



CITY COUNCIL WORK SESSION

Tuesday, December 10, 2024 | 4:00 PM

Council Chamber- City Hall

900 Church Street

Lynchburg, VA 24504

AGENDA

- I. Welcome** *Stephanie T. Reed, Mayor*
- II. Work Session Agenda Overview** *Wynter C. Benda, City Manager*
- III. Work Session Agenda Items** *Wynter C. Benda, City Manager*
 - III.1.** Introduction to Robb Mann and update on AEP Upcoming Project
 - III.2.** FY 2024 Annual Comprehensive Financial Report (ACFR) and Related Reports
 - III.3.** Public Safety Recruitment and Retention Update
- IV. Business Item Briefing(s)**
 - IV.4.** 2712 Concord Turnpike and 118/120 Spinoza Circle - Rezoning - Residential Subdivision
 - IV.5.** 3142, 3146, and 3150 Wards Ferry Road - Future Land Use Map (FLUM) Amendment; Rezoning; and Conditional Use Permit (CUP) - Townhome Development
 - IV.6.** 742 Leesville Road - Conditional Use Permit (CUP) - K-12 Private School
- V. Roll Call**
- VI. Closed Session**
 - VI.7.** Consideration of a closed meeting to discuss appointments for vacancies to the Planning Commission, Lynchburg Regional Airport, Community Development Advisory Committee, Horizon Behavioral Health Board, Martin Luther King, Jr./Lynchburg Community Council, Greater Lynchburg Transit Company, Lynchburg Redevelopment and Housing Authority, Lynchburg Parking Authority, Board of Zoning Appeals, and Business Development Center, pursuant to Section 2.2-3711(A)(1) of the Code of Virginia, 1950, as amended.
 - VI.8.** Consideration of a closed session to review and/or evaluate the performance of the City Manager, pursuant to Section 2.2-3711(A)(1) of the Code of Virginia, 1950, as amended.

AGENDA ITEM SUMMARY**MEETING DATE**

December 10, 2024

PRESENTED BY

Wynter Benda, City Manager

AGENDA ITEM # III.1

Introduction to Robb Mann and update on AEP Upcoming Project

RECOMMENDATION

Information Only

SUMMARY

Rob Mann will introduce himself as the new Executive Director of AEP and present City Council with the information on an upcoming project involving a Small Modular Reactor (SMR) development in Campbell County.

PRIOR ACTION(S)

N/A

FISCAL IMPACT

N/A

CONTACT(S)

Mercedes Braun, Assistant to the City Manager

ATTACHMENT(S)

1. SMR Siting Announcement - Lynchburg City Council 12-10-2024

REVIEWED BY

Wynter Benda, City Manager

Date: December 05, 2024



Date: December 05, 2024

APPALACHIAN POWER

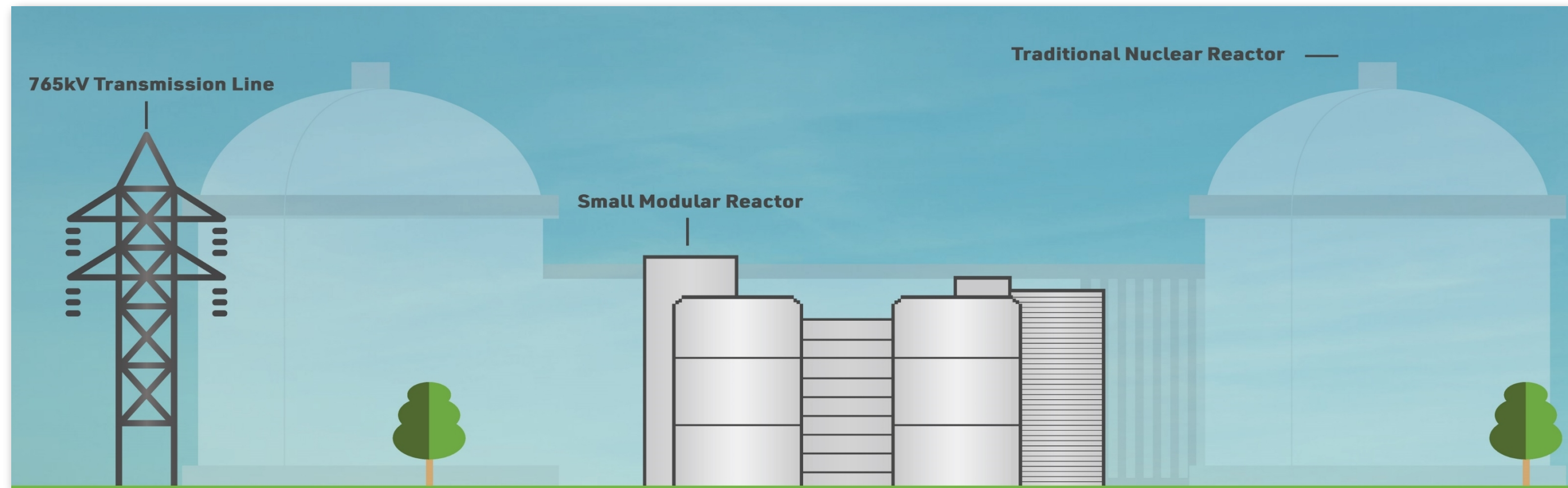
SMR SITING ANNOUNCEMENT

Lynchburg City Council Update
December 10, 2024

APCO SMR ANNOUNCEMENT

SMR – SMALL MODULAR NUCLEAR REACTOR

On November 14, Appalachian Power announced that the company has identified a potential site for an SMR project on company-owned Joshua Falls property in Campbell County, Virginia, and plans to begin the Early Site Permit Application process with the Nuclear Regulatory Commission. The site includes an existing 765 kilovolt substation.



Appalachian Power is not announcing construction of a nuclear plant, but rather only the study of a site's suitability to house such a facility.

BENEFITS AND OPPORTUNITIES

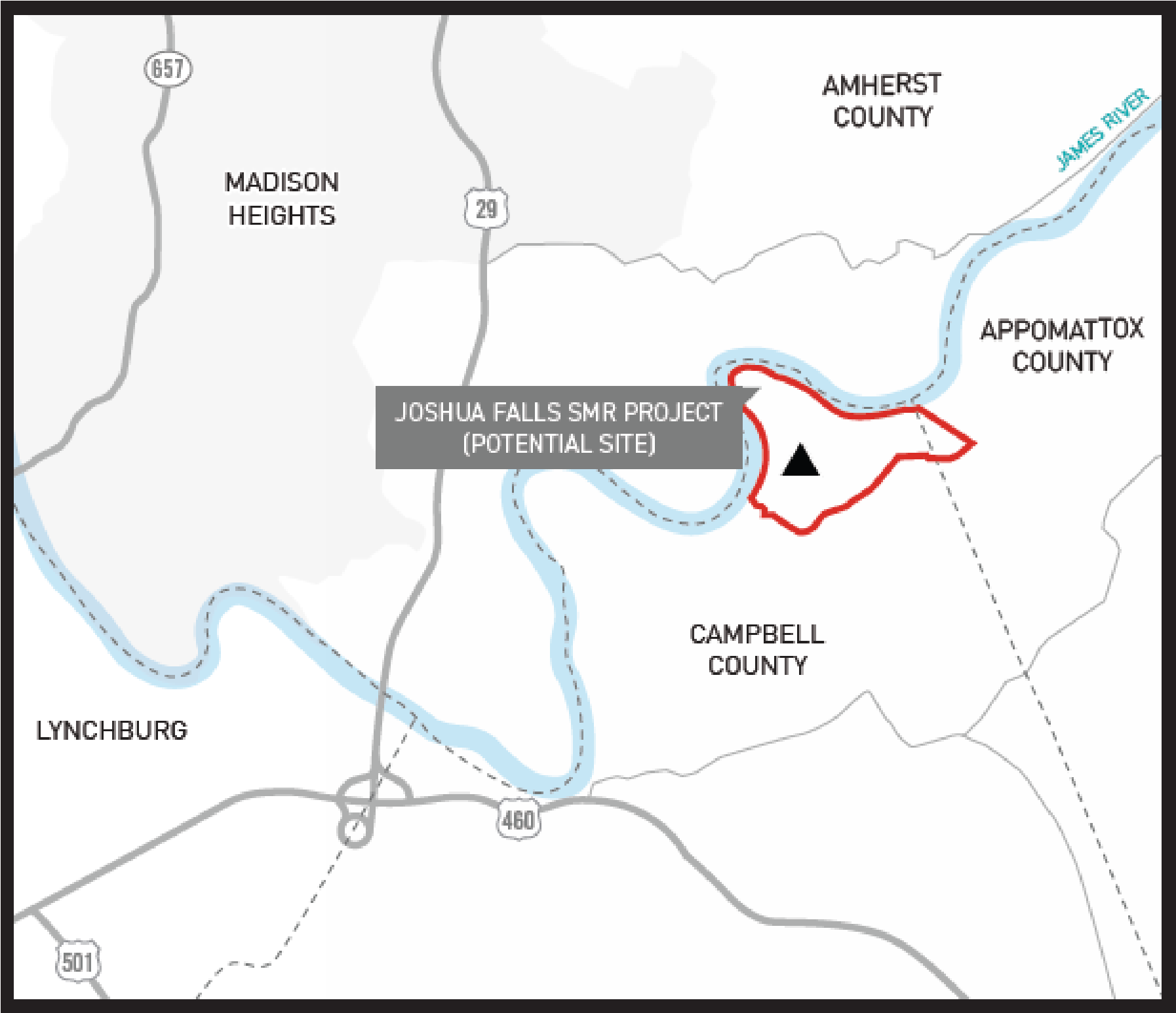
An independent, third-party analysis of an SMR facility located in the Lynchburg area found significant positive economic impacts for the area that builds on the existing nuclear technology cluster in Lynchburg

- High-paying jobs
 - 140 jobs at the facility,
 - 110 additional jobs in the area
 - 330-630 construction jobs
- Increased tax base and economic activity
 - \$20 million annually in new economic activity for local businesses in the Lynchburg area

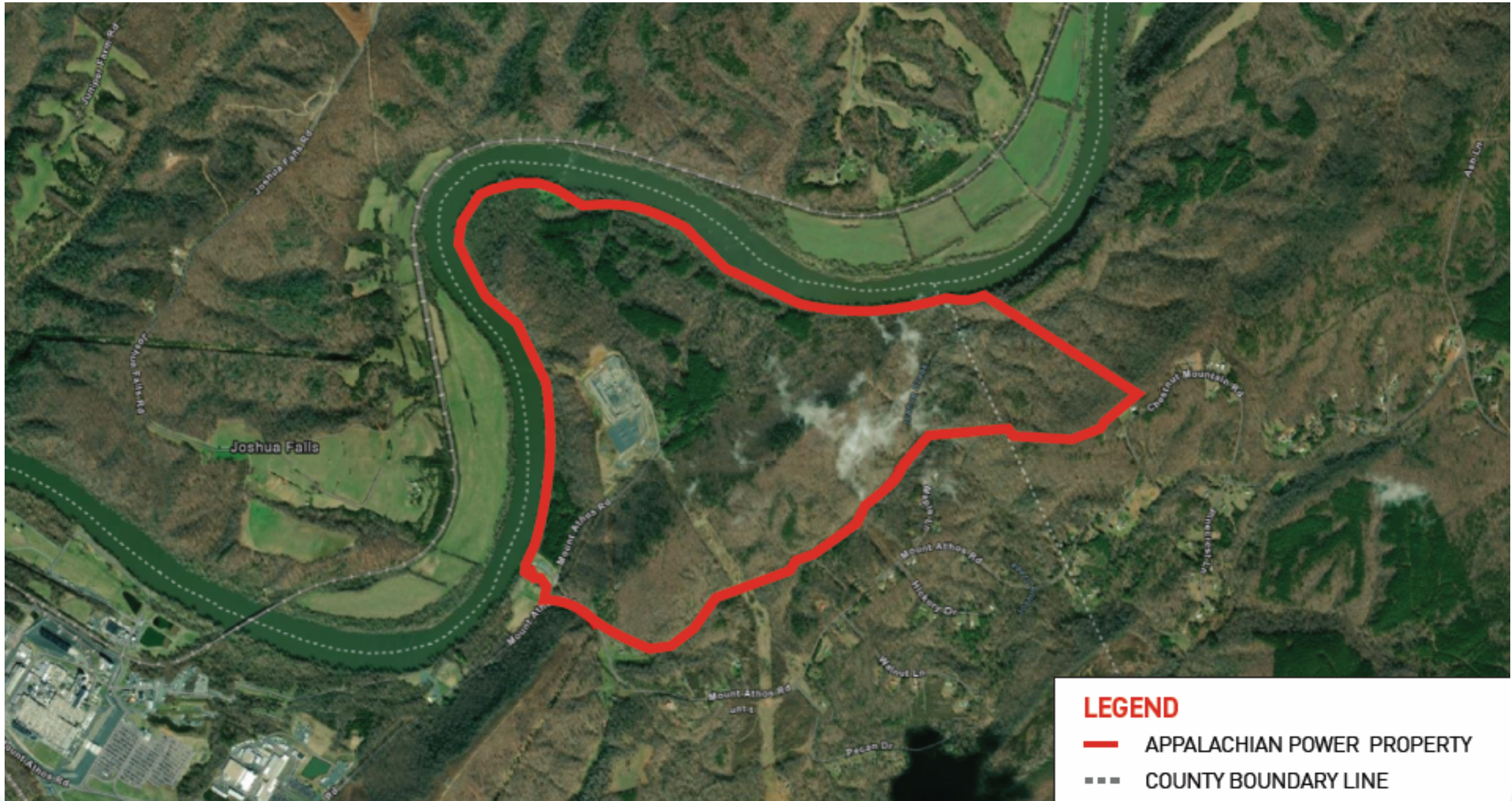
STUDY SITE – JOSHUA FALLS

LEGEND

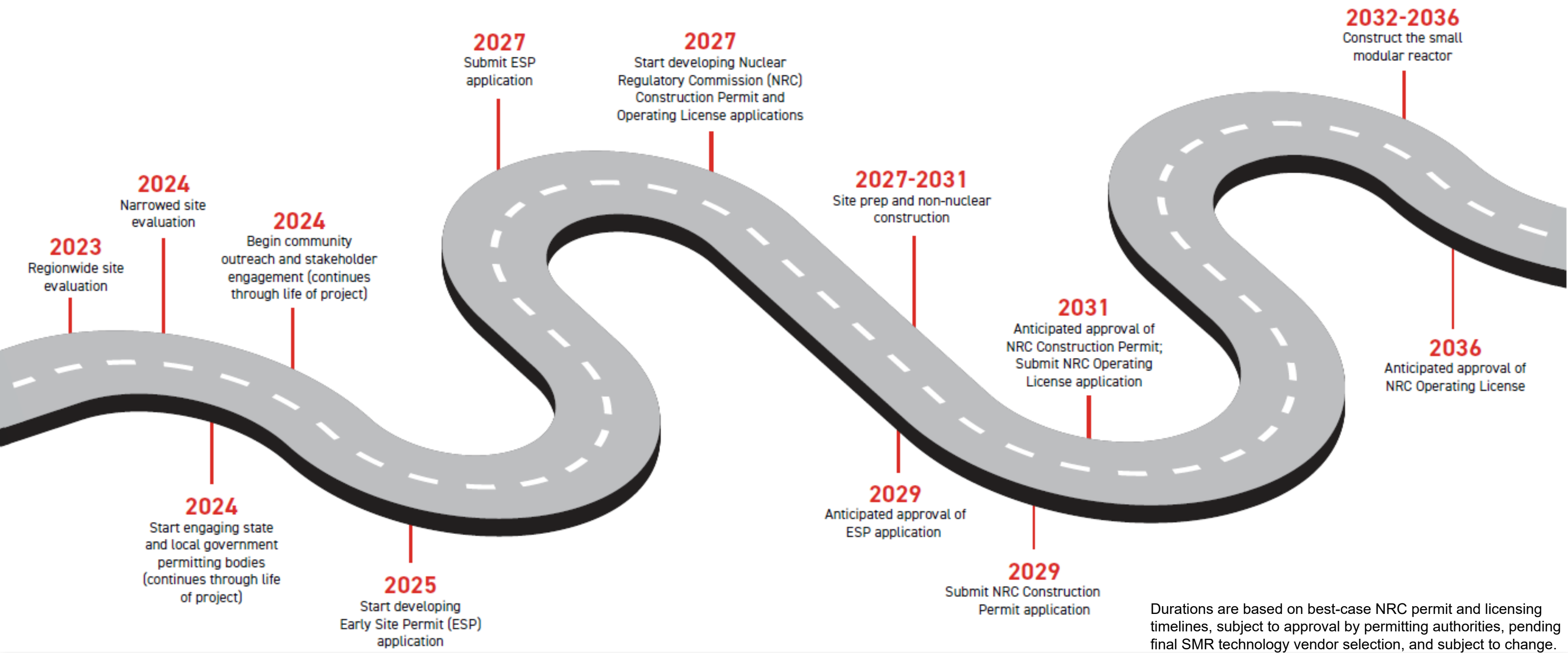
- APPALACHIAN POWER PROPERTY
- ▲ JOSHUA FALLS SUBSTATION
- COUNTY BOUNDARY LINE



STUDY SITE – JOSHUA FALLS



PATH TO NEW NUCLEAR



REGULATORY OVERSIGHT



COMMUNITY ENGAGEMENT

- Public open house held on December 5 at the Lynchburg Regional Business Alliance with approximately 150 attendees
- One-on-one meetings with immediate nearby landowners December 10
- Continued community engagement throughout process; many future opportunities
- Information can be found at www.appalachianpower.com/SMR including an email signup for project updates



NEXT STEPS

-  Ongoing preliminary environmental and cultural studies will continue at Joshua Falls
-  Ongoing engagement with Campbell County Board of Supervisors and Administration, surrounding communities, as well as public engagement throughout permitting processes.
-  APCo plans to file a request in 2025 with the Virginia State Corporation Commission (SCC) to proceed with the ESP.
-  If approval to proceed is received from the SCC, it is anticipated the entire ESP process will be completed in 3 – 5 years, including review by the Nuclear Regulatory Commission

ROB MANN
EXTERNAL AFFAIRS MANAGER
RMANN1@AEP.COM
(540) 581-4460



AGENDA ITEM SUMMARY**MEETING DATE**

December 10, 2024

PRESENTED BY

Donna Witt, Chief Financial Officer

AGENDA ITEM # III.2

FY 2024 Annual Comprehensive Financial Report (ACFR) and Related Reports

RECOMMENDATION

Hear a presentation on the FY 2024 Annual Comprehensive Financial Report from the City's auditors.

SUMMARY

Representatives from the City's external auditing firm, Brown Edwards, LLC, will present the results of the annual audit to City Council. The following reports will be discussed:

- FY 2024 Annual Comprehensive Financial Report
- Audit Committee Letter (ACL) – Required Communication with those Charged with Governance - City of Lynchburg
- Management Letter (ML) – City of Lynchburg
- Audit Committee Letter (ACL) – Required Communication with those Charged with Governance – Lynchburg City Schools
- Management Letter (ML) – Lynchburg City Schools
- Independent Auditor's Report on Applying Agreed –Upon Procedures – City of Lynchburg's Sheriff's Office
- Independent Auditor's Report on Census Data submitted to the Virginia Retirement System-City of Lynchburg

PRIOR ACTION(S)

None

FISCAL IMPACT

None

CONTACT(S)

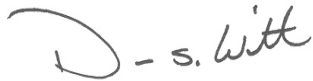
Donna Witt, Chief Financial Officer

ATTACHMENT(S)

1. 06-24 ACFR - City of Lynchburg, Virginia - Final
2. 06-24 ACL - City of Lynchburg, Virginia - Final

3. 06-24 ML - City of Lynchburg, Virginia - Final
4. 06-24 ACL - Lynchburg City Schools - Final
5. 06-24 ML - Lynchburg City Schools - Final
6. 06.24 Sheriff's Report - City of Lynchburg - Final
7. 06.24 VRS RPT - City of Lynchburg - FINAL

REVIEWED BY



Donna Witt, Chief Financial Officer

Date: December 05, 2024



Gregory Patrick, Deputy City Manager

Date: December 05, 2024



Alicia Finney, Clerk of Council

Date: December 05, 2024

**CITY OF
LYNCHBURG, VIRGINIA**

Annual Comprehensive Financial Report
for the fiscal year ended June 30, 2024

ANNUAL COMPREHENSIVE FINANCIAL REPORT

FISCAL YEAR ENDED JUNE 30, 2024

**CITY OF LYNCHBURG,
VIRGINIA**

Prepared by:
Financial Services

CITY OF LYNCHBURG, VIRGINIA

TABLE OF CONTENTS

INTRODUCTORY SECTION

	Page
Letter of Transmittal.....	i
Directory of Principal Officials.....	v
Organizational Structure.....	vi

FINANCIAL SECTION

Independent Auditor's Report.....	1
Management's Discussion and Analysis	5

Basic Financial Statements

Government-wide Financial Statements:	
Exhibit 1 Statement of Net Position	7
Exhibit 2 Statement of Activities.....	8
Fund Financial Statements:	
Exhibit 3 Balance Sheet – Governmental Funds.....	9
Exhibit 4 Reconciliation of the Balance Sheet of Governmental Funds to the Statement of Net Position.....	10
Exhibit 5 Statement of Revenues, Expenditures, and Changes in Fund Balances – Governmental Funds.....	11
Exhibit 6 Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balance to the Statement of Activities	12
Exhibit 7 Statement of Revenues, Expenditures, and Changes in Fund Balance – Budget and Actual – General Fund.....	13
Exhibit 8 Statement of Net Position – Proprietary Funds	14
Exhibit 9 Statement of Revenues, Expenses, and Changes in Fund Net Position – Proprietary Funds	15
Exhibit 10 Statement of Cash Flows – Proprietary Funds	16
Exhibit 11 Statement of Fiduciary Net Position – Fiduciary Fund.....	18
Exhibit 12 Statement of Changes in Fiduciary Net Position – Fiduciary Fund	19
Notes to Financial Statements	20

Required Supplementary Information

Exhibit 13a Schedule of Changes in Net Pension Liability and Related Ratios – Primary Government	104
Exhibit 13b Schedule of Changes in Net Pension Liability and Related Ratios – Schools – Non-Professional Employees	105
Exhibit 14 Schedule of Pension Contributions.....	106
Exhibit 15 Schedule of Employer's Share of Net Pension Liability – VRS Teachers Retirement Plan	107
Exhibit 16 Schedule of Pension Contributions – VRS Teacher Retirement Plan	108

TABLE OF CONTENTS (Continued)

FINANCIAL SECTION (Continued)

Required Supplementary Information (Continued)

Exhibit 17a	Schedule of Changes in Net OPEB for Healthcare Liability and Related Ratios – Primary Government.....	109
Exhibit 17b	Schedule of Changes in Net OPEB for Healthcare Liability and Related Ratios – Lynchburg City Schools	110
Exhibit 17c	Schedule of Changes in Net OPEB for Healthcare Liability and Related Ratios for Health Insurance Credit Schools	111
Exhibit 18	Schedule of Changes in Net OPEB for Line of Duty Act (LODA) – Primary Government.....	112
Exhibit 19a	Schedule of OPEB Contributions Group Life Insurance.....	113
Exhibit 19b	Schedule of OPEB Contributions Group Life Insurance – Schools General Employees	114
Exhibit 19c	Schedule of OPEB Contributions Group Life Insurance – School Teachers	115
Exhibit 20	Schedule of OPEB Contributions for Health Insurance Credit – School Teachers and General Employees	116
Exhibit 21a	Schedule of Employer’s Share of Net OPEB Liability – City of Lynchburg Group Life Insurance	117
Exhibit 21b	Schedule of Employer’s Share of Net OPEB Liability Group Life Insurance – Schools General Employees	118
Exhibit 21c	Schedule of Employer’s Share of Net OPEB Liability Group Life Insurance – School Teachers.....	119
Exhibit 22	Schedule of Employer’s Share of Net OPEB Liability Health Insurance Credit – School Teachers.....	120
Notes to Required Supplementary Information		121

Other Supplemental Information

Notes to Combining and Individual Fund Statements and Schedules		
	Nonmajor Governmental Funds	124
Nonmajor Special Revenue Funds		
Exhibit A-1	Combining Balance Sheet.....	125
Exhibit A-2	Combining Statement of Revenues, Expenditures, and Changes in Fund Balances.....	127
Exhibit A-3	Schedule of Revenues, Expenditures, and Changes in Fund Balance – Budget and Actual – City/Federal/State Aid Fund	129
Exhibit A-4	Schedule of Revenues, Expenditures, and Changes in Fund Balance – Budget and Actual – Community Development Block Grant Fund.....	130
Exhibit A-5	Schedule of Revenues, Expenditures, and Changes in Fund Balance – Budget and Actual – Forfeited Assets Fund	131
Exhibit A-6	Schedule of Revenues, Expenditures, and Changes in Fund Balance – Budget and Actual – Children’s Services Act Fund	132
Exhibit A-7	Schedule of Revenues, Expenditures, and Changes in Fund Balance – Budget and Actual – Lynchburg Expressway Appearance Fund	133
Exhibit A-8	Schedule of Revenues, Expenditures, and Changes in Fund Balance – Budget and Actual – HOME Investment Partnerships Program Fund	134
Exhibit A-9	Schedule of Revenues, Expenditures, and Changes in Fund Balance – Budget and Actual – Lynchburg Regional Juvenile Detention Center Fund.....	135

TABLE OF CONTENTS (Continued)

FINANCIAL SECTION (Continued)

Other Supplemental Information (Continued)

Major Capital Projects Fund

Exhibit B-1	Schedule of Revenues, Expenditures, and Changes in Fund Balance – Budget and Actual – City Capital Projects	136
Exhibit B-2	Schedule of Revenues, Expenditures, and Changes in Fund Balance – Budget and Actual – School Capital Projects	137

Discretely Presented Component Unit – Lynchburg City Schools

Exhibit C-1	Combining Balance Sheet	138
Exhibit C-2	Combining Statement of Revenues, Expenditures, and Changes in Fund Balances	139
Exhibit C-3	Schedule of Revenues, Expenditures, and Changes in Fund Balances – Budget and Actual	140
Exhibit C-4	Statement of Fiduciary Net Position	141
Exhibit C-5	Combining Statement of Fiduciary Net Position	142
Exhibit C-6	Statement of Changes in Fiduciary Net Position	143

Discretely Presented Component Units – Other

Exhibit D-1	Combining Statement of Net Position	144
Exhibit D-2	Combining Statement of Revenues, Expenses, and Changes in Fund Net Position	145
Exhibit D-3	Combining Statement of Cash Flows	146

Supplemental Schedules

Schedule 1	Schedule of Expenditures of Federal Awards	148
Notes to Schedule of Expenditures of Federal Awards		155
Schedule 2	Schedule of Passenger Facility Charges	157
Schedule 3	Schedule of Expenditures of Passenger Facility Charges	157

STATISTICAL SECTION

Statistical Section Table of Contents		159
Miscellaneous Statistical Data.....		160
Table 1	Net Position by Component, Last Ten Fiscal Years.....	166
Table 2	Changes in Net Position, Last Ten Fiscal Years.....	167
Table 3	Program Revenues by Function/Program, Last Ten Fiscal Years.....	170
Table 4	Fund Balances, Governmental Funds, Last Ten Fiscal Years.....	171
Table 5	Changes in Fund Balances of Governmental Funds, Last Ten Fiscal Years	172
Table 6	Comparative Statement of Revenues, Expenditures, and Changes in Fund Balances – General Fund, Last Ten Fiscal Years	173
Table 7	Comparative Statement of Revenues, Expenditures, and Changes in Fund Balance – School Fund, Last Ten Fiscal Years	174
Table 8	Comparative Statement of Revenues, Expenses, and Changes in Fund Net Position – Water Fund, Last Ten Fiscal Years.....	175

TABLE OF CONTENTS (Continued)

STATISTICAL SECTION (Continued)

Table 9	Comparative Statement of Revenues, Expenses, and Changes in Fund Net Position – Sewer Fund, Last Ten Fiscal Years	176
Table 10	Comparative Statement of Revenues, Expenses, and Changes in Fund Net Position – Stormwater Fund, Last Ten Fiscal Years.....	177
Table 11	Comparative Statement of Revenues, Expenses, and Changes in Fund Net Position – Airport Fund, Last Ten Fiscal Years.....	178
Table 12	Tax Revenues by Source, Governmental Funds, Last Ten Fiscal Years.....	179
Table 13	Assessed Value of Taxable Real Property, Last Ten Fiscal Years.....	180
Table 14	Assessed Value of All Taxable Property, Last Ten Fiscal Years.....	181
Table 15	Principal Property Taxpayers, Current Year and Nine Years Ago	182
Table 16	Property Tax Levies and Collections, Last Ten Fiscal Years	183
Table 17	Property Tax Rates, Last Ten Fiscal Years	184
Table 18	Taxable Retail Sales and Taxable Retail Sales per Capita, Last Ten Fiscal Years	185
Table 19	Water, Sewer, and Stormwater Rates, Last Ten Fiscal Years	186
Table 20	Ratios of Outstanding Debt by Type, Last Ten Fiscal Years	187
Table 21	Ratios of Net General Bonded Debt Outstanding, Last Ten Fiscal Years	188
Table 22	Legal Debt Margin Information, Last Ten Fiscal Years	189
Table 23	Pledged Revenue Coverage Water, First Fiscal Year	190
Table 24	Pledged Revenue Coverage Sewer, Last Ten Fiscal Years.....	191
Table 25	Pledged Revenue Coverage Stormwater, Last Six Fiscal Years	192
Table 26	Demographic and Economic Statistics, Last Ten Calendar Years	193
Table 27	Principal Employers, Current Year and Nine Years Ago	194
Table 28	Full-Time Equivalent City Government Employees by Function/Program, Last Ten Fiscal Years	195
Table 29	Operating Indicators by Function/Program, Last Ten Fiscal Years	196
Table 30	Capital Assets Statistics by Function/Program, Last Ten Fiscal Years.....	197
Table 31	Lynchburg City Schools – Student Enrollment, Employees and Schools by Fiscal Year, Last Ten Years.....	198

COMPLIANCE SECTION

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 <i>Government Auditing Standards</i>	200
Independent Auditor’s Report on Compliance for Each Major Program and on Internal Control over Compliance Required by the Uniform Guidance.....	202
Independent Auditor’s Report on Compliance with Requirements Applicable to the Passenger Facility Charge Program and on Internal Control over Compliance in Accordance with the Passenger Facility Charge Program Audit Guide.....	205
Summary of Compliance Matters.....	208
Schedule of Findings and Questioned Costs	209
Summary Schedule of Prior Audit Findings	212

INTRODUCTORY SECTION

THE CITY OF LYNCHBURG
OFFICE OF THE CITY MANAGER

900 Church Street
Lynchburg, VA 24504

December 5, 2024

The Honorable Mayor and Members of the City Council
City of Lynchburg, Virginia

The Annual Comprehensive Financial Report (ACFR) for the City of Lynchburg, Virginia, (City) for the year ended June 30, 2024, is hereby submitted in accordance with the *City Code* and State statutes. Responsibility for both the accuracy of the data and the completeness and fairness of the presentation, including all disclosures, rests with management of the City. With reasonable assurance, based upon a comprehensive framework of internal controls, the enclosed data is accurate in all material respects and is reported in a manner designed to present fairly the financial position, results of operations, and cash flows, as applicable, of the various funds and component units of the City. All disclosures necessary to enable the reader to gain an understanding of the City's financial activities have been included.

