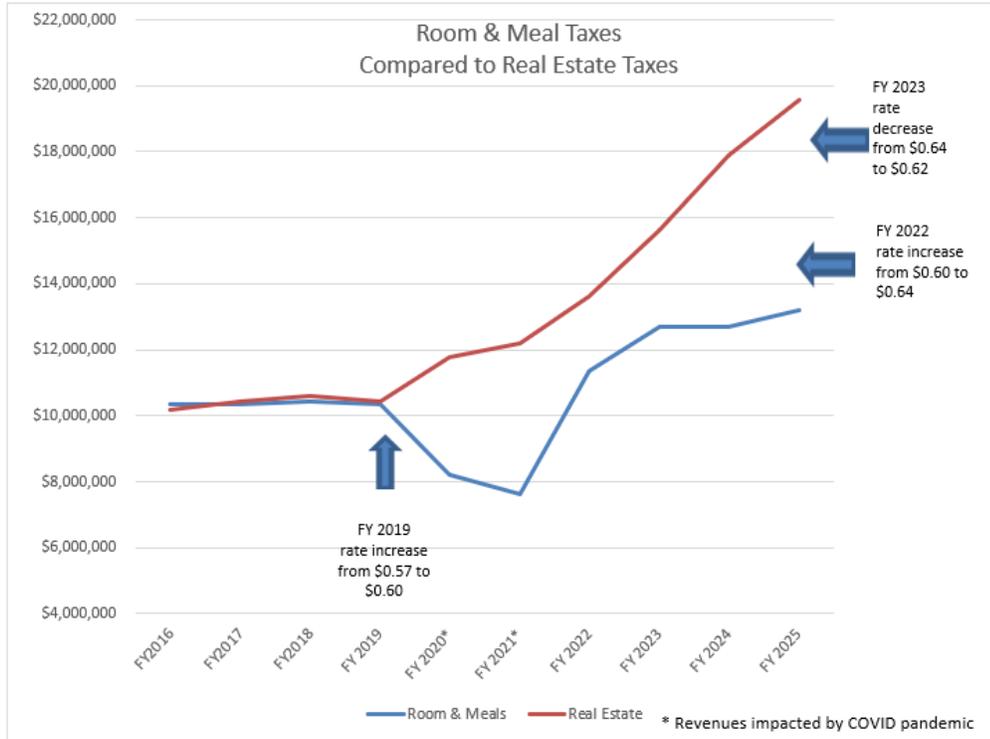
<b>Fiscal Year</b>	<b>Local Sales, Room, &amp; Meals Taxes</b>	<b>% Change</b>
2016	15,771,538	**
2017	15,876,842	0.7%
2018	16,250,800	2.4%
2019	18,538,272	14.1%
2020	15,337,861	(17.3%)
2021	14,663,370	(4.4%)
2022	19,180,859	30.8%
2023	21,732,574	13.3%
2024	22,230,768	2.3%
2025	22,818,301	2.6%

Refer to Table 5 in the Statistical Section of this report for detail on local tax revenues over the past ten fiscal years.

### **General Fund Revenues**

From the mid-1980s through FY 2009, which was the first year many local governments felt the effects of the Great Recession, room and meal taxes had provided the largest funding source in the General Fund for City services. Rising property assessments after the Great Recession increased real estate tax revenues and thus changed the proportion of total General Fund revenues generated by real estate versus room and meals taxes.

As depicted in the following graph, disruptions to the tourism industry during the COVID-19 pandemic broadened the gap between room and meal taxes and real estate taxes. While that gap narrowed in the years immediately following the pandemic with a sharp increase in consumer-driven taxes as noted above, the real estate market was similarly strong due to historically low interest rates and insufficient housing inventory. The result was an even greater increase in real estate assessments and revenues, compared to the post-COVID increases in room and meals taxes and despite the 2-cent real estate tax rate decrease in FY 2023. The trend of real estate taxes exceeding the combined room and meal taxes has continued through FY 2025. Even though higher interest rates have extended the number of days properties stay on the market, limited housing inventory keeps prices, and therefore assessments and revenues, comparatively high, as shown in following graph and in the Percentage of Revenue to Total General Fund Revenues table presented after the graph.



**Percentage of Revenue Stream to Total General Fund Revenues**

	FY 2025	FY 2024	FY 2023	FY 2022	FY 2021	FY 2020
Real Estate*	39%	38%	35%	34%	35%	34%
Personal Property*^	7%	7%	8%	8%	9%	6%
Meals Taxes	18%	18%	19%	19%	17%	17%
Room Taxes	7%	8%	8%	9%	5%	6%
Revenue from Commonwealth^	9%	9%	8%	6%	12%	15%
<b>Total**</b>	<b>80%</b>	<b>80%</b>	<b>78%</b>	<b>76%</b>	<b>78%</b>	<b>78%</b>

\*Includes taxes on public service corporations

\*\*For comparative purposes, total GF revenues exclude COVID-19 pandemic-related federal funding

^In addition to real estate, room, and meals taxes, the two other most significant General Fund revenue streams are personal property taxes and revenues from the Commonwealth of Virginia. Combined, these five revenue streams have comprised between 76% and 80% of the City’s total General Fund revenues over the past six years. In FY 2025 these revenue streams accounted for \$41.8 million (80%) of the total General Fund revenues of \$51.9 million.

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 62¢ per \$100 of assessed value continues to be the lowest city tax rate in Virginia. Real estate taxable assessed values (including new construction) increased by 8.8% from FY 2024 to FY 2025. Residential real estate assessments for FY 2025 increased by 7.3%, and taxable commercial real estate assessments increased by 12.1%. Over the ten-year period from FY 2016 through FY 2025, taxable real estate assessments have increased by 77.2%. The increased revenue is used primarily to bolster strategic reserves to provide a buffer for future economic uncertainty, to invest in personnel via salary increases and benefit enhancements to address sector-wide staffing and retention challenges, and to cover increasing funding requests from schools. City staff monitor the real estate assessment to sales ratio each month by closely tracking sales activity. This ratio is important in analyzing neighborhood sales trends and is vital to the City Assessor’s job of

assessing properties at market value each year. The City's average assessment-to-sales ratio of residential sales occurring between July 1, 2024 and June 30, 2025, was approximately 92:100, which means the assessed values were lower than the overall market values.

Beginning in FY 2023, the City adopted the hybrid approach for real estate billing. For the hybrid approach, a calendar year is used to assess real estate values, and a fiscal year is used to bill for real estate taxes. This approach was adopted so that residents would know the impact of their reassessment before the public hearings to set the real estate tax rate for the upcoming budget year.

Though the City has experienced overall growth in General Fund revenues over the past several fiscal years, as mentioned above, the FY 2026 budget was formed around rising costs and slowed revenue growth due to economic uncertainty, with the goal of minimizing financial impacts to residents, businesses, and employees while continuing to provide the high-quality services our constituents deserve. As a tourism economy, the City's financial stability is reliant upon at least modest growth in tourism taxes, so to provide a buffer against these external pressures, the City maintains a healthy unassigned fund balance reserve. At June 30, 2025, the Unassigned Fund Balance in the General Fund of \$26.7 million (Exhibit 3) was 51.4% of total General Fund revenues of \$51.9 million (Exhibit 5), well above the minimum reserve of 35% required by policy.

### **Economic Development Activity:**

The City continues to experience steady economic growth driven by mixed-use investment, new commercial activity, and ongoing redevelopment projects. Key initiatives and accomplishments of note are:

#### Midtown Row - Redevelopment

In 2017, Broad Street LLC purchased the 20-acre Williamsburg Shopping Center and the 5-acre Monticello Shopping Center to create a \$120 million vertical mixed-use development. Despite pandemic-related challenges, the project reached substantial completion in 2021.

- Phase I: Included an investment of more than \$8 million to renovate the Monticello Shopping Center.
- Phase II: Delivered the relocation of Marshalls to a new building fronting on Richmond Road.
- Phase III: Completed in fall 2022, adding four five-story vertical mixed-use buildings and a parking garage.

Following Fortress Investment Group's 2022 investment in Broad Street, Colliers was secured as the leasing agent for the property beginning in summer 2025. City staff continue to collaborate with Broad Street and Colliers to support tenant recruitment efforts.

#### Quarterpath at Williamsburg

Quarterpath at Williamsburg is a 350-acre mixed-use development offering retail space, Class-A office facilities, residential options, and an acute-care hospital at full buildout.

Key milestones include:

- Attain at Quarterpath: A \$22 million, 227-unit apartment community opened in 2016 and remains fully leased
- Residential Development: H.H. Hunt has constructed townhomes as part of the project, and demand continues to exceed the supply of these units.
- Riverside Doctor's Hospital Williamsburg (RDHW): The 40-bed hospital opened in 2013. In Spring 2024, RDHW completed a 67,000 square foot medical office building housing 30+ medical and surgical specialists and more than 125 support staff.
- Virginia Greens Retirement Community: In 2022, Resort Lifestyle Communities announced a \$30 million, 180,000 square foot 55+ community. The facility is now open, actively leasing, and has created more the 35 new local jobs.
- Peninsula Dermatology: Completed a new 12,500 square foot dermatology center in May 2024.
- Overlook at Tutter's Neck: A four-phase, 86-unit townhouse development announced in 2023. Phase A includes 20 units, 85% of which were completed during FY 2025.

### Additional Commercial Development

- High Street: A site plan was approved for an 8,750 square foot Eye Care of Virginia optometry office.
- Auto Dealership Redevelopment: The former GMC dealership at 217 Second Street is being converted to a Kia dealership through a \$4.2M investment, including interior renovations and a 2,200 square foot addition.
- Downtown Redevelopment: Recent retail openings include Colorful Stitches Fine Yarn and Pepper Palace, following completion of interior renovations. William & Mary has invested \$30 million to convert the former Brown Hall dormitory into a 31,000 square foot office building to house university faculty and staff.
- New Business Openings in FY 2025: The City welcomed a range of new businesses, including the Rochambeau Roadside Inn (hotel), Hohl (restaurant), York Mart (convenience store), The Whale Tea (restaurant), Pure Elegance Salon and Spa (salon), Waldron Eye Care (medical), Wagster Magic Theater (entertainment), along with multiple professional services in marketing, design, counseling, and coaching.

### **Tourism Development Initiatives and Investments:**

Tourism remains a cornerstone of Williamsburg's economy, supported by targeted regional marketing efforts and strategic local reinvestment.

### Historic Triangle Sales Tax (SB 942)

In FY 2018, the Virginia General Assembly approved Senate Bill 942, instituting a one-percent sales tax in the Historic Triangle (City of Williamsburg, James City County, and York County). Revenue is divided evenly between the Historic Triangle Marketing Fund – dedicated exclusively to regional tourism promotion – and the locality where the tax is collected.

### Tourism Fund

Williamsburg uses its share of Historic Triangle sales tax revenue to finance the Tourism Fund, which provides financial assistance to local businesses and stimulates reinvestment in tourism products through public-private partnerships, placemaking investments, and signature events designed to contribute to the City's economic growth. Since 2019, 12 projects have received Tourism Development Funds across two grant cycles. Key ongoing projects include:

- Indoor Sports Complex: The Historic Triangle Recreational Facilities Authority (HTRFA) – comprising Williamsburg, York County, and James City County – was formed to oversee development of regional recreational facilities as part of the redevelopment of the Colonial Williamsburg Visitors Center. In September 2022, HTRFA selected a firm to design and build The Greater Williamsburg Sports & Events Center, a regional 200,000 square foot sports facility that includes 12 basketball courts convertible to 24 volleyball or 36 pickleball courts. The project broke ground in fall 2024 and is expected to be complete by July 2026. This facility is projected to generate significant, positive economic impacts on the City and the broader region.
- Wayfinding Signage: Following a competitive procurement process, a nationally recognized firm was selected to create and design a Wayfinding Master Plan
  - Design and Master Plan – Completed through funding awarded in FY 2020 following extensive public input on design.
  - Phases 2 & 3 – Funded in FY 2024 and includes new parking signage and digital kiosks; completion is expected in FY 2026.
  - Phase 4 – Will be implemented in partnership with the Williamsburg Public Art Council and features the installation of large-scale lantern art pieces at key gateway entrances to the City.
- Colonial Williamsburg Lafayette Arrival Center: Colonial Williamsburg received an award from the Tourism Development Fund to construct the new Lafayette Arrival Center as part of an 8-acre redevelopment adjacent to the Historic Area. The project includes a 4,300 square foot welcome center housing restroom facilities and a ticketing center. 442 parking spaces will be created, significantly improving visitor access and reducing downtown congestion.

## Major Initiatives

To advance the City's vision of "One Williamsburg – courageously leading, innovating a modern city, prioritizing safety and wellness, and engaging with our partners while connecting with the world," the City Council identifies new strategic initiatives for city government through its biennial Goals, Initiatives, and Outcomes (GIOs). These GIOs are an expression of priorities, as specific and measurable as possible, and are intended to be a concrete, coordinated expression of the City Council's direction and focus. Some of the key initiatives from the 2025-2026 GIOs are highlighted below.

- **African American Heritage Trail (AAHT)** – The City convened members of the descendant community to form an Advisory Committee to work with the public to create the content of an African American Trail. The goal is to develop an uplifting narrative that shares the under-told, under-heard, and overlooked stories of people, places, and events that are important to the African American community in and around the City. The physical location of the trail has been identified, the physical trail structure has been engineered, and \$327,000 of federal funds has been awarded to construct the first phase of the trail. The Committee selected JMI and Share More Stories to continue community engagement work and to develop the narrative of the trail. On December 12, 2024, the City Council unanimously voted to approve the narrative for the AAHT. Work on converting a decommissioned pump station into a public restroom facility and transforming the site into a trailhead for the AAHT began in FY 2025. A request for proposals (RFP) for the design and implementation of a mobile app for the AAHT was issued during FY 2025.
- **Affordable Housing** – Affordable housing continues to be a priority of the Williamsburg City Council. The 2025-2026 GIOs include:
  - Evaluating the establishment of a first-time homebuyers program, including closing cost assistance, grants, and tax credits. A review of existing programs within the Hampton Roads regions was underway in FY 2025.
  - Investigating the expansion of the City's workforce housing program to include the development of low-density, low-impact housing on the City's surplus properties.
  - Assessing neighborhood support for a Highland Park Community Development Block Grant (CDBG) Housing Rehabilitation Program as a tool to slow gentrification and enable generational home improvement. As of the date of this letter, the City had applied for and received notification of award of a CDBG planning grant.
- **250<sup>th</sup> Commemoration** – 2026 marks the 250<sup>th</sup> anniversary of the American Revolution. The City of Williamsburg has the opportunity to serve as the center of national and international attention during the commemoration of the City's crucial role in the founding of this nation. The City will facilitate the work of the Williamsburg 250<sup>th</sup> Committee, with particular focus place on completing the identified 250<sup>th</sup> legacy projects and measuring tourism impacts of commemoration-related travel. As of the date of this letter, development and deployment of a Metrics Report designed to measure tourism impacts was underway.
- **Modernize Police Station** – Construction on the new 43,400-square-foot Police Station began in April 2024 and is nearing completion as of the date of this letter.

Progress on all the GIOs can be followed by visiting [williamsburgva.gov/gio](http://williamsburgva.gov/gio).

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

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

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

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

## **Awards**

### Distinguished Budget Presentation Award

The Government Finance Officers Association of the United States and Canada (GFOA) has awarded the City with the Distinguished Budget Presentation Award for its annual budget document for the fiscal year beginning July 1, 2024 (FY 2025). This is the 32<sup>nd</sup> consecutive year that the City has achieved this honor. To qualify for the Distinguished Budget Presentation Award, the City's budget document must meet program criteria as a policy document, a financial plan, an operations guide, and a communications device.

The City's budget document for the fiscal year beginning July 1, 2025, was submitted to the GFOA for consideration for another Distinguished Budget Presentation Award.

### Certificate of Achievement for Excellence in Financial Reporting

The GFOA has also awarded a Certificate of Achievement for Excellence in Financial Reporting to the City for its Annual Comprehensive Financial Report (ACFR) for the fiscal year ended June 30, 2024. To be awarded a Certificate of Achievement, a governmental unit must publish an easily readable and efficiently organized annual comprehensive financial report with contents conforming to program standards. This report must satisfy both generally accepted accounting principles and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. We believe that our current report continues to conform to the Certificate of Achievement Program requirements and look forward to submitting it to the GFOA to determine its eligibility for another certificate.

Both prestigious awards programs foster continuous improvement of the City's budget documents and annual comprehensive financial reports by encouraging the City to implement the recommendations from the GFOA's staff and government finance professionals nationwide who serve as reviewers.

## Acknowledgments

The preparation of this report could not have been accomplished without the commitment and dedication of the City's Department of Finance staff and the City's independent auditors from the accounting firm Robinson, Farmer, Cox Associates. We also wish to express our gratitude to all City staff who assisted with and contributed to the preparation of this report. Finally, we wish to thank the Mayor and City Council members 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 Trivette*

Andrew O. Trivette, AICP, ICMA-CM  
City Manager

*Barbara Dameron*

Barbara A. Dameron, CPA  
Director of Finance



Government Finance Officers Association

Certificate of  
Achievement  
for Excellence  
in Financial  
Reporting

Presented to

**City of Williamsburg  
Virginia**

For its Annual Comprehensive  
Financial Report  
For the Fiscal Year Ended

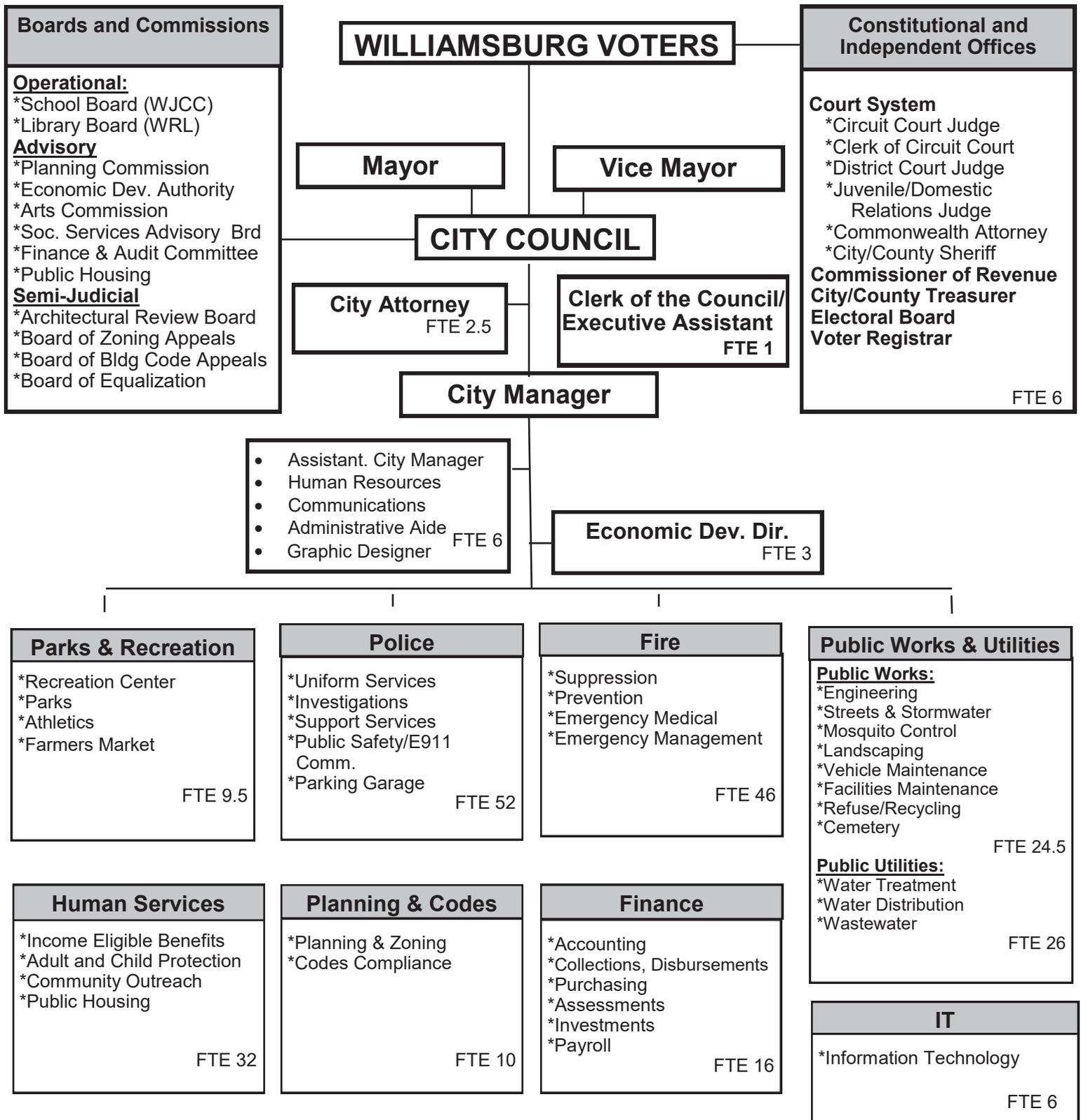
June 30, 2024

*Christopher P. Morill*

Executive Director/CEO

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# CITY OF WILLIAMSBURG ORGANIZATIONAL CHART



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# CITY OF WILLIAMSBURG, VIRGINIA

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## Members of the City Council as of July 1, 2025

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

Stacy Kern-Scheerer  
Ayanna T. Williams

Barbara L. Ramsey  
Sandi Filicko, Clerk of Council

## City Officials

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

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*FINANCIAL SECTION*

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**Independent Auditors' Report**

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

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

***Opinions***

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the discretely presented component units, each major fund, and the aggregate remaining fund information of the City of Williamsburg, Virginia, as of and for the year ended June 30, 2025, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the governmental activities, the business type activities, the discretely presented component units, each major fund, and the aggregate remaining fund information of the City of Williamsburg, Virginia, as of and for the year ended June 30, 2025, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

***Basis for Opinions***

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

***Changes in Accounting Principles***

As described in Note 19 to the financial statements, in 2025, the City adopted new accounting guidance, GASB Statement No. 101, *Compensated Absences*. Our opinions are not modified with respect to this matter.

***Restatement of Beginning Balances***

As described in Note 20 to the financial statements, in 2025, the City restated beginning balances to reflect the requirements of GASB Statement No. 101 as well as to adjust custodial funds for capital assets and long-term obligations. Our opinions are not modified with respect to this matter.

### ***Emphasis of Matter - Consistency***

Classifications of capital assets for Governmental Activities and Business-Type Activities in the fiscal year 2024 financial statements included errors that required adjustments. These adjustments can be seen in Note 6 of the fiscal year 2025 financial statements. Our opinion is not modified with respect to this matter.

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

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

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

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

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

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

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

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

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

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

### ***Supplementary Information***

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

### ***Other Information***

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

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

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

In accordance with *Government Auditing Standards*, we have also issued our report dated December 1, 2025, 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  
December 1, 2025

The Management's Discussion and Analysis (MD&A) provides readers of the City's financial statements with a narrative overview and analysis of the City's financial activities for the fiscal year ended June 30, 2025. Readers are encouraged to consider the information presented in conjunction with additional information furnished in our letter of transmittal, the financial statements, and the notes to the financial statements (which immediately follow this discussion).

## **FINANCIAL HIGHLIGHTS**

### **Government-wide:**

- The City's assets and deferred outflows exceeded its liabilities and deferred inflows (net position) at the close of the Fiscal Year 2025 by \$152.4 million. The unrestricted portion of the net position is \$50.9 million for governmental activities and \$3.9 million for business-type activities, for a total of \$54.8 million. In the current year, the unrestricted net position increased by \$718 thousand in governmental activities and decreased by \$1.3 million in business-type activities.
- The City's total net position decreased by \$786 thousand from the prior fiscal year, with governmental activities increasing by \$422 thousand and business-type activities decreasing by \$1.2 million.

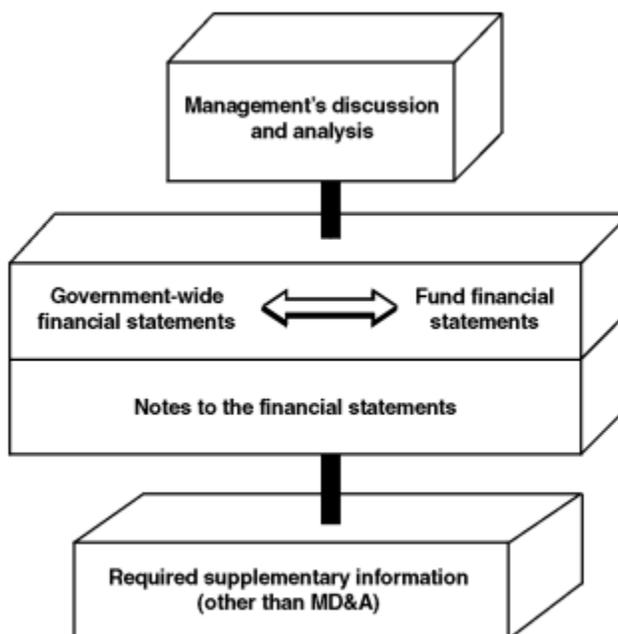
### **Fund Level:**

- Total General Fund revenues were \$52 million for FY 2025, an increase of \$3.3 million compared with FY 2024. General property tax receipts were \$23.9 million, an increase of 8.3% compared with last year. Other local taxes increased \$281 thousand, or 1.6% compared to last year; miscellaneous revenues increased \$453 thousand, or 177.4%; recovered costs increased \$322 thousand, or 23.3%.
- Total General Fund expenditures increased by \$3.8 million or 9.6% compared with FY 2024. The largest increases were in Public Safety (\$1.2 million) and Education (\$1.2 million), followed by General Administration (\$551 thousand), Public Works (\$451 thousand), and Parks, Recreation, and Cultural (\$445 thousand).
- Capital Improvement Fund revenues increased \$783 thousand compared to last year, with most of the increase due to interest earnings (\$353 thousand) and miscellaneous income (\$483K).
- Spending on capital projects increased by \$1.9 million, or 10.9%, compared with last year.
- The City's bonded debt decreased by \$1.5 million due to scheduled debt principal payments.
- The City's governmental funds reported combined fund balances of \$87.6 million, a decrease of \$10 million from the prior year. The majority of this decrease is attributed to the Capital Improvement Fund, as budgeted funding from prior years is drawn from the fund balance in the year the funds are expended.
- Fund balances are further categorized as Nonspendable (\$3.9 million land held for inventory and a very small portion for prepaid expenditures), Restricted (\$24.6 million for general obligation bonds issued for public safety facilities, and \$878 thousand for the Public Assistance Fund and \$3 thousand for the Law Enforcement Block Grant Fund), Assigned (\$21.3 million of carryover and future capital projects and \$2.9 million for investment in tourism projects), Committed (obligated expenditures) are \$47.9 thousand in the Tourism Fund and \$7 million in the Capital Projects Fund), and Unassigned (\$26.7 million). The unassigned fund balance is 51.4% of the General Fund operating revenues.
- Business-type activities (Utility Fund) reported a net position on June 30, 2025, of \$25 million. Capital assets (net of depreciation and related debt) account for 84.3% of this amount, with the remaining net position of \$3.9 million available without restriction. The Utility Fund reports cash and investments at year-end of \$5.3 million, with total current liabilities of \$2.2 million, including the current portion (due within one year) of compensated absences and bonds payable.

## **OVERVIEW OF THE FINANCIAL STATEMENTS**

This discussion and analysis 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 that of a private-sector business. Both government-wide financial statements distinguish the City's functions that are principally supported by taxes and intergovernmental revenues (governmental activities) from those intended to recover, in whole or in part, their costs through user fees (*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 City of Williamsburg's sole business-type activity is its water utility.

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

The Statement of Net Position presents information on all the City's assets, deferred outflows of resources, liabilities, and deferred inflows of resources. The difference between assets plus deferred outflows of resources and liabilities plus deferred inflows of resources is reported as net position. This statement serves a purpose similar to that of a private-sector business's balance sheet. Over time, changes in net position may indicate whether the City's financial position is improving or deteriorating. However, this is just one indicator of the City's financial health. 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 (generated by specific programs through charges for services, grants, and contributions) from general revenue (taxes and other sources not tied to a particular program), it shows the extent to which each program relies on taxes for funding. All changes in net position are reported on the accrual basis of accounting, consistent with the method used by most private-

sector companies. The accrual basis of accounting requires that revenues be reported when they are earned and expenses when the goods and services are received, regardless of the timing of cash flow. Items such as uncollected taxes, unpaid vendor invoices for items received before June 30, 2024, 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, 2024.

### **Fund Financial Statements**

A *fund* is a grouping of related accounts used to maintain control over resources segregated for specific activities or objectives. The City of Williamsburg, like other state and local governments, uses fund accounting to ensure compliance with financial legal requirements. Each of the City of Williamsburg's funds falls into three categories: governmental, proprietary, and fiduciary. 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, in which all or part of the costs are supported by fees paid directly by those who benefit from the activities. Fiduciary Funds are used to account for resources that the government holds in a trustee capacity or as a custodian for individuals, private organizations, other governmental units, or other funds. Fiduciary funds cannot be used to support the government's own programs.

*Governmental Funds.* The Governmental Fund Balance Sheet and the Governmental Fund Statement of Revenues, Expenditures, and Changes in Fund Balances present separate columns of financial data for the General Fund. GASB Statement No. 34 defines a major fund as a fund whose assets, liabilities, revenues, or expenditures comprise: 1) at least 10% of the total dollar amount of the same category within either all government or all enterprise funds, as appropriate; and 2) at least 5% of the total dollar amount of all governmental and enterprise funds combined for the same category. The General Fund is always considered a major fund. The governmental fund financial statements immediately follow 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, which use accrual accounting, governmental fund financial statements focus on near-term inflows and outflows of spendable resources and on balances of spendable resources available at the end of the fiscal year. Such information is useful for evaluating a government's near-term financing requirements relative to available near-term resources.

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 activity column in the government-wide statements, facilitating 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 at the fund level. Personnel services are budgeted for 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, but in greater detail, since both use the accrual basis of accounting. The proprietary fund financial statements provide information for the Water Utility Fund, the City's only major proprietary fund. 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 their resources are not available to support the City's programs. The accounting for fiduciary funds is similar to that for proprietary funds. The City of Williamsburg has one type of fiduciary fund: Custodial Funds (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 essential information for a full understanding of the data presented in the government-wide and fund financial statements. The notes to the financial statements are 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. The required supplementary information can be found in Exhibits 12 through 23 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 24 through 29 of this report.

This report also includes a statistical section that supplements the basic financial statements by presenting detailed trend data to help users assess the City's economic condition. 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 the compliance section, including the City's Schedule of Expenditures of Federal Awards and related notes, as well as 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 as a useful indicator of a City's financial position over time. The City's net position totaled \$152.3 million on June 30, 2025. The following table reflects the condensed Government-Wide Statement of Net Position:

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

	<b>Governmental Activities</b>		<b>Business-type Activities</b>		<b>Total</b>	
	<u>2025</u>	<u>2024</u>	<u>2025</u>	<u>2024</u>	<u>2025</u>	<u>2024</u>
Current and other Assets	\$ 97,651,734	\$ 106,272,571	\$ 8,477,981	\$ 9,655,947	\$ 106,129,715	\$ 115,928,518
Capital Assets	<u>102,208,375</u>	<u>92,199,337</u>	<u>22,540,184</u>	<u>22,926,797</u>	<u>124,748,559</u>	<u>115,126,134</u>
Total Assets	\$ 199,860,109	\$ 198,471,908	\$ 31,018,165	\$ 32,582,744	\$ 230,878,274	\$ 231,054,652
Deferred Outflow of Resources	<u>\$ 5,419,181</u>	<u>\$ 3,982,970</u>	<u>\$ 624,547</u>	<u>\$ 438,569</u>	<u>\$ 6,043,728</u>	<u>\$ 4,421,539</u>
Long-term Liabilities	\$ 65,265,660	\$ 61,927,386	\$ 3,144,995	\$ 2,826,369	\$ 68,410,655	\$ 64,753,755
Other Liabilities	<u>7,833,879</u>	<u>9,382,882</u>	<u>1,479,517</u>	<u>1,867,199</u>	<u>9,313,396</u>	<u>11,250,081</u>
Total Liabilities	\$ 73,099,539	\$ 71,310,268	\$ 4,624,512	\$ 4,693,568	\$ 77,724,051	\$ 76,003,836
Deferred Inflow of Resources	<u>\$ 4,705,736</u>	<u>\$ 4,092,235</u>	<u>\$ 2,005,905</u>	<u>\$ 2,108,283</u>	<u>\$ 6,711,641</u>	<u>\$ 6,200,518</u>
Net Position:						
Net Invested in Capital Assets	\$ 76,588,915	\$ 76,885,626	\$ 21,090,447	\$ 21,017,765	\$ 97,679,362	\$ 97,903,391
Restricted for:						
Fire and Police Capital	-	-	-	-	-	-
Unrestricted	<u>50,885,100</u>	<u>50,166,749</u>	<u>3,921,848</u>	<u>5,201,697</u>	<u>54,806,948</u>	<u>55,368,446</u>
Total Net Position	<u>\$ 127,474,015</u>	<u>\$ 127,052,375</u>	<u>\$ 25,012,295</u>	<u>\$ 26,219,462</u>	<u>\$ 152,486,310</u>	<u>\$ 153,271,837</u>

The City of Williamsburg's total assets were \$231 million as of June 30, 2025. The City's investment in capital assets, less any related outstanding debt, is \$97.6 million, representing 42.3% of total assets. The City uses these capital assets to provide services to citizens; therefore, they are *not* available for future spending. Although the City's investment in capital assets is reported net of related debt, note that the resources needed to repay this debt must be provided from other sources, as the capital assets themselves cannot be used to liquidate these liabilities. Of the remaining City assets, approximately \$91.1 million is in cash, cash equivalents, and pooled investments; \$4.5 million in accounts and notes receivable; \$3.8 million in inventory; \$2.6 million due from other governmental units; and \$3.9 million in leases receivable.

On June 30, 2025, outstanding liabilities were \$78 million, with \$68 million in general obligation bonds payable, compensated absences, net pension and other post-employment (OPEB) liabilities, and lease and subscription liabilities. Of the bonds payable, \$1.6 million is due within one year, with the remainder due at various dates until 2052. Additional information on the City's long-term debt obligations is provided in Note 8 to the financial statements. Included in other liabilities above are \$5.1 million in accounts payable, \$2.3 million in accrued liabilities, \$882 thousand in accrued interest payable, \$207 thousand in customer deposits payable, \$175 thousand in unearned revenue, and \$681 thousand in retainage payable.

As of June 30, 2025, the City had positive net position balances in all categories for the government as a whole and its separate governmental and business-type activities. However, the beginning net position for Governmental Activities decreased by \$1 million, and the beginning net position for Business-type Activities decreased by \$54 thousand. These decreases resulted from the increased liability for compensated absences recognized from the implementation of the Governmental Accounting Standards Board Statement No. 101, *Compensated Absences*.

