



JAMES CITY COUNTY

ANNUAL COMPREHENSIVE FINANCIAL REPORT

FOR THE FISCAL YEAR ENDED JUNE 30, 2021

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Prepared by the Department of Financial & Management Services

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

For the Fiscal Year Ended
June 30, 2021

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

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Introductory Section

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County of James City, Virginia

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County of James City, Virginia

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County of James City, Virginia
County Officials
Year ended June 30, 2021

Board of Supervisors

Michael J. Hipple, Sr., Powhatan District, Chairman
Sue Sadler, Stonehouse District, Vice Chairman
Ruth Larson, Berkeley District
Jim Icenhour, Jamestown District
John J. McGlennon, Roberts District
Scott Stevens, Clerk

Officials

Richard H. Rizk, Judge of the Circuit Court
B. Elliott Bondurant, Judge of the Circuit Court
Jeffrey W. Shaw, Judge of the Circuit Court
Holly B. Smith, Judge of the Circuit Court
Mona Foley, Clerk of the Circuit Court
Nathan R. Green, Commonwealth's Attorney
Richard W. Bradshaw, Commissioner of the Revenue
Jennifer D. Tomes, Treasurer
Stephen Ashton Hudgins, Judge of the General District Court
Cressondra B. Conyers, Judge of the Juvenile and Domestic Relations Court
David Hardin, Sheriff
Eric Peterson, Chief of Police
Dr. Olwen E. Herron, Superintendent of Schools
Scott Stevens, County Administrator
Adam R. Kinsman, County Attorney

Board of Directors, James City Service Authority

Ruth Larson, Chairman
John J. McGlennon, Vice Chairman
Michael J. Hipple, Sr.
Jim Icenhour
Sue Sadler
M. Douglas Powell, General Manager
Stephanie A. Luton, Assistant Manager/Treasurer

School Board, Williamsburg-James City County Public Schools

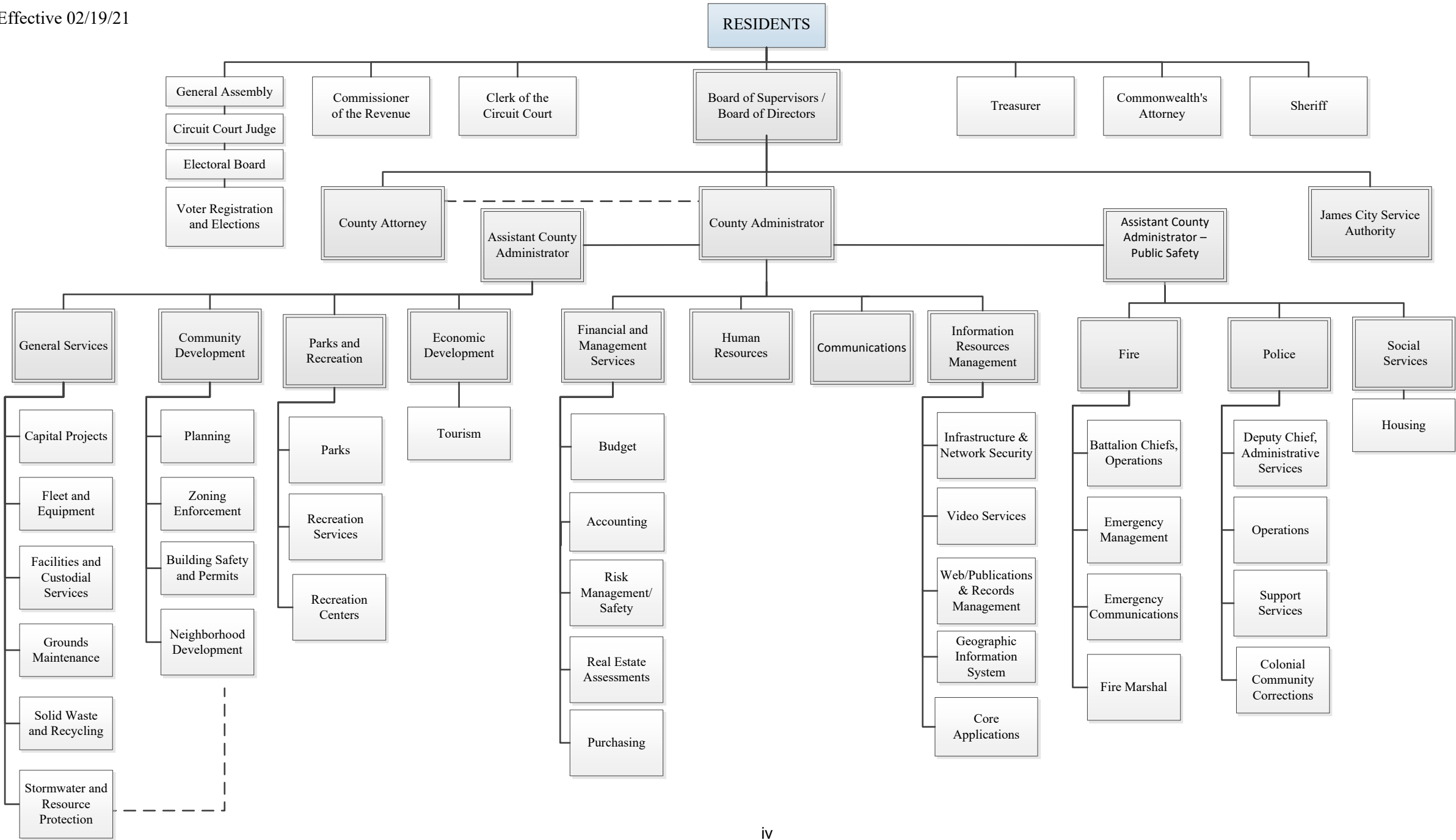
James Kelly, Chairman
D. Greg Dowell, Jr., Vice Chairman
James Beers
Kyra Cook
Lisa Ownby
Sandra Young
Julie Hummel

Board Members, Economic Development Authority

Vince Campana III, Chair
Lynn Meredith, Vice Chair
Brandon Nice
Joseph Stanko
Carlton Stockton
William Turner

James City County Organization Chart

Effective 02/19/21





Financial and Management Services
101-F Mounts Bay Road
P.O. Box 8784
Williamsburg, VA 23187
P: 757-253-6630
jamescitycountyva.gov

December 14, 2021

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

We are pleased to submit to you the Comprehensive Annual Financial Report of James City County, Virginia (the County), for the fiscal year ended June 30, 2021, as required by the *Code of Virginia*. The Department of Financial and Management Services has prepared this report in accordance with accounting principles generally accepted in the United States of America (GAAP), the standards of financial reporting prescribed by the Governmental Accounting Standards Board (GASB), and specifications of the Auditor of Public Accounts of the Commonwealth of Virginia. Section 15.1-67 of the *Code of Virginia* (1950, as amended) requires the County to have an annual audit of the books of account, financial records, and the transactions of the County. Brown, Edwards & Company L.L.P. was selected to perform the required audit. The unmodified report of Brown, Edwards & Company L.L.P., the highest possible result of the audit process, accompanies the financial statements in this report.

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

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

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 County's MD&A can be found immediately following the report of the independent auditors on pages 4-9 of this report.

Profile of the Government

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

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

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

The County provides a full range of services, including law enforcement, fire protection, and recreational activities. Water and sewer services are provided through the legally separate James City Service Authority (JCSA). The Board of Supervisors of James City County serves as the Board of Directors of the JCSA, and the County's Strategic Plan serves as basis for the budgetary and operational initiatives of both entities. The County is also financially accountable for the legally separate Williamsburg-James City County (WJCC) School Board and the legally separate James City County Economic Development Authority. All three of these entities are reported separately as discretely presented component units within the County's financial statements. Additional information on each of these legally separate entities can be found in Note 1 to the basic financial statements.

The annual budget serves as the foundation for the County's financial planning and control. In the spring of each year, departments and agencies of the County are required to submit requests for appropriation to the County Administrator. The County Administrator then submits to the Board of Supervisors a proposed operating and capital budget for the fiscal year commencing the following July 1. The operating budget and capital budget include proposed expenditures and the means of financing them. Public hearings are conducted to obtain citizen comments.

Prior to June 30, the budget is legally enacted through passage of an Appropriations Resolution. The Appropriations Resolution places legal restrictions on expenditures at the fund and function level. The appropriation for each fund and function can be revised only by the Board of Supervisors; however, the County Administrator may amend the budget within functions. Budget to actual comparisons are provided in this report for each individual governmental fund for which an appropriated annual budget has been adopted. For the general fund, this comparison is presented on pages 72-76 as part of the required supplementary information other than management's discussion and analysis. For governmental funds, other than the general fund, with appropriated budgets, these comparisons are presented in the other supplementary information subsection of this report which starts on page 100.

COVID-19

During fiscal year 2021, the novel coronavirus disease (COVID-19) impacted the operational and financial activities of the County. In an effort to be fiscally responsible during uncertain times while still providing exceptional public services, the County addressed anticipated revenue shortfalls related to COVID-19 through reductions to expenditures as well as measures to conserve resources.

Since the start of the pandemic, the County along with federal, state, and other local governments have worked to prevent the spread of COVID-19 by educating citizens; encouraging social distancing; following and sharing State guidelines; managing the use of Coronavirus Aid, Relief, and Economic Security (CARES) Act and other relief funding; and finally, working with the Virginia Department of Health, the City of Williamsburg, and York County to establish a vaccination center at the Colonial Williamsburg Visitor Center to assist in the administration of the vaccine to the public. During fiscal year 2021, the County received additional federal and state funding to implement initiatives to protect citizens and staff. The County utilized this relief funding and maintained conservative spending practices to ensure the continuity of essential services in a safe and socially distant manner.

During fiscal year 2021, there were decreases in certain revenue line items, such as restaurant food taxes and parks and recreation charges, related to closings or restrictions in place to limit the spread of the

COVID-19 virus. The loss of revenue to the County going forward remains difficult to forecast, given the uncertainty surrounding the economic effects of the pandemic. In May 2021, the County received its first allocation of American Rescue Plan Act funding in the amount of \$7.4 million, and a second allocation of the same amount is expected to be received in May 2022. The County is currently developing plans to utilize these funds for allowable purposes to assist citizens and departments over the next few years. Footnote 18 contains more details regarding COVID-19 and its impacts on the County.

Economic Condition and Outlook

James City County has experienced a gradual increase in economic activity after the effects from COVID-19 were felt in fiscal year 2020. Overall, General Fund revenues increased 5.5% from last year. The majority of the increase was in property taxes due to real estate growth. Revenues are expected to increase by approximately 7.4% in fiscal year 2022, primarily as a result of the normalization of revenues following an anticipated economic recovery. The General Fund's expenditures were adjusted accordingly in order to balance the budget.

The County's bond rating continues to be AAA, which is the highest possible rating. This bond rating is based on analysts' recommendations after a review of economic and fiscal performance, strong liquidity, fiscal policies and practices, evidence of financial planning to meet future capital needs. This rating is excellent for a community the size of James City County and gives the County additional leverage in the bond market for potential bond buyers and investors.

Long-Term Financial Planning and Major Initiatives

According to its fiscal policies, the County shall maintain a General Fund Unassigned Fund Balance at the end of the fiscal year in an amount equal to or greater than 10%, with a target of 12% of the total governmental expenditures including the County's share of WJCC Schools' operating expenditures. At the end of fiscal year 2021, that percentage was 23.2%, which meets the fiscal policy set by the Board of Supervisors. The County experienced an increase in fund balance for the General Fund in the amount of \$27,966,533 during fiscal year 2021, primarily due to increases in certain revenues as well as restrictions on non-essential spending in response to the economic uncertainties surrounding the COVID-19 pandemic.

For its fiscal year 2021 budget, the County was awarded the Government Finance Officers' Association of the United States and Canada's Distinguished Budget Presentation for the fourth consecutive year. Each budget supports the implementation of the County's Strategic Plan, which was adopted by the Board of Supervisors in November 2016. The Strategic Plan serves as guidance between the budget and the long-range plans proposed by the County. It also allows the Board of Supervisors to prioritize initiatives, plan for the future, and allocate resources through the budget process.

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

- Modern infrastructure, facilities, and technology systems
- Expanding and diversifying the local economy
- Protected community character and an enhanced built environment
- Exceptional public services
- High quality education
- Fiscally efficient government
- Sustainable long-term water supply

These goals, and the initiatives developed to support them, assist the County in determining current needs to incorporate in the upcoming fiscal year's budget as well as in developing a capital improvement program for the next five years.

Starting with the fiscal year 2022 budget, the James City Service Authority's budget was presented in a separate document, whereas in prior fiscal years, it was included with the County's budget presentation. The County's fiscal year 2022 budget also reflects a decrease related to State Sales Tax for Education.

Previously, the County received these funds from the State and forwarded the amounts to the Schools, but going forward, these revenues will be directly remitted to the WJCC Schools.

The fiscal year 2022 budget also supports new positions and a cost of living adjustment for staff. In addition, this budget reflects the enactment of a cigarette tax of \$0.40 per pack, effective September 1, 2021, to help fund planned capital expenditures.

Capital Improvement Program

Capital outlay expenditures (including County and school projects) totaled \$11,718,487 in fiscal year 2021. The largest capital expenditures were related to capital maintenance projects whose purpose is to improve and extend the useful life of County or School buildings and to replace major pieces of equipment. In fiscal year 2021, major projects included two land purchases, the replacement of fire apparatus, and stormwater projects. Significant school expenditures included entrance redesigns at six schools and a HVAC replacement at Jamestown High School.

James City County will continue to face challenges over the next several years. A steady growth in population has produced demands for public services and facilities. The five-year Capital Improvement Program totals \$124,270,550 and focuses on a wide variety of needs. In fiscal year 2022, funding is included for the following maintenance and replacements: stormwater projects, building maintenance, a well replacement at Chickahominy Riverfront Park, and fire apparatus replacements. Future planning includes a new pre-school, drainage projects, fire equipment and vehicle replacements, and other building maintenance projects.

An indication of anticipated impacts are included in the adopted budget and capital improvements program for the fiscal year beginning July 1, 2021.

Economic Development

Throughout fiscal year 2021, businesses across all sectors were negatively affected by the global pandemic. In spite of this, large and small businesses in the County persevered in the face of this immense adversity and largely kept their employees working and their doors open. Inquiries from businesses remained active. Walmart expanded their holdings in the County with the purchase of 107 acres in the Green Mount Industrial Park. Two additional undeveloped parcels in industrial parks are under contract with prospective new businesses. Other projects are known to be planned for the upcoming 24 months, including expansions of existing businesses. James City County has seen the benefit of their diversified tax base, which includes not only sales, lodging, and prepared meals taxes from retail, hotels, and restaurants but also business and machinery and tools taxes from professional service providers and manufacturing operations.

Launchpad, the Greater Williamsburg Business Incubator, continues to support regional economic development through the support of entrepreneurship and unique events geared toward startup businesses and home-based businesses.

Awards of Achievement

The Government Finance Officers' Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to James City County, Virginia for its Comprehensive Annual Financial Report for the fiscal year ended June 30, 2020. This was the 36th consecutive year that the County has achieved this prestigious award. In order to be awarded a Certificate of Achievement, the County must publish an easily readable and efficiently organized comprehensive annual financial report. This report must satisfy both generally accepted accounting principles and applicable legal requirements.

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

Acknowledgments

The County has established and continues to maintain a strong and stable financial position through progressive management of financial operations and through sound accounting and financial reporting practices. Appreciation is expressed to the Members of the James City County Board of Supervisors and all of the Constitutional Officers for their interest and support in planning and conducting the financial operations of the County in a responsible and progressive manner.

The preparation of this report could not have been accomplished without the extensive effort and efficient services of the staff of Financial and Management Services. We would like to express our appreciation to each employee of the department who assisted with the annual audit and preparation of the financial statements.

Respectfully submitted,



Scott A. Stevens
County Administrator



Sharon B. Day
Director of Financial and Management Services



Government Finance Officers Association

Certificate of
Achievement
for Excellence
in Financial
Reporting

Presented to

**County of James City
Virginia**

For its Comprehensive Annual
Financial Report
For the Fiscal Year Ended

June 30, 2020

Christopher P. Morill

Executive Director/CEO

Financial Section

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INDEPENDENT AUDITOR'S REPORT

To the Board of Supervisors
County of James City, Virginia
Williamsburg, Virginia

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the County of James City, Virginia as of and for the year ended June 30, 2021, and the related notes to the financial statements, which collectively comprise the County's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

Opinions

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

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and other required supplementary information, as listed in the table of contents, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers them to be essential parts of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context and disclosing additional plan information. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

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

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

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

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated December 14, 2021, on our consideration of the County's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the County's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the County's internal control over financial reporting and compliance.

A handwritten signature in cursive script that reads "Brown, Edwards & Company, L.L.P.".

CERTIFIED PUBLIC ACCOUNTANTS

Newport News, Virginia
December 14, 2021

County of James City, Virginia
Management's Discussion and Analysis
June 30, 2021

As management of James City County (County), we offer readers of the County's financial statements this narrative overview and analysis of the financial activities of the County for the fiscal year ended June 30, 2021. We encourage readers to consider the information presented here in conjunction with additional information in our letter of transmittal at the front of this report and the County's financial statements, which follow this analysis.

Financial Highlights

- The County's total net position increased by approximately \$27.7 million over the course of this year's operations, which represents an 8.6% increase from fiscal year 2020.
- The County's assets and deferred outflows of resources exceeded its liabilities and deferred inflows of resources as of June 30, 2021 by approximately \$351.3 million. Of this amount, approximately \$231.6 million, or 65.9% is the net investment in capital assets.
- General Fund revenues were \$17.8 million or 8.8% higher than the final budget. The increase primarily related to actual revenues exceeding the fiscal year 2021 budget, which included anticipated revenue shortfalls related to the economic impacts of the novel coronavirus (COVID-19). Additional information on the impacts of COVID-19 on the County's financial and operational activities can be found in Note 18 to the financial statements.
- The County restated its beginning net position by \$138,943 to reflect adjustments related to its pension and other postemployment benefit plans. Additional information on this restatement can be found in Note 19 to the financial statements. Comparative prior year information, to the extent presented here, has not been restated because the necessary information is not available.

Overview of the Financial Statements

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

Government-Wide Financial Statements

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

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

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

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

- *Governmental activities:* Most of the County's basic services are included here, such as the police, fire, parks and recreation, and general administration. Property taxes and state and federal funding finance most of these activities.
- *Component units:* The County includes three other entities in its report, the James City Service Authority, the Public Schools, and the Economic Development Authority. Although legally separate, these "component units" are important because of the County's financial accountability or financial integration with these entities.

County of James City, Virginia
Management's Discussion and Analysis
June 30, 2021

Fund Financial Statements

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

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

The County has two kinds of funds:

- *Governmental funds:* Most of the County's basic services are included in governmental funds, which focus on (1) how cash and other financial assets can be readily converted to cash flow in and out and (2) the balances remaining at year end that are available for spending. Consequently, the governmental funds statements provide a detailed short-term view that helps in determining whether there are more or fewer financial resources that can be spent in the near future to finance the County's programs. Because this information does not encompass the additional long-term focus of the government-wide statements, further details are provided at the bottom of the governmental funds statement or on the subsequent page that explain the relationship (or differences) between them.
- *Fiduciary funds:* The County is responsible for assets of various custodial funds. It is responsible for ensuring that the assets reported in these funds are used for their intended purposes. All of the County's fiduciary activities are reported in a separate statement of fiduciary net position and a statement of changes in fiduciary net position. These activities are excluded from the County's government-wide financial statements because the County cannot use their assets to finance its operations.

Notes to the Basic Financial Statements

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

Other Information

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

Financial Analysis

Statements of Net Position

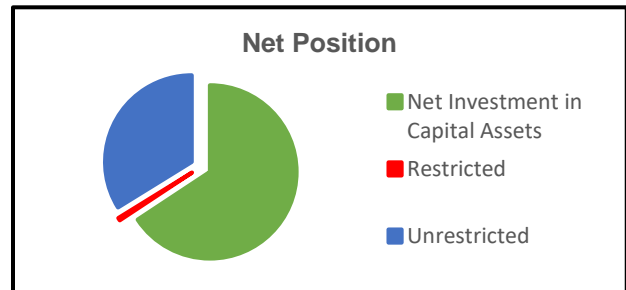
	Primary Government	
	6/30/2021	6/30/2020
Current and other assets	\$ 171,209,364	\$ 134,118,282
Capital assets, net	351,584,656	354,847,660
Total assets	522,794,020	488,965,942
Deferred outflows of resources	17,085,927	10,264,790
Total assets and deferred outflows	\$ 539,879,947	\$ 499,230,732
Long-term liabilities	\$ 166,265,063	\$ 164,618,730
Other liabilities	19,597,373	7,139,244
Total liabilities	185,862,436	171,757,974
Deferred inflows of resources	2,736,625	4,064,944
Net investment in capital assets	231,590,103	223,523,519
Restricted net position	1,350,727	3,349,486
Unrestricted net position	118,340,056	96,534,809
Total net position	351,280,886	323,407,814
Total liabilities, deferred inflows and net position	\$ 539,879,947	\$ 499,230,732

County of James City, Virginia
Management's Discussion and Analysis
June 30, 2021

The County's net position was \$351,280,886 at the close of the most recent fiscal year. The largest portion of the County's net position at June 30, 2021 (65.9%) reflects its investment in capital assets, less any related debt used to acquire those assets that are still outstanding. The County uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the County's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, given that the capital assets themselves cannot be used to liquidate these liabilities.

The restricted net position (0.4%) is restricted for specific purposes. The unrestricted portion of net position (33.7%) may be used to meet the County's ongoing obligations to citizens and creditors. At the end of the current fiscal year, the County was able to report positive balances in all three categories of net position.

The County's overall net position increased 8.6% from last year. The reasons for the overall increase are discussed in the following sections.



Statement of Activities

Condensed Statement of Activities			
	Governmental activities		
	6/30/2021	6/30/2020	
Program revenues:			
Charges for services	\$ 17,172,418	\$ 17,824,271	
Operating grants and contributions	40,978,706	41,795,253	
Capital grants and contributions	1,639,515	180,635	
General revenues:			
Property taxes	145,884,708	138,698,177	
Other taxes	29,370,617	25,981,646	
Interest and investment earnings	349,292	966,252	
Miscellaneous	3,950,128	1,493,215	
Total revenues	<u>239,345,384</u>	<u>226,939,449</u>	
Expenses:			
General government administration	21,099,810	15,165,784	
Judicial administration	6,487,976	6,339,331	
Public safety	36,231,265	34,366,944	
Public works	9,467,161	9,918,359	
Health and human services	9,861,040	9,523,747	
Education	98,469,065	101,088,169	
Parks, recreation and cultural	14,935,315	12,629,914	
Community development	11,895,580	9,095,405	
Interest on long-term debt	3,164,043	3,919,485	
Total expenses	<u>211,611,255</u>	<u>202,047,138</u>	
Change in net position	27,734,129	24,892,311	
Net position, beginning of year (as restated)	323,546,757	298,515,503	
Net position, end of year	<u>\$ 351,280,886</u>	<u>\$ 323,407,814</u>	

County of James City, Virginia
Management's Discussion and Analysis
June 30, 2021

Governmental Activities

As of June 30, 2021, net position for governmental activities was \$351,280,886 which represents an increase of \$27,734,129 from last year.

While the County experienced overall growth in property tax revenues and other local taxes during fiscal year 2021, the impact of COVID-19 on the local economy resulted in decreases in charges for services and certain fee revenue. On the expenditure side, the County worked to offset anticipated losses related to COVID-19 by implementing restrictions on spending and a hiring freeze for part of the fiscal year. Those efforts resulted in operating expense savings; however, total expenses increased for fiscal year 2021 as a result of costs incurred that were necessary to mitigate the spread of COVID-19 and provide relief to the community.

For the fiscal year ended June 30, 2021, revenues from governmental activities totaled \$239,345,384. Of this amount, \$64,090,059, or 26.8%, is received from sources other than local tax revenue.

Real estate tax revenues, the County's largest single revenue source, totaled \$104,605,772. The County's assessed real property tax base for fiscal year 2021 was \$12,617,887,537, which was an increase of 3.1% from fiscal year 2020.

In fiscal year 2021, the County reported current year collections of \$27,378,654 in personal property taxes, and received reimbursement from the Commonwealth of Virginia of \$9,770,137. Under the provisions of the Personal Property Tax Relief Act (PPTRA), the state's share of local personal property tax was approximately 35.7% of most taxpayer's payments.

For the fiscal year ended June 30, 2021, expenses for governmental activities totaled \$211,611,255, including \$98,469,065 for Education expenses for the public school system and support for remote learning programs. Total expenses had a net increase of 4.7% over fiscal year 2020, primarily due to increased general government administration expenditures related to implementing public health measures as a result of COVID-19.

Financial Analysis of the County's Governmental Funds

General Fund: The County's General Fund is the chief operating fund of the County. At the end of fiscal year 2021, the General Fund had an overall increase in fund balance of \$27,966,533. This was primarily due to increases in general property tax and other local tax revenues as well as expenditure savings resulting from restrictions on non-essential spending put into place due to the uncertain economic effects of COVID-19. The portion of the unassigned fund balance for fiscal liquidity totaled \$56,029,027, which was 23.2% of the total general governmental expenditures (from Table 11 in the Statistical section), including the County's share of the Public Schools' operating expenditures. The County's goal is to maintain a fund balance for fiscal liquidity between 10% and 12% of total general governmental expenditures.

Capital Projects Fund: The Capital Projects Fund is used by the County to account for the financing sources used to acquire and construct major capital projects for the general government. At the end of fiscal year 2021, the Capital Projects Fund's fund balance decreased by \$5,795,282, primarily due to the planned use of fund balance in order to conserve funds during economic uncertainty surrounding COVID-19. A major source of funding for the capital projects is transfers from the General Fund, which was \$4,267,909 for fiscal year 2021. During the year, capital project expenditures of \$11,718,487 included purchase of a reversionary interest in the Mounts Bay Road government complex, cardiac monitor replacement, stormwater projects, improvements at the Jamestown Marina, and the purchase of property at Brickyard Landing.

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

Grants and Special Projects Fund: The Grants and Special Projects Fund is used by the County to account for revenues and expenditures related to grant programs and special projects. During fiscal year 2021, the Grants and Special Projects Fund's fund balance increased by \$781,209, primarily due to increases in local and miscellaneous funding for special projects.

County of James City, Virginia
Management's Discussion and Analysis
June 30, 2021

Non-major Governmental Funds: The County maintains five non-major governmental funds. Information is presented separately in the governmental fund balance sheet and the governmental fund statement of revenues, expenditures and changes in fund balances for all funds, which can be found on pages 105-107. The non-major governmental funds had an increase in fund balance of \$508,549 in fiscal year 2021.

General Fund Budgetary Highlights

General Fund revenues were 8.8% or \$17,796,013 higher than the final budget and were 5.5% or \$11,390,408 higher than fiscal year 2020.

The County's largest revenue source, real estate tax revenues, increased by \$3,176,437, which was also the County's largest increase in revenues for fiscal year 2021. Personal property taxes, another large source of local tax funding, had combined collections from the state and local taxpayers of \$37,148,791. State revenues, excluding the personal property tax reimbursement, were \$606,672 more than budgeted and increased by \$722,491 from 2020. The significant factor in the increase was State sales tax for education.

General Fund budgeted expenditures were 7.8% below the final budget, or \$14,014,593, which was primarily due to a funding surplus by the School Division for fiscal year 2021, which resulted in a reimbursement to the County of part of its contribution to the School Division in the amount of \$8.1 million. This \$8.1 million has been set aside by the County to be used for the School Division's needs in future fiscal years and is included in Committed Fund Balance. In addition, an amount of \$1,463,703 is for encumbrances and is included in Assigned Fund Balance.

As a result of revenues above budget and underspending, the fund balance increased to \$87,546,904. This was an increase of \$27,966,533 or 46.9% from 2020.

Capital Assets

At the end of fiscal year 2021, the County's investment in capital assets for its governmental activities totaled \$351,584,656 (net of accumulated depreciation). This total includes land and land improvements, construction in progress, intangibles, buildings and improvements, infrastructure, equipment, and vehicles. The County does not own its roads, and therefore they are not included in capital assets. In addition, the Public Schools own all school buildings and the related debt is County debt. The value associated with the purchase and/or construction of the Public Schools' buildings is reported as capital assets in the governmental activities of the County to properly match with the associated debt, as allowed by Virginia state law. In fiscal year 2021, the net value of school buildings and related construction reflected in the governmental activities of the County equals \$208,786,057, and the associated current year's depreciation expense of \$6,702,194 is reflected in Education expense in the County's governmental activities in the statement of net position.

Summary of Capital Assets, Net		
	6/30/2021	6/30/2020
	Governmental activities	
Non-depreciable	\$ 50,845,673	\$ 52,499,607
Depreciable	300,738,983	302,348,053
Total	<u>\$ 351,584,656</u>	<u>\$ 354,847,660</u>

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

County of James City, Virginia
Management's Discussion and Analysis
June 30, 2021

Long-Term Debt

Below is a summary of the County's long-term debt as of June 30, 2021 and 2020, respectively.

Summary of Long-Term Debt		
	6/30/2021	6/30/2020
	Governmental activities	
General obligation bonds, net unamortized premium	\$ 26,481,646	\$ 29,479,003
Revenue bonds, net unamortized premium	90,434,122	102,028,321
Capital leases	1,340,157	1,086,117
Pension	34,769,717	19,504,820
OPEB	8,651,604	8,175,670
Compensated absences	4,403,593	4,162,759
Landfill	184,224	182,040
Total	<u>\$ 166,265,063</u>	<u>\$ 164,618,730</u>

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

Economic Factors and Next Year's Budget and Tax Rates

The County has a two-year budget cycle. The first year of a two-year cycle is adopted and appropriated and the second year is adopted for planning purposes. Fiscal year 2021 was the first year of the current two-year cycle. The fiscal year 2021 approved budget for the General Fund was \$196,238,400.

Fiscal year 2022 is the second year of the current two-year cycle. The fiscal year 2022 approved budget for the General Fund is \$202,200,000. This budget was adopted on May 11, 2021, and reflects a \$5,961,600, or a 3.0%, increase over the fiscal year 2021 budget. The increase is primarily due to the normalization of revenues following the anticipated economic recovery following the impacts of COVID-19 in fiscal year 2020.

Expenditures increased as a result of the expected increase in revenue. The County's general fund contribution to the Williamsburg-James City County School Board will be \$100,900,844, and is the first year that the State Sales Tax for Education will go directly through to WJCC Schools.

Contacting the County's Financial Management

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

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County of James City, Virginia
Statement of Net Position
June 30, 2021

	Primary government	Discretely presented component units		
	Governmental activities	James City Service Authority	Public schools	Economic Development Authority
Assets				
Cash and cash equivalents (note 2)	\$ 97,155,562	\$ 6,436,570	\$ 28,620,018	\$ 545,407
Investments (note 2)	19,466,821	48,984,902	-	-
Restricted cash and cash equivalents (note 2)	3,214,828	9,379,323	-	-
Receivables, net of allowance for uncollectibles:				
Taxes, including penalties	29,573,956	-	-	-
Accounts	-	3,228,314	7,527	-
Interest	41,195	88,429	-	-
Loans (note 3)	462,737	-	-	-
Notes	-	1,090	-	20,638
Rent	-	-	-	40,396
Miscellaneous (note 3)	5,499,603	-	-	2,882
Due from primary government, net (note 7)	-	-	-	49,767
Due from component units, net (note 7)	6,556,840	-	-	-
Due from other governments, net (note 5)	8,926,430	-	1,940,170	-
Inventory	222,172	1,116,308	51,831	-
Other assets	89,151	-	-	-
Prepaid assets	69	-	-	-
Net pension asset (note 11)	-	-	639,727	-
Net OPEB health insurance credit asset (note 12)	-	-	-	-
Capital assets, net (note 6):				
Non-depreciable	50,845,673	7,875,057	8,981,777	744,995
Depreciable	300,738,983	145,781,067	47,716,265	617,293
Net capital assets	351,584,656	153,656,124	56,698,042	1,362,288
Total assets	522,794,020	222,891,060	87,957,315	2,021,378
Deferred Outflows of Resources				
Deferred charge on refundings, net	-	1,434,564	-	-
Deferred pensions (note 11)	15,629,917	1,105,214	31,860,090	-
Deferred OPEB retiree healthcare (note 12)	552,322	48,347	232,074	-
Deferred OPEB group life insurance (note 12)	717,866	84,215	1,493,709	-
Deferred OPEB health insurance credit (note 12)	185,822	15,098	1,310,227	-
Deferred OPEB Virginia local disability program (note 12)	-	-	134,620	-
Total deferred outflows of resources	17,085,927	2,687,438	35,030,720	-
Total assets and deferred outflow of resources	\$ 539,879,947	\$ 225,578,498	\$ 122,988,035	\$ 2,021,378
Liabilities				
Accounts payable	\$ 6,433,290	\$ 640,766	\$ 2,113,982	\$ -
Accrued liabilities	650,783	399,706	15,651,322	-
Liabilities payable from restricted assets	1,333,830	-	-	-
Due to primary government, net (note 7)	-	470,970	6,135,637	-
Due to other governments	-	-	687,506	-
Advances for construction (note 16)	-	32,902	-	-
Amounts held for others	-	864,409	-	-
Unearned revenue (note 8)	11,179,470	-	17,101	-
Long-term liabilities (notes 9, 10, 11 and 12):				
Due within one year	17,098,445	1,681,702	592,269	-
Due in more than one year	149,166,618	30,662,145	149,430,830	-
Total liabilities	185,862,436	34,752,600	174,628,647	-
Deferred Inflows of Resources				
Deferred charge on refundings, net	1,748,315	-	-	-
Deferred pensions (note 11)	41,241	118,843	9,159,802	-
Deferred OPEB retiree healthcare (note 12)	640,988	60,422	815,012	-
Deferred OPEB group life insurance (note 12)	301,468	12,435	322,881	-
Deferred OPEB health insurance credit (note 12)	4,613	8,909	398,954	-
Deferred OPEB Virginia local disability program (note 12)	-	-	11,664	-
Total deferred inflows of resources	2,736,625	200,609	10,708,313	-
Net Position				
Net position:				
Net investment in capital assets	231,590,103	134,621,895	56,698,042	1,362,288
Restricted net position:				
Debt service	-	863,542	-	-
Capital projects	-	8,515,781	-	-
Net pension and OPEB asset	-	-	639,727	-
Other	1,350,727	-	3,387,790	-
Unrestricted	118,340,056	46,624,071	(123,074,484)	659,090
Total net position	351,280,886	190,625,289	(62,348,925)	2,021,378
Total liabilities, deferred inflows of resources and net position	\$ 539,879,947	\$ 225,578,498	\$ 122,988,035	\$ 2,021,378

See accompanying notes to basic financial statements

County of James City, Virginia
Statement of Activities
Year ended June 30, 2021

Functions/programs	Expenses	Net (expenses) revenues and changes in net position						
		Program revenues			Primary Government	Discretely presented component units		
		Charges for services	Operating grants and contributions	Capital grants and contributions	Governmental activities	James City Service Authority	Public schools	Economic Development Authority
Primary government:								
Governmental activities:								
General government administration	\$ 21,099,810	\$ 7,037,200	\$ 14,030,538	\$ 340,566	\$ 308,494	\$ -	\$ -	\$ -
Judicial administration	6,487,976	2,356,934	1,337,389	-	(2,793,653)	-	-	-
Public safety	36,231,265	3,228,215	3,009,660	279,148	(29,714,242)	-	-	-
Public works	9,467,161	1,821,129	19,432	-	(7,626,600)	-	-	-
Health and human services	9,861,040	-	5,182,986	-	(4,678,054)	-	-	-
Education (including School system)	98,469,065	-	14,440,702	-	(84,028,363)	-	-	-
Parks, recreation and cultural	14,935,315	2,280,933	94,841	-	(12,559,541)	-	-	-
Community development	11,895,580	448,007	2,863,158	1,019,801	(7,564,614)	-	-	-
Interest on long-term debt	3,164,043	-	-	-	(3,164,043)	-	-	-
Total governmental activities	<u>211,611,255</u>	<u>17,172,418</u>	<u>40,978,706</u>	<u>1,639,515</u>	<u>(151,820,616)</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total primary government	<u>\$ 211,611,255</u>	<u>\$ 17,172,418</u>	<u>\$ 40,978,706</u>	<u>\$ 1,639,515</u>	<u>\$ (151,820,616)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Component units:								
Economic Development Authority	\$ 158,052	\$ 85,798	\$ 49,767	\$ -	\$ -	\$ -	\$ -	\$ (22,487)
James City Service Authority	22,345,195	20,895,978	-	5,254,205	-	3,804,988	-	-
Public Schools	157,412,818	200,805	26,454,261	876,184	-	-	(129,881,568)	-
Total component units	<u>\$ 179,916,065</u>	<u>\$ 21,182,581</u>	<u>\$ 26,504,028</u>	<u>\$ 6,130,389</u>	<u>\$ -</u>	<u>\$ 3,804,988</u>	<u>\$ (129,881,568)</u>	<u>\$ (22,487)</u>
General revenues:								
Property taxes, levied for general purposes					\$ 145,884,708	\$ -	\$ -	\$ -
Local sales and use taxes					16,926,681	-	-	-
Franchise license tax					1,129,689	-	-	-
Taxes on recordation and wills					2,037,303	-	-	-
Hotel and motel room taxes					2,949,323	-	-	-
Restaurant food taxes					5,781,318	-	-	-
Deeds of conveyance					483,289	-	-	-
Penalties and interest					63,014	-	-	-
Grants and contributions not restricted to specific programs					-	-	129,059,503	-
Interest and investment earnings					349,292	128,840	44,445	3,911
Miscellaneous					3,950,128	926,750	746,263	(149,221)
Total general revenues and transfers					<u>179,554,745</u>	<u>1,055,590</u>	<u>129,850,211</u>	<u>(145,310)</u>
Change in net position					27,734,129	4,860,578	(31,358)	(167,797)
Net position, beginning, as restated (note 19)					323,546,757	185,764,711	(62,317,567)	2,189,175
Net position, ending					<u>\$ 351,280,886</u>	<u>\$ 190,625,289</u>	<u>\$ (62,348,925)</u>	<u>\$ 2,021,378</u>

See accompanying notes to basic financials statements.