State law and *City Code* require the financial statements of the City be audited by an independent certified public accountant. Brown, Edwards & Company, LLP has performed an audit of the ACFR. The independent auditor's report, including opinions on the basic financial statements of the government-wide and fund financial statements, is contained in the Financial Section of this report. Brown, Edwards & Company, LLP also audited the component unit financial statements of the Lynchburg City Schools (LCS) and the Greater Lynchburg Transit Company (GLTC).

Management's Discussion and Analysis (MD&A) immediately follows the independent auditor's report. The information presented in the MD&A provides a narrative introduction, overview, and analysis of the basic financial statements and should be considered in conjunction with additional information provided in this Letter of Transmittal.

The financial reporting entity includes all funds of the primary government (i.e., the City of Lynchburg), as well as its component units. The City provides a full range of municipal services including general administration, legal counsel, police, fire protection and emergency medical services, parks and recreation, libraries, museums, juvenile and social services, maintenance of streets and highways, economic development, tourism and community development. The City also owns and operates water, sewer and stormwater systems and a regional airport. The City's discretely presented component units, LCS, Business Development Centre, Inc., and GLTC, provide public education, various small business services, and public transportation, respectively, to the local community. Each of these component units' governing bodies is appointed by City Council. Excluded are the financial statements of the Lynchburg Redevelopment and Housing Authority and the City's Economic Development Authority (EDA). These organizations are associated with the City, but are legally separate entities. Also excluded are the financial statements of the Blue Ridge Regional Jail Authority, Horizon Behavioral Health, and the Region 2000 Services Authority, which are jointly governed organizations.

City Council has approved Debt Management, Fund Balance, Budget, and Investment policies to guide fiscal decision-making and to ensure continued strong financial health. These policies were revised and reaffirmed

by City Council in January 2023. During the fiscal year, adherence to these financial policies guide the City's management of its investment portfolio, the maintenance of budget reserve levels, and the development of the Capital Improvement Program.

As required by law, each year, at least 45 days prior to June 30, the City Manager submits to City Council a recommended balanced budget for the fiscal year beginning July 1. After citizen engagement, budget preparation, and a Council review process that includes a budget retreat, multiple work sessions, and a public hearing, City Council adopts the annual budget. The annual budget includes all funds represented in the City's ACFR. The budget must be adopted no later than the day the fiscal year begins (July 1).

The City of Lynchburg was incorporated in 1805 by the Virginia General Assembly and became an independent city in 1852. Encompassing 50 square miles, Lynchburg is located adjacent to Amherst, Bedford, and Campbell Counties, on the eastern edge of the beautiful Blue Ridge Mountains, and is within 54 miles of the geographic center of the Commonwealth of Virginia. The County of Appomattox is also included in the Lynchburg Metropolitan Statistical Area. With an estimated population of 80,127, Lynchburg is an important commercial center for the four-county region known as Central Virginia. It serves a regional population of almost 264,000 and benefits from an economy that remains diversified among the manufacturing, health services, technology, retail, trade, and higher education sectors. The City is home to five colleges and universities with a sixth in Amherst County.

The City of Lynchburg has been organized under the Council-Manager form of government since 1920. City Council is the governing body that makes all policy decisions for the City. City Council is elected by the voters and is comprised of seven members, who elect amongst themselves the Mayor and Vice-Mayor for a two-year term. Three City Council members are elected at-large and four are elected from wards. Terms are four years and are staggered so a portion of Council is elected every two years. City Council appoints a City Manager to act as administrative head of the City. The City Manager serves at the pleasure of City Council to carry out its policies and direct and oversee City operations. The City Manager has the power of appointment and removal of the directors and employees of all departments of the City.

Local Economic Condition and Outlook

Lynchburg is a city that makes things and produces talent for the world. Top industries include nuclear engineering, manufacturing, healthcare and social assistance, retail trade, and higher education. With five colleges and universities, Lynchburg's professional and knowledge economy is driven by "meds and eds." These sectors of the local economy are known as "Anchor Institutions." Additionally, there is a large manufacturing base and the nuclear workforce is above the national average. Combined, these contribute to the growth of the hospitality and tourism sectors with Lynchburg being the central entertainment, visitor, and employment hub for the region.

The Lynchburg business community continues to lead the regional economy with significant capital investment and job creation. In December 2023, Governor Youngkin announced that Framatome, an international leader in nuclear energy, will invest \$49.4 million to expand, modernize, and enhance its facilities in the City. This expansion will create 515 new jobs.

The City continues to maintain its role as an employment and commercial center for Central Virginia. In FY 2024, real property values reflected significant growth based on the active market and low housing stock in 2023. Personal property assessments also experienced significant growth due to the inflated cost of vehicles combined with more availability. Consumption driven revenues, including sales, meals, and lodging taxes, were back to pre-pandemic levels, but remained flat with FY 2023 actuals. Looking ahead, real property assessments will increase again with the 2025 reassessment based on the current market and personal property values are projected to grow slightly compared to FY 2024 due to the continued inflated cost and more vehicles being available.

As part of a long-term financial plan, revenue projections are developed with a focus on ensuring forecasts are based on the latest economic conditions as well as changes in consumer spending. The City's Fund Balance Policy is used to ensure the City has sufficient working capital and a comfortable margin of safety to address emergencies and unexpected declines in revenues without the need to borrow. The balance in excess of policy requirements is used as a source of one-time funds for items such as pay-as-you-go projects within the Capital Improvement Program and other City Council initiatives.

Through collaborative meetings between City Council and the City Manager, City Council identified priorities to move Lynchburg forward in the areas of Public Safety, Infrastructure, Lifelong Learning, Economic Development, and Quality of Life. Within these priorities, initiatives have been identified to make meaningful progress.

Major Initiatives and Accomplishments

Education

During the 2023-24 school year, Lynchburg City Schools (LCS) continued its focus on promoting student success through quality instructional programs and engaging student opportunities. The division unveiled "Excellence by Design," a new strategic plan for the future of LCS that will progressively prepare students for technical and academic excellence from Pre-K through twelfth grade through developmentally appropriate, hands-on instruction in growing career sectors. Additionally, all three LCS middle schools added new College Board Pre-Advanced Placement (AP) arts courses for eighth graders. Students from both LCS high schools received AP awards for scoring high on multiple AP exams: Three E. C. Glass High School students earned the prestigious AP Capstone Diploma, five earned the AP Seminar and Research Certificate, and 117 E. C. Glass and Heritage High School students received AP Scholar Awards. LCS also launched a School Security Officer (SSO) program to keep elementary schools safe in February, funded by a four-year grant through the Virginia Department of Criminal Justice Services.

Infrastructure

Infrastructure improvements in FY 2024 included the continued construction of a new Police Department Headquarters and the removal of College Lake Dam, and the start of the next Streetscape Improvements Downtown project.

Fleet Services

For FY 2024, The City's Department of Fleet Services received national awards including a 100 Best Fleets in the Americas Award from the National Association of Fleet Administrators (NAFA) and the 50 Leading Fleets Awards by Government Fleet Magazine.

Technology

The City of Lynchburg was once again recognized nationally as a leader in using information technology to assist in service delivery. In its annual Digital Cities Survey, conducted in 2023, e.Republic's Center for Digital Government and Digital Communities Program ranked Lynchburg sixth in the nation among city governments in the 75,000 – 124,999 population category. Lynchburg has been ranked in the top ten since 2004, ranking first for communities of its size in four of those years.

Transportation

Greater Lynchburg Transit Company provides critical public bus and paratransit services for Lynchburg citizens. GLTC operates 14 bus routes within the City of Lynchburg and a portion of Madison Heights.

The City is also served by the Lynchburg Regional Airport (LRA), a Federal Aviation Administration-designated small non-hub commercial airport with a full array of aeronautical services including emergency medical flight services, flight training, aircraft maintenance and avionics and fuel services.

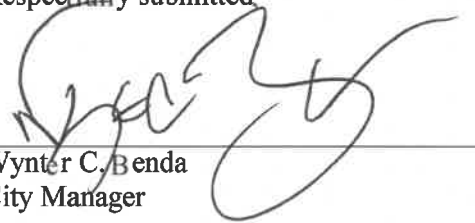
Prospects for the Future

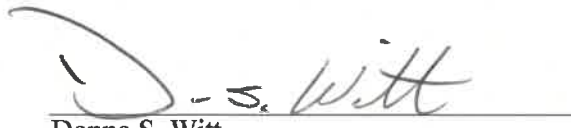
As the City moves forward in an ever-changing environment, it faces many challenges as a central city. With a growing population, over 26,000 college graduates each year, and expanded tourism events, the City remains livable, affordable, and beautiful with a strong sense of inclusion and community.

Acknowledgments

The preparation of the Annual Comprehensive Financial Report was made possible by the leadership of Rhonda Allbeck, Assistant Director of Financial Services; Reid Lanham, Accounting Manager; and the dedicated staff of the Financial Services Department. Each member of the department has our appreciation for their outstanding efforts in the preparation of this report. Appreciation is also expressed to City Council for its guidance and supporting compliance with its Financial Policies.

Respectfully submitted,



Wynter C. Benda
City Manager

Donna S. Witt
Chief Financial Officer

CITY OF LYNCHBURG, VIRGINIA
COUNCIL-MANAGER FORM OF GOVERNMENT

DIRECTORY OF PRINCIPAL OFFICIALS

June 30, 2024

CITY COUNCIL

Stephanie Reed, Mayor, At-Large

Chris Faraldi, Vice-Mayor, Ward IV
MaryJane Tousignant- Dolan, Ward I
Sterling Wilder, Ward II

Jeff Helgeson, Ward III
Martin Misjuns, At-Large
Larry Taylor, At-Large

CITY OFFICIALS

Wynter Benda
Gregory Patrick
Kent. L. White
Matthew Freedman
Donna Witt, CPFO

City Manager
Deputy City Manager
Assistant City Manager
City Attorney
Chief Financial Officer

SCHOOL BOARD

Dr. Atul Gupta, Chair

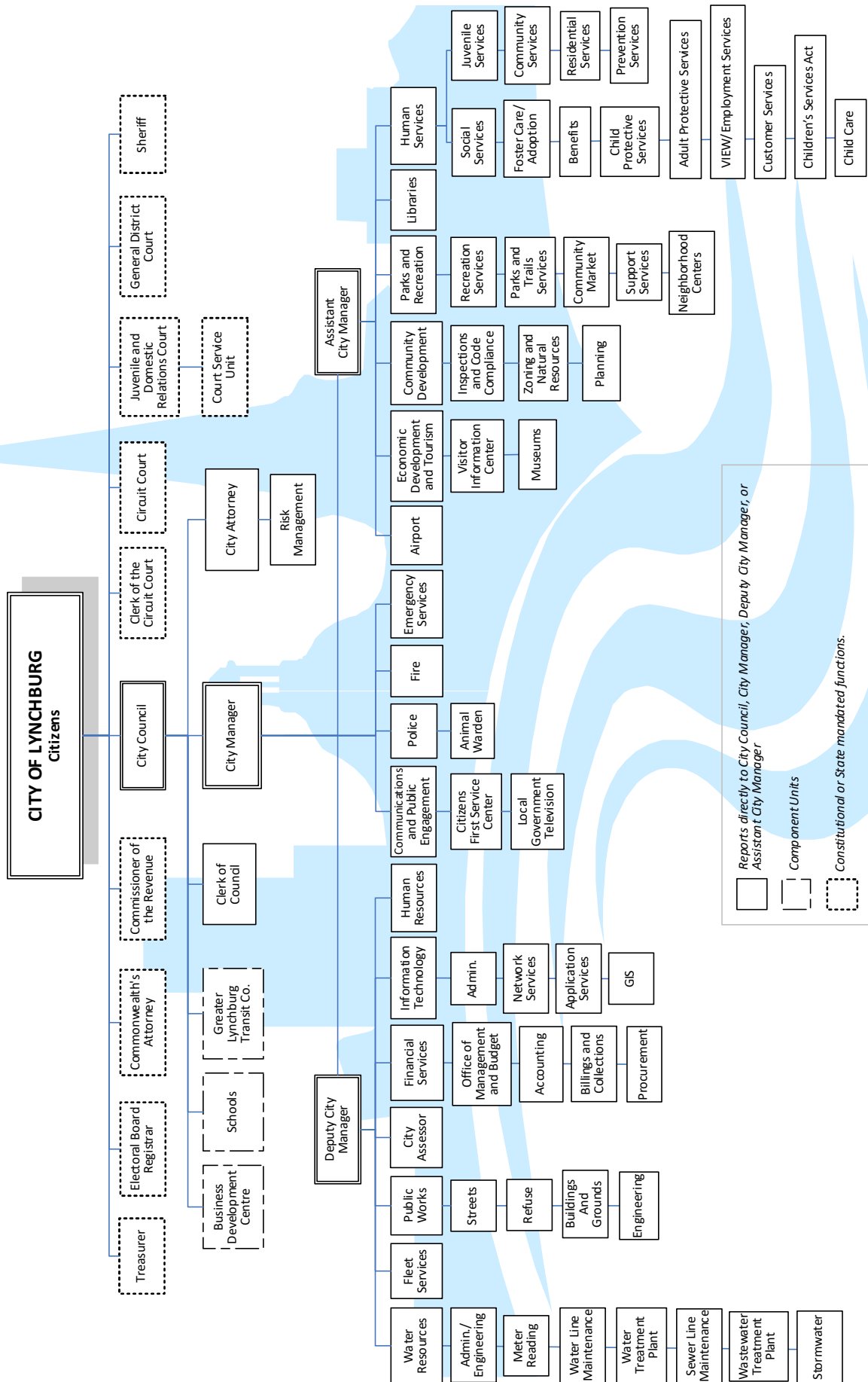
Dr. Martin Day, Vice Chair
Mr. Anthony Andrews
Dr. Sharon Carter
Mr. Christian DePaul

Mr. Farid Jalil
Ms. Leticia Lowery
Ms. Gloria Preston
Mr. Randy T. Trost

SCHOOL BOARD OFFICIALS

Dr. Crystal M. Edwards
Ms. Amy Pugh
Dr. Reid Wodicka
Ms. Sonia Jammes

Superintendent of Schools
Deputy Superintendent of Instruction and Programs
Deputy Superintendent of Operations and Strategic Planning
Chief Financial Officer



FINANCIAL SECTION

INDEPENDENT AUDITOR'S REPORT

To the Honorable Members of the City Council and the City Manager
City of Lynchburg, Virginia

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the City of Lynchburg, Virginia (the "City") as of and for the year ended June 30, 2024, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

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

Basis for Opinions

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

Report on the Audit of the Financial Statements (Continued)

Responsibilities of Management 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, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

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

Report on the Audit of the Financial Statements (Continued)

Required Supplementary Information

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

Supplementary Information

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

Other Information

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

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

Report on the Audit of the Financial Statements (Continued)

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated December 5, 2024 on our consideration of the City'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 City'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 City's internal control over financial reporting and compliance.

Brown, Edwards & Company, L.L.P.

CERTIFIED PUBLIC ACCOUNTANTS

Roanoke, Virginia
December 5, 2024

CITY OF LYNCHBURG, VIRGINIA

Management's Discussion and Analysis

The Management's Discussion and Analysis (MD&A) of the City of Lynchburg's (City) financial statements offers readers a narrative overview and analysis of the City's financial activities for the fiscal year ended June 30, 2024. The Lynchburg City Schools (Schools) component unit is included in this narrative also. The information presented here should be considered in conjunction with additional information provided in the Letter of Transmittal.

FINANCIAL HIGHLIGHTS

- The total assets and deferred outflows of resources of the City exceeded its total liabilities and deferred inflows of resources at June 30, 2024 by \$612.0 million (net position). Unrestricted net position of \$50.9 million represented \$17.3 million for governmental activities, which included the general fund, and \$33.6 million for business-type activities, which included the enterprise funds (water, sewer, stormwater, and airport).
- The general fund's unassigned fund balance of \$40.4 million was 17.8% of total general fund revenues, which were \$226.7 million. This was \$17.7 million more than the City Council adopted unassigned fund balance policy requirement of 10%, or \$22.7 million.
- In comparison with the prior fiscal year, the City's total net position increased 7.3%, or \$41.8 million, from FY 2023. Net position of governmental activities increased 11.2%, or \$30.2 million, from FY 2023; and, net position of business-type activities increased 3.9%, or \$11.6 million. The Schools' component unit total net position of (\$61.4) million increased 8.9%, or \$6.0 million from FY 2023.
- The City's total revenues of \$328.7 million decreased 5.7%, or \$19.8 million, and total expenses of \$286.9 million increased 5.5%, or \$14.9 million, from FY 2023. General revenues of \$181.4 million were \$41.8 million more than the expenses net of program revenues of \$139.6 million.
- For the current fiscal year, the City's total liabilities and deferred inflows of resources of \$629.4 million decreased \$8.6 million from FY 2023.
- The City decreased its overall debt by \$8.2 million. Governmental activities decreased by \$9.4 million and business-type activities increased by \$1.2 million. This includes the issuance of new debt totaling \$89.9 million, of which \$66.2 million was for governmental activities and \$23.7 million was for business-type activities. Debt retirements, through a combination of planned retirements, bond refunding and lease payments, totaled \$98.1 million; of which \$75.6 million was for governmental activities and \$22.5 million was for business-type activities. The City's general obligation bonds continued to maintain an Aa2 rating from Moody's Investors Service; an AA+ rating from Fitch Ratings; and, an AA+ from Standard & Poor's Global Ratings Services.

OVERVIEW OF THE FINANCIAL STATEMENTS

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

GOVERNMENT-WIDE FINANCIAL STATEMENTS

The government-wide financial statements are designed to provide readers with a broad overview of the City's finances in a manner similar to a private-sector business. One of the most important questions asked about the City's finances is, "Is the City as a whole better or worse as a result of the year's activities?". The Statement of Net Position and the Statement of Activities report information about the City as a whole and about its activities in a way that helps answer this question. These statements include all assets and liabilities using the accrual basis of accounting, which is similar to the accounting used by most private-sector companies. All of the current year's revenues and expenses are taken into account regardless of when cash is received or paid.

The Statement of Net Position and the Statement of Activities report the City's net position and changes in net position. One can think of the City's net position – the difference between assets plus deferred outflows of resources and liabilities plus deferred inflows of resources – as a way to measure the City's financial health, or financial position. Over time, increases or decreases in net position help determine whether the City's financial position is improving or deteriorating.

In the Statement of Net Position and the Statement of Activities, the City is divided into the following:

Governmental activities - The City's basic services are reported here: general government, police, fire and emergency medical services, public works, juvenile and social services, parks and recreation, community development, and fleet internal services. Property taxes, other taxes, and intergovernmental revenue are the primary sources that finance these activities.

Business-type activities - The financial information for the water, sewer, stormwater, and airport activities are reported here. The City charges a fee to customers to fund all or most of the cost of services provided by these activities.

Component units - The City also includes three separate legal entities in its report – the Lynchburg City Schools, the Greater Lynchburg Transit Company, and the Business Development Centre, Inc. While these represent legally separate entities, their operational or financial relationship with the City makes the City financially accountable.

FUND FINANCIAL STATEMENTS

A fund is a grouping of related accounts used to maintain control over resources segregated for specific activities or objectives. The City uses fund accounting to ensure and demonstrate fiscal accountability. As described in the following information, the City uses governmental, proprietary, and fiduciary fund financial statements to provide detailed information regarding its most significant funds.

Governmental Funds

Governmental funds report most of the City's basic services. The funds focus on cash and other financial resources that can be readily converted to cash flows in and out, and balances left at year-end that are available for future spending. Consequently, the governmental funds statements provide a near or short-term view of the City's finances that helps the reader determine whether there are greater or fewer financial resources available in the near future to finance City programs. Because this information does not encompass the long-term focus of the government-wide statements, additional information is provided at the bottom of the governmental funds statements to explain the relationship (or differences) between them.

Proprietary Funds

Proprietary funds report the same functions that are presented as business-type activities in the government-wide financial statements. Proprietary funds are classified as enterprise or internal service funds. An enterprise fund reports any activity for which fees are charged to external users for goods or services. Internal service funds account for goods and services provided on a cost reimbursement basis from activities within the government. The City maintains the accounting for four enterprise funds: water, sewer, stormwater, and airport operations; and an internal service fund to account for its fleet services. Because fleet services predominantly benefit governmental rather than business-type functions, the internal service fund is included within governmental activities in the government-wide financial statements.

Custodial Funds

Custodial funds account for assets held by the City in a trustee capacity or as an agent for others. Activities from custodial funds are not included in the government-wide financial statements because the City cannot use these assets for its operations.

Notes to the Financial Statements

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

Other Information

In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information concerning the City's progress in funding its obligation to provide pension benefits and other postemployment benefits to its employees.

The combining and individual fund statements and schedules for all nonmajor funds include the governmental, special revenue, and capital projects funds. Budget to actual statements are provided for governmental and special revenue funds with legally adopted budgets. The City's and the Schools' financial statements are included in one Annual Comprehensive Financial Report. The Greater Lynchburg Transit Company and the Business Development Centre, Inc. issue separate reports. Other Supplementary Information for the City and Schools includes a Statistical Section, Schedule of Expenditures of Federal Awards, and Schedules of Passenger Facility Charges Revenues and Expenditures.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

Statement of Net Position

The following table reflects condensed information for the City's net position. Percentage changes in the table below were rounded for the following narrative.

Summary of Statement of Net Position
As of June 30, 2024/2023
(in millions)

	Governmental Activities		Business-Type Activities		Total Primary Government		Percentage Change	Component Unit Schools	
	2024	2023	2024	2023	2024	2023	2024-2023	2024	2023
Current and other assets	\$ 215.0	\$ 228.0	\$ 64.9	\$ 74.2	\$ 279.9	\$ 302.2	-7%	\$ 20.2	\$ 18.4
Capital assets	467.0	431.7	461.4	443.0	928.4	874.7	6%	9.6	6.3
Net pension asset	-	-	-	-	-	-	-	0.8	0.9
Total assets	682.0	659.7	526.3	517.2	1,208.3	1,176.9	3%	30.6	25.6
Total deferred outflows of resources	28.6	26.7	4.5	4.6	33.1	31.3	6%	22.1	18.9
Long-term liabilities	326.5	336.6	207.9	207.9	534.4	544.5	-2%	81.3	77.3
Other liabilities	34.3	20.4	7.0	7.9	41.3	28.3	46%	18.6	11.3
Total liabilities	360.8	357.0	214.9	215.8	575.7	572.8	1%	99.9	88.6
Total deferred inflows of resources	49.1	58.9	4.6	6.3	53.7	65.2	-18%	14.2	23.3
Net Position									
Net investment in capital assets	273.4	252.8	277.7	263.6	551.1	516.4	7%	6.5	6.3
Restricted for Capital projects	7.7	0.5	-	-	7.7	0.5	100%	-	-
Restricted for Grants and other	2.3	1.8	-	-	2.3	1.8	28%	-	-
Net pension asset	-	-	-	-	-	-	0%	0.8	0.9
Unrestricted	17.3	15.4	33.6	36.1	50.9	51.5	-1%	(68.7)	(74.6)
Total net position	\$ 300.7	\$ 270.5	\$ 311.3	\$ 299.7	\$ 612.0	\$ 570.2	7%	\$ (61.4)	\$ (67.4)

The City's total net position of \$612 million increased 7.3%, or \$41.8 million, from FY 2023.

Net investment in capital assets of \$551.1 million was 90% of total net position and increased 6.7%, or \$34.7 million. Net position invested in capital assets was not available for future expenses because the assets are facilities, equipment, and infrastructure, etc. utilized to provide services. Please refer to Notes 8 and 9 of this report and the MD&A's capital assets and long-term debt sections.

The City has unrestricted net position of \$50.9 million, which is comprised of 34.0%, or \$17.3 million, for governmental activities, and 66.0%, or \$33.6 million, for business-type activities. Unrestricted net position available for providing services to the citizens decreased 1%, or \$0.6 million from FY 2023. Restricted net position of \$10.0 million primarily consists of grant funds restricted mainly for public safety and health and human services.

The Schools' component unit total net position of (\$61.4) million increased 8.9%, or \$6.0 million from FY 2023. Unrestricted net position of (\$68.7) million increased 7.9%, or \$5.9 million from FY 2023.

Statement of Activities

The City's total revenues and expenses for governmental activities, business-type activities, and the Schools' component unit are reflected in the following table. Percentage changes in the table below were rounded for the following narrative.

Summary of Changes in Net Position For Fiscal Years Ended June 30, 2024/2023 (in millions)

	Governmental Activities		Business-type Activities		Total Primary Government		Percentage Change	Component Unit Schools	
	2024	2023	2024	2023	2024	2023	2024/2023	2024	2023
Revenues:									
Program Revenues:									
Charges for services	\$ 19.0	\$ 19.6	\$ 55.8	\$ 51.5	\$ 74.8	\$ 71.1	5%	\$ 2.3	\$ 2.4
Operating grants/contributions	56.7	53.4	1.9	2.9	58.6	56.3	4%	104.8	96.5
Capital grants/contributions	8.5	6.1	5.4	2.6	13.9	8.7	60%	-	-
General Revenues:									
Property taxes	95.7	96.3	-	-	95.7	96.3	-1%	-	-
Other taxes	66.9	67.9	-	-	66.9	67.9	-1%	-	-
Unrestricted intergovernmental	6.5	39.8	-	-	6.5	39.8	-84%	-	-
Interest	8.2	4.7	2.9	1.9	11.1	6.6	68%	-	-
Miscellaneous	0.6	1.5	0.1	0.1	0.7	1.6	-56%	1.5	1.6
Gain on sale of assets	0.4	0.2	0.1	-	0.5	0.2	150%	-	-
City appropriation	-	-	-	-	-	-	-	41.2	41.2
Total Revenues	262.5	289.5	66.2	59.0	328.7	348.5	-6%	149.8	141.7
Expenses:									
General government	15.6	16.4	-	-	15.6	16.4	-5%	-	-
Judicial	8.3	7.1	-	-	8.3	7.1	17%	-	-
Public safety	68.7	59.0	-	-	68.7	59.0	16%	-	-
Public works	31.9	31.2	-	-	31.9	31.2	2%	-	-
Health and human services	36.9	32.8	-	-	36.9	32.8	13%	-	-
Cultural and recreational	14.8	12.7	-	-	14.8	12.7	17%	-	-
Community development	7.5	7.4	-	-	7.5	7.4	1%	-	-
Education	47.9	46.9	-	-	47.9	46.9	2%	143.8	130.0
Interest & other fiscal charges	0.1	6.0	-	-	0.1	6.0	-98%	-	-
Issuance costs	0.6	0.3	-	-	0.6	0.3	100%	-	-
Stormwater	-	-	4.1	3.8	4.1	3.8	8%	-	-
Airport	-	-	6.0	5.5	6.0	5.5	9%	-	-
Water	-	-	16.5	16.0	16.5	16.0	3%	-	-
Sewer	-	-	28.0	26.9	28.0	26.9	4%	-	-
Total Expenses	232.3	219.8	54.6	52.2	286.9	272.0	5%	143.8	130.0
Increase in net position before transfers	30.2	69.7	11.6	6.8	41.8	76.5	-45%	6.0	11.7
Transfers	-	(7.5)	-	7.5	-	-	-	-	-
Increase in net position	30.2	62.2	11.6	14.3	41.8	76.5	-45%	6.0	11.7
Net position beginning	270.5	208.3	299.7	285.4	570.2	493.7	15%	(67.4)	(79.1)
Net position ending	\$300.7	\$270.5	\$311.3	\$299.7	\$612.0	\$570.2	7%	\$(61.4)	\$(67.4)

Governmental Activities

The City's governmental activities are comprised of the general fund, fleet internal services fund, special revenue funds, and capital projects funds. Total net position of \$300.7 million increased 11.2%, or \$30.2 million from FY 2023.

Revenue highlights:

Revenues from governmental activities of \$262.5 million decreased 9.3%, or \$27.0 million from FY 2023.

Program revenues, specifically charges for services of \$19.0 million had an overall decrease of \$0.6 million. The decrease was primarily due to the following: \$0.2 million decrease in ambulance service fees; \$1.7 million decrease in public works for refuse disposal fees; \$0.9 million increase in health and human services for the Children's Services Act; and \$0.5 million increase in Lynchburg Regional Juvenile Detention Center charges.

Operating grants and contributions increased \$3.3 million. The increase is primarily attributed to the following: \$0.3 million increase in judicial for commonwealth attorney and sheriff; \$0.8 million increase in public safety primarily for fire and EMS; \$1.5 million increase in public works for street and highway maintenance; \$1.6 million increase in health and human services primarily for public assistance; \$1.0 million decrease in community development for HOME program funds; and \$0.1 million increase in general government for constitutional offices.

Capital grants and contributions increased \$2.4 million primarily due to increases in public works for the Virginia Dam Safety, Flood Prevention and Protection grant along with a decrease in Virginia Department of Transportation (VDOT) revenue sharing grants and an increase in grant reimbursements for Lynchburg City Schools capital projects from CARES, School Construction Assistance Program (SCAP), and School Safety and Security grant (SAFE) funding.

General revenues, specifically property taxes of \$95.7 million, decreased \$0.6 million. Property taxes are comprised mainly of real property and personal property taxes. The City's general reassessment of real property occurs biennially and is effective on July 1 of the fiscal year. The real estate tax rate decreased from \$1.11 per \$100 assessed value to \$0.89 per \$100 assessed value resulting in a decrease in real estate taxes of \$1.9 million. Personal property taxes (including delinquent taxes) increased \$1.4 million.