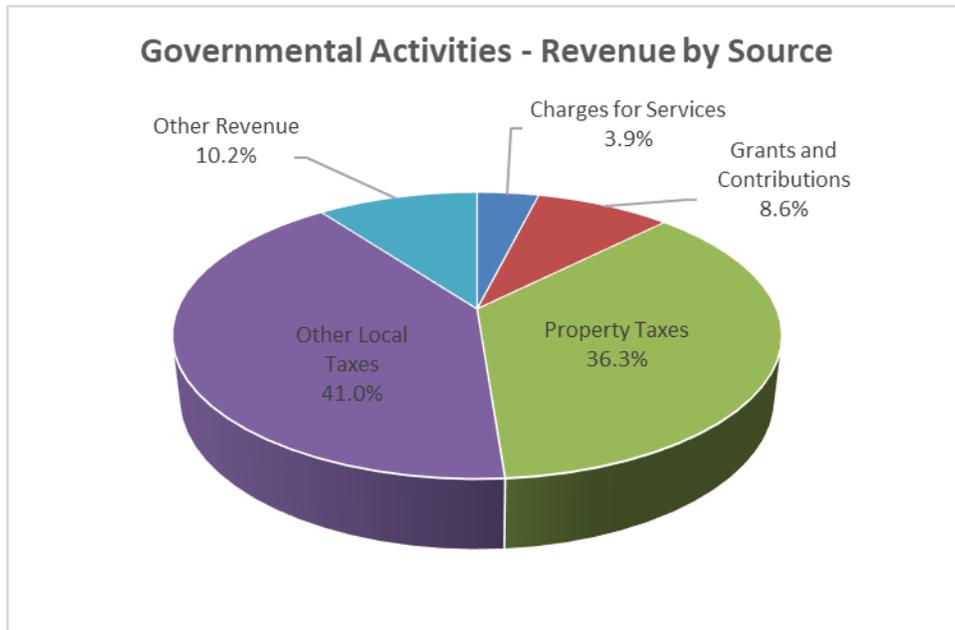
The following schedule summarizes the Statement of Activities of the primary government for the fiscal years ended June 30, 2025, and 2024:

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

	<b>Governmental Activities</b>		<b>Business-type Activities</b>		<b>Total</b>	
	<u>2025</u>	<u>2024</u>	<u>2025</u>	<u>2024</u>	<u>2025</u>	<u>2024</u>
Revenues:						
Program Revenues:						
Charges for Services	\$ 2,587,653	\$ 2,051,078	\$ 8,868,137	\$ 8,112,465	\$ 11,455,790	\$ 10,163,543
Operating Grants and Contributions	5,269,828	5,633,195	-	-	5,269,828	5,633,195
Capital Grants and Contributions	425,926	467,947	-	-	425,926	467,947
General Revenues:			-	-		
Property Taxes	24,059,362	22,203,141	-	-	24,059,362	22,203,141
Other Local Taxes	27,203,017	26,825,780	-	-	27,203,017	26,825,780
Transfers	-	1,796,000	-	(1,796,000)	-	-
Other	<u>6,753,932</u>	<u>6,325,384</u>	<u>307,403</u>	<u>624,579</u>	<u>7,061,335</u>	<u>6,949,963</u>
Total Revenues	<u>\$ 66,299,718</u>	<u>\$ 65,302,525</u>	<u>\$ 9,175,540</u>	<u>\$ 6,941,044</u>	<u>\$ 75,475,258</u>	<u>\$ 72,243,569</u>
Expenses						
General Government	\$ 8,151,045	\$ 8,293,256	\$ -	\$ -	\$ 8,151,045	\$ 8,293,256
Judicial Administration	685,642	655,411	-	-	685,642	655,411
Public Safety	16,735,330	14,126,578	-	-	16,735,330	14,126,578
Public Works	8,251,770	8,215,970	-	-	8,251,770	8,215,970
Health and Welfare	4,167,290	3,977,464	-	-	4,167,290	3,977,464
Education	11,869,441	10,764,416	-	-	11,869,441	10,764,416
Parks, Recreation, & Cultural	3,716,606	3,934,891	-	-	3,716,606	3,934,891
Community Development	9,678,727	8,851,166	-	-	9,678,727	8,851,166
Interest Expense	1,615,486	1,666,749	-	-	1,615,486	1,666,749
Water	-	-	<u>10,328,843</u>	<u>8,786,926</u>	<u>10,328,843</u>	<u>8,786,926</u>
Total Expenses	<u>\$ 64,871,337</u>	<u>\$ 60,485,901</u>	<u>\$ 10,328,843</u>	<u>\$ 8,786,926</u>	<u>\$ 75,200,180</u>	<u>\$ 69,272,827</u>
Changes in Net Position	\$ 1,428,381	\$ 4,816,624	\$ (1,153,303)	\$ (1,845,882)	\$ 275,078	\$ 2,970,742
Net Position - Beginning	\$ 127,052,375	\$ 122,235,751	\$ 26,219,462	\$ 28,065,344	\$ 153,271,837	\$ 150,301,095
Restatement	<u>(1,006,741)</u>	<u>-</u>	<u>(53,864)</u>	<u>-</u>	<u>(1,060,605)</u>	<u>-</u>
Net Position - Beginning, as restated	<u>\$ 126,045,634</u>	<u>\$ 122,235,751</u>	<u>\$ 26,165,598</u>	<u>\$ 28,065,344</u>	<u>\$ 152,211,232</u>	<u>\$ 150,301,095</u>
Net Position - Ending	<u>\$ 127,474,015</u>	<u>\$ 127,052,375</u>	<u>\$ 25,012,295</u>	<u>\$ 26,219,462</u>	<u>\$ 152,486,310</u>	<u>\$ 153,271,837</u>

**Governmental Activities – Revenues**

The City's total revenues from governmental activities were \$66.3 million in FY 2025, an increase of \$997.2 thousand from last year. Percentages of FY 2025 governmental revenues by source are as follows:

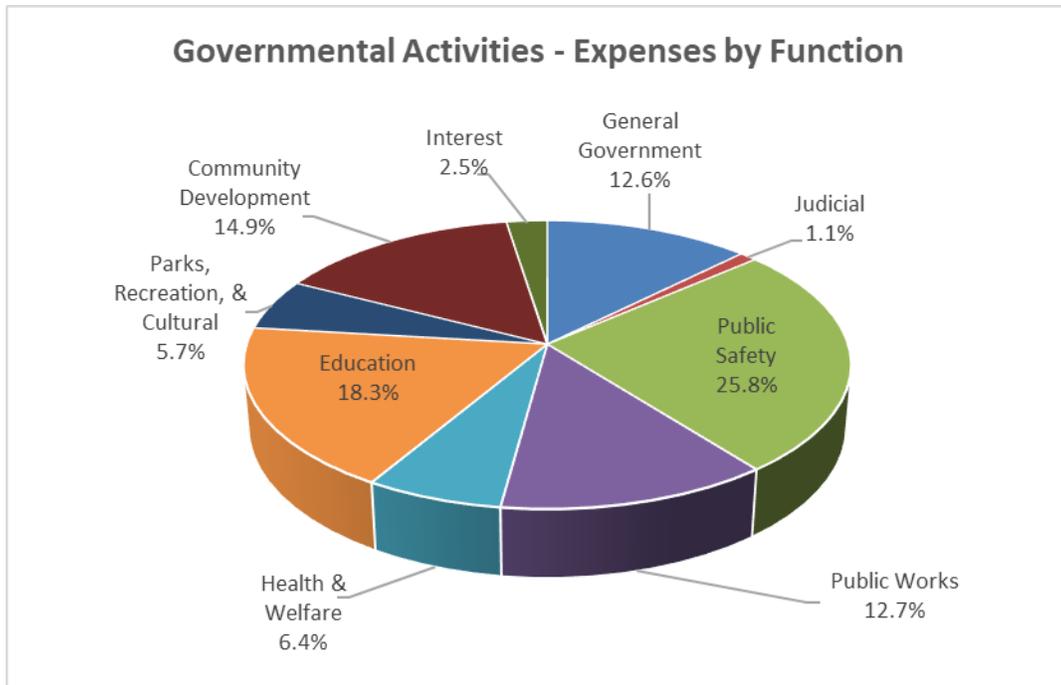


Taxes are the largest City revenue source, with property and other local taxes accounting for 77.3% of the City's governmental activities. General property tax revenues were \$ 24.1 million, an increase of 8.4%, or \$1.9 million, compared with last year. The increase was primarily due to higher real estate assessed values and, to a lesser extent, increased collection of delinquent taxes, offset by a decrease in current-year personal property tax resulting from rebates under Virginia's Personal Property Tax Relief Act. Other local taxes totaled \$27.2 million during FY 2025, an increase of 1.4% (\$377 thousand), mainly due to higher meal tax collections.

### Governmental Activities – Expenses

The City's FY 2025 total expenses for governmental activities were \$64.9 million, an increase of 7.3% (\$4.4 million) compared with FY 2024. The majority of the increase in expenses resides in three categories: Public Safety, Education, and Community Development. Public Safety increases included the cost-of-living increase and the implementation of a compensation study; increases in contractual maintenance service contracts; an increase in the York County contract for emergency dispatch services; increased costs for gas, oil, and tires; and increased utility costs for the new, larger Fire Station. The increase in education is \$1.2 million for Williamsburg's share of the Williamsburg/James City County Public Schools System operating costs. The increase in Community Development is primarily due to additional special event offerings for residents and tourists.

In the transition from fund statements to government-wide, some expenses reported in the Statement of Activities do not require the use of current financial resources; therefore, these items are not reported as expenditures in 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 is capital assets purchased or constructed, which are reported as expenditures in governmental funds; however, in government-wide financial reporting, the asset is reported in the Statement of Net Position, and its cost is recognized over its useful life as depreciation expense.



**Business-type activities** – The Utility Fund is the City's only business-type activity. The utility rate structure recovers as much as possible of the operating expenses incurred to meet service demands through user charges. The change in the fund's net position is the difference between revenues and expenses; for FY 2025, it resulted in a \$1.2 million decrease. More information on the operation of the Utility Fund is shown in the Funds section of this discussion.

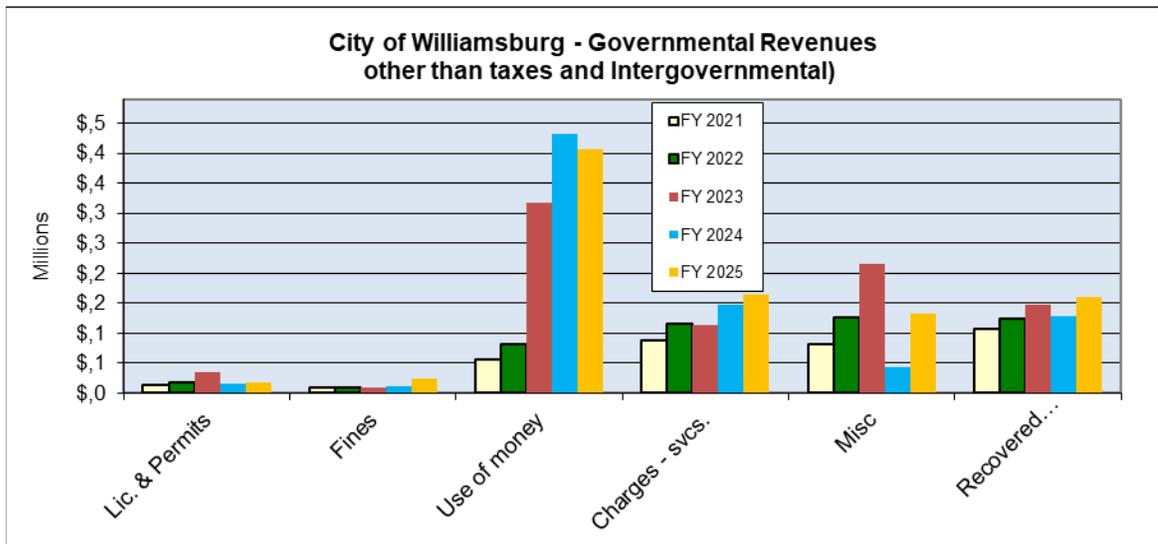
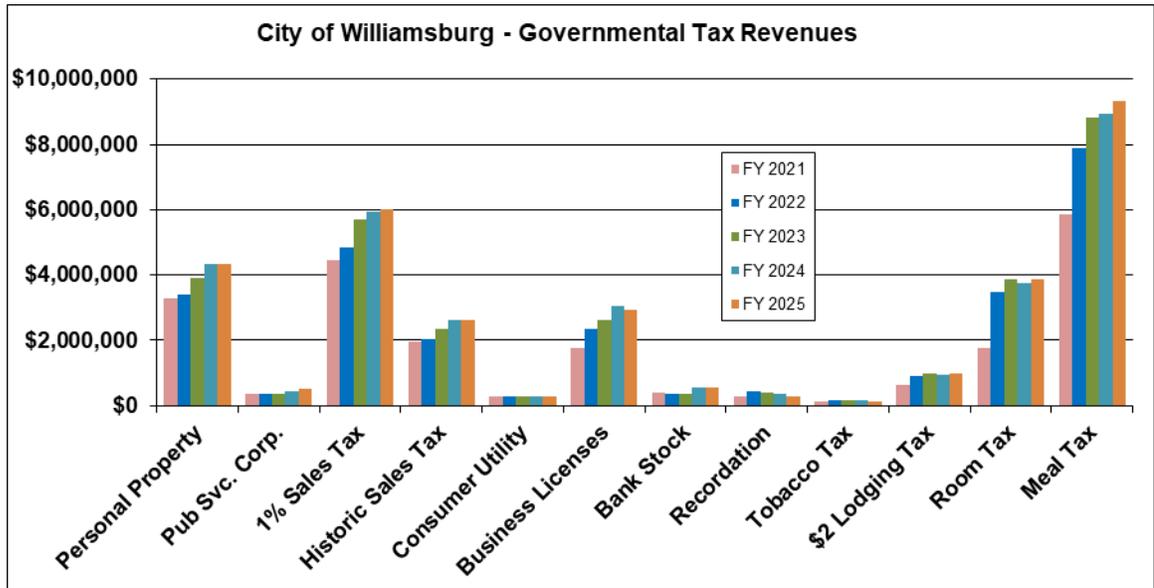
#### FINANCIAL ANALYSIS OF THE CITY'S FUNDS

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

The Governmental Funds include the General Fund, Tourism Fund, American Rescue Plan Fund, Capital Projects Fund, Public Assistance Fund, and the Law Enforcement Block Grant Fund. The general governmental functions are contained in the General Fund, the City's chief operating fund. The City's governmental funds focus on near-term inflows, outflows, and balances of spendable resources. On June 30, 2025, the General Fund's total fund balance was \$26.7 million. A small portion of the fund balance, \$41 thousand, is *Nonspendable* and consists of prepaid expenditures. The majority of the fund balance is *Unassigned*, representing 51.4% of operating revenue, in compliance with the City's unassigned fund balance policy, which requires at least 35% of operating revenues for the year.

**Revenues Classified by Source  
Governmental Funds**

	June 30, 2025		June 30, 2024		Increase/(Decrease)	
	Amount	% of Total	Amount	% of Total	Amount	% of Change
Revenue by Source:						
General Property Taxes	\$ 23,926,018	35.2%	\$ 22,082,840	34.1%	\$ 1,843,178	8.3%
Other Local Taxes	27,203,017	40.1%	26,825,780	41.5%	377,237	1.4%
Permits, privilege fees, and regulatory licenses	273,215	0.4%	261,270	0.4%	11,945	4.6%
Fines and forfeitures	343,190	0.5%	216,748	0.3%	126,442	58.3%
Use of Money and Property	4,170,720	6.1%	4,420,229	6.8%	(249,509)	-5.6%
Charges for Services	1,746,714	2.6%	1,573,060	2.4%	173,654	11.0%
Miscellaneous	1,582,632	2.3%	526,522	0.8%	1,056,110	200.6%
Recovered Costs	1,707,107	2.5%	1,384,214	2.1%	322,893	23.3%
Intergovernmental	6,939,450	10.2%	7,418,361	11.5%	(478,911)	-6.5%
<b>Total Revenues:</b>	<b>\$ 67,892,063</b>	<b>100.0%</b>	<b>\$ 64,709,024</b>	<b>100.0%</b>	<b>\$ 3,183,039</b>	<b>4.9%</b>



The following provides more detailed information on General Fund operating revenue collection and the significant revenue impacts on other Governmental Funds in FY 2025. This section and the discussion following this section on the General Fund expenditures should be read in conjunction with referencing Schedules 1, "Schedule of Revenues – Budget and Actual", and 2, "Schedule of Expenditures – Budget and Actual", in the Schedules Section.

## **General Fund Analysis and Discussion**

### **General Fund Revenues**

**General Property Taxes** – This category accounts for a significant portion of the General Fund's operating revenue. It consists of real and personal property tax receipts, as well as penalties and interest collected on delinquent property tax accounts. This revenue category exceeded the budget by \$757 thousand.

Real Estate taxes assessed for FY 25 increased 12.10% compared to FY 24 and were budgeted at a 97.6% collection rate. Real Estate tax revenue realized was \$19.6 million, a .5% increase over budget or \$294 thousand more. The positive variance is attributable to an actual collection rate of 98.6% and an increase in delinquent taxes collected.

Personal Property taxes were budgeted at \$1.762 million, excluding the Personal Property Tax Relief Act Funds of \$774 thousand that the City receives from the State to help offset a portion of the taxes owed by taxpayers. Personal Property tax revenue recognized in FY 25 was \$1.9 million, or \$140 thousand over budget. The overage was primarily due to delinquent personal property taxes that exceeded the budget by \$ 168 thousand, driven by increased collection efforts. This increase was offset by a \$30,000 underbudget in current personal property taxes.

Business Personal Property tax revenue was \$1.7 million, exceeding the budget by \$149 thousand. \$95 of the overage was related to current-year business personal property and resulted from underestimating the budget for business personal property; the remainder, \$55 thousand, was due to the collection of delinquent business property taxes.

Real and personal public service corporation taxes were \$507 thousand and exceeded the budget by \$61 thousand.

Penalties and Interest collected on delinquent property taxes totaled \$225 thousand and exceeded the budget by \$113 thousand, due to additional efforts in delinquent collections.

**Other Local Taxes** – This category includes taxes other than property taxes, including Business License taxes, Restaurant Food taxes, Hotel and Motel taxes, Bank Stock taxes, Recordation taxes, Franchise License taxes, Consumers' Utility taxes, and Tobacco taxes. In FY25, this category included a portion of the City's Sales and use tax, which is typically recognized in the Capital Improvement Fund as the City's pay-as-you-go funding. Overall, this category was under its \$18.2 million budget by \$627 thousand. However, the majority of the decrease was due to none of the budgeted sales and use tax being diverted to the General Fund. Sales and Use tax was budgeted in the General Fund to balance the budget amid concerns that economic uncertainty could negatively impact the General Fund's revenue streams; however, many General Fund revenues exceeded the budget, making the diversion of Sales and Use tax unnecessary. When adjusted for the Sales and Use variance, the results for other local revenues showed a net positive variance of \$158. Revenues contributing to the positive variance were:

- Bank Stock taxes exceeded the budget by \$211 thousand, as the banks located in the City had net capital that was higher than anticipated in the FY25 Budget.

- Restaurant Food tax exceeded its budget by \$122 thousand, and Hotel and Motel taxes were over budget by \$77 thousand, as additional special events in the City brought in more diners and overnight stays than estimated in the budget.

These positive variances were offset by \$226 thousand in negative local tax variances, in addition to the Sales and Use tax variance, and included:

- Business License taxes, as the Contractor Licenses, were under budget by \$112 thousand. This budget is difficult to forecast because the timing of planned construction projects is uncertain.
- Recordation taxes were under budget by \$83 thousand, as fewer deeds were recorded than anticipated.
- The remaining \$57 thousand in negative variances is composed of small negative variances in the remaining taxes in this category.

**Licenses and Permits** – this category exceeded the budget by \$101 thousand due to more electrical, plumbing, and mechanical permits being issued than budgeted.

**Fines** – Court Fines realized of \$231 thousand exceeded the budget by \$91 thousand, and Parking fines of \$112 thousand exceeded the budget by \$32 thousand. Both revenues can vary from year to year based on the court's docket and the number of parking violations cited.

**Revenue from Use of Money and Property** – The City receives rent from various facilities, including workforce housing, rental of commercial properties, Community Building rentals, room rentals at the Styker Building, parking garage and lot fees, and the Transportation Center. Total revenue from these rentals was \$799 thousand, in line with the budget. However, this category had a positive variance of \$59 thousand, driven by interest and lease revenue not included in the FY25 Budget.

**Charges for Service** – This category generated \$1.7 million in revenue, exceeding the budget by \$203 thousand. Emergency Medical Services revenue was \$1 million, exceeding the budget by \$126 thousand. Call volume for medical services and the collection rate exceeded the budget estimate.

Charges for parks and recreation generated \$727 thousand in revenue, exceeding the budget by \$71 thousand. Athletic programs experienced increased participation and exceeded the budget by \$22 thousand. Tokens sold by the Farmers' Market exceeded budget expectations by \$29 thousand. Parks and Recreation classes were over budget by \$50 thousand. These positive variances were offset by negative variances totaling \$30 thousand, including Waller Mill Park rentals and entrance fees, as well as fewer grave openings and cemetery plot sales.

**Miscellaneous Revenue** – This category comprises revenue streams that do not fit into any other classification, the largest of which is typically Payment in Lieu of Taxes (PILOT). Other fees normally included are Fiscal Agent Fees, Credit Card Fees, Homeowners Association Maintenance Fees, Debt Set-off Fees, private gifts, and insurance recoveries. Also included in the FY 25 Budget, by amendment, was \$96 thousand from the Historic Triangle Recreational Facilities Authority (HTRFA) to reimburse the City for a Part-time employee. The total revised budget for this category was \$403 thousand, with \$708 thousand realized, resulting in a \$305 thousand positive variance. The largest contributor to the positive variance was the PILOT payment of \$182 thousand, due and budgeted in FY24 but received too late to be recorded in FY24. Other budgeted PILOT revenues for FY25 exceeded the budgeted amounts by a total of \$69K, resulting in PILOT revenue exceeding the budget by \$151 thousand. Another notable variance in this category was the \$154 thousand contribution from the Farmers' Market, which was not budgeted.

**Recovered Costs** – This category includes Enterprise Fund reimbursements for General Fund-funded services used, reimbursements from outside organizations for the use of police and fire services, and James City County's reimbursement for Arts Commission funding. The Enterprise Fund's and James City

County's reimbursements matched the budgeted amounts of \$1.4 million and \$84,000, respectively. However, reimbursement for police and fire services totaled \$223 thousand, exceeding the budget by \$103 thousand due to increased demand.

**Intergovernmental Revenues** – Consists of revenues from the Commonwealth of Virginia or the Federal Government. Revenues from the Commonwealth totaled \$4.7 million, \$185 thousand below budget. \$176K of the negative variance resulted from a Virginia Department of Social Services grant budgeted in the General Fund as a pass-through to the City's Public Assistance Fund (PAF); however, upon receipt, the grant was recorded directly in the PAF. A \$65 thousand reimbursement was received for a School Resource Officer not included in the budget, resulting in a positive variance. Personal property tax relief funds were under budget by \$72 thousand because a portion of this revenue has been deferred for distribution to taxpayers in the next budget cycle. The remaining negative variance of \$2 thousand is the netting of smaller positive and negative variances in this category.

Federal grants totaling \$144 thousand were received: a Safer Grant for Firefighters of \$102 thousand, \$33 thousand above budget, and various Police and Fire grants totaling \$41 thousand, which were \$14 thousand under budget.

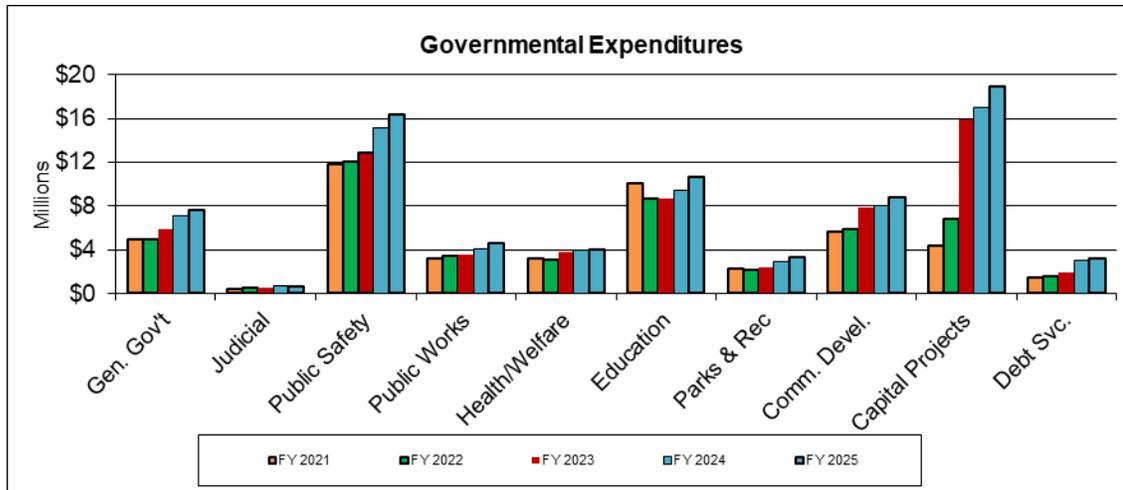
In summary, the General Fund Revenues exceed the Revised Budget by \$858 thousand and the Original Budget by \$916 thousand.

**Governmental Funds Expenditure – Analysis**

The following table shows governmental expenditures by function compared with the previous year.

	Expenditures by Function Governmental Funds					
	June 30, 2025		June 30, 2024		Increase/(Decrease)	
	Amount	% of Total	Amount	% of Total	Amount	% of Change
Expenditures by Function:						
General government administration	\$ 7,666,523	9.8%	\$ 7,155,647	10.0%	\$ 510,876	7.1%
Judicial administration	639,378	0.8%	655,411	0.9%	(16,033)	-2.4%
Public safety	16,334,538	20.9%	15,111,098	21.2%	1,223,440	8.1%
Public works	4,574,156	5.9%	4,123,585	5.8%	450,571	10.9%
Health and welfare	4,062,070	5.2%	3,906,778	5.5%	155,292	4.0%
Education	10,609,292	13.6%	9,398,953	13.2%	1,210,339	12.9%
Parks, recreation, and cultural	3,352,417	4.3%	2,907,844	4.1%	444,573	15.3%
Community development	8,760,476	11.2%	8,078,596	11.3%	681,880	8.4%
Capital projects	18,887,010	24.2%	17,035,831	23.9%	1,851,179	10.9%
Principal retirement	1,436,641	1.8%	1,376,949	1.9%	59,692	4.3%
Interest and other fiscal charges	1,758,934	2.3%	1,656,049	2.3%	102,885	6.2%
Total Expenditures:	\$ 78,081,435	100.0%	\$ 71,406,741	100.0%	\$ 6,674,694	9.3%

The following chart compares Governmental Fund expenditures over five years.



### General Fund Expenditures

The following discussion focuses on the General Fund expenditures, budget amendments, and transfers between departments to cover unanticipated expenditures, as the City Code allows the City Manager to transfer budget within a fund.

The General Fund had budget amendments totaling \$680,821 during FY25. The transfer to the Public Assistance Fund's budget increases by \$175,850 to accommodate a Virginia Department of Social Services grant for employment training and Fatherhood support. The Planning Department's budget increased \$9,815 due to a federal grant for public education from the US Department of the Interior. The City Manager's Office and the Finance Department's budgets each increased \$192,601 to hire a Special Projects Administrator in the City Manager's Office and an Audit Director in the Finance Department. A portion of the Special Projects Administrator's salary (\$96,300) was offset by a reimbursement from the Historic Triangle Recreational Authority (HTRFA) for Executive Director duties held by the position. The Fire Department's budget was amended by \$69,577 to reflect FEMA reimbursement for assistance provided to Virginia Beach during an adverse weather event. The Fire Department's budget was also amended by \$1,198 to accept a donation from the Volunteer Firefighters for cameras used in fire prevention. Other grants that amended the budget included: \$16,230 in the Electoral Budget for voting equipment and supplies; \$7,192 in the Regional Jail's budget for a pass-through SCAAP grant (reimburses for correctional officers' salary and training for incarcerating undocumented immigrants); \$6,033 amendment to Landscaping's budget for a litter grant; \$6,000 amendment to the Police budget for travel reimbursement, and \$3,724 amended to the Park's and Recreation budget for donation for a bench at Waller Mill Park.

Transfers, which will be discussed further in the following paragraphs, include \$623 thousand budgeted pay contingency for cost-of-living and merit increases, and \$471 thousand in contingency funds. Both are budgeted as non-departmental to ease adjustments to the amount during the budget process. After the budget is adopted, the pay contingency is allocated to the proper departments, and the general contingency is allocated as needed. Insurance costs are handled similarly. If the contingencies are not fully required during the year, the funds are added to the fund balance at year-end.

**General Government Administration** includes the following departments: City Council, Clerk of Council, City Manager, City Attorney, Human Resources, Commissioner of Revenue, Assessor, Treasurer, Finance, Information Technology, Automotive Pool, Electoral Board, Registrar, and other general and financial administration. These activities had an original budget of \$7.9 million, received budget amendments totaling \$401 thousand for the respective departments mentioned earlier in this section, and finished the year with a revised budget of \$7.1 thousand.

City Manager's budget – in addition to the \$193 thousand budget amendment discussed earlier, this budget had a transfer in of \$142 thousand, of which \$53 thousand was allocated pay contingency, \$32 thousand was to cover increased costs of the City's share of health insurance, and \$57 thousand was to help cover the cost of legal services.

The issue of increased costs in the City's share of health insurance will be a recurring theme throughout this discussion. During the budget process, we update employee data multiple times and use the most recent information on fringe benefit selection and costs. Health insurance options include employee-only (lowest cost), dual (higher cost), and family (highest cost). If a position is vacant, we typically estimate based on dual rates. However, if during open enrollment of a qualifying life event, an employee changes their option, the cost could differ significantly, either a large decrease or a large increase, based on the option change.

The City Attorney's budget was increased by \$170 thousand through budget transfers. \$26 thousand was allocated pay contingency, \$22 thousand to the increased cost of health insurance based on the selected option, and \$122 thousand to legal services.

The Assessor's budget increased by \$35 thousand, of which \$15 thousand was the pay contingency allocation and \$20 thousand was for the increased cost of health insurance due to the selected option.

In addition to the \$193 thousand budget amendment, the Finance Department's budget increased by another \$120 thousand through transfers. The pay contingency allocation was \$44,000. The remaining transfers covered: \$21 thousand for lease and subscription-based information technology arrangements tracking and accounting; \$22 thousand for a temporary employee; and \$33 thousand for increases in advertising, printing, postage, and indigent burials.

Information Technology's budget increased by \$37 thousand from the pay contingency allocation.

The Automotive Motor Pool's budget increased by \$63 thousand. \$25 thousand was for pay contingency, and \$38 thousand was for increases in health insurance, repairs, tires, and gas.

The \$16 thousand budget amendment for the Electoral Board increased their balance to \$70 thousand; however, they finished the year with expenditures totaling \$56 thousand, and the remaining \$14 thousand was transferred for use as needed.

The Registrar's budget was increased by \$23 from the pay contingency allocation, and to cover an increase in health insurance due to the selected option.

The original budget for general and financial administration was \$1,160,008, and the revised budget and expenditures were \$99 thousand. \$1,060,716 of the budget was transferred out due to insurance costs being allocated to the departments. The remaining expenditures were for credit card charges and public engagement survey costs.

**Judicial administration** covers costs shared with James City County; the most significant costs are for court services. Courthouse service expenditures were \$639 thousand and \$61 thousand under the original budget. Remaining funds were transferred to cover expenditures elsewhere in the General Fund.

**Public Safety** had an original budget of \$15 million, budget amendments totaling \$77 thousand, and transfers to increase the budget of \$868 thousand, of which \$301 thousand was allocated pay contingency, and the remaining \$567 thousand was transferred from available budget elsewhere in the General Fund. These adjustments resulted in a total revised budget of \$16 million. Public Safety consists of the following departments, activities, and regional partners: Police, Prince George Parking Garage, Line of Duty Act, E-911, Fire, Juvenile Detention Commission, Regional Jail, Group Home Commission, Code Inspections, and Animal Control.

The Police Department received \$151 thousand in allocated pay contingency and \$128 thousand in transferred funds, which cover additional overtime and gasoline costs. The Police Department also received a \$6 thousand budget amendment from a travel grant.

Prince George Parking Garage was under budget by \$46 thousand, due to vacant positions.

The Line of Duty Act (benefits for Public Safety employees injured in the line of duty) received an \$11 thousand transfer to cover increased benefits costs.

The Fire Department's budget increased \$648 thousand, of which \$71 thousand was from a budget amendment, \$150 thousand was allocated pay contingency, \$300 thousand was for compensation study adjustments and overtime, \$41 thousand was due to an increase in the City's share of health insurance due to options selected, \$38 thousand was for vehicle maintenance and repairs, and \$48 thousand was higher electricity cost than anticipate in the new Fire Station.

The Regional Jail's budget increased by \$7.2 thousand for the SCAAP Grant Budget Amendment and by \$721 to cover an adjustment made by the Regional Jail, too late to be added before the City's budget adoption.

The Group Home Commission's budget increased by \$26 thousand to correct an error identified after budget adoption.

The Code Inspections department's budget was \$8 thousand under budget, primarily due to lower-than-estimated enforcement action costs. The remaining funds were transferred for unexpected expenditures for other activities in the General Fund.

The Animal Control services are contracted and provided by James City County (JCC). This budget increased by \$21 thousand as a result of an update to the City's contract with JCC.

**The Public Works** budget increased by \$306. \$6 thousand of the increase was a budget amendment for a litter grant, \$55 thousand was allocated pay contingency, and \$245 thousand was through budget transfers. Public works consist of the following Departments: Streets, Engineering, Stormwater, Refuse Collection, Buildings and Grounds Maintenance, and Landscaping.

**Engineering's** budget increased by \$65 thousand, of which \$10 thousand was allocated pay contingency, \$51 thousand to fund salary and benefits for a retired engineer to serve as a consultant to assist in the transition of the new City Engineer, and \$4 thousand for increased health insurance costs due to a change in the plan selected by the employee.

The budget for **Streets** increased by \$47 thousand. \$17 thousand was allocated pay contingency, and \$30 thousand for increased costs for machinery and equipment, rented equipment, operating supplies, and car and truck supplies.

**Stormwater's** budget increased by \$33 thousand, of which \$7 thousand was allocated pay contingency, \$11 thousand to compensation adjustments, \$3 thousand to fund additional overtime, and \$12 thousand to increased health insurance costs due to a change in the employee-selected option.

**The Emergency Services and Supplies** budget increased by \$12 thousand and was a new activity to track the costs associated with activating the Emergency Operations Center.

**The Refuse Collection** budget increased by \$9 thousand to cover higher garbage collection costs.

**The Buildings and Grounds** budget increased \$128 thousand. \$6 thousand was allocated pay contingency; \$9 thousand was for compensation adjustments; \$16 thousand was for additional building maintenance, laundry service, and truck supplies; \$77 thousand was for additional costs related to service contracts, \$14 thousand was for increases in utility costs; and \$6 thousand was for insurance costs.

**The Landscaping** budget increased by \$11 thousand, of which \$15 thousand was the pay contingency allocation and \$6 thousand was a budget amendment for a litter grant. \$10 of the Landscaping budget was transferred to cover expenditures in other departments of the General Fund.

**Health and Welfare** contributions to partner agencies, which include the Health Department, Olde Town Medical, and Colonial Behavioral Health. This category also includes the Human Services Department's transportation programs for the elderly.