County of James City, Virginia
Balance Sheet
Governmental Funds
June 30, 2021

	Major Funds				Nonmajor governmental funds	Total governmental funds
	General	Capital projects	Debt service	Grants and special projects		
Assets						
Cash and cash equivalents (note 2)	\$ 64,035,420	\$ 9,677,730	\$ -	\$ 17,994,469	\$ 5,447,943	\$ 97,155,562
Investments (note 2)	-	19,466,821	-	-	-	19,466,821
Restricted cash and cash equivalents (note 2)	1,425,432	359,887	-	468,661	960,848	3,214,828
Receivables, net of allowance:						
Taxes	29,481,538	593	-	-	91,825	29,573,956
Interest	-	41,195	-	-	-	41,195
Loans, net (note 3)	-	-	-	-	462,737	462,737
Miscellaneous (note 3)	5,444,709	-	-	20,823	34,071	5,499,603
Due from component units (note 7)	8,599,510	-	-	-	-	8,599,510
Due from other governments, net (note 5)	7,444,491	123,233	-	990,298	368,408	8,926,430
Prepaid items	-	-	-	-	69	69
Inventory	222,172	-	-	-	-	222,172
Total assets	<u>\$ 116,653,272</u>	<u>\$ 29,669,459</u>	<u>\$ -</u>	<u>\$ 19,474,251</u>	<u>\$ 7,365,901</u>	<u>\$ 173,162,883</u>
Liabilities						
Liabilities:						
Accounts payable	\$ 4,180,663	\$ 1,775,649	\$ -	\$ 257,878	\$ 219,100	\$ 6,433,290
Accrued liabilities	408,700	-	-	5,834	6,820	421,354
Payables from restricted assets	922,432	350,200	-	-	61,198	1,333,830
Due to component units (note 7)	1,885,929	44,242	-	111,813	686	2,042,670
Unearned revenue (note 8)	465,859	-	-	10,688,033	25,578	11,179,470
Total liabilities	<u>7,863,583</u>	<u>2,170,091</u>	<u>-</u>	<u>11,063,558</u>	<u>313,382</u>	<u>21,410,614</u>
Deferred Inflows of Resources						
Unavailable revenue (note 8)	21,242,785	593	-	479,100	-	21,722,478
Fund Balances						
Fund balances:						
Nonspendable:						
Inventory	222,172	-	-	-	-	222,172
Restricted:						
Debt service - bond proceeds held in escrow	-	9,687	-	-	-	9,687
Grants and special projects	-	-	-	468,661	-	468,661
Other governmental funds	-	-	-	-	882,066	882,066
Committed:						
School operations	8,128,540	-	-	-	-	8,128,540
Grants and special projects	-	-	-	1,428,243	-	1,428,243
Other governmental funds	-	-	-	-	1,661,733	1,661,733
Assigned:						
General	7,333,706	-	-	-	-	7,333,706
Capital projects/debt service reserve	15,833,459	27,489,088	-	-	-	43,322,547
Grants and special projects	-	-	-	6,034,689	-	6,034,689
Other governmental funds	-	-	-	-	4,508,720	4,508,720
Unassigned	56,029,027	-	-	-	-	56,029,027
Total fund balances	<u>87,546,904</u>	<u>27,498,775</u>	<u>-</u>	<u>7,931,593</u>	<u>7,052,519</u>	<u>130,029,791</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 116,653,272</u>	<u>\$ 29,669,459</u>	<u>\$ -</u>	<u>\$ 19,474,251</u>	<u>\$ 7,365,901</u>	<u>\$ 173,162,883</u>

See accompanying notes to basic financial statements.

County of James City, Virginia
Balance Sheet
Governmental Funds
June 30, 2021

Reconciliation of the balance sheet for governmental funds to the government-wide statement of net position:

Ending fund balance, governmental funds		\$ 130,029,791
Amounts reported for governmental activities in the balance sheet are different because:		
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.		351,584,656
Land held for resale and future development used in governmental activities are not financial resources and therefore are not reported in the funds.		89,151
Some receivables are not available to pay for current-period expenditures and therefore are unavailable revenue in the funds.		21,722,478
Deferred outflows of resources represent a consumption of net position applying to future periods and therefore, are not reported in the governmental funds.		
Deferred pension	\$ 15,629,917	
Deferred OPEB retiree healthcare	552,322	
Deferred OPEB group life insurance	717,866	
Deferred OPEB health insurance credit	<u>185,822</u>	17,085,927
Unmatured interest payable reported in governmental activities will not be paid with current financial resources and therefore is not reported in the funds.		(229,429)
Long-term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported in the funds.		
General obligation bonds	(24,510,000)	
Lease revenue bonds	(81,142,000)	
Unamortized bond premiums, net	(11,263,768)	
Capital leases	(1,340,157)	
Net pension liability	(34,769,717)	
Net OPEB liabilities	(8,651,604)	
Compensated absences	(4,403,593)	
Landfill postclosure care cost	<u>(184,224)</u>	(166,265,063)
Deferred inflows of resources represent an acquisition of net position that is applicable to a future reporting period and therefore, is not reported in the governmental funds.		
Deferred charge on refundings	(1,748,315)	
Deferred pension	(41,241)	
Deferred OPEB retiree healthcare	(640,988)	
Deferred OPEB GLI	(301,468)	
Deferred OPEB HIC	<u>(4,613)</u>	(2,736,625)
Net position, governmental activities		<u><u>\$ 351,280,886</u></u>

See accompanying notes to basic financials statements.

County of James City, Virginia
Statement of Revenues, Expenditures and Changes in Fund Balances
Governmental Funds
Year ended June 30, 2021

	Major Funds				Nonmajor governmental funds	Total governmental funds
	General	Capital projects	Debt service	Grants and special projects		
Revenues:						
General property taxes	\$ 144,766,114	\$ -	\$ -	\$ -	\$ -	\$ 144,766,114
Other local taxes	28,723,064	-	-	-	647,553	29,370,617
Permits, privilege fees and regulatory licenses	8,354,258	-	-	-	-	8,354,258
Fines and forfeitures	154,314	-	-	-	-	154,314
Use of money and property	209,975	139,142	175	-	-	349,292
Charges for services	6,341,310	-	-	-	-	6,341,310
Miscellaneous	2,121,504	697,188	60,230	419,409	630,974	3,929,305
Intergovernmental:						
Local	-	-	-	1,019,251	184,306	1,203,557
Commonwealth	29,627,517	1,019,801	-	1,491,895	2,019,023	34,158,236
Federal	8,349	-	-	4,954,766	4,592,967	9,556,082
Total revenues	\$ 220,306,405	\$ 1,856,131	\$ 60,405	\$ 7,885,321	\$ 8,074,823	\$ 238,183,085
Expenditures:						
Current:						
General government administration	\$ 12,202,067	\$ -	\$ -	\$ 3,037,311	\$ -	\$ 15,239,378
Judicial administration	4,553,183	-	-	394,533	1,328,828	6,276,544
Public safety	31,010,516	-	-	1,556,205	15,927	32,582,648
Public works	8,518,723	-	-	23,831	-	8,542,554
Health and human services	2,459,286	-	-	1,884,074	5,270,546	9,613,906
Education	90,842,208	-	-	423,781	-	91,265,989
Parks, recreation and cultural	10,854,264	-	-	90,341	2,593	10,947,198
Community development	5,549,921	-	44,003	359,519	4,364,778	10,318,221
Nondepartmental	-	-	-	-	-	-
Debt service:						
Principal	-	-	12,471,271	-	-	12,471,271
Interest and other fiscal charges	-	-	4,655,693	-	-	4,655,693
Bond issuance costs	-	-	273,391	-	-	273,391
Capital outlay - County activities	-	12,826,228	-	-	-	12,826,228
Capital outlay - School activities	-	585,570	-	-	-	585,570
Total expenditures	165,990,168	13,411,798	17,444,358	7,769,595	10,982,672	215,598,591
Excess (deficiency) of revenues over (under) expenditures	54,316,237	(11,555,667)	(17,383,953)	115,726	(2,907,849)	22,584,494
Other financing sources (uses):						
Transfers in (note 4)	133,771	4,501,874	18,200,749	665,483	3,485,369	26,987,246
Transfers out (note 4)	(26,483,475)	(434,800)	-	-	(68,971)	(26,987,246)
Capital lease	-	1,693,311	-	-	-	1,693,311
Issuance of refunding bonds	-	-	11,030,000	-	-	11,030,000
Premium on refunding bonds	-	-	2,450,765	-	-	2,450,765
Payment to escrow agent for refunded bonds	-	-	(14,297,561)	-	-	(14,297,561)
Total other financing sources (uses)	(26,349,704)	5,760,385	17,383,953	665,483	3,416,398	876,515
Net change in fund balances	27,966,533	(5,795,282)	-	781,209	508,549	23,461,009
Fund balances, beginning of year	59,580,371	33,294,057	-	7,150,384	6,543,970	106,568,782
Fund balances, end of year	\$ 87,546,904	\$ 27,498,775	\$ -	\$ 7,931,593	\$ 7,052,519	\$ 130,029,791

See accompanying notes to basic financials statements.

County of James City, Virginia
Statement of Revenues, Expenditures and Changes in Fund Balances
Governmental Funds
Year ended June 30, 2021

Reconciliation of the statement of revenues, expenditures and changes in fund balances of governmental funds to the statement of activities:

Net change in fund balances, governmental funds \$ 23,461,009

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

Governmental funds report capital outlays as expenditures; however, in the statement of activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This amount represents the difference between depreciation expense and capital outlay expenditures. The details of this difference are as follows:

Depreciation expense	\$ (15,536,570)	
Capital outlay expenditures	12,396,580	
Loss on disposal of capital assets	<u>(123,014)</u>	(3,263,004)

Because some revenues will not be collected for several months after the County's fiscal year end, they are not considered "available" revenues and are deferred in the governmental funds. Unavailable revenue increased by this amount this year.

1,162,301

The issuance of long-term debt 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 and refunding gains/losses, 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 accounts. The details of this difference are as follows:

Refunding bonds issued	(11,030,000)	
Premium on refunding bonds issued	(2,450,765)	
Payment to refunded bond escrow agent	14,297,561	
Capital lease issuance	(1,693,311)	
Principal payments	12,471,271	
Amortization on premium	1,594,749	
Amortization on deferred charge on refundings	<u>160,650</u>	13,350,155

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 details of this difference is as follows:

Compensated absences	(240,834)	
Landfill	(2,184)	
Interest payable	9,642	
Pension expense, net of employer contributions	(6,843,423)	
OPEB expense, net of employer contributions	<u>100,467</u>	(6,976,332)
Change in net position, governmental activities		<u><u>\$ 27,734,129</u></u>

See accompanying notes to basic financials statements.

Exhibit 5

County of James City, Virginia
Statement of Fiduciary Net Position
Fiduciary Funds
June 30, 2021

	Custodial funds
Assets	
Cash, cash equivalents and investments	\$ 14,341,109
Restricted cash, cash equivalents and investments	6,014,103
Accounts receivable	304,718
Due from other governmental units	1,337,505
Due from other funds	21,328
Capital assets, nondepreciable	3,138,695
Capital assets, depreciable, net of accumulated depreciation	26,166,770
Net pension asset	2,565,665
Total assets	<u><u>\$ 53,889,893</u></u>
Deferred Outflows of Resources	
Deferred pension outflows	\$ 1,417,202
Deferred OPEB outflows	524,819
Total deferred outflows of resources	<u><u>\$ 1,942,021</u></u>
Liabilities	
Accounts payable and accrued liabilities	\$ 1,099,829
Long-term liabilities, due within one year	1,104,977
Long-term liabilities, due in more than one year	3,849,622
Unearned revenue	1,903,917
Total liabilities	<u><u>\$ 7,958,345</u></u>
Deferred Inflows of Resources	
Deferred pension inflows	\$ 249,759
Deferred OPEB inflows	151,742
Total deferred inflows of resources	<u><u>\$ 401,501</u></u>
Net Position	
Net investment in capital assets	\$ 27,227,904
Restricted	4,871,115
Assigned	50
Unrestricted	15,372,999
Total net position	<u><u>\$ 47,472,068</u></u>

See accompanying independent auditor's report.

Exhibit 6

County of James City, Virginia
Statement of Changes in Fiduciary Net Position
Fiduciary Funds
June 30, 2021

	Custodial funds
	<hr/>
Additions	
Fees from members	\$ 7,275,798
Revenue from the Commonwealth	8,019,857
Revenue from the federal government	135,690
Operating grants and contributions	10,106,942
Capital grants and contributions	4,058,481
Charges for services	582,088
Use of money and property	1,336,655
Other	1,440,219
Total additions	<hr/> \$ 32,955,730 <hr/>
Deductions	
Personnel expenses	\$ 15,643,437
Materials and contractual services	7,119,764
Depreciation	2,446,533
Minor furniture and equipment	181,101
Interest expense	73,836
COVID-19 pandemic costs	76,379
Loss on disposal of capital assets	23,752
Other	1,008,315
Total deductions	<hr/> \$ 26,573,117 <hr/>
Net increase (decrease) in fiduciary net position	6,382,613
Net position, beginning	41,089,455
Net position, ending	<hr/> \$ 47,472,068 <hr/>

See accompanying independent auditor's report.

County of James City, Virginia
Notes to Basic Financial Statements
June 30, 2021

1) Summary of Significant Accounting Policies

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

The accompanying financial statements of the County of James City, Virginia conform to U.S. generally accepted accounting principles (GAAP) applicable to government units promulgated by the Governmental Accounting Standards Board (GASB). The County's significant accounting and reporting policies are described below.

The Financial Reporting Entity

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

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

Discretely Presented Component Units

James City Service Authority (the Authority): The Authority was established on June 30, 1969, by resolution of the Board of Supervisors of James City County, Virginia and was chartered by the Commonwealth of Virginia State Corporation Commission in July 1969 to provide water and sewer service to County residents as permitted under the *Code of Virginia*, 1950, as amended (the Enabling Act).

The Authority serves all the citizens and businesses of the County and is governed by a Board of Directors that is comprised of the County's elected Board of Supervisors. The Authority is considered to be financially integrated with the County based on the nature and significance of its relationship with the County. The County's Strategic Plan includes a sustainable long-term water supply as a primary goal, which is to be achieved through the efforts of the Authority. In addition, the Authority has adopted other Strategic Plan goals in developing its initiatives. As a result, the County's Strategic Plan serves as the basis for budgetary and operational decisions of both the County and the Authority and financially integrates these entities.

The County does not have operational responsibility over the Authority, but the Authority remains financially integrated with the County. As a result, the Authority is included as a discretely presented component unit in the County's financial statements for reporting purposes.

The Authority's financial statements for the fiscal year ended June 30, 2021 may be obtained from the Department of Financial and Management Services, 101-F Mounts Bay Road, P.O. Box 8784, Williamsburg, Virginia 23187-8784.

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

Although the Public Schools are legally separate, the County is financially accountable due to the significance of the fiscal dependency relationship with the Public Schools.

County of James City, Virginia
Notes to Basic Financial Statements
June 30, 2021

1) Summary of Significant Accounting Policies, Continued

Local costs related to operations of the Public Schools are apportioned between the participating localities in accordance with the agreement, as amended. For the fiscal year ended June 30, 2021, the apportionment of the Public Schools' operating costs to the City and County was \$9,831,949 (9.6%) and \$91,406,375 (90.4%), respectively. For the fiscal year ended June 30, 2021, the contributions for the Public Schools' capital project costs from the City and County were \$18,970 (9.2%) and \$187,502 (90.8%), respectively.

The Public Schools' financial statements for the fiscal year ended June 30, 2021 may be obtained from the Finance Department, 117 Ironbound Road, Williamsburg, Virginia 23185.

James City County Economic Development Authority (the Development Authority): The Development Authority is responsible for industrial and commercial development in the County. The Development Authority makes recommendations to the James City County Board of Supervisors. The Development Authority consists of seven members appointed by the James City County Board of Supervisors. Although the Development Authority is a legally separate entity, the County is financially accountable due to the significance of the fiscal dependency relationship with the Development Authority because the majority of their income is appropriated by the County.

From time to time, the Development Authority has issued Industrial Revenue Bonds (the Bonds) to provide financial assistance to private-sector entities for the acquisition and construction of industrial and commercial facilities deemed to be in the public interest. The Bonds are secured by the property financed and are payable solely from payments received on the underlying mortgage loans. Upon repayment of the Bonds, ownership of the acquired facilities transfers to the private-sector entity served by the bond issuance. Neither the County, the state, nor any political subdivision thereof is obligated in any manner for repayment of the Bonds. Accordingly, the Bonds are not reported as liabilities in the accompanying financial statements. As of June 30, 2021, there were 15 series of Industrial Revenue Bonds outstanding, with an aggregate principal amount payable of approximately \$168.3 million.

The Development Authority's financial statements for the fiscal year ended June 30, 2021 may be obtained from the Director of Economic Development, 101-D Mounts Bay Road, Williamsburg, Virginia 23185.

Other Related Organizations and Joint Ventures

Separate financial statements for the fiscal year ended June 30, 2021, for all other related organizations and joint ventures discussed below except the Colonial Community Corrections Program, Inc., the Virginia Peninsulas Public Service Authority, and the Williamsburg Regional Library, may be obtained from the Assistant Director of Financial and Management Services of James City County, 101-F Mounts Bay Road, P.O. Box 8784, Williamsburg, Virginia 23187-8784.

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

Virginia Peninsulas Public Service Authority (the Public Service Authority): The Public Service Authority was created pursuant to the *Code of Virginia*, 1950, as amended, between the Cities of Hampton, Newport News, Poquoson and Williamsburg, and the Counties of Essex, Gloucester, James City, King and Queen, King William, Mathews, Middlesex and York. Each jurisdiction appoints one board member. The Public Service Authority is a legally separate organization, and the County cannot impose its will on the Public Service Authority. The Public Service Authority is fiscally independent, and there is no financial benefit or burden relationship with the County; therefore, it is not included in the County's financial statements. The Public Service Authority's financial statements for the fiscal year ended June 30, 2021, may be obtained from the Public Service Authority, 475 McLaws Circle, Suite 3B, Williamsburg, Virginia 23185-5676.

County of James City, Virginia
Notes to Basic Financial Statements
June 30, 2021

1) Summary of Significant Accounting Policies, Continued

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

Williamsburg Regional Library (the Library): The Library, pursuant to an agreement dated May 26, 1977, as amended, provides library services to the City of Williamsburg, James City County and York County. The Library is operated by a board of trustees. The County appoints 6 trustees, the City of Williamsburg appoints 4 trustees and York County appoints 1 trustee. The Library is a legally separate organization, and the County cannot impose its will on the trustees. The Library is fiscally independent, and there is no financial benefit or burden relationship with the County; therefore, it is not included in the County's financial statements. The Library's financial statements for the fiscal year ended June 30, 2021, may be obtained from the Library, 7770 Croaker Road, Williamsburg, Virginia 23188.

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

Middle Peninsula Juvenile Detention Commission (the Commission): The Commission was created as a political subdivision of the Commonwealth of Virginia by resolutions adopted in 1993. The member jurisdictions are as follows: Caroline County, Charles City County, Essex County, Gloucester County, Hanover County, James City County, King and Queen County, King William County, Lancaster County, Mathews County, Middlesex County, New Kent County, Northumberland County, City of Poquoson, Richmond County, Westmoreland County, City of Williamsburg and York County. The Commission is operated by a board. Each member jurisdiction appoints one member. The Commission is a legally separate organization, and the County cannot impose its will on the Commission. The Commission is fiscally independent, and there is no financial benefit or burden relationship with the County. The County is charged user fees based on juvenile population in order to cover direct and indirect costs of the Commission. The County is fiscal agent for the Commission and has control over the Commission's assets. These assets are not derived from solely the County's revenues, from the County's mandated or voluntary nonexchange transactions, or from the County's provision of goods or services to the Commission. Instead, these assets are for the benefit of the Commission. As a result, the Commission's financial statements are included as a custodial fund in the County's fiduciary financial statements.

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

County of James City, Virginia
Notes to Basic Financial Statements
June 30, 2021

1) Summary of Significant Accounting Policies, Continued

Basis of Presentation

Government-Wide and Fund Financial Statements

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

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

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

The County reports the following major governmental funds:

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

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

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

Grants and Special Projects Fund: The Grants and Special Projects Fund is used to account for the financial resources to be used for grant programs and special projects.

County of James City, Virginia
Notes to Basic Financial Statements
June 30, 2021

1) Summary of Significant Accounting Policies, Continued

Additionally, the County reports the following fund types:

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

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

Basis of Accounting and Measurement Focus

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

The accompanying fund financial statements of the governmental funds are maintained and reported on the modified accrual basis of accounting using the current financial resources measurement focus. Under this method of accounting, revenues are recognized in the period in which they become measurable and available to finance operations during the year. 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 45 days of the end of the current fiscal period. Expenditures, other than interest on long-term debt, are recorded when the fund liability is incurred. Interest on long-term debt is recorded when due.

In applying the modified accrual concept to intergovernmental revenues, the legal and contractual requirements of the numerous individual programs are used as guidance. There are, however, essentially two types of those revenues. In one, monies must be expended for the specific purpose or project before any amounts will be paid to the County, which is usually within 45 days; therefore, revenues are recognized based upon the expenditures recorded. In the other, monies are virtually unrestricted as to purpose of expenditure and are usually revocable only for failure to comply with prescribed compliance requirements. These resources are reflected as revenues at the time of receipt or earlier if the susceptible to accrual criteria are met.

Real estate and personal property taxes are recorded as revenues and receivables when levied and billed, net of allowances for uncollectible amounts. Property taxes levied but not collected within 45 days after year end are reflected as deferred revenue. Sales taxes, which are collected by the state and subsequently remitted to the County, are recognized as revenues and receivables upon execution of the sale, which is generally two months preceding receipt by the County.

License and permits, fines and rents are recorded as revenue when received in cash because they are generally not measurable until actually received. Investment earnings are recorded at fair value as earned since they are measurable and available.

The government-wide financial statements are accounted for on a flow of economic resources measurement focus. With this measurement focus, all assets and all liabilities associated with the operation of these activities are included on the statement of net position.

Novel Coronavirus (COVID-19)

Please refer to note 18 for information on the impact of COVID-19 on accounting and financial reporting during fiscal year 2021.

County of James City, Virginia
Notes to Basic Financial Statements
June 30, 2021

1) Summary of Significant Accounting Policies, Continued

Cash and Cash Equivalents

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

Investments

Investments are reported at fair value except for the position in Virginia's Local Government Investment Pool (LGIP) which in accordance with state law, is reported at amortized cost. The County determines fair value in accordance with GASB Statement No. 72, *Fair Value Measurement and Application*. This statement requires the use of valuation techniques which are appropriate under the circumstances and are either a market approach, a cost approach, or an income approach. The statement establishes a hierarchy of inputs used to measure fair value consisting of three levels. Level 1 inputs are quoted prices in active markets for identical assets or liabilities. Level 2 inputs are inputs, other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly. The County uses a market approach as the valuation technique for Level 2 inputs. Level 3 inputs are unobservable inputs, such as management's assumption of the default rate among underlying mortgages of a mortgage-backed security. Statement No. 72 also contains note disclosure requirements regarding the hierarchy of valuation inputs and valuation techniques that was used for the fair value measurements.

Allowance for Uncollectible Accounts

The County calculates its allowance for uncollectible accounts using historical collection data and specific account analysis. The allowance for uncollectible accounts relating solely to property taxes was \$113,989 in the General Fund at June 30, 2021. Additionally, the County recorded an allowance for uncollectible accounts of \$16,366 related to business, professional and occupational license taxes and \$281,974 for the Advance Life Support/Basic Life Support (ALS/BLS) fees.

Inventory

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

Capital Assets

Capital outlays are recorded as expenditures of the governmental funds and as assets in the accompanying government-wide financial statements to the extent the County's capitalization threshold of \$5,000 is met. Depreciation is recorded on capital assets on a government-wide basis.

All capital assets are valued at historical cost or estimated historical cost if actual cost was not available. Contributed capital assets are valued at their acquisition value on the date donated.

Maintenance, repairs and minor equipment are charged to operations when incurred. Expenditures that materially change capacities or extend useful lives are capitalized. Upon sale or retirement of capital assets, the cost and related accumulated depreciation, if applicable, are eliminated from the respective accounts and any resulting gain or loss is included in the results of operations.

Depreciation of capital assets is calculated on the straight-line basis over the following estimated useful lives:

Buildings and improvements	10 to 50 years
Improvements other than buildings	6 to 40 years
Equipment and vehicles	3 to 20 years
Infrastructure	20 to 40 years

County of James City, Virginia
Notes to Basic Financial Statements
June 30, 2021

1) Summary of Significant Accounting Policies, Continued

Compensated Absences

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

Property Taxes

Real property taxes are recognized as receivables when levied. Real property taxes attach as an enforceable lien on property automatically. Taxes are levied no later than October 1 and are due by December 5 and June 5.

Property taxes levied in the current and prior year have been recorded in governmental activities as receivables as of the date the County has the legal right to receive payments thereon. Personal property taxes create a lien on the assessed property. The receivables collected during the fiscal year and during the first 45 days of the succeeding fiscal year are recognized in the General Fund as revenues in the current fiscal year.

A penalty of 10% of the tax is assessed the business day after the due date on taxes outstanding as of those dates and interest at 10% per annum is added.

Risk Management

The County is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. Property, liability and line of duty coverages are provided through a group self-insurance risk pool.

The County's retention is through deductibles on a per-claim basis. There have been no reductions in insurance coverages from the prior year, and settled claims have not exceeded the amount of insurance coverage in any of the past three fiscal years.

Deductibles and coverage limits at June 30, 2021 are as follows:

	Deductibles	Liability Coverage Limits
Property insurance:		
Building and contents	\$ 10,000	Replacement cost
Inland marine	\$ 1,000	Functional cost/ actual cash value
Flood/earthquake (outside 100 year flood plain)	\$ 25,000	\$ 100,000,000
Business interruption/extra expense	N/A	\$ 3,000,000
Property in transit	N/A	\$ 5,000,000
Increased cost of construction/ordinance/demolition	N/A	\$ 20,000,000
Back-up of sewers and drains	N/A	\$ 10,000,000
Debris removal	N/A	\$ 25,000,000
Pollutant clean-up and removal	N/A	\$ 500,000
Utility services time element	N/A	\$ 5,000,000
Newly acquired locations for up to 120 days	N/A	\$ 25,000,000
Boiler/equipment breakdown	\$ 1,000	\$ 125,000,000
General liability	\$ 100,000	\$ 2,000,000
Public officials liability	\$ 100,000	\$ 1,000,000
Law enforcement liability	\$ 100,000	\$ 2,000,000
Automobile liability	\$ 100,000	\$ 2,000,000
Automobile comprehensive/collision	\$ 1,000	Actual cash value/ repair cost
Crime	\$ 250	\$ 500,000
Cyber risk	\$ 100,000	\$ 5,000,000
Environmental liability	\$ 100,000	\$ 1,000,000
Excess liability - General; Automotive; Law enforcement	N/A	\$ 7,000,000
Excess liability - Public officials	N/A	\$ 8,000,000
Worker's compensation; Line of duty	\$ -	Statutory limits

1) **Summary of Significant Accounting Policies, Continued**

Bond Premiums, Discounts and Issuance Costs

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

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

Interfund Transactions

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

Deferred Outflows and Inflows of Resources

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

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

- ***Deferred gain/loss on refunding:*** A deferred amount on refunding is a deferred outflow/inflow which results from the difference in the carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded or refunding debt.
- ***Contributions subsequent to the measurement date for pensions and OPEB:*** These contributions are always a deferred outflow, which will be applied to the net pension or OPEB liability in the next fiscal year.
- ***Differences between expected and actual experience for economic/demographic factors in the measurement of the total pension or OPEB liability:*** This difference will be recognized in pension or OPEB expense over the expected average remaining service life of all employees provided with benefits in the plan and may be reported as a deferred inflow or outflow as appropriate.
- ***Differences resulting from a changes in proportion of the collective net pension and OPEB liabilities:*** This difference will be recognized in pension and OPEB expense over the expected average remaining service life of all employees provided with benefits in the plan and may be reported as a deferred inflow or outflow as appropriate.
- ***Net difference between projected and actual earnings on pension and OPEB plan investments:*** This difference will be recognized in pension or OPEB expense over the closed five year period and may be reported as a deferred outflow or inflow as appropriate.
- ***Differences resulting from changes in assumptions on pension plan or OPEB investments:*** These differences will be recognized in pension or OPEB expense over the estimated remaining service life of employees subject to the plan.

County of James City, Virginia
Notes to Basic Financial Statements
June 30, 2021

1) Summary of Significant Accounting Policies, Continued

Encumbrances

Encumbrance accounting in which purchase orders, contracts and other commitments for the expenditure of monies are recorded in order to reserve that portion of the applicable appropriations, is employed as an extension of formal budgetary integration. Outstanding encumbrances at year-end are reported in their appropriate fund balance classification in accordance with GASB Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*.

Fund Balances

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

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

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

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

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

Unassigned: Includes the residual classification for the County's general fund and includes all spendable amounts not contained in other classifications. Only the general fund can report a positive unassigned fund balance. This includes the County's goal of maintaining a fiscal liquidity balance between 10%-12% of the total general governmental expenditures.

The County's policy is to apply expenditures against restricted resources first when either restricted or unrestricted amounts are available. Within unrestricted fund balance, it is the County's policy to apply expenditures against committed amounts first, followed by assigned, and then unassigned amounts. In a governmental fund other than the general fund, a negative unassigned fund balance could result if expenditures incurred for a specific purpose exceeds the amounts in the fund that are restricted, committed, and assigned for that purpose.

The use of the general fund's unassigned fund balance may be necessary from time to time to meet unexpected events including, but not limited to: catastrophic (emergency funds in the event of natural or man-made disasters); financial opportunity (to enhance the well-being of James City County or other such global purpose to protect its long-term fiscal security); operational (provide additional funds for limited unexpected needs); and revenue shortfalls (to provide limited funds to smooth fluctuations caused by changes in economic conditions). It is the County's policy that if the use of the general fund's unassigned fund balance causes the balance to fall below the minimum fiscal liquidity balance of 10%, the Board of Supervisors will adopt a plan and a timeline for replenishing the balance to its minimum 10% level.

County of James City, Virginia
Notes to Basic Financial Statements
June 30, 2021

1) Summary of Significant Accounting Policies, Continued

The constraints placed on fund balance for the major governmental funds and non-major governmental funds in the aggregate at June 30, 2021, were as follows:

	<u>General</u>	<u>Capital Projects</u>	<u>Grants and Special Projects</u>	<u>Nonmajor governmental Funds</u>
Nonspendable:				
Inventory	\$ 222,172	\$ -	\$ -	\$ -
Restricted:				
Debt service - bond proceeds held in escrow	-	9,687	-	-
Housing and neighborhood development	-	-	-	691,632
Fire and emergency management	-	-	449,528	-
Health initiative	-	-	17,124	-
Encumbrances	-	-	2,009	190,434
Total restricted	<u>-</u>	<u>9,687</u>	<u>468,661</u>	<u>882,066</u>
Committed:				
School operations	8,128,540	-	-	-
General government	-	-	14,411	-
Judicial administration	-	-	97,213	-
Public safety	-	-	34,577	-
Parks, recreation and cultural	-	-	4,102	-
Community development	-	-	1,208,971	1,661,733
Encumbrances	-	-	68,969	-
Total committed	<u>8,128,540</u>	<u>-</u>	<u>1,428,243</u>	<u>1,661,733</u>
Assigned:				
General government	-	4,046,682	477,452	804
Judicial administration	-	58,700	197	577,078
Public safety	-	2,556,188	5,072	73,710
Public works	-	4,483,822	-	-
Health and welfare	-	2,882	225,753	1,756,354
Education	-	4,455,758	562,040	-
Parks, recreation and cultural	-	316,272	-	26,485
Community development	-	7,715,115	4,747,079	2,051,194
Other	-	787,897	-	-
Encumbrances	1,463,703	3,065,772	17,096	23,095
Health insurance reserve	5,870,003	-	-	-
Capital projects/debt service reserve	15,833,459	-	-	-
Total assigned	<u>23,167,165</u>	<u>27,489,088</u>	<u>6,034,689</u>	<u>4,508,720</u>
Unassigned	<u>56,029,027</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total fund balance	<u>\$ 87,546,904</u>	<u>\$ 27,498,775</u>	<u>\$ 7,931,593</u>	<u>\$ 7,052,519</u>

Estimates

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

Reclassification

Certain amounts in the prior year financial presentations in the management's discussion and analysis and statistical sections have been reclassified for comparative purposes to conform to the current year presentation.

County of James City, Virginia
Notes to Basic Financial Statements
June 30, 2021

1) Summary of Significant Accounting Policies, Continued

Adoption of New Accounting Statement

Effective for the fiscal year ended June 30, 2021, the County adopted GASB Statement No. 84, *Fiduciary Activities*. This standard provides guidance on the identification and reporting of fiduciary activities and required the County to evaluate activities to determine if they were fiduciary in nature. This standard also changed the reporting and presentation requirements of fiduciary activities. As a result of the adoption of this standard, the County's fiscal year 2021 financial statements include a statement of fiduciary net position and a statement of changes in fiduciary net position. In addition, activities formerly presented as agency funds are now presented as custodial funds on these statements. Further information on the County's fiduciary funds for fiscal year 2021 is provided in the supplementary information section of these financial statements.

2) Cash, Cash Equivalents and Investments

Primary Government

The primary government's cash, cash equivalents and investments at June 30, 2021, consisted of the following:

Bank deposits	\$ 72,184,492
Petty cash	8,064
Amounts held for others	83
Money market	42,518,860
Investments	25,480,924
Total	<u>\$ 140,192,423</u>
Per Exhibit 1:	
Cash and cash equivalents	\$ 97,155,562
Investments	19,466,821
Restricted cash and cash equivalents	3,214,828
Per Exhibit 5:	
Cash, cash equivalents and investments	14,341,109
Restricted cash and investments	6,014,103
Total	<u>\$ 140,192,423</u>

The totals above include Fiduciary Funds in the amount of \$20,355,212 from Exhibit 5, which are not a part of the government-wide financial statements.

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

The primary government's restricted cash, cash equivalents and investments at June 30, 2021 are detailed as follows:

<u>Fund</u>	<u>Purpose</u>	<u>Amount</u>	<u>Total</u>
Major governmental funds:			
General	Subdivision escrow		\$ 1,425,432
Capital projects	Unspent bond proceeds	9,687	
	Developer escrow	<u>350,200</u>	359,887
Grants and special projects	Public safety	451,537	
	Health and human services	<u>17,124</u>	468,661
Nonmajor governmental funds:			
Housing and neighborhood development	Community rehabilitation		960,848
Total			<u>\$ 3,214,828</u>

Fair Value Hierarchy

GASB Statement No. 72, *Fair Value Measurement and Application*, establishes a hierarchy of valuation techniques based on inputs used to measure the fair value of an asset. Level 1 inputs are quoted prices in active markets for identical assets or liabilities. Level 2 inputs are inputs, other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly. Level 3 inputs are unobservable inputs. The County uses a market approach as the valuation technique for Level 2 inputs.

County of James City, Virginia
Notes to Basic Financial Statements
June 30, 2021

2) Cash, Cash Equivalents and Investments, Continued

As of June 30, 2021, the primary government's investments valued at fair value were as follows:

Investment Type	Cost	Fair value	Level 1	Level 2	Level 3
U.S. Treasury securities	\$ 7,389,035	\$ 7,396,410	\$ -	\$ 7,396,410	\$ -
Federal agency notes and bonds	3,478,958	3,497,493	-	3,497,493	-
Corporate notes and bonds	1,070,998	1,078,906	-	1,078,906	-
Commercial paper	2,096,884	2,098,782	-	2,098,782	-
Certificates of deposit	2,500,000	2,506,090	-	2,506,090	-
Municipal notes and bonds	674,631	674,428	-	674,428	-
Federal agency collateralized mortgage obligation	687,785	691,414	-	691,414	-
Supra-National agency bond/note	1,520,760	1,523,298	-	1,523,298	-
Total	\$ 19,419,051	\$ 19,466,821	\$ -	\$ 19,466,821	\$ -

	Fair value	Investment maturity (in years)		
		Less than 1	1-2	2-7
U.S. Treasury securities	\$ 7,396,410	\$ 555,758	\$ 3,647,364	\$ 3,193,288
Federal agency notes and bonds	3,497,493	711,619	1,691,248	1,094,626
Corporate notes and bonds	1,078,906	230,021	773,979	74,906
Commercial paper	2,098,782	2,098,782	-	-
Certificates of deposit	2,506,090	2,200,346	305,744	-
Municipal notes and bonds	674,428	211,596	247,864	214,968
Federal agency collateralized mortgage obligation	691,414	171,617	377,365	142,432
Supra-National agency bond/note	1,523,298	276,016	803,762	443,520
Total	\$ 19,466,821	\$ 6,455,755	\$ 7,847,326	\$ 5,163,740

Investment Policy

In accordance with the Code of Virginia and other applicable law, including regulations, the County's Investment Policy (the Policy) permits investments in U.S. government obligations, municipal obligations, prime quality commercial paper, and certain corporate notes, bankers' acceptances, repurchase agreements, negotiable certificates of deposit, bank deposit notes, mutual funds, and the State Treasurer's Local Government Investment Pool (the Virginia LGIP, which measures its investments at amortized cost). The Treasury Board of the Commonwealth of Virginia has regulatory oversight of the LGIP.

The Policy establishes limitations on the holdings of non-U.S. government obligations. The maximum percentage of the portfolio (book value at the date of acquisition) permitted in each security is as follows:

U.S. Treasury obligations	100% maximum
Federal Agency obligations	100% maximum
Registered money market mutual funds	100% maximum
Commonwealth of Virginia LGIP	100% maximum
Bank deposits	100% maximum
Repurchase agreements	50% maximum
Bankers' acceptances	40% maximum
Commercial paper	35% maximum
Negotiable certificates of deposit/bank notes	20% maximum
Municipal obligations	20% maximum
Corporate notes	15% maximum

County of James City, Virginia
Notes to Basic Financial Statements
June 30, 2021

2) Cash, Cash Equivalents and Investments, Continued

Credit Risk

As required by state statute, the Policy requires that commercial paper have a short-term debt rating of no less than "A-1" (or its equivalent) from at least two of the following; Moody's Investors Service, Standard & Poor's, Fitch Investor's Service, and Duff and Phelps. Corporate notes must have a minimum of "Aa" long-term debt rating by Moody's Investors Service and a minimum of "AA" long-term debt rating by Standard & Poor's. Negotiable Certificates of Deposit and bank deposit notes maturing in less than one year must have a short-term debt rating of at least "A-1" by Standard & Poor's and "P-1" by Moody's Investors Service. Notes having a maturity of greater than one year must be rated "AA" by Standard & Poor's and "Aa" by Moody's Investors Service. Although state statute does not impose credit standards on repurchase agreement counterparties, bankers' acceptances or money market mutual funds, the County has established stringent credit standards for these investments to minimize portfolio risk.