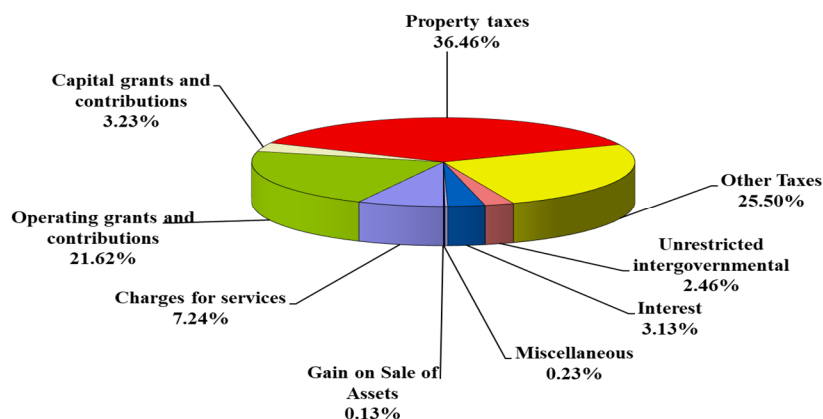
Other taxes revenue of \$66.9 million decreased \$0.1 million. Other taxes are comprised mainly of revenue from local sales, meals, lodging, consumer utilities, business licenses, motor vehicle licenses, and communications sales and use taxes. The decrease is primarily attributed to the following: \$0.1 million decrease in local sales tax; \$0.5 million increase in meals tax; \$0.2 million decrease in consumer utility tax; \$0.5 million increase in business license tax; \$0.1 million decrease in communication sales and use tax; \$1.4 million decrease in motor vehicle license tax; and \$0.2 million decrease in lodging tax.

Unrestricted intergovernmental revenue of \$6.5 million decreased \$33.3 million due to the American Rescue Plan Act (ARPA) funding received in FY 2023.

Interest income increased \$3.5 million due to higher interest rates earned during FY 2024.

The following chart reflects the governmental activities distribution of revenues by source.

Revenue by Source-Governmental Activities



Expense highlights:

Governmental activities expenses of \$232.3 million increased 5.7%, or \$12.5 million from FY 2023. Approximately \$9.7 million of the increase was for public safety which included a targeted compression/progression plan for salary adjustments; increase in the city cost for Blue Ridge Regional Jail; and increase in costs for the Lynchburg Regional Detention Center. Health and human services costs increased \$4.1 million primarily due to the 5% general wage increase as well as increases in costs for juvenile services; Children's Services Act; adoption; and foster care.

The following table indicates the total cost of services and net cost of services for governmental activities.

***Net Cost of Governmental Activities
For Fiscal Years Ended FY 2024/2023
(in millions)***

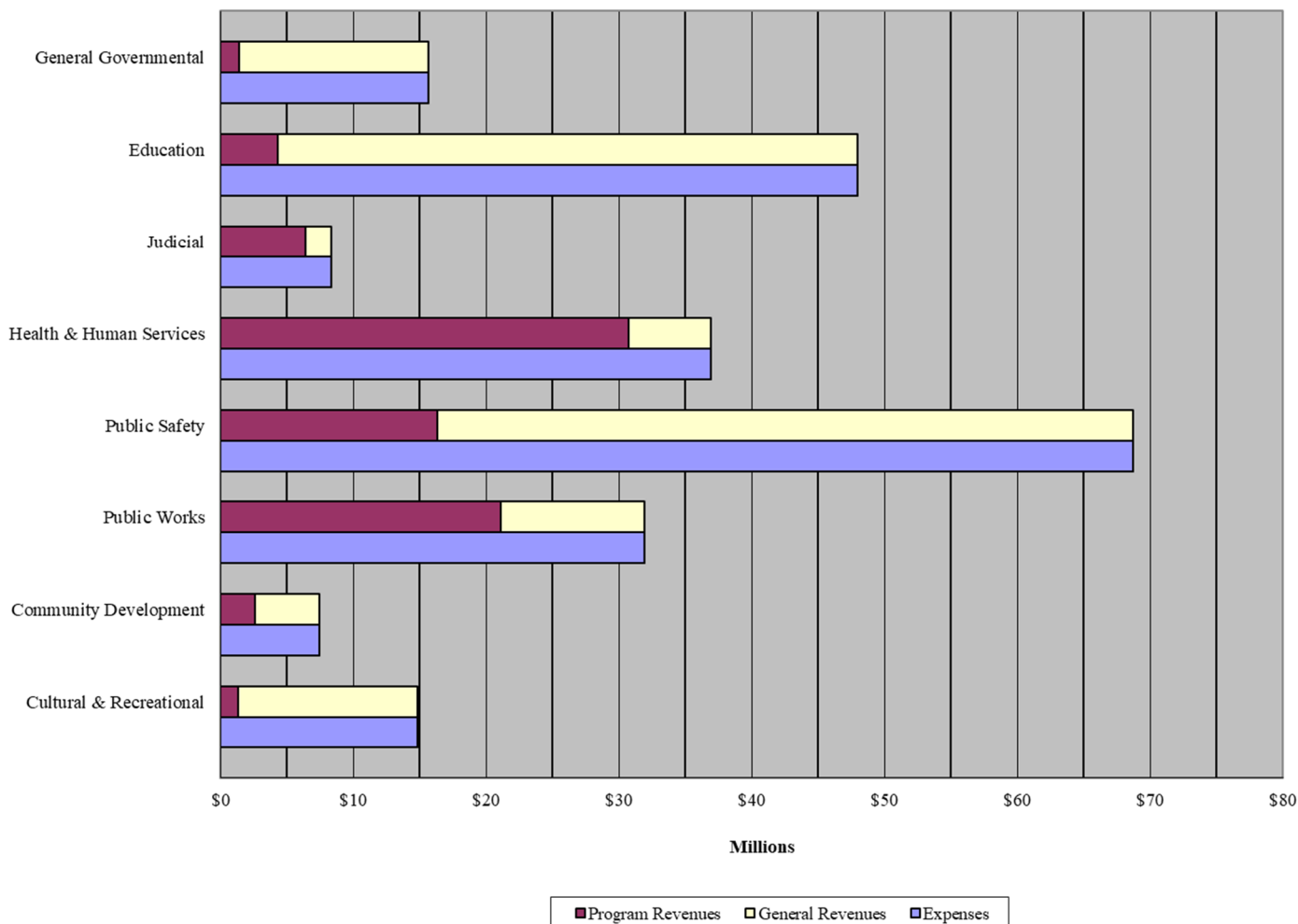
Governmental Activity	Total Cost of Services		Percentage	Net Cost of Services		Percentage
	2024	2023	Change 2024-2023	2024	2023	Change 2024-2023
General government	\$ 15.6	\$ 16.4	-5%	\$ 14.2	\$ 15.1	-6%
Judicial	8.3	7.1	17%	1.9	1.1	73%
Public safety	68.7	59.0	16%	52.3	44.0	19%
Public works	31.9	31.2	2%	10.8	10.7	1%
Health and human services	36.9	32.8	13%	6.2	4.5	38%
Cultural and recreational	14.8	12.7	17%	13.4	11.3	19%
Community development	7.5	7.4	1%	4.9	3.8	29%
Education	47.9	46.9	2%	43.7	43.9	0%
Interest payments & other fiscal charges	0.1	6.0	-98%	0.1	6.0	-98%
Issuance Costs	0.6	0.3	100%	0.6	0.3	100%
Total Governmental Activities	\$ 232.3	\$ 219.8	5.7%	\$ 148.1	\$ 140.7	5%

The four largest funded programs were public safety at 29.6%, or \$68.7 million; local support for education at 20.6%, or \$47.9 million; health and human services at 15.9%, or \$36.9 million; and public works at 13.7%, or \$31.9 million. Education and public safety continued to be high priorities for the City.

The governmental activities total cost of services increased 5.7% from the prior year with a 5.0% increase in the net cost of services. The Statement of Net Position shows that the \$232.3 million in governmental activities program expenses were financed by \$19.0 million from those receiving services, \$56.7 million from operating grants and contributions, \$8.5 million from capital grants and contributions, and \$148.1 million from general revenues. Overall, general revenues of \$178.3 million were \$30.2 million more than the \$148.1 million of expenses net of program revenues.

The following graph compares governmental activities program expenses and program revenues along with general revenues funding required for each program.

Program Expenses and Program Revenues - Governmental Activities



Business-type Activities

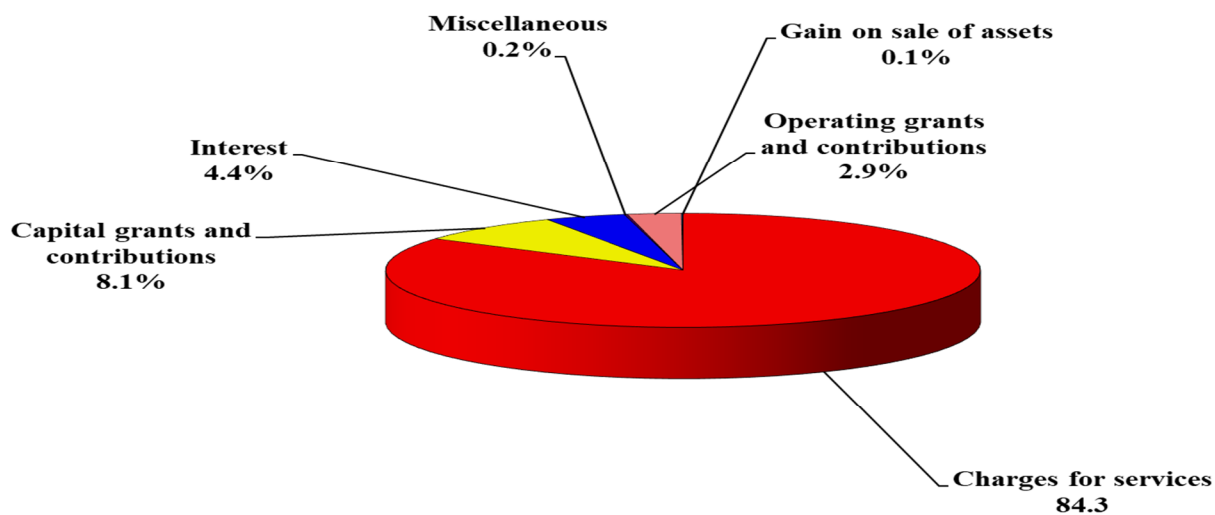
The business-type activities are comprised of enterprise funds for water, sewer, stormwater, and airport operations. Total net position of \$311.3 million increased 3.9%, or \$11.6 million from FY 2023.

Revenue highlights:

Business-type activities revenues of \$66.2 million increased \$7.2 million from the prior year.

The following chart reflects the business-type activities distribution of revenues by source.

Revenues by Source - Business-type Activities



Expense highlights:

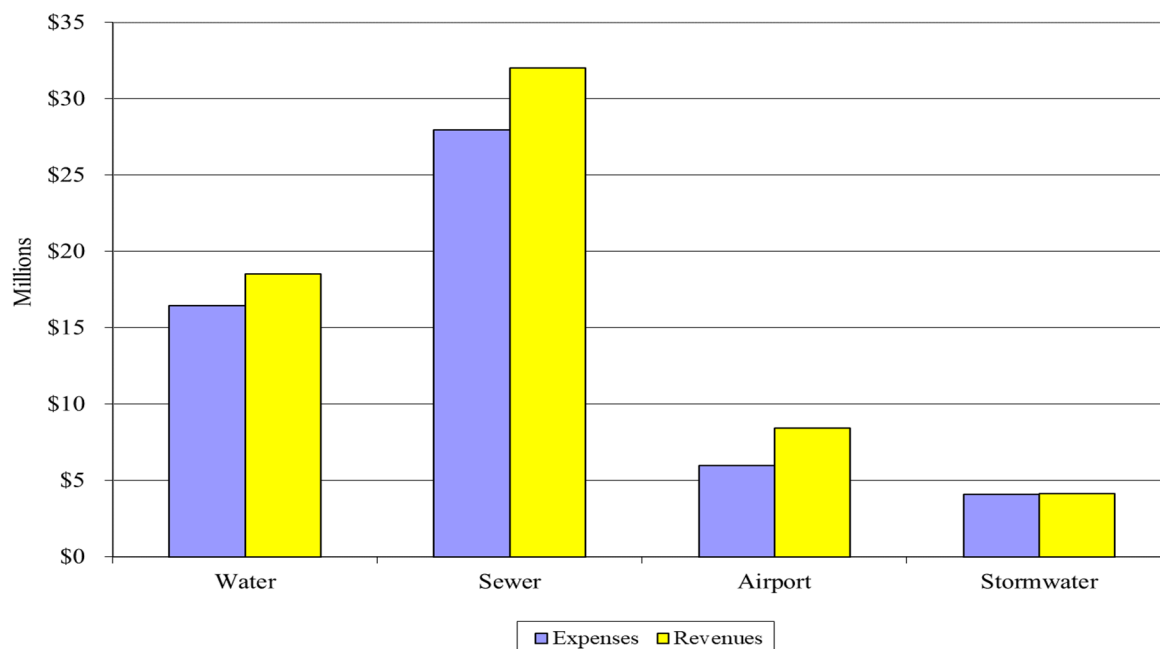
Business-type activities expenses of \$54.6 million increased \$2.4 million from the prior year.

Overall, business-type activities revenues of \$66.2 million were \$11.6 million more than expenses of \$54.6 million.

The proprietary funds provide the same type of information reported in the government-wide financial statements for business-type activities, but in more detail. Please refer to the MD&A section on Financial Analysis of the Fund Financial Statements-proprietary funds for detailed analysis of the business-type activities major funds.

The following graph compares the business-type activities program expenses and program revenues.

Program Expenses and Program Revenues - Business-type Activities



Component Unit – Schools

The Schools' component unit total net position of (\$61.4) million increased 8.9%, or \$6.0 million from FY 2023. Unrestricted net position of (\$68.7) million increased 7.9%, or \$5.9 million from FY 2023.

Revenue Highlights

Total revenues of \$149.7 million increased 5.2% or \$7.4 million in comparison with the prior year fund financial statements. For FY 2024, \$104.7 million or 70.0% of total revenues were received from the Commonwealth of Virginia and the Federal Government as compared to \$97.2 million received in FY 2023. State sales tax receipts were \$13.0 million for FY 2024. The City government contributed \$41.2 million or 27.5% to education. Federal revenues of \$32.5 million included \$4.4 million from Title I funds to provide educational services to economically disadvantaged students. School Nutrition revenues of \$6.7 million included \$5.6 million from the Federal Government for the operation of the breakfast and lunch programs. Other revenue sources of \$3.8 million or 2.5% of the total revenues included the following: school meals sales; facility and transportation rentals; and other miscellaneous sources.

Expenditure Highlights

Total expenditures of \$157.3 million increased by \$15.9 million from the prior year fund financial statements. For FY 2024, \$99.3 million or 63.1% of total expenditures related directly to providing instruction to an enrollment of 7,709 students and \$22.0 million or 14.0% supported maintenance and operations of school division facilities including the School Nutrition Program. Transportation costs for students were \$5.9 million or 3.7% of total expenditures while administration costs for the schools and attendance and health services for students were \$11.6 million or 7.4%. Technology costs were \$9.6 million or 6.1% of total expenditures. Capital outlay costs were \$5.8 million or 3.7% of total expenditures.

FUND FINANCIAL ANALYSIS

Governmental Funds

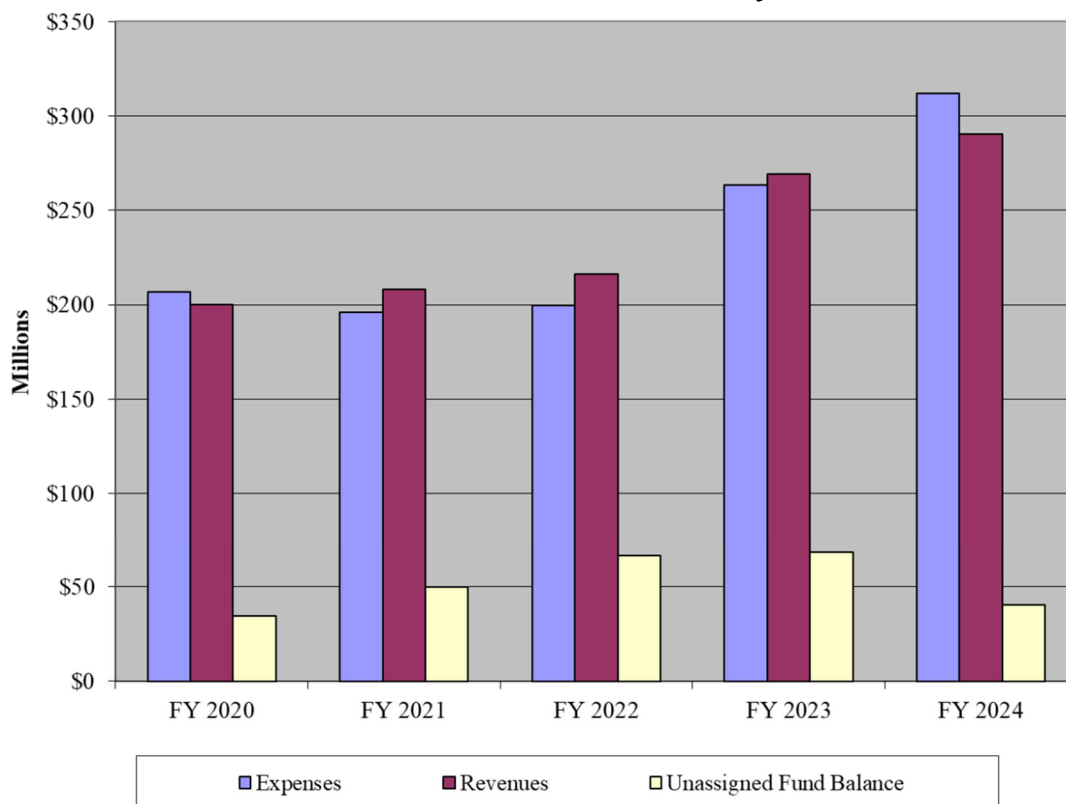
Governmental funds include the general fund, special revenue funds, and capital projects funds. The focus of the City's governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the City's financing requirements. In particular, the unassigned fund balance may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year.

- For FY 2024, the City's governmental funds reported combined fund balances of \$142.2 million, a decrease of \$35.5 million from FY 2023. Of that amount, \$10.0 million was restricted; \$70.7 million was committed; \$21.1 million was assigned; and \$40.4 million was unassigned. The general fund's decrease in fund balance was \$21.4 million. The City Capital Projects fund's decrease in fund balance was \$13.2 million. The decrease is due to the completion of several major projects. The School Capital Projects fund's decrease in fund balance was \$1.4 million, also due to the completion of several projects. Special revenue funds increase in fund balance was \$0.5 million.
- As a measure of the general fund's liquidity, it may be useful to compare both unassigned fund balance and total fund balance to total fund expenditures. Unassigned fund balance represents 16.2% of total general fund expenditures (including transfers out), while total fund balance represents 30.1% of that same amount.

General Fund

The general fund is the chief operating fund of the City. The following graph and table present a five-year summary of financial information for expenditures, revenues, and unassigned fund balance as well as a FY 2024 summarized comparison of amended budget versus actual information. In accordance with the implementation of GASB 54, the technology fund is utilized for internal reporting purposes only. For financial statement reporting, the technology fund is collapsed into the general fund. The five-year summary includes the technology fund while the budget comparison does not. See further information in Note 1 to the Financial Statements.

Five-Year General Fund Financial Summary



General Fund Budgetary Highlights

<u>Description</u>	<u>Original Budget</u>	<u>Amended Budget</u>	<u>Actual</u>	<u>Amended versus Actual</u>
<u>Revenues & Other Financing Sources</u>				
Taxes	\$ 159.0	\$ 159.0	\$ 162.1	\$ 3.1
Intergovernmental	41.0	42.3	41.8	(0.5)
Other	<u>15.4</u>	<u>78.9</u>	<u>86.5</u>	<u>7.6</u>
Total	<u>215.4</u>	<u>280.2</u>	<u>290.4</u>	<u>10.2</u>
<u>Expenditures & Other Financing Uses</u>				
Expenditures	223.8	229.1	220.6	8.5
Transfers and Debt	<u>15.0</u>	<u>91.2</u>	<u>91.2</u>	<u>-</u>
Total	<u>238.8</u>	<u>320.3</u>	<u>311.8</u>	<u>8.5</u>
<u>Change in Fund Balance</u>	<u>\$ (23.4)</u>	<u>\$ (40.1)</u>	<u>\$ (21.4)</u>	<u>\$ 18.7</u>

Actual expenditures and other financing use of \$311.8 million was more than revenues and other financing sources of \$290.4 million by \$21.4 million, which resulted in a negative change in fund balance that was less than the amended budget projected decrease of \$40.1 million. The FY 2024 adopted budget included the use of \$23.4 million of the FY 2023 General Fund's unassigned fund balance primarily to resource a planned \$11.0 million transfer out for general government capital projects; \$0.4 million transfer to the technology fund for equipment purchases; \$3.4 million transfer out to Fleet fund for vehicle purchases and debt service; and \$0.2 million transfer to the City/Federal/State Aid fund for matching funds on grants. This transfer is in accordance with City Council's adopted Fund Balance Policy (reaffirmed in FY 2023) which states that funds in excess of the targeted fund balance of ten percent (10%) of general fund revenues may be considered to supplement "pay-as-you-go" capital outlay expenditures, with the goal of moving towards the target of fifteen percent (15%). In summary, actual revenues were above the amended budget by \$10.2 million and actual expenditures were below the amended budget by \$8.5 million, resulting in a \$18.7 million increase in fund balance for FY 2024.

Actual revenues were greater than estimated and within 3.6%, or \$10.2 million, of the amended budget. Personal property and business license taxes as well as charges for services interest earnings on investments were above the amended budget for FY 2024. Intergovernmental revenue was on pace with the amended budget.

Actual expenditures and transfers were \$8.5 million less than the amended budget with the following functions having unexpended appropriations:

- \$2.2 million for general government
- \$0.3 million for judicial
- \$0.5 million for public safety
- \$2.7 million for public works
- \$1.3 million for health and human services
- \$1.0 million for cultural and recreational
- \$0.3 million for community development
- \$0.5 million for debt service

Keeping consistent with Council adopted Financial Policies, City Council appropriated \$1.2 million for a General Fund Reserve for Contingencies. City Council authorized 98.2%, or \$1.18 million in expenditures from this contingency mainly for 3rd quarter adjustments.

From the original budget of \$238.8 million, City Council approved budget amendments to increase the budget 34.1%, or \$81.5 million, resulting in an amended budget of \$320.3 million. The budget amendments were primarily for the following purposes:

- \$6.8 million net increase for third quarter budget amendment requests. Each fiscal year, management reviews current year expenditures and revenue collection patterns and presents to City Council a third quarter budget amendment. The FY 2024 amendment was primarily for \$1.6 million for health and human services; \$0.6 million for public safety; \$1.8 million for education for school textbooks; and \$2.5 million for a transfer to fund a capital project.
- \$1.3 million increase to the budget for unexpended items requested to be re-appropriated in the current year to continue programs (first quarter carryforward).
- Transfers out mainly to fund the following: \$2.4 million for a new ladder truck; \$3.0 million for the Riverfront Park project; \$3.5 million for the White Rock school renovation to a neighborhood center; \$0.7 million for replacement of the turf at the Stadium; \$0.5 million for a plan to construct Heritage park; and \$0.2 million for parking improvements at the Awareness Garden.
- Increases for debt due to refunding which are offset by the increase in revenue for refunding bonds. For more information see Note 9 of this report.

City Capital Projects Fund

The City capital projects fund accounts for the major construction projects of the City other than those financed by proprietary funds or the school capital projects fund. Annually, the City adopts a five-year capital project plan. Year one of the plan is appropriated for current year expenditures. The fund balance of \$60.2 million decreased 18.0%, or \$13.2 million from FY 2023.

Revenues, issuance of bonds, and transfers of \$39.9 million decreased 51.0%, or \$41.5 million primarily due to the following:

- \$2.5 million increase in State and Federal funding
- \$0.3 million increase in interest earnings
- \$29.3 million decrease in bond proceeds
- \$14.9 million decrease in transfers from the general fund
- \$0.1 million decrease in miscellaneous revenue

Expenditures and capital outlay of \$53.1 million increased 80.6%, or \$23.7 million primarily due to the following:

- \$14.8 million increase in Police Department Headquarters construction
- \$5.9 million increase in College Lake Dam removal
- \$3.9 million increase in Rivermont Avenue bridge repairs
- \$1.8 million increase in 12th Street Embankment repairs
- \$0.9 million increase in Riverfront Park improvements
- \$0.8 million increase in Athletic Field maintenance
- \$2.0 million decrease in Lakeside Drive Bridge Over Blackwater Creek construction
- \$1.3 million decrease in Downtown Streetscape, Phase II improvements
- \$1.1 million decrease in Lynchburg City Baseball Stadium remodel and upgrades

School Capital Projects Fund

The School capital projects fund accounts for the major construction projects of the Lynchburg City Schools. Annually, the City adopts a five-year capital project plan. Year one of the plan is appropriated for current year expenditures. The fund balance of \$4.6 million decreased 24.4%, or \$1.5 million, from FY 2023.

Revenues, issuance of bonds, and transfers of \$5.1 million increased 9.2%, or \$0.4 million. The increase is primarily attributable to the following:

- \$1.3 million increase in proceeds from CARES, School Construction Assistance Program (SCAP) and School Safety and Security grant (SAFE) funding
- \$0.8 million decrease in transfers from the general fund
- \$0.2 million decrease in line of credit funding

Expenditures and capital outlay of \$6.6 million increased 76.8%, or \$2.9 million primarily due to the following:

- \$0.5 million increase in Existing school security vestibule glass improvements
- \$0.3 million increase in Dunbar Middle School window replacements
- \$2.4 million increase in Dunbar Middle School heating
- \$0.5 million increase in Linkhorne Elementary air handlers
- \$0.5 million increase in Paul Munro HVAC system
- \$0.3 million increase in LCS bus lot electrical upgrades
- \$0.8 million increase in EC Glass chiller
- \$0.1 million increase in Hutcherson Elementary School roof replacement
- \$0.2 million increase in EC Glass tennis court repair
- \$0.3 million increase in Security vestibules
- \$0.5 decrease in LCS network expansion
- \$0.5 decrease in Bass Elementary School chiller replacement
- \$0.5 decrease in TC Miller School chiller replacement
- \$0.5 decrease in Linkhorne Elementary School air handlers
- \$0.3 decrease in Paul Munro Elementary School HVAC
- \$0.2 decrease in Sandusky Middle School chiller rebuild

Proprietary Funds

The proprietary funds are comprised of water, sewer, stormwater, airport, and fleet services. The City accounts for the water, sewer, stormwater, and airport as enterprise funds and fleet services as an internal service fund. In the budgetary management of the enterprise funds, the City has chosen to budget for principal retirement on long-term debt rather than depreciation. Further, the City uses two key financial indicators, fund balance and debt coverage ratios, found in financial policies adopted by City Council to ensure the enterprise funds' financial stability. At the fund level, fund balance is defined as total cash and cash equivalents less unexpended bond proceeds and resources dedicated to capital projects. The fund balance ratio compares fund balance to operating expenses and debt service less depreciation. The debt coverage ratio compares operating income adjusted for depreciation, interest income and miscellaneous income compared to total debt service.

Water Fund

The water fund's total net position of \$41.1 million increased 7.0%, or \$2.7 million, from FY 2023. Net investment in capital assets of \$39.3 million increased 8.0%, or \$2.9 million, primarily due to capital projects funded with net revenues from operations and donations of infrastructure assets from developers. Net investment in capital assets was 95.6% of total net position. Unrestricted net position available to fund future expenditures decreased by 10.0% or \$0.2 million. Operating revenues totaled \$17.6 million, and increased 5.4%, or \$0.9 million. This was largely due to a water rate increase effective July 1, 2023. Operating expenses totaled \$15.5 million, and increased 7.6% compared to FY 2023. This was mostly associated with increases to personal services and benefits and operation and maintenance expenses. Investment earnings increased \$0.1 million. For FY 2024, the fund balance ratio was 34% as compared to City Council's financial policy target range of 25% to 40%. The debt coverage ratio was 1.63 as compared to City Council's financial policy minimum target of 1.20. Please refer to Table 23 in the Statistical Section of this report for details.

Sewer Fund

The sewer fund's total net position of \$207.4 million increased 2.6%, or \$5.2 million, from FY 2023. Net investment in capital assets of \$187.6 million increased 3.6%, or \$6.6 million, primarily due to decreased revenue and general obligation bonds that funded capital projects. Net investment in capital assets was 90.5% of total net position. Unrestricted net position available to fund future expenditures decreased by 6.1%, or \$1.3 million. This was mostly related to capital expenditures waiting reimbursement from a federal grant. Unrestricted net position was 9.6%, or \$19.9 million of total net position. Operating revenues totaled \$31.1 million and increased 9.9% or \$2.8 million from FY 2023. This was mostly attributable to a sewer rate increase effective July 1, 2023. Operating expenses totaled \$27.2 million and increased 5.4% or \$1.4 million. This was largely due to increases to personal services and benefits, operation and maintenance expenses and administration expenses. Investment earnings increased \$0.6 million. For FY 2024, the fund balance ratio was 43% as compared to City Council's financial policy target range of 25% to 40%. The debt coverage ratio was 1.79 as compared to City Council's financial policy minimum target of 1.20 and was compliant with the Consent Special Order for Combined Sewer Overflows (CSO) Long Term Control Plan requirements. Please refer to Table 24 in the Statistical Section of this report for details.

Stormwater Fund

The stormwater fund's total net position of \$8.5 million increased 1.2%, or \$0.1 million from FY 2023. Net investment in capital assets of \$6.3 million decreased 7.4%, or \$0.5 million primarily due to decrease of unspent cash designated to fund capital projects. Net investment in capital assets was 74.1% of total net position. Unrestricted net position available to fund future expenditures increased by 37.5%, or \$0.6 million. This was mostly attributable to increased interest revenues and savings on overall budgeted expenses. Unrestricted net position was 25.9%, or \$2.2 million, of total net position. Operating revenues totaled \$4.1 million and increased 5.1% or \$0.2 million. This was primarily due to a fee increase effective July 1, 2023. Operating expenses totaled \$3.9 million and increased 5.4%, or \$0.2 million largely due to increased personal services and benefits and operation and maintenance expenses. Investment earnings increased \$0.1 million. For FY 2024, the fund balance ratio was 37% as compared to City Council's financial policy target range of 15% to 20%. The debt coverage ratio was 2.44 as compared to City Council's financial policy minimum target of 1.20. Please refer to Table 25 in the Statistical Section of this report for details.

Airport Fund

The Airport Fund's total net position of \$56.9 million increased 6.2%, or \$3.3 million, from FY 2023. Net investment in capital assets of \$44.5 million increased \$5.2 million, or 13.1% from the prior year. Net investment in capital assets was 78.2% of total net position. Net position, unrestricted, decreased 13.1%, or \$1.9 million from FY 2023. Unrestricted net position was 21.8%, or \$12.4 million, of net position. Operating revenues were \$4.9 million, a decrease of \$0.6 million or 11.3%. Operating expenses totaled \$6.0 million, an increase of 9.6% or \$0.5 million from FY 2023. Capital contributions totaled \$3.2 million, an increase of 53.4%, or \$1.1 million, and reflects an increase in state and federal contributions received for Airport capital projects.