This category of services was under budget by \$55 thousand. \$26 thousand was due to the Health Department's contract for FY25 being overestimated, and \$29 thousand was the Health Department's year-end refund. The available funds were transferred to cover other General Fund costs.

**Education** expenditures in the General Fund are contributions to the Williamsburg-James City County Public School System. Operating costs for the joint system are shared between the City and the County under a contract between the two localities. The City's budgeted contribution for FY25 was \$11.3 million. State code requires that any remaining surplus in the School's operating fund at year-end be returned to the locality that provides funding. The City's share of the School's surplus in FY25 was \$657 thousand.

**Parks, Recreation, and Cultural** includes Parks and recreation programs, Cemeteries, the Farmers' Market, and the City's contribution to the regional library. The budget for these activities increased by \$95 thousand. \$35 thousand was the allocation of pay contingency, \$6 thousand to cover additional salary and benefit costs, \$13 thousand to cover additional part-time costs, and \$37 thousand to cover adjustments to health insurance costs. A grant of \$4 thousand was received to purchase a bench for Waller Mill Park.

**Community Development** budgets include Planning, Community Development, Triangle Building management, Economic Development, and the contribution to the Economic Development Authority. The original budget for these activities was \$2.3 million, which was decreased by \$54 thousand, resulting in a revised budget of \$2.2 million.

The Planning Department's budget was increased by a \$17 thousand pay contingency allocation, a \$10 thousand budget amendment for a public education grant, and a \$89 thousand transfer for salary adjustments and related fringe benefits, resulting in a total increase of \$116 thousand.

Community Development is the City's contribution to cultural and human services organizations. Grant requests are either submitted through an application or via formula-based agreements. Various committees and staff review the applications and make recommendations to the City Council for approval or denial of the requests. In FY25, \$995 thousand in grants were awarded; however, this activity was under budget by \$18 thousand.

The Triangle Building is a commercial property that leases space to businesses. Triangle Building Management is responsible for property management and maintenance for this activity. The budget was increased during FY25 through a \$14 thousand transfer to cover increases of \$3 thousand for trash removal, \$1 thousand for utilities, and \$10 thousand for rental commissions.

Economic Development's budget was increased by \$9 thousand by the pay contingency allocation, bringing it to \$24 thousand under the original.

The Economic Development Authority's budgeted contribution was \$143 thousand under budget due to businesses that did not qualify for tax incentives under performance agreements in FY25.

\$144 thousand in debt service was recognized in the General Fund for leases and subscription-based information technology arrangements and was not budgeted.

In summary, the General Fund's original budget was \$45.7 million, and the revised budget was slightly lower at \$46.6 million. Actual expenditures were \$46.1 million, and \$528 thousand under the revised budget and \$403 thousand over the original budget.

## Fund Balance

The preceding discussions focused on the General Fund's operating revenues and expenditures, and on budget amendments and variances between the adopted and revised budgets, resulting in operating revenues over the adopted budget by \$916 thousand and operating expenditures over the adopted budget by \$403 thousand. The positive operating revenue variance and negative operating expenditures variance increased fund balance by \$513 thousand.

There were also variances in other financing sources and uses. The issuance of subscription liabilities was not budgeted, resulting in a positive revenue variance. The transfer to the Public Assistant Fund (PAF) had three changes to the adopted budget. As mentioned earlier, the PAF received a \$175,850 grant for employment and fatherhood assistance. In addition, the budget was reduced by \$285,500 to reflect a Williamsburg Health Foundation Grant received directly into the PAF rather than passing through the General Fund. The budget for the local general relief contribution was reduced by \$353,993 because the PAF did not expend the funds, and therefore, no reimbursement was necessary. These three adjustments to the adopted budget resulted in a positive variance of \$463,643 in the transfer out to the PAF.

The General Fund also budgeted a transfer out of \$1,230,804 to the Capital Improvement Projects (CIP) Fund, to be added as a Budget Stabilization Reserve for the CIP Fund. This transfer was reduced by \$14,638, resulting in a positive transfer-out variance of \$478,281.

The increase to the General Fund balance is calculated as follows(in thousands):

Operating revenues over the Adopted Budget	\$916
Operating expenditures over the Adopted Budget	<u>(403)</u>
Operating increase to Fund Balance	\$513
Other financing sources not budgeted	155
Transfers out under the Adopted Budget	<u>478</u>
Total Increase to Fund Balance	<u>\$1,146</u>

**Capital Projects** - \$19 million was expended on capital projects in FY 2025. Capital project funding and expenditures vary each year, depending on the five-year plan. The budget balances of any appropriated capital projects not completed at year-end carry forward to the next fiscal year, as provided for in the City's Financial Policies. During FY25, \$19 million was expended on capital projects. Major capital project expenditures for the year included:

### Public Safety Facilities and Equipment - \$11,472,980

- Construction on the new Police Station continued in FY25, with expenditures totaling \$10.3 million. This project is funded with general obligation bonds and is expected to be completed in January of 2026.
- \$1.2 million was expended on Police and Fire equipment, which included:
  - Cardiac Monitoring System and Defibrillator - \$464 thousand
  - Self-contained Breath Apparatus Cascade System - \$144 thousand
  - A Tesler Police vehicle and other Police equipment and tactical supplies funded by the America Rescue Plan Act grant - \$90 thousand
  - EMS training equipment - \$85 thousand
  - Real-time crime center technology, which unifies video, data, and sensor feeds from existing sources to enhance situational awareness - \$75 thousand
  - Mobile data terminals \$81 thousand

### **Street Construction and Stormwater Projects - \$2,446,210**

- Capitol Landing Road Redesign, between Merrimac Trail and Bypass Road, is a redesign project that includes accommodations for vehicles, mass transit, bicycles, and pedestrians - \$821,654
- Repaving projects include the Jamestown Road repaving at a total cost of \$2,160,000, with Virginia Department of Transportation State of Good Repair Program funding of \$1.5 million and local funding of \$660 thousand - \$778 thousand expended in FY25
- Traffic signal projects included flashing yellow signals - \$519 thousand
- Ironbound Road Improvements includes the redesign of the Longhill Road intersection and widening from Middle Street to Depue Drive - \$128 thousand
- African American Heritage Trail is a two-mile pedestrian trail in downtown Williamsburg with a total project cost of \$1.1 million - \$451 thousand expended in FY25

### **Vehicle Replacement Program - \$1,093,880**

Vehicles were replaced citywide under the replacement plan. The plan for FY25 can be assessed in the Capital Improvement Section of the City's FY25 Adopted Budget, available on the City's website.

### **Redevelopment Housing - \$604,361**

- Laundromat at Housing facility - \$410 thousand
- Workforce Housing Renovation – the City has 13 units utilized for City employees. Funds are used to renovate and maintain the units: \$ 55 thousand.
- HVAC Replacement – the goal is to replace 10 units per year until all 66 family units have an energy-efficient system - \$88 thousand.

### **School System Capital Improvements - \$1,260,149**

The City funds its share of the Williamsburg-James City County Public School System each year. The program varies each year, but includes construction and renovation projects, as well as equipment and vehicle replacements.

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

The business-type activity (water and sewer services of the Utility Fund) operating revenues for the year were \$8.2 million, a decrease of \$964 thousand, or 10.5%, compared with last year. There was no increase in water rates, which are \$5.30 per 1,000 gallons. Highlights include:

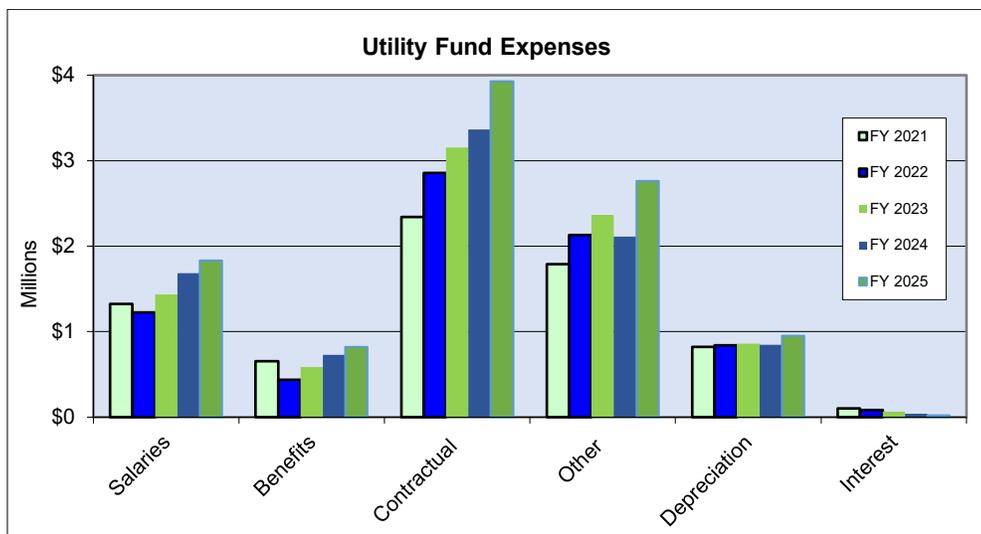
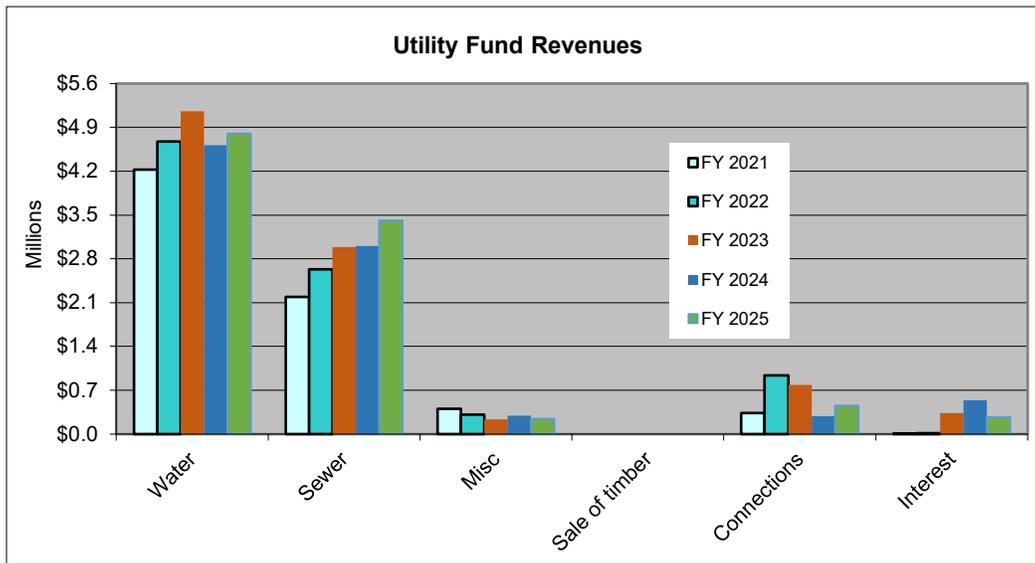
- Total billed water consumption for FY2025 was 938 million gallons, an increase of 7.1% from 857 million gallons last year.
- Water revenues were \$4.8 million, a 4.1% increase compared with FY24.
- Tap and availability fees totaled \$ 453 thousand, a 61% increase compared with last year.
- Rental fees from cell phone providers using water tanks as a base for telecommunications equipment totaled \$182 thousand, level with last year's rental revenue.
- Investment earnings were \$273 thousand in FY 25, a 50% decrease from the \$543 thousand earned in FY 24, due to lower interest rates in FY 25.

Utility Fund operating expenses totaled \$10.3 million, an increase of \$156 thousand, or 17.8%, compared with FY25. This increase is primarily attributed to:

- Personnel services increased by \$155 thousand compared to FY 24, due to cost-of-living increases in FY 2025.
- Fringe benefits increased by \$92 thousand compared with last year. This increase is primarily due to the cost-of-living adjustment and the increase in benefits designed to attract and retain employees.

- Contractual services increased by \$564 thousand, or 6.8%, compared to last year. The majority of the increase is attributed to pass-through payments to the Hampton Roads Sewer District for sewage treatment fees collected on their behalf.
- Other charges increased by \$645 thousand, or 30.5%, compared with FY24. The majority of the increase is attributed to the increased overhead fees paid to the General Fund.
- Depreciation expense decreased by \$105 thousand compared with last year. Depreciation charges include a portion of the 25-year amortization of the total \$12.5 million costs of the Newport News Water agreement, classified as intangible water rights in the Utility Fund.

In FY 25, the Utility Fund reported an operating loss of \$1.4 million, compared with a \$551 thousand loss in FY24. The total net position of the Utility Fund decreased by \$1.8 million or 6.6% in FY 2024. The total net position for FY25 was \$25 million, down from \$26.2 million in FY24.



## **Utility Fund Capital Assets**

- The Utility Fund's capital improvements totaled \$4 million in FY 2025 and included:
- Water plant improvements,
- Condition assessments for the water and sewer systems,
- Water and Sewer System Improvements,
- Pump Station Reliability,
- Colonial Parkway Main Replacement,
- Mooretown Road Water Main Extension,
- Sewer System Rehab,
- Sewer System SCADA, and
- Vehicle scheduled for replacement per the City's plan.

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

## **Long-Term Debt**

On June 30, 2025, the City of Williamsburg's total outstanding bonded debt was \$48.1 million, including unamortized issuance premium. Bonds payable for Governmental Activities were \$46.7 million, while business-type activities owed \$1.5 million at the end of FY 2025—the full faith and credit of the government backs these instruments. The City's remaining legal debt capacity as of June 30, 2025, is approximately \$267 million.

The City will issue \$10 million in Utility Water and Sewer System Revenue Bonds, Series 2025, in December 2025. The Bonds will fund Water Plant improvements, Water and Sewer Infrastructure Improvements, and the modernization of the utility system. The Utility's FY26 Adopted Budget included a 30% rate increase to pay the debt service on bond issues to finance these improvements.

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 in the Notes to the Financial Statements section of this report.

## **ECONOMIC FACTORS AND THE FY 2026 BUDGET**

The FY26 Budget was prepared during a period of economic uncertainty, recognizing that the City's spending plan must align with the community's priorities to ensure sufficient resources to address them. The vision includes milestone construction projects such as the library, Police Station, and Fire Station, as well as addressing affordable housing. The FY26 Adopted Budget realigns our approach by reducing spending. The budget eliminated 34 capital projects, reduced departmental operating costs by \$725 thousand (2%), proposed increasing the meals and lodging tax rates effective January 2026, and increased the water rate.

These strategies for FY26 address aging water utility infrastructure and the City's share of the school system's operating and capital needs, while preserving the low real estate tax rate and maintaining a sustainable, strong financial position.

## **REQUESTS FOR INFORMATION**

This financial report provides a general overview of the City of Williamsburg's finances for all interested parties. 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.

*BASIC FINANCIAL STATEMENTS*

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*GOVERNMENT-WIDE FINANCIAL STATEMENTS*

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	Primary Government			Component Units	
	Governmental Activities	Business-type Activities	Total	Williamsburg Redevelopment and Housing Authority	Williamsburg Economic Development Authority
<b>ASSETS</b>					
Cash and cash equivalents	\$ 9,413,611	\$ 733,912	\$ 10,147,523	\$ 798,777	\$ 211,182
Investments	51,749,364	4,575,561	56,324,925	291,478	175,731
Investments in custody of others	24,606,405	-	24,606,405	-	-
Receivables (net of allowance for uncollectibles):					
Taxes receivable	1,519,002	-	1,519,002	-	-
Accounts receivable	1,673,357	1,200,562	2,873,919	16,401	73,760
Notes receivable	114,000	-	114,000	-	-
Leases receivable	1,944,115	1,967,946	3,912,061	-	-
Due from other governmental units	2,699,100	-	2,699,100	-	-
Inventories	3,891,624	-	3,891,624	39,905	-
Prepaid items	41,156	-	41,156	28,609	-
Capital assets (net of accumulated depreciation):					
Land and land improvements and open easement	9,497,497	8,087,569	17,585,066	2,377,895	-
Works of art	175,818	-	175,818	-	-
Buildings and system	30,041,868	3,244,566	33,286,434	926,850	-
Improvements other than buildings	5,061,282	2,121,990	7,183,272	2,944	-
Lease equipment	266,694	-	266,694	-	-
Subscription assets	998,600	24,325	1,022,925	-	-
Machinery and equipment	6,830,418	677,796	7,508,214	46,473	-
Intangibles	732,396	7,502,351	8,234,747	-	-
Infrastructure	28,232,099	784,879	29,016,978	-	-
Equipment not in service	997,468	-	997,468	-	-
Construction in progress	19,374,235	96,708	19,470,943	124,789	-
Total assets	\$ 199,860,109	\$ 31,018,165	\$ 230,878,274	\$ 4,654,121	\$ 460,673
<b>DEFERRED OUTFLOWS OF RESOURCES</b>					
Pension related items	\$ 4,571,725	\$ 554,257	\$ 5,125,982	\$ -	\$ -
OPEB related items	840,942	25,228	866,170	-	-
Deferred charges on refunding	6,514	45,062	51,576	-	-
Total deferred outflows of resources	\$ 5,419,181	\$ 624,547	\$ 6,043,728	\$ -	\$ -
<b>LIABILITIES</b>					
Accounts payable	\$ 3,939,683	\$ 1,131,106	\$ 5,070,789	\$ 16,947	\$ 73,959
Accrued liabilities	2,235,667	61,993	2,297,660	24,521	-
Retainage payable	681,313	-	681,313	-	-
Refundable deposits	128,516	78,374	206,890	45,926	-
Accrued interest payable	848,700	33,044	881,744	-	-
Unearned revenue	-	175,000	175,000	1,462	-
Long-term liabilities:					
Due within one year	3,367,593	671,956	4,039,549	-	-
Due in more than one year	48,249,649	1,181,853	49,431,502	114,000	-
Net pension liability, due in more than one year	11,333,873	1,221,651	12,555,524	-	-
Net OPEB liability, due in more than one year	2,314,545	69,535	2,384,080	-	-
Total liabilities	\$ 73,099,539	\$ 4,624,512	\$ 77,724,051	\$ 202,856	\$ 73,959
<b>DEFERRED INFLOWS OF RESOURCES</b>					
Pension related items	\$ 1,950,379	\$ 200,490	\$ 2,150,869	\$ -	\$ -
OPEB related items	987,459	13,152	1,000,611	-	-
Lease related	1,767,898	1,792,263	3,560,161	-	-
Total deferred inflows of resources	\$ 4,705,736	\$ 2,005,905	\$ 6,711,641	\$ -	\$ -
<b>NET POSITION</b>					
Net Investment in capital assets	\$ 76,588,915	\$ 21,090,447	\$ 97,679,362	\$ 3,364,951	\$ -
Unreinvested	50,885,100	3,921,848	54,806,948	1,086,314	386,714
Total net position	\$ 127,474,015	\$ 25,012,295	\$ 152,486,310	\$ 4,451,265	\$ 386,714

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, 2025

<u>Functions/Programs</u>	<u>Expenses</u>	<u>Program Revenues</u>		
		<u>Charges for Services</u>	<u>Operating Grants and Contributions</u>	<u>Capital Grants and Contributions</u>
<b>PRIMARY GOVERNMENT:</b>				
Governmental activities:				
General government administration	\$ 8,151,045	\$ 224,534	\$ 229,466	\$ -
Judicial administration	685,642	343,190	-	-
Public safety	16,735,330	1,293,378	780,757	-
Public works	8,251,770	-	2,594,540	-
Health and welfare	4,167,290	-	1,651,032	-
Education	11,869,441	-	-	-
Parks, recreation, and cultural	3,716,606	726,551	-	-
Community development	9,678,727	-	14,033	425,926
Interest on long-term debt	1,615,486	-	-	-
Total governmental activities	<u>\$ 64,871,337</u>	<u>\$ 2,587,653</u>	<u>\$ 5,269,828</u>	<u>\$ 425,926</u>
Business-type activities:				
Utility Fund	\$ 10,328,843	\$ 8,868,137	\$ -	\$ -
Total business-type activities	<u>\$ 10,328,843</u>	<u>\$ 8,868,137</u>	<u>\$ -</u>	<u>\$ -</u>
Total primary government	<u>\$ 75,200,180</u>	<u>\$ 11,455,790</u>	<u>\$ 5,269,828</u>	<u>\$ 425,926</u>
<b>COMPONENT UNITS:</b>				
WRHA	\$ 1,414,134	\$ 514,259	\$ 488,354	\$ 361,309
EDA	202,357	7,256	-	-
Total component units	<u>\$ 1,616,491</u>	<u>\$ 521,515</u>	<u>\$ 488,354</u>	<u>\$ 361,309</u>

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

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

Net (Expense) Revenue and Changes in Net Position				
Primary Government			Component Units	
Governmental Activities	Business-type Activities	Total	Williamsburg Redevelopment and Housing Authority	Williamsburg Economic Development Authority
\$ (7,697,045)	\$ -	\$ (7,697,045)	\$ -	\$ -
(342,452)	-	(342,452)	-	-
(14,661,195)	-	(14,661,195)	-	-
(5,657,230)	-	(5,657,230)	-	-
(2,516,258)	-	(2,516,258)	-	-
(11,869,441)	-	(11,869,441)	-	-
(2,990,055)	-	(2,990,055)	-	-
(9,238,768)	-	(9,238,768)	-	-
(1,615,486)	-	(1,615,486)	-	-
<u>\$ (56,587,930)</u>	<u>\$ -</u>	<u>\$ (56,587,930)</u>	<u>\$ -</u>	<u>\$ -</u>
\$ -	\$ (1,460,706)	\$ (1,460,706)		
\$ -	\$ (1,460,706)	\$ (1,460,706)		
<u>\$ (56,587,930)</u>	<u>\$ (1,460,706)</u>	<u>\$ (58,048,636)</u>		
			\$ (50,212)	\$ -
			-	(195,101)
			<u>\$ (50,212)</u>	<u>\$ (195,101)</u>
\$ 24,059,362	\$ -	\$ 24,059,362	\$ -	\$ -
8,621,151	-	8,621,151	-	-
9,331,883	-	9,331,883	-	-
3,877,334	-	3,877,334	-	-
987,933	-	987,933	-	-
2,937,735	-	2,937,735	-	-
1,446,981	-	1,446,981	-	-
3,946,186	272,599	4,218,785	15,549	10,844
1,564,050	34,804	1,598,854	12,463	867
1,243,696	-	1,243,696	-	-
-	-	-	-	117,370
<u>\$ 58,016,311</u>	<u>\$ 307,403</u>	<u>\$ 58,323,714</u>	<u>\$ 28,012</u>	<u>\$ 129,081</u>
<u>\$ 1,428,381</u>	<u>\$ (1,153,303)</u>	<u>\$ 275,078</u>	<u>\$ (22,200)</u>	<u>\$ (66,020)</u>
<u>\$ 127,052,375</u>	<u>\$ 26,219,462</u>	<u>\$ 153,271,837</u>	<u>\$ 4,473,465</u>	<u>\$ 452,734</u>
(1,006,741)	(53,864)	(1,060,605)	-	-
<u>\$ 126,045,634</u>	<u>\$ 26,165,598</u>	<u>\$ 152,211,232</u>	<u>\$ 4,473,465</u>	<u>\$ 452,734</u>
<u>\$ 127,474,015</u>	<u>\$ 25,012,295</u>	<u>\$ 152,486,310</u>	<u>\$ 4,451,265</u>	<u>\$ 386,714</u>

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*FUND FINANCIAL STATEMENTS*

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City of Williamsburg, Virginia  
Balance Sheet  
Governmental Funds  
June 30, 2025

	General Fund	Tourism Fund	Capital Projects Fund	Other Governmental Funds	Total
<b>ASSETS</b>					
Cash and cash equivalents	\$ 1,751,772	\$ 2,218,943	\$ 4,882,526	\$ 560,370	\$ 9,413,611
Investments	23,802,739	692,156	27,254,469	-	51,749,364
Investments in custody of others	-	-	24,606,405	-	24,606,405
Receivables (net of allowance for uncollectibles):					
Taxes receivable	1,519,002	-	-	-	1,519,002
Accounts receivable	1,449,531	91,414	132,302	110	1,673,357
Notes receivable	114,000	-	-	-	114,000
Leases receivable	1,944,115	-	-	-	1,944,115
Due from other funds	59,603	-	-	231,656	291,259
Due from other governmental units	844,125	478,278	1,182,388	194,309	2,699,100
Inventories	-	-	3,891,624	-	3,891,624
Prepaid items	41,156	-	-	-	41,156
Total assets	<u>\$ 31,526,043</u>	<u>\$ 3,480,791</u>	<u>\$ 61,949,714</u>	<u>\$ 986,445</u>	<u>\$ 97,942,993</u>
<b>LIABILITIES</b>					
Accounts payable	\$ 743,846	\$ 359,012	\$ 2,791,054	\$ 45,771	\$ 3,939,683
Accrued liabilities	703,085	99,484	1,433,098	-	2,235,667
Retainage payable	-	47,933	633,380	-	681,313
Refundable deposits	96,415	-	32,101	-	128,516
Due to other funds	231,656	-	-	59,603	291,259
Total liabilities	<u>\$ 1,775,002</u>	<u>\$ 506,429</u>	<u>\$ 4,889,633</u>	<u>\$ 105,374</u>	<u>\$ 7,276,438</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>					
Unavailable revenue - property taxes	\$ 1,225,212	\$ -	\$ -	\$ -	\$ 1,225,212
Opioid settlement	-	-	122,337	-	122,337
Lease related	1,767,898	-	-	-	1,767,898
Total deferred inflows of resources	<u>\$ 2,993,110</u>	<u>\$ -</u>	<u>\$ 122,337</u>	<u>\$ -</u>	<u>\$ 3,115,447</u>
<b>FUND BALANCES</b>					
Nonspendable	\$ 41,156	\$ -	\$ 3,891,624	\$ -	\$ 3,932,780
Restricted	-	-	24,606,405	881,071	25,487,476
Committed	-	47,933	6,968,418	-	7,016,351
Assigned	-	2,926,429	21,471,297	-	24,397,726
Unassigned	26,716,775	-	-	-	26,716,775
Total fund balances	<u>\$ 26,757,931</u>	<u>\$ 2,974,362</u>	<u>\$ 56,937,744</u>	<u>\$ 881,071</u>	<u>\$ 87,551,108</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 31,526,043</u>	<u>\$ 3,480,791</u>	<u>\$ 61,949,714</u>	<u>\$ 986,445</u>	<u>\$ 97,942,993</u>

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, 2025

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

Total fund balances per Exhibit 3 - Balance Sheet - Governmental Funds		\$ 87,551,108
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.	<u>\$ 102,208,375</u>	102,208,375
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	\$ 1,225,212	
Unavailable revenue - opioid settlement	<u>122,337</u>	1,347,549
Deferred outflows of resources are not available to pay for current-period expenditures and, therefore, are not reported in the funds.		
Deferred charge on refunding	\$ 6,514	
Pension related items	4,571,725	
OPEB related items	<u>840,942</u>	5,419,181
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	\$ (46,660,295)	
Net OPEB liability	(2,314,545)	
Net pension liability	(11,333,873)	
Lease liabilities	(250,752)	
Subscription liabilities	(870,677)	
Accrued interest payable	(848,700)	
Compensated absences	<u>(3,835,518)</u>	(66,114,360)
Deferred inflows of resources are not due and payable in the current period and, therefore, are not reported in the funds.		
OPEB related items	\$ (987,459)	
Pension related items	<u>(1,950,379)</u>	<u>(2,937,838)</u>
Net position of governmental activities		<u>\$ 127,474,015</u>

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

City of Williamsburg, Virginia  
 Statement of Revenues, Expenditures, and Changes in Fund Balances  
 Governmental Funds  
 For the Year Ended June 30, 2025

	General Fund	Tourism Fund	American Rescue Plan Fund	Capital Projects Fund	Other Governmental Funds	Total
<b>REVENUES</b>						
General property taxes	\$ 23,926,018	\$ -	\$ -	\$ -	\$ -	\$ 23,926,018
Other local taxes	17,593,933	3,592,752	-	6,016,332	-	27,203,017
Permits, privilege fees, and regulatory licenses	273,215	-	-	-	-	273,215
Fines and forfeitures	343,190	-	-	-	-	343,190
Revenue from the use of money and property	856,724	36,508	-	3,277,488	-	4,170,720
Charges for services	1,746,714	-	-	-	-	1,746,714
Miscellaneous	707,830	-	-	370,338	504,464	1,582,632
Recovered costs	1,707,107	-	-	-	-	1,707,107
Intergovernmental:						
Commonwealth	4,695,087	-	-	320,169	740,442	5,755,698
Federal	143,687	-	19,193	111,284	909,588	1,183,752
Total revenues	<u>\$ 51,993,505</u>	<u>\$ 3,629,260</u>	<u>\$ 19,193</u>	<u>\$ 10,095,611</u>	<u>\$ 2,154,494</u>	<u>\$ 67,892,063</u>
<b>EXPENDITURES</b>						
Current:						
General government administration	\$ 7,666,523	\$ -	\$ -	\$ -	\$ -	\$ 7,666,523
Judicial administration	639,378	-	-	-	-	639,378
Public safety	16,334,538	-	-	-	-	16,334,538
Public works	4,574,156	-	-	-	-	4,574,156
Health and welfare	524,777	-	-	-	3,537,293	4,062,070
Education	10,609,292	-	-	-	-	10,609,292
Parks, recreation, and cultural	3,352,417	-	-	-	-	3,352,417
Community development	2,224,880	6,535,596	-	-	-	8,760,476
Capital projects	-	-	-	18,887,010	-	18,887,010
Debt service:						
Principal retirement	142,259	-	-	1,294,382	-	1,436,641
Interest and other fiscal charges	2,138	-	-	1,756,796	-	1,758,934
Total expenditures	<u>\$ 46,070,358</u>	<u>\$ 6,535,596</u>	<u>\$ -</u>	<u>\$ 21,938,188</u>	<u>\$ 3,537,293</u>	<u>\$ 78,081,435</u>
Excess (deficiency) of revenues over (under) expenditures	<u>\$ 5,923,147</u>	<u>\$ (2,906,336)</u>	<u>\$ 19,193</u>	<u>\$ (11,842,577)</u>	<u>\$ (1,382,799)</u>	<u>\$ (10,189,372)</u>
<b>OTHER FINANCING SOURCES (USES)</b>						
Transfers in	\$ 6,500	\$ 2,205,000	\$ -	\$ 2,406,981	\$ 1,516,877	\$ 6,135,358
Transfers out	(4,938,043)	(200,000)	(990,815)	-	(6,500)	(6,135,358)
Issuance of subscription liabilities	154,928	-	-	19,203	-	174,131
Total other financing sources (uses)	<u>\$ (4,776,615)</u>	<u>\$ 2,005,000</u>	<u>\$ (990,815)</u>	<u>\$ 2,426,184</u>	<u>\$ 1,510,377</u>	<u>\$ 174,131</u>
Net change in fund balances	\$ 1,146,532	\$ (901,336)	\$ (971,622)	\$ (9,416,393)	\$ 127,578	\$ (10,015,241)
Fund balances - beginning	25,611,399	3,875,698	971,622	66,354,137	753,493	97,566,349
Fund balances - ending	<u>\$ 26,757,931</u>	<u>\$ 2,974,362</u>	<u>\$ -</u>	<u>\$ 56,937,744</u>	<u>\$ 881,071</u>	<u>\$ 87,551,108</u>

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

**City of Williamsburg, Virginia  
Reconciliation of Statement of Revenues,  
Expenditures, and Changes in Fund Balances of Governmental Funds  
To the Statement of Activities  
For the Year Ended June 30, 2025**

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

Net change in fund balances - total governmental funds \$ (10,015,241)

Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which the capital outlay exceeded the depreciation expense in the current period. The following is a summary of items supporting this adjustment:

Capital outlay	\$ 15,671,734	
Depreciation expense	<u>(5,662,340)</u>	10,009,394

The net effect of various miscellaneous transactions involving capital assets (i.e., sales, trade-ins, and donations) is to increase net position. (356)

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

Property taxes	\$ 133,344	
Opioid settlement	<u>(18,582)</u>	114,762

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	\$ 1,052,740	
Issuance of subscription liabilities	(174,131)	
Principal retirement on subscription liabilities	314,331	
Principal retirement on lease liabilities	<u>69,570</u>	1,262,510

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	\$ (399,797)	
Change in OPEB related items	(91,863)	
Change in pension related items	405,524	
Amortization of premium	100,341	
Amortization of deferred charges on refunding	(2,172)	
Change in accrued interest payable	<u>45,279</u>	<u>57,312</u>

Change in net position of governmental activities \$ 1,428,381

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, 2025

	<u>Utility Fund</u>
<b>ASSETS</b>	
Current assets:	
Cash and cash equivalents	\$ 733,912
Investments	4,575,561
Accounts receivable (net of allowances for uncollectibles)	1,200,562
Leases receivable	1,967,946
Total current assets	<u>\$ 8,477,981</u>
Noncurrent assets:	
Capital assets:	
Land and land improvement and open easement	\$ 8,087,569
Construction in progress	96,708
Buildings and system	12,121,333
Improvements other than buildings	9,112,476
Machinery and equipment	3,369,763
Intangibles	12,528,345
Infrastructure	908,278
Subscription assets	39,744
Accumulated depreciation	(23,724,032)
Net capital assets	<u>\$ 22,540,184</u>
Total noncurrent assets	<u>\$ 22,540,184</u>
Total assets	<u>\$ 31,018,165</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>	
Deferred charges on refundings	\$ 45,062
Pension related items	554,257
OPEB related items	25,228
Total deferred outflows of resources	<u>\$ 624,547</u>
<b>LIABILITIES</b>	
Current liabilities:	
Accounts payable	\$ 1,131,106
Accrued liabilities	61,993
Refundable deposits	78,374
Accrued interest payable	33,044
Unearned revenue	175,000
Compensated absences - current portion	189,208
General obligation bonds - current portion	463,320
Subscription liability - current portion	19,428
Total current liabilities	<u>\$ 2,151,473</u>

City of Williamsburg, Virginia  
Statement of Net Position  
Proprietary Funds  
June 30, 2025

	<u>Utility Fund</u>
<b>LIABILITIES (Continued)</b>	
Noncurrent liabilities:	
General obligation bonds - net of current portion	\$ 1,004,776
Subscription liability - net of current portion	7,275
Net pension liability	1,221,651
Net OPEB liability	69,535
Compensated absences - net of current portion	169,802
Total noncurrent liabilities	<u>\$ 2,473,039</u>
Total liabilities	<u>\$ 4,624,512</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>	
Pension related items	\$ 200,490
OPEB related items	13,152
Lease related	1,792,263
Total deferred inflows of resources	<u>\$ 2,005,905</u>
<b>NET POSITION</b>	
Net investment in capital assets	\$ 21,090,447
Unrestricted	3,921,848
Total net position	<u>\$ 25,012,295</u>

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

City of Williamsburg, Virginia  
Statement of Revenues, Expenses, and Changes in Net Position  
Proprietary Funds  
For the Year Ended June 30, 2025