The County's investments and cash equivalents as of June 30, 2021, were rated by Standard & Poor's, Moody's and Fitch and/or an equivalent national rating organization, and the ratings are as follows:

	Unrated	AAA	AA+	AA	AA-	A-1+	A-1
Federal agency notes and bonds	\$ -	\$ -	\$ 3,497,493	\$ -	\$ -	\$ -	\$ -
Corporate notes and bonds	-	74,906	244,295	235,648	524,057	-	-
Commercial paper	-	-	-	-	-	-	2,098,782
Certificates of deposit	-	-	-	-	305,744	600,113	1,600,233
Municipal notes and bonds	122,126	150,240	-	240,781	161,281	-	-
Federal agency collateralized mortgage obligation	-	-	691,414	-	-	-	-
Supra-National agency bond and notes	-	1,523,298	-	-	-	-	-
US Treasury securities	-	-	7,396,410	-	-	-	-
LGIP	-	36,394,780	-	-	-	-	-
Money market	9,687	490,678	-	-	-	-	-
Total	\$ 131,813	\$ 38,633,902	\$ 11,829,612	\$ 476,429	\$ 991,082	\$ 600,113	\$ 3,699,015

Concentration of Credit Risk

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

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

As of June 30, 2021, the portions of the County's portfolio, excluding U.S. Treasury securities, which exceed 5% of the total portfolio are as follows:

Issuer	% of portfolio
Freddie MAC	10.70%
Fannie MAE	7.20%

Interest Rate Risk

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

County of James City, Virginia
Notes to Basic Financial Statements
June 30, 2021

2) Cash, Cash Equivalents and Investments, Continued

Interest Rate Risk, Continued

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

Custodial Credit Risk

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

Component Units

The James City Service Authority's (Authority), Public School's, and the Economic Development Authority's (EDA) cash, cash equivalents and investments at June 30, 2021, consisted of the following:

	Authority	Component Unit Public Schools	EDA
Bank deposits	\$ 1,047,487	\$ 14,327,360	\$ 545,407
Petty cash	541	-	-
Money market	9,703,299	-	-
Investments, LGIP	5,064,566	-	-
Investments, other	48,984,902	14,292,658	-
Total cash, cash equivalents and investments	<u>\$ 64,800,795</u>	<u>\$ 28,620,018</u>	<u>\$ 545,407</u>

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

3) Receivables

Amounts due from miscellaneous sources at June 30, 2021, are detailed as follows:

	General Fund	Grants and Special Projects Fund	Nonmajor Governmental Funds
Sales tax	\$ 2,315,662	\$ -	\$ -
Historic 1% sales tax	999,308	-	-
Meals tax	794,029	-	-
Emergency medical services	501,288	-	-
Health insurance	303,141	-	-
Business license	192,135	-	-
Charges for services	159,943	-	-
Sale of property and vehicles	70,414	-	-
Motor vehicle licenses	36,925	-	-
Utility consumption fee	29,560	-	-
Other	42,304	20,823	34,071
Total	<u>\$ 5,444,709</u>	<u>\$ 20,823</u>	<u>\$ 34,071</u>

County of James City, Virginia
Notes to Basic Financial Statements
June 30, 2021

3) Receivables, Continued

The Housing and Neighborhood Development Fund provides loans related to certain programs. The balance receivable on these loans as of June 30, 2021, is presented on the balance sheet net of an allowance for forgiven and deferred loans, as shown below:

Gross loan balances outstanding	\$ 1,697,308
Less: Allowance	(1,234,571)
Loans receivable, net	<u>\$ 462,737</u>

4) Interfund Receivables, Payables and Transfers

Interfund receivable and payable balances are considered short-term in nature. All other balances resulted from the time-lag between the dates that (1) interfund goods and services are provided or reimbursable expenditures occur, (2) transactions are recorded in the accounting system, and (3) payments between funds are made.

At June 30, 2021, there were no amount due to or from the General Fund to the various other funds.

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

Interfund transfers for the year ended June 30, 2021, consisted of the following:

	Transfers In	Transfers Out
General fund	\$ 133,771	\$ (26,483,475)
Capital projects	4,501,874	(434,800)
Debt service	18,200,749	-
Grants and special projects	665,483	-
Nonmajor governmental	3,485,369	(68,971)
Total	<u>\$ 26,987,246</u>	<u>\$ (26,987,246)</u>

The transfer from the nonmajor governmental funds of \$68,971 to the General Fund was funding for a tourism-related position. The transfer from the Capital Projects Fund of \$64,800 to the General Fund was for the creation of a new position and the reclassification of an existing position from part-time to full-time in the General Fund during fiscal year 2021.

Transfers from the General Fund of \$4,501,874 to the Capital Projects Fund represent the County's pay-as-you-go project funding. Transfers from the General Fund of \$17,830,749 to the Debt Service Fund were for the principal and interest on outstanding debt as the payments became due. Transfers from the General Fund of \$665,483 to the Grants and Special Projects Fund were to fund special projects.

Transfers from the General Fund of \$4,150,852 to various nonmajor governmental funds represent the movement of funds collected in the General Fund to finance various programs accounted for in other funds in accordance with budgetary authorizations.

The transfer from the Capital Projects Fund of \$370,000 to the Debt Service Fund was to provide funding for the replacement of portable radios financed through a lease arrangement.

County of James City, Virginia
Notes to Basic Financial Statements
June 30, 2021

5) Due from Other Governments

Details of net amounts due from other governments as of June 30, 2021, are as follows:

Primary Government	General	Capital Projects	Grants & Special Projects	Nonmajor Governmental	Total
Local:					
Wmbg. Regional Library	\$ 86,739	\$ -	\$ -	\$ -	\$ 86,739
Other, net	7,460	-	107,399	-	114,859
City of Williamsburg	87,838	-	-	-	87,838
WJCC Schools - Services Provided	139,981	-	-	-	139,981
WJCC Schools - Comprehensive Svcs. Act	-	-	6,880	-	6,880
Commonwealth of Virginia:					
Car rental tax	5,451	-	-	-	5,451
Communications sales and use tax	195,754	-	-	-	195,754
Compensation Board	195,247	-	1,212	-	196,459
Personal property tax relief	4,836,856	-	-	-	4,836,856
Comprehensive Services Act	-	-	327,952	-	327,952
E911 Wireless Board	20,834	-	2,787	-	23,621
Mobile Home Tax Commission	11,671	-	-	-	11,671
Other	4,569	-	-	-	4,569
Rolling stock tax	9,959	-	-	-	9,959
Sales tax	1,818,263	-	-	-	1,818,263
Virginia Housing Development Authority	-	-	15,700	2,319	18,019
Virginia Dept. of Aviation	-	-	89,600	-	89,600
Virginia Dept. of Environmental Quality	-	123,233	-	-	123,233
Virginia Dept. of Social Services	-	-	-	124,342	124,342
Virginia Dept. of Criminal Justice Services	-	-	37,738	-	37,738
Virginia Dept. of Transportation	17,217	-	1,200	-	18,417
Federal:					
Dept. of Criminal Justice Services	-	-	87,651	-	87,651
Dept. of Homeland Security	-	-	46,694	-	46,694
Dept. of Housing & Community Development	-	-	-	1,671	1,671
Dept. of Justice	-	-	46,274	1,836	48,110
Dept. of Revenue	6,652	-	-	-	6,652
Dept. of Social Services	-	-	-	238,240	238,240
Dept. of Transportation	-	-	4,800	-	4,800
FEMA	-	-	197,369	-	197,369
National Highway Traffic Safety Admin.	-	-	17,042	-	17,042
Total	\$ 7,444,491	\$ 123,233	\$ 990,298	\$ 368,408	\$ 8,926,430

Included in the amount due from local governments – Other are the following items presented as a net total above:

Local - Other, net	
Due From:	
9th Judicial District	\$ 17,032
Due To:	
Virginia Peninsula Regional Jail	\$ (6,696)
Williamsburg Area Transit Authority	(1,456)
Williamsburg Area Medical Assistance Corp.	(1,017)
Middle Peninsula Juvenile Detention Center	(403)
Total	\$ 7,460

County of James City, Virginia
Notes to Basic Financial Statements
June 30, 2021

5) Due from Other Governments, Continued

Component Unit - Public Schools

Federal government	\$ 1,183,274
Commonwealth of Virginia	756,896
Total	<u>\$ 1,940,170</u>

All amounts due from other governments are expected to be collected within one year.

6) Capital Assets

The following is a summary of changes in capital assets for the fiscal year ended June 30, 2021:

Governmental activities:	Balances July 1, 2020	Increases	Decreases	Balances June 30, 2021
Capital assets not being depreciated:				
Land and land improvements	\$ 31,752,545	\$ 1,697,716	\$ -	\$ 33,450,261
Construction in progress	11,920,713	9,364,491	14,716,141	6,569,063
Intangible assets - easements	8,826,349	2,000,000	-	10,826,349
Total capital assets not being depreciated	<u>52,499,607</u>	<u>13,062,207</u>	<u>14,716,141</u>	<u>50,845,673</u>
Capital assets being depreciated:				
Depreciable land improvements	5,624,684	1,169,464	-	6,794,148
Intangible assets, as reclassified	4,931,975	664,569	35,552	5,560,992
Buildings	374,612,071	677,354	-	375,289,425
Improvements other than buildings	40,245,152	7,122,772	-	47,367,924
Infrastructure	12,209,410	-	-	12,209,410
Equipment and vehicles, as reclassified	53,654,232	4,416,355	965,816	57,104,771
Total capital assets being depreciated	<u>491,277,524</u>	<u>14,050,514</u>	<u>1,001,368</u>	<u>504,326,670</u>
Less accumulated depreciation for:				
Depreciable land improvements	383,754	357,022	-	740,776
Intangible assets, as reclassified	4,068,731	313,109	35,552	4,346,288
Buildings	123,696,441	8,228,642	-	131,925,083
Improvements other than buildings	17,629,255	2,139,539	-	19,768,794
Infrastructure	5,518,620	445,808	-	5,964,428
Equipment and vehicles, as reclassified	37,632,670	4,052,450	842,802	40,842,318
Total accumulated depreciation	<u>188,929,471</u>	<u>15,536,570</u>	<u>878,354</u>	<u>203,587,687</u>
Total capital assets being depreciated, net	<u>302,348,053</u>	<u>(1,486,056)</u>	<u>123,014</u>	<u>300,738,983</u>
Total	<u>\$ 354,847,660</u>	<u>\$ 11,576,151</u>	<u>\$ 14,839,155</u>	<u>\$ 351,584,656</u>

Depreciation was charged to governmental functions as follows:

General government administration	\$ 832,303
Judicial administration	367,818
Public safety	4,184,205
Public works	629,786
Parks, recreation and cultural	2,100,809
Community development	473,154
Education	6,702,194
Health and welfare	246,301
Total	<u>\$ 15,536,570</u>

County of James City, Virginia
Notes to Basic Financial Statements
June 30, 2021

6) Capital Assets, Continued

Component Unit - Authority:	Balances July 1, 2020	Increases	Decreases	Balances June 30, 2021
Capital assets not being depreciated:				
Land	\$ 1,741,991	\$ -	\$ -	\$ 1,741,991
Land - utility plant	955,995	-	-	955,995
Land improvements	13,183	-	-	13,183
Construction in progress	3,395,592	3,626,731	1,863,004	5,159,319
Intangible assets - easements	4,570	-	-	4,570
Total capital assets not being depreciated	<u>6,111,331</u>	<u>3,626,731</u>	<u>1,863,004</u>	<u>7,875,058</u>
Capital assets being depreciated:				
Water and sewer systems - utility plant	267,675,732	6,541,536	-	274,217,268
Land improvements (depreciable)	8,930	-	-	8,930
Buildings and improvements	5,185,411	342,710	-	5,528,121
Office fixtures and equipment	4,133,294	293,528	500	4,426,322
Automotive equipment	3,051,767	202,167	184,467	3,069,467
Water rights	25,000,000	-	-	25,000,000
Software	10,562	-	-	10,562
Infrastructure	91,798	-	-	91,798
Total capital assets being depreciated	<u>305,157,494</u>	<u>7,379,941</u>	<u>184,967</u>	<u>312,352,468</u>
Less accumulated depreciation for:				
Water and sewer systems - utility plant	145,972,373	6,855,281	-	152,827,654
Land improvements	669	449	-	1,118
Buildings and improvements	1,385,040	153,453	-	1,538,493
Office fixtures and equipment	1,729,435	268,467	500	1,997,402
Automotive equipment	2,690,405	155,758	184,467	2,661,696
Water rights	6,901,841	631,331	-	7,533,172
Software	-	2,148	-	2,148
Infrastructure	6,650	3,069	-	9,719
Total accumulated depreciation	<u>158,686,413</u>	<u>8,069,956</u>	<u>184,967</u>	<u>166,571,402</u>
Total capital assets being depreciated, net	<u>146,471,081</u>	<u>(690,015)</u>	<u>-</u>	<u>145,781,066</u>
Total	<u>\$ 152,582,412</u>	<u>\$ 2,936,716</u>	<u>\$ 1,863,004</u>	<u>\$ 153,656,124</u>

Depreciation was charged to the Authority's operations as follows:

Water	\$ 5,110,476
Sewer	2,959,480
Total	<u>\$ 8,069,956</u>

County of James City, Virginia
Notes to Basic Financial Statements
June 30, 2021

6) Capital Assets, Continued

Component Unit - Public Schools	Balances July 1, 2020	Increases	Decreases	Balances June 30, 2021
Capital assets not being depreciated:				
Land improvements	\$ 8,435,126	\$ -	\$ -	\$ 8,435,126
Construction in progress	990,715	291,417	735,481	546,651
Total capital assets not being depreciated	9,425,841	291,417	735,481	8,981,777
Capital assets being depreciated:				
Buildings and improvements	69,430,321	1,123,977	-	70,554,298
Furniture and equipment	29,184,494	2,644,330	2,076,516	29,752,308
Total capital assets being depreciated	98,614,815	3,768,307	2,076,516	100,306,606
Less accumulated depreciation for:				
Buildings and improvements	29,461,576	2,647,554	-	32,109,130
Furniture and equipment	21,125,787	1,369,902	2,014,478	20,481,211
Total accumulated depreciation	50,587,363	4,017,456	2,014,478	52,590,341
Total capital assets being depreciated, net	48,027,452	(249,149)	62,038	47,716,265
Total	\$ 57,453,293	\$ 42,267	\$ 797,519	\$ 56,698,042

Depreciation of \$4,017,456 was charged to the Public Schools' governmental functions.

The total construction in progress for the Public Schools was \$546,651 at June 30, 2021. For fiscal year 2021, there are no capital outlay expenditures presented in the County's construction in progress balance in order to match the corresponding debt, as a result of reduced capital expenditures due to COVID-19.

Component Unit - EDA	Balances July 1, 2020	Increases	Decreases	Balances June 30, 2021
Capital assets not being depreciated:				
Land	\$ 710,795	\$ -	\$ -	\$ 710,795
Land improvements	34,200	-	-	34,200
Construction in progress	166,510	-	166,510	-
Total capital assets not being depreciated	911,505	-	166,510	744,995
Capital assets being depreciated:				
Land improvements	237,988	-	-	237,988
Buildings and improvements	290,095	-	-	290,095
Infrastructure	182,379	-	-	182,379
Total capital assets being depreciated	710,462	-	-	710,462
Less accumulated depreciation for:				
Buildings and improvements	19,339	7,269	-	26,608
Land improvements	31,731	11,957	-	43,688
Infrastructure	16,621	6,252	-	22,873
Total accumulated depreciation	67,691	25,478	-	93,169
Total capital assets being depreciated, net	642,771	(25,478)	-	617,293
Total	\$ 1,554,276	\$ (25,478)	\$ 166,510	\$ 1,362,288

7) Due From and To Component Units

The Authority owed the County \$470,970 at June 30, 2021, which primarily represented payroll expenses and purchase card expenses paid by the County on behalf of the Authority.

The County funds its construction costs for schools through the Capital Projects Fund for the component unit - Public Schools. In addition, the County receives sales tax for education payments from the State that are remitted directly to the Public Schools through the General Fund. At June 30, 2021, the County owed the Public Schools \$1,992,903, primarily for the sales tax for education payments related to fiscal year 2020, but received by the County from the State after year-end. For fiscal year 2021, the Public Schools owed the County \$8,128,540, for local schools funds unexpended at year-end that are contractually required to be returned to the County. The net due from component unit - Public Schools was \$6,135,637 at June 30, 2021.

The County owed the Economic Development Authority \$49,767 for its contribution to fund enterprise zone grants and an incentive to a business under a performance based agreement.

County of James City, Virginia
Notes to Basic Financial Statements
June 30, 2021

8) Unavailable Revenue and Unearned Revenue

Unavailable revenue represents amounts that have been earned but are not available. Unavailable revenue consists of the following as of June 30, 2021:

	General fund	Capital projects	Grants and special projects	Total
Medic fees	\$ 294,500	\$ -	\$ -	\$ 294,500
Grants not collected within availability period	-	-	479,100	479,100
Property taxes not collected within availability period	20,948,285	593	-	20,948,878
	<u>\$ 21,242,785</u>	<u>\$ 593</u>	<u>\$ 479,100</u>	<u>\$ 21,722,478</u>

Unearned revenue represents amounts for which asset recognition criteria have been met, but for which revenue recognition criteria have not been met. Details of unearned revenue as of June 30, 2021, were as follows:

Primary government	General fund	Grants and special projects	Other governmental funds	Total
Prepaid property taxes and fees	\$ 463,396	\$ -	\$ -	\$ 463,396
CARES Act Relief	-	3,250,691	-	3,250,691
ARPA Relief	-	7,431,848	-	7,431,848
Insurance/expense reimbursement	2,463	-	25,578	28,041
Grants received in advance	-	5,494	-	5,494
	<u>\$ 465,859</u>	<u>\$ 10,688,033</u>	<u>\$ 25,578</u>	<u>\$ 11,179,470</u>

Component Unit - Public Schools

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

9) Long-Term Liabilities

Primary Government

A summary of the County's long-term liability activity for governmental activities for the fiscal year ended June 30, 2021, is presented below:

Governmental activities	Balance July 1, 2020	Additions	Reductions	Balance June 30, 2021	Due within one year
General obligation bonds	\$ 27,220,000	\$ -	\$ 2,710,000	\$ 24,510,000	\$ 2,790,000
Lease revenue/refunding bonds	92,484,000	11,030,000	22,372,000	81,142,000	9,127,000
Bond premiums, net	11,803,324	2,450,765	2,990,321	11,263,768	1,488,876
Capital leases	1,086,117	1,693,311	1,439,271	1,340,157	324,474
Landfill post-closure care	182,040	66,864	64,680	184,224	65,400
Compensated absences	4,162,759	4,638,437	4,397,603	4,403,593	3,302,695
Net pension liability*	19,119,021	15,650,696	-	34,769,717	-
Net OPEB retiree healthcare liability	4,097,564	552,270	-	4,649,834	-
Net OPEB group life insurance liability	3,389,107	-	106,506	3,282,601	-
Net OPEB health insurance credit liability*	652,458	66,711	-	719,169	-
Total	<u>\$ 164,196,390</u>	<u>\$ 36,149,054</u>	<u>\$ 34,080,381</u>	<u>\$ 166,265,063</u>	<u>\$ 17,098,445</u>

* The July 1, 2020 balances reflect the restated liability balances for pensions and health insurance credit OPEB. Additional information on the restatement is provided in Note 19.

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

County of James City, Virginia
Notes to Basic Financial Statements
June 30, 2021

9) Long-Term Liabilities, Continued

Arbitrage

Arbitrage is the difference between the yield on an issuer's tax-exempt bonds and the investment income earned on the proceeds. Arbitrage restrictions imposed by the federal government prohibit an issuer from retaining arbitrage profits when investing bond proceeds at a yield that exceeds the yield on the bonds. Any excess arbitrage must be rebated to the U.S. Treasury. As of June 30, 2021, there was no rebate liability.

Details of long-term bond indebtedness at June 30, 2021, for governmental activities were as follows:

	Sale date	Original borrowing	Interest rates	Final maturity	Balance June 30, 2021
General obligation bonds					
Virginia Public School Authority bonds (Series A)	2011	1,000,000	4.25%	2031	\$ 550,000
General obligation refunding bonds	2014	21,610,000	2.00-5.00%	2028	13,795,000
General obligation refunding bonds (Series A)	2015	11,280,000	2.50-5.00%	2030	10,165,000
				Total	\$ 24,510,000
Lease revenue/refunding bonds					
Lease revenue bonds	2011	6,672,000	2.18%	2022	667,000
Lease revenue refunding bonds	2014	12,575,000	3.00-4.00%	2026	6,375,000
Lease revenue refunding bonds	2015	49,815,000	4.00-5.00%	2026	22,185,000
Lease revenue bonds	2016	26,750,000	2.00-5.00%	2036	21,760,000
Lease revenue refunding bonds	2018	21,015,000	4.00-5.00%	2039	19,125,000
Lease revenue refunding bonds	2021	11,030,000	3.00-5.00%	2033	11,030,000
				Total	\$ 81,142,000
Capital leases					
Capital lease	2020	1,693,311	2.140%	2024	\$ 1,340,157

The debt service requirements for the governmental activities' bond obligations are as follows:

Year ending June 30,	General obligation bonds		Lease revenue/refunding bonds	
	Principal	Interest	Principal	Interest
2022	\$ 2,790,000	\$ 928,037	\$ 9,127,000	\$ 3,464,233
2023	2,885,000	789,038	8,650,000	3,020,538
2024	2,985,000	645,287	8,815,000	2,623,737
2025	3,055,000	516,813	8,995,000	2,195,737
2026	3,115,000	405,713	9,165,000	1,772,489
2027-2031	9,680,000	856,550	18,515,000	5,253,162
2032-2036	-	-	14,905,000	1,988,050
2037-2039	-	-	2,970,000	240,800
	\$ 24,510,000	\$ 4,141,438	\$ 81,142,000	\$ 20,558,746

In May 2021, the County issued revenue refunding bonds totaling \$11,030,000, with interest rates ranging from 3.00%-5.00%, to refund \$14,050,000 of outstanding 2014 lease revenue bonds, with interest rates ranging from 3.00%-5.00%. Net proceeds of \$14,297,561 were deposited in an irrevocable trust with an escrow agent to provide funds for the future debt service payments on the refunded bonds. As a result, the outstanding balance on the 2014 lease revenue bonds of \$14,050,000 as of June 30, 2021 is considered defeased, and the liability for those bonds has been removed from the statement of net position.

The reacquisition price exceeded the carrying value of the old debt by \$1,148,012 ("deferred charge on refunding"), and this amount is being amortized over the life of the old debt. The revenue refunding bonds mature in various installments through 2033 with interest payable semiannually. The County refunded the 2014 lease revenue bonds to reduce its total debt service payments over 12 years by \$1,710,675 and to obtain an economic gain (difference between the present values of the debt service payments on the old and new debt less accumulated debt service reserve funds) of \$1,603,254.

County of James City, Virginia
Notes to Basic Financial Statements
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9) Long-Term Liabilities, Continued

In November 2010, the County executed a regional lease purchase agreement with York County to purchase enhanced 911 equipment to service each respective jurisdiction's Dispatch Center and to be compatible with current technology and telephone systems. The amount included in capital assets at June 30, 2021 was \$1,008,200 and depreciation expense of \$33,607 was incurred during fiscal year 2021. Accumulated depreciation was \$1,008,200 as of June 30, 2021.

In July 2016, the County entered into a Memorandum of Understanding with York County to upgrade the joint public safety/public services radio communication system. The County's portion was \$4,736,044 and is included in capital assets. Depreciation expense of \$947,209 was incurred during fiscal year 2021, and accumulated depreciation was \$4,736,044 as of June 30, 2021.

In November 2020, the County entered into a lease purchase agreement with Motorola to replace public safety portable radios. The amount included in capital assets related to this lease was \$1,693,311 at June 30, 2021, and depreciation expense of \$225,775 was recognized during fiscal year 2021. Accumulated depreciation was \$225,775 as of June 30, 2021.

The present value of future minimum capital lease payments of the County as of June 30, 2021, is as follows:

Year ending June 30:	
2022	\$ 353,154
2023	353,154
2024	353,154
2025	353,154
Total minimum lease payments	1,412,616
Less amount representing interest	(72,459)
Present value of minimum capital lease payments	<u>\$ 1,340,157</u>

Component Unit - Authority

A summary of the Authority's long-term liability activity for the fiscal year ended June 30, 2021, is presented below:

	Balance July 1, 2020	Additions	Reductions	Balance June 30, 2021	Due within one year
Revenue refunding bonds	\$ 19,920,000	\$ -	\$ 690,000	\$ 19,230,000	\$ 720,000
Revenue bonds	9,135,000	-	584,000	8,551,000	526,000
Premium, net	1,267,481	-	63,907	1,203,574	63,907
Pension liability	1,265,328	727,184	-	1,992,512	-
Net retiree healthcare OPEB liability	381,436	51,410	-	432,846	-
Net group life insurance OPEB liability	369,227	10,267	-	379,494	-
Net health insurance credit OPEB liability	54,421	4,274	-	58,695	-
Compensated absences	475,240	527,083	506,597	495,726	371,795
Total	<u>\$ 32,868,133</u>	<u>\$ 1,320,218</u>	<u>\$ 1,844,504</u>	<u>\$ 32,343,847</u>	<u>\$ 1,681,702</u>

Details of long-term bond indebtedness at June 30, 2021 for the Authority were as follows:

	Sale date	Original borrowing	Interest rates	Final maturity	Balance June 30, 2021
Revenue refunding bonds					
Water and sewer system revenue refunding bonds	2016	\$ 22,595,000	3.00-5.00%	2040	\$ 19,230,000
Water and sewer system revenue bonds	2020	9,135,000	2.26%	2035	8,551,000

County of James City, Virginia
Notes to Basic Financial Statements
June 30, 2021

9) Long-Term Liabilities, Continued

The debt service requirements for the Authority's debt obligations are as follows:

Year ending June 30,	Revenue refunding and revenue bonds	
	Principal	Interest
2022	\$ 1,246,000	\$ 826,394
2023	1,283,000	792,886
2024	1,335,000	743,456
2025	1,382,000	691,754
2026	1,430,000	646,230
2027-2031	7,827,000	2,539,184
2032-2036	8,238,000	1,417,952
2037-2040	5,040,000	383,400
Total	<u>\$ 27,781,000</u>	<u>\$ 8,041,256</u>

Component Unit - Public Schools

A summary of the Public Schools' long-term liability activity for the fiscal year ended June 30, 2021, is presented below:

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

10) Landfill Closure and Postclosure Care Cost

The County closed its landfill during fiscal year 1994 and contracted with a third party to provide solid waste disposal services to its residents. This third party operates the site, collects fees based upon the source of the waste, and pays the associated expenditures. The County was responsible for construction of the transfer station and all major maintenance and repairs to it. State and federal laws and regulations require the County to perform certain maintenance and monitoring functions at the site for 10 to 30 years after closure.

The \$184,224 reported as landfill postclosure liability at June 30, 2021, represents the amount estimated to monitor the landfill for an average monitoring period of 25 years, and is based on what it would cost to perform all closure and postclosure care in 2020. The increase of \$2,184 from prior year is due to an inflation factor of 1.012, required by the Department of Environment Quality. Actual costs may be higher due to inflation, technology changes, or regulation changes. The County intends to fund these costs from the net revenues collected from the above contract and from any funds accumulated for this purpose in the County's General Fund.

11) Pension Plan

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

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

County of James City, Virginia
Notes to Basic Financial Statements
June 30, 2021

11) Pension Plan, Continued

Plan Description

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

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

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

Agent Multiple-Employer Political Subdivision Retirement Plan
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Employees Covered by Benefit Terms

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

	Governmental Activities Number	Component unit- Authority Number	Component unit- Public Schools (non-professional) Number
Inactive members or their beneficiaries currently receiving benefits	502	55	108
Inactive members:			
Vested	144	16	30
Non-vested	194	23	106
Long-term disability	-	-	3
Active elsewhere in VRS	257	30	52
Total inactive members	595	69	191
Active members	735	89	233
Total	1,832	213	532

Contributions

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

The County's, Authority's and Public Schools' contractually required contribution rates for the year ended June 30, 2021, were 11.61%, 6.39% and 3.66%, respectively, of covered employee compensation. These rates were based on actuarially determined rates from an actuarial valuation as of June 30, 2019.

These rates, when combined with employee contributions, were expected to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. Total contributions to the pension plan from the County were \$4,535,863 and \$3,904,631, the Authority were \$271,540 and \$265,027, and the Public Schools were \$158,334 and \$172,427 for years ended June 30, 2021 and 2020, respectively.

County of James City, Virginia
Notes to Basic Financial Statements
June 30, 2021

11) Pension Plan, Continued

Net Pension Liability

The net pension liability (NPL) is calculated separately for each employer and represents that particular employer's total pension liability determined in accordance with GASB Statement No. 68, less that employer's fiduciary net position. The net pension liability was measured as of June 30, 2020. The total pension liability used to calculate the net pension liability was determined by an actuarial valuation performed as of June 30, 2019 rolled forward to the measurement date of June 30, 2020.

Actuarial Assumptions

The total pension liability for general employees, public safety employees with hazardous duty benefits, and teachers was based on an actuarial valuation as of June 30, 2019, using the Entry Age Normal actuarial cost method and the following assumptions, applied to all periods included in the measurement and rolled forward to the measurement date of June 30, 2020:

Inflation	2.50%
Salary increases, including inflation, general employees	3.5% – 5.35%
Salary increases, including inflation, public safety employees with hazardous duty benefits	3.5% – 4.75%
Salary increases, including inflation, teacher cost-sharing plan	3.5% – 5.95%
Investment rate of return	6.75%, net of pension plan investment expenses, including inflation*

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

Mortality rates: General employees – 15 to 20% of deaths are assumed to be service related. Public Safety Employees – 45% to 70% of deaths are assumed to be service related. Mortality is projected using the applicable RP-2014 Mortality Table Projected to 2020 with various set backs or set forwards for both males and females.

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

General Employees – Largest 10 – Non-Hazardous Duty and All Others (Non 10 Largest): Update mortality table; lowered retirement rates at older ages, changed final retirement from 70 to 75; adjusted withdrawal rates to better fit experience at each year age and service through 9 years of service; lowered disability rates, no change to salary scale, increased rate of line of duty disability from 14% to 20% (Largest 10) or 15% (All Others), and decreased discount rate from 7.00% to 6.75%.

Public Safety Employees – Largest 10 – Hazardous Duty and All Others (Non 10 Largest): Update mortality table; lowered retirement rate at older ages; adjusted rates of withdrawal and disability to better fit experience; changes to line of duty rates, no changes to salary scale, and decreased discount rate from 7.00% to 6.75%.

County of James City, Virginia
Notes to Basic Financial Statements
June 30, 2021

11) Pension Plan, Continued

Long Term Expected Rate of Return

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

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

** The above allocation provides a one-year return of 7.14%. However, one-year returns do not take into account the volatility present in each of the asset classes. In setting the long-term expected return for the system, stochastic projections are employed to model future returns under various economic conditions. The results provide a range of returns over various time periods that ultimately provide a median return of 7.11%, including expected inflation of 2.50%. On October 10, 2019, the VRS Board elected a long-term rate of 6.75% which is roughly at the 40th percentile of expected long-term results of the VRS fund asset allocation. More recent capital market assumptions compiled for the fiscal year 2020 actuarial valuations, provide a median return of 6.81%.*

Discount Rate

The discount rate used to measure the total pension liability was 6.75%. The projection of cash flows used to determine the discount rate assumed that System member contributions will be made per the VRS Statutes and the employer contributions will be made in accordance with the VRS funding policy at rates equal to the difference between actuarially determined contribution rates adopted by the VRS Board of Trustees and the member rate. Consistent with the phased-in funding provided by the General Assembly for state and teacher employer contributions; political subdivisions were also provided with an opportunity to use an alternate employer contribution rate. For the year ended June 30, 2020, the alternate rate was the employer contribution rate used in fiscal year 2012 or 100% of the actuarially determined employer contribution rate from the June 30, 2017, actuarial valuations, whichever was greater. From July 1, 2020, on, participating employers are assumed to continue to contribute 100% of the actuarially determined contribution rates. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore, the long-term expected rate of return was applied to all periods of projected benefit payments to determine the total pension liability.

County of James City, Virginia
Notes to Basic Financial Statements
June 30, 2021

11) Pension Plan, Continued

Changes in Net Pension Liability

	Increase (decrease)		
	Total pension liability (a)	Plan fiduciary net pension (b)	Net pension liability (a) - (b)
Governmental activities			
Balances at June 30, 2019, as restated (Note 19)	\$ 195,935,687	\$ 176,816,666	\$ 19,119,021
Changes for the year:			
Service cost	4,498,054	-	4,498,054
Interest	12,930,800	-	12,930,800
Change in benefit terms	3,287,161	-	3,287,161
Difference between expected and actual experience	4,023,942	-	4,023,942
Contributions - employer	-	3,904,631	(3,904,631)
Contributions - employee	-	1,927,807	(1,927,807)
Net investment income	-	3,361,921	(3,361,921)
Benefit payments, including refunds of employee contributions	(8,736,556)	(8,736,556)	-
Administrative expenses	-	(117,595)	117,595
Other changes	-	12,497	(12,497)
Net changes	16,003,401	352,705	15,650,696
Balances at June 30, 2020	\$ 211,939,088	\$ 177,169,371	\$ 34,769,717
Component Unit - Authority			
Balances at June 30, 2019	\$ 19,119,813	\$ 17,854,485	\$ 1,265,328
Changes for the year:			
Service cost	400,579	-	400,579
Interest	1,265,059	-	1,265,059
Change in benefit terms	26,989	-	26,989
Difference between expected and actual experience	(172,618)	-	(172,618)
Contributions - employer	-	243,251	(243,251)
Contributions - employee	-	220,872	(220,872)
Net investment income	-	340,716	(340,716)
Benefit payments, including refunds of employee contributions	(756,401)	(756,401)	-
Administrative expenses	-	(11,611)	11,611
Other changes	-	(403)	403
Net changes	763,608	36,424	727,184
Balances at June 30, 2020	\$ 19,883,421	\$ 17,890,909	\$ 1,992,512
Component unit - Public Schools (non-professional)			
Balances at June 30, 2019	\$ 19,960,784	\$ 21,699,527	\$ (1,738,743)
Changes for the year:			
Service cost	552,167	-	552,167
Interest	1,309,428	-	1,309,428
Changes of assumptions	-	-	-
Difference between expected and actual experience	78,555	-	78,555
Contributions - employer	-	172,426	(172,426)
Contributions - employee	-	279,227	(279,227)
Net investment income	-	404,254	(404,254)
Benefit payments, including refunds of employee contributions	(1,123,687)	(1,123,687)	-
Administrative expenses	-	(14,290)	14,290
Other changes	-	(483)	483
Net changes	816,463	(282,553)	1,099,016
Balances at June 30, 2020	\$ 20,777,247	\$ 21,416,974	\$ (639,727)

County of James City, Virginia
Notes to Basic Financial Statements
June 30, 2021

11) Pension Plan, Continued

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

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

	1% Decrease (5.75%)	Current Discount Rate (6.75%)	1% Increase (7.75%)
Governmental activities			
Net pension liability (asset)	\$ 62,682,701	\$ 34,769,717	\$ 11,636,532
Component unit - Authority			
Net pension liability (asset)	\$ 4,462,610	\$ 1,992,512	\$ (72,064)
Component unit - Public Schools (non-professional)			
Net pension liability (asset)	\$ 1,714,186	\$ (639,727)	\$ (2,629,395)

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

For the year ended June 30, 2021, the County, Authority, and Public Schools (non-professional) recognized pension expense of \$11,379,286, \$543,783, and \$286,605, respectively. At June 30, 2021, deferred outflows of resources and deferred inflows of resources related to pensions from the following sources were reported:

	Deferred outflows of resources	Deferred inflows of resources
Governmental activities		
Differences between expected and actual experience	\$ 3,359,995	\$ 41,241
Changes of assumptions	2,519,166	-
Net difference between projected and actual earnings on pension plan investments	5,214,893	-
Employer contributions subsequent to the measurement date	4,535,863	-
Total	<u>\$ 15,629,917</u>	<u>\$ 41,241</u>
Component unit - Authority		
Differences between expected and actual experience	\$ 81,135	\$ 118,843
Changes of assumptions	215,435	-
Net difference between projected and actual earnings on pension plan investments	537,104	-
Employer contributions subsequent to the measurement date	271,540	-
Total	<u>\$ 1,105,214</u>	<u>\$ 118,843</u>
Component unit - Public Schools (non-professional)		
Differences between expected and actual experience	\$ 50,093	\$ 134,615
Changes of assumptions	150,869	-
Net difference between projected and actual earnings on pension plan investments	648,972	-
Employer contributions subsequent to the measurement date	158,334	-
Total	<u>\$ 1,008,268</u>	<u>\$ 134,615</u>

County of James City, Virginia
Notes to Basic Financial Statements
June 30, 2021

11) Pension Plan, Continued

The County, Authority, and Public Schools reported deferred outflows of resources of \$4,535,863, \$271,540, and \$158,334, respectively, related to pensions resulting from contributions subsequent to the measurement date, which will be recognized as a reduction of the net pension liability in the year ending June 30, 2022. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year ended	Governmental Activities	Component unit - Authority	Component unit - Public Schools (non-professional)
2022	\$ 3,391,930	\$ 195,007	\$ 63,142
2023	3,787,983	179,664	224,783
2024	2,178,573	169,320	219,938
2025	1,694,327	170,840	207,456
	<u>\$ 11,052,813</u>	<u>\$ 714,831</u>	<u>\$ 715,319</u>

Pension Plan Data

Information about the VRS Political Subdivision Retirement Plans is also available in the separately issued VRS 2020 Annual Report. A copy of the 2020 VRS Annual Report may be downloaded from the VRS website at varetire.org/pdf/publications/2020-annual-report.pdf, or by writing to VRS' Chief Financial Officer at P.O. Box 2500, Richmond, VA, 23218-2500.

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

The contribution requirement for active employees is governed by §51.1-145 of the *Code of Virginia*, as amended, but may be impacted as a result of funding provided to school divisions by the Virginia General Assembly. Employees are required to contribute 5% of their compensation toward their retirement. The Public Schools' contractually required contribution rate for the year ended June 30, 2021 was 16.62% of covered employee compensation. This rate was based on an actuarially determined rate from an actuarial valuation as of June 30, 2019. The actuarial determined rate, when combined with employee contributions, was expected to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. Contributions to the pension plan from the Public Schools were \$11,795,307 and \$11,431,558 for the years ended June 30, 2021 and June 30, 2020, respectively.

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

At June 30, 2021, the Public Schools' reported a liability of \$124,830,972 for its proportionate share of the Net Pension Liability of the Teacher Retirement Plan. The Net Pension Liability was measured as of June 30, 2020 and the total pension liability used to calculate the Net Pension Liability was determined by an actuarial valuation performed as of June 30, 2019, and rolled forward to the measurement date of June 30, 2020.

The Public Schools' proportion of the Net Pension Liability was based on the Public Schools' actuarially determined employer contributions to the pension plan for the year ended June 30, 2020 relative to the total of the actuarially determined employer contributions for all participating employers. At June 30, 2020, the Public Schools' proportion was 0.85779% as compared to 0.86221% at June 30, 2019.

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

County of James City, Virginia
Notes to Basic Financial Statements
June 30, 2021

11) Pension Plan, Continued

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

	<u>Deferred outflows of resources</u>	<u>Deferred inflows of resources</u>
Component unit - Public Schools (professional plan)		
Differences between expected and actual experience	\$ -	\$ 7,317,019
Change in assumptions	8,521,279	-
Changes in proportion and differences between employer contributions and proportionate share of contributions	1,040,458	1,708,168
Differences between expected and actual investment earnings on pension plan investments	9,494,778	-
Employer contributions subsequent to the measurement date	11,795,307	-
Total	<u>\$ 30,851,822</u>	<u>\$ 9,025,187</u>

Deferred outflows of resources report in the amount of \$11,795,307 related to pensions resulting from the Public Schools' contributions subsequent to the measurement date will be recognized as a reduction of the Net Pension Liability in the year ended June 30, 2022. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense (recovery) in future reporting periods as follows:

<u>Year ended</u>	<u>Component unit - Public Schools (professional plan)</u>
2022	\$ (301,808)
2023	3,032,885
2024	4,209,637
2025	3,261,221
2026	(170,607)
	<u>\$ 10,031,328</u>

Actuarial Assumptions

The total pension liability for the VRS Teacher Retirement Plan was based on an actuarial valuation as of June 30, 2019, using the Entry Age Normal actuarial cost method and the following assumptions, applied to all periods included in the measurement and rolled forward to the measurement date of June 30, 2020.