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets

The City's capital assets, net of depreciation, were \$928.3 million as reflected in the following schedule. The City of Lynchburg owns the land, buildings, and facilities used by Lynchburg City Schools. The Schools had \$9.6 million in capital assets exclusive of buildings and facilities, which were capitalized as the City's assets.

Capital Assets As of June 30, 2024/2023 (in millions)

	Governmental Activities		Business-type Activities		Total Primary Government		Percentage Change	Component Unit Schools	
	2024	2023	2024	2023	2024	2023	2024-2023	2024	2023
Capital assets, not being depreciated:									
Land	\$ 25.9	\$ 25.9	\$ 5.2	\$ 5.2	\$ 31.1	\$ 31.1	0%	\$ -	\$ -
Historical Treasures	0.1	-	-	-	0.1	-	0%	-	-
Construction in progress	73.0	34.1	35.2	27.0	108.2	61.1	77%	-	-
Capital assets, being depreciated:									
Land improvements	70.4	68.9	18.6	14.9	89.0	83.8	6%	-	-
Buildings and improvements	330.0	325.8	101.4	100.9	431.4	426.7	1%	-	-
Infrastructure	375.0	365.9	568.8	547.0	943.8	912.9	3%	-	-
Machinery and equipment	72.8	69.2	35.8	35.0	108.6	104.2	4%	22.1	21.3
Leases and Subscription Assets	2.9	2.8	0.1	-	3.0	2.8	7%	6.4	-
Less: Accumulated depreciation and amortization	(483.2)	(460.9)	(303.7)	(287.0)	(786.9)	(747.9)	5%	(18.9)	(15.0)
Total Capital Assets	<u>\$ 466.9</u>	<u>\$ 431.7</u>	<u>\$ 461.4</u>	<u>\$ 443.0</u>	<u>\$ 928.3</u>	<u>\$ 874.7</u>	<u>6%</u>	<u>\$ 9.6</u>	<u>\$ 6.3</u>

During FY 2024 the City's net increase in capital assets was 6.1% or \$53.5 million. Major capital assets completed and placed in service included the following:

- Airport South GA Ramp Extension was completed and capitalized for \$2.2 million.
- Downtown Area Business Improvements Phase I for \$3.4 million.
- Blue Ridge Farms Phase IV for \$5.7 million.
- College Hill Lower Lot Improvements for \$3.5 million.

Construction-in-progress at the end of FY 2024 includes Airport Terminal Bathrooms Upgrade; Airport Runway 4 Hold Apron; Police Department Headquarters; Public Library Reimagination; Downtown Streetscape Improvements Main St. East; Riverfront Park Restrooms; Rivermont Avenue Bridge Repair; John Lynch Bridge Repair; 12th St. Bank Repairs; College Lake Dam Removal; Route 501/221 One Way Pair; Downtown Area Business Improvements Phase IV; Filmore Water Line Replacement; Daniel Hill Utility; CSO 52; CSO 70; Richland Hill Sewer Extension Phase I; WWTP Sludge Holding Tank Improvements; College Hill Stormwater Improvements; various other transportation and building projects; various sewer system evaluation and system upgrades; sewer system collection improvements; various waterline projects; and Sewer CSO upgrades. Additional information on the City's capital assets can be found in Note 8 of this report.

Long-term Debt

Total outstanding debt was \$368.6 million with \$185.3 million of business-type activities debt supported by the individual funds, resulting in net bonded debt for governmental activities of \$183.3 million. Liabilities of \$10.2 million for compensated absences and workers compensation were excluded.

***Long-term Debt Obligations
As of June 30, 2024/2023
(in millions)***

	Governmental Activities		Business-type Activities		Total Primary Government		Percentage Change
	2024	2023	2024	2023	2024	2023	2024-2023
General obligation bonds	\$ 175.5	\$ 184.2	\$ 83.4	\$ 88.0	\$ 258.9	\$ 272.2	-5%
General obligation-Direct borrowing	3.3	4.1	-	-	3.3	4.1	-20%
Revenue bonds	-	-	90.3	96.1	90.3	96.1	-6%
Bond anticipation notes	0.5	-	11.5	-	12.0	-	100%
Lease obligations	2.7	2.6	0.1	-	2.8	2.6	8%
Other long-term payables	1.3	1.8	-	-	1.3	1.8	-28%
Total	\$ 183.3	\$ 192.7	\$ 185.3	\$ 184.1	\$ 368.6	\$ 376.8	-2%

Total new debt of \$89.9 million was issued, of which \$66.2 million was for governmental activities, and \$23.7 million was for business-type activities and includes:

- \$69.3 million of general obligation public improvement refunding bonds, of which \$58.0 million was for governmental activities and \$11.3 million was for business-type activities.
- \$12.0 million of bond anticipation notes, of which \$0.5 million was for governmental activities and \$11.5 million was for business-type activities.
- \$7.5 million of general obligation bonds issued through a financing agreement with the Virginia Resources Authority, all of which was for governmental activities.
- \$0.8 million of revenue bonds issued through a financing agreement with the Virginia Resources Authority, all of which was for business-type activities.
- \$0.3 million of lease obligations, of which \$0.2 million was for governmental activities and \$0.1 million was for business-type activities

The City retired \$98.1 million of outstanding principal. The governmental activities principal retirements were \$75.6 million and the business-type activities principal retirements were \$22.5 million and include:

- \$75.8 million of refunded principal payments, of which \$63.4 million was for governmental activities and \$12.4 million was for business-type activities.
- \$22.2 million in planned principal retirements, of which \$12.1 million was for governmental activities and \$10.1 million was for business-type activities.
- \$0.1 million in lease payments, all of which was for governmental activities.

The City's general obligation bonds continued to maintain an Aa2 rating from Moody's Investors Service, an AA+ rating from Fitch Ratings, and an AA+ from Standard & Poor's Global Ratings. These credit ratings were last affirmed in April 2024 for the City's issuance of \$69.3 million General Obligation Public Improvement Refunding Bonds, Series 2024 on May 7, 2024. The agencies noted the City's stable and mature economic base, strong financial management, strong reserves and liquidity, healthy revenue growth, and manageable liabilities and fixed cost when reaffirming the ratings.

On July 18, 2023 the City issued a three-year General Obligation Bond Anticipation Note and concurrently entered into a line of credit Financing Agreement with JPMorgan Chase Bank, N.A. The Agreement provided for borrowings of up to \$68.5 million to provide interim financing for qualifying city, school, water, sewer, stormwater, airport and fleet capital improvements. Interest on the unpaid principal is equal to the sum of (i) 80% times adjusted term secured overnight financing rate (SOFR), plus (ii) 0.55%, as calculated by the Lender. Interest shall be computed on the basis of the actual number of days elapsed in a 360-day year. Interest is paid monthly. All outstanding amounts are due on June 15, 2026. The unused line of credit as of June 30 is \$56.5 million.

On January 30, 2024 the City issued \$7.5 million of General Obligation Public Improvement Bonds, Series 2024 through a financing agreement with the Virginia Resources Authority. The proceeds will be used to fund the College Lake Dam Removal project. The bonds were issued with a 0.50% per annum interest rate. An interest only payment shall be due and payable on December 1, 2025, with semi-annual principal and interest payments commencing June 1, 2026 and continuing semiannually thereafter on June 1 and December 1 in each year, with the final installment being due on June 1, 2045. As of June 30, the City has drawn \$350,879 on the loan. The remaining available proceeds of \$7,149,121 are expected to be drawn in FY 2025.

On April 23, 2024, the City had a successful general obligation refunding bond sale. The City received five electronic bids and awarded the \$69.3 million General Obligation Public Improvement Refunding Bonds, Series 2024 bonds to UBS, at a final All-In-True Interest Cost of 3.54%. The refunding achieved debt service savings of \$4.5 million over twenty years and represents a present value savings of 4.30%. The bonds closed on May 7, 2024. The Series 2014 general obligation bonds were refunded with the proceeds from the Series 2024 bonds and were called on August 2, 2024.

On June 7, 2024 the City issued \$775,000 of Public Utility Revenue Bonds, Series 2024 through a financing agreement with the Virginia Resources Authority. The proceeds will be used to finance a portion of the costs associated with a water line inventory project. The bonds were priced with a 1.00% per annum interest rate. An interest only payment shall be due and payable on April 1, 2025; with principal and interest payments commencing on October 1, 2025 and continuing semiannually thereafter on April 1 and October 1 in each year, with the final installment being due on October 1, 2044. As of June 30, the City has drawn \$409,231 on the loan. The remaining available proceeds of \$365,769 are expected to be drawn in FY 2025.

The Constitution of Virginia limits the amount of general obligation debt a governmental entity may issue to 10% of the total assessed value of real property. As of June 30, 2024, the City's assessed value of real property was \$7.8 billion. The City's debt is less than the current debt limitation of \$781.7 million.

The City's debt management policy states that tax-supported debt should not exceed 4.5% of net assessed valuation of taxable property in the City of Lynchburg. For the purposes of calculating this ratio, assessed value includes real property and personal property. As of June 30, 2024, debt to assessed value was 2.22%. The debt policy also states that the 10-year principal payout ratio shall not be less than 60% at the end of each adopted five-year Capital Improvement Program for tax-supported general obligation indebtedness. As of June 30, 2024, the 10-year principal payout ratio was 67.59%.

Detailed information on the City's long-term debt is included in Note 9 of this report.

ECONOMIC FACTORS

The City's unemployment rate increased slightly from 3.6% in June 2023 to 3.7% in June 2024 reflecting higher inflation after the pandemic. The City's unemployment rate typically trends above the State rate, which was 2.7% in June 2024. For the current and previous six years, the City's unemployment rate has trended below the National rate, which was 4.1% for the same period. The Lynchburg economy typically lags the nation in both recession and recovery.

Although still an important sector, manufacturing no longer dominates the Lynchburg economy as it did in the past. American Electric Power (AEP), the region's electric utility provider, remains the City's largest property taxpayer with an 3.1% increase in taxable assessed value over FY 2023. The principal property taxpayers, as a whole, realized a significant increase of 19.9% in taxable assessed value when compared to FY 2023. The City remains the retail hub for the region. Other important sectors of the Lynchburg economy include wireless technology, engineering, finance, restaurants, and tourism.

REQUESTS FOR INFORMATION

This report is designed to provide a general overview of the City's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Chief Financial Officer, City of Lynchburg, 900 Church Street, Lynchburg, VA, 24504, or via telephone at 434-455-3968. This report, the FY 2024 Operating and Capital Budgets, and FY 2024-2028 Capital Improvement Program are on the City's website at www.lynchburgva.gov.

THIS PAGE INTENTIONALLY BLANK

BASIC FINANCIAL STATEMENTS

Statement of Net Position
June 30, 2024

	Governmental Activities	Business- Type Activities	Total Primary Government	Component Units		Total Reporting Unit
				Lynchburg City Schools	Other	
Assets						
Cash and cash equivalents	\$ 76,435,786	\$ 36,275,656	\$ 112,711,442	\$ 3,644,714	\$ 2,340,525	\$ 118,696,681
Investments	85,226,667	15,399,337	100,626,004	-	-	100,626,004
Receivables, net of allowance	26,448,775	7,084,624	33,533,399	183,133	342,618	34,059,150
Lease receivable	1,099,369	72,600	1,171,969	-	-	1,171,969
Internal balances	2,775,880	(2,775,880)	-	-	-	-
Due from other governments	14,999,249	2,014,458	17,013,707	7,559,333	777,737	25,350,777
Due from primary government	-	-	-	8,360,355	-	8,360,355
Due from component units	1,190,299	-	1,190,299	-	-	1,190,299
Inventory	69,642	855,326	924,968	142,808	284,168	1,351,944
Prepays and other assets	663,558	-	663,558	345,963	64,277	1,073,798
Restricted assets:						
Cash and cash equivalents	6,096,367	2,351,954	8,448,321	-	-	8,448,321
Due from other governments	-	3,595,546	3,595,546	-	-	3,595,546
Capital assets:						
Nondepreciable	99,075,726	40,456,426	139,532,152	-	2,724,202	142,256,354
Depreciable, net	367,819,253	420,950,484	788,769,737	9,559,023	31,147,583	829,476,343
Net pension asset	-	-	-	836,877	-	836,877
Total assets	681,900,571	526,280,531	1,208,181,102	30,632,206	37,681,110	1,276,494,418
Deferred Outflows of Resources						
Deferred charge on refunding	2,518,798	1,262,903	3,781,701	-	-	3,781,701
Pension related	17,635,501	2,547,034	20,182,535	19,549,592	-	39,732,127
Other postemployment benefits related	8,475,515	691,669	9,167,184	2,515,340	168,624	11,851,148
Total deferred outflows of resources	28,629,814	4,501,606	33,131,420	22,064,932	168,624	55,364,976
Liabilities						
Accounts payable and other liabilities	15,173,798	4,167,354	19,341,152	1,039,434	801,017	21,181,603
Accrued payroll and related liabilities	6,231,329	460,503	6,691,832	7,395,742	-	14,087,574
Accrued interest payable	2,113,950	1,152,653	3,266,603	-	-	3,266,603
Due to other governments	1,718,843	7,260	1,726,103	-	759,708	2,485,811
Due to primary government	-	-	-	124,015	1,066,284	1,190,299
Due to component units	8,360,355	-	8,360,355	-	-	8,360,355
Unearned revenue/prepaid rent	371,160	-	371,160	6,091,174	-	6,462,334
Net other postemployment benefit liabilities, current	-	-	-	98,566	25,625	124,191
Deposits payable from restricted assets	316,507	1,244,815	1,561,322	-	-	1,561,322
Long-term liabilities:						
Due within one year	12,987,922	10,287,672	23,275,594	3,862,632	1,120	27,139,346
Due in more than one year:						
Net pension liability	77,148,672	11,142,323	88,290,995	60,871,923	-	149,162,918
Net other postemployment benefit liabilities	40,745,180	4,789,073	45,534,253	19,778,845	230,626	65,543,724
Other long-term liabilities	195,600,794	181,664,757	377,265,551	652,665	164,167	378,082,383
Total liabilities	360,768,510	214,916,410	575,684,920	99,914,996	3,048,547	678,648,463
Deferred Inflows of Resources						
Property taxes	13,492,180	-	13,492,180	-	-	13,492,180
Grants	1,680,703	-	1,680,703	-	-	1,680,703
Lease related	1,066,982	70,522	1,137,504	-	-	1,137,504
Pension related	7,912,962	1,142,843	9,055,805	8,845,684	-	17,901,489
Other postemployment benefits related	24,905,278	3,333,236	28,238,514	5,379,628	67,954	33,686,096
Total deferred inflows of resources	49,058,105	4,546,601	53,604,706	14,225,312	67,954	67,897,972
Net Position						
Net investment in capital assets	273,368,917	277,718,929	551,087,846	6,499,502	34,169,583	591,756,931
Restricted for:						
Capital projects	7,675,395	-	7,675,395	-	-	7,675,395
Grants	2,345,539	-	2,345,539	-	-	2,345,539
Net pension asset	-	-	-	836,877	-	836,877
Passenger facility charges	-	33,014	33,014	-	-	33,014
Transit	-	-	-	-	81,464	81,464
Unrestricted	17,313,919	33,567,183	50,881,102	(68,779,549)	482,186	(17,416,261)
Total net position	\$ 300,703,770	\$ 311,319,126	\$ 612,022,896	\$ (61,443,170)	\$ 34,733,233	\$ 585,312,959

The Notes to the Financial Statements are an integral part of this statement.

Statement of Activities
For the Year Ended June 30, 2024

Functions/Programs	Program Revenues				Net (Expense) Revenue and Changes in Net Assets					
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary Government			Component Units		Total Reporting Unit
					Governmental Activities	Business-type Activities	Total	Lynchburg City Schools	Other	
Primary government:										
Governmental activities:										
General government	\$ 15,623,936	\$ 870,587	\$ 558,478	\$ -	\$ (14,194,871)	\$ -	\$ (14,194,871)	\$ -	\$ -	\$ (14,194,871)
Judicial	8,309,017	1,403,273	4,970,642	-	(1,935,102)	-	(1,935,102)	-	-	(1,935,102)
Public safety	68,687,070	8,564,368	7,789,054	-	(52,333,648)	-	(52,333,648)	-	-	(52,333,648)
Public works	31,886,711	1,065,528	15,818,445	4,189,649	(10,813,089)	-	(10,813,089)	-	-	(10,813,089)
Health and human services	36,925,707	4,367,759	26,394,029	-	(6,163,919)	-	(6,163,919)	-	-	(6,163,919)
Cultural and recreational	14,808,839	1,005,368	361,632	-	(13,441,839)	-	(13,441,839)	-	-	(13,441,839)
Community development	7,474,318	1,734,572	851,360	25	(4,888,361)	-	(4,888,361)	-	-	(4,888,361)
Education	47,942,770	-	-	4,287,544	(43,655,226)	-	(43,655,226)	-	-	(43,655,226)
Interest payments and other fiscal charges	94,580	-	-	-	(94,580)	-	(94,580)	-	-	(94,580)
Issuance costs	570,853	-	-	-	(570,853)	-	(570,853)	-	-	(570,853)
Total governmental activities	232,323,801	19,011,455	56,743,640	8,477,218	(148,091,488)	-	(148,091,488)	-	-	(148,091,488)
Business-type activities:										
Stormwater	4,114,184	3,867,235	275,000	-	-	28,051	28,051	-	-	28,051
Airport	6,004,562	3,247,790	1,667,143	3,537,378	-	2,447,749	2,447,749	-	-	2,447,749
Water	16,477,619	17,586,124	-	968,270	-	2,076,775	2,076,775	-	-	2,076,775
Sewer	27,951,606	31,133,713	-	884,974	-	4,067,081	4,067,081	-	-	4,067,081
Total business-type activities	54,547,971	55,834,862	1,942,143	5,390,622	-	8,619,656	8,619,656	-	-	8,619,656
Total primary government	\$ 286,871,772	\$ 74,846,317	\$ 58,685,783	\$ 13,867,840	(148,091,488)	8,619,656	(139,471,832)	-	-	(139,471,832)
Component units:										
Lynchburg City Schools	\$ 143,831,578	\$ 2,294,951	\$ 104,829,371	\$ -	-	-	-	(36,707,256)	-	(36,707,256)
Greater Lynchburg Transit Company	10,804,763	710,847	7,872,489	1,702,337	-	-	-	-	(519,090)	(519,090)
Business Development Centre	246,866	309,624	-	-	-	-	-	-	62,758	62,758
Total component units	\$ 154,883,207	\$ 3,315,422	\$ 112,701,860	\$ 1,702,337	-	-	-	(36,707,256)	(456,332)	(37,163,588)
General revenues:										
Property taxes					95,704,628	-	95,704,628	-	-	95,704,628
Local sales and use taxes					21,856,033	-	21,856,033	-	-	21,856,033
Meals taxes					20,105,919	-	20,105,919	-	-	20,105,919
Consumer utility taxes					4,287,295	-	4,287,295	-	-	4,287,295
Business license taxes					11,568,350	-	11,568,350	-	-	11,568,350
Communications sales and use taxes					2,212,151	-	2,212,151	-	-	2,212,151
Other taxes					6,896,111	-	6,896,111	-	-	6,896,111
Unrestricted intergovernmental					6,474,228	-	6,474,228	-	-	6,474,228
Interest					8,212,404	2,898,633	11,111,037	-	-	11,111,037
Miscellaneous					613,007	102,650	715,657	1,471,893	349,181	2,536,731
Gain on sale of assets					342,940	51,818	394,758	-	-	394,758
City appropriation					-	-	-	41,195,985	-	41,195,985
Total general revenues and transfers					178,273,066	3,053,101	181,326,167	42,667,878	349,181	224,343,226
Changes in net position					30,181,578	11,672,757	41,854,335	5,960,622	(107,151)	47,707,806
Net position - beginning					270,522,192	299,646,369	570,168,561	(67,403,792)	34,840,384	537,605,153
Net position - ending					\$ 300,703,770	\$ 311,319,126	\$ 612,022,896	\$ (61,443,170)	\$ 34,733,233	\$ 585,312,959

The Notes to the Financial Statements are an integral part of this statement.

Balance Sheet
Governmental Funds
June 30, 2024

	General Fund	City Capital Projects	School Capital Projects	Other Governmental	Total Governmental
Assets					
Cash and cash equivalents	\$ 52,193,098	\$ 14,680,479	\$ 2,649,136	\$ 887,117	\$ 70,409,830
Investments	33,649,407	40,642,286	2,901,219	-	77,192,912
Receivables, net of allowance:					
Taxes excluding penalties	16,860,888	-	-	-	16,860,888
Accounts	6,276,407	-	-	-	6,276,407
Other	1,852,084	42,215	-	1,389,142	3,283,441
Lease receivable	1,099,369	-	-	-	1,099,369
Due from other funds	1,773,361	4,225	333,000	557,744	2,668,330
Due from other governments	2,847,846	9,786,345	-	2,365,058	14,999,249
Due from component units	1,065,299	-	-	125,000	1,190,299
Other assets	-	-	-	213	213
Restricted assets:					
Cash and cash equivalents	316,507	2,479,519	-	3,300,341	6,096,367
Total assets	<u>\$ 117,934,266</u>	<u>\$ 67,635,069</u>	<u>\$ 5,883,355</u>	<u>\$ 8,624,615</u>	<u>\$ 200,077,305</u>
Liabilities					
Accounts payable and other liabilities	\$ 4,879,676	\$ 7,447,957	\$ 1,314,858	\$ 1,358,633	\$ 15,001,124
Accrued payroll and related liabilities	6,416,106	2,035	-	166,230	6,584,371
Due to other funds	1,386,078	-	-	1,282,367	2,668,445
Due to other governments	1,351,103	-	-	367,740	1,718,843
Due to component units	8,360,355	-	-	-	8,360,355
Unearned revenue/prepaid rent	371,160	-	-	-	371,160
Deposits payable from restricted assets	316,507	-	-	-	316,507
Total liabilities	<u>23,080,985</u>	<u>7,449,992</u>	<u>1,314,858</u>	<u>3,174,970</u>	<u>35,020,805</u>
Deferred Inflows of Resources					
Unavailable revenue	18,818,428	-	-	2,978,488	21,796,916
Lease related	1,066,982	-	-	-	1,066,982
Total deferred inflows of resources	<u>19,885,410</u>	<u>-</u>	<u>-</u>	<u>2,978,488</u>	<u>22,863,898</u>
Fund Balances					
Restricted	-	7,675,395	-	2,345,539	10,020,934
Committed	13,491,924	52,509,682	4,568,497	125,384	70,695,487
Assigned	21,113,223	-	-	234	21,113,457
Unassigned	40,362,724	-	-	-	40,362,724
Total fund balances	<u>74,967,871</u>	<u>60,185,077</u>	<u>4,568,497</u>	<u>2,471,157</u>	<u>142,192,602</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 117,934,266</u>	<u>\$ 67,635,069</u>	<u>\$ 5,883,355</u>	<u>\$ 8,624,615</u>	<u>\$ 200,077,305</u>

**Reconciliation of the Balance Sheet of Governmental Funds
to the Statement of Net Position
June 30, 2024**

Amounts reported for governmental activities in the Statement of Net Position are different because:

Ending fund balance - governmental funds		\$	142,192,602
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.			449,453,488
Other long-term assets are not available to pay for current-period expenditures and, therefore, are deferred in the funds.			6,624,033
Deferred outflow of resources used to reflect deferred losses on debt refunding bonds are not reported in the governmental funds.			2,456,684
Internal service fund activity that has been allocated to the user departments.			2,688,461
Internal service fund is used by management to charge the costs of vehicle maintenance to individual funds. The assets and liabilities of the internal service fund is included in governmental activities in the Statement of Net Position.			25,350,540
Financial statement elements related to pensions are applicable to future periods and, therefore, are not reported in the funds.			
Deferred outflows related to:			
Pensions	17,407,438		
Other postemployment benefits	8,421,430		
Deferred inflows related to:			
Pensions	(7,810,632)		
Other postemployment benefits	(24,651,751)		
Net pension liability	(76,150,984)		
Net other postemployment liability	(40,376,401)		
			(123,160,900)
Long-term liabilities, including bonds payable, are not due and payable in the current period and therefore, are not reported in the funds. Long term liabilities at year end consist of:			
Bonds payable	(189,780,601)		
Accrued interest payable	(2,034,880)		
Lease obligations payable	(2,666,384)		
Other long term payable	(1,312,667)		
Compensated absences	(6,259,388)		
Workers' compensation	(2,847,218)		
			(204,901,138)
Net position of governmental activities		\$	<u>300,703,770</u>

The Notes to the Financial Statements are an integral part of this statement.

Statement of Revenues, Expenditures, and Changes in Fund Balances
Governmental Funds
For the Year Ended June 30, 2024

	General	City Capital Projects	School Capital Projects	Other Governmental	Total Governmental
Revenues					
Taxes	\$ 162,175,603	\$ -	\$ -	\$ -	\$ 162,175,603
Regulatory licenses, permits and privilege fees	1,429,983	-	-	-	1,429,983
Intergovernmental	41,812,327	10,225,951	4,287,544	15,016,001	71,341,823
Fines and forfeitures	376,208	-	-	-	376,208
Revenue from use of money and property	7,336,019	847,914	170,080	20,298	8,374,311
Charges for services	12,949,673	-	-	6,174,043	19,123,716
Miscellaneous	631,740	196,284	-	552,154	1,380,178
Total revenues	<u>226,711,553</u>	<u>11,270,149</u>	<u>4,457,624</u>	<u>21,762,496</u>	<u>264,201,822</u>
Expenditures					
Current operating expenditures:					
General government	19,782,932	-	-	5,434	19,788,366
Judicial	6,595,336	-	-	1,678,862	8,274,198
Public safety	67,701,519	-	-	6,611,202	74,312,721
Public works	21,528,506	4,493,568	-	99,113	26,121,187
Health and human services	26,833,708	-	-	12,088,323	38,922,031
Cultural and recreational	12,241,117	1,333,996	-	-	13,575,113
Community development	6,392,162	244,832	-	1,112,704	7,749,698
Education	41,195,985	-	1,884,228	-	43,080,213
Capital outlay:					
Capital general government	185,502	47,037,194	4,674,491	-	51,897,187
Debt service:					
Principal retirements	12,234,921	-	-	8,808	12,243,729
Interest payments and other fiscal charges	5,791,659	-	-	2,773	5,794,432
Issuance costs	570,853	-	-	-	570,853
Total expenditures	<u>221,054,200</u>	<u>53,109,590</u>	<u>6,558,719</u>	<u>21,607,219</u>	<u>302,329,728</u>
Excess (deficiency) of revenues over expenditures	<u>5,657,353</u>	<u>(41,839,441)</u>	<u>(2,101,095)</u>	<u>155,277</u>	<u>(38,127,906)</u>
Other financing sources (uses)					
Issuance of bonds	153,950	7,504,225	294,705	-	7,952,880
Issuance of refunding bonds	57,787,236	-	-	-	57,787,236
Premium on refunding debt issuance	5,620,150	-	-	-	5,620,150
Lease financing	180,834	-	-	-	180,834
Payments to escrow agent	(62,991,738)	-	-	-	(62,991,738)
Transfers in	-	21,136,708	333,000	385,022	21,854,730
Transfers out	(27,786,879)	-	-	-	(27,786,879)
Total other financing sources (uses)	<u>(27,036,447)</u>	<u>28,640,933</u>	<u>627,705</u>	<u>385,022</u>	<u>2,617,213</u>
Net changes in fund balances	<u>(21,379,094)</u>	<u>(13,198,508)</u>	<u>(1,473,390)</u>	<u>540,299</u>	<u>(35,510,693)</u>
Fund balances - beginning	<u>96,346,965</u>	<u>73,383,585</u>	<u>6,041,887</u>	<u>1,930,858</u>	<u>177,703,295</u>
Fund balances - ending	<u>\$ 74,967,871</u>	<u>\$ 60,185,077</u>	<u>\$ 4,568,497</u>	<u>\$ 2,471,157</u>	<u>\$ 142,192,602</u>

**Reconciliation of the Statement of Revenues, Expenditures, and Changes
in Fund Balance to the Statement of Activities
For the Year Ended June 30, 2024**

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

Net change in fund balances - total governmental funds		\$ (35,510,693)
Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the detail of the two components.		
Capital outlay		56,419,613
Depreciation and amortization expense		(21,568,226)
The net effect of various transactions involving capital assets (donations and loss on disposition of assets) do not provide or use current financial resources and are not reported as revenues or expenditures in the governmental funds.		
		(134,437)
Revenues in the Statement of Activities that do not provide current financial resources are not reported as revenues in the funds.		
		978,856
Governmental funds report employer pension contributions as expenditures. However, in the statement of activities the cost of pension benefits earned net of employee contributions is reported as pension expense.		
Employer pension contributions	13,444,021	
Pension expenses	<u>(7,739,879)</u>	
		5,704,142
Governmental funds report employer other postemployment benefit contributions as expenditures. However, in the statement of activities the cost of these benefits earned net of employee contributions is reported as other postemployment benefit expense.		
Employer other postemployment benefit contribution	344,456	
Other postemployment benefit expense	<u>7,772,113</u>	
		8,116,569
The issuance of long-term debt (e.g. bonds, leases) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however has any effect on net position. Also, governmental funds report the effect of premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the Statement of Activities. This amount is the net effect of these differences in the treatment of long-term debt and related accounts.		
		9,815,113
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.		
		(479,718)
To eliminate transfers to the internal service fund		5,932,149
The net income of certain activities of the internal service fund is reported with governmental activities.		
		<u>908,210</u>
Change in net position of governmental activities.		<u>\$ 30,181,578</u>

The Notes to the Financial Statements are an integral part of this statement.