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	<u>Utility Fund</u>
<b>OPERATING REVENUES</b>	
Charges for services:	
Water revenues	\$ 4,800,145
Sewer revenues	3,407,572
Tap and availability fees	453,295
Penalty and interest	22,300
Lease revenue	182,425
Miscellaneous	34,804
Total operating revenues	<u>\$ 8,900,541</u>
<b>OPERATING EXPENSES</b>	
Personnel services	\$ 1,835,746
Fringe benefits	823,378
Contractual services	3,931,195
Other charges	2,759,294
Depreciation	954,644
Total operating expenses	<u>\$ 10,304,257</u>
Operating income (loss)	<u>\$ (1,403,716)</u>
<b>NONOPERATING REVENUES (EXPENSES)</b>	
Investment income	\$ 272,599
Interest and other fiscal charges	(21,635)
Loss of disposal of capital assets	(2,951)
Connection fees	2,400
Total nonoperating revenues (expenses)	<u>\$ 250,413</u>
Change in net position	<u>\$ (1,153,303)</u>
Net position - beginning	\$ 26,219,462
Restatement	(53,864)
Net position - beginning, as restated	<u>\$ 26,165,598</u>
Net position - ending	<u>\$ 25,012,295</u>

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

City of Williamsburg, Virginia  
Statement of Cash Flows  
Proprietary Funds  
For the Year Ended June 30, 2025

	<u>Utility Fund</u>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>	
Receipts from customers and users	\$ 9,135,102
Payments to suppliers	(6,471,723)
Payments to and for employees	(2,625,226)
Net cash provided by (used for) operating activities	<u>\$ 38,153</u>
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>	
Connection fees	\$ 2,400
Transfers from other funds	(2,867,423)
Net cash provided by (used for) noncapital financing activities	<u>\$ (2,865,023)</u>
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>	
Purchases of capital assets	\$ (570,982)
Principal payments on bonds	(442,260)
Principal payments on subscription liabilities	(13,041)
Issuance of subscription liabilities	39,744
Interest expense	(75,675)
Net cash provided by (used for) capital and related financing activities	<u>\$ (1,062,214)</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>	
Interest received	\$ 4,622,996
Net cash provided by (used for) investing activities	<u>\$ 4,622,996</u>
Net increase (decrease) in cash and cash equivalents	\$ 733,912
Cash and cash equivalents - beginning	-
Cash and cash equivalents - ending	<u>\$ 733,912</u>
<b>Reconciliation of operating income (loss) to net cash provided by (used for) operating activities:</b>	
Operating income (loss)	<u>\$ (1,403,716)</u>
Adjustments to reconcile operating income to net cash provided by (used for) operating activities:	
Depreciation	\$ 954,644
(Increase) decrease in accounts receivable	255,892
(Increase) decrease in lease receivable	173,012
(Increase) decrease in deferred outflows of resources related to pension and OPEB	(200,999)
Increase (decrease) in compensated absences	72,778
Increase (decrease) in accounts payable	218,766
Increase (decrease) in accrued liabilities	13,337
Increase (decrease) in unearned revenue	(5,000)
Increase (decrease) refundable deposits	4,837
Increase (decrease) in net pension liability	56,971
Increase (decrease) in net OPEB liability	9
Increase (decrease) in deferred inflows of resources related to leases	(194,180)
Increase (decrease) in deferred inflows of resources related to pension and OPEB	91,802
Total adjustments	<u>\$ 1,441,869</u>
Net cash provided by (used for) operating activities	<u>\$ 38,153</u>

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

City of Williamsburg, Virginia  
Statement of Fiduciary Net Position  
Fiduciary Funds  
June 30, 2025

	<u>Custodial Funds</u>
<b>ASSETS</b>	
Cash and cash equivalents	\$ 24,691,308
Investments, at fair value:	
Other investments	2,482,993
Accounts receivable	400,000
Due from other governmental units	44,723
Prepaid items	6,807
Capital assets (net of accumulated depreciation)	70,860,242
Total assets	<u>\$ 98,486,073</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>	
OPEB related items	\$ 27,105
Total deferred outflows of resources	<u>\$ 27,105</u>
<b>LIABILITIES</b>	
Accounts payable	\$ 3,729,240
Accrued liabilities	340,199
Advance user fees	6,106
Due to other governmental units	14,709
Retainage payable	2,910,002
Refundable deposits	27,126
Accrued interest payable	1,298,733
Long term liabilities:	
Due within one year	193,695
Due in more than one year	75,359,485
Total liabilities	<u>\$ 83,879,295</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>	
OPEB related items	\$ 63,238
Total deferred outflows of resources	<u>\$ 63,238</u>
<b>NET POSITION</b>	
Net investment in capital assets	\$ 481,837
Restricted for:	
Individuals	182,701
Organizations	8,077
Other governments	11,513,723
Unrestricted	2,384,307
Total net position	<u><u>\$ 14,570,645</u></u>

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

City of Williamsburg, Virginia  
Statement of Changes in Fiduciary Net Position  
Fiduciary Funds  
For the Year Ended June 30, 2025

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	<u>Custodial Funds</u>
<b>ADDITIONS</b>	
Contributions:	
Other governmental entities	\$ 12,413,115
Participant fees	68,717
Miscellaneous	173,623
Investment earnings:	
Interest and dividends	1,517,472
Special assessment tax collected for other governments	352,865
Miscellaneous	29,298
Total additions	\$ 14,555,090
<b>DEDUCTIONS</b>	
Recipient payments	\$ 9,899
Payment of special assessment taxes to governments	521,949
Payments for personnel	6,305,487
Payments for operations	3,758,928
Purchases for supplies	683,825
Contribution to local government	153,511
Interest and other fiscal charges	2,582,676
Total deductions	\$ 14,016,275
Net increase (decrease) in fiduciary net position	\$ 538,815
Net position, beginning	\$ 5,551,706
Restatement	8,480,124
Net position, beginning, as restated	\$ 14,031,830
Net position, ending	\$ 14,570,645

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

*NOTES TO THE FINANCIAL STATEMENTS*

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# CITY OF WILLIAMSBURG, VIRGINIA

## Notes to Financial Statements As of June 30, 2025

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

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

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

#### Financial Statement Presentation

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

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

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

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

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

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

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

Notes to Financial Statements (Continued)  
As of June 30, 2025

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

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

A. Financial Reporting Entity

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

B. Individual Component Unit Disclosures

*Blended Component Unit* - The City has no blended component units to be included for the fiscal year ended June 30, 2025.

*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, 2025. WRHA's fiscal year of October 1 to September 30 differs from the City's fiscal year of July 1 to June 30. A copy of the separately issued financial statements may be obtained for the WRHA by writing to Williamsburg Redevelopment and Housing Authority, 401 Lafayette Street, P.O. Box 411, Williamsburg, VA 23185 or by calling (757) 220-3477.

The Williamsburg Economic Development Authority (EDA) is responsible for industrial prospective bond issues and commercial development in the City. The Authority consists of seven members appointed by the City Council. The Authority is fiscally dependent on the City as the City is involved in the day-to-day operations of the EDA, including the approval of private activity prospective bond issues and therefore, it is included in the City's financial statements as a discrete presentation for the year ended June 30, 2025. Separate audited financial statements are available from the EDA, 401 Lafayette Street, Williamsburg, VA 23185 or by calling (757) 220-6104.

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

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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 (W-JCC Public Schools) - Under the terms of an agreement dated January 14, 1954, as amended, between the governing bodies and the school boards of the City of Williamsburg and the County of James City and effective July 1, 1955, the two localities consolidated the operations of their schools. Two members of the W-JCC School Board are appointed by the Williamsburg City Council and five members are elected by the citizens of County of James City.

Local costs related to operations and capital improvements of W-JCC Public Schools are apportioned between the participating localities in accordance with the agreement, as amended. The latest amendment between the City and W-JCC Public Schools was signed in May 2022 and effective for Fiscal Years 2023 through 2027. Subsequently, the Chief Administrative Officers of the City of Williamsburg and the County of James City signed a letter of agreement to extend the May 2022 amendment to June 2028 to provide sufficient time to renegotiate the school contract. Negotiations were still ongoing at June 30, 2025.

Under the May 2022 amendment, The City's share of operational costs is based on the percentage of City students enrolled to total students enrolled each year, multiplied by an add-on factor, then averaged over the funding provided by the City in two preceding fiscal years. For the fiscal year ended June 30, 2025, the City's share was 10.27%. The City contributed \$10,609,292 for operating costs and \$1,260,149 for capital improvements in FY 2025.

W-JCC Public Schools are a Component Unit of the County of James City. Separate audited financial statements may be obtained from the W-JCC Public Schools' Finance Department, 117 Ironbound Road, Williamsburg, Virginia 23185 or online at [wjccschools.org/about-wjcc/finance/](http://wjccschools.org/about-wjcc/finance/). Audited financial statements may be obtained from the County of James City's Financial & Management Services Department, 101 Mounts Bay Road, Building F, Williamsburg, Virginia 23185 or online at [www.jamescitycountyva.gov/348/Financial-Management-Services](http://www.jamescitycountyva.gov/348/Financial-Management-Services).

2. Williamsburg Regional Library - The Library is a joint operation of the City of Williamsburg and the Counties of James City and York, Virginia, operating under a contract dated September 26, 2013. It receives funding from the Commonwealth of Virginia, the federal government, and some private sources. The Library's board is split between City and County appointees. During the current fiscal year, the City contributed \$1,085,316 to the Library's operating budget, or 13.34% of its net appropriated support. Separate financial statements are prepared and are available, which reflect the details of its operations.

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

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

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

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

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

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

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

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. This is the manner in which these funds are normally budgeted. Revenues are recognized when they have been earned and they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the government considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service principal and interest expenditures on general long-term debt, including lease and subscription liabilities, as well as expenditures related to compensated absences, claims and judgments, postemployment benefits, and environmental obligations are recognized later based on specific accounting rules applicable to each, generally when payment is due. General capital asset acquisitions, including entering into contracts giving the government the right to use lease and subscription assets, are reported as expenditures in the governmental funds. Issuance of long-term debt and financing through leases and subscriptions are reported as other financing sources.

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

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

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

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 and the American Rescue Plan Fund, both of which are considered major funds and the following are nonmajor funds: Virginia Public Assistance Fund and Law Enforcement Block Grant Fund. The Virginia Public Assistance Fund accounts for the Social Services programs of the City and is funded primarily through intergovernmental revenues.

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

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

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

2. Proprietary Funds

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

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

3. Fiduciary Funds

Fiduciary Funds (Trust and Custodial Funds) account for assets held by the City unit in a trustee capacity or as custodian for individuals, private organizations, other governmental units, or other funds. Custodial funds utilize the accrual basis of accounting. Custodial Funds use the economic resources measurement focus. Fiduciary funds are not included in the government-wide financial statements. The City's Custodial Funds include amounts held for others in a fiduciary capacity, which include the following funds: Williamsburg Regional Library Fund, Historic Triangle Recreational Facilities Authority, Williamsburg Tricentennial Fund, Quarterpath CDA Fund, Farmers Market Fund, and Special Welfare Fund.

The Custodial Funds (Williamsburg Regional Library Fund, Historic Triangle Recreational Facilities Authority, Williamsburg Tricentennial Fund, Quarterpath CDA Fund, Farmers Market Fund, and Special Welfare Fund) accounts for the assets held by the City as an agent for welfare recipients, individuals, the Commonwealth of Virginia, and other governmental units. The Custodial Funds are used to report fiduciary activities that are not required to be reported as another fiduciary fund type.

The Williamsburg Farmers Market was dissolved during the year ended June 30, 2025.

E. Cash and Cash Equivalents

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

F. Investments

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

Notes to Financial Statements (Continued)  
As of June 30, 2025

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

F. Investments (Continued)

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

G. Receivables and payables

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

All trade and property tax receivables are shown net of an allowance for uncollectibles. The City calculates its allowance for uncollectible accounts using historical collection data and, in certain cases, specific account analysis. The allowance amounted to approximately \$494,006 at June 30, 2025 and is comprised of property taxes of \$334,775 and water and sewer charges of \$159,231.

Real and Personal Property Tax Data:

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

	<u>Real Property</u>	<u>Personal Property</u>
Levy	July 1	January 1
Due Date	December 1 / June 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 are tangible and intangible assets, which include property, plant, equipment, lease, subscription, and infrastructure assets (e.g., roads, bridges, sidewalks, and similar items), and are reported in the applicable governmental or business-type activities column in the government-wide financial statements. Capital assets are defined by the City as assets with an estimated useful life in excess of two years and an initial, individual cost of more than \$20,000 for land, buildings, public facilities, infrastructure, improvement of property, and rehabilitation to public facilities; and more than \$10,000 for vehicles and equipment.

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

Notes to Financial Statements (Continued)  
As of June 30, 2025

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

H. Capital Assets (Continued)

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

Assets	Years
Buildings	40
Improvements other than buildings	20
Infrastructure	
Roads	30
Bridges and culverts	50
Water/sewer system	40
Lease equipment	4-5
Subscription asset	2-5
Machinery and equipment	3-10
Intangibles	40

I. Leases and Subscription-Based IT Arrangements

The City has various lease assets and subscription-based IT arrangements (SBITAs) requiring recognition. A lease is a contract that conveys control of the right to use another entity’s nonfinancial asset. Lease recognition does not apply to short-term leases, contracts that transfer ownership, leases of assets that are investments, or certain regulated leases. A SBITA is defined as a contract that conveys control of the right to use another party’s (a SBITA vendor’s) information technology (IT) software, alone or in combination with tangible capital assets (the underlying IT assets), as specified in the contract for a period of time in an exchange or exchange-like transaction.

*Lessee*

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

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

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I. Leases (Continued)

*Lessor*

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

*Subscriptions*

The City recognizes intangible right-to-use subscription assets (subscription assets) and corresponding subscription liabilities with an initial value of \$5,000, in individually or in the aggregate, in the government-wide financial statements. At the commencement of the subscription, the subscription liability is measured at the present value of payments expected to be made during the subscription liability term (less any contract incentives). The subscription liability is reduced by the principal portion of payments made. The subscription asset is measured at the initial amount of the subscription liability payments made to the SBITA vendor before commencement of the subscription term, and capitalizable implementation costs, less any incentives received from the SBITA vendor at or before the commencement of the subscription term. The subscription asset is amortized over the shorter of the subscription term or the useful life of the underlying IT asset.

*Key Estimates and Judgments*

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

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

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

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

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J. Compensated Absences

The liability for compensated absences represents amounts owed to employees for earned but unused sick leave, vacation leave, and other leave. In accordance with GASB Statement No. 101, *Compensated Absences*, this liability is recognized when the leave is attributable to services already rendered, the leave accumulates, and it is more likely than not that the leave will be used or paid. The liability is measured using the pay rates in effect as of the reporting date, including salary-related payments that are directly and incrementally associated with payments for compensated absences. The portion of the liability expected to be paid within one year is reported as a current liability in the financial statements.

K. Use of Estimates

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

L. Deferred Outflows/Inflows of Resources

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

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

M. Net Position

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

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

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M. Net Position (Continued)

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

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

N. Pensions

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

O. Other Postemployment Benefits (OPEB)

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

P. Long-term Obligations

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

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

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Q. Prepaid Items

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

R. Inventory

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

S. Fund Balance

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

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

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

CITY OF WILLIAMSBURG, VIRGINIA

Notes to Financial Statements (Continued)  
As of June 30, 2025

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

S. Fund Balance (Continued)

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

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

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

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	Law Enforcement Block Grant Fund	Major Capital Projects Fund Capital Projects Fund	Total
<b>Fund Balances:</b>						
<b>Nonspendable:</b>						
Prepaid Items	\$ 41,156	\$ -	\$ -	\$ -	\$ -	\$ 41,156
Inventory of land held for resale	-	-	-	-	3,891,624	3,891,624
<b>Total Nonspendable</b>	<u>\$ 41,156</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 3,891,624</u>	<u>\$ 3,932,780</u>
<b>Restricted:</b>						
Social services	\$ -	\$ -	\$ 878,522	\$ -	\$ -	\$ 878,522
Law enforcement	-	-	-	2,549	-	2,549
Capital improvements	-	-	-	-	24,606,405	24,606,405
<b>Total Restricted</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 878,522</u>	<u>\$ 2,549</u>	<u>\$ 24,606,405</u>	<u>\$ 25,487,476</u>
<b>Committed:</b>						
Police station	\$ -	\$ -	\$ -	\$ -	6,798,951	6,798,951
Capitol Landing Road Outfall	-	-	-	-	169,467	169,467
Wayfinding and signage	-	47,933	-	-	-	47,933
<b>Total Committed Fund Balance</b>	<u>\$ -</u>	<u>\$ 47,933</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 6,968,418</u>	<u>\$ 7,016,351</u>
<b>Assigned:</b>						
Future capital projects	\$ -	\$ -	\$ -	\$ -	21,471,297	21,471,297
Tourism	-	2,926,429	-	-	-	2,926,429
<b>Total Assigned</b>	<u>\$ -</u>	<u>\$ 2,926,429</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 21,471,297</u>	<u>\$ 24,397,726</u>
<b>Unassigned</b>	<u>\$ 26,716,775</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 26,716,775</u>
<b>Total Fund Balances</b>	<u>\$ 26,757,931</u>	<u>\$ 2,974,362</u>	<u>\$ 878,522</u>	<u>\$ 2,549</u>	<u>\$ 56,937,744</u>	<u>\$ 87,551,108</u>

CITY OF WILLIAMSBURG, VIRGINIA

Notes to Financial Statements (Continued)  
As of June 30, 2025

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

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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.
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, 2025.
6. Appropriation control is maintained at the individual fund level and management control is maintained at the department level. Appropriations lapse at year end. Encumbrances and committed fund balances outstanding at year end are re-appropriated in the succeeding year.
7. All budgets are adopted on a basis consistent with generally accepted accounting principles (GAAP).
8. The City utilizes a Finance and Audit Committee to assist City Council in carrying out its oversight responsibilities as they relate to financial reporting, internal controls and compliance with laws and regulations.
9. Expenditures and Appropriations  
Expenditures did exceed appropriations in the American Rescue Plan Fund.

**Note 3—Deposits and Investments:**

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**Deposits**

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

CITY OF WILLIAMSBURG, VIRGINIA

Notes to Financial Statements (Continued)  
As of June 30, 2025

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

**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 & 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, 2025 were rated by *Standard & Poor’s* and the ratings are presented below using the *Standard & 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	\$ 58,983,648
Virginia State Non-Arbitrage Pool	35,478,923
Total	\$ 94,462,571

**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
Local Government Investment Pool	\$58,983,648	\$ 58,983,648
Virginia State Non-Arbitrage Pool	35,478,923	35,478,923
Total	\$94,462,571	\$ 94,462,571

CITY OF WILLIAMSBURG, VIRGINIA

Notes to Financial Statements (Continued)  
As of June 30, 2025

**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. There are no withdrawal limitations or restrictions imposed on participants.

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

At June 30, 2025, the City has receivables from other governments as follows:

	<u>Governmental Activities</u>
Other Local Governments:	
County of James City	\$ 33,672
Williamsburg-James City County Public Schools	673,617
Commonwealth of Virginia:	
Communications tax	74,429
Car rental tax	13,683
CSA pool funds	44,978
Local sales tax	1,073,256
Rolling stock tax	8,011
Shared expenses	11,632
Social services	71,758
Historic Triangle sales tax	478,278
Other	60,540
Federal Government:	
ARPA funding	
VDOT Highway planning and construction	43,688
Social Services	64,608
Other	46,950
Total	<u>\$ 2,699,100</u>

**Note 5—Interfund Obligations:**

Details of the Primary Government's interfund receivables and payables as of June 30, 2025 are as follows:

<u>Fund</u>	<u>Interfund Receivables</u>	<u>Interfund Payables</u>
General	\$ 59,603	\$ 231,656
Virginia Public Assistance	231,656	59,603
Total	<u>\$ 291,259</u>	<u>\$ 291,259</u>

CITY OF WILLIAMSBURG, VIRGINIA

Notes to Financial Statements (Continued)  
As of June 30, 2025

**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, 2025:

	Balance July 1, 2024	Adjustments	Additions	Deletions	Balance June 30, 2025
<i>Governmental activities:</i>					
Capital assets not subject to depreciation:					
Land and land improvements	\$ 9,497,497	\$ -	\$ -	\$ -	\$ 9,497,497
Works of art	175,818	-	-	-	175,818
Equipment not in service	-	-	997,468	-	997,468
Construction in progress	7,084,093	-	12,290,142	-	19,374,235
Total capital assets not subject to depreciation	\$ 16,757,408	\$ -	\$ 13,287,610	\$ -	\$ 30,045,018
Capital assets subject to depreciation:					
Buildings and system	\$ 57,913,436	\$ -	\$ 87,949	\$ -	\$ 58,001,385
Improvements other than buildings	18,235,379	(88,000)	213,397	-	18,360,776
Infrastructure	70,763,630	88,000	585,887	-	71,437,517
Intangible	1,519,619	-	-	362	1,519,257
Lease equipment	558,564	-	-	145,442	413,122
Subscription asset	1,538,756	-	174,131	97,384	1,615,503
Machinery and equipment	20,176,767	-	1,322,760	69,542	21,429,985
Total capital assets subject to depreciation	\$170,706,151	\$ -	\$ 2,384,124	\$ 312,730	\$172,777,545
Accumulated depreciation:					
Buildings and system	\$ 26,414,286	\$ -	\$ 1,545,231	\$ -	\$ 27,959,517
Improvements other than buildings	12,759,630	(2,200)	542,064	-	13,299,494
Infrastructure	41,484,765	2,200	1,718,453	-	43,205,418
Intangible	729,528	-	57,339	6	786,861
Lease equipment	221,277	-	70,593	145,442	146,428
Subscription asset	410,523	-	303,764	97,384	616,903
Machinery and equipment	13,244,213	-	1,424,896	69,542	14,599,567
Total accumulated depreciation	\$ 95,264,222	\$ -	\$ 5,662,340	\$ 312,374	\$100,614,188
Total capital assets subject to depreciation, net	\$ 75,441,929	\$ -	\$ (3,278,216)	\$ 356	\$ 72,163,357
Governmental activities capital assets, net	\$ 92,199,337	\$ -	\$ 10,009,394	\$ 356	\$102,208,375

The adjustments above are to correct errors in classification of assets in the prior year financial statements.

CITY OF WILLIAMSBURG, VIRGINIA

Notes to Financial Statements (Continued)  
As of June 30, 2025

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

The following is a summary of changes in capital assets for the fiscal year ended June 30, 2025:

	Balance July 1, 2024	Adjustments	Additions	Deletions	Balance June 30, 2025
<i>Business-type activities:</i>					
Capital assets not subject to depreciation:					
Land and land improvements	\$ 7,433,769	\$ -	\$ -	\$ -	\$ 7,433,769
Construction in progress	56,310	-	40,398	-	96,708
Open easement	653,800	-	-	-	653,800
Total capital assets not subject to depreciation	<u>\$ 8,143,879</u>	<u>\$ -</u>	<u>\$ 40,398</u>	<u>\$ -</u>	<u>\$ 8,184,277</u>
Capital assets subject to depreciation:					
Buildings and system	\$ 12,121,333	\$ -	\$ -	\$ -	\$12,121,333
Intangibles	12,531,346	-	-	3,001	12,528,345
Improvements other than buildings	9,112,476	-	-	-	9,112,476
Infrastructure	93,472	500,081	314,725	-	908,278
Subscription assets	-	-	39,744	-	39,744
Machinery and equipment	3,717,718	(500,081)	176,115	23,989	3,369,763
Total capital assets subject to depreciation	<u>\$ 37,576,345</u>	<u>\$ -</u>	<u>\$ 530,584</u>	<u>\$ 26,990</u>	<u>\$38,079,939</u>
Accumulated depreciation:					
Buildings and system	\$ 8,654,724	\$ -	\$ 222,043	\$ -	\$ 8,876,767
Intangibles	4,712,944	-	313,100	50	5,025,994
Improvements other than buildings	6,815,096	-	175,390	-	6,990,486
Infrastructure	45,353	4,167	73,879	-	123,399
Subscription assets	-	-	15,419	-	15,419
Machinery and equipment	2,565,310	(4,167)	154,813	23,989	2,691,967
Total accumulated depreciation	<u>\$ 22,793,427</u>	<u>\$ -</u>	<u>\$ 954,644</u>	<u>\$ 24,039</u>	<u>\$23,724,032</u>
Total capital assets subject to depreciation, net	<u>\$ 14,782,918</u>	<u>\$ -</u>	<u>\$ (424,060)</u>	<u>\$ 2,951</u>	<u>\$14,355,907</u>
Business-type activities capital assets, net	<u>\$ 22,926,797</u>	<u>\$ -</u>	<u>\$ (383,662)</u>	<u>\$ 2,951</u>	<u>\$22,540,184</u>

The adjustments above are to correct errors in classification of assets in the prior year financial statements.

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CITY OF WILLIAMSBURG, VIRGINIA

Notes to Financial Statements (Continued)  
As of June 30, 2025

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

Depreciation expense was charged to functions/programs as follows:

Governmental activities:	
General government administration	\$ 1,618,265
Public safety	1,864,333
Public works	1,678,886
Health and welfare	2,708
Parks, recreation and cultural	488,518
Community development	<u>9,630</u>
Total depreciation expense - governmental activities	<u>\$ 5,662,340</u>
Business-type activities:	
Utility Fund	<u>\$ 954,644</u>

**Note 7— Interfund Transfers:**

Interfund transfers for the year ended June 30, 2025, consisted of the following:

Fund	Transfers In	Transfers Out
General Fund	\$ 6,500	\$ 4,938,043
Capital Projects Fund	2,406,981	-
Special Revenue Fund:		
American Rescue Plan Fund	-	990,815
Tourism Fund	2,205,000	200,000
Virginia Public Assistance Fund	1,516,877	-
Law Enforcement Block Grant Fund	<u>-</u>	<u>6,500</u>
Total	<u>\$ 6,135,358</u>	<u>\$ 6,135,358</u>

Transfers are used to (1) move revenues from the fund that statute or budget requires to collect them to the fund that statute or budget requires to expend them and (2) use unrestricted revenues collected in the General Fund to finance various programs accounted for in other funds in accordance with budgeting authorization. Transfers from the General Fund to the Capital Projects Fund is to finance capital projects. Transfers from the General Fund to the Special Revenue Funds is to support operations in those funds. Transfers from the American Rescue Plan Fund to other Special Revenue Funds was to utilize that funding within those funds. Transfers from the Law Enforcement Block Grant Fund to the General Fund was to move grant funding for use in the General Fund.

CITY OF WILLIAMSBURG, VIRGINIA

Notes to Financial Statements (Continued)  
As of June 30, 2025

**Note 8—Long-Term Obligations:**

The following is a summary of long-term obligation transactions of the City for the year ended June 30, 2025:

Primary Government:

	Balance July 1, 2024	Restatement	Restated Balance July 1, 2024	Issuances/ Increases	Retirements/ Decreases	Balance June 30, 2025	Amounts Due Within One Year
<b>Governmental activities:</b>							
General obligation bonds	\$ 46,975,920	\$ -	\$ 46,975,920	\$ -	\$ 1,052,740	\$ 45,923,180	\$ 1,106,680
Lease liabilities	320,322	-	320,322	-	69,570	250,752	40,556
Subscription liabilities	1,010,877	-	1,010,877	174,131	314,331	870,677	286,334
Compensated absences	2,428,980	1,006,741	3,435,721	399,797 *	-	3,835,518	1,934,023
Net pension liability	11,089,032	-	11,089,032	9,558,467	9,313,626	11,333,873	-
Net OPEB liability	2,290,497	-	2,290,497	1,832,018	1,807,970	2,314,545	-
<b>Adjustment for deferred amounts:</b>							
For issuance premium	837,456	-	837,456	-	100,341	737,115	-
<b>Total Governmental activities</b>	<b>\$ 64,953,084</b>	<b>\$ 1,006,741</b>	<b>\$ 65,959,825</b>	<b>\$ 11,964,413</b>	<b>\$ 12,658,578</b>	<b>\$ 65,265,660</b>	<b>\$ 3,367,593</b>
<b>Business-type activities:</b>							
General obligation bond	\$ 1,734,080	\$ -	\$ 1,734,080	\$ -	\$ 442,260	\$ 1,291,820	\$ 463,320
Compensated absences	232,368	53,864	286,232	72,778 *	-	359,010	189,208
Subscription liabilities	-	-	-	39,744	13,041	26,703	19,428
Net pension liability	1,164,680	-	1,164,680	1,057,892	1,000,921	1,221,651	-
Net OPEB liability	69,526	-	69,526	32,265	32,256	69,535	-
<b>Adjustment for deferred amounts:</b>							
For issuance premium	235,035	-	235,035	-	58,759	176,276	-
<b>Total Business-type activities</b>	<b>\$ 3,435,689</b>	<b>\$ 53,864</b>	<b>\$ 3,489,553</b>	<b>\$ 1,202,679</b>	<b>\$ 1,547,237</b>	<b>\$ 3,144,995</b>	<b>\$ 671,956</b>

\*The change in the compensated absences liabilities are presented as a net change.

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

Year Ended June 30	Governmental Activities						Business-type Activities			
	Lease Liabilities		Subscription Liabilities		General Obligation Bonds		General Obligation Bond		Subscription Liabilities	
	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest
2026	\$ 40,556	\$ 3,009	\$ 286,334	\$ 21,144	\$ 1,106,680	\$ 1,632,687	\$ 463,320	\$ 53,001	\$ 19,428	\$ 778
2027	41,042	2,522	171,470	13,616	25,663,280	1,354,417	486,720	29,250	7,276	226
2028	41,535	2,030	109,830	9,343	1,051,530	761,524	166,140	12,929	-	-
2029	42,033	1,531	73,832	6,772	1,107,490	708,480	175,640	4,387	-	-
2030	42,538	1,027	75,489	5,115	949,080	661,566	-	-	-	-
2031 - 2035	43,048	517	153,722	5,149	5,308,550	2,735,794	-	-	-	-
2036 - 2040	-	-	-	-	4,410,680	1,787,008	-	-	-	-
2041 - 2045	-	-	-	-	2,221,280	1,206,254	-	-	-	-
2046 - 2050	-	-	-	-	2,794,420	633,114	-	-	-	-
2051 - 2052	-	-	-	-	1,310,190	60,827	-	-	-	-
<b>Total</b>	<b>\$ 250,752</b>	<b>\$ 10,636</b>	<b>\$ 870,677</b>	<b>\$ 61,139</b>	<b>\$ 45,923,180</b>	<b>\$ 11,541,671</b>	<b>\$ 1,291,820</b>	<b>\$ 99,567</b>	<b>\$ 26,704</b>	<b>\$ 1,004</b>

CITY OF WILLIAMSBURG, VIRGINIA

Notes to Financial Statements (Continued)  
As of June 30, 2025

**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 \$1,468,180 plus unamortized premium of \$155,661.

\$ 1,623,841

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 \$9,760,000 plus unamortized premium of \$581,454.

10,341,454

The City authorized and issued a \$24,500,000 general obligation public improvement bond to finance the design, construction, and equipping of governmental facilities, including a police station. The bond is due in full on November 1, 2032 plus semi-annual interest payments at 3.10%.

24,500,000

The City authorized and issued a \$10,195,000 general obligation public improvement bond to finance the design, construction, and equipping of governmental facilities. The bond is payable in annual principal installments plus semi-annual interest payments at a coupon rate of 4.59%. Payments are due on July 15 and January 15. Payments began July 15, 2024 and end July 15, 2051.

10,195,000

Total general obligation bonds

\$ 46,660,295

Lease Liabilities:

As of 06/30/2025, Williamsburg, VA had 7 active leases. The leases have payments that range from \$1,600 to \$43,565 and interest rates that range from 0.4800% to 1.2000%. As of 06/30/2025, the total combined value of the lease liability is \$250,752, the total combined value of the short-term lease liability is \$40,556. The combined value of the right to use asset, as of 06/30/2025 of \$413,122 with accumulated amortization of \$146,429 is included within the Lease Class activities table found below. The leases had \$0 of Variable Payments and \$0 of Other Payments, not included in the Lease Liability, within the Fiscal Year.

\$ 250,752

CITY OF WILLIAMSBURG, VIRGINIA

Notes to Financial Statements (Continued)  
As of June 30, 2025

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

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

Subscription Liabilities:

As of 06/30/2025, City of Williamsburg, VA had 17 active subscriptions. The subscriptions have payments that range from \$0 to \$79,435 and interest rates that range from 2.0237% to 3.5330%. As of 06/30/2025, the total combined value of the subscription liability is \$897,378, and the total combined value of the short-term subscription liability is \$305,762. The combined value of the right to use asset, as of 06/30/2025 of \$1,655,247 with accumulated amortization of \$632,323 is included within the Subscription Class activities table found below. The subscriptions had \$0 of Variable Payments and \$0 of Other Payments, not included in the Subscription Liability, within the Fiscal Year.

	\$ 870,677
Compensated absences (payable from General Fund)	<u>\$ 3,835,518</u>
Net pension liability (payable from General Fund)	<u>\$ 11,333,873</u>
Net OPEB liability (payable from General Fund)	<u>\$ 2,314,545</u>
Total Long-Term Obligations, Governmental Activities	<u><u>\$ 65,265,660</u></u>

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CITY OF WILLIAMSBURG, VIRGINIA

Notes to Financial Statements (Continued)  
As of June 30, 2025

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

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

	Total Amount
Long-Term Obligations, Business-type Activities:	
<u>General Obligation Bond:</u>	
The City authorized and issued a \$7,370,000 general obligation refunding bond in December 2017 for the purpose of refunding a Series 2010 and a Series 2013 general obligation and enterprise fund obligation bonds. The bond is payable in annual principal installments plus semi-annual interest payments at 5.00%. Payments are due on July 1 and January 1. Payments began July 1, 2018 and end June 30, 2029. Carrying value of the debt allocable to the business-type activities is \$1,291,820 plus unamortized premium of \$176,276.	\$ 1,468,096
Total general obligation bond	\$ 1,468,096
<u>Subscription Liabilities:</u>	
As of 06/30/2025, City of Williamsburg, VA had 17 active subscriptions. The subscriptions have payments that range from \$0 to \$79,435 and interest rates that range from 2.0237% to 3.5330%. As of 06/30/2025, the total combined value of the subscription liability is \$897,378, and the total combined value of the short-term subscription liability is \$305,762. The combined value of the right to use asset, as of 06/30/2025 of \$1,655,247 with accumulated amortization of \$632,323 is included within the Subscription Class activities table found below. The subscriptions had \$0 of Variable Payments and \$0 of Other Payments, not included in the Subscription Liability, within the Fiscal Year.	\$ 26,703
Total subscription liability	\$ 26,703
Compensated absences (payable from Enterprise Fund)	\$ 359,010
Net pension liability (payable from Enterprise Fund)	\$ 1,221,651
Net OPEB liability (payable from Enterprise Fund)	\$ 69,535
Total Long-Term Obligations, Business-type Activities	\$ 3,144,995

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

Unearned and unavailable revenue represents amounts for which asset recognition criteria have been met, but for which revenue recognition criteria have not been met. Under the modified accrual basis of accounting, such amounts are measurable, but not available. Under the accrual basis, assessments for future periods are deferred. Unavailable revenue of \$1,225,212 and unearned revenue of \$175,000 are comprised of the following:

Unavailable Property Tax Revenue: Unavailable revenue representing uncollected tax billings not available for funding of current expenditures totaled \$1,225,212 at June 30, 2025.

The Utility Fund reports unearned revenue of \$175,000 which represents a lease agreement paid in advance by the County of York.

**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.

Notes to Financial Statements (Continued)  
As of June 30, 2025

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**Note 10—Commitments and Contingencies: (Continued)**

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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 a police station. The construction contract total is \$19,240,250 with \$6,798,951 outstanding at June 30, 2025.