- Inflation: 2.5%
- Salary increases, including inflation: 3.5% - 5.95%
- Investment rate of return: 6.75%, net of pension plan investment expenses, including inflation*

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

County of James City, Virginia
Notes to Basic Financial Statements
June 30, 2021

11) Pension Plan, Continued

Mortality rates

Pre Retirement:

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

Post-Retirement:

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

Post-Disablement:

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

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

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

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

Net Pension Liability

The net pension liability (NPL) is calculated separately for each system and represents that particular system's total pension liability determined in accordance with GASB Statement No. 67, less that system's fiduciary net position. As of June 30, 2020, NPL amounts for the VRS Teacher Employee Retirement Plan is as follows (amounts expressed in thousands):

	Teacher Employee Retirement Plan
Total Pension Liability	\$ 51,001,855
Plan Fiduciary Net Position	36,449,229
Employers' Net Pension Liability (Asset)	<u>\$ 14,552,626</u>
Plan Fiduciary Net Position as a % of the Total Pension Liability	71.47%

The total pension liability is calculated by the System's actuary, and each plan's fiduciary net position is reported in the System's financial statements. The net pension liability is disclosed in accordance with the requirements of GASB Statement No. 67 in the System's notes to the financial statements and required supplementary information.

County of James City, Virginia
Notes to Basic Financial Statements
June 30, 2021

11) Pension Plan, Continued

Long-Term Expected Rate of Return

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

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

* The above allocation provides a one-year return of 7.14%. However, one-year returns do not take into account the volatility present in each of the asset classes. In setting the long-term expected return for the system, stochastic projections are employed to model future returns under various economic conditions. The results provide a range of returns over various time periods that ultimately provide a median return of 7.11%, including expected inflation of 2.50%. On October 10, 2019, the VRS Board elected a long-term rate of 6.75% which is roughly at the 40th percentile of expected long-term results of the VRS fund asset allocation. More recent capital market assumptions compiled for the fiscal year 2020 actuarial valuations, provide a median return of 6.81%.

Discount Rate

The discount rate used to measure the total pension liability was 6.75%. The projection of cash flows used to determine the discount rate assumed that member contributions will be made per the VRS Statutes and the employer contributions will be made in accordance with the VRS funding policy at rates equal to the difference between actuarially determined contribution rates adopted by the VRS Board of Trustees and the member rate.

Through the fiscal year ending June 30, 2020, the rate contributed by the school division for the VRS Teacher Retirement Plan will be subject to the portion of the VRS Board-certified rates that are funded by the Virginia General Assembly which was 100% of the actuarially determined contribution rate. From July 1, 2020 on, school divisions are assumed to contribute 100% of the actuarially determined contribution rates. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore the long-term expected rate of return was applied to all periods of projected benefit payments to determine the total pension liability.

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

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

Component unit - Public Schools (professional plan)	1% Decrease (5.75%)	Current Discount Rate (6.75%)	1% Increase (7.75%)
Net pension liability	\$ 183,155,072	\$ 124,830,972	\$ 76,589,569

County of James City, Virginia
Notes to Basic Financial Statements
June 30, 2021

11) Pension Plan, Continued

Pension Plan Fiduciary Net Position

Detailed information about the VRS Teacher Retirement Plan's Fiduciary Net Position is available in the separately issued VRS 2020 Comprehensive Annual Financial Report (Annual Report). A copy of the 2020 VRS Annual Report may be downloaded from the VRS website at varetire.org/pdf/publications/2020-annualreport.pdf, or by writing to the System's Chief Financial Officer at P.O. Box 2500, Richmond, VA 23218-2500.

12) Other Post-Employment Benefits (OPEB)

Multiple Employer Cost-Sharing Plan - Retiree Healthcare

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

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

Plan Description

Participants must be eligible to retire under VRS and must be full-time active employees who retire directly from the County or Authority and are at least 55 years of age with 15 years of service. Each year, retirees participating in the County or Authority's sponsored plans will be given the opportunity to change plans or drop coverage during an open enrollment period. For fiscal year 2021, the pre-Medicare retirees have a choice of two plans offered by Optima. Dental plans are available at the retiree's cost and therefore, have no employer obligation. There is no coverage for post-Medicare retirees.

The Public Schools provides a single-employer medical plan and a retiree health insurance premium contribution plan that covers retirees until they reach 65 years of age. There is no coverage for retirees or their spouses once they reach the age of 65 and are eligible for Medicare. Both plans were established under the authority of the Williamsburg-James City County School Board and any amendments to the plans must be approved by the School Board. The Public Schools' single-employer medical plan allows retirees under the age of 65 to remain in the same medical and dental plan as active employees if they have at least five years of service with the Public Schools and are a covered member under the plan at retirement and for at least 24 months prior to retiring. Retirees pay 100% of the premium, minus any applicable \$62.50 monthly contribution. The Public Schools' plan allows eligible retirees to receive a \$750 annual contribution toward their health insurance premium if they have a minimum of twelve continuous years of service. The Public Schools' current membership is 27.

Funding Policy

Retirees contribute towards their health insurance premiums based on a blended rate and therefore, the County and Authority have an implicit obligation. Retirees pay 100% of the published rates for individual and dependent coverage until age 65. The estimated contributions are based on the implicit rate subsidy payments made during the year by the retirees. The County, Authority and Public Schools do not intend to establish a trust to pre-fund their obligations. The anticipated growth in the net retiree healthcare OPEB liability is based on contributions to the benefit plan on a pay-as-you-go cost basis. The data has been projected into the future based on the assumption the current active population remains constant.

County of James City, Virginia
Notes to Basic Financial Statements
June 30, 2021

12) Other Post-Employment Benefits (OPEB), Continued

Employees Covered by Benefit Terms – Public Schools

As of the June 30, 2020 actuarial valuation, the following employees were covered by the benefit terms of the Public Schools' retiree healthcare OPEB plan:

	Component unit - Public Schools
	Number
Active employees	1,384
Retirees	27
Total	1,411

Actuarial Methods and Assumptions

For the actuarial valuation at January 1, 2020 (measurement date of June 30, 2020), the entry age normal funding method was used. The goal of this method is that the annual accrual (or normal cost) be a level percent of pay throughout an employee's career. This method requires a salary increase assumption. The normal cost percentage is equal to the present value of benefits divided by the present value of future salary determined when the employee was hired. The actuarial accrued liability is equal to the present value of benefits minus the normal cost percentage times the present value of future salaries at the valuation date.

The actuarial assumptions included calculations based on a discount rate of 2.45% for the unfunded liability. Benefits are discounted based on an index rate for 20-year tax exempt general obligation (GO) municipal bonds with an average rating of AA/Aa or higher.

The medical trend assumption for the County and Authority were changed from the previous valuation to an assumption developed using the Society of Actuaries (SOA) Long-Run Medical Cost Trend Model baseline assumptions. The SOA Model was released in October 2010 and revised in September 2019. The following assumptions were used as input variables into this model:

Inflation	2.50%
Rate of growth in real income/ GDP per capita	1.50%
Extra trend due to technology and other factors	1.10%
Expected health share of GDP in 2029	20.00%
Health share of GDP resistance point	25.00%
Year for limiting cost growth to GDP growth	2075

The medical trend assumption for the Public Schools was developed using the Society of Actuaries (SOA) Long-Run Medical Cost Trend Model baseline assumptions. The SOA Model was released in October 2010 and updated in September 2019. The following assumptions were used as input variables into this model:

Inflation	2.50%
Rate of growth in real income/ GDP per capita	1.50%
Extra trend due to technology and other factors	1.10%
Expected Health Share of GDP in 2019	20.00%
Health share of GDP resistance point	25.00%
Year for limiting cost growth to GDP growth	2075

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

12) Other Post-Employment Benefits (OPEB), Continued

Actuarial Methods and Assumptions, Continued

The actuarial assumptions for the County and Authority included calculations based on salary increases of 3.15%-1.30% (general) and 2.55%-1.30% (public safety) based on years of service. The valuation assumed that 40% of participants currently with coverage will elect coverage upon retirement, and that 30% of participants electing coverage at retirement will elect coverage for their spouse.

Mortality decrements used in the January 1, 2020, valuation:

- Pre-Retirement
 - General: Pub-2010 General Employees Headcount-Weighted Mortality Projected with Fully Generational MP2019 Mortality Improvement Scale
 - LEOS: Pub-2010 Public Safety Employees Headcount-Weighted Mortality Projected with Fully Generational MP2019 Mortality Improvement Scale
- Post-Retirement
 - General: Pub-2010 General Retirees Headcount-Weighted Mortality Projected with Fully Generational MP2019 Mortality Improvement Scale
 - LEOS: Pub-2010 Public Safety Retirees Headcount-Weighted Mortality Projected with Fully Generational MP2019 Mortality Improvement Scale
- Disabled:
 - General: Pub-2010 General Disabled Retirees Headcount-Weighted Mortality Projected with Fully Generational MP2019 Mortality Improvement Scale
 - LEOS: Pub-2010 Public Safety Disabled Retirees Headcount-Weighted Mortality Projected with Fully Generational MP2019 Mortality Improvement Scale

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

Mortality decrements:

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

Changes in Assumptions Since Prior Valuation for the County and the Authority

- Discount rate was updated to 2.45% (the latest 20-year municipal GO AA Index as of June 30, 2020).
- Mortality assumptions were updated to the latest SOA public sector experience study rates.
- Medical trend was updated based on SOA Long-Run Medical Cost Trend Model.

Changes in Assumptions Since Prior Valuation for the Public Schools

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

County of James City, Virginia
Notes to Basic Financial Statements
June 30, 2021

12) Other Post-Employment Benefits (OPEB), Continued

Retiree Healthcare OPEB Liability for the County and the Authority

At June 30, 2021, the County reported a retiree healthcare OPEB liability of \$4,649,834 for its proportionate share of the County's retiree healthcare OPEB liability, and the Authority reported a retiree healthcare OPEB liability of \$432,846 for its proportionate share of the County's retiree healthcare OPEB liability. The County's and the Authority's June 30, 2021, retiree healthcare OPEB liabilities were measured as of June 30, 2020, and were determined by an actuarial valuation performed January 1, 2020. The County's and the Authority's proportion of the County's retiree healthcare OPEB liability was based on each entity's projected long-term contribution effort to the OPEB plan as compared to the total projected long-term contribution effort of all contributing entities to determine each entity's proportion. At June 30, 2021, and 2020, the County's proportion of the County's retiree healthcare OPEB liability was 78.42%, and the Authority's proportion of the County's retiree healthcare OPEB liability was 7.30%.

Changes in Retiree Healthcare OPEB Liability for the Public Schools

Component unit - Public Schools	Increase (decrease)		
	Total OPEB liability (a)	Plan fiduciary net position (b)	Net OPEB liability (a) - (b)
Balances at June 30, 2019	\$ 5,163,466	\$ -	\$ 5,163,466
Changes for the year:			
Service cost	580,721	-	580,721
Interest	158,452	-	158,452
Experience losses	(180,989)	-	(180,989)
Employer contribution	-	21,200	(21,200)
Changes in assumptions	249,100	-	249,100
Benefit payments	(21,200)	(21,200)	-
Administrative expenses	-	-	-
Net changes	786,084	-	786,084
Balances at June 30, 2020	\$ 5,949,550	\$ -	\$ 5,949,550

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

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

	1% Decrease (1.45%)	Current Discount Rate (2.45%)	1% Increase (3.45%)
Governmental activities			
Retiree Healthcare OPEB liability	\$ 5,088,733	\$ 4,649,834	\$ 4,245,053
Component unit - Authority			
Retiree Healthcare OPEB liability	\$ 473,703	\$ 432,846	\$ 395,166
Component unit - Public Schools			
Total and Net OPEB liability	\$ 5,527,845	\$ 5,949,550	\$ 5,299,157

Sensitivity of the Retiree Healthcare OPEB Liability to Changes in the Health Care Cost Trend Rate – the County and the Authority

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

	1% Decrease (3.00%)	Ultimate Trend Rate (4.00%)	1% Increase (5.00%)
Governmental activities			
Retiree Healthcare OPEB liability	\$ 4,064,541	\$ 4,649,834	\$ 5,345,996
Component unit - Authority			
Retiree Healthcare OPEB liability	\$ 378,362	\$ 432,846	\$ 497,651

County of James City, Virginia
Notes to Basic Financial Statements
June 30, 2021

12) Other Post-Employment Benefits (OPEB), Continued

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

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

Component unit - Public Schools	1% Decrease (3.00%)	Ultimate Trend Rate (4.00%)	1% Increase (5.00%)
Total and Net OPEB liability	\$ 6,752,355	\$ 5,949,550	\$ 5,949,550

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

For the year ended June 30, 2021, the County, Authority, and Public Schools recognized retiree healthcare OPEB expense of \$332,446, \$29,989, and \$588,547, respectively. At June 30, 2021, deferred outflows of resources and deferred inflows of resources related to retiree healthcare OPEB from the following sources were reported:

	Deferred outflows of resources	Deferred inflows of resources
Governmental activities		
Differences between expected and actual experience	\$ 287,618	\$ 350,017
Change of assumptions	231,227	287,326
Net difference between projected and actual earnings on OPEB plan investments	-	-
Employer contributions subsequent to the measurement date	-	-
Change in proportion	33,477	3,645
Total	<u>\$ 552,322</u>	<u>\$ 640,988</u>
Component unit - Authority		
Differences between expected and actual experience	\$ 26,774	\$ 32,582
Change of assumptions	21,525	26,747
Net difference between projected and actual earnings on OPEB plan investments	-	-
Employer contributions subsequent to the measurement date	-	-
Change in proportion	48	1,093
Total	<u>\$ 48,347</u>	<u>\$ 60,422</u>
Component unit - Public Schools		
Differences between expected and actual experience	\$ -	\$ 658,014
Change of assumptions	213,514	156,998
Employer contributions subsequent to the measurement date	18,560	-
Total	<u>\$ 232,074</u>	<u>\$ 815,012</u>

County of James City, Virginia
Notes to Basic Financial Statements
June 30, 2021

12) Other Post-Employment Benefits (OPEB), Continued

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

Year ended	Governmental Activities	Component unit - Authority	Component unit - Public Schools
2022	\$ (54,082)	\$ (5,992)	\$ (144,368)
2023	(54,082)	(5,992)	(144,368)
2024	(54,085)	(5,993)	(144,369)
2025	(7,841)	(1,675)	(109,400)
2026	81,424	7,577	(68,724)
Thereafter	-	-	9,731
Total	\$ (88,666)	\$ (12,075)	\$ (601,498)

Virginia Retirement System Plans

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

Plan Description

General Employee Health Insurance Credit Program

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

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

	Governmental Activities Number	Component unit- Authority Number	Component unit- Public Schools (non-professional) Number
Inactive members or their beneficiaries currently receiving benefits	178	15	41
Inactive members:			
Vested	-	-	-
Non-vested	-	-	-
Active elsewhere in VRS	-	-	-
Total inactive members	178	15	41
Active members	632	89	233
Total	810	104	274

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

12) Other Post-Employment Benefits (OPEB), Continued

Plan Description, Continued

Group Life Insurance Program

All full-time, salaried permanent employees of the state agencies, teachers and employees of participating political subdivisions are automatically covered by the VRS Group Life Insurance (GLI) Program upon employment.

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

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

Public Schools Professional Plan Health Insurance Credit Program

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

The specific information about the Teacher Health Insurance Credit Program is available at <https://www.varetire.org/retirees/insurance/healthinscredit/index.asp>

Virginia Local Disability Program – Public Schools Non-Professional Plan

All full-time, salaried general employees; including local law enforcement officers, firefighters, or emergency medical technicians of political subdivisions who do not provide enhanced hazardous duty benefits; who are in the VRS Hybrid Retirement Plan benefit structure and whose employer has not elected to opt out of the VRS-sponsored program are automatically covered by the VRS Political Subdivision Employee Virginia Local Disability Program. Political subdivisions are required by Title 51.1 of the *Code of Virginia*, as amended to provide short-term and long-term disability benefits for their Hybrid employees either through a local plan or through the Virginia Local Disability Program (VLDP).

The specific information about the Virginia Local Disability Program is available at <https://www.varetirement.org/hybrid/benefits/disability/virginia-local-disability-program.html>

Virginia Local Disability Program – Public Schools Professional Plan

All full-time, salaried permanent (professional) employees of public school divisions who are in the VRS Hybrid Retirement Plan benefit structure and whose employer has not elected to opt out of the VRS-sponsored program are automatically covered by the VRS Teacher Employee Virginia Local Disability Program. School divisions are required by Title 51.1 of the *Code of Virginia*, as amended to provide short-term and long-term disability benefits for their Hybrid employees either through a local plan or through the Virginia Local Disability Program (VLDP).

The specific information about the Virginia Local Disability Program is available at <https://www.varetirement.org/hybrid/benefits/disability/virginia-local-disability-program.html>

County of James City, Virginia
Notes to Basic Financial Statements
June 30, 2021

12) Other Post-Employment Benefits (OPEB), Continued

Plan Description, Continued

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

Contributions

Contributions to the VRS OPEB programs were based on actuarially determined rates from actuarial valuations as of June 30, 2019. The actuarially determined rates were expected to finance the cost of benefits earned by employees during the year, with an additional amount to fund any unfunded accrued liability. Specific details related to the contributions for the VRS OPEB programs are as follows:

General Employee Health Insurance Credit Program

	Governmental Activities	Component unit - Authority	Component unit - Public Schools (non- professional)
Governed by	Code of Virginia 51.1-1401(E) and may be impacted as a result of funding provided to governmental agencies by the Virginia General Assembly		
Total rate of employee compensation	0.22%	0.18%	0.17%
June 30, 2021 Contribution	\$ 78,543	\$ 8,417	\$ 9,444
June 30, 2020 Contribution	\$ 74,360	\$ 8,413	\$ 9,712

Group Life Insurance Program

	Governmental Activities	Component unit - Authority	Component unit - Public Schools (non- professional)
Governed by	Code of Virginia 51.1-506 and 51.1-508 and may be impacted as a result of funding provided to governmental agencies by the Virginia General Assembly		
Total rate of employee compensation*			1.34%
June 30, 2021 Contribution	\$ 219,323	\$ 25,063	\$ 427,530
June 30, 2020 Contribution	\$ 211,767	\$ 24,492	\$ 429,752

*Rate is allocated 60/40; 0.80% employee and 0.54% employer. Employers may elect to pay all or part of the employee contribution.

County of James City, Virginia
Notes to Basic Financial Statements
June 30, 2021

12) Other Post-Employment Benefits (OPEB), Continued

Public Schools Professional Plan Health Insurance Credit Program

**Component unit - Public
Schools (professional)**

Governed by	<i>Code of Virginia 51.1-1401(E)</i> and may be impacted as a result of funding provided to school divisions by the Virginia General Assembly.	
Total rate of employee compensation		1.21%
June 30, 2021 Contribution	\$	890,724
June 30, 2020 Contribution	\$	905,688

Virginia Local Disability Program – Public Schools Non-Professional Plan

**Component unit - Public
Schools (non-professional)**

Governed by	<i>Code of Virginia 51.1-1178(C)</i> and may be impacted as a result of funding provided to political subdivisions by the Virginia General Assembly.	
Total rate of employee compensation		0.83%
June 30, 2021 Contribution	\$	18,585
June 30, 2020 Contribution	\$	17,451

Virginia Local Disability Program – Public Schools Professional Plan

**Component unit - Public
Schools (professional)**

Governed by	<i>Code of Virginia 51.1-1178(C)</i> and may be impacted as a result of funding provided to school divisions by the Virginia General Assembly.	
Total rate of employee compensation		0.47%
June 30, 2021 Contribution	\$	92,336
June 30, 2020 Contribution	\$	76,043

County of James City, Virginia
Notes to Basic Financial Statements
June 30, 2021

12) Other Post-Employment Benefits (OPEB), Continued

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

The net VRS OPEB liabilities were measured as of June 30, 2020, and the total VRS OPEB liabilities used to calculate the net VRS OPEB liabilities were determined by actuarial valuations performed as of June 30, 2019, and rolled forward to the measurement date of June 30, 2020.

General Employee Health Insurance Credit Program

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

	Total OPEB - HIC liability (a)	Increase (decrease) Plan fiduciary net position (b)	Net OPEB - HIC liability (asset) (a) - (b)
Governmental activities			
Balances at June 30, 2019	\$ 1,393,718	\$ 741,260	\$ 652,458
Changes for the year:			
Service cost	28,624	-	28,624
Interest	91,010	-	91,010
Changes in benefit terms	-	-	-
Changes of assumptions	-	-	-
Difference between expected and actual experience	32,494	-	32,494
Contributions - employer	-	74,360	(74,360)
Contributions - employee	-	-	-
Net investment income	-	14,671	(14,671)
Benefit payments, including refunds of employee contributions	(90,830)	(90,830)	-
Administrative expenses	-	(1,374)	1,374
Other changes	-	(2,240)	2,240
Net changes	61,298	(5,413)	66,711
Balances at June 30, 2020	\$ 1,455,016	\$ 735,847	\$ 719,169
Component unit - Authority			
Balances at June 30, 2019	\$ 167,837	\$ 113,416	\$ 54,421
Changes for the year:			
Service cost	3,812	-	3,812
Interest	11,040	-	11,040
Changes in benefit terms	-	-	-
Changes of assumptions	-	-	-
Difference between expected and actual experience	(113)	-	(113)
Contributions - employer	-	8,413	(8,413)
Contributions - employee	-	-	-
Net investment income	-	2,272	(2,272)
Benefit payments, including refunds of employee contributions	(8,554)	(8,554)	-
Administrative expenses	-	(219)	219
Other changes	-	(1)	1
Net changes	6,185	1,911	4,274
Balances at June 30, 2020	\$ 174,022	\$ 115,327	\$ 58,695
Component unit - Public Schools (non-professional)			
Balances at June 30, 2019	\$ 333,879	\$ 352,052	\$ (18,173)
Changes for the year:			
Service cost	8,604	-	8,604
Interest	21,755	-	21,755
Changes in benefit terms	23,639	-	23,639
Changes of assumptions	-	-	-
Difference between expected and actual experience	(765)	-	(765)
Contributions - employer	-	9,712	(9,712)
Contributions - employee	-	6,935	(6,935)
Net investment income	-	-	-
Benefit payments, including refunds of employee contributions	(23,176)	(23,176)	-
Administrative expenses	-	(657)	657
Other changes	-	(3)	3
Net changes	30,057	(7,189)	37,246
Balances at June 30, 2020	\$ 363,936	\$ 344,863	\$ 19,073

In addition, for the year ended June 30, 2021, the County, Authority, and Public Schools recognized OPEB expense of \$91,059, \$6,136, and \$28,117, respectively, related to the General Employee Health Insurance Credit Program.

County of James City, Virginia
Notes to Basic Financial Statements
June 30, 2021

12) Other Post-Employment Benefits (OPEB), Continued

VRS OPEB Liabilities, VRS OPEB Expense and Deferred Inflows and Outflows of Resources Related to VRS OPEB, Continued

The covered employer's proportion of the net OPEB liabilities were based on the covered employer's actuarially determined employer contributions for the year ended June 30, 2020, relative to the total of the actuarially determined employer contributions for all participating employers.

Group Life Insurance Program

	Governmental Activities	Component unit Authority	Component unit - Public Schools (professional)	Component unit - Public Schools (non- professional)
June 30, 2021 proportionate share of Liability	\$ 3,282,601	\$ 379,494	\$	6,649,311
June 30, 2020 proportion	0.19670%	0.02274%	0.36879%	0.02965%
June 30, 2019 proportion	0.20827%	0.02269%	0.37153%	0.02987%
June 30, 2021 expense	\$ 95,879	\$ 15,417	\$	251,867

Public Schools Professional Plan Health Insurance Credit Program

	Component unit - Public Schools (professional)
June 30, 2021 proportionate share of Liability	\$ 11,226,409
June 30, 2020 proportion	0.86058%
June 30, 2019 proportion	0.86297%
June 30, 2021 expense	\$ 909,203

Virginia Local Disability Program – Public Schools Non-Professional Plan

	Component unit - Public Schools (non-professional)
June 30, 2021 proportionate share of Liability	\$ 6,492
June 30, 2020 proportion	0.65040%
June 30, 2019 proportion	0.68330%
June 30, 2021 expense	\$ 18,672

Virginia Local Disability Program – Public Schools Professional Plan

	Component unit - Public Schools (professional)
June 30, 2021 proportionate share of Liability	\$ 25,138
June 30, 2020 proportion	3.13334%
June 30, 2019 proportion	3.28952%
June 30, 2021 expense	\$ 68,339

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

County of James City, Virginia
Notes to Basic Financial Statements
June 30, 2021

12) Other Post-Employment Benefits (OPEB), Continued

VRS OPEB Liabilities, VRS OPEB Expense and Deferred Inflows and Outflows of Resources Related to VRS OPEB, Continued

At June 30, 2021, the County, Authority, and Public Schools reported deferred outflows of resources and deferred inflows of resources related to VRS OPEB from the following sources:

General Employee Health Insurance Credit Program

	Deferred outflows of resources	Deferred inflows of resources
Governmental activities		
Differences between expected and actual experience	\$ 57,875	\$ -
Change of assumptions	25,690	4,613
Net difference between projected and actual earnings on OPEB plan investments	23,714	-
Employer contributions subsequent to the measurement date	78,543	-
Total	<u>\$ 185,822</u>	<u>\$ 4,613</u>
Component unit - Authority		
Differences between expected and actual experience	\$ -	\$ 7,204
Change of assumptions	2,881	1,705
Net difference between projected and actual earnings on OPEB plan investments	3,800	-
Employer contributions subsequent to the measurement date	8,417	-
Total	<u>\$ 15,098</u>	<u>\$ 8,909</u>
Component unit - Public Schools (non-professional)		
Differences between expected and actual experience	\$ -	\$ 9,850
Change of assumptions	4,804	3,423
Net difference between projected and actual earnings on OPEB plan investments	11,387	-
Employer contributions subsequent to the measurement date	9,444	-
Total	<u>\$ 25,635</u>	<u>\$ 13,273</u>

Group Life Insurance Program

	Deferred outflows of resources	Deferred inflows of resources
Governmental activities		
Differences between expected and actual experience	\$ 210,549	\$ 29,483
Change of assumptions	164,168	68,543
Net difference between projected and actual earnings on OPEB plan investments	98,606	-
Changes in proportionate share	25,220	203,442
Employer contributions subsequent to the measurement date	219,323	-
Total	<u>\$ 717,866</u>	<u>\$ 301,468</u>
Component unit - Authority		
Differences between expected and actual experience	\$ 24,341	\$ 3,409
Change of assumptions	18,979	7,924
Net difference between projected and actual earnings on OPEB plan investments	11,400	-
Changes in proportionate share	4,432	1,102
Employer contributions subsequent to the measurement date	25,063	-
Total	<u>\$ 84,215</u>	<u>\$ 12,435</u>
Component unit - Public Schools		
Differences between expected and actual experience	\$ 426,492	\$ 59,722
Change of assumptions	332,542	138,842
Net difference between projected and actual earnings on OPEB plan investments	199,740	-
Changes in proportionate share	107,405	124,317
Employer contributions subsequent to the measurement date	427,530	-
Total	<u>\$ 1,493,709</u>	<u>\$ 322,881</u>

County of James City, Virginia
Notes to Basic Financial Statements
June 30, 2021

12) Other Post-Employment Benefits (OPEB), Continued

VRS OPEB Liabilities, VRS OPEB Expense and Deferred Inflows and Outflows of Resources Related to VRS OPEB, Continued

Public Schools Professional Plan Health Insurance Credit Program

	Deferred outflows of resources	Deferred inflows of resources
Component Unit - Public Schools (professional)		
Differences between expected and actual experience	\$ -	\$ 149,924
Change of assumptions	221,930	61,338
Net difference between projected and actual earnings on OPEB plan investments	49,751	-
Changes in proportionate share	122,187	174,419
Employer contributions subsequent to the measurement date	890,724	-
Total	<u>\$ 1,284,592</u>	<u>\$ 385,681</u>

Virginia Local Disability Program – Public Schools Non-Professional Plan

	Deferred outflows of resources	Deferred inflows of resources
Component Unit - Public Schools non-professional		
Differences between expected and actual experience	\$ 5,260	\$ 7,622
Change of assumptions	301	434
Net difference between projected and actual earnings on OPEB plan investments	690	-
Changes in proportionate share	29	320
Employer contributions subsequent to the measurement date	18,585	-
Total	<u>\$ 24,865</u>	<u>\$ 8,376</u>

Virginia Local Disability Program – Public Schools Professional Plan

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

The deferred outflows of resources related to VRS OPEB resulting from the County's, Authority's and Public School's contributions subsequent to the measurement date will be recognized as a reduction of the net VRS OPEB liability in the year ended June 30, 2022. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to VRS OPEB will be recognized in VRS OPEB expense (recovery) as follows on the next page:

County of James City, Virginia
Notes to Basic Financial Statements
June 30, 2021

12) Other Post-Employment Benefits (OPEB), Continued

VRS OPEB Liabilities, VRS OPEB Expense and Deferred Inflows and Outflows of Resources Related to VRS OPEB, Continued

General Employee Health Insurance Credit Program

Year ended	Governmental Activities	Component unit - Authority	Component unit - Public Schools (non-professional)
2022	\$ 17,166	\$ (1,293)	\$ (3,252)
2023	22,750	(493)	(62)
2024	22,959	(473)	2,790
2025	23,695	36	3,472
2026	13,050	6	(30)
Thereafter	3,046	(11)	-
Total	\$ 102,666	\$ (2,228)	\$ 2,918

Group Life Insurance Program

Year ended	Governmental Activities	Component unit - Authority	Component unit - Public Schools
2022	\$ 20,143	\$ 6,661	\$ 98,454
2023	47,989	9,881	154,861
2024	71,550	13,064	207,578
2025	68,050	13,398	225,746
2026	(6,031)	3,469	54,533
Thereafter	(4,626)	244	2,126
Total	\$ 197,075	\$ 46,717	\$ 743,298

Public Schools Professional Plan Health Insurance Credit Program

Year ended	Component unit - Public Schools (professional)
2022	\$ (10,168)
2023	(5,236)
2024	(6,889)
2025	3,284
2026	23,539
Thereafter	3,657
Total	\$ 8,187

Virginia Local Disability Program – Public Schools Non-Professional Plan

Year ended	Component unit - Public Schools (non-professional)
2022	\$ 592
2023	579
2024	591
2025	537
2026	(920)
Thereafter	(3,475)
Total	\$ (2,096)

County of James City, Virginia
Notes to Basic Financial Statements
June 30, 2021

12) Other Post-Employment Benefits (OPEB), Continued

VRS OPEB Liabilities, VRS OPEB Expense and Deferred Inflows and Outflows of Resources Related to VRS OPEB, Continued

Virginia Local Disability Program – Public Schools Professional Plan

Year ended	Component unit - Public Schools (professional)
2022	\$ 1,493
2023	1,430
2024	1,409
2025	1,439
2026	764
Thereafter	7,596
Total	<u>\$ 14,131</u>

Actuarial Assumptions

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

Inflation	2.50%
Salary increases, including inflation:	
Locality - general employees	3.5% - 5.35%
Locality - hazardous duty employees	3.5% - 4.75%
Teachers	3.5% - 5.95%
Investment rate of return	6.75%, net of investment expenses, including inflation*

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

Mortality rates used for the various VRS OPEB plans are the same as those used for the actuarial valuations of the VRS pension plans. The mortality rates are discussed in detail at Note 11.

Net VRS OPEB Liabilities

The net VRS OPEB liabilities represent each program's total OPEB liability determined in accordance with GASB Statement No. 74, less the associated fiduciary net position. As of the measurement date of June 30, 2020, net OPEB liability amounts for the various VRS OPEB programs are as follows (amounts expressed in thousands):

	Group Life Insurance OPEB Program	Public Schools Professional HIC OPEB Plan	VLDP - Public Schools Non- Professional Plan	VLDP - Public Schools Professional Plan
Total OPEB Liability	\$ 3,523,937	\$ 1,448,676	\$ 4,317	\$ 3,687
Plan Fiduciary Net Position	1,855,102	144,160	3,317	2,886
Employers' Net OPEB Liability (Asset)	<u>\$ 1,668,835</u>	<u>\$ 1,304,516</u>	<u>\$ 1,000</u>	<u>\$ 801</u>

Plan Fiduciary Net Position as a % of the Total OPEB Liability	52.64%	9.95%	76.84%	78.28%
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The total liability is calculated by the VRS actuary and each plan's fiduciary net position is reported in the VRS financial statements. The net OPEB liability is disclosed in accordance with the requirements of GASB Statement No. 74 in the VRS notes to the financial statements and required supplementary information.

County of James City, Virginia
Notes to Basic Financial Statements
June 30, 2021

12) Other Post-Employment Benefits (OPEB), Continued

Long-Term Expected Rate of Return

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

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

** The above allocation provides for a one-year return of 7.14%. However, one-year returns do not take into account the volatility present in each of the asset classes. In setting the long-term expected rate of return for the system, stochastic projections are employed to model future returns under various economic conditions. The results provide a range of returns over various time periods that ultimately provide a median return of 7.11%, including expected inflation of 2.50%. On October 10, 2019, the VRS Board elected a long-term rate of 6.75% which is roughly at the 40th percentile of expected long-term results of the VRS fund asset allocation. More recent capital market assumptions compiled for the FY2020 actuarial valuations provide a median return of 6.81%.*

Discount Rate

The discount rate used to measure the total VRS OPEB liabilities was 6.75%. The projection of cash flows used to determine the discount rate assumed that System member contributions will be made per the VRS Guidance and the employer contributions will be made in accordance with the VRS funding policy at rates equal to the difference between actuarially determined contribution rates adopted by the VRS Board of Trustees and the member rate. Through the fiscal year ending June 30, 2020, the rate contributed by the employer for the OPEB liabilities will be subject to the portion of the VRS Board-certified rates that are funded by the Virginia General Assembly. From July 1, 2020 on, participating employers are assumed to contribute 100% of the actuarially determined contribution rates. Based on those assumptions, the OPEB plans' fiduciary net position was projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore the long-term expected rate of return was applied to all periods of projected benefit payments to determine the total OPEB liability.

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

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

County of James City, Virginia
Notes to Basic Financial Statements
June 30, 2021

12) Other Post-Employment Benefits (OPEB), Continued

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

General Employee Health Insurance Credit Program

	1% Decrease (5.75%)	Current Discount Rate (6.75%)	1% Increase (7.75%)
Governmental activities			
Net OPEB liability	\$ 879,890	\$ 719,169	\$ 582,733
Component unit - Authority			
Net OPEB liability	\$ 76,967	\$ 58,695	\$ 43,065
Component unit - Public Schools (non-professional)			
Net OPEB liability (Asset)	\$ 53,723	\$ 19,073	\$ (14,430)

Group Life Insurance Program

	1% Decrease (5.75%)	Current Discount Rate (6.75%)	1% Increase (7.75%)
Governmental activities			
Net OPEB liability	\$ 4,315,231	\$ 3,282,601	\$ 2,444,008
Component unit - Authority			
Net OPEB liability	\$ 498,873	\$ 379,494	\$ 282,546
Component unit - Public Schools			
Net OPEB liability	\$ 8,741,029	\$ 6,649,311	\$ 4,950,639

Public Schools Professional Plan Health Insurance Credit Program

	1% Decrease (5.75%)	Current Discount Rate (6.75%)	1% Increase (7.75%)
Component unit - Public Schools (professional)			
Net OPEB liability	\$ 12,566,794	\$ 11,226,409	\$ 10,087,178

Virginia Local Disability Program – Public Schools Non-Professional Plan

	1% Decrease (5.75%)	Current Discount Rate (6.75%)	1% Increase (7.75%)
Component unit - Public Schools (non-professional)			
Net OPEB liability	\$ 8,708	\$ 6,492	\$ 4,562

Virginia Local Disability Program – Public Schools Professional Plan

	1% Decrease (5.75%)	Current Discount Rate (6.75%)	1% Increase (7.75%)
Component unit - Public Schools (professional)			
Net OPEB liability	\$ 39,140	\$ 25,138	\$ 13,055

County of James City, Virginia
Notes to Basic Financial Statements
June 30, 2021

12) Other Post-Employment Benefits (OPEB), Continued

OPEB Plan Fiduciary Net Position

Information about the various VRS OPEB plan fiduciary net position is available in the separately issued VRS 2020 Annual Financial Report (Annual Report). A copy of the 2020 VRS Annual Report may be downloaded from the VRS website at <http://www.varetire.org/Pdf/Publications/2020-annual-report.pdf>, or by writing to the System's Chief Financial Officer at P.O. Box 2500, Richmond, VA, 23218-2500.

Payables to the OPEB Plan

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

Public Schools Group Life Insurance Program:	\$96,064
Public Schools (Professional) Teacher HIC Program:	\$86,613
Public Schools (Professional) Teacher VLDP Plan:	\$9,293

<i>OPEB Expense – Aggregate Information</i>
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The total amount of expense recognized by the County, the Authority, and the Public Schools for their OPEB plans is summarized below for fiscal year 2021:

	Governmental activities	Authority	Public Schools
Retiree healthcare	\$ 332,446	\$ 29,989	\$ 588,547
Group life insurance	95,879	15,417	251,867
General employee health insurance credit program	91,059	6,136	28,117
Public Schools professional plan health insurance credit program	-	-	909,203
Public Schools non-professional Virginia local disability program	-	-	18,672
Public Schools professional Virginia local disability program	-	-	68,339
Total	<u>\$ 519,384</u>	<u>\$ 51,542</u>	<u>\$ 1,864,745</u>

13) Deferred Compensation Plan

The County offers its employees a deferred compensation plan created in accordance with Internal Revenue Code (IRC) Section 457. The plan, available to permanent part-time and full-time County and Authority employees, permits them to defer 25% of their gross income up to the maximum allowable by the IRC (\$19,500 in 2021). The deferred compensation is not available to employees until termination, retirement, death or an unforeseeable emergency.

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

14) Related-Party Transactions

Certain financial management, accounting, and other services are provided to the Authority by the County. The charges for these services amounted to \$1,004,389 for the year ended June 30, 2021. In addition, the County leases space in Authority's buildings under long-term operating leases. The County paid the Authority \$85,680 for the year ended June 30, 2021.

In April 2013, the County entered into a memorandum of understanding (MOU) with the Schools to provide risk management services. The MOU had an initial term of one year with the option of renewal for four additional one year terms and is currently on a monthly basis.

County of James City, Virginia
Notes to Basic Financial Statements
June 30, 2021

15) Risk Management

The County reports all of its risk management expenditures in the General Fund. There were no settlements in excess of the insurance coverage in any of the three prior fiscal years.

The County maintains surety coverage for principal officials through the Virginia Association of Counties Self Insurance Risk Pool. Surety coverage is provided under the general liability coverage with a limit of \$9,000,000. All elected officials, appointed officials, members of all appointed governing bodies, employees and volunteers are covered while acting within the scope of their duties with the County.

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

16) Commitments and Contingencies

Construction in Progress

At June 30, 2021, the County and Authority had several major projects under construction which are presented in the accompanying financial statements as construction in progress. Below are the financial details.