Statement of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual
General Fund
For the Year Ended June 30, 2024

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Taxes	\$ 159,030,292	\$ 159,030,292	\$ 162,175,603	\$ 3,145,311
Regulatory licenses, permits and privilege fees	1,088,000	1,088,000	1,429,983	341,983
Intergovernmental	41,005,515	42,291,550	41,812,327	(479,223)
Fines and forfeitures	277,500	277,500	376,208	98,708
Revenue from use of money and property	2,342,313	2,342,313	7,265,370	4,923,057
Charges for services	11,135,078	11,135,078	12,949,673	1,814,595
Miscellaneous	497,344	497,344	611,724	114,380
Total revenues	215,376,042	216,662,077	226,620,888	9,958,811
Expenditures				
Current operating expenditures:				
General government	29,286,016	21,486,419	19,281,961	2,204,458
Judicial	6,436,081	6,892,320	6,595,336	296,984
Public safety	63,289,804	68,253,145	67,701,519	551,626
Public works	23,058,363	24,203,015	21,528,506	2,674,509
Health and human services	25,494,674	28,144,624	26,833,708	1,310,916
Cultural and recreational	12,178,371	13,161,206	12,241,117	920,089
Community development	6,231,076	6,670,142	6,392,162	277,980
Education	39,360,355	41,196,601	41,195,985	616
Capital outlay:				
Capital general government	-	4,668	185,502	(180,834)
Debt service:				
Principal retirements	10,999,205	12,113,739	12,234,921	(121,182)
Interest payments and other fiscal charges	7,473,456	6,358,922	5,791,659	567,263
Issuance costs	-	624,349	570,853	53,496
Total expenditures	223,807,401	229,109,150	220,553,229	8,555,921
Excess (deficiency) of revenues over expenditures	(8,431,359)	(12,447,073)	6,067,659	18,514,732
Other financing sources (uses)				
Issuance of bonds	-	153,950	153,950	-
Issuance of refunding bonds	-	57,787,236	57,787,236	-
Premium on refunding debt issuance	-	5,620,150	5,620,150	-
Lease financing	-	-	180,834	180,834
Payments to escrow agent	-	(62,991,739)	(62,991,738)	1
Transfers out	(15,042,804)	(28,244,519)	(28,253,413)	(8,894)
Total other financing sources (uses)	(15,042,804)	(27,674,922)	(27,502,981)	171,941
Net changes in fund balances	(23,474,163)	(40,121,995)	(21,435,322)	18,686,673
Fund balances - beginning	94,775,870	94,775,870	94,775,870	-
Fund balances - ending	\$ 71,301,707	\$ 54,653,875	\$ 73,340,548	\$ 18,686,673

The Notes to the Financial Statements are an integral part of this statement.

Statement of Net Position
Proprietary Funds
June 30, 2024

	Enterprise Funds					Internal Service
	Water	Sewer	Stormwater	Airport	Total	
Assets						
Current assets:						
Cash and cash equivalents	\$ 6,132,995	\$ 13,992,633	\$ 2,409,576	\$ 13,740,452	\$ 36,275,656	\$ 6,025,956
Investments	4,536,874	10,035,535	826,928	-	15,399,337	8,033,755
Receivables, net of allowance:	2,008,050	4,405,838	530,677	140,059	7,084,624	28,039
Lease receivable	-	-	-	72,600	72,600	-
Due from other funds	7,601	-	-	-	7,601	87,534
Due from other governments	-	-	-	251,772	251,772	-
Inventory	820,774	-	-	34,552	855,326	69,642
Prepaids and other assets	-	-	-	-	-	663,345
Restricted assets:						
Due from members - Regional Sewage Treatment Plant	-	294,312	-	-	294,312	-
Total current assets	13,506,294	28,728,318	3,767,181	14,239,435	60,241,228	14,908,271
Noncurrent assets:						
Due from other governments	365,769	1,396,917	-	-	1,762,686	-
Restricted assets:						
Due from members - Regional Sewage Treatment Plant	-	3,301,234	-	-	3,301,234	-
Cash and cash equivalents	1,235,275	-	-	1,116,679	2,351,954	-
Capital assets:						
Nondepreciable	10,618,272	18,738,245	1,489,679	9,610,230	40,456,426	-
Depreciable, net	84,383,552	289,161,196	11,861,547	35,544,189	420,950,484	17,441,491
Total noncurrent assets	96,602,868	312,597,592	13,351,226	46,271,098	468,822,784	17,441,491
Total assets	110,109,162	341,325,910	17,118,407	60,510,533	529,064,012	32,349,762
Deferred Outflows of Resources						
Deferred charge on refunding	575,173	677,036	-	10,694	1,262,903	62,114
Pension related	1,328,010	857,757	161,460	199,807	2,547,034	228,063
Other postemployment benefits related	335,512	256,856	46,573	52,728	691,669	54,085
Total deferred outflows of resources	2,238,695	1,791,649	208,033	263,229	4,501,606	344,262
Liabilities						
Current liabilities:						
Accounts payable and other liabilities	1,793,182	1,691,161	253,229	429,782	4,167,354	172,674
Accrued payroll and related liabilities	287,781	172,556	32,198	45,166	537,701	37,218
Accrued interest payable	618,883	413,249	94,669	25,852	1,152,653	79,070
Due to other funds	5,603	73,575	15,842	-	95,020	-
Due to other governments	116	-	7,144	-	7,260	-
Current portion of lease obligations	9,757	734	275	4,583	15,349	1,151
Current portion of general obligation bonds	1,886,393	1,570,526	95,000	106,565	3,658,484	383,894
Current portion of direct borrowings	-	-	-	-	-	133,200
Current portion of public utility revenue bonds	-	6,449,022	87,619	-	6,536,641	-
Total current liabilities	4,601,715	10,370,823	585,976	611,948	16,170,462	807,207
Noncurrent liabilities:						
Deposits payable from restricted assets	1,235,275	-	-	9,540	1,244,815	-
Self insurance claims	65,688	13,777	-	3,004	82,469	-
Compensated absences	325,045	113,731	12,416	32,454	483,646	14,688
Pension plan obligation	5,809,547	3,752,367	706,328	874,081	11,142,323	997,688
Other postemployment benefits obligations	2,304,805	1,795,841	324,453	363,974	4,789,073	368,779
Lease obligations	37,496	2,712	1,017	9,495	50,720	677
Notes payable	6,971,570	4,329,873	230,619	-	11,532,062	-
General obligation bonds	46,929,115	31,755,235	5,471,379	1,555,186	85,710,915	4,265,788
Direct borrowings	-	-	-	-	-	532,800
Public utility revenue bonds	775,000	81,890,904	1,139,041	-	83,804,945	-
Total noncurrent liabilities	64,453,541	123,654,440	7,885,253	2,847,734	198,840,968	6,180,420
Total liabilities	69,055,256	134,025,263	8,471,229	3,459,682	215,011,430	6,987,627
Deferred Inflows of Resources						
Lease related	-	-	-	70,522	70,522	-
Pension related	595,872	384,872	72,446	89,653	1,142,843	102,330
Other postemployment benefits related	1,594,091	1,259,515	226,915	252,715	3,333,236	253,527
Total deferred inflows of resources	2,189,963	1,644,387	299,361	412,890	4,546,601	355,857
Net Position						
Net investment in capital assets	39,333,435	187,569,934	6,326,276	44,489,284	277,718,929	12,849,440
Restricted for:						
Passenger facility charges	-	-	-	33,014	33,014	-
Unrestricted	1,769,203	19,877,975	2,229,574	12,378,892	36,255,644	12,501,100
Total net position	\$ 41,102,638	\$ 207,447,909	\$ 8,555,850	\$ 56,901,190	314,007,587	\$ 25,350,540
Reconciliation with business-type activities in the Statement of Net Position:						
Internal service fund activity is eliminated for the Statement of Activities, with residual activity allocated to user departments					(2,688,461)	
Total net position of business-type activities					\$ 311,319,126	

The Notes to the Financial Statements are an integral part of this statement.

Statement of Revenues, Expenses, and Changes in Fund Net Position
Proprietary Funds
For the Year Ended June 30, 2024

	Enterprise Funds					
	Water	Sewer	Stormwater	Airport	Total	Internal Service
Operating revenues						
Charges for services and other operating revenues	\$ 17,586,124	\$ 31,133,713	\$ 3,867,235	\$ 3,247,790	\$ 55,834,862	\$ 8,102,939
Intergovernmental	-	-	275,000	1,667,143	1,942,143	-
Total operating revenues	<u>17,586,124</u>	<u>31,133,713</u>	<u>4,142,235</u>	<u>4,914,933</u>	<u>57,777,005</u>	<u>8,102,939</u>
Operating expenses						
Personal services and benefits	5,968,160	4,605,872	835,558	1,141,699	12,551,289	1,075,148
Operation and maintenance	2,477,060	4,962,643	762,956	1,797,579	10,000,238	3,125,164
Supplies and materials	1,739,200	2,955,880	163,695	280,108	5,138,883	208,291
Administration	1,770,389	3,943,232	1,722,443	335,188	7,771,252	8,183
Other charges	145,501	192,206	24,326	54,701	416,734	56,718
Depreciation and amortization	3,435,275	10,565,850	442,271	2,349,848	16,793,244	3,134,868
Total operating expenses	<u>15,535,585</u>	<u>27,225,683</u>	<u>3,951,249</u>	<u>5,959,123</u>	<u>52,671,640</u>	<u>7,608,372</u>
Operating income (loss)	<u>2,050,539</u>	<u>3,908,030</u>	<u>190,986</u>	<u>(1,044,190)</u>	<u>5,105,365</u>	<u>494,567</u>
Nonoperating revenues (expenses)						
Interest income	551,004	1,326,274	182,282	839,073	2,898,633	489,117
Miscellaneous	21,214	61,223	552	19,661	102,650	20,306
Gain (loss) on disposition of assets	(10,909)	851	-	-	(10,058)	334,304
Interest expense	(907,473)	(913,379)	(232,487)	(44,466)	(2,097,805)	(146,734)
Total nonoperating revenues (expenses)	<u>(346,164)</u>	<u>474,969</u>	<u>(49,653)</u>	<u>814,268</u>	<u>893,420</u>	<u>696,993</u>
Income before contributions and transfers	<u>1,704,375</u>	<u>4,382,999</u>	<u>141,333</u>	<u>(229,922)</u>	<u>5,998,785</u>	<u>1,191,560</u>
Capital contributions	968,270	884,974	-	3,229,342	5,082,586	-
Passenger facility charges	-	-	-	308,036	308,036	-
Transfers in	-	15,626	-	-	15,626	5,932,149
Transfers out	(15,626)	-	-	-	(15,626)	-
Change in net position	<u>2,657,019</u>	<u>5,283,599</u>	<u>141,333</u>	<u>3,307,456</u>	<u>11,389,407</u>	<u>7,123,709</u>
Total net position - beginning	<u>38,445,619</u>	<u>202,164,310</u>	<u>8,414,517</u>	<u>53,593,734</u>	<u>302,618,180</u>	<u>18,226,831</u>
Total net position - ending	<u>\$ 41,102,638</u>	<u>\$ 207,447,909</u>	<u>\$ 8,555,850</u>	<u>\$ 56,901,190</u>	<u>\$ 314,007,587</u>	<u>\$ 25,350,540</u>
Reconciliation with business-type activities in the Statement of Activities:						
Change in net position - enterprise funds reported in this statement					11,389,407	
Internal service fund activity is eliminated for the Statement of Activities, with residual activity allocated to user departments					283,350	
Change in net position of business-type activities:					<u>\$ 11,672,757</u>	

Statement of Cash Flows
Proprietary Funds
For the Year Ended June 30, 2024

	Enterprise Funds					Internal Service
	Water	Sewer	Stormwater	Airport	Total	
Operating activities						
Cash received from operations	\$ 17,429,139	\$ 30,567,260	\$ 4,072,772	\$ 4,948,488	\$ 57,017,659	\$ 8,102,939
Cash paid to employees	(7,334,323)	(5,002,535)	(867,099)	(1,305,041)	(14,508,998)	(1,336,903)
Cash paid to suppliers	(6,206,562)	(12,046,930)	(2,658,101)	(2,461,426)	(23,373,019)	(3,470,848)
Net cash provided by operating activities	<u>3,888,254</u>	<u>13,517,795</u>	<u>547,572</u>	<u>1,182,021</u>	<u>19,135,642</u>	<u>3,295,188</u>
Noncapital financing activities						
Transfers in (out)	(15,626)	18,214	-	-	2,588	5,932,149
Net cash provided by (used in) noncapital financing activities	<u>(15,626)</u>	<u>18,214</u>	<u>-</u>	<u>-</u>	<u>2,588</u>	<u>5,932,149</u>
Capital and related financing activities						
Proceeds from issuance of long-term debt:						
Bond anticipation notes	6,971,570	4,329,873	230,619	-	11,532,062	-
Proceeds from bond refunding	8,793,878	3,559,416	-	87,158	12,440,452	269,573
Bond refunding payment to escrow agent	(8,890,635)	(3,598,580)	-	(88,861)	(12,578,076)	(274,840)
Payment of long-term debt:						
General obligation debt	(1,900,347)	(1,531,449)	(55,000)	(107,263)	(3,594,059)	(407,356)
Direct borrowings	-	-	-	-	-	(133,400)
Revenue bonds	-	(6,449,022)	(87,618)	-	(6,536,640)	-
Lease obligations	(6,735)	(422)	(158)	(4,477)	(11,792)	(1,139)
Drawdowns of public utility revenue bonds - revolving loan funds	409,231	-	-	-	409,231	-
Payment of interest on long-term debt	(1,805,928)	(1,275,280)	(219,137)	(62,963)	(3,363,308)	(212,180)
Capital contributions received	-	-	-	3,229,342	3,229,342	-
Passenger facility charges collected	-	-	-	308,036	308,036	-
Gain on asset disposition	(10,909)	64,490	-	-	53,581	401,654
Additions to capital assets	(11,384,759)	(14,504,762)	(2,343,451)	(7,155,613)	(35,388,585)	(3,697,913)
Proceeds from other governments	362,903	580,253	5,632	19,661	968,449	9,348
Payments from other organizations	21,214	61,223	552	-	82,989	-
Net cash used in capital and related financing activities	<u>(7,440,517)</u>	<u>(18,764,260)</u>	<u>(2,468,561)</u>	<u>(3,774,980)</u>	<u>(32,448,318)</u>	<u>(4,046,253)</u>
Investing activities						
Net proceeds (purchases) of investments	1,356,710	9,728,821	(459,791)	-	10,625,740	(8,033,755)
Interest income received	551,004	1,326,274	182,282	839,073	2,898,633	489,117
Net cash provided by (used in) investing activities	<u>1,907,714</u>	<u>11,055,095</u>	<u>(277,509)</u>	<u>839,073</u>	<u>13,524,373</u>	<u>(7,544,638)</u>
Net increase (decrease) in cash and cash equivalents	<u>(1,660,175)</u>	<u>5,826,844</u>	<u>(2,198,498)</u>	<u>(1,753,886)</u>	<u>214,285</u>	<u>(2,363,554)</u>
Cash and cash equivalents						
Beginning	9,028,445	8,165,789	4,608,074	16,611,017	38,413,325	8,389,510
Ending	<u>\$ 7,368,270</u>	<u>\$ 13,992,633</u>	<u>\$ 2,409,576</u>	<u>\$ 14,857,131</u>	<u>\$ 38,627,610</u>	<u>\$ 6,025,956</u>
Reconciliation to Statement of Net Position						
Current Assets	\$ 6,132,995	\$ 13,992,633	\$ 2,409,576	\$ 13,740,452	\$ 36,275,656	\$ 6,025,956
Restricted Assets	1,235,275	-	-	1,116,679	2,351,954	-
	<u>\$ 7,368,270</u>	<u>\$ 13,992,633</u>	<u>\$ 2,409,576</u>	<u>\$ 14,857,131</u>	<u>\$ 38,627,610</u>	<u>\$ 6,025,956</u>

(Continued)

Statement of Cash Flows
Proprietary Funds
For the Year Ended June 30, 2024

	Enterprise Funds					Internal Service
	Water	Sewer	Stormwater	Airport	Total	
Reconciliation of operating income (loss) to net cash provided by operating activities						
Operating income (loss)	\$ 2,050,539	\$ 3,908,030	\$ 190,986	\$ (1,044,190)	\$ 5,105,365	\$ 494,567
Adjustments to reconcile operating income (loss) to net cash provided by operating activities:						
Depreciation and amortization	3,435,275	10,565,850	442,271	2,349,848	16,793,244	3,134,868
Other postemployment benefit expense net of employer contributions	(802,301)	(284,974)	(21,955)	(95,808)	(1,205,038)	(158,560)
Pension expense net of employer contributions	(686,143)	(185,360)	(20,284)	(66,628)	(958,415)	(67,663)
Changes in assets and liabilities:						
(Increase) decrease in accounts receivable	(183,221)	(566,453)	(69,463)	34,018	(785,119)	-
Decrease in lease receivable	-	-	-	13,641	13,641	-
(Increase) decrease in due from other funds	82,827	59,661	10,416	12,754	165,658	(9,039)
(Increase) decrease in inventory	(122,335)	-	-	39,671	(82,664)	(20,209)
Increase (decrease) in accounts payable	47,923	7,031	15,319	(48,105)	22,168	(52,283)
Increase (decrease) in accrued expenses	36,439	(53,400)	(14,826)	(13,660)	(45,447)	(26,493)
Increase in due to other funds	3,015	67,410	15,108	-	85,533	-
Increase in deposits payable	26,236	-	-	480	26,716	-
Net cash provided by operating activities	<u>\$ 3,888,254</u>	<u>\$ 13,517,795</u>	<u>\$ 547,572</u>	<u>\$ 1,182,021</u>	<u>\$ 19,135,642</u>	<u>\$ 3,295,188</u>
Supplemental cash flow information						
Non-cash transactions						
Capital asset additions financed by retainage payable	\$ 317,384	\$ 395,230	\$ 51,841	\$ 197,594	\$ 962,049	\$ -
Capital asset additions financed by accounts payable	\$ 1,126,532	\$ 856,653	\$ 151,831	\$ 121,815	\$ 2,256,831	\$ -
Amortization of debt related items	\$ 1,092,507	\$ 449,617	\$ 6,457	\$ 21,422	\$ 1,570,003	\$ 58,087

Statement of Fiduciary Net Position
Fiduciary Fund
June 30, 2024

	Special Welfare
Assets	
Cash and cash equivalents	\$ 272,362
Total assets	272,362
Liabilities	
Accounts payable	672
Amounts held for others	22,627
Total liabilities	23,299
Net Position	
Restricted for individuals	249,063
Total net position	\$ 249,063

The Notes to the Financial Statements are an integral part of this statement.

Statement of Changes in Fiduciary Net Position
Fiduciary Fund
For the Year Ended June 30, 2024

	<u>Special Welfare</u>
Additions	
Contributions for the benefit of individuals	\$ 35,299
Interest earnings	<u>7,170</u>
Total additions	<u>42,469</u>
Deductions	
Payments to benefit individuals	<u>25,298</u>
Total deductions	<u>25,298</u>
Increase in fiduciary net position	<u>17,171</u>
Net position - beginning	<u>231,892</u>
Net position - ending	<u><u>\$ 249,063</u></u>

The Notes to Financial Statements are an integral part of this statement.

CITY OF LYNCHBURG, VIRGINIA

Notes to Financial Statements
as of June 30, 2024

Note 1. Summary of Significant Accounting Policies

A. Financial Reporting Entity

The City of Lynchburg, Virginia (the “City”) was founded by John Lynch in 1757, chartered as a town in 1786 incorporated as a town on January 10, 1805, and received independent City status in 1852. The City operates on a Council-Manager form of Government and provides municipal services to its residents. As required by accounting principles generally accepted in the United States of America, the financial statements of the reporting entity include those of the City (the primary government) and its component units. The component units discussed below are included in the City’s reporting entity because of the significance of their operational or financial relationships with the City.

Discretely Presented Component Units: The component units’ columns in the combined financial statements include the data of the City’s three component units. They are reported in separate columns to emphasize that they are legally separate from the City. The governing bodies of these component units are appointed by City Council.

Lynchburg City Schools: The Lynchburg City Schools (the “Schools”) operates one pre-school, eleven elementary schools, three middle schools, and two high schools in the City. The Schools are fiscally dependent on the City and are prohibited from issuing bonded debt without approval of City Council. The City is legally obligated to provide financial support to the Schools by State Law of the Commonwealth of Virginia. Annually the State Superintendent provides the City with the amount of the Required Local Effort (RLE).

Business Development Centre, Inc.: The Business Development Centre, Inc. (the “Centre”) provides business advisory services to small businesses in the Central Virginia area, operates a business incubator, and provides financing for qualifying businesses under certain federal programs. The City provides financial support to the Centre by leasing to the Centre, at a nominal amount, the facility which houses the Centre’s operations. As part of the operating agreement with the Centre, the City agrees to advance operating funds to the Centre to cover working capital needs. The City has agreed to provide local matching funds under the revolving loan fund program.

Greater Lynchburg Transit Company: The Greater Lynchburg Transit Company (“GLTC”) was created in 1974 to serve the greater Lynchburg area with public bus and paratransit transportation. GLTC is organized as a not-for-profit stock corporation with the City of Lynchburg as the sole stockholder. The capital for the purchase of the Company’s assets has been provided by federal, state, and local grants, and GLTC is dependent on various operating grants to subsidize operations. The City provides financial support to GLTC through the assumption of the obligation to finance GLTC’s deficits and through annual appropriations for the GLTC operating budget. In accordance with the Memorandum of Understanding signed in FY2013, when GLTC has an operating surplus, the City will establish a Special Reserve to support transit operations. The reserve will be used to cover unplanned cash shortfalls in the annual budget.

Complete financial statements of the individual component units can be obtained directly from their administrative offices at the addresses listed below. The Lynchburg City Schools financial statements are not separately prepared, but are included in this financial report.

Business Development Centre, Inc.
147 Mill Ridge Road
Lynchburg, Virginia 24502

Greater Lynchburg Transit Company
Post Office Box 11286
Lynchburg, Virginia 24506

Jointly Governed Organizations: The following entities are excluded from the accompanying financial statements:

Blue Ridge Regional Jail Authority: The Blue Ridge Regional Jail Authority (the “Authority”) was created by certain Member Jurisdictions for the purpose of developing and operating a regional jail system to be established by acquiring, renovating, and expanding certain existing jail facilities, and constructing additional jail facilities. The Member Jurisdictions are the City of Lynchburg and the Counties of Amherst, Appomattox, Bedford, Campbell, and Halifax. The Authority began operating the existing jail facilities in the Member Jurisdiction on July 1, 1998.

(Continued)

CITY OF LYNCHBURG, VIRGINIA

Notes to Financial Statements
as of June 30, 2024

Note 1. Summary of Significant Accounting Policies (Continued)

A. Financial Reporting Entity (Continued)

Blue Ridge Regional Jail Authority: (Continued)

The City sold its existing jail facilities to the Authority during FY1997. A new central jail facility was constructed in Lynchburg and opened in FY2000. It is owned and operated by the Authority. Each Member Jurisdiction pays a per diem charge for each day that one of its prisoners is at any Regional Jail Facility. In accordance with the Service Agreement, the Authority has divided the per diem charge into an operating component and a debt service component. The per diem charge is based on an agreed-upon number of prisoner days, and is subject to an adjustment at the end of each fiscal year. During FY2024, the City paid \$6,888,007 to the Authority.

Horizon Behavioral Health (formerly Central Virginia Community Services Board): The City, in conjunction with the counties of Amherst, Appomattox, Bedford, and Campbell participates in Horizon Behavioral Health, the governing Board of which is composed of two members from each of the participating localities. The City appropriated \$649,880 for an operating contribution in FY2024.

Central Virginia Planning District Commission: The City serves as the grant recipient for the Federal Workforce Innovation and Opportunity Act's (WIOA) Adult, Dislocated Worker, and Youth Programs on behalf of the Central Virginia Planning District Commission/Central Virginia Workforce Development Board. According to the requirements, grant funds are used to provide employment and training activities for adults and dislocated workers and to provide services for eligible youth. During FY2024, the Central Virginia Planning District Commission received \$1,037,124 in grant funds.

Region 2000 Services Authority: During 2008, the City, in conjunction with the Counties of Campbell and Nelson and the City of Bedford, created the Region 2000 Services Authority (the "Authority"). Appomattox County joined soon thereafter. The City of Bedford withdrew in 2013. Each member jurisdiction pays a per-ton disposal charge based on the actual cost of operation (cost of service), which includes both an operating component and a debt service component. The governing Board is composed of one member from each of the participating localities. In accordance with the member use agreement, the City provided the Authority \$300,000 in initial startup costs. During FY2024, the City paid \$737,270 to the Authority.

Central Virginia Radio Communications Board: During 2012, the Old Central Virginia Regional Radio Communications Board was dissolved and replaced by the Region 2000 Radio Communications Board (the "Board"); name has since reverted back to *Central Virginia Radio Communications Board*. Since the current regional radio system needed significant upgrade and replacement before July 1, 2014, the Board was formed in order to manage the project operations and maintenance, including the issuance of debt to finance the upgrades and replacements in an efficient and cost-effective manner. The Board consists of representatives from Amherst County, Bedford County, the Town of Bedford, the City of Lynchburg, collectively the "Member Jurisdictions", and the Virginia's Region 200 Local Government Council, now named the Central Virginia Planning District Commission (CVPDC). The Member Jurisdictions and the CVPDC entered into a Cooperative Agreement which requires each Member Jurisdiction to contribute their pro rata share for annual capital costs, operational costs, and any annual deficit. The City's pro rata share is 33.1% effective through July 1, 2013. In accordance with the Cooperative Agreement, the City transferred the title to all 1996 assets to the CVPDC. The CVPDC issued debt of \$13,100,000 in May 2012 to finance the upgrade and replacement of the existing radio system. Each Member Jurisdiction contributes toward the debt service payments made by the CVPDC through their pro rata share of capital costs. The City's pro rata share of capital costs is 30.1%. Should the CVPDC fail to make debt service payments, the Member Jurisdictions have a moral non-binding obligation to pay the debt service. During FY2024, the City paid \$697,365 to the Board. The City's scheduled capital cost payment for FY25 is \$716,136.

(Continued)

CITY OF LYNCHBURG, VIRGINIA

Notes to Financial Statements
as of June 30, 2024

Note 1. Summary of Significant Accounting Policies (Continued)

A. Financial Reporting Entity (Continued)

Related Organizations: The following entities are excluded from the accompanying financial statements:

Lynchburg Redevelopment and Housing Authority: Under the *Code of Virginia* (“Code”), the Commonwealth of Virginia (“Commonwealth”) created in each city and county a redevelopment and housing authority which is a separate political subdivision of the Commonwealth. In April 1956, City Council activated the Lynchburg Redevelopment and Housing Authority (the “LRHA”) which owns and operates federal and state-assisted housing projects for low-income families and administers urban development projects. Commissioners of the LRHA are appointed by City Council; however, City Council is not financially accountable for LRHA. During FY2024, the City appropriated \$121,184 to the LRHA from the Community Development Block Grant Fund.

Economic Development Authority of the City of Lynchburg: Under the *Code*, City Council passed an ordinance on March 14, 1967, which created the Industrial Development Authority of the City of Lynchburg (the “IDA”). The IDA was established to promote industry and develop trade within the City. The IDA is governed by a board of seven directors appointed by City Council; however, City Council is not financially accountable for the IDA. In 2008 City Council changed the name from the Industrial Development Authority (IDA) to the Economic Development Authority (EDA) to more accurately reflect the work of the Authority beyond the focus of industrial development. Lynchburg’s EDA takes an active role in economic development efforts, actively pursuing investment and development opportunities, and elevating the economic development profile of the City. During FY2024, the City appropriated \$250,000 to the Economic Development Authority.

Other Boards and Commissions: City Council appoints certain members of various boards and commissions’ governing bodies as provided under state and local laws and ordinances. The boards and commissions are advisory in nature and City Council is not financially accountable for these organizations.

B. Basis of Presentation

The accompanying financial statements present the government and its component units, legally separate entities for which the City is financially accountable.

Government-wide Statements: The statement of net position and the statement of activities report information on all of the nonfiduciary activities of the primary government and its component units. These statements include the financial activities of the overall government. The effect of interfund activity, other than services provided and used, has been eliminated from these statements to minimize the double counting of internal activities. Excess revenues or expenses of the Internal Service Fund are allocated to the appropriate governmental functional activity. These statements distinguish between the *governmental and business-type activities* of the City. Governmental activities generally are financed through taxes, intergovernmental revenues, and other non-exchange transactions. Business-type activities are financed in whole or in part by fees charged to external parties.

The statement of activities presents a comparison between direct expenses and program revenues for the different business-type activities of the City and for each function of the City’s governmental activities. Direct expenses are those that are specifically associated with a program or function and, therefore, are clearly identifiable to a particular function. Indirect expense allocations that have been made in the funds have been reversed for the statement of activities. Program revenues include (a) fees and charges paid by the recipients of goods or services offered by the programs and (b) grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenues that are not classified as program revenues, including all taxes, are presented as general revenues.

(Continued)

CITY OF LYNCHBURG, VIRGINIA

Notes to Financial Statements
as of June 30, 2024

Note 1. Summary of Significant Accounting Policies (Continued)

B. Basis of Presentation (Continued)

Fund Financial Statements: The accounts of the City are organized on the basis of funds, each of which is considered a separate accounting entity. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets, deferred outflows of resources, liabilities, deferred inflows of resources, fund equity, revenues, and expenditures, or expenses, as appropriate. Government resources are allocated to and accounted for in individual funds based upon the purposes for which they are spent and the means by which spending activities are controlled. The various fund categories and fund types presented in the financial statements are described below:

Governmental Fund Types: Governmental funds account for expendable financial resources, other than proprietary fund types. Governmental fund types use the flow of current financial resources measurement focus.

The City reports the following major governmental funds:

General Fund: The General Fund is the primary operating fund of the City. It accounts for all financial resources except those required to be accounted for in another fund.

City Capital Projects Fund: The City Capital Projects Fund accounts for and reports financial resources that are restricted, committed, or assigned to expenditures for capital outlays including the acquisition or construction of capital facilities and other capital assets, other than those financed by proprietary funds and the School Capital Projects Fund.

School Capital Projects: The School Capital Projects Fund accounts for and reports financial resources that are restricted, committed, or assigned to expenditures for capital outlays approved by the School Board and City Council for educational purposes.

The City reports the following non-major governmental funds:

Special Revenue Funds: Special Revenue Funds account for and report the proceeds of specific revenue sources that are restricted or committed to expenditures for specified purposes other than debt service or capital projects. These funds consist of the City Federal/State Aid Grants, Community Development Block Grant, Lynchburg Business Development Centre, Forfeited Assets, Children's Services Act, Lynchburg Expressway Appearance, HOME Investment Trust, and Lynchburg Regional Juvenile Detention Center.

Proprietary Fund Types: Proprietary funds account for operations that are financed and operated in a manner similar to private business enterprises. The proprietary fund measurement focus is on the flow of economic resources. Operating revenues include charges for services and other revenues. Operating expenses include personal services, operation and maintenance, supplies and materials, depreciation, as well as other services and charges. All revenues and expenses, excluding capital contributions and transfers, not meeting these definitions are reported as non-operating revenues and expenses.

The City reports the following major proprietary funds:

Enterprise Funds: Enterprise Funds account for (a) the financing of services to the general public where the intent of the governing body is that the costs (expenses, including depreciation) of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges; or (b) where the governing body has decided that periodic determination of revenues earned, expense incurred, and/or net income is appropriate for capital maintenance, public policy, management control, accountability, or other purposes.