The City is committed on a construction contract with Finish Line Construction, Inc. for the Capitol Landing Road Outfall. The construction contract total is \$539,455 with \$169,467 outstanding at June 30, 2025.

The City is committed on a construction contract with Rite Lite Signs, Inc. for wayfinding and signage. The construction contract total is \$479,326 with \$47,933 outstanding at June 30, 2025.

**Note 11—Litigation:**

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At June 30, 2025, there were no matters of litigation involving the City or which would materially affect the City's financial position should any court decisions on pending matters not be favorable to such entities.

**Note 12—Risk Management:**

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The City is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The City joined together with other local governments in Virginia to form the Virginia Municipal Liability Pool, a public entity risk pool currently operating as a common risk management and insurance program for participating local governments. The City pays annual premiums to the pool for its property, theft, auto liability, and general liability coverage. Settled claims for the City resulting from these risks have not exceeded insurance coverage for each of the past three years. There was no reduction in insurance coverage during fiscal year 2025.

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

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

**Note 13—Pension Plan:**

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**Plan Description**

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

**Note 13—Pension Plan: (Continued)**

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***Benefit Structures***

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

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

***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, 2023 actuarial valuation, the following employees were covered by the benefit terms of the pension plan:

	<u>Number</u>
Inactive members or their beneficiaries currently receiving benefits	<u>292</u>
Inactive members:	
Vested inactive members	56
Non-vested inactive members	70
Inactive members active elsewhere in VRS	<u>122</u>
Total inactive members	<u>248</u>
Active members	<u>198</u>
Total covered employees	<u><u>738</u></u>

***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, 2025 was 18.02% of covered employee compensation. This rate was based on an actuarially determined rate from an actuarial valuation as of June 30, 2023.

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 \$2,948,769 and \$2,474,893 for the years ended June 30, 2025 and June 30, 2024, respectively.

**Note 13—Pension Plan: (Continued)**

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**Contributions (Continued)**

The defined contributions component of the Hybrid plan includes member and employer mandatory and voluntary contributions. The Hybrid plan member must contribute a mandatory rate of 1% of their covered payroll. The employer must also contribute a mandatory rate of 1% of this covered payroll, which totaled \$47,917 for the year ended June 30, 2025. Hybrid plan members may also elect to contribute an additional voluntary rate of up to 4% of their covered payroll; which would require the employer a mandatory additional contribution rate of up to 2.5%. This additional employer mandatory contribution totaled \$64,776 for the year ended June 30, 2025. The total Hybrid plan participant covered payroll totaled \$5,146,679 for the year ended June 30, 2025.

**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, 2024. The total pension liability used to calculate the net pension liability was determined by an actuarial valuation performed as of June 30, 2023 rolled forward to the measurement date of June 30, 2024.

**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, 2023, 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, 2024.

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

**Mortality rates:**

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

**Pre-Retirement:**

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

**Post-Retirement:**

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

**Post-Disablement:**

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

Notes to Financial Statements (Continued)  
As of June 30, 2025

**Note 13—Pension Plan: (Continued)**

**Actuarial Assumptions - General Employees (Continued)**

Beneficiaries and Survivors:

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

Mortality Improvement:

Rates projected generationally with Modified MP-2021 Improvement Scale that is 75% of the MP-2021 rates

The actuarial assumptions used in the June 30, 2023 valuation were based on the results of an actuarial experience study for the period from July 1, 2016 through June 30, 2020. Changes to the actuarial assumptions as a result of the experience study and VRS Board action are as follows:

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

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

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

The total pension liability for Public Safety employees with Hazardous Duty Benefits in the City’s Retirement Plan was based on an actuarial valuation as of June 30, 2023, 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, 2024.

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

Notes to Financial Statements (Continued)  
As of June 30, 2025

**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:

Pub-2010 Amount Weighted Safety Employee Rates projected generationally with a Modified MP-2021 Improvement Scale; 95% of rates for males; 105% of rates for females set forward 2 years

Post-Retirement:

Pub-2010 Amount Weighted Safety Healthy Retiree Rates projected generationally with a Modified MP-2021 Improvement Scale; 110% of rates for males; 105% of rates for females set forward 3 years

Post-Disablement:

Pub-2010 Amount Weighted General Disabled Rates projected generationally with a Modified MP-2021 Improvement Scale; 95% of rates for males set back 3 years; 90% of rates for females set back 3 years

Beneficiaries and Survivors:

Pub-2010 Amount Weighted Safety Contingent Annuitant Rates projected generationally with a Modified MP-2021 Improvement Scale; 110% of rates for males and females set forward 2 years

Mortality Improvement:

Rates projected generationally with Modified MP-2021 Improvement Scale that is 75% of the MP-2021 rates

The actuarial assumptions used in the June 30, 2023 valuation were based on the results of an actuarial experience study for the period from July 1, 2016 through June 30, 2020. Changes to the actuarial assumptions as a result of the experience study and VRS Board action are as follows:

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

**Note 13—Pension Plan: (Continued)****Long-Term Expected Rate of Return**

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

Asset Class (Strategy)	Long-Term Target Asset Allocation	Arithmetic Long-term Expected Rate of Return	Weighted Average Long-term Expected Rate of Return*
Public Equity	32.00%	6.70%	2.14%
Fixed Income	16.00%	5.40%	0.86%
Credit Strategies	16.00%	8.10%	1.30%
Real Assets	15.00%	7.20%	1.08%
Private Equity	15.00%	8.70%	1.31%
PIP - Private Investment Partnerships	1.00%	8.00%	0.08%
Diversifying Strategies	6.00%	5.80%	0.35%
Cash	2.00%	3.00%	0.06%
Leverage	-3.00%	3.50%	-0.11%
Total	100.00%		7.07%

\*The above allocation provides a one-year expected return of 7.07% (includes 2.50% inflation assumption). However, one-year returns do not take into account the volatility present in each of the asset classes. In setting the long-term expected return for the System, stochastic projections are employed to model future returns under various economic conditions. These results provide a range of returns over various time periods that ultimately provide a median return of 7.10%, including expected inflation of 2.50%.

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

**Discount Rate**

The discount rate used to measure the total pension liability was 6.75%. The projection of cash flows used to determine the discount rate assumed that System member contributions will be made per the VRS Statutes and the employer contributions will be made in accordance with the VRS funding policy at rates equal to the difference between actuarially determined contribution rates adopted by the VRS Board of Trustees and the member rate. For the year ended June 30, 2024, the employer contribution rate was 100% of the actuarially determined employer contribution rate from the June 30, 2023 actuarial valuations. From July 1, 2024 on, participating employers and school divisions are assumed to continue to contribute 100% of the actuarially

CITY OF WILLIAMSBURG, VIRGINIA

Notes to Financial Statements (Continued)  
As of June 30, 2025

*Note 13—Pension Plan: (Continued)*

*Discount Rate (Continued)*

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, 2023	\$ 86,720,213	\$ 74,466,501	\$ 12,253,712
Changes for the year:			
Service cost	\$ 1,835,460	\$	\$ 1,835,460
Interest	5,779,367		5,779,367
Changes of assumptions			-
Differences between expected and actual experience	2,924,889		2,924,889
Contributions - employer		2,463,603	(2,463,603)
Contributions - employee		704,548	(704,548)
Net investment income		7,117,390	(7,117,390)
Benefit payments, including refunds of employee contributions	(5,870,849)	(5,870,849)	-
Administrative expenses		(49,035)	49,035
Other changes		1,398	(1,398)
Net changes	\$ 4,668,867	\$ 4,367,055	\$ 301,812
Balances at June 30, 2024	\$ 91,389,080	\$ 78,833,556	\$ 12,555,524

CITY OF WILLIAMSBURG, VIRGINIA

Notes to Financial Statements (Continued)  
As of June 30, 2025

*Note 13—Pension Plan: (Continued)*

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

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

	Rate		
	1% Decrease	Current Discount	1% Increase
	(5.75%)	(6.75%)	(7.75%)
City Net Pension Liability	\$ 23,310,618	\$ 12,555,524	\$ 3,665,395

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

For the year ended June 30, 2025, the City recognized pension expense of \$2,485,512.

At June 30, 2025, 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	\$ 2,130,893	\$ -
Net difference between projected and actual earnings on plan investments	-	2,104,549
Proportionate share	46,320	46,320
Employer contributions subsequent to the measurement date	2,948,769	-
Total	\$ 5,125,982	\$ 2,150,869

CITY OF WILLIAMSBURG, VIRGINIA

Notes to Financial Statements (Continued)  
As of June 30, 2025

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**Note 13—Pension Plan: (Continued)**

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

\$2,948,769 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, 2026. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense in future reporting periods as follows:

<u>Year ended June 30</u>	
2026	\$ (376,343)
2027	1,236,850
2028	(397,418)
2029	(436,745)
2030	-
Thereafter	-

***Pension Plan Data***

Information about the VRS Political Subdivision Retirement Plan is also available in the separately issued VRS 2024 Annual Comprehensive Financial Report (Annual Report). A copy of the 2024 VRS Annual Report may be downloaded from the VRS website at <http://www.varetire.org/pdf/publications/2024-annual-report.pdf>, or by writing to the System’s Chief Financial Officer at P.O. Box 2500, Richmond, VA 23218-2500.

**Note 14—Surety Bonds:**

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Surety bonds covered the following constitutional officers and City employees at June 30, 2025:

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

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

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***Plan Description***

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

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

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

***Eligible Employees***

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

***Benefit Amounts***

The GLI Plan is a defined benefit plan with several components. The natural death benefit is equal to the employee's covered compensation rounded to the next highest thousand and then doubled. The accidental death benefit is double the natural death benefit. In addition to basic natural and accidental death benefits, the plan provides additional benefits provided under specific circumstances that include the following: accidental dismemberment benefit, seatbelt benefit, repatriation benefit, felonious assault benefit, and accelerated death benefit option. The benefit amounts are subject to a reduction factor. The benefit amount reduces by 25% on January 1 following one calendar year of separation. The benefit amount reduces by an additional 25% on each subsequent January 1 until it reaches 25% of its original value. For covered members with at least 30 years of service credit, the minimum benefit payable was set at \$8,000 by statute in 2015. This will be increased annually based on the VRS Plan 2 cost-of-living adjustment calculation. The minimum benefit adjusted for the COLA was \$9,532 as of June 30, 2025.

***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 1.18% of covered employee compensation. This was allocated into an employee and an employer component using a 60/40 split. The employee component was 0.71% (1.18% x 60%) and the employer component was 0.47% (1.18% 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, 2025 was 0.47% of covered employee compensation. This rate was the final approved General Assembly rate, which was based on an actuarially determined rate from an actuarial valuation as of June 30, 2023. The actuarially determined rate,

CITY OF WILLIAMSBURG, VIRGINIA

Notes to Financial Statements (Continued)  
As of June 30, 2025

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

**Contributions (Continued)**

when combined with employee 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 \$76,963 and \$80,813 for the years ended June 30, 2025 and June 30, 2024, 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, 2025, the entity reported a liability of \$650,471 for its proportionate share of the Net GLI OPEB Liability. The Net GLI OPEB Liability was measured as of June 30, 2024 and the total GLI OPEB liability used to calculate the Net GLI OPEB Liability was determined by an actuarial valuation as of June 30, 2023 and rolled forward to the measurement date of June 30, 2024. 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, 2024 relative to the total of the actuarially determined employer contributions for all participating employers. At June 30, 2024, the participating employer’s proportion was 0.05829% as compared to 0.05423% at June 30, 2023.

For the year ended June 30, 2025, the participating employer recognized GLI OPEB expense of \$22,942. 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, 2025, the employer reported deferred outflows of resources and deferred inflows of resources related to the GLI OPEB from the following sources:

	<b>Deferred Outflows of Resources</b>	<b>Deferred Inflows of Resources</b>
Differences between expected and actual experience	\$ 102,594	\$ 15,889
Net difference between projected and actual earnings on GLI OPEB plan investments	-	54,828
Change of assumptions	3,708	32,236
Changes in proportionate share	52,738	20,074
Employer contributions subsequent to the measurement date	76,963	-
Total	<u>\$ 236,003</u>	<u>\$ 123,027</u>

Notes to Financial Statements (Continued)  
As of June 30, 2025

**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)***

\$76,963 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, 2026. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to the GLI OPEB will be recognized in the GLI OPEB expense in future reporting periods as follows:

<u>Year Ended June 30</u>	
2025	\$ (22,571)
2026	21,177
2027	6,026
2028	13,927
2029	17,454
Thereafter	-

***Actuarial Assumptions***

The total GLI OPEB liability was based on an actuarial valuation as of June 30, 2023, 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, 2024. The assumptions include several employer groups. Salary increases and mortality rates included herein are for relevant employer groups. Information for other groups can be referenced in the VRS Annual Report.

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

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CITY OF WILLIAMSBURG, VIRGINIA

Notes to Financial Statements (Continued)  
As of June 30, 2025

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

**Actuarial Assumptions: (Continued)**

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

Pre-Retirement:

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

Post-Retirement:

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

Post-Disablement:

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

Beneficiaries and Survivors:

Pub-2010 Amount Weighted Safety Contingent Annuitant Rates projected generationally

Mortality Improvement Scale:

Rates projected generationally with Modified MP-2021 Improvement Scale that is 75% of the MP-2021 rates

The actuarial assumptions used in the June 30, 2023 valuation were based on the results of an actuarial experience study for the period from July 1, 2016 through June 30, 2020. Changes to the actuarial assumptions as a result of the experience study and VRS Board action are as follows:

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

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

**Actuarial Assumptions: (Continued)**

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

Pre-Retirement:

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

Post-Retirement:

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

Post-Disablement:

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

Beneficiaries and Survivors:

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

Mortality Improvement Scale:

Rates projected generationally with Modified MP-2021 Improvement Scale that is 75% of the MP-2021 rates

The actuarial assumptions used in the June 30, 2023 valuation were based on the results of an actuarial experience study for the period from July 1, 2016 through June 30, 2020. Changes to the actuarial assumptions as a result of the experience study and VRS Board action are as follows:

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

Notes to Financial Statements (Continued)  
As of June 30, 2025

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

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**NET GLI OPEB Liability**

The net OPEB liability (NOL) for the GLI Plan represents the plan’s total OPEB liability determined in accordance with GASB Statement No. 74, less the associated fiduciary net position. As of the measurement date of June 30, 2024, NOL amounts for the GLI Plan are as follows (amounts expressed in thousands):

	<b>GLI OPEB Plan</b>
	<hr/>
Total GLI OPEB Liability	\$ 4,196,055
Plan Fiduciary Net Position	3,080,133
GLI Net OPEB Liability (Asset)	<hr/> \$ 1,115,922
Plan Fiduciary Net Position as a Percentage of the Total GLI OPEB Liability	73.41%

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

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Notes to Financial Statements (Continued)  
As of June 30, 2025**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)	Long-Term Target Asset Allocation	Arithmetic Long-term Expected Rate of Return	Weighted Average Long-term Expected Rate of Return*
Public Equity	32.00%	6.70%	2.14%
Fixed Income	16.00%	5.40%	0.86%
Credit Strategies	16.00%	8.10%	1.30%
Real Assets	15.00%	7.20%	1.08%
Private Equity	15.00%	8.70%	1.31%
PIP - Private Investment Partnerships	1.00%	8.00%	0.08%
Cash	6.00%	5.80%	0.35%
PIP - Private Investment Partnership	2.00%	3.00%	0.06%
Leverage	-3.00%	3.50%	-0.11%
Total	100.00%		7.07%
		Expected arithmetic nominal return**	7.07%

\*The above allocation provides a one-year expected return of 7.07% (including 2.50% inflation assumption). However, one-year returns do not take into account the volatility present in each of the asset classes. In setting the long-term expected return for the System, stochastic projections are employed to model future returns under various economic conditions. These results provide a range of returns over various time periods that ultimately provide a median return of 7.10%, including expected inflation of 2.50%.

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

CITY OF WILLIAMSBURG, VIRGINIA

Notes to Financial Statements (Continued)  
As of June 30, 2025

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

**Discount Rate**

The discount rate used to measure the total GLI OPEB liability was 6.75%. The projection of cash flows used to determine the discount rate assumed that employer contributions will be made in accordance with the VRS funding policy and at rates equal to the actuarially determined contribution rates adopted by the VRS Board of Trustees. Through the fiscal year ended June 30, 2024, 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 113 % of the actuarially determined contribution rate. From July 1, 2024 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.

**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	\$ 1,011,567	\$ 650,471	\$ 358,753

**GLI Plan Fiduciary Net Position**

Detailed information about the GLI Program’s Fiduciary Net Position is available in the separately issued VRS 2024 Annual Comprehensive Financial Report (Annual Report). A copy of the 2024 VRS Annual Report may be downloaded from the VRS website at <http://www.varetire.org/pdf/publications/2024-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.

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

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**Plan Description (Continued)**

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

**Eligible Employees**

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

**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 (the benefit will be \$75,000 for approved presumptive deaths occurring on or after January 1, 2025); or an additional \$20,000 benefit is payable when certain members of the National Guard and U.S. military reserves are killed in action in any armed conflict on or after October 7, 2001.

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

**Contributions**

The contribution requirements for the LODA Program are governed by §9.1-400.1 of the Code of Virginia, as amended, but may be impacted as a result of funding provided to state agencies by the Virginia General Assembly. Each employer's contractually required employer contribution rate for the LODA Program for the year ended June 30, 2025 was \$1,015 per covered full-time-equivalent employee. This rate was based on an actuarially determined rate from an actuarial valuation as of June 30, 2023 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 \$90,335 and \$66,400 for the years ended June 30, 2025 and June 30, 2024, 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, 2025, the entity reported a liability of \$1,733,609 for its proportionate share of the Net LODA OPEB Liability. The Net LODA OPEB Liability was measured as of June 30, 2024 and the total LODA OPEB liability used to calculate the Net LODA OPEB Liability was determined by an actuarial valuation as of June 30, 2023, and rolled forward to the measurement date of June 30, 2024. 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, 2024 relative to the total of the actuarially determined pay-as-you-go employer contributions for all participating employers. At June 30, 2024, the entity's proportion was 0.044050% as compared to 0.42655% at June 30, 2023.

CITY OF WILLIAMSBURG, VIRGINIA

Notes to Financial Statements (Continued)  
As of June 30, 2025

*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)*

For the year ended June 30, 2025, the entity recognized LODA OPEB expense of \$230,447. 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.

At June 30, 2025, the entity reported deferred outflows of resources and deferred inflows of resources related to the LODA OPEB from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Difference between expected and actual experience	\$ 60,319	\$ 423,468
Net difference between projected and actual earnings on LODA OPEB program investments	-	5,731
Change of assumptions	319,574	349,157
Changes in proportionate share	159,939	99,228
Employer contributions subsequent to the measurement date	<u>90,335</u>	<u>-</u>
Total	<u>\$ 630,167</u>	<u>\$ 877,584</u>

\$90,335 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, 2026. 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

2026	\$	(17,247)
2027		(14,619)
2028		(24,302)
2029		(44,505)
2030		(60,694)
Thereafter		(176,385)

**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, 2023, 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, 2024. The assumptions include several employer groups. Salary increases and mortality rates included herein are for relevant employer groups. Information for other groups can be referenced in the VRS Annual Report.

Inflation	2.50%
Salary increases, including inflation:	
Locality employees	N/A
Medical cost trend rates assumption:	
Under age 65	7.25%-4.25%
Ages 65 and older	6.50%-4.25%
Year of ultimate trend rate:	
Under age 65	Fiscal year ended 2034
Ages 65 and older	Fiscal year ended 2034
Investment rate of return	3.97%, including inflation*

\* Since LODA is funded on a current-disbursement basis, the assumed annual rate of return of 3.97% was used since it approximates the risk-free rate of return.

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

**Pre-Retirement:**

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

**Post-Retirement:**

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

**Post-Disablement:**

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

**Beneficiaries and Survivors:**

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

**Mortality Improvement Scale:**

Rates projected generationally with Modified MP-2021 Improvement Scale that is 75% of the MP-2021 rates

Notes to Financial Statements (Continued)  
As of June 30, 2025

**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, 2023 valuation were based on the results of an actuarial experience study for the period from July 1, 2016 through June 30, 2020. Changes to the actuarial assumptions as a result of the experience study are as follows:

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

**Net LODA OPEB Liability**

The net OPEB liability (NOL) for the LODA Program represents the program’s total OPEB liability determined in accordance with GASB Statement No. 74, less the associated fiduciary net position. As of the measurement date of June 30, 2024, NOL amounts for the LODA Program are as follows (amounts expressed in thousands):

	<b><u>LODA Program</u></b>
Total LODA OPEB Liability	\$ 398,395
Plan Fiduciary Net Position	<u>4,841</u>
Employers' Net OPEB Liability (Asset)	<u><u>\$ 393,554</u></u>
Plan Fiduciary Net Position as a Percentage of the Total LODA OPEB Liability	1.22%

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.

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

**Long-Term Expected Rate of Return**

The long-term expected rate of return on LODA OPEB Program’s investments was set at 3.97% 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 3.97% 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 Fidelity Fixed General Obligation 20-year Municipal Bond Index as of the measurement date of June 30, 2024.

**Discount Rate**

The discount rate used to measure the total LODA OPEB liability was 3.97%. 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, 2024, 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 3.97%, 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 (2.97%) or one percentage point higher (4.97%) than the current rate:

	Discount Rate		
	1% Decrease (2.97%)	Current (3.97%)	1% Increase (4.97%)
County’s proportionate share of the total LODA Net OPEB Liability	\$ 1,921,840	\$ 1,733,609	\$ 1,571,751

CITY OF WILLIAMSBURG, VIRGINIA

Notes to Financial Statements (Continued)  
As of June 30, 2025

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

**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 7.25% decreasing to 4.25%, 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 (6.25% decreasing to 3.25%) or one percentage point higher (8.25% decreasing to 5.25%) than the current rate:

	Health Care Trend Rates		
	1% Decrease (6.25% decreasing to 3.25%)	Current (7.25% decreasing to 4.25%)	1% Increase (8.25% decreasing to 5.25)
City’s proportionate share of the LODA Net OPEB Liability	\$ 1,476,804	\$ 1,733,609	\$ 2,048,711

**LODA OPEB Fiduciary Net Position**

Detailed information about the LODA Program Fiduciary Net Position is available in the separately issued VRS 2024 Annual Comprehensive Financial Report (Annual Report). A copy of the 2024 VRS Annual Report may be downloaded from the VRS website at <http://www.varetire.org/pdf/publications/2024-annual-report.pdf>, or by writing to the System’s Chief Financial Officer at P.O. Box 2500, Richmond, VA, 23218-2500.

**Aggregate OPEB Information**

	Primary Government			
	Deferred Outflows	Deferred Inflows	Net OPEB Liability	OPEB Expense
VRS OPEB Plans:				
Group Life Insurance Plan (Note 15)	\$ 236,003	\$ 123,027	\$ 650,471	\$ 22,942
Line of Duty Act Plan (Note 16)	630,167	877,584	1,733,609	230,447
Totals	<u>\$ 866,170</u>	<u>\$ 1,000,611</u>	<u>\$ 2,384,080</u>	<u>\$ 253,389</u>

**Note 17—Leases Receivable:**

As of June 30, 2025, City of Williamsburg, Virginia had 13 active leases. The leases have receipts that range from \$10,201 to \$66,572 and interest rates that range from 0.2200% to 1.6300%. As of June 30, 2025, the total combined value of the lease receivable is \$3,912,061, the total combined value of the short-term lease receivable is \$342,738, and the combined value of the deferred inflow of resources is \$3,560,161. The leases had \$0 of variable receipts and \$0 of other receipts, not included in the lease receivable, within the fiscal year.

CITY OF WILLIAMSBURG, VIRGINIA

Notes to Financial Statements (Continued)  
As of June 30, 2025

**Note 17—Leases Receivable: (Continued)**

Expected future payments at June 30, 2025 are as follows:

Year Ended June 30	Governmental Activities			Business-type Activities		
	Principal	Interest	Total	Principal	Interest	Total
2026	162,864	22,871	185,735	179,874	25,896	205,770
2027	157,471	21,471	178,942	181,750	24,020	205,770
2028	151,096	20,126	171,222	188,050	22,120	210,170
2029	155,253	18,795	174,048	134,136	20,132	154,268
2030	159,518	17,423	176,941	141,023	18,241	159,264
2031 - 2035	464,417	69,140	533,557	724,024	59,806	783,830
2036 - 2040	234,534	45,825	280,359	419,089	25,598	444,687
2041 - 2045	231,893	28,828	260,721	-	-	-
2046 - 2050	227,069	9,350	236,419	-	-	-
Total	<u>\$ 1,944,115</u>	<u>\$ 253,829</u>	<u>\$ 2,197,944</u>	<u>\$ 1,967,946</u>	<u>\$ 195,813</u>	<u>\$ 2,163,759</u>

**Note 18—Upcoming Pronouncements:**

Statement No. 103, *Financial Reporting Model Improvements*, improves key components of the financial reporting model to enhance its effectiveness in providing information that is essential for decision making and assessing a government’s accountability. The requirements of this Statement are effective for fiscal years beginning after June 15, 2025.

Statement No. 104, *Disclosure of Certain Capital Assets*, requires certain types of assets (lease assets, subscription assets, intangible right-to-use assets, and other intangible assets) to be disclosed separately in the capital asset note disclosures by major class of underlying asset. It also requires additional disclosures for capital assets held for sale. The requirements of this Statement are effective for fiscal years beginning after June 15, 2025.

Implementation Guide No. 2025-1, *Implementation Guidance Update—2025*, effective for fiscal years beginning after June 15, 2025.

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

**Note 19—Change in Accounting Principle:**

During the year ended June 30, 2025, the City implemented GASB Statement No. 101, *Compensated Absences*. This Statement establishes recognition and measurement guidance for compensated absences that are attributable to services already rendered and that are expected to be paid or settled. Implementation of this Statement required the recognition of a liability for certain leave benefits previously unrecorded or measured differently under prior standards.

The adoption of GASB 101 resulted in a restatement of beginning net position as shown in Note 20 on the following page.

CITY OF WILLIAMSBURG, VIRGINIA

Notes to Financial Statements (Continued)  
As of June 30, 2025

**Note 20—Restatement of Beginning Balances:**

The beginning net position as of July 1, 2024, has been restated to reflect the cumulative effect of implementing GASB Statement No. 101, *Compensated Absences*. There were also restatements for custodial funds related to recording of capital assets and long-term obligations.

The impact of these adjustments on beginning net position is as follows:

	Primary Government		Custodial Funds	
	Governmental Activities	Business-Type Activities	Williamsburg Regional Library Fund	Historic Triangle Recreational Facilities Authority
Balance at July 1, 2024, as previously stated	\$ 127,052,375	\$ 26,219,462	\$ 3,196,825	\$ 1,887,144
<b>Restatements:</b>				
Implementation of GASB 101:				
Adjustment to compensated absences	(1,006,741)	(53,864)	(453,994)	-
<b>Conversion to full accrual reporting for custodial funds:</b>				
Record capital assets	-	-	548,741	16,897,267
Record long-term obligations	-	-	(825,560)	(7,612,277)
Record deferred outflows of resources	-	-	38,833	-
Record deferred inflows of resources	-	-	(112,886)	-
Balance at July 1, 2024, as restated	<u>\$ 126,045,634</u>	<u>\$ 26,165,598</u>	<u>\$ 2,391,959</u>	<u>\$ 11,172,134</u>

**Note 21—Subsequent Events:**

On August 15, 2025, the City entered into a 10-year lease-purchase agreement with Community First National Bank to finance the purchase of a Pierce Enforcer Pumper fire truck (\$1,079,258) and the purchase of a Pierce Enforcer Platform fire truck (\$2,032,389) at an annual interest rate of 4.81%. The annual payment under this agreement for both trucks is \$382,632. The lease can be prepaid without penalty. This debt will be reported in the City’s financial statements for the fiscal year ending June 30, 2026. The fire trucks will be reported as capital assets in the City’s financial statements in the fiscal year in which they are received and placed into service.

On October 10, 2025, the City entered into a new contract with the County of James City and the Williamsburg-James City County (W-JCC) School System for funding the joint operation of the W-JCC schools. The new contract immediately established an operating contribution of an amount not less than \$14,450,000 from the City in fiscal year 2027, with annual adjustments, beginning in fiscal year 2028, based on the City’s student enrollment. The City will be responsible for funding capital improvements to school buildings physically located within city limits and will continue to contribute capital funding to W-JCC schools for shared facilities such as the administration building, operations center, and Cooley field.

On November 13, 2025, City Council approved Resolution #25-20, authorizing the issuance of revenue bonds for the Utility Fund in an aggregate principal amount not to exceed \$10,000,000 to finance the first phase of infrastructure improvement projects including pump station rehabilitations, enhancements to the water treatment plant, water and sewer main replacements, and technology modernization.

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*REQUIRED SUPPLEMENTARY INFORMATION*

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City of Williamsburg, Virginia  
General Fund  
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual  
For the Year Ended June 30, 2025

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		(Negative)
<b>REVENUES</b>				
General property taxes	\$ 23,168,553	\$ 23,168,553	\$ 23,926,018	\$ 757,465
Other local taxes	18,221,260	18,221,260	17,593,933	(627,327)
Permits, privilege fees, and regulatory licenses	172,575	172,575	273,215	100,640
Fines and forfeitures	220,000	220,000	343,190	123,190
Revenue from the use of money and property	796,870	796,870	856,724	59,854
Charges for services	1,543,760	1,543,760	1,746,714	202,954
Miscellaneous	351,000	403,181	707,830	304,649
Recovered costs	1,604,000	1,604,000	1,707,107	103,107
Intergovernmental:				
Commonwealth	4,961,572	4,880,185	4,695,087	(185,098)
Federal	38,165	124,749	143,687	18,938
Total revenues	\$ 51,077,755	\$ 51,135,133	\$ 51,993,505	\$ 858,372
<b>EXPENDITURES</b>				
Current:				
General government administration	\$ 7,924,072	\$ 7,678,414	\$ 7,666,523	\$ 11,891
Judicial administration	700,000	639,378	639,378	-
Public safety	15,415,059	16,360,163	16,334,538	25,625
Public works	4,242,987	4,549,468	4,574,156	(24,688)
Health and welfare	579,800	524,777	524,777	-
Education	11,266,758	11,266,758	10,609,292	657,466
Parks, recreation, and cultural	3,259,667	3,354,739	3,352,417	2,322
Community development	2,278,504	2,224,880	2,224,880	-
Debt service:				
Principal retirement	-	-	142,259	(142,259)
Interest and other fiscal charges	-	-	2,138	(2,138)
Total expenditures	\$ 45,666,847	\$ 46,598,577	\$ 46,070,358	\$ 528,219
Excess (deficiency) of revenues over (under) expenditures	\$ 5,410,908	\$ 4,536,556	\$ 5,923,147	\$ 1,386,591
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	\$ 106,000	\$ 106,000	\$ 6,500	\$ (99,500)
Transfers out	(5,516,908)	(4,938,043)	(4,938,043)	-
Issuance of subscription liability	-	-	154,928	154,928
Total other financing sources (uses)	\$ (5,410,908)	\$ (4,832,043)	\$ (4,776,615)	\$ 55,428
Net change in fund balances	\$ -	\$ (295,487)	\$ 1,146,532	\$ 1,442,019
Fund balances - beginning	-	295,487	25,611,399	25,315,912
Fund balances - ending	\$ -	\$ -	\$ 26,757,931	\$ 26,757,931

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, 2025

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
<b>REVENUES</b>				
Other local taxes	\$ 3,545,000	\$ 3,545,000	\$ 3,592,752	\$ 47,752
Revenue from the use of money and property	100,000	100,000	36,508	(63,492)
Total revenues	\$ 3,645,000	\$ 3,645,000	\$ 3,629,260	\$ (15,740)
<b>EXPENDITURES</b>				
Current:				
Community development	\$ 5,650,000	\$ 7,254,425	\$ 6,535,596	\$ 718,829
Total expenditures	\$ 5,650,000	\$ 7,254,425	\$ 6,535,596	\$ 718,829
Excess (deficiency) of revenues over (under) expenditures	\$ (2,005,000)	\$ (3,609,425)	\$ (2,906,336)	\$ 703,089
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	\$ 2,205,000	\$ 2,205,000	\$ 2,205,000	\$ -
Transfers out	(200,000)	(200,000)	(200,000)	-
Total other financing sources (uses)	\$ 2,005,000	\$ 2,005,000	\$ 2,005,000	\$ -
Net change in fund balances	\$ -	\$ (1,604,425)	\$ (901,336)	\$ 703,089
Fund balances - beginning	-	1,604,425	3,875,698	2,271,273
Fund balances - ending	\$ -	\$ -	\$ 2,974,362	\$ 2,974,362

City of Williamsburg, Virginia  
 American Rescue Plan Fund - Major Fund  
 Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual  
 For the Year Ended June 30, 2025

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
<b>REVENUES</b>				
Intergovernmental revenues:				
Federal	\$ -	\$ -	\$ 19,193	\$ 19,193
Total revenues	\$ -	\$ -	\$ 19,193	\$ 19,193
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers out	\$ -	\$ -	\$ (990,815)	\$ (990,815)
Total other financing sources (uses)	\$ -	\$ -	\$ (990,815)	\$ (990,815)
Net change in fund balances	\$ -	\$ -	\$ (971,622)	\$ (971,622)
Fund balances - beginning	-	-	971,622	971,622
Fund balances - ending	\$ -	\$ -	-	-

CITY OF WILLIAMSBURG, VIRGINIA

Schedule of Changes in Net Pension Liability and Related Ratios  
 For the Measurement Dates of June 30, 2015 through June 30, 2024

	<u>2024</u>	<u>2023</u>	<u>2022</u>
<b>Total pension liability</b>			
Service cost	\$ 1,835,460	\$ 1,618,172	\$ 1,490,899
Interest	5,779,367	5,540,023	5,429,380
Changes of assumptions	-	-	-
Difference between expected and actual experience	2,924,889	1,685,163	(228,679)
Benefit payments	(5,870,849)	(5,158,773)	(5,200,679)
<b>Net change in total pension liability</b>	<b>\$ 4,668,867</b>	<b>\$ 3,684,585</b>	<b>\$ 1,490,921</b>
<b>Total pension liability - beginning</b>	<b>86,720,213</b>	<b>83,035,628</b>	<b>81,544,707</b>
<b>Total pension liability - ending (a)</b>	<b><u>\$ 91,389,080</u></b>	<b><u>\$ 86,720,213</u></b>	<b><u>\$ 83,035,628</u></b>
<b>Plan fiduciary net position</b>			
Contributions - employer	\$ 2,463,603	\$ 2,114,231	\$ 1,808,284
Contributions - employee	704,548	621,161	615,393
Net investment income	7,117,390	4,602,483	(36,860)
Benefit payments	(5,870,849)	(5,158,773)	(5,200,679)
Administrator charges	(49,035)	(46,753)	(47,343)
Other	1,398	1,844	1,700
<b>Net change in plan fiduciary net position</b>	<b>\$ 4,367,055</b>	<b>\$ 2,134,193</b>	<b>\$ (2,859,505)</b>
<b>Plan fiduciary net position - beginning</b>	<b>74,466,501</b>	<b>72,332,308</b>	<b>75,191,813</b>
<b>Plan fiduciary net position - ending (b)</b>	<b><u>\$ 78,833,556</u></b>	<b><u>\$ 74,466,501</u></b>	<b><u>\$ 72,332,308</u></b>
<b>City's net pension liability - ending (a) - (b)</b>	<b>\$ 12,555,524</b>	<b>\$ 12,253,712</b>	<b>\$ 10,703,320</b>
<b>Plan fiduciary net position as a percentage of the total pension liability</b>	<b>86.26%</b>	<b>85.87%</b>	<b>87.11%</b>
<b>Covered payroll</b>	<b>\$ 14,965,399</b>	<b>\$ 12,769,409</b>	<b>\$ 11,963,840</b>
<b>City's net pension liability as a percentage of covered payroll</b>	<b>83.90%</b>	<b>95.96%</b>	<b>89.46%</b>