Project	Budget	Expenditures to date	Balance of contract	Budget balance
Primary government - Governmental activities				
General government admin.	\$ 4,060,977	\$ -	\$ 14,295	\$ 4,046,682
Public safety	3,031,837	65,222	410,427	2,556,188
Public works	5,999,977	670,087	846,068	4,483,822
Judicial administration	58,700	-	-	58,700
Health & welfare	2,882	-	-	2,882
Community development	11,417,964	3,529,384	523,665	7,364,915
Parks, recreation and cultural	3,891,959	2,304,370	1,271,317	316,272
Total	<u>\$ 28,464,296</u>	<u>\$ 6,569,063</u>	<u>\$ 3,065,772</u>	<u>\$ 18,829,461</u>
Component unit - Authority				
Sewer improvements	\$ 5,410,275	\$ 1,321,839	\$ 363,389	\$ 3,725,047
Water supply	8,146,326	1,764,734	150,870	6,230,722
Water distribution	12,534,893	1,034,514	5,040,556	6,459,823
Water transmission	877,332	810,575	56,444	10,313
Water storage	185,620	-	-	185,620
Other	4,415,640	227,657	529,962	3,658,021
	<u>\$ 31,570,086</u>	<u>\$ 5,159,319</u>	<u>\$ 6,141,221</u>	<u>\$ 20,269,546</u>

Encumbrances

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

General fund	\$ 1,463,703
Capital projects	3,065,772
Grants and special projects	88,074
Nonmajor governmental	213,529
Total	<u>\$ 4,831,078</u>

County of James City, Virginia
Notes to Basic Financial Statements
June 30, 2021

16) Commitments and Contingencies, Continued

Advances for Construction

The Authority records advances for construction representing two separate agreement types. Funds can be advanced by developers for the construction of specific facilities. These agreements call for rebates, up to the amount advanced, and have no expiration date. Developers can also construct a facility, dedicate it to the Authority and receive rebates up to the cost of the facility for up to 10 years. The Authority no longer enters into these types of agreements. At June 30, 2021, the Authority had \$32,902 outstanding in advances for construction.

Operating Leases

The County leases certain land and office space under noncancelable operating lease agreements. Rental expenditures related to these lease agreements were \$268,017 for the year ended June 30, 2021. In August 2021, the County purchased property that had previously been leased. The future minimum lease payments provided below reflect this purchase. Further information on the purchase is provided in Note 20.

The Public Schools lease equipment and buildings under noncancelable operating leases. Total costs for such leases were approximately \$391,273 for the year ended June 30, 2021.

The future minimum lease payments for these leases are as follows:

<u>Year ending June 30:</u>	<u>Primary government - governmental activities</u>	<u>Component unit - Public Schools</u>
2022	\$ 82,448	\$ 365,145
2023	45,181	256,317
2024	45,371	161,535
2025	45,949	48,332
2026	45,949	896
2027-2029	139,218	-
Total	<u>\$ 404,116</u>	<u>\$ 832,225</u>

Other

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

The County, the Public Schools and the Development Authority are currently not involved in any litigation in which management deems any potential impact would be material to their respective financial statements.

17) Tax Abatements

The Development Authority negotiates tax abatements as part of the Enterprise Zone Grant Program, the purpose of which is to bring new commercial and industrial businesses to the County. To be eligible for this program, the business must be located in one of the two Enterprise Zones in the County and make a capital investment of \$500,000 or more in a commercial or industrial project. Depending on the investment, the taxes abated are Real Estate or Machinery & Tools. The abatement is determined by taking the improvement value of the tax assessment for qualified capital investments and applying the following percentages:

	<u>Real Estate</u>	<u>Machinery & Tools</u>
Year 1	0.45%	0.50%
Year 2	0.36%	0.40%
Year 3	0.27%	0.30%
Year 4	0.18%	0.20%
Year 5	0.09%	0.10%

County of James City, Virginia
Notes to Basic Financial Statements
June 30, 2021

17) Tax Abatements, Continued

As of June 30, 2021, the County had 4 tax abatement agreements for Real Estate taxes as follows:

<u>Tax Abatement Program</u>	<u>Tax Amount</u> <u>Abated</u>
Enterprise Zone Grant Program - Real Estate	\$ 2,568

The Development Authority has a performance agreement with a business related to machinery and tools. The business is to make additional investments in their operations, which would increase their machinery and tools tax paid to the County. If the business meets a specified threshold of machinery and tools tax paid for five calendar years, the Development Authority and County will refund 10% of the total machinery and tools tax paid. Based on the terms of the agreement, the Development Authority paid \$47,199 to the business in fiscal year 2021, and the County recorded a payable due to the Development Authority in the same amount for the incentive.

18) COVID-19

During fiscal year 2021, the novel coronavirus disease (COVID-19) impacted the operational and financial activities of the County.

To offset anticipated revenue losses related to COVID-19, the County implemented restrictions on spending and a hiring freeze as part of the fiscal year 2021 budget. Expenditures related to travel, training, and other discretionary costs, including tuition assistance for employees, were limited or put on hold in an effort to conserve funds.

To assist with costs incurred that were necessary due to COVID-19, the County utilized relief funds to help protect its citizens and staff during the pandemic. Given the unanticipated nature of COVID-19, these costs were not included in the County's fiscal year 2021 budget, but instead were appropriated into the applicable special revenue fund as the funds were awarded.

In June and August 2020, the County received two allocations from the State totaling \$13,352,674 for its share of Coronavirus Aid, Relief, and Economic Security (CARES) Act funding from the federal government. Per guidance from the State and federal government, these funds are to be used for expenditures that are: (1) necessary due to COVID-19, (2) not previously included in the fiscal year 2020 budget, and (3) incurred before December 17, 2021. During fiscal year 2021, the County incurred \$3,540,319 of eligible expenditures under the CARES Act and recognized federal revenue in the same amount. In fiscal year 2020, the County utilized \$6,561,664 of CARES Act funding. As of June 30, 2021, the amount of CARES Act funding remaining is \$3,250,691, which is reported as unearned revenue for fiscal year 2021. The County intends to expend all CARES Act funding on or before December 17, 2021.

Throughout fiscal year 2021, the County was awarded relief funding from various sources to be used for specific purposes related to the COVID-19 pandemic. This funding included municipal utility assistance, broadband expansion funding, housing assistance, and support for health and safety expenditures during the November 2020 election.

The County also incurred charges during fiscal year 2021 related to COVID-19 that are eligible for reimbursement by the Federal Emergency Management Agency (FEMA). These costs totaled \$197,369 for fiscal year 2021 and primarily supported the operation of a vaccination clinic and personal protective equipment purchases.

In May 2021, the County received its first allocation of American Rescue Plan Act (ARPA) funding in the amount of \$7,431,848. This amount is reported as unearned revenue as of June 30, 2021, and the County intends to expend these funds, as well as a second ARPA allocation of \$7,431,848 anticipated in May 2022, by the federal deadline of December 31, 2026.

As a result of COVID-19, the County closed its Parks and Recreation facilities and adjusted the operations of its other departments during fiscal year 2021 in order to limit social interactions and help to prevent the spread of the virus. As a result of these changes, the County experienced decreases in fee revenue and charges for services.

County of James City, Virginia
Notes to Basic Financial Statements
June 30, 2021

18) COVID-19, Continued

In addition, to mitigate the spread of the virus, social distancing measures were encouraged and executive orders were issued by the Governor of Virginia that placed restrictions on how businesses could operate. As a result of these restrictions, as well as changes in consumer behavior and financial hardships related to the pandemic, the County experienced decreases during fiscal year 2021 in certain revenues, such as restaurant food taxes, hotel and motel room taxes, and business and professional license taxes, compared to fiscal years prior to the pandemic.

The costs of convenience fees typically charged to citizens on credit card or other electronic payments made to the County were waived in an effort to allow transactions to occur remotely rather than in-person and, thereby, limit potential exposures. These costs will continue to be absorbed by the County through December 2021.

The extent to which COVID-19 may impact the County's operations and financial condition in subsequent fiscal years will depend on future developments, which remain uncertain and cannot be predicted due to the evolving nature of this situation. As a result, the County cannot reasonably estimate the future impact of COVID-19 at this time.

19) Restatement

The County's net position as of the beginning of fiscal year 2021 was restated to reflect an adjustment to related to the County's pension and health insurance credit (HIC) OPEB plans. During fiscal year 2019, the Commission and the Transit Authority separated from the County's VRS pension and OPEB plans, at which time actuarial information for the Commission and Transit Authority's separate plans was not available. Comparative prior year information, to the extent presented, has not been restated because the necessary information is not available. In fiscal year 2021, VRS provided the County with a completed separate actuarial valuation, including details on its pension and OPEB expenses, liabilities, and deferred outflows related to prior years, and the related balances have been adjusted as follows:

	6/30/2020 Previously Reported	Restatement	6/30/2020 As Restated
Net pension liability	\$ (19,504,820)	\$ 385,799	\$ (19,119,021)
Pension deferred outflow of resources	\$ 9,256,193	\$ (181,232)	\$ 9,074,961
Pension deferred inflow of resources	\$ (2,191,393)	\$ (102,165)	\$ (2,293,558)
Net OPEB HIC liability	\$ (688,999)	\$ 36,541	\$ (652,458)
Net position - unrestricted	\$ (96,534,809)	\$ (138,943)	\$ (96,673,752)
Total net position	\$ (323,407,814)	\$ -	\$ (323,546,757)

In fiscal year 2021, the County adopted GASB Statement No. 84, *Fiduciary Activities*, as discussed in Note 1 of these disclosures. As a result, the County's financial statements include a statement of fiduciary net position and a statement of changes in fiduciary net position which reflect certain activities as custodial funds of the County. In prior fiscal years, these activities were presented as agency funds of the County.

20) Subsequent Events

In August 2021, the County purchased three parcels of land located on Ironbound Road for \$6,501,869. The property is approximately 4.82 acres and includes three office buildings adjacent to the Williamsburg-James City County Courthouse. The County has identified current and future needs for the property, including space for Colonial Community Corrections, the Court Services Unit, and the General Registrar, among other space needs.

In August 2021, the Economic Development Authority approved Virginia Williamsburg Landing Inc.'s request for the issuance of \$85,000,000 of revenue bonds to refinance previously issued bonds and to finance other capital projects. In accordance with the Internal Revenue Code, the County approved this issuance in September 2021. These bonds represent conduit debt and although conduit debt bears the name of the issuer, which is the Economic Development Authority, neither the issuer nor the County has an obligation for the repayment of these bonds.

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Required Supplementary Information Other Than MD&A

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County of James City, Virginia
General Fund

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

County of James City, Virginia

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

General Fund

Year ended June 30, 2021

Fund, major and minor revenue source	Original budget	Final budget	Actual	Variance positive (negative)
Revenue from local sources:				
General property taxes:				
Real property taxes	\$ 102,825,000	\$ 102,825,000	\$ 104,605,772	\$ 1,780,772
Real and personal public service corporation property taxes	3,050,000	3,050,000	5,503,828	2,453,828
Personal property taxes	25,610,000	25,610,000	27,378,654	1,768,654
Machinery and tools taxes	6,000,000	6,000,000	6,117,030	117,030
Penalties	525,000	525,000	819,832	294,832
Interest	270,000	270,000	340,998	70,998
Total general property taxes	138,280,000	138,280,000	144,766,114	6,486,114
Other local taxes:				
Local sales and use taxes	9,450,000	9,450,000	16,926,681	7,476,681
Franchise license taxes	616,250	616,250	1,129,689	513,439
Taxes on recordation and wills	977,500	977,500	2,037,303	1,059,803
Hotel and motel room taxes	1,487,500	1,487,500	2,301,770	814,270
Restaurant food taxes	6,795,000	6,795,000	5,781,318	(1,013,682)
Deeds of conveyance	323,000	323,000	483,289	160,289
Penalties	-	-	51,910	51,910
Interest	-	-	11,104	11,104
Total other local taxes	19,649,250	19,649,250	28,723,064	9,073,814
Permits, privilege fees and regulatory licenses:				
Animal licenses	10,000	10,000	11,944	1,944
Business licenses	4,500,000	4,500,000	6,397,075	1,897,075
Motor vehicle licenses	189,000	189,000	179,430	(9,570)
Building permits	855,000	855,000	976,908	121,908
Permits and other licenses	722,000	722,000	788,901	66,901
Total permits, privilege fees and regulatory licenses	6,276,000	6,276,000	8,354,258	2,078,258
Fines and forfeitures	250,000	253,000	154,314	(98,686)
Use of money and property	200,000	200,000	209,975	9,975
Charges for services:				
Excess fees - Clerk of Court	143,000	155,284	310,163	154,879
Charges for Commonwealth's attorney	6,000	6,000	5,098	(902)
Charges for law enforcement and traffic control	124,200	124,200	143,195	18,995
Charges for emergency medical services	1,890,000	1,890,000	2,072,126	182,126
Charges for parks and recreation	3,408,800	3,408,800	2,280,933	(1,127,867)
Recycling fees	765,000	765,000	995,377	230,377
Landfill user fees	306,000	306,000	461,458	155,458
Other fees	151,000	160,000	72,960	(87,040)
Total charges for services	6,794,000	6,815,284	6,341,310	(473,974)
Miscellaneous revenue:				
Sale of property	90,000	90,000	81,155	(8,845)
Miscellaneous	119,550	107,550	2,040,349	1,932,799
Total miscellaneous revenue	209,550	197,550	2,121,504	1,923,954
Total revenue from local sources	171,658,800	171,671,084	190,670,539	18,999,455

(Continued)

Revenue from the Commonwealth:

Noncategorical aid:

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

County of James City, Virginia

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

General Fund

Year ended June 30, 2021

Fund, major and minor revenue source	Original budget	Final budget	Actual	Variance positive (negative)
Mobile home titling taxes	\$ 36,000	\$ 36,000	\$ 55,308	\$ 19,308
Tax on deeds	-	-	-	-
Railroad rolling stock taxes	50,000	50,000	52,527	2,527
Personal property tax relief	9,770,000	9,770,000	9,770,137	137
Communications sales and use tax	840,000	840,000	1,255,051	415,051
Car rental tax	72,000	72,000	34,560	(37,440)
Other	-	-	37,584	37,584
Total noncategorical aid	10,768,000	10,768,000	11,205,167	437,167
Categorical aid:				
Shared expenses:				
Commonwealth's attorney	605,000	605,000	604,944	(56)
Sheriff	761,000	761,000	756,697	(4,303)
Commissioner of the revenue	185,000	185,000	185,380	380
Treasurer	178,000	178,000	183,052	5,052
Registrar/electoral board	56,000	56,000	49,916	(6,084)
Clerk of the circuit court	530,000	530,000	521,805	(8,195)
Total shared expenses	2,315,000	2,315,000	2,301,794	(13,206)
Other categorical aid:				
Wireless Board	135,000	135,000	243,768	108,768
Commission of the arts	4,500	4,500	4,500	-
HB 599 payments	1,468,500	1,468,500	1,468,557	57
Share of state sales tax	7,965,000	14,224,708	14,224,708	-
DMV Satellite Office	76,000	76,000	106,202	30,202
DMV Mounts Bay Office	29,000	29,000	72,821	43,821
Total other categorical aid	9,678,000	15,937,708	16,120,556	182,848
Total categorical aid	11,993,000	18,252,708	18,422,350	169,642
Total revenue from the Commonwealth	22,761,000	29,020,708	29,627,517	606,809
Revenue from the federal government:				
Payments in lieu of taxes	8,200	8,200	8,349	149
CARES Act provider relief	-	-	-	-
Total revenue from the federal government	8,200	8,200	8,349	149
Fund balance				
School fund balance	1,810,400	1,810,400	-	(1,810,400)
Total revenues	\$ 196,238,400	\$ 202,510,392	\$ 220,306,405	\$ 17,796,013

(Continued)

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

County of James City, Virginia

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

General Fund

Year ended June 30, 2021

Fund, major and minor expenditure source	Original budget	Final budget	Actual	Variance positive (negative)
General government administration:				
Legislative:				
Board of supervisors	\$ 151,299	\$ 149,899	\$ 138,176	\$ 11,723
General and financial administration:				
County administrator	876,718	980,644	980,256	388
County attorney	481,779	488,629	474,344	14,285
Human resources	543,667	638,401	473,831	164,570
Legal services	45,500	45,500	28,044	17,456
Commissioner of the revenue	949,338	955,008	876,382	78,626
Real estate assessments	702,196	708,719	620,617	88,102
Treasurer	1,204,319	1,223,669	964,990	258,679
Financial management	1,249,248	1,259,918	1,209,345	50,573
Accounting	217,774	243,424	238,313	5,111
IT Infrastructure	1,955,226	2,104,361	1,701,410	402,951
Purchasing	296,870	304,320	300,338	3,982
IT Core Applications	1,422,131	1,496,018	1,332,384	163,634
Information technology	1,113,677	1,184,483	1,038,498	145,985
Satellite office	218,005	219,769	162,667	57,102
Fleet maintenance	1,022,673	1,174,833	1,171,649	3,184
Total general and financial administration	12,299,121	13,027,696	11,573,068	1,454,628
Board of elections:				
Voter registration and elections	565,796	567,006	490,823	76,183
Total general government administration	13,016,216	13,744,601	12,202,067	1,542,534
Judicial administration:				
Courts:				
Circuit court and judicial services	572,284	569,622	518,287	51,335
General district court	39,353	24,353	16,217	8,136
Juvenile and domestic relations district court	19,008	23,555	18,446	5,109
Clerk of the circuit court	809,838	827,582	821,132	6,450
Sheriff	1,515,102	1,559,606	1,309,910	249,696
9th judicial district	6,427	20,727	17,579	3,148
Court services and juvenile detention	271,665	280,965	277,499	3,466
Courthouse	579,971	590,706	480,768	109,938
Total courts	3,813,648	3,897,116	3,459,838	437,278
Commonwealth's attorney	1,064,746	1,112,961	1,093,345	19,616
Total judicial administration	4,878,394	5,010,077	4,553,183	456,894
Public safety:				
Law enforcement and traffic control:				
Police department	11,328,508	11,671,185	11,082,299	588,886
Emergency communications	3,359,896	3,227,387	3,077,847	149,540
Total law enforcement and traffic control	14,688,404	14,898,572	14,160,146	738,426
Fire and rescue services:				
Fire department and emergency medical services	12,557,186	13,027,009	12,930,490	96,519
Correction and detention:				
Regional jail	2,277,590	2,277,590	2,275,590	2,000
Inspections:				
Building and safety permits	1,334,904	1,366,504	1,282,004	84,500
Other protection:				
Animal control	162,799	181,709	174,343	7,366
Emergency management	258,037	259,647	187,943	71,704
Total other protection	420,836	441,356	362,286	79,070
Total public safety	31,278,920	32,011,031	31,010,516	1,000,515
(Continued)				
Public works:				
Sanitation and waste removal:				
Grounds maintenance	\$ 2,001,961	\$ 2,360,160	\$ 2,038,736	\$ 321,424
Solid waste and recycling	2,004,539	2,172,406	2,109,456	62,950
Total sanitation and waste removal	4,006,500	4,532,566	4,148,192	384,374

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

County of James City, Virginia

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

General Fund

Year ended June 30, 2021

Fund, major and minor expenditure source	Original budget	Final budget	Actual	Variance positive (negative)
Maintenance of general buildings and grounds:				
Facilities management	4,763,305	4,847,146	4,370,531	476,615
Total public works	8,769,805	9,379,712	8,518,723	860,989
Health and human services:				
Local health department	788,106	788,106	727,286	60,820
Behavioral health and development services	1,732,000	1,732,000	1,732,000	-
Total health and human services	2,520,106	2,520,106	2,459,286	60,820
Education:				
School board administration	92,720,422	98,980,130	90,842,208	8,137,922
Parks, recreation and cultural:				
Parks and recreation:				
Administration	5,554,649	5,590,181	5,185,123	405,058
Community centers	323,194	352,936	221,366	131,570
Park operations	409,948	607,176	330,228	276,948
Recreation services	368,995	289,338	184,190	105,148
Total parks and recreation	6,656,786	6,839,631	5,920,907	918,724
Library:				
Regional library	4,933,357	4,933,357	4,933,357	-
Total parks, recreation and cultural	11,590,143	11,772,988	10,854,264	918,724
Community development:				
Planning and community development:				
Planning	933,754	1,138,451	909,361	229,090
Community Development	347,119	384,529	383,685	844
Zoning enforcement	353,858	366,208	357,270	8,938
Economic development	496,635	482,825	422,906	59,919
Contributions – other	987,721	987,721	930,960	56,761
Regional transportation	708,761	708,761	637,885	70,876
Total planning and community development	3,827,848	4,068,495	3,642,067	426,428
Environmental management:				
Stormwater & Resource protection	2,023,189	2,217,621	1,907,854	309,767
Total community development	5,851,037	6,286,116	5,549,921	736,195
Nondepartmental:				
Miscellaneous	100,000	300,000	-	300,000
Health insurance	-	-	-	-
Total nondepartmental	100,000	300,000	-	300,000
Total expenditures	170,725,043	180,004,761	165,990,168	14,014,593
Excess of revenues over expenditures	25,513,357	22,505,631	54,316,237	31,810,606
Other financing sources (uses):				
Transfers in	70,000	134,800	133,771	(1,029)
Transfers out	(25,583,357)	(28,504,716)	(26,483,475)	2,021,241
Total other financing sources (uses)	(25,513,357)	(28,369,916)	(26,349,704)	2,020,212
Net change in fund balance	-	(5,864,285)	27,966,533	33,830,818
Fund balance at beginning of year	-	5,864,285	59,580,371	53,716,086
Fund balance at end of year	\$ -	\$ -	\$ 87,546,904	\$ 87,546,904

County of James City, Virginia
Grants and Special Projects Fund

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

County of James City, Virginia
Schedule of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual (Unaudited)
Grants and Special Projects Fund
Year ended June 30, 2021

	Original Budget	Revised Budget	Actual	Variance positive (negative)
Revenues:				
Miscellaneous	\$ -	\$ 580,943	\$ 419,409	\$ (161,534)
Intergovernmental:				
Local	-	1,917,506	1,019,251	(898,255)
Commonwealth	898,832	1,550,804	1,491,895	(58,909)
Federal	39,978	15,250,171	4,954,766	(10,295,405)
Total revenues	<u>938,810</u>	<u>19,299,424</u>	<u>7,885,321</u>	<u>(11,414,103)</u>
Expenditures:				
Current:				
General government administration	-	14,434,047	3,037,311	11,396,736
Judicial administration	120,000	459,189	394,533	64,656
Public safety	39,978	646,959	1,554,242	(907,283)
Public works	-	12,632	25,794	(13,162)
Health and human services	1,143,832	1,708,832	1,884,074	(175,242)
Education	-	858,023	423,781	434,242
Parks, recreation and cultural	-	189,200	90,341	98,859
Community development	725,000	2,156,025	359,519	1,796,506
Total expenditures	<u>2,028,810</u>	<u>20,464,907</u>	<u>7,769,595</u>	<u>12,695,312</u>
Excess of revenues over expenditures	(1,090,000)	(1,165,483)	115,726	1,281,209
Other financing sources:				
Operating transfers in	590,000	665,483	665,483	-
Total other financing sources:	<u>590,000</u>	<u>665,483</u>	<u>665,483</u>	<u>-</u>
Net change in fund balance	(500,000)	(500,000)	781,209	(1,281,209)
Fund balance, beginning of year	500,000	500,000	7,150,384	(6,650,384)
Fund balance, end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 7,931,593</u>	<u>\$ (7,931,593)</u>

See accompanying independent auditor's report.

County of James City, Virginia
Schedule of Changes in the Net Pension Liability and Related Ratios (1)
Required Supplementary Information (Unaudited)

Year ended June 30,*	Governmental Activities - County						
	2015	2016	2017	2018	2019	2020	2021
Total pension liability							
Service cost	\$ 4,376,092	\$ 4,416,137	\$ 4,398,469	\$ 4,344,463	\$ 4,233,955	\$ 4,329,341	\$ 4,498,054
Interest	9,996,496	10,586,624	11,164,260	11,561,915	12,034,506	12,600,514	12,930,800
Changes of benefit terms	-	-	-	-	-	(4,186,347)	3,287,161
Differences between expected and actual experience	-	252,227	(2,733,673)	(554,290)	(258,300)	1,286,792	4,023,942
Changes in assumptions	-	-	-	(1,296,832)	-	5,993,876	-
Benefit payments, including refunds of employee contributions	(5,223,843)	(6,660,511)	(7,345,595)	(6,950,943)	(7,656,974)	(8,191,674)	(8,736,556)
Net change in total pension liability	<u>9,148,745</u>	<u>8,594,477</u>	<u>5,483,461</u>	<u>7,104,313</u>	<u>8,353,187</u>	<u>11,832,502</u>	<u>16,003,401</u>
Total pension liability, beginning	<u>145,419,002</u>	<u>154,567,747</u>	<u>163,162,224</u>	<u>168,645,685</u>	<u>175,749,998</u>	<u>184,103,185</u>	<u>195,935,687</u>
Total pension liability, ending (a)	<u>\$ 154,567,747</u>	<u>\$ 163,162,224</u>	<u>\$ 168,645,685</u>	<u>\$ 175,749,998</u>	<u>\$ 184,103,185</u>	<u>\$ 195,935,687</u>	<u>\$ 211,939,088</u>
Plan fiduciary net position							
Contributions - employer	4,362,691	4,065,806	4,133,647	3,536,962	3,660,271	3,662,166	3,904,631
Contributions - employee	1,909,429	1,844,202	1,870,648	1,934,998	1,952,900	2,023,105	1,927,807
Net investment income	18,931,089	6,365,577	2,508,354	17,721,493	11,930,106	11,422,082	3,361,921
Benefit payments, including refunds of employee contributions	(5,223,843)	(6,660,511)	(7,345,595)	(6,950,943)	(7,656,974)	(8,191,674)	(8,736,556)
Administrative expense	(100,186)	(86,580)	(89,515)	(101,649)	(102,499)	(112,707)	(117,595)
Other	998	(1,349)	(1,066)	(15,816)	(10,651)	(3,597,077)	12,497
Net change in plan fiduciary net position	<u>19,880,178</u>	<u>5,527,145</u>	<u>1,076,473</u>	<u>16,125,045</u>	<u>9,773,153</u>	<u>5,205,895</u>	<u>352,705</u>
Plan fiduciary net position, beginning	<u>119,228,777</u>	<u>139,108,955</u>	<u>144,636,100</u>	<u>145,712,573</u>	<u>161,837,618</u>	<u>171,610,771</u>	<u>176,816,666</u>
Plan fiduciary net position, ending (b)	<u>139,108,955</u>	<u>144,636,100</u>	<u>145,712,573</u>	<u>161,837,618</u>	<u>171,610,771</u>	<u>176,816,666</u>	<u>177,169,371</u>
Net pension liability (asset) (a) - (b)	<u>\$ 15,458,792</u>	<u>\$ 18,526,124</u>	<u>\$ 22,933,112</u>	<u>\$ 13,912,380</u>	<u>\$ 12,492,414</u>	<u>\$ 19,119,021</u>	<u>\$ 34,769,717</u>
Plan fiduciary net position as a percentage of the total pension liability	90.00%	88.65%	86.40%	92.08%	93.21%	90.24%	83.59%
Covered payroll	\$ 37,347,889	\$ 36,788,968	\$ 37,681,907	\$ 38,853,860	\$ 40,475,381	\$ 40,710,451	\$ 40,413,598
Net pension liability (asset) as a percentage of the total covered payroll	41.39%	50.36%	60.86%	35.81%	30.86%	46.96%	86.03%

(1) This schedule is intended to present 10 years of information. GASB 68 and 71 were implemented in fiscal year 2015, and additional years will be presented as the information becomes available.

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

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

County of James City, Virginia
Schedule of Changes in the Net Pension Liability and Related Ratios (1)
Required Supplementary Information (Unaudited)

Year ended June 30,*	Component Unit - Service Authority						
	2015	2016	2017	2018	2019	2020	2021
Total pension liability							
Service cost	\$ 417,066	\$ 430,269	\$ 404,294	\$ 411,137	\$ 379,365	\$ 378,585	\$ 400,579
Interest	913,818	978,647	1,032,165	1,104,651	1,132,686	1,198,755	1,265,059
Changes of benefit terms	-	-	-	-	-	-	26,989
Differences between expected and actual experience	-	(146,331)	128,139	(213,521)	62,537	182,506	(172,618)
Changes in assumptions	-	-	-	(335,427)	-	546,875	-
Benefit payments, including refunds of employee contributions	(376,365)	(433,146)	(562,945)	(495,181)	(637,522)	(623,967)	(756,401)
Net change in total pension liability	954,519	829,439	1,001,653	471,659	937,066	1,682,754	763,608
Total pension liability, beginning	13,242,723	14,197,242	15,026,681	16,028,334	16,499,993	17,437,059	19,119,813
Total pension liability, ending (a)	<u>\$ 14,197,242</u>	<u>\$ 15,026,681</u>	<u>\$ 16,028,334</u>	<u>\$ 16,499,993</u>	<u>\$ 17,437,059</u>	<u>\$ 19,119,813</u>	<u>\$ 19,883,421</u>
Plan fiduciary net position							
Contributions - employer	308,820	329,381	336,720	288,588	297,525	235,463	243,251
Contributions - employee	197,188	193,349	197,261	210,624	204,311	212,351	220,872
Net investment income	1,802,418	612,704	245,617	1,734,000	1,174,317	1,128,516	340,716
Benefit payments, including refunds of employee contributions	(376,365)	(433,146)	(562,945)	(495,181)	(637,522)	(623,967)	(756,401)
Administrative expense	(9,511)	(8,173)	(8,604)	(9,804)	(10,045)	(11,054)	(11,611)
Other	95	(130)	(104)	(1,553)	(1,050)	(713)	(403)
Net change in plan fiduciary net position	1,922,645	693,985	207,945	1,726,674	1,027,536	940,596	36,424
Plan fiduciary net position, beginning	11,335,104	13,257,749	13,951,734	14,159,679	15,886,353	16,913,889	17,854,485
Plan fiduciary net position, ending (b)	<u>13,257,749</u>	<u>13,951,734</u>	<u>14,159,679</u>	<u>15,886,353</u>	<u>16,913,889</u>	<u>17,854,485</u>	<u>17,890,909</u>
Net pension liability (asset) (a) - (b)	<u>\$ 939,493</u>	<u>\$ 1,074,947</u>	<u>\$ 1,868,655</u>	<u>\$ 613,640</u>	<u>\$ 523,170</u>	<u>\$ 1,265,328</u>	<u>\$ 1,992,512</u>
Plan fiduciary net position as a percentage of the total pension liability	93.38%	92.85%	88.34%	96.28%	97.00%	93.38%	89.98%
Covered payroll	\$ 3,943,666	\$ 3,897,762	\$ 4,026,779	\$ 4,083,082	\$ 4,230,543	\$ 4,445,820	\$ 4,673,979
Net pension liability (asset) as a percentage of the total covered payroll	23.82%	27.58%	46.41%	15.03%	12.37%	28.46%	42.63%

(1) This schedule is intended to present 10 years of information. GASB 68 and 71 were implemented in fiscal year 2015, and additional years will be presented as the information becomes available.

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

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

County of James City, Virginia
Schedule of Changes in the Net Pension Liability and Related Ratios (1)
Required Supplementary Information (Unaudited)

Year ended June 30,*	Component Unit - Public Schools' Non-Professional					
	2015	2016	2017	2018	2019	2020
Total pension liability						
Service cost	\$ 507,972	\$ 526,136	\$ 540,481	\$ 523,460	\$ 506,887	\$ 485,858
Interest	1,021,383	1,087,945	1,157,021	1,222,200	1,254,419	1,297,224
Changes of benefit terms	-	-	-	-	-	-
Differences between expected and actual experience	-	(13,491)	(122,658)	(318,599)	(287,441)	(426,300)
Changes in assumptions	-	-	-	(236,957)	-	528,041
Benefit payments, including refunds of employee contributions	(570,189)	(586,736)	(640,852)	(646,577)	(813,097)	(911,625)
Net change in total pension liability	959,166	1,013,854	933,992	543,527	660,768	973,198
Total pension liability, beginning	14,876,279	15,835,445	16,849,299	17,783,291	18,326,818	18,987,586
Total pension liability, ending (a)	\$ 15,835,445	\$ 16,849,299	\$ 17,783,291	\$ 18,326,818	\$ 18,987,586	\$ 19,960,784
Plan fiduciary net position						
Contributions - employer	435,519	372,141	369,942	233,501	224,276	173,657
Contributions - employee	237,728	256,454	256,786	257,483	249,325	268,278
Net investment income	2,265,304	764,646	309,381	2,158,117	1,451,191	1,377,110
Benefit payments, including refunds of employee contributions	(570,189)	(586,736)	(640,852)	(646,577)	(813,097)	(911,625)
Administrative expense	(12,002)	(10,296)	(10,703)	(12,355)	(12,546)	(13,730)
Other	120	(162)	(130)	(1,926)	(1,291)	(866)
Net change in plan fiduciary net position	2,356,480	796,047	284,424	1,988,243	1,097,858	892,824
Plan fiduciary net position, beginning	14,283,651	16,640,131	17,436,178	17,720,602	19,708,845	20,806,703
Plan fiduciary net position, ending (b)	16,640,131	17,436,178	17,720,602	19,708,845	20,806,703	21,699,527
Net pension liability (asset) (a) - (b)	\$ (804,686)	\$ (586,879)	\$ 62,689	\$ (1,382,027)	\$ (1,819,117)	\$ (1,738,743)
Plan fiduciary net position as a percentage of the total pension liability	105.08%	103.48%	99.65%	107.54%	109.58%	108.71%
Covered payroll	\$ 4,812,365	\$ 5,154,307	\$ 5,123,850	\$ 5,000,257	\$ 4,802,484	\$ 4,905,565
Net pension liability (asset) as a percentage of the total covered payroll	-16.72%	-11.39%	1.22%	-27.64%	-37.88%	-35.44%

(1) This schedule is intended to present 10 years of information. GASB 68 and 71 were implemented in fiscal year 2015, and additional years will be presented as the information becomes available.

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

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

County of James City, Virginia
Schedule of Employer's Share of Net Pension Liability (1)
Required Supplementary Information (Unaudited)

Year ended June 30,*	Component Unit - Public Schools' Professional						
	2015	2016	2017	2018	2019	2020	2021
Employer's proportion of the net pension liability	0.85987%	0.87896%	0.87104%	0.86356%	0.84943%	0.86221%	0.85779%
Employer's proportionate share of the net pension liability	\$ 103,913,000	\$ 110,629,000	\$ 122,069,000	\$ 106,201,000	\$ 99,893,000	\$ 113,471,736	\$ 124,830,972
Employer's covered payroll	\$ 62,882,350	\$ 65,034,559	\$ 65,800,057	\$ 67,052,585	\$ 67,353,977	\$ 70,456,378	\$ 72,905,344
Employer's proportionate share of the net pension liability as a percentage of its covered payroll	165.25%	170.11%	185.52%	158.38%	148.31%	161.05%	171.22%
Plan fiduciary net position as a percentage of the total pension liability	70.88%	70.68%	68.28%	72.92%	74.81%	73.51%	71.47%

(1) This schedule is intended to present 10 years of information. GASB 68 and 71 were implemented in fiscal year 2015, and additional years will be presented as the information becomes available.

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

County of James City, Virginia
Schedule of Employer Pension Contributions
Required Supplementary Information (Unaudited)
Years ended June 30, 2020, 2019, 2018, 2017, 2016 and 2015 (1)

Primary Government - Governmental Activities - County					
Fiscal Year	Contractually required contribution	Contributions in relation to contractually required contribution	Contribution deficiency (excess)	Employer's covered payroll	Contributions as a % of covered payroll
2015	\$ 4,090,933	\$ 4,091,153	\$ 220	\$ 36,788,968	11.12%
2016	4,190,228	4,190,244	16	37,681,907	11.12%
2017	3,640,607	3,640,677	70	38,853,860	9.37%
2018	3,792,543	3,793,308	765	40,475,381	9.37%
2019	3,814,569	3,816,392	1,823	40,710,451	9.37%
2020	4,085,815	4,085,863	48	40,413,598	10.11%
2021	4,535,863	4,535,863	-	40,918,484	11.09%

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

Component Unit - JCSA					
Fiscal Year	Contractually required contribution	Contributions in relation to contractually required contribution	Contribution deficiency (excess)	Employer's covered payroll	Contributions as a % of covered payroll
2015	\$ 330,920	\$ 330,920	\$ -	\$ 3,897,762	8.49%
2016	341,874	341,874	-	4,026,779	8.49%
2017	297,668	297,668	-	4,083,082	7.29%
2018	308,672	308,672	-	4,230,543	7.29%
2019	250,534	250,534	-	4,445,820	5.63%
2020	265,027	265,027	-	4,673,979	5.66%
2021	271,540	271,540	-	4,675,862	5.80%

Component Unit - Public Schools' - Non-professional					
Fiscal Year	Contractually required contribution	Contributions in relation to contractually required contribution	Contribution deficiency (excess)	Employer's covered payroll	Contributions as a % of covered payroll
2015	\$ 372,141	\$ 372,141	\$ -	\$ 5,154,307	7.22%
2016	369,942	369,942	-	5,123,850	7.22%
2017	233,512	233,512	-	5,000,257	4.67%
2018	224,276	224,276	-	4,802,484	4.67%
2019	173,657	173,657	-	4,905,565	3.54%
2020	172,427	172,427	-	4,870,819	3.54%
2021	158,334	158,334	-	5,556,149	2.85%

Component Unit - Public Schools' - Professional					
Fiscal Year	Contractually required contribution	Contributions in relation to contractually required contribution	Contribution deficiency (excess)	Employer's covered payroll	Contributions as a % of covered payroll
2015	\$ 9,430,011	\$ 9,430,011	\$ -	\$ 65,034,559	14.50%
2016	9,251,488	9,251,488	-	65,800,057	14.06%
2017	9,829,909	9,829,909	-	67,052,585	14.66%
2018	10,992,169	10,992,169	-	67,353,977	16.32%
2019	11,047,560	11,047,560	-	70,456,378	15.68%
2020	11,431,558	11,431,558	-	72,905,344	15.68%
2021	11,795,307	11,795,307	-	73,604,525	16.03%

(1) This schedule is intended to present 10 years of information. GASB 68 and 71 were implemented in fiscal year 2015, and additional years will be presented as the information becomes available.