These funds consist of the Water, Sewer, Stormwater, and Airport Funds.

(Continued)

CITY OF LYNCHBURG, VIRGINIA

Notes to Financial Statements
as of June 30, 2024

Note 1. Summary of Significant Accounting Policies (Continued)

B. Basis of Presentation (Continued)

Water Fund: The Water Fund operates the water distribution system for the City and supplies water to three surrounding counties.

Sewer Fund: The Sewer Fund operates a regional wastewater treatment plant and a combined sewer system. The Sewer Fund also performs cleaning, monitoring, and repairs to the wastewater collection system for the City and provides conveyance and treatment services for three surrounding counties.

Stormwater Fund: The Stormwater Fund performs the operations and maintenance of the storm sewer collection system and manages the City's Small Municipal Separate Storm Sewer System [MS4] General Permit requirements that incorporates water quality compliance goals established by Total Maximum Daily Loads [TMDLs] which include the Chesapeake Bay and the James River Basin TMDLs.

Airport Fund: The Airport Fund accounts for the administration of the Lynchburg Regional Airport.

The total enterprise funds columns in the proprietary fund statements of net position and activities are essentially equal to the business-type activity column in the government-wide statements, with the exception of the impact of allocating internal service fund activity.

Additionally, the City reports the following fund types:

Internal Service Fund: The Internal Service Fund accounts for the financing of goods and services supplied to other funds of the City on a cost-reimbursement basis. A Fleet Services Fund has been established to account for the operation and maintenance of City vehicles.

Fiduciary Fund Types – Custodial Funds: Custodial Funds account for assets held by the City as a custodian for others. The City's custodial fund is the Special Welfare Fund.

During the course of operations, the government has activity between funds for various purposes. Any residual balances outstanding at year-end are reported as due to/from other funds. While these balances are reported in fund financial statements, certain eliminations are made in the preparation of the government-wide financial statements. Balances between the funds included in governmental activities (i.e., the governmental and internal service funds) are eliminated so that only the net amount is included as internal balances in the governmental activities column. Similarly, balances between the funds included in business-type activities (i.e., the enterprise funds) are eliminated so that only the net amount is included as internal balances in the business-type activities column.

Further, certain activity occurs during the year involving transfers of resources between funds. In fund financial statements these amounts are reported at gross amounts as transfers in and out. While reported in fund financial statements, certain eliminations are made in the preparation of the government-wide financial statements. Transfers between the funds included in governmental activities are eliminated so that only the net amount is included as transfers in the governmental activities column. Similarly, balances between the funds included in business-type activities are eliminated so that only the net amount is included as transfers in the business-type activities column.

(Continued)

CITY OF LYNCHBURG, VIRGINIA

Notes to Financial Statements
as of June 30, 2024

Note 1. Summary of Significant Accounting Policies (Continued)

C. Measurement Focus and Basis of Accounting

Basis of accounting refers to when revenues and expenditures or expenses are recognized in the accounts and reported in the financial statements. Basic of accounting relates to the timing of the measurements made, regardless of the measurement focus applied.

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

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both “measurable” and “available.” Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the City considers revenues to be available if they are collected within 45 days of the end of the current fiscal period for most non-grant revenues. Reimbursement basis grants are recognized as revenue when all eligibility requirements are met and are considered available if they are collected within one year of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

Intergovernmental revenues, consisting principally of categorical aid from federal and state agencies, are recognized when earned or at the time of the specific expenditure. Sales, Communication Sales and Use, and public utility taxes, which are collected by the Commonwealth of Virginia and public utilities, respectively, and subsequently remitted to the City, are recognized as revenues and receivables when measurable and available.

Proprietary fund types utilize the accrual basis of accounting. Revenues are recognized when earned, including unbilled utility receivables, and expenses are recognized when incurred. Proprietary funds distinguish *operating* revenues and expenses from *nonoperating* items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund’s principal ongoing operations. The principal operating revenues of the enterprise funds and of the City’s internal service fund are charges to customers for sales and services. The City also recognizes as operating revenue the portion of tap fees intended to recover the cost of connecting new customers to the system. Operating expenses for enterprise funds and internal service funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

Fiduciary fund reporting focuses on net position and changes in net position. Financial statements of fiduciary funds are reported using the economic resources measurement focus and the accrual basis of accounting.

Amounts reported as *program revenues* include 1) charges to customers or applicants for goods, services, or privileges provided, 2) operating grants and contributions, and 3) capital grants and contributions. Internally dedicated resources are reported as *general revenues* rather than as program revenues. Likewise, general revenues include all taxes.

When both restricted and unrestricted resources are available for use, it is the City’s policy to use restricted resources first, then unrestricted resources as they are needed.

(Continued)

CITY OF LYNCHBURG, VIRGINIA

Notes to Financial Statements
as of June 30, 2024

Note 1. Summary of Significant Accounting Policies (Continued)

C. Measurement Focus and Basis of Accounting (Continued)

As a result of the different measurement focus and basis of accounting used in preparing the government-wide statements, a reconciliation between the government-wide and fund financial statements is necessary. Exhibit 4 presents a reconciliation of the net position as reported on the Statement of Net Position (Exhibit 1) to total governmental fund balance as reported on the Balance Sheet – Governmental Funds (Exhibit 3). Exhibit 6 presents a reconciliation of the total change in net position as reported on the Statement of Activities (Exhibit 2) and the total net change in fund balances as reported on the Statement of Revenues, Expenditures, and Changes in Fund Balances – Governmental Funds (Exhibit 5).

D. Budgets and Budgetary Accounting

All governmental and proprietary funds have legally adopted budgets. The Lynchburg Business Development Centre Fund does not adopt a legal annual budget. The City follows these procedures in establishing the budgetary data reflected in the financial statements:

- Typically, in early March the City Manager submits to City Council a proposed operating budget for the fiscal year commencing July 1 and ending June 30 of the following year. The operating budget includes proposed expenditures and the means of financing them.
- Council studies the proposed budget at work sessions throughout the months of March and April and holds a public hearing to receive citizens' comments.
- Council makes final budget decisions and adopts the budget through passage of an appropriations resolution during the month of May. By July 1, the City Manager prepares and distributes the adopted budget.
- The City prepares a five-year Capital Improvement Program (CIP) for the City Capital Projects, School Capital Projects, Water, Sewer, Stormwater, and Airport funds. The CIP specifies capital improvement or construction projects, which are tentatively identified for funding during the next five years, with the first year of the plan serving as the capital budget. Project budgets are utilized in the capital project funds. Appropriations for the capital projects funds are continued until completion of applicable projects, even when projects extend for more than one fiscal year, or until repealed.
- Budgets for the General, Water, Sewer, Stormwater, Airport, Capital Projects, and all Special Revenue Funds are prepared in accordance with the City Charter on the modified accrual basis of accounting. Encumbrances are treated as committed and/or assigned fund balance and re-appropriated in the next fiscal year. Revenues, expenditures, and transfers related to internal service type functions are included for budget purposes. The budget for the Lynchburg City Schools (School Operating Fund) is prepared on the modified accrual basis of accounting.
- The City Manager is authorized to transfer budgeted amounts between departments within any fund; however, any revisions that alter the total budget amounts and/or appropriations of any fund require an amendment to the budget. The Code of Virginia requires that City Council approve any amendment. If the total of the proposed amendment exceeds one percent of the total budgeted revenue, the proposed amendment must be advertised and a public hearing must be held before City Council can act. After the public hearing, City Council can act on the proposed amendment. The Superintendent of the Schools is authorized to transfer budget amounts within departments; however, any revisions that alter total budget amounts of any department must be approved by the School Board.

(Continued)

CITY OF LYNCHBURG, VIRGINIA

Notes to Financial Statements
as of June 30, 2024

Note 1. Summary of Significant Accounting Policies (Continued)

D. Budgets and Budgetary Accounting (Continued)

- All operating budget appropriations lapse at the end of the fiscal year to the extent that they are not expended or encumbered, with the exception of year-end carry-forward items approved by City Council.
- Prior to the implementation of GASB 54, the City's special revenue funds included the Technology Fund which has a separate legally adopted budget. With the implementation of GASB 54, the Technology Fund is utilized for internal reporting purposes only. For financial statement reporting (GAAP-basis), the Technology Fund is collapsed into the General Fund. For budgetary basis reporting, the Technology Fund is not included with the General Fund.

The following is a reconciliation of the results of operations for the year on the budgetary basis to the GAAP basis.

	<u>General Fund</u>
Net change in fund balance (non-GAAP budgetary basis)	\$ (21,435,938)
Less: Net change in fund balance for Technology Fund	<u>56,228</u>
Net change in fund balance (GAAP basis)	<u><u>\$ (21,379,710)</u></u>

E. Assets, Deferred Outflows, Liabilities, Deferred Inflows, and Net Position

- **Cash and Cash Equivalents**

The City considers all highly liquid investments (including restricted assets) with a maturity of three months or less when purchased to be cash equivalents.

- **Investments**

Investments are reported at fair value. Interest earned by certain funds of the Schools and City Capital Projects Fund are allocated to the General Fund. All other interest is allocated to the fund which owns the underlying investments.

- **Receivables**

The City calculates its allowance for uncollectible accounts using historical collection data, and specific account analysis. Receivables are presented net of allowance for doubtful accounts. The allowance is composed of the following:

General Fund, property taxes, and other receivables	\$ 2,794,211
General Fund, ambulance receivables	\$ 2,870,304
Enterprise Funds	\$ 573,005

(Continued)

CITY OF LYNCHBURG, VIRGINIA

Notes to Financial Statements
as of June 30, 2024

Note 1. Summary of Significant Accounting Policies (Continued)

E. Assets, Deferred Outflows, Liabilities, Deferred Inflows, and Net Position (Continued)

- **Inventory**

Inventory in the Water and Internal Service Funds is valued at cost using the first-in, first-out (FIFO) method. This inventory consists principally of spare parts and fuel held for consumption. The cost is recorded as an expense at the time individual inventory items are withdrawn for use. Inventory in the Lynchburg City School Nutrition program is valued at fair value. This inventory consists of purchased foods, USDA Foods (donated commodities), as well as kitchen supplies. An expense adjustment is made annually after the year-end inventory is counted and valued.

- **Capital Assets**

Governmental funds: Capital outlays are recorded as expenditures on the fund basis and as assets on the government-wide financial statements to the extent the City's capitalization thresholds of \$5,000 for equipment and \$20,000 for buildings, infrastructure, and land improvements are met. Infrastructure has been capitalized retroactively to 1980. All capital assets are valued at historical cost or estimated historical cost if actual cost is not available. Donated assets, donated works of art and similar items are reported at acquisition value rather than fair market value on the date donated. Schools buildings and other facilities are capital assets for the City government and not for the component unit.

Works of art, historical treasures, and similar assets have not been capitalized because they are held for public exhibition, education, or research in furtherance of public service, rather than financial gain. The collection is protected, kept unencumbered, cared for, and preserved. The collection is subject to an organizational policy that requires the proceeds from sales of collection items to be used to acquire other items for collections.

Proprietary funds: Capital outlays of the proprietary funds are recorded as capital assets on both the fund basis and the government-wide basis. Capital assets are stated at cost or estimated original cost based on independent consultant studies, net of accumulated depreciation. Donated assets, donated works of art and similar items are reported at acquisition value rather than fair market value on the date donated. Capital assets received in a service concession arrangement are reported at acquisition value rather than fair value.

Repairs and maintenance are charged to expense when incurred. When capital assets are sold or retired, the cost of the assets and the related accumulated depreciation are eliminated and a gain or loss is recognized.

Capital assets are depreciated using the straight-line method over their estimated useful lives as follows:

	<u>Years</u>
Land improvements	15-20
Buildings and improvements:	
New construction	30-40
Improvements	15-20
Infrastructure	30-50
Machinery and equipment	5-10

Leases assets are recorded under GASB Statement No. 87, Leases, Lease assets are amortized over the shorter of the lease term or useful life of the underlying asset.

Intangible assets include subscription right-to-use assets recorded under GASB Statement No. 96, Subscription-Based Information Technology Arrangements (SBITAs), net of accumulated amortization. SBITA's are amortized over the shorter of the subscription term or the useful life of the underlying IT asset.

(Continued)

CITY OF LYNCHBURG, VIRGINIA

Notes to Financial Statements
as of June 30, 2024

Note 1. Summary of Significant Accounting Policies (Continued)

E. Assets, Deferred Outflows, Liabilities, Deferred Inflows, and Net Position (Continued)

- **Deferred Outflows / Inflows of Resources**

In addition to assets, the statements that present net position report a separate section for *deferred outflows of resources*. These items represent a consumption of net assets that applies to future periods and so will *not* be recognized as an outflow of resources (expense) until then. In addition to liabilities, the statements that present financial position report a separate section for *deferred inflows of resources*. These items represent an acquisition of net assets that applies to future periods and so will *not* be recognized as an inflow of resources (revenue) until that time. The City and Schools have the following items that qualify for reporting as deferred inflows or outflows:

- The deferred charge on refunding reported in the government-wide statement of net position 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 are always a deferred outflow; this 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, as well as changes in actuarial assumptions 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.
- Difference between projected and actual earnings on pension and OPEB plan investments. This difference will be recognized in pension or OPEB expense over a closed five-year period and may be reported as a deferred outflow or inflow as appropriate.
- Changes in proportion and differences between employer contributions and proportionate share of employer contributions in the Virginia Retirement System's teacher cost-sharing pool or OPEB cost-sharing pool plans. This difference is deferred and recognized in expense over the average remaining service life of the employees who are subject to the plan, and may be reported as a deferred outflow or inflow as appropriate.
- *Unavailable revenue* is reported only in the governmental funds balance sheet under a modified accrual basis of accounting. The governmental funds report unavailable revenue from property taxes and other receivables not collected within 45 days of year-end and property taxes levied to fund future years. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available.
- At the government-wide level, the City reports deferred inflows for unearned property taxes which are billed and/or collected but are intended to fund future years.
- Lease-related amounts are recognized at the inception of leases in which the City is the lessor. The deferred inflow of resources is recorded in an amount equal to the corresponding lease receivable plus certain additional amounts received from the lessee at or before the commencement of the lease term that related to future periods, less any lease incentives paid to, or on behalf of, the lessee at or before the commencement of the lease term. The inflow of resources is recognized in a systematic and rational manner over the term of the lease.

- **Compensated Absences**

City employees accumulate vacation time depending upon their length of service up to a total of 288 hours. All outstanding vacation time is payable upon termination of employment. The current portions are recorded as liabilities in the governmental fund financial statements when they have matured as a result of employee resignations and retirements. In proprietary funds, both the expenses and the liabilities are recorded as benefits as earned. All vacation pay is accrued when incurred in the government-wide financial statements. Each operating fund is responsible for covering its share of vacation pay liability.

(Continued)

CITY OF LYNCHBURG, VIRGINIA

Notes to Financial Statements
as of June 30, 2024

Note 1. Summary of Significant Accounting Policies (Continued)

E. Assets, Deferred Outflows, Liabilities, Deferred Inflows, and Net Position (Continued)

- **Arbitrage Rebate Liability**

The U.S. Treasury has issued regulations on calculating the rebate due the Federal government on arbitrage profits and determining compliance with the arbitrage rebate provisions of the Tax Reform Act of 1986. Arbitrage profits arise when the City temporarily invests the proceeds of tax-exempt debt in securities with higher yields. The City treats the estimated rebate payable as a reduction of available financial resources in the fund that earned the arbitrage profit. Accordingly, interest earnings are reduced by the amount of the increase in the estimated rebate payable and a liability is reported in the appropriate fund.

- **Pensions and Other Postemployment Benefits (OPEB)**

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

- **Net Position/Fund Equity**

Net Position in government-wide and proprietary financial statements is classified as net investment in capital assets, restricted, and unrestricted. Restricted net position represents constraints on resources that are either externally imposed by creditors, grantors, contributors, or laws or regulations of other governments or imposed by law through state statute.

The City classifies governmental fund balances as follows:

- **Nonspendable fund balance** includes amounts that cannot be spent because they are either not in spendable form such as inventories and prepaids or they are legally or contractually required to be maintained intact.
- **Restricted fund balance** includes amounts that have constraints placed on their use by external sources such as creditors, grantors, contributors, laws or regulations of other governments, or imposed by law through constitutional provisions or enabling legislation.
- **Committed fund balance** includes amounts that can only be used for specific purposes pursuant to constraints imposed by formal action of the highest level of decision-making authority - City Council. These committed amounts cannot be used for any other purpose unless City Council removes or changes the specified use by taking the same type of action it employed to previously commit those amounts. Committed fund balance also includes contractual obligations to the extent that existing resources in the fund have been specifically committed for use in satisfying those contractual requirements.

(Continued)

CITY OF LYNCHBURG, VIRGINIA

Notes to Financial Statements
As of June 30, 2024

Note 1. Summary of Significant Accounting Policies (Continued)

E. Assets, Deferred Outflows, Liabilities, Deferred Inflows, and Net Position (Continued)

- **Net Position/Fund Equity (Continued)**

- Assigned fund balance includes amounts that are constrained by the government's intent to be used for specific purposes but are neither restricted nor committed. Fund Balance may be assigned either through the encumbrance process as a result of normal purchasing activity (which includes the issuance of a purchase order), or by the City Manager or his designee, the Chief Financial Officer, in accordance with the Council adopted fund balance policy.
- Unassigned fund balance is the positive fund balance within the General fund which has not been classified as Restricted, Committed, or Assigned and negative fund balances in other governmental funds.

The City considers restricted fund balance to be spent when an expenditure is incurred for purposes for which restricted and unrestricted fund balance are available unless prohibited by legal documents or contracts. When an expenditure is incurred for purposes for which committed, assigned, or unassigned amounts are available, the City considers committed fund balance to be spent first, then assigned fund balance, and lastly unassigned fund balance.

F. Estimates

Management uses estimates and assumptions in preparing its financial statements. Those estimates and assumptions affect the reported amounts of assets and liabilities, the disclosure of contingent liabilities and reported revenues, expenditures, and expenses. Actual results could differ.

Note 2. Cash and Investments

Deposits:

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

Investments:

Investment Policy:

In accordance with the *Code* and other applicable law, including regulations, the City's Investment Policy (Policy) permits investments in Treasury Securities, agency securities, prime quality commercial paper, certificates of deposit maturing within one year and issued by domestic banks, banker's acceptances, Commonwealth of Virginia and Virginia Local Government Obligations, repurchase agreements, open-end investments, the Virginia State Non-Arbitrage Program or other authorized Arbitrage Investment Management programs, and the State Treasurer's Local Government Investment Pool (the Virginia LGIP). Pursuant to Sec. 2.1-234.7 of the *Code*, the Treasury Board of the Commonwealth sponsors the LGIP and has delegated certain functions to the State Treasurer. The LGIP reports to the Treasury Board at their regularly scheduled monthly meetings and the carrying value of the position in LGIP is the same as the value of the pool shares (i.e., the LGIP maintains a stable net asset value of \$1 per share in accordance with GASB No. 79). The Investment Policy specifies that no investment may have a maturity greater than one year from the date of purchase, unless matched to a specific cash flow.

(Continued)

CITY OF LYNCHBURG, VIRGINIA

Notes to Financial Statements
As of June 30, 2024

Note 2. Cash and Investments (Continued)

Investments: (Continued)

Credit Risk:

As required by state statute or by the City, the Policy requires that commercial paper have a short-term debt rating of P-1 or higher by Moody's Investors Service and A-1 or higher by Standard & Poor's Ratings Services, provided that the issuing domestic corporation has a net worth of \$50 million and its long-term debt is rated A or better by Moody's and Standard & Poor's. Banker's acceptances and Certificates of Deposit 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. Open-end investment funds must be registered under the Securities Act of the Commonwealth or the Federal Investment Company Act of 1940, provided that they invest only in securities approved for investment herein. Commonwealth of Virginia and Virginia Local Government Obligations secured by debt service reserve funds not subject to annual appropriation must be rated AA or higher by Moody's or Standard & Poor's. Repurchase agreements require that the counterparty be rated A or better by Moody's and Standard & Poor's.

As of June 30, 45% of the portfolio was invested in "Aaa" rated obligations; 2% was invested in "Aa1" Municipal Bonds; 3% was invested in "Aa2", and 50% was invested in an "AAAm" rated LGIP fund. The "Aaa" rated portion of the total portfolio included 16% of obligations guaranteed by the U. S. Government; 28% of Federal Agencies; and 1% of Municipal Bonds (percentages are based on the total portfolio). On August 5, 2011, Standard & Poor's downgraded the long-term sovereign credit rating of the United States of America from "AAA" to "AA+" and affirmed the "A-1+" short-term rating. This downgrade relates to 45% of the City's portfolio previously noted as "Aaa" by Moody's Investors Service. All credit ratings presented in this paragraph are Moody's or Standard & Poor's as necessary.

Concentration of Credit Risk:

The Policy's intent is for the City to diversify its investment portfolio to avoid incurring unreasonable risks regarding (i) security type, (ii) individual financial institution or issuing entity, and (iii) maturity. The Policy places a limit on the amount the City may invest in any single financial institution at no more than 50% of the City's total investments.

As of June 30, investment types that equal or exceed 5% of the portfolio were as follows:

<u>Investment Type</u>	<u>% of Portfolio</u>
U. S. Treasury Notes	15.7%
Federal Farm Credit Bank	10.0%
Federal Home Loan Bank	16.0%
Municipal Bonds	6.0%

Interest Rate Risk:

The Policy limits certain investment maturities as a means of managing exposure to fair value losses arising from increasing interest rates. Agency securities must mature within five years of the date of purchase. Prime commercial paper must mature within 270 days of the date of purchase and banker's acceptances must mature within 180 days of the date of purchase.

(Continued)

CITY OF LYNCHBURG, VIRGINIA

Notes to Financial Statements

As of June 30, 2024

Note 2. Cash and Investments (Continued)

Investments: (Continued)

Interest Rate Risk: (Continued)

As of June 30, the carrying values and weighted average maturity were as follows:

Investment Type	Carrying Value	Weighted Average Maturity*
LGIP	\$ 100,819,421	-
U.S. Treasury Notes	31,636,490	238
Federal Farm Credit Bank	20,121,107	174
Federal Home Loan Bank	32,250,936	158
Federal Home Loan Mortgage Corporation	1,965,563	227
Federal National Mortgage Association	2,643,953	220
Municipal Bonds	12,007,955	375
Total investments	<u>\$ 201,445,425</u>	
Portfolio weighted average maturity		1,392

* Weighted average maturity in days.

Custodial Credit Risk:

The Policy requires that all investment securities shall be held in safekeeping by a third party and evidenced by safekeeping receipts. As required by the *Code*, all security holdings with maturities over 30 days may not be held in safekeeping with the “counterparty” to the investment transaction. As of June 30, all investments are held in a bank’s trust department in the City’s name.

Restricted cash and temporary cash investments of the General, Special Revenue, City Capital Projects, and Enterprise Funds include certain deposits, grant advances, unspent bond proceeds restricted for capital projects, and amounts related to the Passenger Facility Charge program.

The above items are reflected in the statements as follows:

	Primary Government	School Board Component Unit
Deposits and investments:		
Cash on hand	\$ 14,756	\$ -
Deposits	20,597,948	3,644,714
Funds held in trust by others	-	805,932
Investments	201,445,425	-
	<u>\$ 222,058,129</u>	<u>\$ 4,450,646</u>
Statement of net position:		
Cash and cash equivalents	\$ 112,711,442	\$ 3,644,714
Investments	100,626,004	-
Restricted cash and cash equivalents	8,448,321	-
Custodial fund cash and cash equivalents	272,362	805,932
	<u>\$ 222,058,129</u>	<u>\$ 4,450,646</u>

(Continued)

CITY OF LYNCHBURG, VIRGINIA

Notes to Financial Statements
As of June 30, 2024

Note 2. Cash and Investments (Continued)

Investments: (Continued)

Custodial Credit Risk: (Continued)

The City categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset and are described as follows.

- Level 1 inputs are quoted prices in active markets for identical assets;
- Level 2 inputs are significant other observable inputs;
- Level 3 inputs are significant unobservable inputs.

The City categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The City has the following recurring fair value measurements as of June 30:

	Level 1	Level 2	Level 3	Total
U.S. Treasury Securities	\$ 31,636,490	\$ -	\$ -	\$ 31,636,490
U.S. Debt Securities	-	56,981,559	-	56,981,559
Municipal Bonds	-	12,007,955	-	12,007,955
	<u>\$ 31,636,490</u>	<u>\$ 68,989,514</u>	<u>\$ -</u>	<u>\$ 100,626,004</u>

Government bonds, corporate bonds, collateralized mortgage obligations and commercial paper classified in Level 2 of the fair value hierarchy are valued on the basis of evaluated prices provided by independent pricing services when such prices are believed to reflect the fair value of such securities. Such prices may be determined by taking into account a security's price, yield, maturity, call feature, rating, or institutional-size trading in similar groups of securities and developments related to specific securities.

Note 3. Property Taxes

Real estate taxes are levied on a fiscal year basis on July 1, the assessment date, and become a lien as of that date. Supplemental billings are processed through the current tax year to ensure timely recordation. Real estate taxes are payable in four quarterly installments on November 15, January 15, March 15, and May 15.

Personal property taxes are levied on property owned as of January 1, and are payable in two equal installments on June 5 and December 5. Additional billings for personal property acquisitions are due March 5 and September 5.

A penalty of 10% for late payment is assessed on the day after the due date and interest at the rate of 10% is assessed on unpaid balances beginning with the first day of the month following the due date. The City bills and collects its own property taxes.

(Continued)

CITY OF LYNCHBURG, VIRGINIA

Notes to Financial Statements

As of June 30, 2024

Note 4. Interfund Receivables, Payables, and Transfers

Interfund balances at June 30, 2024 were as follows:

	Interfund Receivables	Interfund Payables
Major Fund:		
General	\$ 1,773,361	\$ 1,386,078
Major Fund – Capital Projects:		
City Capital Projects	4,225	-
School Capital Projects	333,000	-
Non-major Special Revenue Funds:		
City Federal/State Aid	55,242	437,298
Children’s Services Act	350,485	525,710
Community Development Block Grant	-	203,102
Lynchburg Regional Juvenile Detention Center	152,017	109,081
HOME Investment Partnerships Program	-	7,176
Major Proprietary Funds:		
Water	7,601	5,603
Sewer	-	73,575
Stormwater	-	15,842
Internal Service	87,534	-
	<u>\$ 2,763,465</u>	<u>\$ 2,763,465</u>

Interfund receivables for governmental funds primarily represent advances to special revenue funds to be repaid with future grant revenues. Interfund receivables for proprietary funds mainly represent the reallocation of health benefits at year end. Interfund payables for proprietary funds represent amounts due for payroll related items at year end.

Interfund transfers were as follows:

	To	From
Major Fund:		
General	\$ -	\$ 27,786,879
Non-major Special Revenue Funds:		
City Federal/State Aid	385,022	-
Major Fund – Capital Projects		
City Capital Projects	21,136,708	-
School Capital Projects	333,000	-
Major Proprietary Funds:		
Water	-	15,626
Sewer	15,626	-
Internal Services	5,932,149	-
Total Fund Transfers	<u>\$ 27,802,505</u>	<u>\$ 27,802,505</u>

Transfers between major funds (general, city and school capital projects, and proprietary) and other non-major governmental funds were primarily to support capital projects, operations, and the purchase of fleet vehicles and equipment.

(Continued)

CITY OF LYNCHBURG, VIRGINIA

Notes to Financial Statements

As of June 30, 2024

Note 5. Due From/To Primary Government and Component Units

Due from/to balances between the City and its component units at June 30, were as follows:

	Due From	Due To
Primary Government:		
Major Fund:		
General Fund	\$ 1,065,299	\$ 8,360,355
Non-major Special Revenue Fund:		
Lynchburg Business Development Centre Fund	125,000	-
	<u>\$ 1,190,299</u>	<u>\$ 8,360,355</u>
Component Units:		
Lynchburg City Schools	\$ 8,360,355	\$ 124,015
Business Development Centre, Inc.	-	125,000
Greater Lynchburg Transit Company	-	941,284
	<u>\$ 8,360,355</u>	<u>\$ 1,190,299</u>

Note 6. Due From Other Governments

Amounts due from other governments at June 30 were as follows:

	Primary Government		Component Units	
	Governmental Activities	Business-type Activities	Schools	Others
Various federal and state grants	\$ 14,999,249	\$ 251,772	\$ 7,559,333	\$ 777,737
Virginia Revolving Loan	-	1,762,686	-	-
Members of Regional Sewage Treatment Plant	-	3,595,546	-	-
	<u>\$ 14,999,249</u>	<u>\$ 5,610,004</u>	<u>\$ 7,559,333</u>	<u>\$ 777,737</u>

Due from members of the Regional Sewage Treatment Plant:

Amounts due from members of the Regional Sewage Treatment Plant represent amounts due from Amherst County, Bedford Regional Water Authority, and the Campbell County Utilities and Service Authority for their proportionate share (20.46%) of improvements to Joint-Use Facilities under a 1974 agreement (the "Agreement"). These Joint-Use Facilities are defined as the City's Regional Waste Water Treatment Plant and its immediately related treatment facilities used jointly by the City and one or more of the members in connection with the transmission or treatment of wastes made the subject of the Agreement. The cost of improvements are billed to each member and recorded as contributed capital when related projects are completed. Pursuant to Section VI (b) of the Agreement, each member shall have the option of paying its proportionate share of the cost of projects either in cash or on a deferred payment schedule coinciding with the period over which the City's bonds are amortized, plus interest at the rate equivalent to the net interest cost to the City. Future principal payments to be received are as follows:

Amount receivable within 1 year	\$ 294,312
Amount receivable 2 to 5 years	1,127,580
Amount receivable beyond 5 years	<u>2,173,654</u>
	<u>\$ 3,595,546</u>

(Continued)

CITY OF LYNCHBURG, VIRGINIA

Notes to Financial Statements
As of June 30, 2024

Note 7. Receivables

Receivables as of June 30, net of allowances for uncollectible accounts, are as follows:

	<u>Taxes</u>	<u>Accounts</u>	<u>Other</u>	<u>Total</u>
Major funds:				
General	\$ 16,860,888	\$ 6,276,407	\$ 1,852,084	\$ 24,989,379
City Capital Projects	-	-	42,215	42,215
Water	-	2,008,050	-	2,008,050
Sewer	-	4,405,838	-	4,405,838
Stormwater	-	530,677	-	530,677
Airport	-	140,059	-	140,059
Internal Service	-	28,039	-	28,039
Non-major Governmental Funds	-	-	1,389,142	1,389,142
	<u>\$ 16,860,888</u>	<u>\$ 13,389,070</u>	<u>\$ 3,283,441</u>	<u>\$ 33,533,399</u>

(Continued)

CITY OF LYNCHBURG, VIRGINIA

Notes to Financial Statements
As of June 30, 2024

Note 8. Capital Assets

Primary Government:

A summary of the changes in the City's capital assets for governmental activities is as follows:

<u>Governmental Activities</u>	<u>Beginning Balances</u>	<u>Transfers and Additions</u>	<u>Transfers and Retirements</u>	<u>Ending Balances</u>
<u>Capital assets, not being depreciated:</u>				
Land	\$ 25,898,582	\$ 34,217	\$ -	\$ 25,932,799
Historical Treasures	-	163,346	-	163,346
Construction in progress	34,067,843	38,911,738	-	72,979,581
Total capital assets, not being depreciated	59,966,425	39,109,301	-	99,075,726
<u>Capital assets, being depreciated:</u>				
Land improvements	68,884,761	1,488,142	-	70,372,903
Accumulated depreciation	(31,220,626)	(3,025,562)	-	(34,246,188)
Net land improvements	37,664,135	(1,537,420)	-	36,126,715
Buildings and improvements	325,760,940	4,662,074	(482,072)	329,940,942
Accumulated depreciation	(185,060,556)	(8,007,142)	347,920	(192,719,778)
Net buildings and improvements	140,700,384	(3,345,068)	(134,152)	137,221,164
Infrastructure	365,923,944	9,114,971	-	375,038,915
Accumulated depreciation	(198,988,428)	(8,668,864)	-	(207,657,292)
Net infrastructure	166,935,516	446,107	-	167,381,623
Machinery and equipment	69,242,559	5,562,199	(1,956,487)	72,848,271
Accumulated depreciation	(45,408,751)	(4,853,895)	1,888,851	(48,373,795)
Net machinery and equipment	23,833,808	708,304	(67,636)	24,474,476
Total capital assets, being depreciated	829,812,204	20,827,386	(2,438,559)	848,201,031
Less: accumulated depreciation	(460,678,361)	(24,555,463)	2,236,771	(482,997,053)
Total capital assets, being depreciated	369,133,843	(3,728,077)	(201,788)	365,203,978
<u>Lease assets:</u>				
Equipment	221,845	143,035	(68,257)	296,623
Infrastructure	2,441,805	-	-	2,441,805
Buildings	173,429	37,799	(98,174)	113,054
Accumulated amortization	(255,012)	(147,626)	166,431	(236,207)
Total lease assets being amortized	2,582,067	33,208	-	2,615,275
Capital assets, net	\$ 431,682,335	\$ 35,414,432	\$ (201,788)	\$ 466,894,979

During FY2018, the Region 2000 Radio Communications Board completed the upgrade and replacement to the regional radio system. The City recorded \$4,375,552 as their share of the asset.