	2021	2020	2019	2018	2017	2016	2015
\$	1,383,990	\$ 1,338,975	\$ 1,272,636	\$ 1,203,231	\$ 1,169,362	\$ 1,192,219	\$ 1,178,813
	4,994,877	4,840,945	4,806,679	4,691,888	4,592,124	4,472,336	4,331,841
	3,078,948	-	1,969,052	-	(295,496)	-	-
	508,022	854,275	(619,735)	(386,020)	(515,043)	(554,448)	(361,478)
	(4,838,617)	(4,668,833)	(4,086,702)	(3,651,762)	(3,399,707)	(3,398,006)	(2,886,192)
\$	5,127,220	\$ 2,365,362	\$ 3,341,930	\$ 1,857,337	\$ 1,551,240	\$ 1,712,101	\$ 2,262,984
	76,417,487	74,052,125	70,710,195	68,852,858	67,301,618	65,589,517	63,326,533
\$	<u>81,544,707</u>	<u>76,417,487</u>	<u>74,052,125</u>	<u>70,710,195</u>	<u>68,852,858</u>	<u>67,301,618</u>	<u>65,589,517</u>
\$	1,801,653	\$ 1,487,194	\$ 1,453,252	\$ 1,464,447	\$ 1,390,195	\$ 1,666,704	\$ 1,649,556
	578,702	539,231	567,049	520,088	494,042	487,862	506,966
	16,460,541	1,185,570	3,979,585	4,279,006	6,434,478	915,305	2,381,156
	(4,838,617)	(4,668,833)	(4,086,702)	(3,651,762)	(3,399,707)	(3,398,006)	(2,886,192)
	(42,205)	(41,859)	(40,666)	(37,516)	(37,916)	(33,783)	(32,867)
	1,543	(1,381)	(2,504)	(3,777)	(5,696)	(392)	(500)
\$	13,961,617	\$ (1,500,078)	\$ 1,870,014	\$ 2,570,486	\$ 4,875,396	\$ (362,310)	\$ 1,618,119
	61,230,196	62,730,274	60,860,260	58,289,774	53,414,378	53,776,688	52,158,569
\$	<u>75,191,813</u>	<u>61,230,196</u>	<u>62,730,274</u>	<u>60,860,260</u>	<u>58,289,774</u>	<u>53,414,378</u>	<u>53,776,688</u>
\$	6,352,894	\$ 15,187,291	\$ 11,321,851	\$ 9,849,935	\$ 10,563,084	\$ 13,887,240	\$ 11,812,829
	92.21%	80.13%	84.71%	86.07%	84.66%	79.37%	81.99%
\$	11,573,683	\$ 11,036,370	\$ 10,806,259	\$ 10,581,720	\$ 9,988,509	\$ 9,830,879	\$ 9,695,347
	54.89%	137.61%	104.77%	93.08%	105.75%	141.26%	121.84%

Schedule of Employer Contributions - Pension Plan  
 For the Years Ended June 30, 2016 through June 30, 2025

<u>Date</u>	<u>Contractually Required Contribution (1)*</u>	<u>Contributions in Relation to Contractually Required Contribution (2)*</u>	<u>Contribution Deficiency (Excess) (3)</u>	<u>Employer's Covered Payroll (4)</u>	<u>Contributions as a % of Covered Payroll (5)</u>
2025	\$ 2,948,769	\$ 2,948,769	\$ -	\$ 16,363,869	18.02%
2024	2,474,893	2,474,893	-	14,965,399	16.54%
2023	2,114,322	2,114,322	-	12,769,409	16.56%
2022	1,795,434	1,795,434	-	11,963,840	15.01%
2021	1,744,139	1,744,139	-	11,573,683	15.07%
2020	1,484,653	1,484,653	-	11,036,370	13.45%
2019	1,460,073	1,460,073	-	10,806,259	13.51%
2018	1,464,447	1,464,447	-	10,581,720	13.84%
2017	1,407,381	1,407,381	-	9,988,509	14.09%
2016	1,675,182	1,675,182	-	9,830,879	17.04%

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

Notes to Required Supplementary Information - Pension Plan  
 For the Year Ended June 30, 2025

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

**Changes of assumptions** - The actuarial assumptions used in the June 30, 2023 valuation were based on the results of an actuarial experience study for the period from July 1, 2016 through June 30, 2020. Changes to the actuarial assumptions as a result of the experience study and VRS Board action are as follows:

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

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

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

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

Schedule of City's Share of Net OPEB Liability  
 Group Life Insurance (GLI) Plan  
 For the Measurement Dates of June 30, 2017 through June 30, 2024

<b>Date</b>	<b>Employer's Proportion of the Net GLI OPEB Liability (Asset)</b>	<b>Employer's Proportionate Share of the Net GLI OPEB Liability (Asset)</b>	<b>Employer's Covered Payroll</b>	<b>Employer's Proportionate Share of the Net GLI OPEB Liability (Asset) as a Percentage of Covered Payroll (3)/(4)</b>	<b>Plan Fiduciary Net Position as Percentage of Total GLI OPEB Liability (6)</b>
<b>(1)</b>	<b>(2)</b>	<b>(3)</b>	<b>(4)</b>	<b>(5)</b>	<b>(6)</b>
2024	0.05829% \$	650,471 \$	14,965,399	4.35%	73.41%
2023	0.05423%	650,388	12,772,992	5.09%	69.30%
2022	0.05510%	662,975	11,978,035	5.53%	67.21%
2021	0.05610%	653,040	11,580,642	5.64%	67.45%
2020	0.05370%	897,000	11,057,270	8.11%	52.64%
2019	0.05534%	901,000	10,848,895	8.30%	52.00%
2018	0.05572%	846,000	10,594,918	7.98%	51.22%
2017	0.05415%	815,000	9,988,509	8.16%	48.86%

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

Schedule of Employer Contributions  
 Group Life Insurance (GLI) Plan  
 For the Years Ended June 30, 2016 through June 30, 2025

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Date	Contributions in Relation to			Employer's Covered Payroll (4)	Contributions as a % of Covered Payroll (5)
	Contractually Required Contribution (1)	Contractually Required Contribution (2)	Contribution Deficiency (Excess) (3)		
2025	\$ 76,963	\$ 76,963	\$ -	\$ 16,375,054	0.47%
2024	80,813	80,813	-	14,965,399	0.54%
2023	68,974	68,974	-	12,772,992	0.54%
2022	64,681	64,681	-	11,978,035	0.54%
2021	62,535	62,535	-	11,580,642	0.54%
2020	57,498	57,498	-	11,057,270	0.52%
2019	56,414	56,414	-	10,848,895	0.52%
2018	55,094	55,094	-	10,594,918	0.52%
2017	51,940	51,940	-	9,988,509	0.52%
2016	47,188	47,188	-	9,830,879	0.48%

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

Notes to Required Supplementary Information  
 Group Life Insurance (GLI) Plan  
 For the Year Ended June 30, 2025

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

**Changes of assumptions** - The actuarial assumptions used in the June 30, 2023 valuation were based on the results of an actuarial experience study for the period from July 1, 2016 through June 30, 2020. Changes to the actuarial assumptions as a result of the experience study and VRS Board action are as follows:

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

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

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

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

Schedule of Employer's Share of Net LODA OPEB Liability  
Line of Duty Act (LODA) Program  
For the Measurement Dates of June 30, 2017 through 2024

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)
2024	0.44050% \$	1,733,609	N/A	N/A	1.22%
2023	0.42655%	1,709,635	N/A	N/A	1.31%
2022	0.45380%	1,717,469	N/A	N/A	1.87%
2021	0.44680%	1,970,218	N/A	N/A	1.68%
2020	0.41680%	1,745,455	N/A	N/A	1.02%
2019	0.42332%	1,518,814	N/A	N/A	0.79%
2018	0.41149%	1,290,000	N/A	N/A	0.60%
2017	0.39849%	1,047,000	N/A	N/A	1.30%

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

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

Schedule is intended to show information for 10 years. Since 2017 is the first year for this presentation, only one year of data is available. However, additional years will be included as they become available.

Schedule of Employer Contributions  
 Line of Duty Act (LODA) Program  
 For the Years Ended June 30, 2016 through June 30, 2024

<b>Date</b>	<b>Contractually Required Contribution (1)</b>	<b>Contributions in Relation to Contractually Required Contribution (2)</b>	<b>Contribution Deficiency (Excess) (3)</b>	<b>Covered- Employee Payroll * (4)</b>	<b>Contributions as a % of Covered - Employee Payroll (5)</b>
2025	\$ 90,335	\$ 90,335	\$ -	N/A	N/A
2024	66,400	66,400	-	N/A	N/A
2023	56,593	56,593	-	N/A	N/A
2022	62,501	62,501	-	N/A	N/A
2021	61,509	61,509	-	N/A	N/A
2020	56,638	56,638	-	N/A	N/A
2019	56,814	56,814	-	N/A	N/A
2018	43,829	43,829	-	N/A	N/A
2017	42,978	42,978	-	N/A	N/A
2016	38,913	38,913	-	N/A	N/A

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

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

Notes to Required Supplementary Information  
 Line of Duty Act (LODA) Program  
 For the Year Ended June 30, 2025

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

**Changes of assumptions** - The actuarial assumptions used in the June 30, 2023 valuation were based on results of an actuarial experience study for the period from July 1, 2016 through June 30, 2020. Changes to the actuarial assumptions as a result of the experience study are as follows:

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

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

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*OTHER SUPPLEMENTARY INFORMATION*

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*COMBINING AND INDIVIDUAL FUND FINANCIAL  
STATEMENTS AND SCHEDULES*

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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, 2025

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
<b>REVENUES</b>				
Other local taxes	\$ 5,281,852	\$ 5,281,852	\$ 6,016,332	\$ 734,480
Revenue from the use of money and property	3,229,348	3,229,348	3,277,488	48,140
Charges for services	106,000	106,000	-	(106,000)
Miscellaneous	3,000,000	3,000,000	370,338	(2,629,662)
Intergovernmental:				
Commonwealth	774,300	2,774,300	320,169	(2,454,131)
Federal	5,697,542	15,331,851	111,284	(15,220,567)
Total revenues	\$ 18,089,042	\$ 29,723,351	\$ 10,095,611	\$ (19,627,740)
<b>EXPENDITURES</b>				
Current:				
Capital projects	\$ 24,574,784	\$ 93,313,432	\$ 18,887,010	\$ 74,426,422
Debt service:				
Principal retirement	1,052,740	1,052,740	1,294,382	(241,642)
Interest and other fiscal charges	1,736,067	1,736,067	1,756,796	(20,729)
Total expenditures	\$ 27,363,591	\$ 96,102,239	\$ 21,938,188	\$ 74,164,051
Excess (deficiency) of revenues over (under) expenditures	\$ (9,274,549)	\$ (66,378,888)	\$ (11,842,577)	\$ 54,536,311
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	\$ -	\$ -	\$ 2,406,981	\$ 2,406,981
Transfers out	(92,500)	(92,500)	-	92,500
Issuance of subscription liability	-	-	19,203	19,203
Total other financing sources (uses)	\$ (92,500)	\$ (92,500)	\$ 2,426,184	\$ 2,518,684
Net change in fund balances	\$ (9,367,049)	\$ (66,471,388)	\$ (9,416,393)	\$ 57,054,995
Fund balances - beginning	9,367,049	66,471,388	66,354,137	(117,251)
Fund balances - ending	\$ -	\$ -	\$ 56,937,744	\$ 56,937,744

City of Williamsburg, Virginia  
Combining Balance Sheet  
Nonmajor Special Revenue Funds  
June 30, 2025

	Virginia Public Assistance <u>Fund</u>	Law Enforcement Block Grant <u>Fund</u>	<u>Total</u>
<b>ASSETS</b>			
Cash and cash equivalents	\$ 557,821	\$ 2,549	\$ 560,370
Receivables (net of allowance for uncollectibles):			
Accounts receivable	110	-	110
Due from other funds	231,656	-	231,656
Due from other governmental units	194,309	-	194,309
Total assets	<u>\$ 983,896</u>	<u>\$ 2,549</u>	<u>\$ 986,445</u>
<b>LIABILITIES</b>			
Accounts payable	\$ 45,771	\$ -	\$ 45,771
Due to other funds	59,603	-	59,603
Total liabilities	<u>\$ 105,374</u>	<u>\$ -</u>	<u>\$ 105,374</u>
<b>FUND BALANCES:</b>			
Restricted	\$ 878,522	\$ 2,549	\$ 881,071
Total fund balances	<u>\$ 878,522</u>	<u>\$ 2,549</u>	<u>\$ 881,071</u>
Total liabilities and fund balances	<u>\$ 983,896</u>	<u>\$ 2,549</u>	<u>\$ 986,445</u>

City of Williamsburg, Virginia  
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances  
Nonmajor Special Revenue Funds  
For the Year Ended June 30, 2025

	Virginia Public Assistance <u>Fund</u>	Law Enforcement Block Grant <u>Fund</u>	<u>Total</u>
<b>REVENUES</b>			
Miscellaneous	\$ 504,464	\$ -	\$ 504,464
Intergovernmental:			
Commonwealth	740,442	-	740,442
Federal	909,588	-	909,588
Total revenues	<u>\$ 2,154,494</u>	<u>\$ -</u>	<u>\$ 2,154,494</u>
<b>EXPENDITURES</b>			
Current:			
Health and welfare	\$ 3,537,293	\$ -	\$ 3,537,293
Total expenditures	<u>\$ 3,537,293</u>	<u>\$ -</u>	<u>\$ 3,537,293</u>
Excess (deficiency) of revenues over (under) expenditures	<u>\$ (1,382,799)</u>	<u>\$ -</u>	<u>\$ (1,382,799)</u>
<b>OTHER FINANCING SOURCES (USES)</b>			
Transfers in	\$ 1,516,877	\$ -	\$ 1,516,877
Transfers out	-	(6,500)	(6,500)
Total other financing sources (uses)	<u>\$ 1,516,877</u>	<u>\$ (6,500)</u>	<u>\$ 1,510,377</u>
Net change in fund balances	\$ 134,078	\$ (6,500)	\$ 127,578
Fund balances - beginning	744,444	9,049	753,493
Fund balances - ending	<u>\$ 878,522</u>	<u>\$ 2,549</u>	<u>\$ 881,071</u>

City of Williamsburg, Virginia  
 Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual  
 Nonmajor Special Revenue Funds  
 For the Year Ended June 30, 2025

	Virginia Public Assistance Fund			
	Budgeted Amounts			Variance with
	Original	Final	Actual	Final Budget Positive (Negative)
<b>REVENUES</b>				
Miscellaneous	\$ 285,500	\$ 285,500	\$ 504,464	\$ 218,964
Recovered costs				
Intergovernmental:				
Local government				
Commonwealth	884,261	884,261	740,442	(143,819)
Federal	801,704	801,704	909,588	107,884
Total revenues	\$ 1,971,465	\$ 1,971,465	\$ 2,154,494	\$ 183,029
<b>EXPENDITURES</b>				
Current:				
Public safety	\$ -	\$ -	\$ -	\$ -
Health and welfare	3,764,185	3,940,035	3,537,293	402,742
Total expenditures	\$ 3,764,185	\$ 3,940,035	\$ 3,537,293	\$ 402,742
Excess (deficiency) of revenues over (under) expenditures	\$ (1,792,720)	\$ (1,968,570)	\$ (1,382,799)	\$ 585,771
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	\$ 1,792,720	\$ 1,968,570	\$ 1,516,877	\$ (451,693)
Transfers out	-	-	-	-
Total other financing sources (uses)	\$ 1,792,720	\$ 1,968,570	\$ 1,516,877	\$ (451,693)
Net change in fund balances	\$ -	\$ -	\$ 134,078	\$ 134,078
Fund balances - beginning	-	-	744,444	744,444
Fund balances - ending	\$ -	\$ -	\$ 878,522	\$ 878,522

Law Enforcement Block Grant Fund					
Budgeted Amounts			Actual	Variance with Final Budget	
Original	Final	Positive		(Negative)	
\$ -	\$ -	\$ -	\$ -	\$ -	-
-	-	-	-	-	-
-	-	-	-	-	-
\$ -	\$ -	\$ -	\$ -	\$ -	-
\$ -	\$ -	\$ -	\$ -	\$ -	-
\$ -	\$ -	\$ -	\$ -	\$ -	-
\$ -	\$ -	\$ -	\$ -	\$ -	-
\$ -	\$ -	\$ -	(6,500)	(6,500)	(6,500)
\$ -	\$ -	\$ -	(6,500)	\$ (6,500)	(6,500)
\$ -	\$ -	\$ -	(6,500)	\$ (6,500)	(6,500)
\$ -	\$ -	\$ -	9,049	9,049	9,049
\$ -	\$ -	\$ -	2,549	\$ 2,549	2,549

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City of Williamsburg, Virginia  
Combining Statement of Fiduciary Net Position  
Fiduciary Funds  
June 30, 2025

	Custodial Funds				
	Williamsburg Regional Library Fund	Historic Triangle Recreational Facilities Authority	Williamsburg Tricentennial Fund	Special Welfare Fund	Total
<b>ASSETS</b>					
Cash and cash equivalents	\$ 1,188,230	\$ 23,320,377	\$ -	\$ 182,701	\$ 24,691,308
Investments, at fair value:					
Other investments	2,474,916		8,077	-	2,482,993
Accounts receivable	-	400,000	-	-	400,000
Due from other governmental units	44,723	-	-	-	44,723
Prepaid items	6,807	-	-	-	6,807
Capital assets (net of accumulated depreciation)	574,707	70,285,535	-	-	70,860,242
Total assets	<u>\$ 4,289,383</u>	<u>\$ 94,005,912</u>	<u>\$ 8,077</u>	<u>\$ 182,701</u>	<u>\$ 98,486,073</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>					
OPEB related items	\$ 27,105	\$ -	\$ -	\$ -	\$ 27,105
Total deferred outflows of resources	<u>\$ 27,105</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 27,105</u>
<b>LIABILITIES</b>					
Accounts payable	\$ 59,449	\$ 3,669,791	\$ -	\$ -	\$ 3,729,240
Accrued liabilities	46,930	293,269	-	-	340,199
Advance user fees	6,106	-	-	-	6,106
Due to other governmental units	14,709	-	-	-	14,709
Retainage payable	-	2,910,002	-	-	2,910,002
Refundable deposits	-	27,126	-	-	27,126
Accrued interest payable	-	1,298,733	-	-	1,298,733
Long term liabilities:					
Due within one year	193,695	-	-	-	193,695
Due in more than one year	1,066,217	74,293,268	-	-	75,359,485
Total liabilities	<u>\$ 1,387,106</u>	<u>\$ 82,492,189</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 83,879,295</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>					
OPEB related items	\$ 63,238	\$ -	\$ -	\$ -	\$ 63,238
Total deferred inflows of resources	<u>\$ 63,238</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 63,238</u>
<b>NET POSITION</b>					
Net investment in capital assets	\$ 481,837	\$ -	\$ -	\$ -	\$ 481,837
Restricted for:					
Individuals	-	-	-	182,701	182,701
Organizations	-	-	8,077	-	8,077
Other governments	-	11,513,723	-	-	11,513,723
Unrestricted	2,384,307	-	-	-	2,384,307
Total net position	<u>\$ 2,866,144</u>	<u>\$ 11,513,723</u>	<u>\$ 8,077</u>	<u>\$ 182,701</u>	<u>\$ 14,570,645</u>

City of Williamsburg, Virginia  
Combining Statement of Changes in Fiduciary Net Position  
Fiduciary Funds  
For the Year Ended June 30, 2025

	<u>Williamsburg Regional Library Fund</u>	<u>Historic Triangle Recreational Facilities Authority</u>
<b>ADDITIONS</b>		
Contributions:		
Other governmental entities	\$ 8,812,115	\$ 3,601,000
Participant fees	68,717	-
Miscellaneous	118,430	-
Investment earnings:		
Interest and dividends	90,784	1,426,317
Special assessment tax collected for other governments	-	-
Miscellaneous	29,298	-
Total additions	<u>\$ 9,119,344</u>	<u>\$ 5,027,317</u>
<b>DEDUCTIONS</b>		
Recipient payments	\$ -	\$ -
Payment of special assessment taxes to governments	-	-
Payments for personnel	6,254,513	50,974
Payments for operations	1,700,159	2,058,740
Purchases for supplies	683,825	-
Contribution to local government	-	-
Interest and other fiscal charges	6,662	2,576,014
Total deductions	<u>\$ 8,645,159</u>	<u>\$ 4,685,728</u>
Net increase (decrease) in fiduciary net position	<u>\$ 474,185</u>	<u>\$ 341,589</u>
Net position, beginning	\$ 3,196,825	\$ 1,887,144
Restatement	(804,866)	9,284,990
Net position, beginning, as restated	<u>\$ 2,391,959</u>	<u>\$ 11,172,134</u>
Net position, ending	<u>\$ 2,866,144</u>	<u>\$ 11,513,723</u>

<u>Custodial Funds</u>					
<u>Williamsburg Tricentennial Fund</u>	<u>Quarterpath CDA Fund</u>	<u>Farmers Market Fund</u>	<u>Special Welfare Fund</u>		<u>Total</u>
\$ -	\$ -	\$ -	\$ -	\$ -	12,413,115
-	-	-	-	-	68,717
-	-	-	55,193	-	173,623
371	-	-	-	-	1,517,472
-	352,865	-	-	-	352,865
-	-	-	-	-	29,298
<u>\$ 371</u>	<u>\$ 352,865</u>	<u>\$ -</u>	<u>\$ 55,193</u>	<u>\$ -</u>	<u>\$ 14,555,090</u>
\$ -	\$ -	\$ -	\$ 9,899	\$ -	9,899
-	521,949	-	-	-	521,949
-	-	-	-	-	6,305,487
-	-	29	-	-	3,758,928
-	-	-	-	-	683,825
-	-	153,511	-	-	153,511
-	-	-	-	-	2,582,676
<u>\$ -</u>	<u>\$ 521,949</u>	<u>\$ 153,540</u>	<u>\$ 9,899</u>	<u>\$ -</u>	<u>\$ 14,016,275</u>
\$ 371	(169,084)	(153,540)	45,294	\$ -	538,815
\$ 7,706	\$ 169,084	\$ 153,540	\$ 137,407	\$ -	5,551,706
-	-	-	-	-	8,480,124
<u>\$ 7,706</u>	<u>\$ 169,084</u>	<u>\$ 153,540</u>	<u>\$ 137,407</u>	<u>\$ -</u>	<u>\$ 14,031,830</u>
<u>\$ 8,077</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 182,701</u>	<u>\$ -</u>	<u>\$ 14,570,645</u>

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*SUPPORTING SCHEDULES*

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City of Williamsburg, Virginia  
Schedule of Revenues - Budget and Actual  
Governmental Funds  
For the Year Ended June 30, 2025

<u>Fund, Major and Minor Revenue Source</u>	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget - Positive (Negative)</u>
<b>General Fund:</b>				
Revenue from local sources:				
General property taxes:				
Real property taxes	\$ 19,280,000	\$ 19,280,000	\$ 19,574,180	\$ 294,180
Real and personal public service corporation taxes	445,500	445,500	506,557	61,057
Personal property taxes	1,761,053	1,761,053	1,901,227	140,174
Business property taxes	1,570,000	1,570,000	1,719,170	149,170
Penalties	72,000	72,000	131,262	59,262
Interest	40,000	40,000	93,622	53,622
Total general property taxes	<u>\$ 23,168,553</u>	<u>\$ 23,168,553</u>	<u>\$ 23,926,018</u>	<u>\$ 757,465</u>
Other local taxes:				
Consumers' utility taxes	\$ 302,000	\$ 302,000	\$ 296,226	\$ (5,774)
Business license taxes	3,050,000	3,050,000	2,937,735	(112,265)
Franchise license taxes	97,000	97,000	94,026	(2,974)
Bank stock taxes	350,000	350,000	560,882	210,882
Taxes on recordation and wills	370,000	370,000	287,461	(82,539)
Hotel and motel taxes	3,800,000	3,800,000	3,877,334	77,334
Restaurant food taxes	9,210,000	9,210,000	9,331,883	121,883
Tobacco taxes	160,000	160,000	137,463	(22,537)
Local sales and use taxes	785,260	785,260	-	(785,260)
Penalty and interest on other local taxes	97,000	97,000	70,923	(26,077)
Total other local taxes	<u>\$ 18,221,260</u>	<u>\$ 18,221,260</u>	<u>\$ 17,593,933</u>	<u>\$ (627,327)</u>
Permits, privilege fees, and regulatory licenses:				
Animal licenses	\$ 2,000	\$ 2,000	\$ 1,708	\$ (292)
Transfer fees	300	300	360	60
Permits and other licenses	170,275	170,275	271,147	100,872
Total permits, privilege fees, and regulatory licenses	<u>\$ 172,575</u>	<u>\$ 172,575</u>	<u>\$ 273,215</u>	<u>\$ 100,640</u>
Fines and forfeitures:				
Court fines and forfeitures	\$ 220,000	\$ 220,000	\$ 343,190	\$ 123,190
Total fines and forfeitures	<u>\$ 220,000</u>	<u>\$ 220,000</u>	<u>\$ 343,190</u>	<u>\$ 123,190</u>
Revenue from use of money and property:				
Revenue from use of money	\$ -	\$ -	\$ 57,993	\$ 57,993
Revenue from use of property	796,870	796,870	798,731	1,861
Total revenue from use of money and property	<u>\$ 796,870</u>	<u>\$ 796,870</u>	<u>\$ 856,724</u>	<u>\$ 59,854</u>
Charges for services:				
Charges for law enforcement and traffic control	\$ 2,500	\$ 2,500	\$ 8,035	\$ 5,535
Charges for emergency medical services	885,710	885,710	1,012,128	126,418
Charges for parks and recreation	655,550	655,550	726,551	71,001
Total charges for services	<u>\$ 1,543,760</u>	<u>\$ 1,543,760</u>	<u>\$ 1,746,714</u>	<u>\$ 202,954</u>
Miscellaneous:				
Miscellaneous	\$ 251,000	\$ 403,181	\$ 554,319	\$ 151,138
Contribution from Williamsburg Farmers Market	-	-	153,511	153,511
Home First Sentara Grant	100,000	-	-	-
Total miscellaneous	<u>\$ 351,000</u>	<u>\$ 403,181</u>	<u>\$ 707,830</u>	<u>\$ 304,649</u>

City of Williamsburg, Virginia  
 Schedule of Revenues - Budget and Actual  
 Governmental Funds  
 For the Year Ended June 30, 2025

<u>Fund, Major and Minor Revenue Source</u>	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget - Positive (Negative)</u>
<b>General Fund: (Continued)</b>				
Revenue from local sources: (Continued)				
Recovered costs:				
Enterprise fund	\$ 1,400,000	\$ 1,400,000	\$ 1,400,000	\$ -
Overtime - police and fire	120,000	120,000	223,107	103,107
Other recovered costs	84,000	84,000	84,000	-
Total recovered costs	<u>\$ 1,604,000</u>	<u>\$ 1,604,000</u>	<u>\$ 1,707,107</u>	<u>\$ 103,107</u>
Total revenue from local sources	<u>\$ 46,078,018</u>	<u>\$ 46,130,199</u>	<u>\$ 47,154,731</u>	<u>\$ 1,024,532</u>
Intergovernmental:				
Revenue from the Commonwealth:				
Noncategorical aid:				
Rolling stock tax	\$ 15,000	\$ 15,000	\$ 10,965	\$ (4,035)
Motor vehicle rental tax	52,000	52,000	64,549	12,549
Communications tax	490,000	490,000	466,405	(23,595)
Personal property tax relief funds	773,572	773,572	701,777	(71,795)
Total noncategorical aid	<u>\$ 1,330,572</u>	<u>\$ 1,330,572</u>	<u>\$ 1,243,696</u>	<u>\$ (86,876)</u>
Categorical aid:				
Shared expenses:				
Commissioner of revenue	\$ 130,000	\$ 130,000	\$ 133,397	\$ 3,397
Treasurer	18,000	18,000	23,290	5,290
Registrar/electoral board	65,000	65,000	72,779	7,779
Total shared expenses	<u>\$ 213,000</u>	<u>\$ 213,000</u>	<u>\$ 229,466</u>	<u>\$ 16,466</u>
Other categorical aid:				
599 Funds	\$ 500,000	\$ 500,000	\$ 497,293	\$ (2,707)
Streets and sidewalks	2,585,000	2,585,000	2,594,540	9,540
Emergency services grant	30,000	30,000	30,000	-
Litter control	8,000	14,033	14,033	-
School resource officer grant	-	-	64,783	64,783
Other state grants	295,000	207,580	21,276	(186,304)
Total other categorical aid	<u>\$ 3,418,000</u>	<u>\$ 3,336,613</u>	<u>\$ 3,221,925</u>	<u>\$ (114,688)</u>
Total categorical aid	<u>\$ 3,631,000</u>	<u>\$ 3,549,613</u>	<u>\$ 3,451,391</u>	<u>\$ (98,222)</u>
Total revenue from the Commonwealth	<u>\$ 4,961,572</u>	<u>\$ 4,880,185</u>	<u>\$ 4,695,087</u>	<u>\$ (185,098)</u>
Revenue from the Federal government:				
Categorical aid:				
FEMA	\$ -	\$ 69,577	\$ 102,351	\$ 32,774
Police and fire grants	38,165	55,172	41,336	(13,836)
Total categorical aid	<u>\$ 38,165</u>	<u>\$ 124,749</u>	<u>\$ 143,687</u>	<u>\$ 18,938</u>
Total revenue from the federal government	<u>\$ 38,165</u>	<u>\$ 124,749</u>	<u>\$ 143,687</u>	<u>\$ 18,938</u>
Total General Fund	<u>\$ 51,077,755</u>	<u>\$ 51,135,133</u>	<u>\$ 51,993,505</u>	<u>\$ 858,372</u>
<b>Special Revenue Funds:</b>				
<b>Tourism Fund:</b>				
Revenue from local sources:				
Other local taxes:				
Local sales and use taxes	\$ 2,600,000	\$ 2,600,000	\$ 2,604,819	\$ 4,819
\$2 lodging taxes	945,000	945,000	987,933	42,933
Total other local taxes	<u>\$ 3,545,000</u>	<u>\$ 3,545,000</u>	<u>\$ 3,592,752</u>	<u>\$ 47,752</u>
Revenue from use of money and property:				
Revenue from the use of money	\$ 100,000	\$ 100,000	\$ 36,508	\$ (63,492)
Total revenue from use of money and property	<u>\$ 100,000</u>	<u>\$ 100,000</u>	<u>\$ 36,508</u>	<u>\$ (63,492)</u>
Total revenue from local sources	<u>\$ 3,645,000</u>	<u>\$ 3,645,000</u>	<u>\$ 3,629,260</u>	<u>\$ (15,740)</u>
Total Tourism Fund	<u>\$ 3,645,000</u>	<u>\$ 3,645,000</u>	<u>\$ 3,629,260</u>	<u>\$ (15,740)</u>

City of Williamsburg, Virginia  
 Schedule of Revenues - Budget and Actual  
 Governmental Funds  
 For the Year Ended June 30, 2025

<u>Fund, Major and Minor Revenue Source</u>	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget - Positive (Negative)</u>
<b>Special Revenue Funds: (Continued)</b>				
<b>American Rescue Plan Fund:</b>				
Revenue from the federal government:				
Categorical aid:				
ARPA funding	\$ -	\$ -	\$ 19,193	\$ 19,193
Total categorical aid	\$ -	\$ -	\$ 19,193	\$ 19,193
Total revenue from the federal government	\$ -	\$ -	\$ 19,193	\$ 19,193
Total American Rescue Plan Fund	\$ -	\$ -	\$ 19,193	\$ 19,193
<b>Virginia Public Assistance Fund:</b>				
Revenue from local sources:				
Miscellaneous:				
Workforce grant	\$ -	\$ -	\$ 36,179	\$ 36,179
WHF grant	285,500	285,500	283,500	(2,000)
Housing navigator	-	-	184,535	184,535
Summer youth program	-	-	250	250
Total miscellaneous	\$ 285,500	\$ 285,500	\$ 504,464	\$ 218,964
Total revenue from local sources	\$ 285,500	\$ 285,500	\$ 504,464	\$ 218,964
Intergovernmental:				
Revenue from the Commonwealth:				
Categorical aid:				
Public assistance and welfare administration	\$ 598,506	\$ 598,506	\$ 483,140	\$ (115,366)
Comprehensive services act	285,755	285,755	257,302	(28,453)
Total categorical aid	\$ 884,261	\$ 884,261	\$ 740,442	\$ (143,819)
Total revenue from the Commonwealth	\$ 884,261	\$ 884,261	\$ 740,442	\$ (143,819)
Revenue from the federal government:				
Categorical aid:				
Public assistance and welfare administration	\$ 801,704	\$ 801,704	\$ 909,588	\$ 107,884
Total categorical aid	\$ 801,704	\$ 801,704	\$ 909,588	\$ 107,884
Total revenue from the federal government	\$ 801,704	\$ 801,704	\$ 909,588	\$ 107,884
Total Virginia Public Assistance Fund	\$ 1,971,465	\$ 1,971,465	\$ 2,154,494	\$ 183,029

City of Williamsburg, Virginia  
Schedule of Revenues - Budget and Actual  
Governmental Funds  
For the Year Ended June 30, 2025