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

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

Measurement date as of June 30,	2017		2018		2019		2020	
	County	JCSA	County	JCSA	County	JCSA	County	JCSA
Employer's proportion of the County's Retiree Healthcare OPEB Liability	77.59%	7.35%	77.59%	7.35%	78.42%	7.30%	78.42%	7.30%
Employer's proportionate share of the County's Retiree Healthcare OPEB Liability	\$ 4,296,213	\$ 406,742	\$ 4,571,936	\$ 432,969	\$ 4,097,564	\$ 381,436	\$ 4,649,834	\$ 432,846
Fiduciary net position as a % of total OPEB liability	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Expected average remaining service years of all participants	7	7	7	7	6	6	6	6

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

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

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

County of James City, Virginia

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

Year ended June 30,*	Component Unit - Public Schools' Non-Professional			
	2018	2019	2020	2021
Total OPEB - RH liability				
Service cost	\$ 457,670	\$ 432,740	\$ 448,112	\$ 580,721
Interest cost	126,557	165,148	180,316	158,452
Changes of benefit terms	-	-	-	-
Differences between expected and actual experience	-	(270,907)	(487,307)	(180,989)
Changes in assumptions	(244,756)	(13,843)	(61,871)	249,100
Changes in proportions	-	-	-	-
Benefit payments	(127,182)	64,113	(9,510)	(21,200)
Net change in total OPEB - RH liability	<u>212,289</u>	<u>377,251</u>	<u>69,740</u>	<u>786,084</u>
Total OPEB - RH liability, beginning	<u>4,504,186</u>	<u>4,716,475</u>	<u>5,093,726</u>	<u>5,163,466</u>
Total OPEB - RH liability, ending (a)	<u>\$ 4,716,475</u>	<u>\$ 5,093,726</u>	<u>\$ 5,163,466</u>	<u>\$ 5,949,550</u>
Plan fiduciary net position - RH				
Contributions - employer	206,794	(64,113)	9,510	21,200
Net investment income	-	-	-	-
Benefit payments	(206,794)	64,113	(9,510)	(21,200)
Administrative expense	-	-	-	-
Net change in plan fiduciary net position - RH	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Plan fiduciary net position - RH, beginning	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Plan fiduciary net position - RH, ending (b)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
OPEB - RH liability (a) - (b)	<u>\$ 4,716,475</u>	<u>\$ 5,093,726</u>	<u>\$ 5,163,466</u>	<u>\$ 5,949,550</u>
Plan fiduciary net position - RH as a percentage of the total OPEB - RH liability	0.00%	0.00%	0.00%	0.00%
Expected average remaining service years of all participants	7	7	7	7

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

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

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

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

Year ended June 30,*	Governmental Activities - County			
	2018	2019	2020	2021
Total OPEB - HIC liability				
Service cost	\$ 29,486	\$ 29,285	\$ 31,239	\$ 28,624
Interest cost	84,387	86,675	89,705	91,010
Changes of benefit terms	-	-	(36,541)	-
Differences between expected and actual experience	-	12,586	32,810	32,494
Changes in assumptions	(10,761)	-	36,394	-
Benefit payments, including refunds of employee contributions	(53,124)	(87,727)	(82,782)	(90,830)
Net change in total OPEB - HIC liability	49,988	40,819	70,825	61,298
Total OPEB - HIC liability, beginning	1,232,086	1,282,074	1,322,893	1,393,718
Total OPEB - HIC liability, ending (a)	\$ 1,282,074	\$ 1,322,893	\$ 1,393,718	\$ 1,455,016
Plan fiduciary net position - HIC				
Contributions - employer	65,197	67,836	74,871	74,360
Contributions - employee	-	-	-	-
Net investment income	71,316	49,083	46,337	14,671
Benefit payments, including refunds of employee contributions	(53,124)	(87,727)	(82,782)	(90,830)
Administrative expense	(1,170)	(1,138)	(1,004)	(1,374)
Other	3,562	(3,562)	(19,114)	(2,240)
Net change in plan fiduciary net position - HIC	85,781	24,492	18,308	(5,413)
Plan fiduciary net position - HIC, beginning	612,679	698,460	722,952	741,260
Plan fiduciary net position - HIC, ending (b)	698,460	722,952	741,260	735,847
Net OPEB - HIC liability (asset) (a) - (b)	\$ 583,614	\$ 599,941	\$ 652,458	\$ 719,169
Plan fiduciary net position - HIC as a percentage of the total OPEB - HIC liability	54.48%	54.65%	53.19%	50.57%
Covered payroll	\$ 38,853,860	\$ 40,475,381	\$ 40,710,451	\$ 40,413,598
Net OPEB - HIC liability as a percentage of the total covered payroll	1.50%	1.48%	1.60%	1.78%

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

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

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

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

Year ended June 30,*	Component Unit - Service Authority			
	2018	2019	2020	2021
Total OPEB - HIC liability				
Service cost	\$ 3,682	\$ 3,588	\$ 3,579	\$ 3,812
Interest cost	10,769	11,121	11,031	11,040
Changes of benefit terms	-	-	-	-
Differences between expected and actual experience	-	(7,706)	(3,892)	(113)
Changes in assumptions	(3,953)	-	4,095	-
Benefit payments, including refunds of employee contributions	(3,508)	(7,440)	(9,131)	(8,554)
Net change in total OPEB - HIC liability	<u>6,990</u>	<u>(437)</u>	<u>5,682</u>	<u>6,185</u>
Total OPEB - HIC liability, beginning	<u>155,602</u>	<u>162,592</u>	<u>162,155</u>	<u>167,837</u>
Total OPEB - HIC liability, ending (a)	<u>\$ 162,592</u>	<u>\$ 162,155</u>	<u>\$ 167,837</u>	<u>\$ 174,022</u>
Plan fiduciary net position - HIC				
Contributions - employer	8,166	8,467	8,002	8,413
Contributions - employee	-	-	-	-
Net investment income	10,122	7,150	6,922	2,272
Benefit payments, including refunds of employee contributions	(3,508)	(7,440)	(9,131)	(8,554)
Administrative expense	(170)	(170)	(151)	(219)
Other	494	(494)	(8)	(1)
Net change in plan fiduciary net position - HIC	<u>15,104</u>	<u>7,513</u>	<u>5,634</u>	<u>1,911</u>
Plan fiduciary net position - HIC, beginning	<u>85,165</u>	<u>100,269</u>	<u>107,782</u>	<u>113,416</u>
Plan fiduciary net position - HIC, ending (b)	<u>100,269</u>	<u>107,782</u>	<u>113,416</u>	<u>115,327</u>
Net OPEB - HIC liability (asset) (a) - (b)	<u>\$ 62,323</u>	<u>\$ 54,373</u>	<u>\$ 54,421</u>	<u>\$ 58,695</u>
Plan fiduciary net position - HIC as a percentage of the total OPEB - HIC liability	61.67%	66.47%	67.58%	66.27%
Covered payroll	\$ 4,083,082	\$ 4,230,543	\$ 4,445,820	\$ 4,673,979
Net OPEB - HIC liability as a percentage of the total covered payroll	1.53%	1.29%	1.22%	1.26%

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

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

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

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

Year ended June 30,*	Component Unit - Public Schools			
	2018	2019	2020	2021
Total OPEB - HIC liability				
Service cost	\$ 8,750	\$ 8,619	\$ 7,967	\$ 8,604
Interest cost	21,536	21,905	21,557	21,755
Changes of benefit terms	-	-	-	23,639
Differences between expected and actual experience	-	(16,514)	(2,594)	(765)
Changes in assumptions	(11,335)	-	7,656	-
Benefit payments, including refunds of employee contributions	(6,674)	(20,665)	(17,320)	(23,176)
Net change in total OPEB - HIC liability	12,277	(6,655)	17,266	30,057
Total OPEB - HIC liability, beginning	310,991	323,268	316,613	333,879
Total OPEB - HIC liability, ending (a)	\$ 323,268	\$ 316,613	\$ 333,879	\$ 363,936
Plan fiduciary net position - HIC				
Contributions - employer	11,391	11,165	9,260	9,712
Contributions - employee	-	-	-	-
Net investment income	33,666	23,057	21,491	6,935
Benefit payments, including refunds of employee contributions	(6,674)	(20,665)	(17,320)	(23,176)
Administrative expense	(552)	(535)	(466)	(657)
Other	1,683	(1,683)	(25)	(3)
Net change in plan fiduciary net position - HIC	39,514	11,339	12,940	(7,189)
Plan fiduciary net position - HIC, beginning	288,259	327,773	339,112	352,052
Plan fiduciary net position - HIC, ending (b)	327,773	339,112	352,052	344,863
Net OPEB - HIC liability (asset) (a) - (b)	\$ (4,505)	\$ (22,499)	\$ (18,173)	\$ 19,073
Plan fiduciary net position - HIC as a percentage of the total OPEB - HIC liability	101.39%	107.11%	105.44%	94.76%
Covered payroll	\$ 5,000,257	\$ 4,854,348	\$ 5,766,438	\$ 6,070,000
Net OPEB - HIC liability as a percentage of the total covered payroll	-0.09%	-0.46%	-0.32%	0.31%

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

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

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

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

Year ended June 30,*	Governmental Activities - County			
	2018	2019	2020	2021
Employer's proportion of the net OPEB - GLI liability	0.21149%	0.21342%	0.20827%	0.19670%
Employer's proportionate share of the net OPEB - GLI liability	\$ 3,183,000	\$ 3,241,000	\$ 3,389,000	\$ 3,282,601
Employer's covered payroll	\$ 38,853,860	\$ 40,475,381	\$ 40,710,451	\$ 40,413,598
Employer's proportionate share of the net OPEB - GLI liability as a percentage of its covered payroll	8.19%	8.01%	8.32%	8.12%
Plan fiduciary net position as a % of total OPEB - GLI liability	48.86%	51.22%	52.00%	52.64%

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

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

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

Year ended June 30,*	Component Unit - Service Authority			
	2018	2019	2020	2021
Employer's proportion of the net OPEB - GLI liability	0.02217%	0.02234%	0.02269%	0.02274%
Employer's proportionate share of the net OPEB - GLI liability	\$ 333,000	\$ 340,000	\$ 369,227	\$ 379,494
Employer's covered payroll	\$ 4,083,082	\$ 4,230,543	\$ 4,445,820	\$ 4,673,979
Employer's proportionate share of the net OPEB - GLI liability as a percentage of its covered payroll	8.16%	8.04%	8.31%	8.12%
Plan fiduciary net position as a % of total OPEB - GLI liability	48.86%	51.22%	52.00%	52.64%

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

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

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

Year ended June 30,*	Component Unit - Public Schools							
	2018		2019		2020		2021	
	Professional	Non-Professional	Professional	Non-Professional	Professional	Non-Professional	Professional	Non-Professional
Employer's proportion of the net OPEB - GLI liability	0.37116%	0.02951%	0.36332%	0.02817%	0.37153%	0.02987%	0.36879%	0.02965%
Employer's proportionate share of the net OPEB - GLI liability	\$ 5,585,000	\$ 444,000	\$ 5,518,000	\$ 428,000	\$ 6,045,782	\$ 486,064	\$ 6,154,501	\$ 494,810
Employer's covered payroll	\$ 67,052,585	\$ 5,000,257	\$ 67,353,977	\$ 4,802,484	\$ 72,572,692	\$ 5,844,231	\$ 76,495,192	\$ 6,149,423
Employer's proportionate share of the net OPEB - GLI liability as a percentage of its covered payroll	8.33%	8.88%	8.19%	8.91%	8.33%	8.32%	8.05%	8.05%
Plan fiduciary net position as a % of total OPEB - GLI liability	48.86%	48.86%	51.22%	51.22%	52.00%	52.00%	52.64%	52.64%

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

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

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

Primary Government - Governmental Activities - County employees

Fiscal Year	Contractually required contribution	Contributions in relation to contractually required contribution	Contribution deficiency (excess)	Employer's covered payroll	Contributions as a % of covered payroll
2018	\$ 210,472	\$ 212,091	\$ (1,619)	\$ 40,475,381	0.52%
2019	211,694	213,323	(1,629)	40,710,451	0.52%
2020	210,151	211,767	(1,616)	40,413,598	0.52%
2021	219,323	221,278	(1,955)	40,918,484	0.54%

Component Unit - James City Service Authority employees

Fiscal Year	Contractually required contribution	Contributions in relation to contractually required contribution	Contribution deficiency (excess)	Employer's covered payroll	Contributions as a % of covered payroll
2018	\$ 21,999	\$ 22,168	\$ (169)	\$ 4,230,543	0.52%
2019	23,118	21,000	2,118	4,445,820	0.47%
2020	23,131	24,492	(1,361)	4,673,979	0.52%
2021	24,339	25,063	(724)	4,675,862	0.54%

Component Unit - Public Schools' - non-professional

Fiscal Year	Contractually required contribution	Contributions in relation to contractually required contribution	Contribution deficiency (excess)	Employer's covered payroll	Contributions as a % of covered payroll
2018	\$ 25,165	\$ 25,165	\$ -	\$ 4,802,484	0.52%
2019	30,390	30,390	-	5,844,231	0.52%
2020	31,977	31,977	-	6,149,423	0.52%
2021	30,260	30,260	-	5,645,747	0.54%

Component Unit - Public Schools' - professional

Fiscal Year	Contractually required contribution	Contributions in relation to contractually required contribution	Contribution deficiency (excess)	Employer's covered payroll	Contributions as a % of covered payroll
2018	\$ 352,935	\$ 352,935	\$ -	\$ 67,353,977	0.52%
2019	377,378	377,378	-	72,572,693	0.52%
2020	397,775	397,775	-	76,495,192	0.52%
2021	397,270	397,270	-	74,108,820	0.54%

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

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

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

Primary Government - Governmental Activities - County employees

Fiscal Year	Contractually required contribution	Contributions in relation to contractually required contribution	Contribution deficiency (excess)	Employer's covered payroll	Contributions as a % of covered payroll
2018	\$ 76,903	\$ 67,836	\$ 9,067	\$ 40,475,381	0.19%
2019	77,350	74,871	2,479	40,710,451	0.21%
2020	76,786	74,360	2,426	40,413,598	0.21%
2021	78,543	78,541	2	40,918,484	0.22%

Component Unit - James City Service Authority employees

Fiscal Year	Contractually required contribution	Contributions in relation to contractually required contribution	Contribution deficiency (excess)	Employer's covered payroll	Contributions as a % of covered payroll
2018	\$ 8,461	\$ 8,467	\$ (6)	\$ 4,230,543	0.20%
2019	8,002	8,467	(465)	4,445,820	0.19%
2020	8,413	8,413	-	4,673,979	0.18%
2021	8,417	8,417	-	4,675,862	0.18%

Component Unit - Public Schools' - non-professional

Fiscal Year	Contractually required contribution	Contributions in relation to contractually required contribution	Contribution deficiency (excess)	Employer's covered payroll	Contributions as a % of covered payroll
2018	\$ 11,165	\$ 11,165	\$ -	\$ 4,854,348	0.23%
2019	9,226	9,226	-	5,766,438	0.16%
2020	9,712	9,712	-	6,070,000	0.16%
2021	9,444	9,444	-	5,556,149	0.17%

Component Unit - Public Schools' - professional

Fiscal Year	Contractually required contribution	Contributions in relation to contractually required contribution	Contribution deficiency (excess)	Employer's covered payroll	Contributions as a % of covered payroll
2018	\$ 851,814	\$ 851,814	\$ -	\$ 69,253,171	1.23%
2019	864,798	864,798	-	72,066,466	1.20%
2020	905,688	905,688	-	75,474,000	1.20%
2021	890,724	890,724	-	73,604,525	1.21%

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

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

County of James City, Virginia

Schedule of Employer's Share of Net OPEB - Health Insurance Credit Program (HIC) Liability (1)

Required Supplementary Information (Unaudited)

Year ended June 30,*	Component Unit - Public Schools' Professional			
	2018	2019	2020	2021
Employer's proportion of the net OPEB - HIC liability	0.86281%	0.85004%	0.86297%	0.86058%
Employer's proportionate share of the net OPEB - HIC liability	\$ 10,946,000	\$ 10,793,000	\$ 11,297,117	\$ 11,226,409
Employer's covered payroll	\$ 67,052,585	\$ 69,253,171	\$ 72,066,466	\$ 75,474,000
Employer's proportionate share of the net OPEB - HIC liability as a percentage of its covered payroll	16.32%	15.58%	15.68%	14.87%
Plan fiduciary net position as a % of total OPEB - HIC liability	7.04%	8.08%	8.97%	9.95%

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

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

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

Year ended June 30,*	2018		2019		2020		2021	
	Public Schools' Professional	Public Schools' Non-Professional	Public Schools' Professional	Public Schools' Non-Professional	Public Schools' Professional	Public Schools' Non-Professional	Public Schools' Professional	Public Schools' Non-Professional
Employer's proportion of the net OPEB - VLDP liability	3.31886%	0.75284%	3.37801%	0.67880%	3.28952%	0.68330%	3.13334%	0.65040%
Employer's proportionate share of the net OPEB - VLDP liability	\$ 20,000	\$ 4,000	\$ 25,000	\$ 5,000	\$ 19,124	\$ 13,843	\$ 25,138	\$ 6,492
Employer's covered payroll	\$ 67,052,585	\$ 5,000,257	\$ 12,595,806	\$ 1,648,333	\$ 15,633,273	\$ 2,093,665	\$ 18,547,073	\$ 2,423,750
Employer's proportionate share of the net OPEB - VLDP liability as a percentage of its covered payroll	0.03%	0.08%	0.20%	0.30%	0.12%	0.66%	0.14%	0.27%
Plan fiduciary net position as a % of total OPEB - VLDP liability	31.96%	38.40%	46.18%	51.22%	74.12%	49.19%	78.28%	76.84%

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

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

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

Component Unit - Public Schools' - non-professional					
Fiscal Year	Contractually required contribution	Contributions in relation to contractually required contribution	Contribution deficiency (excess)	Employer's covered payroll	Contributions as a % of covered payroll
2018	\$ 9,890	\$ 9,890	\$ -	\$ 1,648,333	0.60%
2019	15,074	15,074	-	2,093,665	0.72%
2020	17,451	17,451	-	2,423,750	0.72%
2021	18,585	18,585	-	2,239,265	0.83%

Component Unit - Public Schools' - professional					
Fiscal Year	Contractually required contribution	Contributions in relation to contractually required contribution	Contribution deficiency (excess)	Employer's covered payroll	Contributions as a % of covered payroll
2018	\$ 39,047	\$ 39,047	\$ -	\$ 12,595,806	0.31%
2019	64,096	64,096	-	15,633,273	0.41%
2020	76,043	76,043	-	18,547,073	0.41%
2021	92,336	92,336	-	19,644,936	0.47%

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

County of James City, Virginia
Notes to Required Supplementary Information (Unaudited)
June 30, 2021

1) Budgeting and Budgetary Accounting

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

Prior to April 1, the County Administrator submits to the Board of Supervisors a proposed operating and capital budget for the fiscal year commencing the following July 1. The operating budget and capital budget include proposed expenditures and the means of financing them. Public hearings are then conducted to obtain citizen comments.

Prior to June 30, the budget is legally enacted through passage of an Appropriations Resolution. The Appropriations Resolution places legal restrictions on expenditures at the fund and function level. The appropriation for each fund and function can be revised only by the Board of Supervisors; however, the County Administrator may amend the budget within functions. Supplemental appropriations in addition to the appropriated budget were necessary during the year.

Formal budgetary integration is employed as a management control device during the year for those funds with legally adopted annual budgets which are the General Fund, Special Revenue Fund - Virginia Public Assistance, and Debt Service Fund, and these funds are integrated only at the level of legal adoption. Program and project budgets are utilized in the Capital Projects; Community Development; and Grants and Special Projects Funds where appropriations remain open and carry over to the succeeding years.

All budgets are adopted on the modified accrual basis of accounting. All appropriations lapse on June 30 for all County funds, except the funds referenced above. All budget data presented in the accompanying basic financial statements represents the appropriated budget as of June 30, 2021, as adopted and amended by supplemental appropriations.

2) Pensions - Changes of Benefit Terms

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

3) Pensions, OPEB Health Insurance Credit and VLDP Political Subdivision Plan - Changes of Assumptions

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

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

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

County of James City, Virginia
Notes to Required Supplementary Information (Unaudited)
June 30, 2021

3) Pensions, OPEB Health Insurance Credit and VLDP Political Subdivision Plan - Changes of Assumptions, Continued

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

Mortality Rates (Pre-retirement, post-retirement healthy, and disabled)	Updated to a more current mortality table – RP-2014 projected to 2020
Retirement Rates	Increased age 50 rates and lowered rates at older ages
Withdrawal Rates	Adjusted rates to better fit experience at each age and service year through 9 years of service
Disability Rates	Adjusted rates to better match experience
Salary Scale	No change
Line of Duty Disability	Decreased rate from 60% to 45%
Discount Rate	Decreased rate from 7.00% to 6.75%

4) OPEB Group Life Insurance - Changes of Assumptions

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

General State Employees:

Mortality Rates (Pre-retirement, post-retirement healthy, and disabled)	Updated to a more current mortality table – RP-2014 projected to 2020
Retirement Rates	Lowered rates at older ages and changed final retirement age from 70 to 75
Withdrawal Rates	Adjusted rates to better fit experience at each year age and service through 9 years of service
Disability Rates	Adjusted rates to better match experience
Salary Scale	No change
Line of Duty Disability	Increased rate from 14% to 25%
Discount Rate	Decrease rate from 7.00% to 6.75%

Teachers:

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

County of James City, Virginia
Notes to Required Supplementary Information (Unaudited)
June 30, 2021

4) OPEB Group Life Insurance - Changes of Assumptions, Continued

SPORS Employees:

Mortality Rates (Pre-retirement, post-retirement healthy, and disabled)	Updated to a more current mortality table – RP-2014 projected to 2020 and reduced margin for future improvement in accordance with experience
Retirement Rates	Increased age 50 rates and lowered rates at older ages
Withdrawal Rates	Adjusted rates to better fit experience
Disability Rates	Adjusted rates to better match experience
Salary Scale	No change
Line of Duty Disability	Increased rate from 60% to 85%
Discount Rate	Decrease rate from 7.00% to 6.75%

VaLORS Employees:

Mortality Rates (Pre-retirement, post-retirement healthy, and disabled)	Updated to a more current mortality table – RP-2014 projected to 2020 and reduced margin for future improvement in accordance with experience
Retirement Rates	Increased age 50 rates and lowered rates at older ages
Withdrawal Rates	Adjusted rates to better fit experience at each year age and service through 9 years of service
Disability Rates	Adjusted rates to better match experience
Salary Scale	No change
Line of Duty Disability	Decreased rate from 50% to 35%
Discount Rate	Decrease rate from 7.00% to 6.75%

JRS Employees:

Mortality Rates (Pre-retirement, post-retirement healthy, and disabled)	Updated to a more current mortality table – RP-2014 projected to 2020
Retirement Rates	Decreased rates at first retirement eligibility
Withdrawal Rates	No change
Disability Rates	Removed disability rates
Salary Scale	No change
Discount Rate	Decrease rate from 7.00% to 6.75%

Largest 10 Locality Employers – General Employees:

Mortality Rates (Pre-retirement, post-retirement healthy, and disabled)	Updated to a more current mortality table – RP-2014 projected to 2020
Retirement Rates	Lowered retirement rates at older ages and extended final retirement age from 70 to 75
Withdrawal Rates	Adjusted termination rates to better fit experience at each age and service year
Disability Rates	Lowered disability rates
Salary Scale	No change
Line of Duty Disability	Increased rate from 14% to 20%
Discount Rate	Decrease rate from 7.00% to 6.75%

See accompanying independent auditors' report.

County of James City, Virginia
Notes to Required Supplementary Information (Unaudited)
June 30, 2021

4) OPEB Group Life Insurance - Changes of Assumptions, Continued

Non-Largest 10 Locality Employers – General Employees:

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

Largest 10 Locality Employers – Hazardous Duty Employees:

Mortality Rates (Pre-retirement, post-retirement healthy, and disabled)	Updated to a more current mortality table – RP-2014 projected to 2020
Retirement Rates	Lowered retirement rates at older ages
Withdrawal Rates	Adjusted termination rates to better fit experience at each age and service year
Disability Rates	Increased disability rates
Salary Scale	No change
Line of Duty Disability	Increased rate from 60% to 70%
Discount Rate	Decrease rate from 7.00% to 6.75%

Non-Largest 10 Locality Employers – Hazardous Duty Employees:

Mortality Rates (Pre-retirement, post-retirement healthy, and disabled)	Updated to a more current mortality table – RP-2014 projected to 2020
Retirement Rates	Increased age 50 rates and lowered rates at older ages
Withdrawal Rates	Adjusted termination rates to better fit experience at each age and service year
Disability Rates	Adjusted rates to better match experience
Salary Scale	No change
Line of Duty Disability	Decreased rate from 60% to 45%
Discount Rate	Decrease rate from 7.00% to 6.75%

5) OPEB Retiree Healthcare - Trust Arrangement and Funding Policy

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

6) OPEB Retiree Healthcare - Changes of Benefit Terms

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

7) OPEB Retiree Healthcare - Changes of Assumptions

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

<u>Measurement Date</u>	<u>Discount Rate</u>
June 30, 2016	2.85%
June 30, 2017	3.58%
June 30, 2018	3.62%
June 30, 2019	3.13%
June 30, 2020	2.45%

See accompanying independent auditors' report.

8) OPEB Group Life Insurance - Changes of Benefit Terms

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

9) OPEB Health Insurance Credit - Changes of Benefit Terms

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

10) OPEB Virginia Local Disability Program – Changes of Benefit Terms

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

11) OPEB Teacher Virginia Local Disability Program – Changes of Assumptions

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

Teachers:

- Update mortality rates to a more current mortality table – RP-2014 projected to 2020
- Lowered retirement rates at older ages and changed final retirement from 70 to 75
- Adjusted withdrawal rates to better fit experience at each year age and service through 9 years of service
- Adjusted disability rates to better match experience
- Decrease discount rate from 7.00% to 6.75%
- No change in salary scale

Supplementary Information

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County of James City, Virginia
Debt Service Fund

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

County of James City, Virginia

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

Debt Service Fund

Year ended June 30, 2021

	Original Budget	Final Budget	Actual	Variance positive (negative)
Revenues:				
Use of money and property	\$ -	\$ -	\$ 175	\$ 175
Miscellaneous	42,500	42,500	60,230	17,730
Total revenues	<u>42,500</u>	<u>42,500</u>	<u>60,405</u>	<u>17,905</u>
Expenditures:				
Community development	75,000	75,000	44,003	30,997
Debt service:				
Principal	13,284,641	13,654,641	12,471,271	1,183,370
Interest and other fiscal charges	5,003,210	5,003,210	4,655,693	347,517
Bond issuance costs	-	-	273,391	(273,391)
Total expenditures	<u>18,362,851</u>	<u>18,732,851</u>	<u>17,444,358</u>	<u>1,561,884</u>
Deficiency of revenues under expenditures	(18,320,351)	(18,690,351)	(17,383,953)	1,579,789
Other financing sources:				
Transfers in	20,500,000	20,870,000	18,200,749	2,669,251
Issuance of refunding bonds	-	-	11,030,000	(11,030,000)
Premium on refunding bonds	-	-	2,450,765	(2,450,765)
Payment to escrow agent for refunded bonds	-	-	(14,297,561)	14,297,561
Total other financing sources	<u>20,500,000</u>	<u>20,870,000</u>	<u>17,383,953</u>	<u>2,669,251</u>
Deficiency of revenues and other sources under expenditures	2,179,649	2,179,649	-	(2,179,649)
Fund balance, beginning of year	<u>(2,179,649)</u>	<u>(2,179,649)</u>	<u>-</u>	<u>2,179,649</u>
Fund balance, end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

See accompanying independent auditor's report.

County of James City, Virginia
Nonmajor Governmental Funds

The County reports the following nonmajor governmental funds:

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

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

Community Development Fund - accounts for the revenues that are utilized to improve targeted areas within the County.

Donation Trust Fund - accounts for monies and donations held to celebrate historical events and various special purposes.

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

County of James City, Virginia

Combining Balance Sheet

Nonmajor Governmental Funds

June 30, 2021

	Virginia Public Assistance Fund	Colonial Community Corrections Fund	Housing & Neighborhood Development Fund	Donation Trust Fund	Tourism Fund	Total
Assets						
Cash and cash equivalents and investments	\$ 1,444,576	\$ 386,666	\$ 2,188,471	\$ 312,797	\$ 1,115,433	\$ 5,447,943
Cash and cash equivalents, restricted	-	-	960,848	-	-	960,848
Taxes receivable	-	-	-	-	91,825	91,825
Loans receivable, net	-	-	462,737	-	-	462,737
Miscellaneous receivables	-	100	33,971	-	-	34,071
Due from other funds	-	-	-	-	-	-
Due from other governments	362,582	1,836	3,990	-	-	368,408
Prepaid items	-	-	69	-	-	69
Total assets	<u>\$ 1,807,158</u>	<u>\$ 388,602</u>	<u>\$ 3,650,086</u>	<u>\$ 312,797</u>	<u>\$ 1,207,258</u>	<u>\$ 7,365,901</u>
Liabilities						
Liabilities:						
Accounts payable	\$ 19,583	\$ 8,814	\$ 68,218	\$ 7,459	\$ 115,026	\$ 219,100
Accrued liabilities	4,957	1,863	-	-	-	6,820
Payables from restricted assets	-	-	61,198	-	-	61,198
Due to component unit	686	-	-	-	-	686
Unearned revenue	25,578	-	-	-	-	25,578
Total liabilities	<u>50,804</u>	<u>10,677</u>	<u>129,416</u>	<u>7,459</u>	<u>115,026</u>	<u>313,382</u>
Deferred Inflows of Resources						
Unavailable revenue - grants	-	-	-	-	-	-
Fund Balances						
Fund balances:						
Restricted	-	-	882,066	-	-	882,066
Committed	-	-	1,661,733	-	-	1,661,733
Assigned	1,756,354	377,925	976,871	305,338	1,092,232	4,508,720
Total fund balances	<u>1,756,354</u>	<u>377,925</u>	<u>3,520,670</u>	<u>305,338</u>	<u>1,092,232</u>	<u>7,052,519</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 1,807,158</u>	<u>\$ 388,602</u>	<u>\$ 3,650,086</u>	<u>\$ 312,797</u>	<u>\$ 1,207,258</u>	<u>\$ 7,365,901</u>

See accompanying independent auditor's report.

County of James City, Virginia
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Governmental Funds
Year ended June 30, 2021

	Virginia Public Assistance Fund	Colonial Community Corrections Fund	Housing & Neighborhood Development Fund	Donation Trust Fund	Tourism Fund	Total
Revenues:						
Other local taxes	\$ -	\$ -	\$ -	\$ -	\$ 647,553	\$ 647,553
Miscellaneous	800	22,815	470,507	136,852	-	630,974
Intergovernmental:						
Local	-	184,306	-	-	-	184,306
Commonwealth	1,141,971	812,159	64,893	-	-	2,019,023
Federal	2,724,715	4,848	1,863,404	-	-	4,592,967
Total revenues	<u>3,867,486</u>	<u>1,024,128</u>	<u>2,398,804</u>	<u>136,852</u>	<u>647,553</u>	<u>8,074,823</u>
Expenditures:						
Current:						
General government administration	-	-	-	-	-	-
Judicial administration	-	1,118,861	-	209,967	-	1,328,828
Public safety	-	-	-	15,927	-	15,927
Public works	-	-	-	-	-	-
Health and human services	5,270,546	-	-	-	-	5,270,546
Education	-	-	-	-	-	-
Parks, recreation and cultural	-	-	-	2,593	-	2,593
Community development	-	-	2,893,790	-	1,470,988	4,364,778
Total expenditures	<u>5,270,546</u>	<u>1,118,861</u>	<u>2,893,790</u>	<u>228,487</u>	<u>1,470,988</u>	<u>10,982,672</u>
Excess (deficiency) of revenues over (under) expenditures	(1,403,060)	(94,733)	(494,986)	(91,635)	(823,435)	(2,907,849)
Other financing sources (uses):						
Transfers in	1,356,630	110,363	637,314	-	1,381,062	3,485,369
Transfers out	-	-	-	-	(68,971)	(68,971)
Total other financing sources (uses)	<u>1,356,630</u>	<u>110,363</u>	<u>637,314</u>	<u>-</u>	<u>1,312,091</u>	<u>3,416,398</u>
Net change in fund balances	(46,430)	15,630	142,328	(91,635)	488,656	508,549
Fund balances, beginning of year	1,802,784	362,295	3,378,342	396,973	603,576	6,543,970
Fund balances, end of year	<u>\$ 1,756,354</u>	<u>\$ 377,925</u>	<u>\$ 3,520,670</u>	<u>\$ 305,338</u>	<u>\$ 1,092,232</u>	<u>\$ 7,052,519</u>

See accompanying independent auditor's report.

County of James City, Virginia

Schedule of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual
 Virginia Public Assistance Fund
 Year ended June 30, 2021

	Original Budget	Revised Budget	Actual	Variance positive (negative)
Revenues:				
Miscellaneous	\$ -	\$ -	\$ 800	\$ (800)
Intergovernmental:				
Commonwealth	-	-	1,141,971	1,141,971
Federal	3,909,806	3,956,362	2,724,715	(1,231,647)
Total revenues	3,909,806	3,956,362	3,867,486	(90,476)
Expenditures:				
Current:				
Health and human services	5,794,193	5,901,719	5,270,546	631,173
Deficiency of revenues under expenditures	(1,884,387)	(1,945,357)	(1,403,060)	631,173
Other financing sources:				
Operating transfers in	1,295,660	1,356,630	1,356,630	-
Total other financing sources:	1,295,660	1,356,630	1,356,630	1,081,394
Deficiency of revenues and other sources under expenditures	(588,727)	(588,727)	(46,430)	(542,297)
Fund balance, beginning of year	588,727	588,727	1,802,784	(1,214,057)
Fund balance, end of year	\$ -	\$ -	\$ 1,756,354	\$ (1,756,354)

See accompanying independent auditor's report.

County of James City, Virginia
Custodial Funds

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

The County reports the following Custodial funds:

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

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

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

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

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

County of James City, Virginia
Combining Statement of Fiduciary Net Position
Fiduciary Funds
June 30, 2021

	Special Welfare	WAMAC	Regional Jail	Juvenile Detention	Williamsburg Area Transit Authority	Total
Assets						
Cash, cash equivalents and investments	\$ 185	\$ 501,946	\$ 6,759,012	\$ 3,885,644	\$ 3,194,322	\$ 14,341,109
Restricted cash, cash equivalents and investments	-	6,014,103	-	-	-	6,014,103
Accounts receivable	-	221,729	38,900	37,898	6,191	304,718
Due from other governmental units	-	1,017	584,043	403	752,042	1,337,505
Due from other funds	-	-	21,328	-	-	21,328
Capital assets, nondepreciable	-	-	881,571	118,354	2,138,770	3,138,695
Capital assets, depreciable, net of accumulated depreciation	-	108,602	13,351,840	3,761,440	8,944,888	26,166,770
Net pension asset	-	-	2,565,665	-	-	2,565,665
Total assets	<u>\$ 185</u>	<u>\$ 6,847,397</u>	<u>\$ 24,202,359</u>	<u>\$ 7,803,739</u>	<u>\$ 15,036,213</u>	<u>\$ 53,889,893</u>
Deferred Outflows of Resources						
Deferred pension outflows	\$ -	\$ -	\$ 994,594	\$ 262,187	\$ 160,421	\$ 1,417,202
Deferred OPEB outflows	-	-	130,574	207,850	186,395	524,819
Total deferred outflows of resources	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,125,168</u>	<u>\$ 470,037</u>	<u>\$ 346,816</u>	<u>\$ 1,942,021</u>
Liabilities						
Accounts payable and accrued liabilities	\$ 135	\$ 47,558	\$ 567,458	\$ 67,986	\$ 416,692	\$ 1,099,829
Long-term liabilities, due within one year	-	-	729,770	250,512	124,695	1,104,977
Long-term liabilities, due in more than one year	-	-	1,829,671	1,613,515	406,436	3,849,622
Unearned revenue	-	468,185	-	1,428,975	6,757	1,903,917
Total liabilities	<u>\$ 135</u>	<u>\$ 515,743</u>	<u>\$ 3,126,899</u>	<u>\$ 3,360,988</u>	<u>\$ 954,580</u>	<u>\$ 7,958,345</u>
Deferred Inflows of Resources						
Deferred pension inflows	\$ -	\$ -	\$ 249,759	\$ -	\$ -	\$ 249,759
Deferred OPEB inflows	-	-	111,774	22,595	17,373	151,742
Total deferred inflows of resources	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 361,533</u>	<u>\$ 22,595</u>	<u>\$ 17,373</u>	<u>\$ 401,501</u>
Net Position						
Net investment in capital assets	\$ -	\$ 108,602	\$ 13,130,323	\$ 2,905,321	\$ 11,083,658	\$ 27,227,904
Restricted	-	2,250,000	2,565,665	-	55,450	4,871,115
Assigned	50	-	-	-	-	50
Unrestricted	-	3,973,052	6,143,107	1,984,872	3,271,968	15,372,999
Total net position	<u>\$ 50</u>	<u>\$ 6,331,654</u>	<u>\$ 21,839,095</u>	<u>\$ 4,890,193</u>	<u>\$ 14,411,076</u>	<u>\$ 47,472,068</u>

See accompanying independent auditor's report.

County of James City, Virginia
Combining Statement of Changes in Fiduciary Net Position
Fiduciary Funds
June 30, 2021

	Special Welfare	WAMAC	Regional Jail	Juvenile Detention	Williamsburg Area Transit Authority	Total
Additions						
Fees from members	\$ -	\$ -	\$ 5,823,430	\$ 1,452,368	\$ -	\$ 7,275,798
Revenue from the Commonwealth	-	-	5,142,006	2,877,851	-	8,019,857
Revenue from the federal government	-	-	51,243	84,447	-	135,690
Operating grants and contributions	2,360	2,144,540	-	-	7,960,042	10,106,942
Capital grants and contributions	-	-	-	-	4,058,481	4,058,481
Charges for services	-	453,431	-	-	128,657	582,088
Use of money and property	-	1,229,875	10,193	4,959	91,628	1,336,655
Other	-	160,209	1,195,649	6,945	77,416	1,440,219
Total additions	<u>\$ 2,360</u>	<u>\$ 3,988,055</u>	<u>\$ 12,222,521</u>	<u>\$ 4,426,570</u>	<u>\$ 12,316,224</u>	<u>\$ 32,955,730</u>
Deductions						
Personnel expenses	\$ -	\$ 2,040,057	\$ 6,638,212	\$ 3,532,161	\$ 3,433,007	\$ 15,643,437
Materials and contractual services	-	356,681	2,490,655	327,234	3,945,194	7,119,764
Depreciation	-	25,759	937,424	236,083	1,247,267	2,446,533
Minor furniture and equipment	-	22,917	114,170	44,014	-	181,101
Interest expense	-	-	33,168	40,668	-	73,836
COVID-19 pandemic costs	-	17,241	49,996	9,142	-	76,379
Loss on disposal of capital assets	-	-	10,420	13,332	-	23,752
Other	3,059	199,432	652,696	153,128	-	1,008,315
Total deductions	<u>\$ 3,059</u>	<u>\$ 2,662,087</u>	<u>\$ 10,926,741</u>	<u>\$ 4,355,762</u>	<u>\$ 8,625,468</u>	<u>\$ 26,573,117</u>
Net increase (decrease) in fiduciary net position	(699)	1,325,968	1,295,780	70,808	3,690,756	6,382,613
Net position, beginning	749	5,005,686	20,543,315	4,819,385	10,720,320	41,089,455
Net position, ending	<u>\$ 50</u>	<u>\$ 6,331,654</u>	<u>\$ 21,839,095</u>	<u>\$ 4,890,193</u>	<u>\$ 14,411,076</u>	<u>\$ 47,472,068</u>

See accompanying independent auditor's report.

County of James City, Virginia
Discretely Presented Component Units

The County reports the following discretely presented component units:

Public Schools - responsible for educating the school-age population of the City of Williamsburg, Virginia and the County.

Economic Development Authority - promote industrial and commercial development in the County.

James City Service Authority - provide water and sewer services inside the primary service area of the County.