(Continued)

CITY OF LYNCHBURG, VIRGINIA

Notes to Financial Statements
As of June 30, 2024

Note 8. Capital Assets (Continued)

Primary Government: (Continued)

Depreciation and amortization were charged to functions as follows:

Governmental activities:	
General government	\$ 1,078,727
Education	6,184,826
Judicial	634,410
Health and human services	261,694
Public safety	2,481,659
Public works	11,438,475
Community development	206,084
Cultural and recreational	2,007,231
Total governmental activities	24,293,106
Business-type activities:	
Water	134,660
Sewer	265,695
Stormwater	9,628
Airport	-
Total business-type activities	409,983
Total depreciation	\$ 24,703,089

The Fleet Internal Services Fund, whose assets are reported as a part of the City's governmental assets, purchases vehicles that are used by the City's Enterprise Funds. Depreciation related to those vehicles is allocated to the Enterprise Funds. In prior years, the City Capital Projects fund, on occasion, would construct assets that were used primarily by the Enterprise Funds. Depreciation on these assets is also allocated to the Enterprise Funds. The \$409,983 of business-type depreciation reflected above is the allocation of this depreciation and is not reflected on the business-type activities asset information reported below.

(Continued)

CITY OF LYNCHBURG, VIRGINIA

Notes to Financial Statements
As of June 30, 2024

Note 8. Capital Assets (Continued)

Primary Government: (Continued)

A summary of the changes in the City's capital assets for business-type activities is as follows:

<u>Business-type Activities</u>	<u>Beginning Balances</u>	<u>Transfers and Additions</u>	<u>Transfers and Retirements</u>	<u>Ending Balances</u>
<u>Capital assets, not being depreciated:</u>				
Land	\$ 5,199,677	\$ 10,382	\$ -	\$ 5,210,059
Construction in progress	27,015,088	9,603,142	(1,371,863)	35,246,367
Total capital assets, not being depreciated	32,214,765	9,613,524	(1,371,863)	40,456,426
<u>Capital assets, being depreciated:</u>				
Land improvements	14,929,596	3,671,650	-	18,601,246
Accumulated depreciation	(12,813,630)	(127,444)	-	(12,941,074)
Net land improvements	2,115,966	3,544,206	-	5,660,172
Buildings and improvements	100,858,270	725,817	(170,040)	101,414,047
Accumulated depreciation	(42,206,255)	(3,058,584)	108,164	(45,156,675)
Net buildings and improvements	58,652,015	(2,332,767)	(61,876)	56,257,372
Infrastructure	539,680,112	21,767,107	-	561,447,219
Accumulated depreciation	(211,891,424)	(11,948,679)	-	(223,840,103)
Net infrastructure	327,788,688	9,818,428	-	337,607,116
Machinery and equipment	34,979,308	780,782	-	35,760,090
Accumulated depreciation	(16,911,860)	(1,500,621)	-	(18,412,481)
Net machinery and equipment	18,067,448	(719,839)	-	17,347,609
Capitalized interest	7,345,201	-	-	7,345,201
Accumulated depreciation	(3,187,726)	(146,904)	-	(3,334,630)
Net capitalized interest	4,157,475	(146,904)	-	4,010,571
Total capital assets being depreciated	697,792,487	26,945,356	(170,040)	724,567,803
Less: accumulated depreciation	(287,010,895)	(16,782,232)	108,164	(303,684,963)
Total capital assets, being depreciated	410,781,592	10,163,124	(61,876)	420,882,840
<u>Lease assets:</u>				
Equipment	33,567	50,185	(1,139)	82,613
Accumulated amortization	(5,097)	(11,011)	1,139	(14,969)
Total lease assets being amortized	28,470	39,174	-	67,644
Capital assets, net	\$ 443,024,827	\$ 19,815,822	\$ (1,433,739)	\$ 461,406,910

(Continued)

CITY OF LYNCHBURG, VIRGINIA

Notes to Financial Statements

As of June 30, 2024

Note 8. Capital Assets (Continued)

Component Units:

A summary of changes in the capital assets of the Schools is as follows:

<u>Lynchburg City Schools</u>	<u>Beginning Balances</u>	<u>Transfers and Additions</u>	<u>Transfers and Retirements</u>	<u>Ending Balances</u>
<u>Capital assets, being depreciated:</u>				
Equipment	\$ 19,911,762	\$ 1,099,330	\$ (714,802)	\$ 20,296,290
Accumulated depreciation	(13,840,328)	(1,602,194)	714,802	(14,727,720)
Net equipment	6,071,434	(502,864)	-	5,568,570
Equipment – cafeteria	1,446,558	367,726	-	1,814,284
Accumulated depreciation	(1,200,003)	(41,850)	-	(1,241,853)
Net equipment – cafeteria	246,555	325,876	-	572,431
Subscription right-to-use assets	-	6,359,976	-	6,359,976
Accumulated amortization	-	(2,941,954)	-	(2,941,954)
Net subscription right-to-use assets	-	3,418,022	-	3,418,022
Total capital assets being depreciated/amortized	21,358,320	7,827,032	(714,802)	28,470,550
Less: accumulated depreciation/amortization	(15,040,331)	(4,585,998)	714,802	(18,911,527)
Capital assets, net	<u>\$ 6,317,989</u>	<u>\$ 3,241,034</u>	<u>\$ -</u>	<u>\$ 9,559,023</u>

Details of capital assets of other component units are as follows:

Land, buildings, and improvements	\$ 33,081,362
Construction in progress	1,081,222
Machinery and equipment	29,336,093
Subscription right-to-use assets	14,560
	<u>63,513,237</u>
Less accumulated depreciation/amortization	<u>29,641,452</u>
	<u>\$ 33,871,785</u>

(Continued)

CITY OF LYNCHBURG, VIRGINIA

Notes to Financial Statements
As of June 30, 2024

Note 9. Long-Term Liabilities

Primary Government:

General Obligation Debt:

As of June 30, 2024	Interest Rates (%)	Date Issued	Final Maturity	Original Issue	Public Improvements	School Facilities	Proprietary Funds	Total
Bond Anticipation Note								
Public Improvement	Variable-SOFR	07/18/23	06/15/26	\$ 68,500,000	\$ 133,190	\$ 315,464	\$ 11,532,062	\$ 11,980,716
Draw-down loan facility								
General Obligation Bonds								
VA Resources Authority	0.00	03/24/94	06/01/26	3,976,369	-	-	259,465	259,465
VPSA General Obligation	4.60-5.10	11/10/05	07/15/25	6,411,957	-	737,954	-	737,954
VPSA General Obligation	0.00	11/13/09	09/01/26	10,255,000	-	2,190,000	-	2,190,000
Public Improvement	2.00-5.00	05/19/16	02/01/46	26,945,000	9,839,719	-	10,320,281	20,160,000
Public Improvement								
Refunding	2.00-5.00	05/19/16	02/01/38	20,350,000	2,426,038	-	9,778,962	12,205,000
Public Improvement								
Refunding	3.00-5.00	09/26/17	08/01/39	29,100,000	3,213,619	8,072,938	11,693,443	22,980,000
Public Improvement	2.00-5.00	01/30/20	08/01/49	49,425,000	32,280,000	3,900,000	11,940,000	48,120,000
Public Improvement								
Refunding	4.00-5.00	10/29/20	12/01/33	15,340,000	3,371,174	2,458,096	3,865,730	9,695,000
Public Improvement	4.00-5.00	03/07/23	08/01/52	66,990,000	33,235,000	4,340,000	28,110,000	65,685,000
VA Resources Authority	0.50	01/30/24	06/01/45	7,500,000	7,500,000	-	-	7,500,000
Public Improvement								
Refunding	4.00-5.00	05/07/24	06/01/44	69,375,000	12,242,967	45,548,494	11,583,539	69,375,000
General Obligation- Direct Borrowings								
Public Improvement	2.75	10/23/13	12/01/28	10,000,000	2,351,979	312,021	666,000	3,330,000
					<u>\$ 106,593,686</u>	<u>\$ 67,874,967</u>	<u>\$ 99,749,482</u>	<u>\$ 274,218,135</u>

Authorized and unissued general obligation public improvement bonds amounted to \$80,005,774 at June 30, 2024.

As of June 30, the City's Primary Government had outstanding general obligation debt of \$274,218,135, including direct borrowings from commercial banks totaling \$3,330,000. For all general obligation debt, the full faith and credit of the City are irrevocably pledged to the punctual payment of the principal of and interest on the Bonds as the same become due. In each year while any Bonds are outstanding and unpaid, the Council shall be authorized and required to levy and collect annually, at the same time and in the same manner as other taxes of the City are assessed, levied and collected, a tax upon all taxable property within the City, over and above all other taxes, authorized or limited by law and without limitation as to rate or amount, sufficient to pay when due the principal of and interest on the Bonds to the extent other funds of the City are not lawfully available and appropriated for such purpose.

(Continued)

CITY OF LYNCHBURG, VIRGINIA

Notes to Financial Statements
As of June 30, 2024

Note 9. Long-Term Liabilities (Continued)

Primary Government: (Continued)

General Obligation Debt: (Continued)

Direct Borrowing- Event of Default Provisions- Series 2013 Bonds (Issued 10/23/2013):

The events of default (“Events of Default”) with respect to this Bond shall be (i) the failure to pay principal of or interest on this Bond when due, (ii) the failure to perform or observe the covenants set forth in Sections 4 and 5 of the Authorizing Resolution, (iii) any representation or warranty made by the City Manager on behalf of the City in the Certificate of the City Manager as to Representations, Warranties and Covenants of the City of Lynchburg, Virginia, dated October 23, 2013, proving to have been incorrect when made or confirmed, (iv) a default by the City in the payment of the principal of or interest on any other general obligation indebtedness of the City, and (v) the downgrade of the City’s general obligation bond rating below BBB by Fitch Ratings or Baa2 by Moody’s Investors Service or BBB by Standard & Poor’s Ratings Services. Upon the occurrence and continuance of an Event of Default this Bond shall bear interest at the rate of four percent (4%) per annum and the Purchaser shall have the right to declare the principal amount of this Bond to be immediately due and payable and may exercise its rights of remedies available to it under the Authorizing Resolution, at law or in equity.

Legal Debt Limit:

The Constitution of Virginia, Article VII, Section 10(a) sets forth the City’s legal debt limit at ten percent (10%) of its real estate assessed valuation for the issuance of any bonds or other interest-bearing obligations. As shown in Supplementary Statistical Table 22, as of June 30, the City’s debt limit was \$781.7 million. The City’s aggregate general obligation indebtedness was \$274.2 million and the City’s legal debt margin (amount available for issuance of additional debt) was \$507.5 million.

Debt Management Policy:

The City’s Debt Management Policy, which was reaffirmed on January 24, 2023, limits tax-supported debt to four and a half percent (4.50%) of its net assessed valuation of taxable property (general obligation bonds issued for self-supporting enterprise funds are not included in this calculation). As shown in the Supplementary Statistical Table 21, outstanding tax-supported debt was 2.22% of net assessed valuation of taxable property. The Policy also states that the 10-Year Principal Payout Ratio shall not be less than 60% at the end of each adopted five-year Capital Improvement Program. The principal payout ratio for the year ended June 30 was 67.59%. There are no overlapping tax jurisdictions.

(Continued)

CITY OF LYNCHBURG, VIRGINIA

Notes to Financial Statements

As of June 30, 2024

Note 9. Long-Term Liabilities (Continued)

Primary Government: (Continued)

Revenue Debt:

As of June 30, 2024	Interest Rates %	Date Issued	Final Maturity	Final Issue	Water Fund	Sewer Fund	Stormwater Fund	Total
Virginia Resources Authority								
Public Utility Revenue Bonds	0.00	03/28/95	06/01/26	\$ 6,541,207	\$ -	\$ 365,979	\$ -	\$ 365,979
Public Utility Revenue Bonds	0.00	08/10/95	12/01/27	10,000,000	-	1,027,778	-	1,027,778
Public Utility Revenue Bonds	0.00	06/27/96	12/01/27	8,000,000	-	795,601	-	795,601
Public Utility Revenue Bonds	0.00	07/17/97	06/01/29	7,591,540	-	1,160,443	-	1,160,443
Public Utility Revenue Bonds	0.00	08/21/98	06/01/30	6,203,000	-	1,161,821	-	1,161,821
Public Utility Revenue Bonds	0.00	02/15/01	06/01/31	735,000	-	164,408	-	164,408
Public Utility Revenue Bonds	0.00	11/06/01	12/01/32	1,413,613	-	397,129	-	397,129
Public Utility Revenue Bonds	0.00	09/15/03	12/01/35	2,350,165	-	860,796	-	860,796
Public Utility Revenue Bonds	0.00	05/20/04	12/01/36	6,000,000	-	2,500,000	-	2,500,000
Public Utility Revenue Bonds	0.00	05/17/05	06/01/37	6,700,000	-	2,903,333	-	2,903,333
Public Utility Revenue Bonds	0.00	06/28/06	12/01/38	9,600,000	-	4,640,000	-	4,640,000
Public Utility Revenue Bonds	0.00	06/20/07	06/01/39	7,000,000	-	3,500,000	-	3,500,000
Public Utility Revenue Bonds	0.00	06/05/08	11/01/40	12,350,000	-	6,792,500	-	6,792,500
Public Utility Revenue Bonds	0.00	06/25/09	06/01/41	19,000,000	-	10,766,666	-	10,766,666
Public Utility Revenue Bonds	0.00	06/17/10	06/01/42	13,100,000	-	7,860,000	-	7,860,000
Public Utility Revenue Bonds	0.00	06/15/11	02/01/33	9,343,149	-	4,200,139	-	4,200,139
Public Utility Revenue Bonds	0.00	06/15/11	08/01/44	10,100,000	-	6,901,667	-	6,901,667
Public Utility Revenue Bonds	0.00	06/06/12	01/01/44	7,000,000	-	4,666,666	-	4,666,666
Public Utility Revenue Bonds	0.00	01/05/17	02/01/38	1,697,269	-	-	1,226,660	1,226,660
Public Utility Revenue Bonds	0.00	09/18/18	10/01/40	32,000,000	-	26,400,000	-	26,400,000
Public Utility Revenue Bonds	0.00	07/30/20	05/01/41	1,500,000	-	1,275,000	-	1,275,000
Public Utility Revenue Bonds	1.00	06/07/24	10/01/44	775,000	775,000	-	-	775,000
					\$ 775,000	\$ 88,339,926	\$ 1,226,660	\$ 90,341,586

The revenue bonds have been issued in accordance with the terms of an indenture agreement with the Virginia Resources Authority, a public body corporate and a political subdivision of the Commonwealth of Virginia (the “Authority”), as Administrator of the Virginia Water Facilities Revolving Fund and Virginia Water Supply Revolving Fund.

Pursuant to Chapter 22 Title 62.1 of the Code of Virginia (1950), as amended (the “Act”), the General Assembly created a permanent and perpetual fund known as the “Virginia Water Facilities Revolving Fund (the “Fund”). In conjunction with the State Water Control Board, the Authority administers and manages the Fund. From the Fund, the Authority from time to time makes loans to and acquires obligations of local governments in Virginia to finance: 1) the costs of wastewater treatment facilities within the meaning of Section 62.1-224 of the Act; 2) the costs of constructing facilities or structures or implementing other best management practices that reduce or prevent pollution of state waters caused by stormwater runoff from impervious surfaces within the meaning of Section 62.1-229.4 of the Act.

Pursuant to Chapter 23, Title 62.1 of the Code of Virginia (1950) as amended (the “Act”), the General Assembly created a fund known as the “Virginia Water Supply Revolving Fund” (the “Fund”). In conjunction with the Virginia Board of Health, the Authority administers and manages the Fund. From the Fund, the Authority from time to time makes loans to and acquires obligations of local governments in Virginia to finance the costs of water supply facilities within the meaning of Section 62.1-233 of the Act.

All of the indenture agreements require the City to pledge its Sewer, Stormwater, and Water Funds Revenues as collateral for the revenue bonds and to maintain a debt coverage ratio at least equal to 1.15. As shown in Supplementary Statistical Tables 23, 24 and 25, the Water Fund’s debt coverage ratio for the year ended June 30 was 1.63, the Sewer Fund’s debt coverage ratio was 1.79 and the Stormwater Fund’s debt coverage ratio was 2.44.

(Continued)

CITY OF LYNCHBURG, VIRGINIA

Notes to Financial Statements
As of June 30, 2024

Note 9. Long-Term Liabilities (Continued)

Primary Government: (Continued)

Summary of Changes in Long-Term Liabilities for FY 2024:

<u>Governmental Activities</u>	<u>Beginning Balance</u>	<u>Additions</u>	<u>Deletions</u>	<u>Ending Balance</u>	<u>Current Portion</u>
Bond anticipation notes	\$ -	\$ 448,654	\$ -	\$ 448,654	\$ -
General obligation bonds	184,218,920	65,537,142	74,248,504	175,507,558	10,637,135
General obligation- Direct borrowings	4,071,476	-	741,476	3,330,000	666,000
Lease obligations	2,611,333	180,834	123,955	2,668,212	105,845
Other long term payable *	1,750,222	-	437,555	1,312,667	437,555
Adjust for deferred amounts:					
Issuance discounts	(213,235)	-	(53,309)	(159,926)	-
Issuance premiums	16,887,551	5,644,043	6,561,597	15,969,997	-
Total bonds and notes	209,326,267	71,810,673	82,059,778	199,077,162	11,846,535
Workers' compensation**	3,119,532	791,961	676,018	3,235,475	388,257
Compensated absences**	5,767,999	4,262,059	3,753,979	6,276,079	753,130
	<u>\$ 218,213,798</u>	<u>\$ 76,864,693</u>	<u>\$ 86,489,775</u>	<u>\$ 208,588,716</u>	<u>\$ 12,987,922</u>
<u>Business-Type Activities</u>	<u>Beginning Balance</u>	<u>Additions</u>	<u>Deletions</u>	<u>Ending Balance</u>	<u>Current Portion</u>
Bond anticipation notes	\$ -	\$ 11,532,062	\$ -	\$ 11,532,062	\$ -
General obligation bonds	88,028,219	11,337,858	15,966,216	83,399,861	3,658,484
Public utility revenue bonds	96,103,226	775,000	6,536,640	90,341,586	6,536,641
Lease obligations	27,677	50,184	11,792	66,069	15,349
Adjust for deferred amounts:					
Issuance premiums	6,345,462	1,102,594	1,478,518	5,969,538	-
Total bonds and notes	190,504,584	24,797,698	23,993,166	191,309,116	10,210,474
Workers' compensation**	13,600	174,032	93,917	93,715	11,246
Compensated absences**	792,987	778,727	1,022,116	549,598	65,952
	<u>\$ 191,311,171</u>	<u>\$ 25,750,457</u>	<u>\$ 25,109,199</u>	<u>\$ 191,952,429</u>	<u>\$ 10,287,672</u>

* An intangible asset was obtained concurrent with the recordation of this long term payable. Neither instrument constituted a source or a use of current financial resources; therefore, they are not reflected in the fund financial statements. The intangible asset is included in capital assets in Exhibit 1.

**For governmental activities, a portion of the workers' compensation and compensated absences are liquidated by the Internal Service Fund. The remaining portion of the workers' compensation, compensated absences, and other post-employment benefits are liquidated by the General Fund.

(Continued)

CITY OF LYNCHBURG, VIRGINIA

Notes to Financial Statements

As of June 30, 2024

Note 9. Long-Term Liabilities (Continued)

Primary Government: (Continued)

Debt Service to Maturity:

Year Ending June 30	Governmental Activities				
	General Obligation Bonds		General Obligation- Direct Borrowings		Other Long- Term Payable
	Principal	Interest	Principal	Interest	Principal
2025	\$ 10,637,135	\$ 7,176,332	\$ 666,000	\$ 82,418	\$ 437,555
2026	11,323,856	6,581,381	666,000	64,103	437,555
2027	10,790,362	5,992,883	666,000	45,788	437,557
2028	9,353,243	5,556,165	666,000	27,473	-
2029	9,504,072	5,134,617	666,000	9,158	-
2030-2034	46,716,667	19,410,961	-	-	-
2035-2039	43,031,206	10,285,260	-	-	-
2040-2044	33,748,377	2,744,764	-	-	-
2045	402,640	1,511	-	-	-
	<u>\$ 175,507,558</u>	<u>\$ 62,883,874</u>	<u>\$ 3,330,000</u>	<u>\$ 228,940</u>	<u>\$ 1,312,667</u>

Year Ending June 30	Business-Type Activities							
	General Obligation Bonds							
	Water Fund		Sewer Fund		Stormwater Fund		Airport Fund	
	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest
2025	\$ 1,886,393	\$ 1,800,043	\$ 1,570,526	\$ 1,155,008	\$ 95,000	\$ 224,825	\$ 106,565	\$ 63,434
2026	1,954,221	1,675,248	1,395,185	1,077,454	100,000	219,950	111,863	57,841
2027	2,012,142	1,572,274	1,303,046	1,013,481	100,000	214,950	72,476	52,248
2028	2,051,836	1,482,251	1,321,536	960,155	110,000	209,700	78,253	49,774
2029	2,086,278	1,394,274	1,327,340	906,993	115,000	204,075	79,030	47,158
30-34	10,559,731	5,638,621	6,357,622	3,726,080	665,000	927,875	447,683	185,099
35-39	11,008,557	3,575,701	6,271,490	2,561,288	835,000	753,594	373,152	91,270
40-44	7,027,432	1,887,151	5,272,504	1,566,033	1,040,000	559,553	260,000	21,400
45-49	4,120,000	874,350	4,155,000	740,313	1,250,000	342,244	-	-
50-53	2,635,000	209,606	2,165,000	161,750	1,080,000	89,459	-	-
	<u>\$ 45,341,590</u>	<u>\$ 20,109,519</u>	<u>\$ 31,139,249</u>	<u>\$ 13,868,555</u>	<u>\$ 5,390,000</u>	<u>\$ 3,746,225</u>	<u>\$ 1,529,022</u>	<u>\$ 568,224</u>

(Continued)

CITY OF LYNCHBURG, VIRGINIA

Notes to Financial Statements
As of June 30, 2024

Note 9. Long-Term Liabilities (Continued)

Primary Government: (Continued)

Debt Service to Maturity: (Continued)

Year Ending June 30	Business-Type Activities			
	Revenue Bonds			
	Water Fund		Sewer Fund*	Stormwater Fund*
	Principal	Interest	Principal	Principal
2025	\$ -	\$ 6,329	\$ 6,449,022	\$ 87,619
2026	36,184	7,660	6,449,022	87,619
2027	36,546	7,297	6,266,032	87,619
2028	36,913	6,931	6,005,550	87,619
2029	37,283	6,561	5,745,067	87,618
2030-2034	192,096	27,121	26,174,479	438,092
2035-2039	201,920	17,297	22,488,254	350,474
2040-2044	212,246	6,971	8,594,167	-
2045	21,812	109	168,333	-
	<u>\$ 775,000</u>	<u>\$ 86,276</u>	<u>\$ 88,339,926</u>	<u>\$ 1,226,660</u>

* Sewer and Stormwater Fund Revenue Bonds are 0.00% interest.

July 18, 2023 General Obligation Public Improvement Bond Anticipation Note, Series 2023

On July 18, 2023 the City issued a three-year General Obligation Bond Anticipation Note and concurrently entered into a line of credit Financing Agreement with JPMorgan Chase Bank, N.A. The Agreement provided for borrowings of up to \$68,500,000 to provide interim financing for qualifying city, school, water, sewer, stormwater, airport and fleet capital improvements. Interest on the unpaid principal is equal to the sum of (i) 80% times adjusted term secured overnight financing rate (SOFR), plus (ii) 0.55%, as calculated by the Lender. Interest shall be computed on the basis of the actual number of days elapsed in a 360-day year. Interest is paid monthly. All outstanding amounts are due on June 15, 2026. The unused line of credit as of June 30 is \$56,519,284.

January 30, 2024 General Obligation Public Improvement Bonds, Series 2024 (Virginia Water Facilities Revolving Fund- College Lake Dam Project, Loan C-515768G)

The City entered into a \$7,500,000 General Obligation Public Improvement Bond, Series 2024 Financing Agreement with the Virginia Resources Authority on January 30, 2024. Proceeds of the borrowing will be used to finance a portion of the College Lake Dam Removal Project. The bonds were issued with a 0.50% per annum interest rate. An interest only payment shall be due and payable on December 1, 2025, with semi-annual principal and interest payments commencing June 1, 2026 and continuing semiannually thereafter on June 1 and December 1 in each year, with the final installment being due on June 1, 2045. As of June 30, the City has drawn \$350,879 on the loan. The remaining available proceeds of \$7,149,121 are expected to be drawn in FY 2025.

(Continued)

CITY OF LYNCHBURG, VIRGINIA

Notes to Financial Statements
As of June 30, 2024

Note 9. Long-Term Liabilities (Continued)

Primary Government: (Continued)

May 7, 2024 General Obligation Public Improvement Refunding Bonds, Series 2024

The City issued \$69,375,000 of General Obligation Public Improvement Refunding Bonds, Series 2024 on May 7, 2024 with an average coupon of 4.664% from its competitive bond sale on April 23, 2024. The proceeds of the Series 2024 Bonds, along with a \$1,335,952 equity contribution from the City, were applied to (i) the current refunding and defeasance of \$75,815,000 aggregate principal amount of the City's General Obligation Public Improvement Bonds, Series 2014; and (ii) pay the costs of issuance associated with the Series 2024 Bonds. The City deposited the net proceeds from the refunding bonds in an irrevocable trust with an escrow agent that purchased U.S. Government securities. The trust will provide funds for debt service on the refunded bonds for maturities from FY 2025 through FY 2044. The City funded maturities through FY 2024. As of the bond closing date, these refunded bonds are considered defeased and the liability for them has been removed from the financial statements. The current refunding reduced the total debt service payments over the next 20 years by \$4,515,656 and resulted in an economic gain (difference between the present values of the debt service payments on the old and new debt) of \$3,261,020. This current refunding resulted in the total difference between the reacquisition price and the net carrying value of the old debt of \$1,144,188. This difference will be reported in the financial statements as deferred debt charges, and will be amortized as a component of interest expenses through FY 2044 over the life of the refunded bonds, which is equal to the life of the new debt issued. The escrow agent called the Series 2014 bonds on August 2, 2024.

June 7, 2024 Water Revenue Bonds, Series 2024 (Virginia Water Supply Revolving Fund- Water Line Inventory Project, Loan BIL 04L-22)

The City entered into a \$775,000 Public Utility Water Revenue Bond, Series 2024 Financing Agreement with the Virginia Resource Authority on June 7, 2024. Proceeds of the borrowing will be used to pay a portion of the costs of a water line inventory project. The bonds were priced with a 1.00% per annum interest rate. An interest only payment shall be due and payable on April 1, 2025; with principal and interest payments commencing on October 1, 2025 and continuing semiannually thereafter on April 1 and October 1 in each year, with the final installment being due on October 1, 2044. As of June 30, the City has drawn \$409,231 on the loan. The remaining available proceeds of \$365,769 are expected to be drawn in FY 2025.

Component Unit – Lynchburg City Schools:

Summary of Changes in Long-Term Liabilities for FY 2024:

	Beginning Balance	Additions	Deletions	Ending Balance	Current Portion
Compensated absences	\$ 1,070,402	\$ 1,016,911	\$ 631,537	\$ 1,455,776	\$ 858,908
Subscription liability	-	6,068,069	3,008,548	3,059,521	3,003,724
	<u>\$ 1,070,402</u>	<u>\$ 7,084,980</u>	<u>\$ 3,640,085</u>	<u>\$ 4,515,297</u>	<u>\$ 3,862,632</u>

The Schools' has SBITAs for software platforms with periods expiring April 2025 through November 2025. The Schools' uses its estimated incremental borrowing rate ranging from 0.00% to 3.25% as the discount rate as none of the subscription arrangements have an explicitly stated interest rate. The value of the right-to-use subscription asset and related accumulated amortization as of year-end are disclosed in Note 8. The related liability as well as principal and interest requirements to maturity are disclosed below.