<u>Fund, Major and Minor Revenue Source</u>	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget - Positive (Negative)</u>
<b>Capital Projects Fund:</b>				
Revenue from local sources:				
Other local taxes:				
Local sales and use tax	\$ 5,281,852	\$ 5,281,852	\$ 6,016,332	\$ 734,480
Total other local taxes	<u>\$ 5,281,852</u>	<u>\$ 5,281,852</u>	<u>\$ 6,016,332</u>	<u>\$ 734,480</u>
Revenue from use of money and property:				
Revenue from the use of money	\$ 3,229,348	\$ 3,229,348	\$ 3,277,488	\$ 48,140
Total revenue from use of money and property	<u>\$ 3,229,348</u>	<u>\$ 3,229,348</u>	<u>\$ 3,277,488</u>	<u>\$ 48,140</u>
Charges for services:				
Charges for courthouse maintenance	\$ 106,000	\$ 106,000	\$ -	\$ (106,000)
Total charges for services	<u>\$ 106,000</u>	<u>\$ 106,000</u>	<u>\$ -</u>	<u>\$ (106,000)</u>
Miscellaneous:				
Opioid settlement	\$ -	\$ -	\$ 26,385	\$ 26,385
Other miscellaneous	3,000,000	3,000,000	343,953	(2,656,047)
Total miscellaneous	<u>\$ 3,000,000</u>	<u>\$ 3,000,000</u>	<u>\$ 370,338</u>	<u>\$ (2,629,662)</u>
Total revenue from local sources	<u>\$ 11,617,200</u>	<u>\$ 11,617,200</u>	<u>\$ 9,664,158</u>	<u>\$ (1,953,042)</u>
Intergovernmental:				
Revenue from the Commonwealth:				
Categorical aid:				
Asset forfeiture	\$ -	\$ -	\$ 4,525	\$ 4,525
Opioid settlement	-	-	1,002	1,002
Other state grants	774,300	2,774,300	314,642	(2,459,658)
Total categorical aid	<u>\$ 774,300</u>	<u>\$ 2,774,300</u>	<u>\$ 320,169</u>	<u>\$ (2,454,131)</u>
Total revenue from the Commonwealth	<u>\$ 774,300</u>	<u>\$ 2,774,300</u>	<u>\$ 320,169</u>	<u>\$ (2,454,131)</u>
Revenue from the federal government:				
Categorical aid:				
EPA grant	\$ 5,697,542	\$ 15,331,851	\$ 111,284	\$ (15,220,567)
Total categorical aid	<u>\$ 5,697,542</u>	<u>\$ 15,331,851</u>	<u>\$ 111,284</u>	<u>\$ (15,220,567)</u>
Total revenue from the federal government	<u>\$ 5,697,542</u>	<u>\$ 15,331,851</u>	<u>\$ 111,284</u>	<u>\$ (15,220,567)</u>
Total Capital Projects Fund	<u>\$ 18,089,042</u>	<u>\$ 29,723,351</u>	<u>\$ 10,095,611</u>	<u>\$ (19,627,740)</u>
Total Primary Government	<u>\$ 74,783,262</u>	<u>\$ 86,474,949</u>	<u>\$ 67,892,063</u>	<u>\$ (18,582,886)</u>

City of Williamsburg, Virginia  
Schedule of Expenditures - Budget and Actual  
Governmental Funds  
For the Year Ended June 30, 2025

<u>Fund, Function, Activity and Elements</u>	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget - Positive (Negative)</u>
<b>General Fund:</b>				
General government administration:				
Legislative:				
City council	\$ 283,284	\$ 240,203	\$ 240,203	\$ -
Clerk of council	-	1,818	1,818	-
Total legislative	<u>\$ 283,284</u>	<u>\$ 242,021</u>	<u>\$ 242,021</u>	<u>\$ -</u>
General and financial administration:				
City manager	\$ 1,354,657	\$ 1,689,387	\$ 1,689,387	\$ -
City attorney	456,933	627,228	624,986	2,242
Human resources	264,360	207,349	207,349	-
Commissioner of revenue	369,093	303,776	303,776	-
Assessor	315,884	351,641	351,641	-
Finance	1,448,001	1,760,989	1,760,989	-
Information technology	1,563,706	1,600,356	1,584,539	15,817
Automotive/motor pool	395,191	458,180	464,348	(6,168)
Other general and financial administration	1,160,008	99,292	99,292	-
Total general and financial administration	<u>\$ 7,327,833</u>	<u>\$ 7,098,198</u>	<u>\$ 7,086,307</u>	<u>\$ 11,891</u>
Board of elections:				
Electoral board and officials	\$ 53,465	\$ 55,791	\$ 55,791	\$ -
Registrar	259,490	282,404	282,404	-
Total board of elections	<u>\$ 312,955</u>	<u>\$ 338,195</u>	<u>\$ 338,195</u>	<u>\$ -</u>
Total general government administration	<u>\$ 7,924,072</u>	<u>\$ 7,678,414</u>	<u>\$ 7,666,523</u>	<u>\$ 11,891</u>
Judicial administration:				
Courts:				
Courthouse activities	\$ 700,000	\$ 639,378	\$ 639,378	\$ -
Public safety:				
Law enforcement and traffic control:				
Police department	\$ 6,088,881	\$ 6,373,398	\$ 6,357,660	\$ 15,738
Prince George parking garage	240,458	193,150	194,457	(1,307)
Line of Duty Act	79,150	90,335	90,335	-
E-911	683,120	683,110	683,110	-
Total law enforcement and traffic control	<u>\$ 7,091,609</u>	<u>\$ 7,339,993</u>	<u>\$ 7,325,562</u>	<u>\$ 14,431</u>
Fire and rescue services:				
Fire department	\$ 6,159,634	\$ 6,827,652	\$ 6,816,458	\$ 11,194
Total fire and rescue services	<u>\$ 6,159,634</u>	<u>\$ 6,827,652</u>	<u>\$ 6,816,458</u>	<u>\$ 11,194</u>
Correction and detention:				
Juvenile detention commission	\$ 106,129	\$ 106,128	\$ 106,128	\$ -
Regional jail	1,396,255	1,404,168	1,404,168	-
Group home commission	78,691	105,172	105,172	-
Total correction and detention	<u>\$ 1,581,075</u>	<u>\$ 1,615,468</u>	<u>\$ 1,615,468</u>	<u>\$ -</u>
Inspections:				
Building	\$ 537,741	\$ 529,758	\$ 529,758	\$ -

City of Williamsburg, Virginia  
Schedule of Expenditures - Budget and Actual  
Governmental Funds  
For the Year Ended June 30, 2025

<u>Fund, Function, Activity and Elements</u>	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget - Positive (Negative)</u>
<b>General Fund: (Continued)</b>				
Public safety: (Continued)				
Other protection:				
Animal control	\$ 45,000	\$ 47,292	\$ 47,292	\$ -
Total other protection	<u>\$ 45,000</u>	<u>\$ 47,292</u>	<u>\$ 47,292</u>	<u>\$ -</u>
Total public safety	<u>\$ 15,415,059</u>	<u>\$ 16,360,163</u>	<u>\$ 16,334,538</u>	<u>\$ 25,625</u>
Public works:				
Maintenance of highways, streets, bridges and sidewalks:				
Highways, streets, bridges and sidewalks	\$ 1,053,685	\$ 1,100,848	\$ 1,107,020	\$ (6,172)
Engineering	338,453	403,161	409,333	(6,172)
Stormwater operations	261,909	294,718	294,718	-
Other	-	12,375	12,375	-
Total maintenance of highways, streets, bridges and sidewalks	<u>\$ 1,654,047</u>	<u>\$ 1,811,102</u>	<u>\$ 1,823,446</u>	<u>\$ (12,344)</u>
Sanitation and waste removal:				
Refuse collection	<u>\$ 1,020,726</u>	<u>\$ 1,029,644</u>	<u>\$ 1,029,644</u>	<u>\$ -</u>
Maintenance of general buildings and grounds:				
Maintenance of general buildings and grounds	\$ 702,472	\$ 830,283	\$ 836,455	\$ (6,172)
Landscaping	865,742	878,439	884,611	(6,172)
Total maintenance of general buildings and grounds	<u>\$ 1,568,214</u>	<u>\$ 1,708,722</u>	<u>\$ 1,721,066</u>	<u>\$ (12,344)</u>
Total public works	<u>\$ 4,242,987</u>	<u>\$ 4,549,468</u>	<u>\$ 4,574,156</u>	<u>\$ (24,688)</u>
Health and welfare:				
Health:				
Local health department	\$ 290,800	\$ 236,881	\$ 236,881	\$ -
Total health	<u>\$ 290,800</u>	<u>\$ 236,881</u>	<u>\$ 236,881</u>	<u>\$ -</u>
Mental health and mental retardation:				
Administration - mental health and retardation	\$ 284,500	\$ 284,500	\$ 284,500	\$ -
Total mental health and mental retardation	<u>\$ 284,500</u>	<u>\$ 284,500</u>	<u>\$ 284,500</u>	<u>\$ -</u>
Welfare:				
Transportation programs for elderly	\$ 4,500	\$ 3,396	\$ 3,396	\$ -
Total welfare	<u>\$ 4,500</u>	<u>\$ 3,396</u>	<u>\$ 3,396</u>	<u>\$ -</u>
Total health and welfare	<u>\$ 579,800</u>	<u>\$ 524,777</u>	<u>\$ 524,777</u>	<u>\$ -</u>
Education:				
Other instructional costs:				
Contribution to local school board	<u>\$ 11,266,758</u>	<u>\$ 11,266,758</u>	<u>\$ 10,609,292</u>	<u>\$ 657,466</u>
Parks, recreation, and cultural:				
Parks and recreation:				
Supervision of parks and recreation	\$ 666,549	\$ 754,400	\$ 752,078	\$ 2,322
Waller Mill park facility	466,797	503,920	503,920	-
Recreation facility programs	662,423	669,427	669,427	-
Cemeteries	100,869	106,331	106,331	-
Other parks and recreation	277,287	235,345	235,345	-
Total parks and recreation	<u>\$ 2,173,925</u>	<u>\$ 2,269,423</u>	<u>\$ 2,267,101</u>	<u>\$ 2,322</u>

City of Williamsburg, Virginia  
Schedule of Expenditures - Budget and Actual  
Governmental Funds  
For the Year Ended June 30, 2025

<u>Fund, Function, Activity and Elements</u>	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget - Positive (Negative)</u>
<b>General Fund: (Continued)</b>				
Library:				
Contribution to regional library	\$ 1,085,742	\$ 1,085,316	\$ 1,085,316	\$ -
Total library	<u>\$ 1,085,742</u>	<u>\$ 1,085,316</u>	<u>\$ 1,085,316</u>	<u>\$ -</u>
Total parks, recreation, and cultural	<u>\$ 3,259,667</u>	<u>\$ 3,354,739</u>	<u>\$ 3,352,417</u>	<u>\$ 2,322</u>
Community development:				
Planning and community development:				
Planning	\$ 608,032	\$ 724,961	\$ 724,961	\$ -
Community development	995,017	977,123	977,123	-
Triangle building management	68,000	82,334	82,334	-
Economic development	347,455	323,092	323,092	-
Contribution to Economic Development Authority	260,000	117,370	117,370	-
Total planning and community development	<u>\$ 2,278,504</u>	<u>\$ 2,224,880</u>	<u>\$ 2,224,880</u>	<u>\$ -</u>
Total community development	<u>\$ 2,278,504</u>	<u>\$ 2,224,880</u>	<u>\$ 2,224,880</u>	<u>\$ -</u>
Debt service:				
Principal retirement	\$ -	\$ -	\$ 142,259	\$ (142,259)
Interest and other fiscal charges	-	-	2,138	(2,138)
Total debt service	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 144,397</u>	<u>\$ (144,397)</u>
Total General Fund	<u><u>\$ 45,666,847</u></u>	<u><u>\$ 46,598,577</u></u>	<u><u>\$ 46,070,358</u></u>	<u><u>\$ 528,219</u></u>
<b>Special Revenue Funds:</b>				
<b>Tourism Fund:</b>				
Community development:				
Planning and community development:				
Administrative	\$ 304,090	\$ 304,090	\$ 226,091	\$ 77,999
Tourism marketing maintenance of effort	1,272,500	1,272,500	1,293,967	(21,467)
Tourism development	2,923,410	2,965,410	2,644,799	320,611
Tourism grant awards	1,150,000	2,712,425	2,370,739	341,686
Total planning and community development	<u>\$ 5,650,000</u>	<u>\$ 7,254,425</u>	<u>\$ 6,535,596</u>	<u>\$ 718,829</u>
Total community development	<u>\$ 5,650,000</u>	<u>\$ 7,254,425</u>	<u>\$ 6,535,596</u>	<u>\$ 718,829</u>
Total Tourism Fund	<u><u>\$ 5,650,000</u></u>	<u><u>\$ 7,254,425</u></u>	<u><u>\$ 6,535,596</u></u>	<u><u>\$ 718,829</u></u>

City of Williamsburg, Virginia  
Schedule of Expenditures - Budget and Actual  
Governmental Funds  
For the Year Ended June 30, 2025

<u>Fund, Function, Activity and Elements</u>	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget - Positive (Negative)</u>
<b>Special Revenue Funds: (Continued)</b>				
<b>Virginia Public Assistance Fund:</b>				
Health and welfare:				
Welfare and social services:				
Welfare administration	\$ 652,913	\$ 652,913	\$ 684,526	\$ (31,613)
Public assistance	2,586,662	2,762,512	2,280,779	481,733
Comprehensive services	524,610	524,610	571,988	(47,378)
Total welfare and social services	<u>\$ 3,764,185</u>	<u>\$ 3,940,035</u>	<u>\$ 3,537,293</u>	<u>\$ 402,742</u>
Total health and welfare	<u>\$ 3,764,185</u>	<u>\$ 3,940,035</u>	<u>\$ 3,537,293</u>	<u>\$ 402,742</u>
Total Virginia Public Assistance Fund	<u><u>\$ 3,764,185</u></u>	<u><u>\$ 3,940,035</u></u>	<u><u>\$ 3,537,293</u></u>	<u><u>\$ 402,742</u></u>
<b>Capital Projects Fund:</b>				
Capital projects expenditures:				
CIP Street construction	\$ 7,199,400	\$ 22,995,597	\$ 2,446,210	\$ 20,549,387
Pedestrian trail improvements	1,425,484	2,907,294	132,599	2,774,695
Stormwater management	40,000	1,487,368	722,622	764,746
Recreation facilities	829,400	2,132,052	239,342	1,892,710
Public safety equipment and facilities	1,247,500	22,992,290	11,472,980	11,519,310
Affordable housing initiative	-	950,000	-	950,000
Contingency/Studies	675,000	609,250	-	609,250
Vehicle replacement	1,200,000	1,790,308	1,093,880	696,428
Economic development	25,000	7,075,000	309,750	6,765,250
Redevelopment housing	255,000	3,646,222	604,361	3,041,861
General government facilities	9,685,600	18,516,052	158,551	18,357,501
Fire station	-	196,196	33,591	162,605
General government IT	240,000	314,956	304,595	10,361
Library renovations	-	437,750	15,200	422,550
School construction	1,646,400	6,769,019	1,260,149	5,508,870
Public art	-	388,078	46,916	341,162
Courthouse maintenance projects	106,000	106,000	46,264	59,736
Total capital projects	<u>\$ 24,574,784</u>	<u>\$ 93,313,432</u>	<u>\$ 18,887,010</u>	<u>\$ 74,426,422</u>
Debt service:				
Principal retirement	\$ 1,052,740	\$ 1,052,740	\$ 1,294,382	\$ (241,642)
Interest and other fiscal charges	1,736,067	1,736,067	1,756,796	(20,729)
Total debt service	<u>\$ 2,788,807</u>	<u>\$ 2,788,807</u>	<u>\$ 3,051,178</u>	<u>\$ (262,371)</u>
Total Capital Projects Fund	<u><u>\$ 27,363,591</u></u>	<u><u>\$ 96,102,239</u></u>	<u><u>\$ 21,938,188</u></u>	<u><u>\$ 74,164,051</u></u>
Total Primary Government	<u><u>\$ 82,444,623</u></u>	<u><u>\$ 153,895,276</u></u>	<u><u>\$ 78,081,435</u></u>	<u><u>\$ 75,813,841</u></u>

*STATISTICAL SECTION*

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## Statistical Section

### Contents

### Tables

#### Financial Trends

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

1 - 4

#### Revenue Capacity

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

5 - 9

#### Debt Capacity

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

10 - 12

#### Demographic and Economic Information

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

13-14

#### Operating Information

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

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

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

	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
<b>Governmental activities</b>										
Net investment in capital assets	\$ 64,690,552	\$ 64,556,652	\$ 52,444,883	\$ 68,662,151	\$ 71,245,385	\$ 69,784,670	\$ 70,587,642	\$ 70,767,336	\$ 76,885,626	\$ 76,588,915
Restricted	-	-	13,729,082	931,784	615,184	694,583	-	-	-	-
Unrestricted	22,521,523	20,966,196	19,099,322	21,553,299	19,977,390	19,560,626	37,768,988	51,468,415	50,166,749	50,885,100
<b>Total governmental activities net position</b>	<b>\$ 87,212,075</b>	<b>\$ 85,522,848</b>	<b>\$ 85,273,287</b>	<b>\$ 91,147,234</b>	<b>\$ 91,837,959</b>	<b>\$ 90,039,879</b>	<b>\$ 108,356,630</b>	<b>\$ 122,235,751</b>	<b>\$ 127,052,375</b>	<b>\$ 127,474,015</b>
<b>Business-type activities</b>										
Net investment in capital assets	\$ 18,084,285	\$ 18,835,808	\$ 18,769,281	\$ 18,817,665	\$ 19,020,022	\$ 18,783,099	\$ 19,518,759	\$ 19,281,426	\$ 21,017,765	\$ 21,090,447
Unrestricted	4,202,535	4,475,559	5,684,838	7,128,455	7,157,808	7,594,963	7,718,281	8,783,918	5,201,697	3,921,848
<b>Total business-type activities net position</b>	<b>\$ 22,286,820</b>	<b>\$ 23,311,367</b>	<b>\$ 24,454,119</b>	<b>\$ 25,946,120</b>	<b>\$ 26,177,830</b>	<b>\$ 26,378,062</b>	<b>\$ 27,237,040</b>	<b>\$ 28,065,344</b>	<b>\$ 26,219,462</b>	<b>\$ 25,012,295</b>
<b>Primary government</b>										
Net investment in capital assets	\$ 82,774,837	\$ 83,392,460	\$ 71,214,164	\$ 87,479,816	\$ 90,265,407	\$ 88,567,769	\$ 90,106,401	\$ 90,048,762	\$ 97,903,391	\$ 97,679,362
Restricted	-	-	13,729,082	931,784	615,184	694,583	-	-	-	-
Unrestricted	26,724,058	25,441,755	24,784,160	28,681,754	27,135,198	27,155,589	45,487,269	60,252,333	55,368,446	54,806,948
<b>Total primary government net position</b>	<b>\$ 109,498,895</b>	<b>\$ 108,834,215</b>	<b>\$ 109,727,406</b>	<b>\$ 117,093,354</b>	<b>\$ 118,015,789</b>	<b>\$ 116,417,941</b>	<b>\$ 135,593,670</b>	<b>\$ 150,301,095</b>	<b>\$ 153,271,837</b>	<b>\$ 152,486,310</b>

Source: City of Williamsburg Finance Department - Exhibit 1

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

Expenses	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
<b>Governmental activities:</b>										
General government administration	\$ 4,072,768	\$ 6,828,770	\$ 5,009,427	\$ 4,272,998	\$ 4,908,020	\$ 5,917,023	\$ 5,093,268	\$ 6,259,696	\$ 8,293,256	\$ 8,151,045
Judicial administration	525,421	412,269	422,688	434,188	409,373	449,662	482,442	572,862	655,411	685,642
Public safety	10,290,497	10,805,800	10,746,688	11,328,192	12,357,675	12,835,007	12,811,708	16,144,432	14,126,578	16,735,330
Public works	3,721,977	5,792,493	4,716,472	5,447,775	5,065,484	4,842,879	6,107,188	4,653,005	8,215,970	8,251,770
Health and welfare	2,452,903	2,546,971	2,816,519	2,815,978	2,691,147	3,220,829	3,064,367	3,822,049	3,977,464	4,167,290
Education	8,929,127	10,121,948	10,936,896	11,403,225	10,355,107	10,156,551	8,937,883	9,333,226	10,764,416	11,869,441
Parks, recreation and cultural	2,285,504	2,875,228	2,648,545	2,626,637	3,289,491	3,118,164	1,751,740	3,173,203	3,934,891	3,716,606
Community development	5,055,084	5,036,866	5,013,184	4,874,645	5,471,338	5,090,986	6,235,582	8,327,028	8,851,166	9,678,727
Interest expense	185,452	158,220	596,354	573,264	540,857	530,466	485,833	1,220,074	1,666,749	1,615,486
<b>Total governmental activities expenses</b>	<b>\$ 37,518,733</b>	<b>\$ 44,578,565</b>	<b>\$ 42,906,773</b>	<b>\$ 43,776,902</b>	<b>\$ 45,088,492</b>	<b>\$ 46,161,567</b>	<b>\$ 44,970,011</b>	<b>\$ 53,505,575</b>	<b>\$ 60,485,901</b>	<b>\$ 64,871,337</b>
<b>Business-type activities</b>										
Water and sewer services	\$ 6,202,622	\$ 6,521,031	\$ 6,713,633	\$ 6,511,048	\$ 6,946,980	\$ 7,034,704	\$ 7,572,444	\$ 8,470,176	\$ 8,786,926	\$ 10,328,843
<b>Total business-type activities expenses</b>	<b>\$ 6,202,622</b>	<b>\$ 6,521,031</b>	<b>\$ 6,713,633</b>	<b>\$ 6,511,048</b>	<b>\$ 6,946,980</b>	<b>\$ 7,034,704</b>	<b>\$ 7,572,444</b>	<b>\$ 8,470,176</b>	<b>\$ 8,786,926</b>	<b>\$ 10,328,843</b>
<b>Total primary government expenses</b>	<b>\$ 43,721,355</b>	<b>\$ 51,099,596</b>	<b>\$ 49,620,406</b>	<b>\$ 50,287,950</b>	<b>\$ 52,035,472</b>	<b>\$ 53,196,271</b>	<b>\$ 52,542,455</b>	<b>\$ 61,975,751</b>	<b>\$ 69,272,827</b>	<b>\$ 75,200,180</b>
<b>Program Revenues</b>										
<b>Governmental activities:</b>										
Charges for services:										
General government administration	\$ -	\$ -	\$ -	\$ -	\$ 280	\$ -	\$ -	\$ -	\$ -	\$ 224,534
Judicial administration	315,991	192,412	249,548	278,401	218,387	197,671	200,957	187,316	216,748	343,190
Public safety	936,509	950,334	1,039,496	1,112,089	1,287,597	855,250	1,126,508	1,232,079	1,335,740	1,293,378
Public works	-	-	-	-	-	-	-	-	-	-
Parks, recreation and cultural	342,613	398,700	391,493	392,219	310,183	375,800	397,040	449,608	498,590	726,551
Community development	53,734	50,305	53,946	39,315	-	-	-	-	-	-
Operating grants and contributions	4,597,704	6,485,071	2,939,477	5,221,437	5,351,728	8,492,768	17,170,067	11,210,269	5,633,195	5,269,828
Capital grants and contributions	1,357,913	-	3,329,824	2,752,760	1,904,113	1,200,479	528,108	1,884,375	467,947	425,926
<b>Total governmental activities program revenues</b>	<b>\$ 7,604,464</b>	<b>\$ 8,076,822</b>	<b>\$ 8,003,784</b>	<b>\$ 9,796,221</b>	<b>\$ 9,072,288</b>	<b>\$ 11,121,968</b>	<b>\$ 19,422,680</b>	<b>\$ 14,963,647</b>	<b>\$ 8,152,220</b>	<b>\$ 8,283,407</b>
<b>Business-type activities:</b>										
Charges for services:										
Water and sewer	\$ 7,061,086	\$ 7,325,679	\$ 8,176,441	\$ 7,679,905	\$ 6,864,385	\$ 6,807,640	\$ 8,258,979	\$ 9,147,275	\$ 8,112,465	\$ 8,868,137
<b>Total business-type activities program revenues</b>	<b>\$ 7,061,086</b>	<b>\$ 7,325,679</b>	<b>\$ 8,176,441</b>	<b>\$ 7,679,905</b>	<b>\$ 6,864,385</b>	<b>\$ 6,807,640</b>	<b>\$ 8,258,979</b>	<b>\$ 9,147,275</b>	<b>\$ 8,112,465</b>	<b>\$ 8,868,137</b>
<b>Total primary government program revenues</b>	<b>\$ 14,665,550</b>	<b>\$ 15,402,501</b>	<b>\$ 16,180,225</b>	<b>\$ 17,476,126</b>	<b>\$ 15,936,673</b>	<b>\$ 17,929,608</b>	<b>\$ 27,681,659</b>	<b>\$ 24,110,922</b>	<b>\$ 16,264,685</b>	<b>\$ 17,151,544</b>
<b>Net (Expense) Revenue*</b>										
Governmental activities	\$ (29,914,269)	\$ (36,501,743)	\$ (34,902,989)	\$ (33,980,681)	\$ (36,016,204)	\$ (35,039,599)	\$ (25,547,331)	\$ (38,541,928)	\$ (52,333,681)	\$ (56,587,930)
Business-type activities	858,464	804,648	1,462,808	1,168,857	(82,595)	(227,064)	686,535	677,099	(674,461)	(1,460,706)
<b>Total primary government net (expense) revenue</b>	<b>\$ (29,055,805)</b>	<b>\$ (35,697,095)</b>	<b>\$ (33,440,181)</b>	<b>\$ (32,811,824)</b>	<b>\$ (36,098,799)</b>	<b>\$ (35,266,663)</b>	<b>\$ (24,860,796)</b>	<b>\$ (37,864,829)</b>	<b>\$ (53,008,142)</b>	<b>\$ (58,048,636)</b>

	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
<b>General Revenues and Other Changes in Net Position</b>										
<b>Governmental activities:</b>										
Taxes										
General property taxes	\$ 12,628,123	\$ 12,882,213	\$ 13,056,359	\$ 13,780,244	\$ 14,711,270	\$ 15,224,559	\$ 17,062,033	\$ 19,513,531	\$ 22,203,141	\$ 24,059,362
Local sales and use taxes	4,298,743	4,388,596	4,706,583	6,841,762	6,388,075	6,424,415	6,887,726	8,070,109	8,559,106	8,621,151
Restaurant food taxes	7,022,994	7,043,184	7,062,010	7,308,479	5,896,140	5,850,176	7,877,823	8,832,389	8,953,255	9,331,883
Hotel and motel taxes	3,319,625	3,316,634	3,358,649	3,308,661	2,305,404	1,770,894	3,489,094	3,851,435	3,764,481	3,877,334
\$2 lodging taxes	1,130,176	1,128,430	1,123,558	1,079,370	748,242	617,886	926,216	978,642	953,926	987,933
Business license taxes	1,790,395	1,833,991	2,049,988	2,330,418	2,174,694	1,867,598	2,349,858	2,638,176	3,060,145	2,937,735
Other local taxes	1,139,906	1,187,299	1,383,348	1,254,153	1,257,050	1,146,439	1,480,113	1,385,681	1,534,867	1,446,981
Unrestricted revenues from use of money	888,071	962,887	1,200,582	1,508,346	1,177,258	651,308	913,416	3,274,368	4,420,229	3,946,186
Miscellaneous	417,154	503,578	525,463	957,800	584,353	918,132	1,365,850	2,338,105	587,936	1,564,050
Grants and contributions not restricted to specific programs	1,567,337	1,565,704	1,588,563	1,485,395	1,464,443	1,383,295	1,351,542	1,343,749	1,317,219	1,243,696
Payment from City to component unit	-	-	-	-	-	(848,124)	-	-	-	-
Transfers	-	-	500,000	-	-	(71,796)	160,411	194,864	1,796,000	-
<b>Total governmental activities</b>	<b>\$ 34,202,524</b>	<b>\$ 34,812,516</b>	<b>\$ 36,555,103</b>	<b>\$ 39,854,628</b>	<b>\$ 36,706,929</b>	<b>\$ 34,934,782</b>	<b>\$ 43,864,082</b>	<b>\$ 52,421,049</b>	<b>\$ 57,150,305</b>	<b>\$ 58,016,311</b>
<b>Business-type activities:</b>										
Unrestricted revenues from use of money	\$ 29,570	\$ 33,650	\$ 57,365	\$ 94,973	\$ 65,390	\$ 6,258	\$ 34,774	\$ 335,159	\$ 542,731	\$ 272,599
Miscellaneous	274,187	186,249	225,665	228,171	248,915	349,242	298,080	10,910	81,848	34,804
Transfers	-	-	(500,000)	-	-	71,796	(160,411)	(194,864)	(1,796,000)	-
<b>Total business-type activities</b>	<b>\$ 303,757</b>	<b>\$ 219,899</b>	<b>\$ (216,970)</b>	<b>\$ 323,144</b>	<b>\$ 314,305</b>	<b>\$ 427,296</b>	<b>\$ 172,443</b>	<b>\$ 151,205</b>	<b>\$ (1,171,421)</b>	<b>\$ 307,403</b>
<b>Total primary government</b>	<b>\$ 34,506,281</b>	<b>\$ 35,032,415</b>	<b>\$ 36,338,133</b>	<b>\$ 40,177,772</b>	<b>\$ 37,021,234</b>	<b>\$ 35,362,078</b>	<b>\$ 44,036,525</b>	<b>\$ 52,572,254</b>	<b>\$ 55,978,884</b>	<b>\$ 58,323,714</b>
<b>Changes in Net Position</b>										
Governmental activities	\$ 4,288,255	\$ (1,689,227)	\$ 1,652,114	\$ 5,873,947	\$ 690,725	\$ (104,817)	\$ 18,316,751	\$ 13,879,121	\$ 4,816,624	\$ 1,428,381
Business-type activities	1,162,221	1,024,547	1,245,838	1,492,001	231,710	200,232	858,978	828,304	(1,845,882)	(1,153,303)
<b>Total primary government</b>	<b>\$ 5,450,476</b>	<b>\$ (664,680)</b>	<b>\$ 2,897,952</b>	<b>\$ 7,365,948</b>	<b>\$ 922,435</b>	<b>\$ 95,415</b>	<b>\$ 19,175,729</b>	<b>\$ 14,707,425</b>	<b>\$ 2,970,742</b>	<b>\$ 275,078</b>

Source: City of Williamsburg Finance Department - Exhibit 2

\*Note:

Net (expense) revenue is the difference between expenses and program revenues. This difference indicates the degree to which a function or program is supported with its own fees and program-specific grants versus its reliance upon funding from taxes and other general revenues. Numbers in parentheses are net expenses, indicating that expenses were greater than program revenues and that tax or other general revenues were needed to finance that function or program. Numbers not in parentheses are net revenues, demonstrating that program revenues were more than sufficient to cover expenses.

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

	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
<b>General Fund</b>										
Nonspendable	\$ 1,919,711	\$ 3,201,923	\$ 2,770,074	\$ 28,717	\$ 33,540	\$ 13,442	\$ 210,371	\$ 23,257	\$ 25,852	\$ 41,156
Restricted	-	-	13,144,192	-	-	-	-	-	-	-
Assigned	18,818,825	15,458,283	15,788,818	-	-	-	-	-	-	-
Unassigned	12,382,517	12,649,882	12,918,770	14,279,723	13,689,575	14,826,582	20,541,513	23,245,239	25,585,547	26,716,775
<b>Total General Fund</b>	<b>\$ 33,121,053</b>	<b>\$ 31,310,088</b>	<b>\$ 44,621,854</b>	<b>\$ 14,308,440</b>	<b>\$ 13,723,115</b>	<b>\$ 14,840,024</b>	<b>\$ 20,751,884</b>	<b>\$ 23,268,496</b>	<b>\$ 25,611,399</b>	<b>\$ 26,757,931</b>
<b>Tourism Fund</b>										
Committed	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 47,933
Assigned	-	-	-	2,239,154	4,207,011	3,023,602	4,014,030	4,006,011	3,875,698	2,926,429
<b>Total Tourism Fund</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 2,239,154</b>	<b>\$ 4,207,011</b>	<b>\$ 3,023,602</b>	<b>\$ 4,014,030</b>	<b>\$ 4,006,011</b>	<b>\$ 3,875,698</b>	<b>\$ 2,974,362</b>
<b>American Rescue Plan Fund</b>										
Restricted	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 19,127	\$ 391,241	\$ 971,622	\$ -
<b>Total American Rescue Plan Fund</b>	<b>\$ -</b>	<b>\$ 19,127</b>	<b>\$ 391,241</b>	<b>\$ 971,622</b>	<b>\$ -</b>					
<b>Capital Projects Fund*</b>										
Nonspendable	\$ -	\$ -	\$ -	\$ 3,085,024	\$ -	\$ -	\$ -	\$ 3,778,524	\$ 3,891,624	\$ 3,891,624
Restricted	-	-	-	13,470,129	13,698,910	13,279,855	10,988,495	26,523,198	33,822,178	24,606,405
Committed	-	-	-	-	1,881,025	13,225,690	10,438,526	3,957,137	16,564,170	6,968,418
Assigned	-	-	-	13,158,095	11,029,905	289,101	13,646,387	27,988,569	12,076,165	21,471,297
<b>Total Capital Projects Fund</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 29,713,248</b>	<b>\$ 26,609,840</b>	<b>\$ 26,794,646</b>	<b>\$ 35,073,408</b>	<b>\$ 62,247,428</b>	<b>\$ 66,354,137</b>	<b>\$ 56,937,744</b>
<b>All Other Governmental Funds</b>										
Restricted (Special Revenue funds)	\$ -	\$ -	\$ -	\$ 593,836	\$ 780,983	\$ 910,324	\$ 932,277	\$ 842,931	\$ 753,493	\$ 881,071
Assigned (Special Revenue funds)	524,301	653,939	584,890	-	-	-	-	-	-	-
<b>Total All Other Governmental Funds</b>	<b>\$ 524,301</b>	<b>\$ 653,939</b>	<b>\$ 584,890</b>	<b>\$ 593,836</b>	<b>\$ 780,983</b>	<b>\$ 910,324</b>	<b>\$ 932,277</b>	<b>\$ 842,931</b>	<b>\$ 753,493</b>	<b>\$ 881,071</b>

Source: City of Williamsburg Finance Department - Exhibit 3

\*Note: 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.