County of James City, Virginia

Balance Sheet

Discretely Presented Component Unit – Public Schools – Governmental Funds

June 30, 2021

	<u>Major Fund</u>		
	<u>General</u>	<u>Nonmajor governmental funds</u>	<u>Total governmental funds</u>
Assets			
Cash and temporary investments	\$ 25,064,614	\$ 3,555,404	\$ 28,620,018
Receivables	5,528	1,999	7,527
Due from other funds	609,741	-	609,741
Due from federal government	-	1,183,274	1,183,274
Due from Commonwealth of Virginia	9,594	747,302	756,896
Due from the City of Williamsburg and James City County	2,150,992	48,875	2,199,867
Inventory	-	51,831	51,831
Total assets	<u>\$ 27,840,469</u>	<u>\$ 5,588,685</u>	<u>\$ 33,429,154</u>
Liabilities and Fund Balances			
Liabilities:			
Accounts payable	\$ 1,961,662	\$ 152,320	\$ 2,113,982
Accrued payroll	7,360,059	469,320	7,829,379
Accrued benefits	7,370,821	451,122	7,821,943
Due to other funds	-	609,741	609,741
Due to the City of Williamsburg and James City County	9,022,890	120	9,023,010
Unearned revenue	-	17,101	17,101
Total liabilities	<u>25,715,432</u>	<u>1,699,724</u>	<u>27,415,156</u>
Fund balances:			
Nonspendable - inventory	-	51,831	51,831
Restricted	-	3,387,790	3,387,790
Committed	-	449,340	449,340
Assigned	1,925,037	-	1,925,037
Unassigned	200,000	-	200,000
Total fund balances	<u>2,125,037</u>	<u>3,888,961</u>	<u>6,013,998</u>
Total liabilities and fund balances	<u>\$ 27,840,469</u>	<u>\$ 5,588,685</u>	

Adjustments for the statement of net position:

Capital assets used in governmental activities are not current financial resources and therefore are not reported in the governmental funds.

56,698,042

Long-term liabilities and the related deferred outflows and inflows are not reported in the governmental funds.

Compensated absences \$ (1,316,154)

Net OPEB asset/liabilities and related deferred inflows and outflows of resources (22,253,854)

Net pension asset/liability and related deferred inflows and outflows of resources (101,490,957) (125,060,965)

Net position of governmental activities \$ (62,348,925)

See accompanying independent auditor's report.

County of James City, Virginia

Statement of Revenues, Expenditures and Changes in Fund Balances
Discretely Presented Component Unit – Public Schools – Governmental Funds
Year ended June 30, 2021

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

See accompanying independent auditor's report.

County of James City, Virginia
Statement of Revenues, Expenditures and Changes in Fund Balances
Discretely Presented Component Unit – Public Schools – Governmental Funds
Year ended June 30, 2021

Net change in fund balances \$ 3,267,865

Adjustments for the statement of activities:

Governmental funds report capital outlays as expenditures while governmental activities report depreciation expense to allocate those expenditures over the life of the assets. This is the amount by which new capital assets exceeded depreciation expense in the current period:

Capital outlay	\$ 2,448,059	
Contributed capital assets	876,184	
Depreciation expense	<u>(4,017,456)</u>	(693,213)

governmental funds, only the proceeds from the sale increase financial resources. Thus, the change in the net position differs from the change in fund balances by the cost of the equipment sold

(62,038)

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

Change in compensated absences liability	41,311	
OPEB expenses, net of employer contributions	(410,271)	
Pension expense, net of employer contributions	<u>(2,175,012)</u>	(2,543,972)
Change in net position		<u><u>\$ (31,358)</u></u>

County of James City, Virginia
Combining Balance Sheet - Nonmajor Governmental Funds
Discretely Presented Component Unit – Public Schools
Year ended June 30, 2021

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

See accompanying independent auditor's report.

County of James City, Virginia

Combining Statement of Revenues, Expenditures, and Changes in Fund Balances - Nonmajor Governmental Funds

Discretely Presented Component Unit – Public Schools

Year ended June 30, 2021

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

See accompanying independent auditor's report.

County of James City, Virginia

Statement of Net Position

Discretely Presented Component Unit - Economic Development Authority

June 30, 2021

Assets

Current assets:

Cash and short-term investments (note 2)	\$ 545,407
Due from James City County (note 7)	49,767
Rent receivable	40,396
Accounts receivable	2,882
Bond fee receivable	-
Total current assets	<u>638,452</u>

Notes receivable, net allowance

20,638

Capital assets (note 6):

Nondepreciable	744,995
Depreciable, net	<u>617,293</u>
Capital assets, net	<u>1,362,288</u>
Total assets	<u><u>\$ 2,021,378</u></u>

Liabilities and Net Position

Current liabilities:

Accounts payable	<u>\$ -</u>
------------------	-------------

Net position:

Net investment in capital assets	1,362,288
Unrestricted	<u>659,090</u>
Total net position	<u>2,021,378</u>
Total liabilities and net position	<u><u>\$ 2,021,378</u></u>

See accompanying independent auditor's report.

County of James City, Virginia

Statement of Revenues, Expenses and Changes in Net Position
Discretely Presented Component Unit - Economic Development Authority
Year ended June 30, 2021

Operating revenues:	
Lease income	\$ 85,798
Bond fees	17,289
Intergovernmental - County contribution (note 17)	49,767
Total operating revenues	<u>152,854</u>
Operating expenses:	
Community development	93,636
Depreciation	25,478
Promotion	22,207
Professional fees	16,581
Other	150
Rent abatement	-
Total operating expenses	<u>158,052</u>
Operating income	<u>(5,198)</u>
Nonoperating revenue (expenses):	
Interest income	3,911
Loss on disposal of capital assets	(166,510)
Total nonoperating revenue (expenses)	<u>(162,599)</u>
Change in net position	(167,797)
Net position, beginning of year	<u>2,189,175</u>
Net position, end of year	<u><u>\$ 2,021,378</u></u>

See accompanying independent auditor's report.

County of James City, Virginia
Statement of Cash Flows
Discretely Presented Component Unit - Economic Development Authority
Year ended June 30, 2021

Cash flows from operating activities:	
Receipts from County and customers	\$ 143,012
Payments to suppliers	<u>(185,913)</u>
Net cash provided by operating activities	<u>(42,901)</u>
 Cash flows from capital and related financing activities	
Proceeds from sale of capital assets	<u>-</u>
 Cash flows from investing activities:	
Interest received	<u>3,911</u>
 Net increase in cash and short-term investments	(38,990)
Cash and short-term investments, beginning of year	584,397
Cash and short-term investments, end of year	<u><u>\$ 545,407</u></u>
 Reconciliation of operating income to net cash provided by operating activities:	
Operating income	\$ (5,198)
Adjustments to reconcile operating income to cash	
provided by operating activities:	
Depreciation	25,478
Changes in assets and liabilities:	
Due from James City County	3,572
Rent receivable	(13,865)
Bond fee receivable	91
Accounts receivable	360
Notes receivable	-
Accounts payable	<u>(53,339)</u>
Net cash provided by operating activities	<u><u>\$ (42,901)</u></u>

See accompanying independent auditor's report.

County of James City, Virginia
Statement of Net Position
Discretely Presented Component Unit – Service Authority
June 30, 2021

	James City Service Authority
Assets	
Current assets:	
Cash and cash equivalents (note 2)	\$ 6,436,570
Investments (note 2)	48,984,902
Restricted investments (note 2)	9,379,323
Accounts receivable, customers	3,216,738
Accounts receivable, other	11,576
Notes receivable	1,090
Interest receivable	88,429
Inventories	1,116,308
Total current assets	<u>69,234,936</u>
Capital assets, net (note 6):	
Non-depreciable	7,875,057
Depreciable	145,781,067
Net capital assets	<u>153,656,124</u>
Total assets	<u>222,891,060</u>
Deferred Outflows of Resources	
Deferred charge on refunding, net	1,434,564
Deferred pensions (note 11)	1,105,214
Deferred OPEB group life insurance (note 12)	84,215
Deferred OPEB health insurance credit (note 12)	15,098
Deferred OPEB retiree healthcare (note 12)	48,347
Total deferred outflows of resources	<u>2,687,438</u>
Total assets and deferred outflows of resources	<u>\$ 225,578,498</u>
Liabilities	
Current liabilities:	
Accounts payable, trade	\$ 640,766
Accrued salaries	20,942
Compensated absences, current portion (note 9)	371,795
Due to James City County (note 7)	470,970
Deposits	864,409
Interest payable	378,764
Bonds payable, current portion (note 9)	1,309,907
Total current liabilities	<u>4,057,553</u>
Noncurrent liabilities:	
Advances for construction (note 16)	32,902
Other post-employment benefits (OPEB) (note 12)	871,035
Compensated absences, net of current portion (note 9)	123,931
Bonds payable, net of current portion (note 9)	27,674,667
Net pension liability (note 11)	1,992,512
Total noncurrent liabilities	<u>30,695,047</u>
Total liabilities	<u>34,752,600</u>
Deferred Inflows of Resources	
Deferred pensions (note 11)	118,843
Deferred OPEB retiree healthcare (note 12)	60,422
Deferred OPEB group life insurance (note 12)	12,435
Deferred OPEB health insurance credit (note 12)	8,909
Total deferred inflows of resources	<u>200,609</u>
Net Position	
Net position:	
Net investment in capital assets	134,621,895
Restricted for:	
Capital projects	8,515,781
Debt service	863,542
Unrestricted	46,624,071
Total net position	<u>190,625,289</u>
Total liabilities, deferred inflows of resources and net position	<u>\$ 225,578,498</u>

See accompanying notes to basic financial statements.

County of James City, Virginia
Statement of Revenues, Expenses and Changes in Net Position
Discretely Presented Component Unit – Service Authority
Year ended June 30, 2021

	James City Service Authority
Operating revenues:	
Water and sewer services	\$ 18,122,211
Water supply proffers	136,572
Rental income	127,656
COVID-19 relief funding	436,711
Other	182,124
Total operating revenues	<u>19,005,274</u>
Operating expenses:	
Personnel services	7,389,027
Operating supplies	1,245,122
Maintenance	2,264,263
Utilities	963,287
Contractual fees	1,027,910
COVID-19 expenses	322,994
Other	198,281
Total operating expenses	<u>13,410,884</u>
Operating income before depreciation and amortization	5,594,390
Depreciation and amortization	<u>8,069,956</u>
Operating loss	<u>(2,475,566)</u>
Nonoperating revenues (expenses):	
Facility charges	2,773,767
Investment income	128,840
Gain on disposal of capital assets	43,687
Interest expense	(864,355)
Total nonoperating revenues, net	<u>2,081,939</u>
Income before capital contributions	(393,627)
Capital contributions	<u>5,254,205</u>
Change in net position	4,860,578
Net position, beginning of year	<u>185,764,711</u>
Net position, end of year	<u><u>\$ 190,625,289</u></u>

See accompanying notes to basic financials statements.

Exhibit D-10

County of James City, Virginia
Statement of Cash Flows
Discretely Presented Component Unit – Service Authority
Year ended June 30, 2021

	James City Service Authority
Cash flows from operating activities:	
Cash receipts from customers	\$ 17,380,906
Other cash receipts	883,063
Cash payments to suppliers of goods and services	(6,012,842)
Cash payments for personnel services	(7,088,631)
Facility charges	2,773,767
Net cash provided by operating activities	<u>7,936,263</u>
Cash flows from capital and related financing activities:	
Repayments of debt	(1,274,000)
Interest paid	(802,305)
Proceeds from bond issuance	-
Bond issuance costs	-
Acquisition and construction of capital assets	(3,716,381)
Proceeds from sale of capital assets	3,986
Net cash provided by capital and related financing activities	<u>(5,788,700)</u>
Cash flows from investing activities:	
Purchases of investments	(37,676,414)
Proceeds from sales of investments	38,525,487
Interest received	328,754
Net cash used in investing activities	<u>1,177,827</u>
Increase in cash and cash equivalents	<u>3,325,390</u>
Cash and cash equivalents, beginning of year (including \$569,708 in restricted accounts at June 30, 2019)	<u>12,490,503</u>
Cash and cash equivalents, end of year (including \$9,401,879 in restricted accounts at June 30, 2020)	<u>\$ 15,815,893</u>
Reconciliation of operating loss to net cash provided by operating activities:	
Operating loss	\$ (2,475,566)
Adjustments to reconcile operating loss to net cash provided by operating activities:	
Depreciation and amortization	8,069,956
Facility charges	2,773,767
Pension expense, net of employer contributions	294,019
Retiree healthcare OPEB expense, net of employer contributions	(58)
Group life insurance OPEB expense, net of employer contributions	(9,542)
Health insurance credit OPEB expense, net of employer contributions	(2,281)
Changes in operating assets and liabilities:	
Accounts receivable, customers	(804,162)
Accounts receivable, others	29,169
Inventories	(6,693)
Accounts payable, trade	38,783
Accrued salaries	(2,228)
Compensated absences	20,486
Due to James City County	(23,075)
Deposits	33,688
Net cash provided by operating activities	<u>\$ 7,936,263</u>
Supplemental schedules:	
Noncash capital activities:	
Capital asset contributions	\$ 5,254,205
Construction in progress included in accounts payable at June 30	173,082
Proceeds from sale included in accounts receivable at June 30	39,701
Total noncash capital activities	<u>\$ 5,466,988</u>
Noncash investing activity:	
Unrealized loss from change in fair value of investments	<u>\$ (1,084,638)</u>

See accompanying notes to basic financials statements.

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Statistical Section (Unaudited)

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County of James City, Virginia
Statistical Section Overview

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

Financial Trends

Tables 1 - 4

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

Revenue Capacity

Tables 5 - 9

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

Debt Capacity

Tables 10 - 12

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

Demographic & Economic Information

Tables 13 - 14

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

Operation Information

Tables 15 - 17

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

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

Table 1

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

	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Governmental activities:										
Net investment in capital assets	\$ 133,812,951	\$ 128,851,392	\$ 142,867,725	\$ 159,469,360	\$ 176,303,250	\$ 185,274,286	\$ 198,539,384	\$ 210,357,610	\$ 223,523,519	\$ 231,590,103
Restricted:										
Capital projects	21,226,338	35,010,428	8,320,449	1,551,387	-	-	-	-	-	-
Debt service	-	-	-	-	1,222,336	1,226,566	1,236,338	4,536,503	2,030,253	-
Other purposes	-	-	-	-	1,899,944	3,067,921	4,940,612	1,043,098	1,319,233	1,350,727
Unrestricted	55,343,408	52,396,401	50,095,897	51,222,452	52,962,121	63,841,474	70,378,940	82,578,292	96,534,809	118,340,056
Total governmental activities net position	<u>\$ 210,382,697</u>	<u>\$ 216,258,221</u>	<u>\$ 201,284,071</u>	<u>\$ 212,243,199</u>	<u>\$ 232,387,651</u>	<u>\$ 253,410,247</u>	<u>\$ 275,095,274</u>	<u>\$ 298,515,503</u>	<u>\$ 323,407,814</u>	<u>\$ 351,280,886</u>
Business-type activity (1):										
Net investment in capital assets	\$ 135,110,313	\$ 139,966,206	\$ 137,922,955	\$ 137,173,064	\$ 139,312,785	\$ 136,696,744	\$ 132,616,889	\$ 134,359,937		
Restricted:										
Capital projects	4,876,760	2,620,384	2,601,160	2,716,277	-	-	-	-		
Debt service	-	-	-	-	729,605	677,614	567,011	569,708		
Unrestricted	34,462,629	30,189,025	29,159,119	32,903,518	37,014,202	41,443,900	46,664,323	49,536,564		
Total business-type activity net position	<u>\$ 174,449,702</u>	<u>\$ 172,775,615</u>	<u>\$ 169,683,234</u>	<u>\$ 172,792,859</u>	<u>\$ 177,056,592</u>	<u>\$ 178,818,258</u>	<u>\$ 179,848,223</u>	<u>\$ 184,466,209</u>		
Primary government:										
Net investment in capital assets	\$ 268,923,264	\$ 268,817,598	\$ 280,790,680	\$ 296,642,424	\$ 315,616,035	\$ 321,971,030	\$ 331,156,273	\$ 344,717,547	\$ 223,523,519	\$ 231,590,103
Restricted:										
Capital projects	26,103,098	37,630,812	10,921,609	4,267,664	-	-	-	-	-	-
Debt Service	-	-	-	-	1,951,941	1,904,180	1,803,349	5,106,211	2,030,253	-
Other purposes	-	-	-	-	1,899,944	3,067,921	4,940,612	1,043,098	1,319,233	1,350,727
Unrestricted	89,806,037	82,585,426	79,255,016	84,125,970	89,976,323	105,285,374	117,043,263	132,114,856	96,534,809	118,340,056
Total primary government net position	<u>\$ 384,832,399</u>	<u>\$ 389,033,836</u>	<u>\$ 370,967,305</u>	<u>\$ 385,036,058</u>	<u>\$ 409,444,243</u>	<u>\$ 432,228,505</u>	<u>\$ 454,943,497</u>	<u>\$ 482,981,712</u>	<u>\$ 323,407,814</u>	<u>\$ 351,280,886</u>

(1) For fiscal years 2019 and prior, the James City Service Authority was reported as a blended component unit and business type activity of James City County. As of fiscal year 2020, the James City Service Authority is reported as a discretely presented component unit, and is no longer reported as part of the primary government.

Table 2

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

	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Expenses:										
Governmental activities:										
General government administration	\$ 17,103,421	\$ 14,304,134	\$ 9,249,487	\$ 19,278,147	\$ 8,807,519	\$ 11,261,405	\$ 8,768,221	\$ 11,011,081	\$ 15,165,784	\$ 21,099,810
Judicial administration	5,513,976	5,505,727	5,216,769	5,598,594	5,682,096	5,147,078	6,053,891	6,153,636	6,339,331	6,487,976
Public safety	23,768,668	27,750,476	25,964,996	23,996,973	30,842,789	30,313,710	32,036,916	34,180,592	34,366,944	36,229,302
Public works	6,119,246	7,963,622	7,244,367	6,985,073	7,986,260	9,161,360	7,258,365	9,128,572	9,918,359	9,469,124
Health and human services	7,042,619	6,785,380	6,671,151	7,013,325	7,368,295	7,742,508	7,883,242	8,482,617	9,523,747	9,861,040
Education	82,082,568	84,309,615	85,595,145	87,713,464	87,508,710	93,728,530	94,073,287	100,455,268	101,088,169	98,469,065
Parks, recreation, and cultural	8,744,156	8,536,371	10,897,006	9,386,351	10,650,141	11,779,541	12,346,131	12,909,059	12,629,914	14,935,315
Community development	14,832,661	11,139,632	10,676,484	10,692,736	12,787,069	11,905,882	10,627,626	9,481,249	9,095,405	11,895,580
Interest on long-term debt	9,384,810	9,522,081	8,822,326	7,787,361	5,869,933	5,386,316	4,905,534	5,647,370	3,919,485	3,164,043
Total governmental activities expenses	<u>174,592,125</u>	<u>175,817,038</u>	<u>170,337,731</u>	<u>178,452,024</u>	<u>177,502,812</u>	<u>186,426,330</u>	<u>183,953,213</u>	<u>197,439,444</u>	<u>202,047,138</u>	<u>211,611,255</u>
Business-type activities (2):										
Service Authority	21,361,681	21,272,566	21,002,926	19,888,935	19,971,937	19,876,242	19,522,028	20,319,667	-	-
Total business-type expenses	<u>21,361,681</u>	<u>21,272,566</u>	<u>21,002,926</u>	<u>19,888,935</u>	<u>19,971,937</u>	<u>19,876,242</u>	<u>19,522,028</u>	<u>20,319,667</u>	<u>-</u>	<u>-</u>
Total primary government expenses	<u>\$ 195,953,806</u>	<u>\$ 197,089,604</u>	<u>\$ 191,340,657</u>	<u>\$ 199,454,950</u>	<u>\$ 197,474,749</u>	<u>\$ 206,302,572</u>	<u>\$ 203,475,241</u>	<u>\$ 217,759,111</u>	<u>\$ 202,047,138</u>	<u>\$ 211,611,255</u>
Program revenues:										
Governmental activities:										
Charges for services:										
General government administration	\$ 7,246,961	\$ 7,436,450	\$ 7,758,238	\$ 8,047,642	\$ 7,547,746	\$ 7,797,839	\$ 7,973,771	\$ 8,423,063	\$ 7,864,966	\$ 7,037,200
Judicial administration	1,816,700	1,828,073	1,839,637	1,832,471	2,464,271	2,366,908	2,407,582	2,404,298	2,409,617	2,356,934
Public safety	3,172,589	3,463,159	3,330,101	3,455,177	3,558,411	3,281,957	2,964,057	2,875,855	2,854,882	3,228,215
Parks, recreation and cultural	2,527,532	2,708,063	2,854,489	3,109,047	3,563,791	3,667,720	3,694,635	3,734,663	2,844,953	2,280,933
Other	216,443	225,520	281,256	270,799	1,041,798	1,017,317	1,015,042	1,084,496	1,849,853	2,269,136
Total charges for services	<u>14,980,225</u>	<u>15,661,265</u>	<u>16,063,721</u>	<u>16,715,136</u>	<u>18,176,017</u>	<u>18,131,741</u>	<u>18,055,087</u>	<u>18,522,375</u>	<u>17,824,271</u>	<u>17,172,418</u>
Operating grants and contributions	33,019,242	31,354,415	30,572,383	31,767,861	32,181,074	32,903,768	32,980,663	33,465,872	41,795,253	40,978,706
Capital grants and contributions	2,035,365	1,312,352	1,286,856	346,627	269,439	196,051	828,415	1,125,513	180,635	1,639,515
Total governmental activities program revenues	<u>50,034,832</u>	<u>48,328,032</u>	<u>47,922,960</u>	<u>48,829,624</u>	<u>50,626,530</u>	<u>51,231,560</u>	<u>51,864,165</u>	<u>53,113,760</u>	<u>59,800,159</u>	<u>59,790,639</u>
Business-type activities (2):										
Charges for services	14,883,627	15,871,187	16,131,430	16,452,120	16,018,375	19,064,677	19,523,972	19,248,136	-	-
Operating grants and contributions	-	-	-	-	-	-	-	-	-	-
Capital grants and contributions	5,395,362	4,600,645	3,388,700	5,284,379	6,865,346	1,509,214	796,235	5,137,825	-	-
Total business-type activities program revenues	<u>20,278,989</u>	<u>20,471,832</u>	<u>19,520,130</u>	<u>21,736,499</u>	<u>22,883,721</u>	<u>20,573,891</u>	<u>20,320,207</u>	<u>24,385,961</u>	<u>-</u>	<u>-</u>
Total primary government program revenues	<u>\$ 70,313,821</u>	<u>\$ 68,799,864</u>	<u>\$ 67,443,090</u>	<u>\$ 70,566,123</u>	<u>\$ 73,510,251</u>	<u>\$ 71,805,451</u>	<u>\$ 72,184,372</u>	<u>\$ 77,499,721</u>	<u>\$ 59,800,159</u>	<u>\$ 59,790,639</u>
Net (expense)/revenue:										
Governmental activities	\$ (124,557,293)	\$ (127,489,006)	\$ (122,414,771)	\$ (129,622,400)	\$ (126,876,282)	\$ (135,194,770)	\$ (132,089,048)	\$ (144,325,684)	\$ (142,246,979)	\$ (151,820,616)
Business-type activities (2)	(1,082,692)	(800,734)	(1,482,796)	1,847,564	2,911,784	697,649	798,179	4,066,294	-	-
Total primary government net expense	<u>\$ (125,639,985)</u>	<u>\$ (128,289,740)</u>	<u>\$ (123,897,567)</u>	<u>\$ (127,774,836)</u>	<u>\$ (123,964,498)</u>	<u>\$ (134,497,121)</u>	<u>\$ (131,290,869)</u>	<u>\$ (140,259,390)</u>	<u>\$ (142,246,979)</u>	<u>\$ (151,820,616)</u>
General revenues and other changes in net position:										
Governmental activities:										
Taxes:										
Property taxes, levied for general purposes	\$ 111,454,692	\$ 110,351,991	\$ 111,899,484	\$ 113,359,672	\$ 120,796,742	\$ 128,334,481	\$ 131,493,564	\$ 134,846,403	\$ 138,698,177	\$ 145,884,708
Other local taxes	20,006,069	21,208,061	21,435,046	22,771,626	24,027,667	24,555,363	24,442,882	29,324,049	25,981,646	29,370,617
Interest on investment earnings	395,001	330,514	339,358	232,388	263,745	402,544	382,080	795,865	966,252	349,292
Miscellaneous	1,286,664	1,473,964	1,875,485	4,217,842	1,932,580	2,924,978	3,065,493	2,779,596	1,493,215	3,950,128
Total governmental activities	<u>133,142,426</u>	<u>133,364,530</u>	<u>135,549,373</u>	<u>140,581,528</u>	<u>147,020,734</u>	<u>156,217,366</u>	<u>159,384,019</u>	<u>167,745,913</u>	<u>167,139,290</u>	<u>179,554,745</u>
Business-type activities (2):										
Interest on investment earnings	351,929	(1,249,111)	267,061	248,207	519,767	90,148	43,940	1,904,327	-	-
Miscellaneous	740,199	375,758	520,504	1,013,854	832,182	973,869	726,432	495,207	-	-
Total business-type activities	<u>1,092,128</u>	<u>(873,353)</u>	<u>787,565</u>	<u>1,262,061</u>	<u>1,351,949</u>	<u>1,064,017</u>	<u>770,372</u>	<u>2,399,534</u>	<u>-</u>	<u>-</u>
Total primary government	<u>\$ 134,234,554</u>	<u>\$ 132,491,177</u>	<u>\$ 136,336,938</u>	<u>\$ 141,843,589</u>	<u>\$ 148,372,683</u>	<u>\$ 157,281,383</u>	<u>\$ 160,154,391</u>	<u>\$ 170,145,447</u>	<u>\$ 167,139,290</u>	<u>\$ 179,554,745</u>
Change in net position:										
Governmental activities	\$ 8,585,133	\$ 5,875,524	\$ 13,134,602	\$ 10,959,128	\$ 20,144,452	\$ 21,022,596	\$ 27,294,971	\$ 23,420,229	\$ 24,892,311	\$ 27,734,129
Business-type activities	9,436	(1,674,087)	(695,231)	3,109,625	4,263,733	1,761,666	1,568,551	6,465,828	-	-
Total primary government	<u>\$ 8,594,569</u>	<u>\$ 4,201,437</u>	<u>\$ 12,439,371</u>	<u>\$ 14,068,753</u>	<u>\$ 24,408,185</u>	<u>\$ 22,784,262</u>	<u>\$ 28,863,522</u>	<u>\$ 29,886,057</u>	<u>\$ 24,892,311</u>	<u>\$ 27,734,129</u>

(1) Reflects expenses from Exhibit 2.

(2) For fiscal years 2019 and prior, the James City Service Authority was reported as a blended component unit and business type activity of James City County. As of fiscal year 2020, the James City Service Authority is reported as a discretely presented component unit, and is no longer reported as part of the primary government.

Table 3

County of James City, Virginia
Fund Balances, Governmental Funds
Last Ten Fiscal Years (1)

	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
General fund:										
Nonspendable:										
Inventory	\$ 346,545	\$ 361,682	\$ 370,536	\$ 340,709	\$ 336,498	\$ 332,335	\$ 311,882	\$ 252,792	\$ 232,235	\$ 222,172
Prepaid items	-	-	-	2,111	-	-	-	-	-	-
Committed:										
School operations	-	-	-	-	-	-	-	-	-	8,128,540
Assigned:										
General	6,089,236	6,595,137	6,544,809	5,991,822	7,860,584	7,249,473	8,384,195	7,825,910	9,436,272	7,333,706
Capital reserve	15,766,115	11,583,529	8,118,950	4,968,111	5,414,938	6,001,542	6,963,412	7,116,956	7,853,810	15,833,459
Unassigned	21,674,594	22,345,746	23,099,410	23,360,679	24,681,548	28,339,753	30,119,197	31,693,639	42,058,054	56,029,027
Total general fund	<u>\$ 43,876,490</u>	<u>\$ 40,886,094</u>	<u>\$ 38,133,705</u>	<u>\$ 34,663,432</u>	<u>\$ 38,293,568</u>	<u>\$ 41,923,103</u>	<u>\$ 45,778,686</u>	<u>\$ 46,889,297</u>	<u>\$ 59,580,371</u>	<u>\$ 87,546,904</u>
All other government funds:										
Restricted - bond proceeds held in escrow	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,236,338	\$ 4,536,503	\$ 2,030,253	\$ 9,687
Restricted - nonmajor governmental funds									\$ 1,319,233	\$ 1,350,727
Committed:										
Grants	962,702	128,700	240,900	69	-	-	-	-	-	3,089,976
Capital projects/reserve	21,226,338	35,010,428	8,320,449	1,551,387	28,907,491	13,781,490	-	-	-	-
Assigned:										
Capital reserve	-	-	14,466,602	16,178,748	18,699,213	26,115,707	26,401,040	29,732,523	31,263,804	27,489,088
Special revenue	4,132,137	4,993,071	4,505,717	4,957,409	6,111,183	7,233,419	10,523,259	9,761,066	12,375,121	10,543,409
Total all other governmental funds	<u>\$ 26,321,177</u>	<u>\$ 40,132,199</u>	<u>\$ 27,533,668</u>	<u>\$ 22,687,613</u>	<u>\$ 53,717,887</u>	<u>\$ 47,130,616</u>	<u>\$ 38,160,637</u>	<u>\$ 44,030,092</u>	<u>\$ 46,988,411</u>	<u>\$ 42,482,887</u>

(1) Governmental Accounting Standards Board (GASB) Statement No. 54, Fund Balance Reporting and Governmental Fund Type Definitions, which provides fund balance classifications that can be more consistently applied was adopted by the County as of July 1, 2010. Therefore, the fund balances for years 2009 through 2010 have been restated to reflect this standard.

Table 4

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

	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Revenues:										
General property taxes	\$ 110,677,787	\$ 109,112,196	\$ 112,151,342	\$ 112,542,078	\$ 124,363,595	\$ 128,094,252	\$ 130,402,106	\$ 134,744,837	\$ 138,724,196	\$ 144,766,114
Other local taxes	20,006,069	21,208,061	21,435,046	22,771,626	24,027,667	24,555,363	24,442,882	29,324,049	25,981,646	29,370,617
Licenses, permits, and fees	7,487,105	7,623,652	8,134,299	8,443,821	8,779,496	9,049,208	8,892,499	9,496,531	8,878,568	8,354,258
Fines and forfeitures	274,198	295,355	293,625	271,615	309,278	270,716	265,561	292,518	231,608	154,314
Use of money and property	395,001	330,514	339,358	232,388	263,745	402,544	382,080	795,865	966,252	349,292
Charges for services	5,174,185	5,736,864	5,549,607	5,944,750	6,623,273	6,471,404	6,656,889	6,586,341	6,291,204	6,341,310
Miscellaneous	1,286,664	1,473,964	1,875,484	4,217,842	1,932,580	2,924,978	3,065,493	2,779,596	1,493,215	3,929,305
Intergovernmental	37,099,346	34,672,161	33,945,431	34,169,438	34,635,171	35,092,799	35,731,814	36,733,787	44,338,305	44,917,875
Total revenues	182,400,355	180,452,767	183,724,192	188,593,558	200,934,805	206,861,264	209,839,324	220,753,524	226,904,994	238,183,085
Expenditures:										
Storm costs	2,454,661	-	-	-	-	-	-	-	-	-
General government administration	8,669,692	9,399,885	9,643,858	9,432,889	9,678,060	9,770,250	10,086,403	11,651,426	12,905,240	15,239,378
Judicial administration	5,254,489	5,250,974	5,514,609	5,599,728	5,463,744	5,870,569	5,856,353	5,908,750	5,954,875	6,276,544
Public works	6,493,573	7,606,884	7,353,940	6,976,533	27,878,252	28,443,672	28,728,800	31,127,333	31,102,285	32,580,685
Health and human services	7,042,619	6,785,380	7,061,327	7,193,841	7,082,202	7,833,811	7,635,751	8,235,686	8,652,838	8,544,517
Education	74,280,245	75,931,599	77,496,482	79,610,865	7,234,052	7,350,896	7,584,697	8,259,078	9,383,160	9,613,906
Parks, recreation, and cultural	9,163,941	9,075,083	9,899,159	9,858,887	79,825,974	84,299,207	85,395,004	91,070,061	92,286,710	91,265,989
Public safety	24,915,821	26,555,114	26,764,383	27,475,307	9,872,451	10,293,611	10,394,095	10,896,838	10,751,418	10,947,198
Community development	9,873,740	10,914,977	10,958,279	10,769,064	10,353,844	11,827,600	9,959,810	10,451,529	9,682,050	10,318,221
Nondepartmental	1,265,803	966,806	721,744	525,433	1,183,538	-	-	-	16,128	-
Debt service (2):										
Principal	14,787,955	23,473,305	16,417,326	16,862,695	17,122,377	16,206,234	16,284,125	14,343,182	14,282,841	12,471,271
Interest	9,384,810	9,522,081	8,822,326	7,787,361	6,188,222	6,841,056	6,195,080	5,848,486	5,447,279	4,655,693
Bond issuance costs	-	253,624	-	112,863	1,173,546	-	-	380,771	-	273,391
Capital outlay (1)	15,023,734	12,586,344	18,421,679	13,424,741	12,647,985	25,818,138	26,833,602	26,793,328	11,824,193	13,411,798
Total expenditures	188,611,083	198,322,056	199,075,112	195,630,207	195,704,247	214,555,044	214,953,720	224,966,468	212,289,017	215,598,591
Excess (deficiency) of revenues over (under) expenditures	(6,210,728)	(17,869,289)	(15,350,920)	(7,036,649)	5,230,558	(7,693,780)	(5,114,396)	(4,212,944)	14,615,977	22,584,494
Other financing sources:										
Transfers in	29,412,515	33,965,148	34,729,940	35,271,660	40,956,217	40,745,506	40,309,261	46,365,441	36,233,275	26,987,246
Transfers out	(29,412,515)	(33,965,148)	(34,729,940)	(35,271,660)	(40,956,217)	(40,745,506)	(40,309,261)	(46,365,441)	(36,233,275)	(26,987,246)
Issuance of debt	7,672,000	26,380,000	-	34,185,000	91,665,000	-	-	14,195,000	-	11,030,000
Premiums on bonds issued	-	2,309,915	-	3,907,273	10,930,294	-	-	1,150,501	-	2,450,765
Capital lease	-	-	-	-	-	4,736,044	-	-	-	1,693,311
Payment to refunded bond escrow agent	-	-	-	(39,371,952)	(73,165,442)	-	-	-	-	(14,297,561)
Total other financing sources	7,672,000	28,689,915	-	(1,279,679)	29,429,852	4,736,044	-	15,345,501	-	876,515
Net change in fund balances	\$ 1,461,272	\$ 10,820,626	\$ (15,350,920)	\$ (8,316,328)	\$ 34,660,410	\$ (2,957,736)	\$ (5,114,396)	\$ 11,132,557	\$ 14,615,977	\$ 23,461,009
Debt service as a percentage of noncapital expenditures	13.65%	17.55%	13.97%	13.35%	12.56%	11.99%	11.74%	10.18%	9.79%	8.43%

(1) Including operating transfers to capital projects.

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

Table 5

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

Fiscal year	Total real property	General personal property	Machinery and tools	Mobile homes	Total Personal property	Public service	Total assessed value	Total direct tax rate
2012	\$ 11,316,807,900	\$ 652,561,625	\$ 139,945,157	\$ 9,719,184	\$ 802,225,966	\$ 222,670,868	\$ 12,341,704,734	\$ 4.77
2013	10,921,180,200	687,058,440	141,877,157	9,209,475	838,145,072	232,588,225	11,991,913,497	4.77
2014	11,067,756,400	710,720,870	144,950,305	8,346,659	864,017,834	233,973,337	12,165,747,571	4.77
2015	11,148,405,300	783,249,672	144,694,099	7,901,856	935,845,627	336,370,602	12,420,621,529	4.84
2016	11,352,153,219	770,378,346	145,094,277	7,533,858	923,006,481	236,177,856	12,511,337,556	4.84
2017	11,608,801,433	809,023,687	147,942,350	7,008,284	963,974,321	245,349,999	12,818,125,753	4.84
2018	11,797,419,633	862,391,419	151,313,988	6,377,045	1,020,082,452	247,568,334	13,065,070,419	4.84
2019	12,089,303,067	898,095,969	150,923,619	6,628,640	1,055,648,228	262,267,902	13,407,219,197	4.84
2020	12,241,257,556	895,259,839	155,315,787	7,099,488	1,057,675,114	388,057,441	13,686,990,111	4.84
2021	12,617,887,537	970,206,188	155,735,247	8,655,439	1,134,596,874	551,095,928	14,303,580,339	4.84

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

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

Table 6

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

Fiscal year	Real estate tax (1)	Personal property tax (1)	Room tax	Meal tax	Retail sales tax (2)	Historic Triangle sales tax (3)	Total direct tax rate
2012	\$ 0.77	\$ 4.00	\$ 5.00	\$ 4.00	\$ 1.00	\$ -	\$ 4.77
2013	0.77	4.00	5.00	4.00	1.00	-	4.77
2014	0.77	4.00	5.00	4.00	1.00	-	4.77
2015	0.77	4.00	5.00	4.00	1.00	-	4.77
2016	0.84	4.00	5.00	4.00	1.00	-	4.84
2017	0.84	4.00	5.00	4.00	1.00	-	4.84
2018	0.84	4.00	5.00	4.00	1.00	-	4.84
2019	0.84	4.00	5.00	4.00	1.00	1.00	4.84
2020	0.84	4.00	5.00	4.00	1.00	1.00	4.84
2021	0.84	4.00	5.00	4.00	1.00	1.00	4.84

(1) Per \$100 assessed value

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

(3) Effective July 1, 2018

(4) There are no overlapping taxes in the rates disclosed in this table.

Table 7

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

Principal Property Tax Payers						
	2021			2012		
	Property taxes assessed	Rank	Percentage of County total	Property taxes assessed	Rank	Percentage of County total
Anheuser-Busch, Inc.	\$ 5,302,096	1	3.48%	\$ 4,819,236	1	3.96%
Virginia Electric & Power Company	3,606,285	2	2.36%	850,998	5	0.70%
Seaworld Parks & Entertainment, LLC	2,280,711	3	1.49%	1,683,395	2	1.38%
Premium Outlets of Williamsburg (1)	1,227,470	4	0.80%	-	-	-
Wal-Mart, Inc.	1,212,795	5	0.79%	1,163,543	3	0.95%
Historic Powhatan Resort Owners Assoc	1,036,237	6	0.68%	981,075	4	0.81%
Williamsburg Landing, Inc.	988,515	7	0.65%	738,183	7	0.61%
Ball Metal Container	907,417	8	0.59%	780,129	6	0.64%
Riverside Healthcare Assoc	733,000	9	0.48%	-	-	-
Vacation Village @ Williamsburg (2)	704,759	10	0.46%	655,332	9	0.54%
Owens-Brockway				690,470	8	0.57%
Virginia United Methodist Homes, Inc.				602,041	10	0.49%
Total	\$ 17,999,285		11.78%	\$ 12,964,402		10.65%

Source: Commissioner of the Revenue

(1) Premium Outlets includes two related parties, Williamsburg Outlets, LLC and Williamsburg Mazel, LLC. They are combined in this table to show the value of the shopping center.

(2) Vacation Village @ Williamsburg formerly known as Williamsburg Plantation Owners Assoc.