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

	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
<b>Revenues</b>										
General property taxes	\$ 12,599,297	\$ 12,917,015	\$ 13,089,822	\$ 13,731,825	\$ 14,600,806	\$ 15,174,178	\$ 16,742,322	\$ 19,287,183	\$ 22,082,840	\$ 23,926,018
Other local taxes	18,701,839	18,898,134	19,684,136	22,122,843	18,769,605	17,677,408	23,010,830	25,756,432	26,825,780	27,203,017
Permits, privilege fees, and regulatory licenses	229,485	249,819	302,819	341,620	501,907	240,832	275,127	446,096	261,270	273,215
Fines and forfeitures	155,032	181,175	249,211	277,729	218,387	197,671	200,957	187,316	216,748	343,190
Revenue from use of money and property	888,071	962,887	1,200,582	1,508,346	1,177,258	651,308	913,416	3,274,368	4,420,229	4,170,720
Charges for services	1,264,330	1,160,757	1,182,453	1,202,675	1,096,153	990,218	1,248,421	1,235,591	1,573,060	1,746,714
Miscellaneous	417,154	503,578	525,463	957,800	584,353	918,132	1,365,850	2,258,600	526,522	1,582,632
Recovered costs	958,213	996,265	1,026,582	1,024,418	987,646	1,163,944	1,342,479	1,578,766	1,384,214	1,707,107
Intergovernmental	7,522,954	7,317,493	6,712,840	8,125,667	7,128,527	10,864,246	19,049,717	14,438,393	7,418,361	6,939,450
<b>Total revenues</b>	<b>\$ 42,736,375</b>	<b>\$ 43,187,123</b>	<b>\$ 43,973,908</b>	<b>\$ 49,292,923</b>	<b>\$ 45,064,642</b>	<b>\$ 47,877,937</b>	<b>\$ 64,149,119</b>	<b>\$ 68,462,745</b>	<b>\$ 64,709,024</b>	<b>\$ 67,892,063</b>
<b>Expenditures</b>										
General government	\$ 3,475,742	\$ 3,786,601	\$ 3,852,694	\$ 3,954,853	\$ 4,103,114	\$ 4,966,751	\$ 4,967,798	\$ 5,905,236	\$ 7,155,647	\$ 7,666,523
Judicial administration	365,281	401,237	422,688	434,188	409,373	449,662	482,442	572,862	655,411	639,378
Public safety	10,043,370	10,034,562	10,641,971	11,159,742	11,181,688	11,829,279	12,042,615	12,832,957	15,111,098	16,334,538
Public works	2,786,405	2,890,124	2,986,028	3,145,566	3,202,810	3,230,663	3,456,518	3,536,104	4,123,585	4,574,156
Health and welfare	2,499,978	2,552,959	2,865,062	2,890,326	2,658,330	3,219,159	3,131,539	3,819,544	3,906,778	4,062,070
Education	8,388,204	8,817,150	8,962,074	9,605,544	9,490,247	10,073,887	8,665,672	8,727,917	9,398,953	10,609,292
Parks, recreation, and cultural	1,962,964	2,060,645	2,104,895	2,108,277	2,066,641	2,240,537	2,129,713	2,389,123	2,907,844	3,352,417
Community development	4,776,918	4,799,435	4,896,820	4,842,357	4,892,829	5,680,412	5,851,661	7,855,738	8,078,596	8,760,476
Capital projects	9,958,807	8,289,153	6,323,793	7,913,834	7,033,077	4,355,650	6,808,437	15,856,171	17,035,831	18,887,010
Debt service										
Principal retirement	1,006,410	1,032,568	4,880,676	837,370	870,223	862,300	944,355	1,062,600	1,376,949	1,436,641
Interest and other fiscal charges	232,780	204,016	147,577	752,932	690,039	650,194	606,650	824,806	1,656,049	1,758,934
<b>Total expenditures</b>	<b>\$ 45,496,859</b>	<b>\$ 44,868,450</b>	<b>\$ 48,084,278</b>	<b>\$ 47,644,989</b>	<b>\$ 46,598,371</b>	<b>\$ 47,558,494</b>	<b>\$ 49,087,400</b>	<b>\$ 63,383,058</b>	<b>\$ 71,406,741</b>	<b>\$ 78,081,435</b>
<b>Excess (deficiency) of revenues over (under) expenditures</b>	<b>\$ (2,760,484)</b>	<b>\$ (1,681,327)</b>	<b>\$ (4,110,370)</b>	<b>\$ 1,647,934</b>	<b>\$ (1,533,729)</b>	<b>\$ 319,443</b>	<b>\$ 15,061,719</b>	<b>\$ 5,079,687</b>	<b>\$ (6,697,717)</b>	<b>\$ (10,189,372)</b>

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

	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
<b>Other Financing Sources (Uses)</b>										
Transfers in	\$ 945,548	\$ 1,050,533	\$ 1,550,533	\$ 3,255,533	\$ 3,368,077	\$ 6,352,951	\$ 26,894,889	\$ 19,139,595	\$ 6,565,474	\$ 6,135,358
Transfers out	(945,548)	(1,050,533)	(1,050,533)	(3,255,533)	(3,368,077)	(6,424,747)	(26,734,478)	(18,944,731)	(4,769,474)	(6,135,358)
Issuance of bonds	-	-	16,180,700	-	-	-	-	24,500,000	10,195,000	-
Bond issuance premium	-	-	1,539,845	-	-	-	-	-	-	-
Payment to refunded bond escrow agent	-	-	(561,403)	-	-	-	-	-	-	-
Bond issuance costs	-	-	(273,376)	-	-	-	-	-	-	-
Issuances of leases	-	-	-	-	-	-	-	-	330,423	-
Issuance of subscription liabilities	-	-	-	-	-	-	-	190,830	1,186,536	174,131
<b>Total other financing sources (uses), net</b>	-	-	<b>17,385,766</b>	-	-	<b>(71,796)</b>	<b>160,411</b>	<b>24,885,694</b>	<b>13,507,959</b>	<b>174,131</b>
<b>Net changes in fund balances</b>	<b>\$ (2,760,484)</b>	<b>\$ (1,681,327)</b>	<b>\$ 13,275,396</b>	<b>\$ 1,647,934</b>	<b>\$ (1,533,729)</b>	<b>\$ 247,647</b>	<b>\$ 15,222,130</b>	<b>\$ 29,965,381</b>	<b>\$ 6,810,242</b>	<b>\$ (10,015,241)</b>
Total debt service	1,239,190	1,236,584	5,028,253	1,590,302	1,560,262	1,512,494	1,551,005	1,887,406	3,032,998	3,195,575
Total expenditures	45,496,859	44,868,450	48,084,278	47,644,989	46,598,371	47,558,494	49,087,400	63,383,058	71,406,741	78,081,435
Less: capital outlay	(8,580,427)	(2,495,147)	(3,714,606)	(5,875,095)	(5,675,387)	(3,690,017)	(5,586,699)	(12,661,960)	(14,489,105)	(15,671,734)
<b>Non-capital expenditures</b>	<b>\$ 36,916,432</b>	<b>\$ 42,373,303</b>	<b>\$ 44,369,672</b>	<b>\$ 41,769,894</b>	<b>\$ 40,922,984</b>	<b>\$ 43,868,477</b>	<b>\$ 43,500,701</b>	<b>\$ 50,721,098</b>	<b>\$ 56,917,636</b>	<b>\$ 62,409,701</b>
Debt service as a percentage of non-capital expenditures	3.36%	2.92%	11.33%	3.81%	3.81%	3.45%	3.57%	3.72%	5.33%	5.12%

Source: City of Williamsburg Exhibit 5 & Exhibit 6 (for capital outlay)

Table 5

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 & Consumption	Business License	Franchise	Tobacco	Hotel & Motel	\$2 Lodging	Restaurant	Other <sup>1</sup>	Total
2016	12,599,297	4,298,743	308,493	1,790,395	114,402	134,640	3,319,625	1,130,176	7,022,994	582,371	31,301,136
2017	12,917,015	4,388,595	290,524	1,833,991	119,948	130,032	3,316,633	1,128,430	7,043,184	646,797	31,815,149
2018	13,089,822	4,706,583	292,764	2,049,988	122,942	167,638	3,358,649	1,123,558	7,062,010	800,004	32,773,958
2019	13,731,825	6,841,762	294,232	2,330,418	120,660	140,211	3,308,661	1,079,370	7,308,479	699,050	35,854,668
2020	14,600,806	6,388,075	288,678	2,174,694	109,411	126,420	2,305,404	748,242	5,896,140	732,541	33,370,411
2021	15,174,178	6,424,415	289,288	1,770,953	96,664	129,061	1,770,894	617,886	5,850,176	728,072	32,851,586
2022	16,742,322	6,887,726	297,000	2,349,858	94,819	182,672	3,489,094	926,216	7,877,823	905,622	39,753,152
2023	19,287,183	8,070,108	287,500	2,638,176	93,554	166,866	3,851,435	978,642	8,832,389	837,763	45,043,615
2024	22,082,840	8,559,106	286,206	3,060,145	92,234	167,040	3,764,481	953,926	8,953,255	989,388	48,908,620
2025	23,926,018	8,621,151	296,226	2,937,735	94,026	137,463	3,877,334	987,933	9,331,883	919,266	51,129,035
%Change 2016-2025	89.90%	100.55%	-3.98%	64.08%	-17.81%	2.10%	16.80%	-12.59%	32.88%	57.85%	63.35%

Source: City of Williamsburg Finance Department, Schedule 1

<sup>1</sup>Other includes bank stock taxes, recordation taxes, and penalties and interest on other local taxes

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

Table 6

Fiscal Year	Real Property		Personal Property		Less: Tax Exempt Real Property	Total Taxable Assessed Value	Total Direct Tax Rate	Estimated Actual Taxable Value	% Taxable AV to Estimated Actual Taxable Value
	Residential Property	Commercial Property <sup>1</sup>	Motor Vehicles <sup>2</sup>	Other					
2016	1,168,895,100	1,581,516,100	42,220,440	36,393,827	964,234,400	1,864,791,067	4.07	1,864,791,067	100%
2017	1,190,581,300	1,610,013,500	43,377,030	37,405,286	971,263,000	1,910,114,116	4.07	1,910,114,116	100%
2018	1,216,085,400	1,620,357,700	44,053,770	39,765,792	976,996,200	1,943,266,462	4.07	1,943,266,462	100%
2019	1,225,705,700	1,628,894,100	44,479,900	42,369,965	989,455,800	1,951,993,865	4.10	1,951,993,865	100%
2020	1,322,641,400	1,709,250,800	47,608,960	43,749,786	1,043,197,900	2,080,053,046	4.10	2,080,053,046	100%
2021	1,371,385,600	1,754,778,800	49,398,887	45,944,506	1,068,742,900	2,152,764,893	4.10	2,152,764,893	100%
2022	1,192,790,550	2,104,599,350	65,402,520	38,797,064	1,147,301,800	2,254,287,684	4.14	2,270,638,314	99%
2023	1,609,430,100	2,085,955,570	84,516,670	37,536,890	1,202,452,000	2,614,987,230	4.12	2,614,987,230	100%
2024	1,991,990,700	2,354,714,200	93,006,420	38,320,880	1,438,834,200	3,039,198,000	4.12	3,039,198,000	100%
2025	2,138,228,100	2,802,664,400	90,013,320	40,412,330	1,775,984,600	3,295,333,550	4.12	3,295,333,550	100%

Sources: City of Williamsburg Real Estate Assessor's Office & Commissioner of the Revenue's Office

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

<sup>2</sup> Motor vehicles are assessed at 100% of the J.D. Power (formerly NADA) average loan value as of January 1st each year except for 2022, when motor vehicles were assessed at 80% of the J.D. Power average loan value as of January 1st.

**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. As such, estimated actual taxable value equals total taxable assessed value for real property.

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

Table 7

Fiscal Year Ended June 30	Real Estate Tax <sup>1</sup>	Personal Property Tax <sup>1</sup>	Transient Lodging <sup>4</sup>	Meal Tax	Retail Sales Tax <sup>2</sup>	Historic Triangle Sales Tax <sup>2,3</sup>	Total Direct Tax Rate
2016	\$0.57	\$3.50	5%	5%	1%		\$4.07
2017	\$0.57	\$3.50	5%	5%	1%		\$4.07
2018	\$0.57	\$3.50	5%	5%	1%		\$4.07
2019	\$0.60	\$3.50	5%	5%	1%	0.50%	\$4.10
2020	\$0.60	\$3.50	5%	5%	1%	0.50%	\$4.10
2021	\$0.60	\$3.50	5%	5%	1%	0.50%	\$4.10
2022	\$0.64	\$3.50	5%	5%	1%	0.50%	\$4.14
2023	\$0.62	\$3.50	5%	5%	1%	0.50%	\$4.12
2024	\$0.62	\$3.50	5%	5%	1%	0.50%	\$4.12
2025	\$0.62	\$3.50	5%	5%	1%	0.50%	\$4.12

Source: City of Williamsburg Finance Department

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

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

<sup>3</sup> Senate Bill 942

<sup>4</sup> Charged for the first 90 days of a stay. There is an additional \$2 transient occupancy tax on the first 30 days of a stay except for travel campground sites or to rooms or spaces rented and continuously occupied by the same individual or same group of individuals for 30 days or more.

The City of Williamsburg has no overlapping taxes with other jurisdictions.

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

Table 8

<u>Taxpayers</u>	<u>2025</u>			<u>2016</u>		
	<u>Taxable Assessed Value</u>	<u>Rank</u>	<u>Percentage of Total City Taxable Assessed Value</u>	<u>Taxable Assessed Value</u>	<u>Rank</u>	<u>Percentage of Total City Taxable Assessed Value</u>
Colonial Williamsburg Foundation	\$ 362,346,800	1	11.45%	\$ 253,703,600	1	13.99%
BSR Midtown LLC	124,599,900	2	3.94%			
HS APT Land LC	109,284,800	3	3.45%			
Sterling Manor Apartments LLC	69,557,400	4	2.20%	21,065,500	6	1.16%
BRG Quarterpath LLC	62,765,700	5	1.98%	24,487,400	4	1.35%
Riverside Healthcare Associates	58,581,900	6	1.85%	31,977,600	3	1.76%
Virginia Greens Retirement	37,769,100	7	1.19%			
Quarterpath Williamsburg, LLC	36,055,800	8	1.14%	44,310,900	2	2.44%
CDP WB PE LLC	34,977,800	9	1.11%			
160 Merrimac Associates LLC	26,860,500	10	0.85%			
High Street Retail Phase I LLC				21,182,600	5	1.17%
Bluegreen Vacations, Unlimited				17,939,700	7	0.99%
SNL Quarterpath Associates LLC				14,614,900	8	0.81%
Westgate Resorts, LTD				14,479,200	9	0.80%
CGMT 2004-C2 Williamsburg				1,381,900	10	0.76%

Source: City of Williamsburg Office of the Assessor

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

Table 9

Fiscal Year Ended June 30	Taxes Levied for the Fiscal Year	Adjustments - PPTRA Applied	Adjusted Levy Billed	Collected Within the Fiscal Year of the Levy		Collections in Subsequent Years	Total Collections to Date	
				Amount Collected	Percentage of Adjusted Levy Billed		Total Collections	Percentage of Adjusted Levy Billed
2016	13,009,018	(806,389)	12,202,629	11,990,479	98.26%	148,154	12,138,633	99.48%
2017	13,314,963	(817,452)	12,497,511	12,262,531	98.12%	130,468	12,392,999	99.16%
2018	13,477,747	(816,782)	12,660,965	12,441,684	98.27%	150,159	12,591,843	99.45%
2019	14,165,997	(816,692)	13,349,305	13,070,004	97.91%	213,192	13,283,196	99.50%
2020	15,040,398	(810,951)	14,229,447	13,850,298	97.34%	307,700	14,157,998	99.50%
2021	15,601,477	(783,719)	14,817,758	14,419,211	97.31%	183,377	14,602,588	98.55%
2022	17,356,438	(695,739)	16,660,699	16,021,760	96.16%	525,599	16,547,359	99.32%
2023	19,686,120	(659,545)	19,026,575	18,418,548	96.80%	371,241	18,789,789	98.76%
2024	22,456,559	(853,856)	21,602,703	20,840,454	96.47%	419,949	21,260,403	98.42%
2025	24,196,199	(701,777)	23,494,422	22,701,178	96.62%	N/A	22,701,178	96.62%

Source: City of Williamsburg Office of the Assessor, Office of the Commissioner of the Revenue, and Finance Department

**Note:**

The City of Williamsburg receives the same amount of Personal Property Tax Relief Act (PPTRA) funding from the Commonwealth of Virginia every year and estimates the % tax relief to be applied to qualifying personal motor vehicles, such that tax revenues plus PPTRA cover approximately 100% of the taxes levied. Presenting the adjusted levy billed and excluding PPTRA from collections amounts produces more accurate "active" collections trends, versus "passive" collections consisting of fixed funding from the Commonwealth of Virginia on a fixed schedule every year.

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

Table 10

Fiscal Year	Governmental Activities			Business-Type Activities			Total Primary Government	Debt Per Capita	Debt as Percentage of Personal Income
	General Obligation Bonds <sup>1</sup>	Lease Liabilities	Subscription Liabilities	General Obligation Bonds <sup>1</sup>	Subscription Liabilities				
2016	8,193,018	-	-	6,184,269	-	-	14,377,287	932	0.3%
2017	7,118,840	-	-	5,526,750	-	-	12,645,590	821	0.2%
2018	19,235,458	-	-	5,033,028	-	-	24,268,486	1,598	0.4%
2019	18,256,137	-	-	4,412,553	-	-	22,668,690	1,474	0.4%
2020	17,243,961	-	-	3,764,931	-	-	21,008,892	1,312	0.3%
2021	16,281,320	-	-	3,343,471	-	-	19,624,791	1,225	0.3%
2022	15,275,059	106,959	-	2,905,632	-	-	18,287,650	1,127	0.2%
2023	38,722,557	68,333	119,056	2,449,074	6,462	-	41,365,482	2,639	0.5%
2024	47,813,416	320,322	1,010,877	1,969,115	-	-	51,113,730	3,258	**
2025	46,660,295	250,752	870,677	1,468,096	26,703	-	49,276,523	**	**

Sources: Note 8 - Long-term Obligations; statistical section table 13 for population and personal income

<sup>1</sup> Includes unamortized issuance premiums

\*\* Data not available.

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

Table 11

<u>Fiscal Year</u>	<u>General Bonded Debt Outstanding<sup>1</sup></u>	<u>Percentage of Estimated Actual Taxable Value of Property<sup>2</sup></u>	<u>Per Capita<sup>3</sup></u>
2016	14,377,287	0.77%	932
2017	12,645,590	0.66%	821
2018	24,268,486	1.25%	1,598
2019	22,668,690	1.16%	1,474
2020	21,008,892	1.01%	1,312
2021	19,624,791	0.91%	1,225
2022	18,287,650	0.81%	1,127
2023	41,359,020	1.58%	2,639
2024	51,113,730	1.68%	3,258
2025	49,249,820	1.49%	**

<sup>1</sup> See Table 10 for general bonded debt (excludes subscription liabilities for business-type activities)

<sup>2</sup> See Table 6 for property value data.

<sup>3</sup> Population data can be found in Table 13

\*\* Data not available

**Note:** "General bonded debt" means debt that is backed, in whole or in part, by resources of the general government, even if the debt is properly reported as debt of an enterprise fund in the financial statements. GASB Cod. Sec. 2800.716-1

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

Table 12

	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Debt Limit	\$178,617,680	\$182,933,180	\$185,944,690	\$186,514,400	\$198,869,430	\$205,742,150	\$215,008,810	\$249,293,367	\$290,787,070	\$316,490,790
Total Debt Applicable to Limit	14,377,287	12,645,590	24,268,486	22,668,690	21,008,892	19,624,791	18,180,691	41,365,482	51,113,730	49,276,523
Legal Debt Margin*	164,240,393	170,287,590	161,676,204	163,845,710	177,860,538	186,117,359	196,828,119	207,927,885	239,673,340	267,214,267
Total Debt Applicable to the Limit as a Percentage of Debt Limit	8.05%	6.91%	13.05%	12.15%	10.56%	9.54%	8.46%	16.59%	17.58%	15.57%

\*Legal Debt Margin Calculation for Fiscal Year 2025

Taxable Assessed Value - Real Estate	3,164,907,900	From Table 6
Debt Limit (10% of assessed value)	316,490,790	
Debt Applicable to Limit:		
Outstanding Debt - Primary Gov't	49,276,523	From Table 10
Legal Debt Margin	<u>\$ 267,214,267</u>	

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

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

Table 13

Fiscal Year	City Population *	Area Population *	Personal Income (thousands of dollars) <sup>2</sup>	Per Capita Personal Income <sup>2</sup>	Public School Enrollment <sup>3</sup>	Unemployment Rate <sup>1</sup>
2016	15,429	89,044	5,344,090	59,632	11,303	5.6%
2017	15,404	90,555	5,646,096	60,350	11,431	4.4%
2018	15,183	91,020	6,016,740	65,906	11,477	4.6%
2019	15,383	91,477	6,065,503	66,306	11,461	4.3%
2020	16,017	92,871	6,341,149	68,279	11,448	8.1%
2021	16,015	95,472	6,872,205	71,981	10,858	4.9%
2022	16,224	97,108	7,369,663	75,891	11,018	4.4%
2023	15,675	98,501	8,053,579	81,761	11,308	4.3%
2024	15,690	97,516	**	**	11,324	5.1%
2025	**	**	**	**	11,379	6.1%

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

\*\* Not available

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

<sup>2</sup> Source - U.S. Bureau of Census, Bureau of Economic Analysis (BEA)  
 population and per capita personal figures are only available for the City of Williamsburg and neighboring James City County combined. The latest data available on the BEA's website as of 12/01/25 is for 2023.

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

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

Table 14

Employer	2025			2016		
	Employees <sup>1</sup>	Rank	Percentage of Total City Employment	Employees <sup>1</sup>	Rank	Percentage of Total City Employment
College of William & Mary	1,000+	1	29.05%	1,000+	1	19.06%
Colonial Williamsburg Foundation	500 to 999	2	6.92%	1,000+	2	11.38%
Colonial Williamsburg Company	500 to 999	3	4.53%	1,000+	3	7.62%
Aramark	250 to 499	4	3.34%			
W-JCC Schools	250 to 499	5	2.45%	250 to 499	4	2.21%
Riverside Doctors' Hospital	250 to 499	6	2.39%	100 to 249	7	0.99%
City of Williamsburg	100 to 249	7	2.04%	100 to 249	5	1.84%
Crescent Hospitality Corp.	100 to 249	8	1.81%			
Mellow Mushroom Pizza Bakers	100 to 249	9	0.97%			
OS Restaurant Services	50 to 99	10	0.71%			
Sodexo				100 to 249	6	1.05%
Walsingham Academy				100 to 249	8	0.71%
National Center for State Courts				100 to 249	9	0.71%
Red Lobster & The Olive Garden				100 to 249	10	0.71%

<sup>1</sup> includes part-time and seasonal employees

Sources:

Bureau of Labor Statistics Quarterly Census of Employment and Wages as of December 2024 (most recent data available)  
Virginia Works Community profile, dated 9/8/2025

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

Table 15

	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
<b>General Government</b>										
City Manager	6.5	6.5	6.0	7.0	7.0	8.0	8.5	9.0	9.0	10.0
Clerk of Council	2.0	2.0	2.0	2.0	1.0	1.0	1.0	1.0	1.0	1.0
City Attorney	1.5	1.5	1.5	1.5	1.5	1.5	1.5	1.5	2.5	2.5
Commissioner of Revenue	3.0	3.0	3.0	4.0	4.0	4.0	4.0	4.0	4.0	3.0
Treasurer	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	0.0	0.0
Registrar	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0
Assessor	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0
Information Technology	3.0	3.0	3.0	4.0	4.0	4.0	4.5	4.5	5.0	6.0
Finance	8.0	9.0	9.0	9.0	9.0	10.0	10.0	11.0	12.0	14.0
<b>Police</b>										
Officers	36.0	36.0	38.0	41.0	41.0	42.0	43.0	45.0	45.0	46.0
Civilians	5.0	5.0	4.0	4.0	5.0	5.0	4.0	4.0	6.0	6.0
<b>Fire</b>										
Firefighters & officers	36.0	39.0	39.0	40.0	40.0	45.0	45.0	45.0	45.0	45.0
Civilians	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0
<b>Public Works</b>										
Engineering	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0
Streets & Storm Water	9.0	9.0	9.0	9.0	10.0	10.0	10.0	10.0	10.0	10.0
Landscape	7.0	7.0	7.0	7.5	7.5	7.5	7.5	7.5	7.5	7.5
Shop	3.0	3.0	3.0	3.0	3.0	3.0	3.0	3.0	3.0	3.0
Building Maintenance	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0
<b>Planning</b>	4.0	4.0	4.0	4.0	4.0	4.0	4.0	4.0	4.0	4.0
<b>Code Compliance</b>	5.0	5.0	5.0	5.0	5.0	6.0	6.0	6.0	6.0	6.0
<b>Recreation</b>	8.5	8.5	8.5	8.5	8.5	8.5	8.5	8.5	8.5	9.5
<b>Human Services/Public Housing</b>	19.0	19.0	19.0	19.0	19.0	22.0	23.5	29.5	31.5	32.0
<b>Public Utilities</b>	26.0	26.0	26.0	26.0	26.0	26.0	26.0	26.0	26.0	26.0
<b>Total</b>	<b>192.5</b>	<b>196.5</b>	<b>197.0</b>	<b>204.5</b>	<b>205.5</b>	<b>217.5</b>	<b>220.0</b>	<b>229.5</b>	<b>235.0</b>	<b>240.5</b>

Source: City of Williamsburg Finance Department and Adopted Budget documents

Note: A full-time employee is scheduled to work 2,080 hours per year (including time off). A full-time Fire shift employee is scheduled to work 2,912 hours per year (including time off).

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

Table 16

	2016	2017	2018*	2019	2020 ^	2021 ^	2022 ^	2023	2024	2025
<b>General Government</b>										
Real estate parcels appraised	4,313	4,318	4,319	4,335	4,345	4,343	4,770	4,790	4,801	4,803
Real estate property transfers	370	421	505	426	422	398	567	583	447	441
<b>Police</b>										
Calls for service	34,837	34,033	34,385	41,377	46,703	39,436	34,808	40,708	38,082	41,000
Moving violations	1,238	1,364	1,228	2,390	2,161	1,779	1,452	1,581	1,435	1,517
Part I offenses ^^	219	250	203	230	189	260	239	287	241	212
<b>Fire</b>										
Emergency fire responses	1,048	1,181	1,331	1,493	1,105	1,004	1,302	1,301	1,655	1,954
Emergency EMS responses	2,890	2,875	2,951	3,102	2,948	2,461	2,920	3,294	2,921	3,215
<b>Public Works</b>										
Tons of res. solid waste collected	1,925	2,063	2,170	2,050	1,942	1,997	1,997	2,209	2,252	2,151
<b>Planning</b>										
Subdivision lots approved	0	0	14	46	52	49	23	1	4	24
Site plans processed	2	0	18	11	14	16	17	13	25	11
<b>Code Compliance</b>										
Total permits issued	1,538	1,920	1,968	1,443	1,030	979	1,193	1,322	953	1,285
Total inspections performed	7,284	7,082	4,427	7,130	5,198	8,896	5,735	5,917	6,323	4,171
<b>Parks &amp; Recreation</b>										
Program participation	23,135	23,706	16,159	13,958	9,571	3,404	7,466	8,756	11,106	11,632
Waller Mill Park attendance	95,312	107,036	137,894	103,461	79,254	134,355	127,079	131,575	82,290	100,244
<b>Public Utilities</b>										
Water consumed (gallons)	959,000,000	953,000,000	918,000,000	913,000,000	822,000,000	842,000,000	895,000,000	1,020,000,000	1,028,741,000	973,374,000
Water leaks repaired	31	26	35	20	22	33	27	27	23	34
Sewer stoppages	47	22	31	40	33	50	38	48	35	42

Source: City of Williamsburg Departments

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

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

^^ Due to variations in crime reporting systems, these statistics were restated to report Part I offenses only. Average used for 2025.

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

Table 17

Function/Program	2016	2017	2018	2019	2020	2021	2022	2023*	2024 ^	2025
<b>General Government</b>										
Number of buildings	28	28	28	28	28	28	28	28	14	14
Number of parking structures	2	2	2	2	2	2	2	2	2	2
Total number of active vehicles in vehicle replacement plan	84	85	85	101	102	102	102	102	127	136
<b>Public Safety</b>										
Number of police stations	1	1	1	1	1	1	1	1	1	1
Number of fire stations	1	1	1	1	1	1	1	1	1	1
<b>Public Works</b>										
Lane miles of streets maintained	118.58	116.73	117.53	118.02	119.44	119.92	119.92	119.92	122.62	122.62
Number of Signalized Intersections	15	15	15	15	15	17	17	17	18	18
Bridges	4	4	4	4	4	4	4	4	4	4
<b>Education-Regional Schools</b>										
Grades: K - 5	9	9	9	9	9	9	9	9	9	9
Grades: 6 - 8	3	3	3	4	4	4	4	4	4	4
Grades: 9 -12	3	3	3	3	3	3	3	3	3	3
<b>Parks &amp; Recreation</b>										
Number of parks	10	10	10	11	11	12	12	12	12	12
Number of ball fields	6	6	6	6	6	6	6	7	7	7
Number of tennis courts	10	10	10	10	10	10	10	10	10	10
Number of total acres	2,036	2,036	2,787	2,787	2,787	2,787	2,787	2,787	2,787	2,787
<b>Culture</b>										
Number of public libraries (regional)	2	2	2	2	2	2	2	2	2	2
<b>Public Utilities</b>										
Miles of water distribution *	48	48	48	48	48	50	35	35	82	82
Number of water tanks	6	6	6	6	6	6	6	6	6	6
Number of pump stations-water & sewer	16	16	16	16	16	16	16	16	15	15

Source: City of Williamsburg Departments

\*FY 2023 more accurate GIS mapping was completed

^ FY 2024 WRHA took on city houses

*COMPLIANCE SECTION*

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

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

We have audited, in accordance with the auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the *Specifications for Audits of Counties, Cities, and Towns*, issued by the Auditor of Public Accounts of the Commonwealth of Virginia, the financial statements of the governmental activities, the business-type activities, the discretely presented component units, each major fund, and the aggregate remaining fund information of City of Williamsburg, Virginia, as of and for the year ended June 30, 2025, and the related notes to the financial statements, which collectively comprise City of Williamsburg, Virginia's basic financial statements, and have issued our report thereon dated December 1, 2025.

**Report on Internal Control over Financial Reporting**

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

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

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

## Report on Compliance and Other Matters

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

### Purpose of This Report

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

*Robinson, Farnum, Cox Associates*  
Richmond, Virginia  
December 1, 2025



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

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

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

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

We have audited City of Williamsburg, Virginia's compliance with the types of compliance requirements identified as subject to audit in the *OMB Compliance Supplement* that could have a direct and material effect on each of City of Williamsburg, Virginia's major federal programs for the year ended June 30, 2025. City of Williamsburg, Virginia's major federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

In our opinion, City of Williamsburg, Virginia complied, in all material respects, with the 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, 2025.

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

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

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

***Responsibilities of Management for Compliance***

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

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

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

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

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

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

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

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

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

## Report on Internal Control over Compliance (Continued)

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

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

*Robinson, Farnum, Cox Associates*

Richmond, Virginia  
December 1, 2025

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City of Williamsburg, Virginia  
Schedule of Expenditures of Federal Awards  
For the Year Ended June 30, 2025

Federal Grantor/State Pass - Through Grantor/ Program Title	Federal Assistance Listing Number	Pass-Through Entity Identifying Number	Federal Expenditures
<i>Department of Health and Human Services:</i>			
Pass Through Payments:			
<i>Virginia Department of Social Services:</i>			
Title VI-E Prevention Program	93.472	1140124/1140125	\$ 3,932
Guardianship Assistance	93.090	1110124/1110125	178
MaryLee Allen Promoting Safe and Stable Families Program	93.556	0950124/0950125	18,589
Temporary Assistance for Needy Families	93.558	0400124/0400125	112,682
Refugee and Entrant Assistance - State/Replacement Designee Administered Programs	93.566	0500124/0500125	211
Low-Income Home Energy Assistance	93.568	0600424/0600425	18,373
Child Care Mandatory and Matching Funds of the Child Care and Development Fund (CCDF Cluster)	93.596	0760124/0760125	18,101
Stephanie Tubbs Jones Child Welfare Services Program	93.645	0900124/0900125	342
Foster Care - Title IV-E	93.658	1100124/1100125	74,925
Adoption Assistance	93.659	1120124/1120125	48,309
Social Services Block Grant	93.667	1000124/1000125	83,415
John H. Chafee Foster Care Program for Successful Transition to Adulthood	93.674	9150124/9150125	607
COVID-19 - Elder Abuse Prevention Interventions Program	93.747	8000224/8000225	3,533
Children's Health Insurance Program	93.767	0540124/0540125	2,467
Medical Assistance Program (Medicaid Cluster)	93.778	1200124/1200125	223,574
Total Department of Health and Human Services-pass through			<u>\$ 609,238</u>
Total Department of Health and Human Services			<u>\$ 609,238</u>
<i>Department of Agriculture:</i>			
Pass Through Payments:			
<i>Virginia Department of Social Services:</i>			
State Administrative Matching Grants for the Supplemental Nutrition Assistance Program (SNAP Cluster)	10.561	0010124/0010125	\$ 300,350
Total Department of Agriculture			<u>\$ 300,350</u>
<i>Department of Homeland Security:</i>			
Direct payments:			
Staffing for Adequate Fire and Emergency Response (SAFER)	97.083	N/A	\$ 22,141
Pass Through Payments:			
<i>Virginia Department of Emergency Management:</i>			
Emergency Management Performance Grants	97.042	775001-116308	\$ 7,500
<i>City of Virginia Beach, Virginia:</i>			
Disaster Grants-Public Assistance (Presidentially Declared Disasters)	97.036	775001-117463	80,210
Total Department of Homeland Security - pass-through			<u>\$ 87,710</u>
Total Department of Homeland Security			<u>\$ 109,851</u>

City of Williamsburg, Virginia  
Schedule of Expenditures of Federal Awards  
For the Year Ended June 30, 2025

Federal Grantor/State Pass - Through Grantor/ Program Title	Federal Assistance Listing Number	Pass-Through Entity Identifying Number	Federal Expenditures
<i>Department of Justice:</i>			
Direct payments:			
State Criminal Alien Assistance Program	16.606	N/A	\$ 7,192
Pass Through Payments:			
<i>Virginia Department of Criminal Justice Services:</i>			
Edward Byrne Memorial Justice Assistance Grant Program	16.738	12-J1208LO11	\$ 3,200
Total Department of Justice			<u>\$ 10,392</u>
<i>Department of Transportation:</i>			
Pass Through Payments:			
<i>Virginia Department of Transportation:</i>			
Highway Planning and Construction	20.205	603023/4- 15000/15017/15078	\$ 65,054
<i>Virginia Department of Energy:</i>			
Congestion Mitigation and Air Quality Improvement Program (CMAQ)	20.268	507005-40900	32,000
<i>Virginia Department of Motor Vehicles:</i>			
Alcohol Open Container Requirements	20.607	605007-50235/51107	10,211
National Priority Safety Programs (Highway Safety Cluster)	20.616	605007-51132	\$ 5,840
State and Community Highway Safety (Highway Safety Cluster)	20.600	605007- 50238/50241/51128	7,393
Total Highway Safety Cluster			<u>\$ 13,233</u>
Total Department of Transportation			<u>\$ 120,498</u>
<i>Department of Treasury:</i>			
Pass Through Payments:			
<i>Virginia Department of Elections:</i>			
COVID-19 - Coronavirus State and Local Fiscal Recovery Funds	21.027	Not Available	\$ 14,230
<i>Virginia Department of Criminal Justice Services:</i>			
COVID-19 - Coronavirus State and Local Fiscal Recovery Funds	21.027	Not Available	\$ 19,193
		Total 21.027	<u>\$ 33,423</u>
Total Department of Treasury			<u>\$ 33,423</u>
Total Expenditures of Federal Awards			<u>\$ 1,183,752</u>

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, 2025**

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Note 1 - Basis of Presentation

The accompanying schedule of expenditures of federal awards (the Schedule) includes the federal award activity of the City of Williamsburg, Virginia under programs of the federal government for the year ended June 30, 2025. 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	\$	143,687
American Rescue Plan fund		19,193
Virginia public assistance fund		909,588
Capital projects fund		111,284

Total federal expenditures per the Schedule of Expenditures of Federal Awards	\$	<u>1,183,752</u>
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Note 5 - Subrecipients

No awards were passed through to subrecipients.

Note 6 - De Minimis Cost Rate

The City did not elect to use the 15-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.

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City of Williamsburg, Virginia  
 Schedule of Findings and Questioned Costs  
 For the Year Ended June 30, 2025

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**Section I-Summary of Auditors' Results**

**Financial Statements**

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

**Federal Awards**

Internal control over major programs:  
 Material weakness(es) identified? \_\_\_\_\_ yes    ✓    no  
 Significant deficiency(ies) identified? \_\_\_\_\_ yes    ✓    no

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

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

Identification of major programs:

<u>Assistance Listing Number(s)</u>	<u>Name of Federal Program or Cluster</u>
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, 2025**

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There were no prior audit findings.