Principal Personal Property Tax Payers						
	2021			2012		
	Property taxes assessed	Rank	Percentage of County total	Property taxes assessed	Rank	Percentage of County total
Anheuser-Busch, Inc.	\$ 4,120,396	1	9.13%	\$ 3,736,011	1	11.79%
Seaworld Parks, LLC	1,708,403	2	3.79%	1,161,711	2	3.66%
Ball Metal Container	765,819	3	1.70%	553,953	4	1.75%
Printpack, Inc.	469,218	4	1.04%	463,863	5	1.46%
Owens-Brockway Glass Container	463,001	5	1.03%	618,220	3	1.95%
Cox Communications of Hampton Roads	345,132	6	0.77%	257,743	7	0.81%
Wal-Mart, Inc.	318,195	7	0.71%	359,969	6	1.14%
Toyota Lease Trust	216,828	8	0.48%	156,465	9	0.49%
HVT, Inc.	210,158	9	0.47%	143,634	10	0.45%
Citizen Asset Finance, Inc.	204,042	10	0.45%	-	-	-
Branscome, Inc.				186,554	8	0.59%
Total	\$ 8,821,192		19.57%	\$ 7,638,123		24.09%

Source: Commissioner of the Revenue

Principal Real Estate Property Tax Payers						
	2021			2012		
	Property taxes assessed	Rank	Percentage of County total	Property taxes assessed	Rank	Percentage of County total
Virginia Electric & Power Company	\$ 3,598,920	1	3.35%	\$ 848,943	3	0.94%
Premium Outlets of Williamsburg (1)	1,227,470	2	1.14%	558,051	9	0.62%
Anheuser-Busch, Inc.	1,181,700	3	1.10%	1,083,225	1	1.20%
Historic Powhatan Resort Owners Assoc	1,009,654	4	0.94%	966,499	2	1.07%
Wal-Mart, Inc.	894,600	5	0.83%	803,574	4	0.89%
Williamsburg Landing, Inc.	890,933	6	0.83%	675,738	5	0.75%
Riverside Healthcare Assoc.	704,106	7	0.66%	-	-	-
Vacation Village @ Williamsburg (2)	700,579	8	0.65%	650,274	6	0.72%
Manor Club @ Ford's Colony (3)	651,006	9	0.61%	596,756	7	0.66%
Virginia United Methodist Homes, Inc.	645,755	10	0.60%	577,698	8	0.64%
Seaworld Parks, LLC				521,684	10	0.58%
Total	\$ 11,504,723		10.71%	\$ 7,282,442		8.07%

Source: Commissioner of the Revenue

(1) Premium Outlets includes two related parties, Williamsburg Outlets, LLC and Williamsburg Mazel, LLC. They are combined in this table to show the value of the shopping center.

(2) Vacation Village @ Williamsburg formerly known as Williamsburg Plantation Owners Assoc,

(3) In 2012, the company was known as Manor Houses Associates.

Table 8

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

Fiscal year	Taxes levied for the fiscal year	Collected within the fiscal year of the levy		Collections in subsequent years	Total collections to date	
		Amount (1)	Percentage of levy		Amount	Percentage of levy
2012	\$ 121,312,654	\$ 101,482,234	83.65%	\$ 19,498,752	\$ 120,980,986	99.73%
2013	117,414,914	98,431,581	83.83%	18,747,396	117,178,977	99.80%
2014	118,804,815	100,523,591	84.61%	17,810,298	118,333,889	99.60%
2015	116,313,370	101,071,578	86.90%	13,981,851	115,053,429	98.92%
2016	122,270,532	106,867,113	87.40%	14,476,777	121,343,890	99.24%
2017	125,345,126	109,436,232	87.31%	15,895,512	125,331,744	99.99%
2018	129,502,759	111,268,080	85.92%	17,510,094	128,778,174	99.44%
2019	133,720,786	114,672,068	85.75%	16,894,911	131,566,979	98.39%
2020	135,651,256	114,426,238	85.74%	19,252,744	133,678,982	98.55%
2021	139,472,689	120,664,965	86.52%	-	120,664,965	86.52%

Source: Treasurer, James City County

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

Table 9

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

	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Apparel stores	\$ 198,116,199	\$ 206,585,825	\$ 213,354,143	\$ 194,143,321	\$ 194,900,831	\$ 186,607,800	\$ 161,355,210	\$ 153,888,820	\$ 148,561,525	\$ 116,650,461
Automotive dealers, supplies and repair	24,017,913	21,792,904	21,122,470	20,893,120	23,582,443	23,292,016	27,301,606	27,495,725	27,923,233	29,737,445
Building materials, machinery and equipment	20,676,668	19,518,301	18,093,198	18,046,110	20,957,143	19,658,032	18,140,731	16,525,955	15,897,685	32,678,513
Eating and drinking establishments	103,724,814	105,121,625	116,111,215	112,320,430	116,764,293	113,221,696	96,580,559	100,513,316	103,898,550	96,894,374
Food stores	148,451,817	160,043,266	169,193,864	172,591,926	178,533,330	173,053,026	166,510,730	159,139,231	171,721,520	215,713,106
Furniture, home furnishings and household equipment	23,420,749	25,032,485	31,239,589	33,524,596	34,915,814	33,199,279	30,254,081	29,813,814	28,837,623	28,645,435
General merchandise	92,522,324	103,860,834	116,426,211	133,412,703	138,011,583	138,691,794	148,614,533	158,022,671	148,055,718	157,187,098
Lodging	14,172,343	16,041,031	15,276,927	20,352,083	22,528,553	21,630,584	23,009,096	20,053,827	18,872,605	7,885,431
Other outlets	39,511,197	38,200,453	38,297,074	32,410,167	31,055,094	31,872,830	38,055,982	23,929,492	13,410,125	78,373,797
Other retail stores, dealers, trades and services	204,974,337	208,856,679	205,764,580	231,051,462	250,886,839	243,076,757	261,444,986	275,721,770	277,858,734	113,465,655
Total	\$ 869,588,361	\$ 905,053,403	\$ 944,879,271	\$ 968,745,918	\$ 1,012,135,923	\$ 984,303,814	\$ 971,267,514	\$ 965,104,621	\$ 955,037,318	\$ 877,231,315

Source: Weldon Cooper Center

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

Table 10

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

Fiscal year	Governmental activities				Business-type activity (3)	Total primary government	Percentage of personal income (1)	Per capita personal income (2)
	General obligation bonds	Capital leases	Lease revenue bonds	Total	Revenue bonds			
2012	\$ 86,134,103	\$ 9,235,074	\$ 104,472,000	\$ 199,841,177	\$ 32,938,174	\$ 232,779,351	20.21	\$ 55,990
2013	80,004,294	1,098,854	123,034,000	204,137,148	25,185,000	229,322,148	20.69	55,550
2014	72,164,244	984,528	114,416,000	187,564,772	24,660,000	212,224,772	23.34	56,960
2015	65,458,589	858,833	103,604,000	169,921,422	24,115,000	194,036,422	26.59	58,504
2016	49,844,842	728,456	130,451,552	181,024,850	24,118,109	205,142,959	26.05	59,632
2017	44,155,482	4,195,266	119,855,768	168,206,516	23,269,202	191,475,718	29.49	62,350
2018	38,348,323	3,183,141	109,069,984	150,601,448	22,600,295	173,201,743	33.28	63,189
2019	33,966,163	2,146,958	112,183,815	148,296,936	21,906,388	170,203,324	35.17	65,176
2020	29,479,003	1,086,117	102,028,321	132,593,441	-	132,593,441	47.82	68,279
2021	25,252,504	1,340,157	90,434,122	117,026,783	-	117,026,783	**	**

(1) Based on personal income from Table 13

(2) From Table 13, calendar year basis

(3) For fiscal years 2019 and prior, the James City Service Authority was reported as a blended component unit and business type activity of James City County. As of fiscal year 2020, the James City Service Authority is reported as a discretely presented component unit, and is no longer reported as part of the primary government.

** Statistics not yet available

Table 11

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

Ratio of Net General Bonded Debt to Assessed Value and Net Bonded Debt Per Capita							
Fiscal year	Population (1)	Assessed value (2)	Gross bonded debt (3) (4)	Less debt service monies available (5)	Net bonded debt	Ratio of net bonded debt to assessed value	Net bonded debt per capita
2012	69,451	\$ 12,341,704,734	\$ 86,134,103	\$ 2,921,037	\$ 83,213,066	0.67	\$ 1,198
2013	70,376	11,991,913,497	80,004,294	2,920,981	77,083,313	0.64	1,095
2014	71,254	12,165,747,571	72,164,244	2,920,538	69,243,706	0.57	972
2015	72,682	12,420,621,529	65,458,589	2,920,369	62,538,220	0.50	860
2016	73,767	12,511,337,556	49,844,842	1,219,616	48,625,226	0.39	659
2017	74,795	12,818,125,753	44,155,482	1,221,521	42,933,961	0.33	574
2018	75,776	13,065,070,419	38,348,323	1,222,024	37,126,299	0.28	490
2019	76,211	13,407,219,197	33,966,163	1,226,463	32,739,700	0.24	430
2020	77,202	13,686,990,111	29,479,003	-	29,479,003	0.22	382
2021	78,254	14,303,580,339	25,252,504	-	25,252,504	0.18	323

(1) From Table 13; based on calendar year

(2) From Table 5

(3) Includes all long-term general obligation bonded debt, bond anticipation notes, and literary fund loans

(4) Includes general obligation debt payable from enterprise revenues

(5) Debt Service Reserve Funds held by a trustee

** Statistics not yet available

Ratio of Annual Debt Service Expenditures for General Bonded Debt (1) to Total General Government Expenditures and Revenues							
Fiscal year	Principal (1) (5)	Interest (2)	Total debt service (4)	Total general governmental expenditures (3)	Ratio of debt service to general total governmental expenditures	Total general governmental revenues (3)	Ratio of debt service to general total governmental revenues
2012	\$ 14,787,955	\$ 9,384,810	\$ 24,172,765	\$ 201,078,316	12.02	\$ 206,996,888	11.68
2013	23,473,305	9,522,081	32,995,386	215,304,486	15.32	205,082,111	16.09
2014	16,417,326	8,822,326	25,239,652	211,866,777	11.91	209,633,075	12.04
2015	16,862,695	8,781,971	25,644,666	218,984,810	11.71	213,074,589	12.04
2016	17,122,377	6,188,222	23,310,599	226,845,449	10.28	239,451,445	9.74
2017	16,206,234	6,841,056	23,047,290	231,072,402	9.97	245,652,126	9.38
2018	16,284,125	6,195,080	22,479,205	231,635,241	9.70	248,003,274	9.06
2019	14,343,182	5,848,486	20,191,668	251,898,565	8.02	259,858,415	7.77
2020	14,282,841	5,447,279	19,730,120	243,309,721	8.11	269,835,290	7.31
2021	12,471,271	4,655,693	17,126,964	241,887,289	7.08	279,751,973	6.12

(1) General obligation bonds reported in the enterprise funds and special assessment debt with government commitment have been excluded.

(2) Excludes bond issuance and other costs.

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

(4) The County has no overlapping debt.

(5) In fiscal year 2013, principal payments increased by \$7,380,000 related to the refinancing of a capital lease. Proceeds from the issuance of new debt were used for these principal payments.

Table 12

County of James City, Virginia

Pledged Revenue Coverage

James City Service Authority

Last Ten Fiscal Years (3)

Fiscal year	Gross revenue	(1) Operating expenses	Net revenue available for debt service	(2) Debt service requirements			Coverage
				Principal	Interest	Total	
2012	\$ 15,975,755	\$ 12,414,605	\$ 3,561,150	\$ 1,545,000	\$ 1,483,100	\$ 3,028,100	1.18
2013	14,997,834	12,407,414	2,590,420	525,000	1,119,306	1,644,306	1.58
2014	16,918,995	12,218,405	4,700,590	545,000	1,100,931	1,645,931	2.86
2015	17,714,181	10,982,443	6,731,738	565,000	1,081,856	1,646,856	4.09
2016	17,370,324	10,701,704	6,668,620	785,000	571,161	1,356,161	4.92
2017	20,128,694	10,904,086	9,224,608	605,000	749,450	1,354,450	6.81
2018	20,128,689	10,609,709	9,518,980	630,000	725,250	1,355,250	7.02
2019	21,647,670	11,669,088	9,978,582	655,000	700,050	1,355,050	7.36
2020	22,615,631	12,364,418	10,251,213	1,274,000	802,305	2,076,305	4.94
2021	21,951,568	13,410,886	8,540,682	1,246,000	826,394	2,072,394	4.12

(1) Total operating expenses, exclusive of depreciation

(2) The Authority has no debt margin or overlapping debt.

(3) For fiscal years 2019 and prior, the James City Service Authority was reported as a blended component unit and business type activity of James City County. As of fiscal year 2020, the James City Service Authority is reported as a discretely presented component unit, and is no longer reported as part of the primary government.

Table 13

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

Calendar year	Population (1)	Personal income (2)	Per capita personal income (2)	Unemployment percentage (1)
2012	69,451	\$ 4,703,429,000	\$ 55,990	5.7%
2013	70,376	4,745,679,000	55,550	5.3%
2014	71,254	4,954,338,000	56,960	4.9%
2015	72,682	5,160,028,000	58,504	4.3%
2016	73,767	5,344,090,000	59,632	4.1%
2017	74,795	5,646,096,000	62,350	3.8%
2018	75,776	5,763,759,000	63,189	2.9%
2019	76,211	5,986,893,000	65,176	2.7%
2020	77,202	6,341,149,000	68,279	10.3%
2021	78,254	**	**	4.5%

(1) Planning Division, supplemented by data from Virginia Employment Commission (<http://www.vec.virginia.gov/>)

(2) Data from the Bureau of Economic Analysis (<http://www.bea.gov/>), and has combined data for James City County and the City of Williamsburg

** Statistics not yet available

Median Household Income

Calendar year	James City County	Commonwealth of Virginia	United States
2012	\$ 78,396	\$ 61,782	\$ 51,371
2013	75,806	62,745	52,250
2014	75,926	64,923	53,657
2015	77,668	66,263	55,775
2016	84,035	68,127	57,617
2017	88,149	71,518	60,336
2018	86,541	72,600	61,937
2019	92,773	76,471	65,712
2020	**	**	**
2021	**	**	**

Source: U.S. Census Bureau, Small Area Income and Poverty Estimates

** Statistics not yet available

Households and Poverty

Fiscal year	Supplemental Nutrition Assistance Program (SNAP) households	Total households*	Percentage of SNAP households
2012	2,015	27,707	7.3%
2013	2,236	28,090	8.0%
2014	2,211	28,415	7.8%
2015	2,006	28,986	6.9%
2016	1,870	29,390	6.4%
2017	1,773	29,807	5.9%
2018	1,729	30,240	5.7%
2019	1,690	30,608	5.5%
2020	1,676	31,036	5.4%
2021	1,893	31,458	6.0%

Source: Social Services Department and Planning Division

* Reflects the number of occupied housing

(Continued)

Table 13 (Continued)

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

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

Source: U.S. Census Bureau

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

Households and Population			
Fiscal year	Number of households*	Total households population**	Persons per household
2012	27,707	67,882	2.45
2013	28,090	68,821	2.45
2014	28,415	69,616	2.45
2015	28,986	71,015	2.45
2016	29,390	72,005	2.45
2017	29,807	73,028	2.45
2018	30,240	74,089	2.45
2019	30,608	74,991	2.45
2020	31,036	76,038	2.45
2021	31,458	77,072	2.45

Source: Planning Division

* Reflects the number of occupied housing

** Reflects total population less group quarter population, such as nursing facilities, Eastern State Hospital (a state mental facility), Middle Peninsula Juvenile Detention Center and the Virginia Peninsula Regional Jail.

Unemployment Rate and Labor Force				
Calendar year	Civilian labor force	Number employed	Number unemployed	Unemployment rate
2012	32,988	31,101	1,887	5.7%
2013	33,690	31,891	1,799	5.3%
2014	34,650	32,941	1,709	4.9%
2015	34,250	32,765	1,485	4.3%
2016	34,206	32,883	1,323	3.9%
2017	35,352	34,080	1,271	3.6%
2018	37,267	36,122	1,145	3.1%
2019	37,416	36,415	1,001	2.7%
2020	37,139	33,326	3,813	10.3%
2021	36,023	34,385	1,638	4.5%

Source: Planning Division, supplemented by data from Virginia labor market information

Table 14

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

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

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

** Busch Gardens became publicly traded during fiscal year 2013, and information is not available.

Table 15

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

Function/program	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Administrative:										
Board of supervisors	1.0	1.0	1.0	1.0	0.5	0.5	0.5	0.5	-	-
County administration	2.5	3.0	3.0	3.0	3.0	3.0	4.0	6.0	7.0	7.0
County attorney	5.0	5.0	5.0	5.0	5.0	5.0	5.0	4.0	4.0	4.0
Communications	7.5	7.0	7.0	7.0	8.0	8.0	8.0	-	-	-
Economic development	4.0	4.0	4.0	4.0	3.5	3.5	3.5	3.5	3.0	4.0
Voter registration and elections	3.0	3.0	3.0	3.0	3.0	3.0	3.0	3.0	3.0	3.0
Human resources	7.0	7.0	7.0	7.0	7.0	7.0	7.0	8.0	7.0	7.0
Financial administration:										
Accounting	8.0	8.0	8.0	8.0	8.0	7.0	7.0	7.0	7.0	7.0
Commissioner of the revenue	11.0	11.0	11.0	11.0	11.0	11.0	11.0	11.0	11.0	11.0
Financial and management services	6.0	7.0	7.0	7.0	7.0	8.0	8.0	8.0	8.0	8.0
Purchasing	4.0	4.0	4.0	4.0	4.0	5.0	5.0	5.0	5.5	6.0
Real estate assessments	9.0	10.0	10.0	10.0	10.0	10.0	10.0	8.0	8.0	8.0
Treasurer	11.0	12.0	12.0	13.0	13.0	13.0	13.0	13.0	14.0	14.0
Satellite services	3.0	3.0	3.0	3.0	3.0	3.0	3.0	3.0	3.0	3.0
Information resources management:										
Information resources management	21.0	21.0	21.0	21.0	21.0	21.0	21.0	15.0	14.0	13.0
Information technology core applications	-	-	-	-	-	-	-	5.0	6.0	6.0
Information technology infrastructure	-	-	-	-	-	-	-	8.0	9.0	9.0
General services:										
Facilities maintenance	17.0	18.0	18.0	18.0	18.0	19.0	18.0	18.0	18.0	18.5
Fleet and equipment	8.0	8.0	8.0	8.0	8.0	8.0	8.0	8.0	8.5	9.0
General and capital services	7.0	8.0	8.0	7.0	7.0	7.0	9.5	10.5	11.5	11.5
Grounds maintenance	22.0	24.0	25.0	25.0	25.0	26.0	26.5	27.5	28.5	28.5
Solid waste management	6.0	5.0	5.0	5.0	5.0	5.0	5.0	5.0	6.0	6.0
Stormwater	4.0	4.0	4.0	6.0	8.0	8.0	7.0	18.0	18.0	18.0
Community development:										
Building safety and permits	13.0	13.0	13.0	14.0	14.0	15.0	16.0	17.0	17.0	17.0
Community Development	2.5	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	3.0
Engineering and resource protection	13.0	12.0	12.0	11.0	11.0	11.0	11.0	-	-	-
Planning	10.5	10.0	10.0	10.0	10.0	10.0	9.0	11.0	11.0	11.0
Zoning enforcement	4.0	4.0	4.0	4.0	4.0	4.0	4.0	4.0	4.0	4.0
Judicial:										
Courts/judicial	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0
Courthouse	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0
Clerk of the circuit court	12.0	12.0	12.0	11.0	11.0	11.0	11.0	11.0	11.0	11.0
Commonwealth's attorney	9.0	9.0	9.0	9.0	9.0	10.0	11.0	11.0	13.0	13.0
Sheriff	16.0	16.0	16.0	16.0	16.0	16.0	17.0	17.0	17.0	17.0
Public safety:										
Animal control	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0
Emergency communications	26.0	26.0	26.0	29.0	29.0	29.0	29.0	28.0	28.0	28.0
Emergency management	3.0	3.0	3.0	3.0	2.0	2.0	2.0	2.0	2.0	2.0
Fire	110.0	110.0	110.0	114.0	115.0	115.0	115.0	122.0	128.0	128.0
Police	98.0	98.0	99.0	100.0	103.0	103.0	105.0	108.0	111.0	111.0
Parks and recreation	49.0	48.0	48.0	47.0	49.0	52.0	52.0	54.0	54.0	54.0
Community services:										
Cooperative extension service	2.0	-	-	-	-	-	-	-	-	-
Total general fund	<u>541.0</u>	<u>542.0</u>	<u>544.0</u>	<u>552.0</u>	<u>559.0</u>	<u>567.0</u>	<u>573.0</u>	<u>588.0</u>	<u>604.0</u>	<u>606.5</u>
Other services:										
Housing and neighborhood development	9.5	9.0	9.0	8.0	8.0	7.0	8.0	9.0	9.0	10.0
JCSA (1)	89.0	89.0	89.0	89.0	89.0	89.0	91.0	96.0		
Social services	52.5	52.0	51.0	51.0	51.0	52.0	53.0	53.0	56.0	56.0
Colonial community corrections	12.0	12.0	13.0	13.0	13.0	12.0	12.0	14.0	14.0	14.0
Special projects/grants	3.0	3.0	3.0	3.0	3.0	3.0	6.0	5.0	8.0	8.5
Grand total all funds	<u>707.0</u>	<u>707.0</u>	<u>709.0</u>	<u>716.0</u>	<u>723.0</u>	<u>730.0</u>	<u>743.0</u>	<u>765.0</u>	<u>691.0</u>	<u>695.0</u>

Source: Financial and Management Services

(1) For fiscal years 2019 and prior, the James City Service Authority was reported as a blended component unit and business type activity of James City County. As of fiscal year 2020, the James City Service Authority is reported as a discretely presented component unit, and is no longer reported as part of the primary government.

Table 16

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

Function/program	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Police:										
Calls for service	20,879	19,539	20,175	20,875	22,225	21,829	22,247	21,806	20,677	20,623
Major crimes reported	1,092	999	999	1,182	1,260	1,153	1,133	976	724	791
Major crimes cleared	324	317	247	335	390	335	374	343	231	227
Fire:										
Fire/other responses	3,178	2,822	3,065	3,153	3,302	4,010	3,774	3,978	3,646	3,800
Inspections	1,804	1,910	1,829	1,320	1,255	1,169	1,046	914	500	425
EMS responses	6,147	6,446	6,450	6,666	7,039	7,141	7,330	7,894	7,486	7,844
Refuse collection:										
Refuse collected (tons per day)	10	12	11	10	11	12	12	17	18	36
Recyclables collected (tons per day)	1	1	1	1	1	1	2	1	1	2
Recyclables collected curbside (tons per day)	22	22	22	23	24	23	23	24	15	12
Parks and recreation:										
Community center admissions	464,358	511,976	444,755	400,367	401,111	434,719	404,919	431,581	296,848	182,210
Park attendance	2,253,617	2,163,533	2,428,894	2,595,974	2,817,348	3,075,306	3,742,009	3,997,042	3,930,165	5,340,313
Participants in programs offered	378,733	371,959	404,023	441,969	463,319	508,776	528,703	505,780	307,607	220,404
Water (1):										
New connections	351	448	359	388	423	464	407	292	284	310
Water mains breaks	31	25	21	26	21	34	25	30	28	27
Sewer (1):										
New connections	296	347	261	380	447	470	414	287	290	313

Source: County operating departments

(1) For fiscal years 2019 and prior, the James City Service Authority was reported as a blended component unit and business type activity of James City County. As of fiscal year 2020, the James City Service Authority is reported as a discretely presented component unit, and is no longer reported as part of the primary government.

Table 17

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

Function/program	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Police stations	1	1	1	1	1	1	1	1	1	1
Fire stations	5	5	5	5	5	5	5	5	5	5
Parks and recreation:										
Acreage	1,582	1,582	1,582	1,582	1,582	1,592	1,592	1,592	1,592	1,711
Playgrounds	11	11	11	12	12	10	10	10	10	10
Ball fields maintained	65	65	65	65	65	70	70	68	68	68
Tennis courts maintained	5	5	5	4	4	4	4	4	-	-
Pickleball courts maintained	-	-	-	-	2	2	2	2	8	8
Community centers	2	2	2	2	2	2	2	2	2	2
Water (2):										
Water lines (miles)	390	393	400	402	407	409	410	414	414	418
Water customers	20,070	20,549	20,858	21,246	21,669	22,133	22,540	22,832	23,116	23,426
Storage tanks (greater than 250,000 gallons)	7	7	7	7	7	7	7	7	7	7
Average ERCs (1)	19,200	18,597	18,937	19,415	18,921	20,025	20,220	19,247	18,977	19,142
Wastewater (2):										
Sewer lines (miles)	423	425	430	435	439	440	440	446	446	449
Gallons collected (millions)	1,771	1,739	1,862	1,922	1,863	1,971	1,987	1,898	1,879	1,901
Sewer customers	21,488	21,962	22,575	22,955	23,402	23,872	24,286	24,573	24,863	25,176

Source: County operating departments

(1) Equivalent Residential Connections (ERCs) are determined based upon the rated capacity of a water meter (e.g., the average amount of water which can flow through such meter on a continuous basis) as compared to the rated capacity for a typical 5/8" residential water meter.

(2) For fiscal years 2019 and prior, the James City Service Authority was reported as a blended component unit and business type activity of James City County. As of fiscal year 2020, the James City Service Authority is reported as a discretely presented component unit, and is no longer reported as part of the primary government.

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Compliance Section

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County of James City, Virginia
Schedule of Expenditures of Federal Awards - Primary Government and
Discretely Presented Component Unit - Public Schools
Year ended June 30, 2021

Federal Grantor/Pass-Through Grantor/Cluster/Program Title	Assistance listing number	Pass-through entity identifying number	Amount passed through to subrecipients	Expenditures
Primary Government - Governmental Activities:				
Department of Agriculture:				
Virginia Department of Social Services:				
SNAP Cluster:				
State Administrative Matching Grants - Supplemental Nutrition Assistance Program	10.561	**		\$ 760,396
Department of Health and Human Services:				
Virginia Department of Social Services:				
Promoting Safe and Stable Families	93.556	**		43,028
TANF Cluster:				
Temporary Assistance for Needy Families	93.558	**		285,651
Refugee and Entrant Assistance - State Administered Programs	93.566	**		3,041
Low-Income Home Energy Assistance	93.568	**		41,437
Child Welfare Services	93.645	**		219
Foster Care - Title IV-E	93.658	**		310,952
Adoption Assistance	93.659	**		346,319
Social Services Block Grant	93.667	**		290,138
Chafee Foster Care Independent Living	93.674	**		7,358
State Children's Insurance Program	93.767	**		6,256
Medicaid Cluster:				
Medical Assistance Program	93.778	**		571,563
CCDF Cluster:				
Child Care Mandatory and Matching Funds of the Child Care and Development Fund	93.596	**		59,501
Adoption and Legal Guardianship Incentive Payments	93.603	**		344
Total Department of Health and Human Services				1,965,808
Department of Interior:				
Bureau of Cash Management Payment in Lieu of Taxes	15.000	N/A		8,349
Department of Treasury:				
COVID-19 - Coronavirus Relief Fund	21.019	N/A	546,414	3,540,318
Elections Assistance Commission:				
Virginia Department of Elections				
2020 Supplemental Election Security Grants	90.404	***		69,748
Department of Homeland Security:				
Virginia Department of Emergency Management:				
Homeland Security Grant Program	97.067	**		312,239
COVID-19 - Disaster Grants - Public Assistance (Presidentially Declared Disasters)	97.036	**		197,369
Emergency Management Performance Grants	97.042	**		38,753
Total Department of Homeland Security				548,361
Department of Education:				
COVID-19 - Education Stabilization Fund - Governor's Emergency Education Relief Fund	84.425C	**		88,196
Department of Housing and Urban Development:				
Housing Voucher Cluster				
Section 8 Housing Choice Vouchers	14.871	N/A		1,336,592
Mainstream Vouchers	14.879	N/A		34,539
Total Housing Voucher Cluster				1,371,131
Housing Counseling Assistance Program	14.169	N/A		25,620
Virginia Department of Housing and Community Development:				
Community Development Block Grants/State's program and Non-Entitlement Grants	14.228	**		380,173
COVID-19 - Community Development Block Grants/State's program and Non-Entitlement Grants	14.228	**		94,319
Total Community Development Block Grants/State's program and Non-Entitlement Grants				474,492
Emergency Solutions Grant Program	14.231	**		21,343
COVID-19 - Emergency Solutions Grant Program	14.231	**		170,444
Total Emergency Solutions Grant Program				191,787
COVID-19 - Coronavirus Relief Fund - Municipal Utility Relief	21.019	***	315,872	315,872
Total Department of Housing and Community Development				982,151
Total Department of Housing and Urban Development				2,378,902
Department of Transportation:				
Highway Planning and Construction Cluster:				
Highway Planning and Construction	20.205	**		8,960
Virginia Department of Motor Vehicles:				
Alcohol Open Container Requirements	20.607	69A37518300001		4,055
Alcohol Open Container Requirements	20.607	154AL-2021-51349-21349		8,184
Highway Safety Cluster:				
Highway Safety Grant	20.600	69A37519300004		6,736
Highway Safety Grant	20.600	FSC-2021-51356-21356		12,920
Highway Safety Grant	20.600	FOP-2021-51350-21350		3,303
Total Highway Safety Cluster, Department of Transportation				22,959
Total Department of Transportation				44,158
Department of Justice:				
Bureau of Justice Administration:				
BJA - Bulletproof Vests Partnership	16.607	N/A		12,421
Office of Justice Programs				
Edward Byrne Memorial Justice Assistance Grant Program	16.738	2019-DJ-BX-0302		5,634
Edward Byrne Memorial Justice Assistance Grant Program	16.738	20-A4915AD16		2,295
Edward Byrne Memorial Justice Assistance Grant Program	16.738	20-D4040AD16		2,025
Edward Byrne Memorial Justice Assistance Grant Program	16.738	2020-DJ-BX-0571		11,119
Total Office of Justice Programs				21,073
Virginia Department of Criminal Justice Services:				
Violence Against Women Formula Grants	16.588	20-X9412VA19		4,407
Violence Against Women Formula Grants	16.588	21-Y9412VA20		24,875
Violence Against Women Formula Grants	16.590	2015-WE-AX-0009		100,023
Crime Victim Assistance	16.575	21-A8579VW19		137,445
COVID-19 - Coronavirus Emergency Supplemental Funding Program	16.034	20-A5082CE20		6,288
Total Department of Criminal Justice Services				273,038
Total Department of Justice				306,532
Total federal awards, primary government - governmental activities			862,286	9,710,768

See accompanying notes to schedule of expenditures of federal awards.

County of James City, Virginia
Schedule of Expenditures of Federal Awards - Primary Government and
Discretely Presented Component Unit - Public Schools
Year ended June 30, 2021

Federal Grantor/Pass-Through Grantor/Cluster/Program Title	Assistance listing number	Pass-through entity identifying number	Amount passed through to subrecipients	Expenditures
Component Unit - Public Schools:				
Department of Agriculture:				
Child Nutrition Cluster:				
Virginia Department of Education:				
National School Lunch Program	10.555	16161VA307N1099		\$ 304,714
Summer Food Service Program	10.559	16161VA307N1100		3,692,002
Total Child Nutrition Cluster, Department of Agriculture				<u>3,996,716</u>
Department of Education:				
Coronavirus Aid, Relief, and Economic Security - Coronavirus Relief Funds	21.019	N/A		1,999,270
Coronavirus Aid, Relief, and Economic Security - Coronavirus Relief Funds - Williamsburg-James City County Public Schools	21.019	N/A		381,666
Education Stabilization Fund - Governor's Emergency Education Relief Fund	84.425C	S425C200042		78,118
Education Stabilization Fund - Elementary and Secondary School Emergency Relief Fund	84.425D	S425D200008		59,642
Impact Aid	84.041	N/A		140,631
College of William and Mary - Project HOPE	84.196	S196A150048		24,496
Virginia Department of Education:				
Title I Grants to Local Educational Agencies	84.010	419		1,209,694
Title I, Part D, Neglected and Delinquent Children	84.013	S013A150046		93,967
Vocational Education - Basic Grants to States	84.048	V048A130046		96,469
		S367A150044/S367A160044		266,024
Title II, Part A, Supporting Effective Instruction State Grants	84.367	S365A14140046/S365A15140046		67,882
Title III, Part A, English Language Acquisition Grants	84.365	A15140046		26,683
Title IV, Part A, Student Support and Academic Enrichment Grants	84.424	S424A170048		
Special Education Cluster:		11027A150107/11027A160107		2,220,557
Special Education - Grants to States	84.027	160107		52,277
Special Education - Preschool Grants	84.173	H173A160112		<u>2,272,834</u>
Total Special Education Cluster				<u>6,717,376</u>
Total Department of Education				
Department of Health and Human Services:				
Medicaid Cluster:				
Medical Assistance Program	93.778	**		14,319
Total Department of Health and Human Services				<u>14,319</u>
Department of Transportation:				
Highway Planning and Construction Cluster:				
Highway Planning and Construction	20.205	51SR7101M3001		31,810
Department of Treasury				
James City County				
Coronavirus Aid, Relief, and Economic Security - Coronavirus Relief Funds - James City County	21.019	N/A		1,749,959
City of Williamsburg				
Coronavirus Aid, Relief, and Economic Security - Coronavirus Relief Funds - Williamsburg	21.019	N/A		287,029
Total Department of Treasury				<u>2,036,988</u>
Total federal awards, component unit - Public Schools				<u>12,797,209</u>
Total federal awards, reporting entity			<u>\$ 862,286</u>	<u>\$ 22,507,977</u>

N/A Not applicable; direct funding

** Information is not available.

County of James City, Virginia
Notes to Schedule of Expenditures of Federal Awards
Year ended June 30, 2021

1) Basis of Presentation

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

2) Summary of Significant Accounting Policies

Expenditures reported in the schedule are reported on the modified accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance and OMB Circular A-87, *Cost Principles for State, Local and Indian Tribal Governments*, wherein certain types of expenditures are not allowable or are limited as to reimbursement.

3) Indirect Cost Rate

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

4) Sub-recipient Payments

The following awards were provided through funding received from the Department of Treasury's Coronavirus Relief Fund, CFDA 21.019 and were passed through by the County to sub-recipients for the fiscal year ended June 30, 2021:

Sub-recipient	Amount
James City Service Authority	\$120,839
United Way of the Virginia Peninsula	\$118,754
Williamsburg Regional Library	\$88,691
Williamsburg House of Mercy	\$75,000
The Salvation Army	\$45,000
Jamestown 4-H Educational	\$28,000
Avalon Center	\$10,250
3e Restoration Inc.	\$10,000
Greenwood Christian Academy	\$7,500
Literacy for Life	\$7,500
Bacon Street Youth and Family	\$7,250
Williamsburg Area Meals on Wheels	\$6,880
Hope Family Village Corp	\$5,550
Peninsula Agency on Aging	\$5,000
The ARC of Greater Williamsburg	\$3,000
Community of Faith Mission	\$2,500
Greater Williamsburg Outreach	\$2,000
Williamsburg Faith in Action	\$1,700
Grove Christian Outreach Center	\$1,000

These awards were provided to assist these sub-recipients with costs incurred in order to mitigate the spread of COVID-19 or to provide assistance to citizens impacted by the pandemic.

In addition, \$315,872 was provided to the James City Service Authority through the Coronavirus Relief Fund, CFDA 21.019, so that the Authority could provide municipal utility relief to customers impacted by the pandemic.

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

To the Board of Supervisors
County of James City, Virginia
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 aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the County of James City, Virginia, (the "County") as of and for the year ended June 30, 2021, and the related notes to the financial statements, which collectively comprise the County's basic financial statements and have issued our report thereon dated December 14, 2021.

Internal Control over Financial Reporting

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

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

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

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the County's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed an instance of noncompliance that is required to be reported under *Government Auditing Standards* which is described in the accompanying schedule of findings and questioned costs as item 2021-001.

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 County's internal control and compliance. Accordingly, this communication is not suitable for any other purposes.

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

CERTIFIED PUBLIC ACCOUNTANTS

Newport News, Virginia
December 14, 2021

COUNTY OF JAMES CITY, VIRGINIA

SUMMARY OF COMPLIANCE MATTERS

June 30, 2021

As more fully described in the Independent Auditor's Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards*, we performed tests of the County's compliance with certain provisions of the laws, regulations, contracts, and grants shown below.

STATE COMPLIANCE MATTERS

Code of Virginia

Budget and Appropriation Laws

Cash and Investment Laws

Conflicts of Interest Act

Local Retirement Systems

Debt Provisions

Procurement Laws

Comprehensive Services Act

Uniform Disposition of Unclaimed Property Act

Sheriff Internal Controls

State Agency Requirements

Social Services

FEDERAL COMPLIANCE MATTERS

Compliance Supplement for Single Audits of State and Local Governments

Provisions and conditions of agreements related to federal program selected for testing.

**INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR
FEDERAL PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE
REQUIRED BY THE UNIFORM GUIDANCE**

To the Board of Supervisors
County of James City, Virginia
Williamsburg, Virginia

Report on Compliance for Each Major Federal Program

We have audited the County of James City, Virginia's (the "County") compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of the County's major federal programs for the year ended June 30, 2021. The County's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

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

Auditor's Responsibility

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

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

Opinion on Each Major Federal Program

In our opinion, County of James City, Virginia complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2021.

Report on Internal Control over Compliance

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

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

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

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

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

CERTIFIED PUBLIC ACCOUNTANTS

Newport News, Virginia
December 14, 2021

COUNTY OF JAMES CITY, VIRGINIA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
June 30, 2021

A. SUMMARY OF AUDITOR'S RESULTS

1. The auditor's report expresses an unmodified opinion on the financial statements.
2. No significant deficiencies relating to the audit of the financial statements were reported in the Independent Auditor's Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards*.
3. No instances of noncompliance material to the financial statements was disclosed.
4. No significant deficiencies relating to the audit of the major federal award programs were reported in the Independent Auditor's Report on Compliance for Each Major Program and on Internal Control Over Compliance Required by the Uniform Guidance.
5. The auditor's report on compliance for the major federal award programs expresses an unmodified opinion.
6. The audit disclosed no audit findings relating to the major programs.
7. The programs tested as major were:
 - a. Coronavirus Relief Fund (AL No.: 21.019)
 - b. Supplemental Nutrition Assistance Program (AL No.: 10.561)
8. The threshold for distinguishing Type A and B programs was \$750,000.
9. The County was determined to be a low-risk auditee.

B. FINDINGS – FINANCIAL STATEMENT AUDIT

None

C. FINDINGS AND QUESTIONED COSTS – MAJOR FEDERAL AWARD PROGRAM AUDIT

None

D. FINDINGS – COMMONWEALTH OF VIRGINIA

2021-01: Uniform Disposition of Unclaimed Property Act

During testing performed on outstanding checks, auditors noted checks outstanding that were greater than one year old as of the end of the fiscal year (June 30, 2021) that should have been remitted to the Commonwealth as unclaimed property by November 1, 2021. Additionally, during testing of the report filed with the Commonwealth, auditors noted that due diligence letters were not sent at least 60 days prior to the filing of the report.

COUNTY OF JAMES CITY, VIRGINIA

SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
June 30, 2021

1. There was one finding in the prior year related to the Uniform Disposition of Unclaimed Property Act.
2. There were no reports issued by federal agencies or contract administrators during the year covered by this audit.