(Continued)

CITY OF LYNCHBURG, VIRGINIA

Notes to Financial Statements
As of June 30, 2024

Note 9. Long-Term Liabilities (Continued)

Component Unit – Lynchburg City Schools: (Continued)

Debt Service to Maturity:

Year Ending June 30	Subscription Liabilities	
	Principal	Interest
2025	\$ 3,003,724	\$ 41,264
2026	55,797	1,067
	<u>\$ 3,059,521</u>	<u>\$ 42,331</u>

Note 10. Fund Equity Balances

Fund Balance Policy:

- The City of Lynchburg’s Unassigned General Fund Balance (UGFB) will be maintained at a level to provide the City with sufficient working capital and a comfortable margin of safety to address emergencies and unexpected declines in revenue without borrowing.
- The City shall not use the UGFB to finance recurring operating expenditures.
- The City will maintain an UGFB equal to 10% of General Fund revenues with a goal of 15% as the City strives to grow incrementally each year subject to revenues available. In the event the UGFB is used to provide for temporary funding of unforeseen emergency needs, the City shall restore the UGFB to the minimum of 10% over three years.
- The City will balance moving towards the 15% targeted fund balance with its annual “Pay as you go” capital improvement requirements.

For FY 2024 the City was in compliance with the Fund Balance Policy.

A schedule of City fund balances is on the following pages.

(Continued)

CITY OF LYNCHBURG, VIRGINIA

Notes to Financial Statements

As of June 30, 2024

	MAJOR FUNDS			NON MAJOR SPECIAL REVENUE FUNDS			
	GENERAL FUND	CITY CAPITAL PROJECTS	SCHOOL CAPITAL PROJECTS	CITY FEDERAL STATE AID	COMMUNITY DEVELOPMENT BLOCK GRANT	LYNCHBURG BUSINESS DEVELOPMENT CENTRE	FORFEITED ASSETS
FUND BALANCES							
Restricted for:							
Fire Department	\$ -	\$ -	\$ -	\$ 293,807	\$ -	\$ -	\$ -
Public Safety	-	-	-	51,528	-	-	-
Economic Development	-	-	-	79,016	-	-	-
Opioid Abatement	-	-	-	461,512	-	-	-
Community Corrections and Pre-Trial Services	-	-	-	282,546	-	-	-
Grants	-	-	-	107,139	-	-	-
Juvenile Detention Center	-	-	-	-	-	-	-
Transportation and Other	-	7,675,395	-	-	-	-	-
State Asset Forfeiture - Commonwealth Attorney	-	-	-	-	-	-	75,258
Federal Asset Forfeiture- Police	-	-	-	-	-	-	232,265
State Asset Forfeiture - Police	-	-	-	-	-	-	74,209
Health and Human Services	-	-	-	-	-	-	-
Lynchburg Expressway beautification	-	-	-	-	-	-	-
HOME projects	-	-	-	-	-	-	-
Committed to:							
Technology	1,737,235	-	-	-	-	-	-
Detention Home Workers Compensation	100,000	-	-	-	-	-	-
Health Insurance Reserve	223,973	-	-	-	-	-	-
Schools for Textbooks	408,265	-	-	-	-	-	-
Schools for Health Insurance Reserve	2,066,925	-	-	-	-	-	-
Other Postemployment Benefits	3,235,222	-	-	-	-	-	-
Solid Waste Debt Retirement	92,901	-	-	-	-	-	-
Schools Special Education	321,000	-	-	-	-	-	-
GLTC Special Reserve	1,896,736	-	-	-	-	-	-
Self Insurance (5001)	544,588	-	-	-	-	-	-
Fuel	300,000	-	-	-	-	-	-
Concord Turnpike Landfill Maintenance	240,000	-	-	-	-	-	-
Airline Service	400,000	-	-	-	-	-	-
Debt Service	1,726,735	-	-	-	-	-	-
Community Development	801	-	-	-	-	-	-
Cultural and Recreational	2,101	-	-	-	-	-	-
General Government	25,051	-	-	-	-	-	-
Health and Welfare	4,701	-	-	-	-	-	-
Judicial	4,239	-	-	-	-	-	-
Public Safety	4,978	-	-	-	-	-	-
Public Works	156,473	-	-	-	-	-	-
Buildings	-	22,415,154	-	-	-	-	-
Transportation	-	16,300,567	-	-	-	-	-
Economic Development	-	8,524,785	-	-	-	-	-
Parks and Recreation	-	4,323,058	-	-	-	-	-
Other	-	946,118	-	-	-	-	-
School Construction and Maintenance	-	-	4,568,497	-	-	-	-
Provision of loan funds for small businesses	-	-	-	-	-	125,384	-
Assigned to:							
Return of School Fund Balance	82,784	-	-	-	-	-	-
Law Library	68,877	-	-	-	-	-	-
Museum	50,028	-	-	-	-	-	-
Recreation Programs	438,958	-	-	-	-	-	-
Pier Program	32,736	-	-	-	-	-	-
Health Insurance Reserve	3,552,229	-	-	-	-	-	-
Line of Duty Death Benefit	501,440	-	-	-	-	-	-
Future Landfill Needs	260,998	-	-	-	-	-	-
Parking Operations	261,703	-	-	-	-	-	-
Point of Honor	2,653	-	-	-	-	-	-
Police Range Operations	1,000	-	-	-	-	-	-
Future Police Building	3,566,973	-	-	-	-	-	-
Fire Restitution	100	-	-	-	-	-	-
Juvenile Detention Center	-	-	-	-	-	-	-
Adopt-A-Bed	1,085	-	-	-	-	-	-
Virginia Land Conservancy	2,314	-	-	-	-	-	-
Fire Training Center	11,250	-	-	-	-	-	-
Tax Relief - Trash Fee waived year 2 of 2	2,300,000	-	-	-	-	-	-
Tax Relief - MVL Fee waived year 2 of 2	1,500,000	-	-	-	-	-	-
General Government	713,487	-	-	-	-	-	-
Health and Welfare	31,059	-	-	-	-	-	-
Judicial	1,294	-	-	-	-	-	-
Public Safety	1,383,411	-	-	-	-	-	-
Public Works	3,696,248	-	-	-	-	-	-
Community Development	192,005	-	-	-	-	-	-
Community Diversion	143,600	-	-	-	-	-	-
Cultural & Recreational	163,363	-	-	-	-	-	-
Horizon Project	2,153,628	-	-	-	-	-	-
Unassigned:	40,362,724	-	-	-	-	-	-
Total Fund Balance	\$ 74,967,871	\$ 60,185,077	\$ 4,568,497	\$ 1,275,548	\$ -	\$ 125,384	\$ 381,732

(Continued)

CITY OF LYNCHBURG, VIRGINIA

Notes to Financial Statements As of June 30, 2024

	NON MAJOR SPECIAL REVENUE FUNDS				
	CHILDREN'S SERVICES ACT	LYNCHBURG EXPRESSWAY APPEARANCE	HOME INVESTMENT PARTNERSHIP PROGRAM	LYNCHBURG REGIONAL JUVENILE DETENTION CENTER	ALL FUNDS
FUND BALANCES					
Restricted for:					
Fire Department	\$ -	\$ -	\$ -	\$ -	\$ 293,807
Public Safety	-	-	-	-	51,528
Economic Development	-	-	-	-	79,016
Opioid Abatement	-	-	-	-	461,512
Community Corrections and Pre-Trial Services	-	-	-	-	282,546
Grants	-	-	-	-	107,139
Juvenile Detention Center	-	-	-	275,863	275,863
Transportation and Other	-	-	-	-	7,675,395
State Asset Forfeiture - Commonwealth Attorney	-	-	-	-	75,258
Federal Asset Forfeiture- Police	-	-	-	-	232,265
State Asset Forfeiture - Police	-	-	-	-	74,209
Health and Human Services	210,195	-	-	-	210,195
Lynchburg Expressway beautification	-	196,367	-	-	196,367
HOME projects	-	-	5,834	-	5,834
Committed to:					
Technology	-	-	-	-	1,737,235
Detention Home Workers Compensation	-	-	-	-	100,000
Health Insurance Reserve	-	-	-	-	223,973
Schools for Textbooks	-	-	-	-	408,265
Schools for Health Insurance Reserve	-	-	-	-	2,066,925
Other Postemployment Benefits	-	-	-	-	3,235,222
Solid Waste Debt Retirement	-	-	-	-	92,901
Schools Special Education	-	-	-	-	321,000
GLTC Special Reserve	-	-	-	-	1,896,736
Self Insurance (5001)	-	-	-	-	544,588
Fuel	-	-	-	-	300,000
Concord Turnpike Landfill Maintenance	-	-	-	-	240,000
Airline Service	-	-	-	-	400,000
Debt Service	-	-	-	-	1,726,735
Community Development	-	-	-	-	801
Cultural and Recreational	-	-	-	-	2,101
General Government	-	-	-	-	25,051
Health and Welfare	-	-	-	-	4,701
Judicial	-	-	-	-	4,239
Public Safety	-	-	-	-	4,978
Public Works	-	-	-	-	156,473
Buildings	-	-	-	-	22,415,154
Transportation	-	-	-	-	16,300,567
Economic Development	-	-	-	-	8,524,785
Parks and Recreation	-	-	-	-	4,323,058
Other	-	-	-	-	946,118
School Construction and Maintenance	-	-	-	-	4,568,497
Provision of loan funds for small businesses	-	-	-	-	125,384
Assigned to:					
Return of School Fund Balance	-	-	-	-	82,784
Law Library	-	-	-	-	68,877
Museum	-	-	-	-	50,028
Recreation Programs	-	-	-	-	438,958
Pier Program	-	-	-	-	32,736
Health Insurance Reserve	-	-	-	-	3,552,229
Line of Duty Death Benefit	-	-	-	-	501,440
Future Landfill Needs	-	-	-	-	260,998
Parking Operations	-	-	-	-	261,703
Point of Honor	-	-	-	-	2,653
Police Range Operations	-	-	-	-	1,000
Future Police Building	-	-	-	-	3,566,973
Fire Restitution	-	-	-	-	100
Juvenile Detention Center	-	-	-	234	234
Adopt-A-Bed	-	-	-	-	1,085
Virginia Land Conservancy	-	-	-	-	2,314
Fire Training Center	-	-	-	-	11,250
Tax Relief - Trash Fee waived year 2 of 2	-	-	-	-	2,300,000
Tax Relief - MVL Fee waived year 2 of 2	-	-	-	-	1,500,000
General Government	-	-	-	-	713,487
Health and Welfare	-	-	-	-	31,059
Judicial	-	-	-	-	1,294
Public Safety	-	-	-	-	1,383,411
Public Works	-	-	-	-	3,696,248
Community Development	-	-	-	-	192,005
Community Diversion	-	-	-	-	143,600
Cultural & Recreational	-	-	-	-	163,363
Horizon Project	-	-	-	-	2,153,628
Unassigned:	-	-	-	-	40,362,724
Total Fund Balance	\$ 210,195	\$ 196,367	\$ 5,834	\$ 276,097	\$ 142,192,602

(Continued)

CITY OF LYNCHBURG, VIRGINIA

Notes to Financial Statements
As of June 30, 2024

Note 11. Defined Benefit Pension Plan – City of Lynchburg

Plan Description

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

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

Employees Covered by Benefit Terms

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

	<u>Number</u>
Active members	1,155
Inactive members	2,171
Total covered employees	<u>3,326</u>

Contributions

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

The political subdivision’s contractually required contribution rate for the year ended June 30, 2024 was 20.96% of covered employee compensation. This rate was based on an actuarially determined rate from an actuarial valuation as of June 30, 2022.

This rate, when combined with employee contributions, was expected to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. Contributions to the pension plan from the political subdivision were \$15,587,270 and \$14,240,279 for the years ended June 30, 2024 and June 30, 2023, respectively.

Net Pension Liability

The net pension liability (NPL) is calculated separately for each employer and represents that particular employer’s total pension liability determined in accordance with GASB Statement No. 68, less that employer’s fiduciary net position. For political subdivisions, the net pension liability was measured as of June 30, 2023. The total pension liability used to calculate the net pension liability was determined by an actuarial valuation performed as of June 30, 2022 rolled forward to the measurement date of June 30, 2023.

(Continued)

CITY OF LYNCHBURG, VIRGINIA

Notes to Financial Statements
As of June 30, 2024

Note 11. Defined Benefit Pension Plan – City of Lynchburg (Continued)

Actuarial Assumptions

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

Inflation	2.50%
General Employees – Salary increases, including inflation	3.50 – 5.35%
Public Safety Employees with hazardous duty benefits – Salary increases, including inflation	3.50 – 4.75%
Investment rate of return	6.75%, net of pension plan investment expense, including inflation

Mortality rates: General employees – 20% of deaths are assumed to be service related. Public Safety Employees – 70% of deaths are assumed to be service related. Mortality is projected using the applicable Pub-2010 Mortality Table with various set backs or set forwards for both males and females.

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

General Employees – Largest 10 – Non-Hazardous Duty and All Others (Non-10 Largest): Updated mortality table; adjusted retirement rates; adjusted withdrawal rates to better fit experience at each year age and service through 9 years of service; no change to disability rates; no change to salary scale; no change to line of duty disability; and no change to discount rate.

Public Safety Employees – Largest 10 – Hazardous Duty and All Others (Non-10 Largest) – Hazardous Duty: Updated mortality table; adjusted retirement rates; decreased withdrawal rates; no change to disability rates; no change to salary scale; no change to line of duty disability; and no change to discount rate.

(Continued)

CITY OF LYNCHBURG, VIRGINIA

Notes to Financial Statements

As of June 30, 2024

Note 11. Defined Benefit Pension Plan – City of Lynchburg (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 %	6.14 %	2.09 %
Fixed Income	15.00	2.56	0.38
Credit Strategies	14.00	5.60	0.78
Real Assets	14.00	5.02	0.70
Private Equity	16.00	9.17	1.47
MAPS – Multi Asset Public Strategies	4.00	4.50	0.18
PIP – Private Investment Partnership	2.00	7.18	0.14
Cash	1.00	1.20	0.01
Total	100.00 %		5.75 %
	Inflation		2.50 %
	*Expected arithmetic nominal return		8.25 %

The above allocation provides a one-year expected return of 8.25%. However, one-year returns do not take into account the volatility present in each of the asset classes. In setting the long-term expected return for the System, stochastic projections are employed to model future returns under various economic conditions. These results provide a range of returns over various time periods that ultimately provide a median return of 7.14%, including expected inflation of 2.50%. On June 15, 2023, the VRS Board elected a long-term rate of return of 6.75%, which was roughly at the 45th percentile of expected long-term results of the VRS fund asset allocation at that time, providing a median return of 7.14%, including expected inflation of 2.50%.

(Continued)

CITY OF LYNCHBURG, VIRGINIA

Notes to Financial Statements

As of June 30, 2024

Note 11. Defined Benefit Pension Plan – City of Lynchburg (Continued)

Discount Rate

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

Changes in Net Pension Liability/(Asset)

	Increase (Decrease)		
	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability/Asset
	(a)	(b)	(a)-(b)
Balance at June 30, 2022	\$ 421,124,533	\$ 332,726,345	\$ 88,398,188
Changes for the year:			
Service cost	7,591,733	-	7,591,733
Interest	28,109,009	-	28,109,009
Differences between expected and actual experience	2,153,966	-	2,153,966
Contributions – employer	-	13,684,223	(13,684,223)
Contributions – employee	-	3,171,043	(3,171,043)
Net investment income	-	21,311,201	(21,311,201)
Benefit payments, including refunds of employee contributions	(24,573,005)	(24,573,005)	-
Administrative expenses	-	(213,135)	213,135
Other changes	-	8,569	(8,569)
Net change	13,281,703	13,388,896	(107,193)
Balance at June 30, 2023	\$ 434,406,236	\$ 346,115,241	\$ 88,290,995

(Continued)

CITY OF LYNCHBURG, VIRGINIA

Notes to Financial Statements

As of June 30, 2024

Note 11. Defined Benefit Pension Plan – City of Lynchburg (Continued)

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

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

	1.00% Decrease (5.75%)	Current Discount Rate (6.75%)	1.00% Increase (7.75%)
Political subdivision's net pension liability	<u>\$ 141,939,742</u>	<u>\$ 88,290,995</u>	<u>\$ 43,637,684</u>

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

For the year ended June 30, 2024, the political subdivision recognized pension expense of \$8,300,994. At June 30, 2024, the political subdivision reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 1,525,988	\$ 3,661,178
Change in assumptions	3,069,277	-
Net difference between projected and actual earnings on pension plan investments	-	5,394,627
Employer contributions subsequent to the measurement date	<u>15,587,270</u>	<u>-</u>
Total	<u>\$ 20,182,535</u>	<u>\$ 9,055,805</u>

The \$15,587,270 reported as deferred outflows of resources related to pensions resulting from the Political Subdivision's contributions subsequent to the measurement date will be recognized as a reduction of the Net Pension Liability in the year ending June 30, 2025. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ended June 30,	Increase (Reduction) to Pension Expense
2025	\$ (2,914,178)
2026	(6,782,072)
2027	5,059,621
2028	176,089
2029	-
Thereafter	-

(Continued)

CITY OF LYNCHBURG, VIRGINIA

Notes to Financial Statements
As of June 30, 2024

Note 11. Defined Benefit Pension Plan – City of Lynchburg (Continued)

Pension Plan Data

Information about the VRS Political Subdivision Retirement Plan is also available in the separately issued VRS 2023 Annual Report. A copy of the 2023 VRS Annual Report may be downloaded from the VRS website at varetire.org/pdf/publications/2023-annual-report.pdf, or by writing to the System's Chief Financial Officer at P.O. Box 2500, Richmond, VA 23218-2500.

Payables to the Pension Plan

At June 30, 2024 \$1,546,915 was payable to the Virginia Retirement System for the legally required contributions related to June 2024 payroll.

School Non-professionals

Plan Description

All full-time, salaried permanent non-professional employees (non-teachers) of the Lynchburg City Schools, (the "School division") are automatically covered by the VRS Retirement Plan upon employment. This multi-employer agent plan is administered by the Virginia Retirement System (the System) along with plans for other employer groups in the Commonwealth of Virginia. Members earn one month of service credit for each month they are employed and for which they and their employer pay contributions to VRS. Members are eligible to purchase prior service, based on specific criteria as defined in the *Code of Virginia*, as amended. Eligible prior service that may be purchased includes prior public service, active military service, certain periods of leave, and previously refunded service. The System administers three different benefit structures for covered employees – Plan 1, Plan 2, and Hybrid. The plan provisions and features of the plans, as well as all actuarial assumptions, are substantially the same as those described for the City. The Laurel Regional Program (the "Program") participates in post-retirement benefits through the Lynchburg City Schools (the "Schools") various benefit plans through its fiduciary relationship with the Schools. The Schools accounts for and report the Program's participation in the Schools' benefit plans by applying the requirements for a cost-sharing multiple employer plan. All Required Supplementary Information is presented for the various post-retirement benefit plans at the Schools as a whole.

Employees Covered by Benefit Terms

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

	<u>Number</u>
Inactive members or their beneficiaries currently receiving benefits	<u>108</u>
Inactive members:	
Vested inactive members	18
Non-vested inactive members	86
Inactive members active elsewhere in VRS	<u>30</u>
Total inactive members	<u>134</u>
Active members	<u>138</u>
Total covered employees	<u><u>380</u></u>

(Continued)

CITY OF LYNCHBURG, VIRGINIA

Notes to Financial Statements
As of June 30, 2024

Note 11. Defined Benefit Pension Plan – School Non-professionals (Continued)

Contributions

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

The school division's contractually required contribution rate for the year ended June 30, 2024 was 5.70% of covered employee compensation. This rate was based on an actuarially determined rate from an actuarial valuation as of June 30, 2021.

This rate, when combined with employee contributions, was expected to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. Contributions to the pension plan from the school division were \$187,886 and \$180,715 for the years ended June 30, 2024 and June 30, 2023, respectively.

Net Pension Liability

The net pension liability (NPL) is calculated separately for each employer and represents that particular employer's total pension liability determined in accordance with GASB Statement No. 68, less that employer's fiduciary net position. For political subdivisions, the net pension liability was measured as of June 30, 2023. The total pension liability used to calculate the net pension liability was determined by an actuarial valuation performed as of June 30, 2022 rolled forward to the measurement date of June 30, 2023.

Actuarial Assumptions

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

Inflation	2.50%
General Employees – Salary increases, including inflation	3.50 – 5.35%
Public Safety Employees with hazardous duty benefits – Salary increases, including inflation	3.50 – 4.75%
Teacher cost sharing plan – Salary increases, including inflation	3.50 – 5.95%
Investment rate of return	6.75%, net of pension plan investment expense, including inflation

Mortality rates: General employees – 20% of deaths are assumed to be service related. Public Safety Employees – 70% of deaths are assumed to be service related. Mortality is projected using the applicable Pub-2010 Mortality Table with various set backs or set forwards for both males and females.

(Continued)

CITY OF LYNCHBURG, VIRGINIA

Notes to Financial Statements
As of June 30, 2024

Note 11. Defined Benefit Pension Plan – School Non-professionals (Continued)

Actuarial Assumptions (Continued)

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

General Employees – Largest 10 – Non-Hazardous Duty and All Others (Non-10 Largest): Updated mortality table; adjusted retirement rates; adjusted withdrawal rates to better fit experience at each year age and service through 9 years of service; no change to disability rates; no change to salary scale; no change to line of duty disability; and no change to discount rate.

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 %	6.14 %	2.09 %
Fixed Income	15.00	2.56	0.38
Credit Strategies	14.00	5.60	0.78
Real Assets	14.00	5.02	0.70
Private Equity	16.00	9.17	1.47
MAPS – Multi Asset Public Strategies	4.00	4.50	0.18
PIP – Private Investment Partnership	2.00	7.18	0.14
Cash	1.00	1.20	0.01
Total	100.00 %		5.75 %
	Inflation		2.50 %
	*Expected arithmetic nominal return		8.25 %

The above allocation provides a one-year expected return of 8.25%. However, one-year returns do not take into account the volatility present in each of the asset classes. In setting the long-term expected return for the System, stochastic projections are employed to model future returns under various economic conditions. These results provide a range of returns over various time periods that ultimately provide a median return of 7.14%, including expected inflation of 2.50%. On June 15, 2023, the VRS Board elected a long-term rate of return of 6.75%, which was roughly at the 45th percentile of expected long-term results of the VRS fund asset allocation at that time, providing a median return of 7.14%, including expected inflation of 2.50%.

(Continued)

CITY OF LYNCHBURG, VIRGINIA

Notes to Financial Statements

As of June 30, 2024

Note 11. Defined Benefit Pension Plan – School Non-professionals (Continued)

Discount Rate

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

Changes in Net Pension Liability

	Increase (Decrease)		
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (a) – (b)
Balances at June 30, 2022	\$ 17,080,084	\$ 17,961,030	\$ (880,946)
Changes for the year:			
Service cost	387,818	-	387,818
Interest	1,169,832	-	1,169,832
Differences between expected and actual experience	30,961	-	30,961
Contributions – employer	-	180,686	(180,686)
Contributions – employee	-	208,096	(208,096)
Net investment income	-	1,168,302	(1,168,302)
Benefit payments, including refunds of employee contributions	(934,103)	(934,103)	-
Administrative expenses	-	(11,833)	11,833
Other changes	-	(707)	707
Net changes	654,509	610,440	44,069
Balances at June 30, 2023	\$ 17,734,593	\$ 18,571,470	\$ (836,877)

(Continued)

CITY OF LYNCHBURG, VIRGINIA

Notes to Financial Statements

As of June 30, 2024

Note 11. Defined Benefit Pension Plan – School Non-professionals (Continued)

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

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

	1.00% Decrease (5.75%)	Current Discount Rate (6.75%)	1.00% Increase (7.75%)
School division's net pension liability (asset)	<u>\$ 1,229,898</u>	<u>\$ (836,877)</u>	<u>\$ (2,590,841)</u>

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

For the year ended June 30, 2024, the school division recognized pension expense of \$191,078. At June 30, 2024, the political subdivision reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 17,558	\$ 77,598
Net difference between projected and actual earnings on pension plan investments	-	299,858
Employer contributions subsequent to the measurement date	<u>187,886</u>	<u>-</u>
Total	<u>\$ 205,444</u>	<u>\$ 377,456</u>

The \$187,886 reported as deferred outflows of resources related to pensions resulting from the school division's contributions subsequent to the measurement date will be recognized as a reduction of the Net Pension Liability in the year ending June 30, 2025. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ended June 30,	Reduction to Pension Expense
2025	\$ (276,861)
2026	(355,621)
2027	263,090
2028	9,494
2029	-
Thereafter	-

(Continued)

CITY OF LYNCHBURG, VIRGINIA

Notes to Financial Statements
As of June 30, 2024

Note 11. Defined Benefit Pension Plan – School Non-professionals (Continued)

Pension Plan Data

Information about the VRS Political Subdivision Retirement Plan is also available in the separately issued VRS 2023 Annual Report. A copy of the 2023 VRS Annual Report may be downloaded from the VRS website at varetire.org/pdf/publications/2023-annual-report.pdf, or by writing to the System's Chief Financial Officer at P.O. Box 2500, Richmond, VA 23218-2500.

Payables to the Pension Plan

At June 30, 2024, \$34,162 was payable to the Virginia Retirement System for the legally required contributions related to June 2024 payroll.

Note 12. Defined Benefit Pension Plan – Lynchburg City Schools Teacher Cost Sharing Plan

General Information about the Teacher Cost Sharing Plan

Plan Description

All full-time, salaried permanent (professional) employees of Virginia public school divisions, including Lynchburg City Schools, (the "School Division"), are automatically covered by the VRS Teacher Retirement Plan upon employment. This multiple employer, cost sharing plan is administered by the Virginia Retirement System (the System) along with plans for other employer groups in the Commonwealth of Virginia. Members earn one month of service credit for each month they are employed and for which they and their employers 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 funded service.

The System administers three different benefit structures for covered employees in the VRS Teacher Retirement Plan – Plan 1, Plan 2, and Hybrid. The provisions and features of the plans, as well as all actuarial assumptions, are substantially the same as those described in Note 11.

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 5.00% of their compensation toward their retirement. Each school division's contractually required contribution rate for the year ended June 30, 2024 was 16.62% of covered employee compensation. This rate was based on an actuarially determined rate from an actuarial valuation as of June 30, 2021. The actuarially determined rate, when combined with employee contributions, was expected to finance the costs of benefits earned by employee during the year, with an additional amount to finance any unfunded accrued liability. Contributions to the pension plan from the school division were \$10,416,976 and \$9,502,324 for the years ended June 30, 2024 and June 30, 2023, respectively.

In June 2023, the Commonwealth made a special contribution of approximately \$147.5 million to the VRS Teacher Employee Plan. This special payment was authorized by Chapter 2 of the Acts of Assembly of 2022, Special Session I, as amended by Chapter 769, 2023 Acts of Assembly Reconvened Session, and is classified as a non-employer contribution. The School Division's proportionate share is reflected in operating grants and contributions on Exhibit 2.

(Continued)

CITY OF LYNCHBURG, VIRGINIA

Notes to Financial Statements

As of June 30, 2024

Note 12. Defined Benefit Pension Plan – Lynchburg City Schools Teacher Cost Sharing Plan (Continued)

General Information about the Teacher Cost Sharing Plan (Continued)

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

At June 30, 2024, the School Division reported a liability of \$60,871,923, for its proportionate share of the Net Pension Liability. The Net Pension Liability was measured as of June 30, 2023 and the total pension liability used to calculate the Net Pension Liability was determined by an actuarial valuation performed as of June 30, 2022, and rolled forward to the measurement date of June 30, 2023. The School Division's proportion of the Net Pension Liability was based on the School Division's actuarially determined employer contributions to the pension plan for the year ended June 30, 2023 relative to the total of the actuarially determined employer contributions for all participating employers. At June 30, 2023, the school division's proportion was 0.623% as compared to 0.618% at June 30, 2022.

For the year ended June 30, 2024, the School Division recognized pension expense of \$4,415,026. Since there was a change in proportionate share between measurement dates, a portion of the pension expense was related to deferred amounts from changes in proportion and from differences between employer contributions and the proportionate share of employer contributions. Beginning with the June 30, 2022 measurement date, the difference between the expected and actual contributions is included with the pension expense calculation.

At June 30, 2024, the school division reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 5,228,950	\$ 2,375,482
Change in assumptions	2,759,537	-
Net difference between projected and actual earnings on pension plan investments	-	3,957,903
Changes in proportion and differences between Employer contributions and proportionate share of contributions	938,685	2,134,843
Employer contributions subsequent to the measurement date	10,416,976	-
Total	<u>\$ 19,344,148</u>	<u>\$ 8,468,228</u>

(Continued)

CITY OF LYNCHBURG, VIRGINIA

Notes to Financial Statements
As of June 30, 2024

Note 12. Defined Benefit Pension Plan – Lynchburg City Schools Teacher Cost Sharing Plan (Continued)

General Information about the Teacher Cost Sharing Plan (Continued)

Pension Liabilities, Pension Benefit, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (Continued)

The \$10,416,976 reported as deferred outflows of resources related to pensions resulting from the school division's contributions subsequent to the measurement date will be recognized as a reduction of the Net Pension Liability in the Fiscal Year ending June 30, 2025. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ended June 30,	Increase (Reduction) to Pension Expense
2025	\$ (2,095,570)
2026	(3,896,268)
2027	5,183,199
2028	1,267,583
2029	-
Thereafter	-

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, 2023, NPL amounts for the VRS Teacher Employee Retirement Plan is as follows (amounts expressed in thousands):

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

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

(Continued)

CITY OF LYNCHBURG, VIRGINIA

Notes to Financial Statements
As of June 30, 2024

Note 12. Defined Benefit Pension Plan – Lynchburg City Schools Teacher Cost Sharing Plan (Continued)

Sensitivity of the School Division's 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 of the school division using the discount rate of 6.75%, as well as what the school division's 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:

	<u>1.00% Decrease (5.75%)</u>	<u>Current Discount Rate (6.75%)</u>	<u>1.00% Increase (7.75%)</u>
School division's proportionate share of the VRS Teacher Employee Retirement plan net pension liability	<u>\$ 107,904,210</u>	<u>\$ 60,871,923</u>	<u>\$ 22,207,516</u>

Pension Plan Fiduciary Net Position

Detailed information about the VRS Teacher Retirement Plan's Fiduciary Net Position is available in the separately issued VRS 2023 Annual Comprehensive Financial Report (Annual Report). A copy of the 2023 VRS Annual Report may be downloaded from the VRS website at <http://www.varetire.org/Pdf/Publications/2023-annual-report.pdf>, or by writing to the System's Chief Financial Officer at P.O. Box 2500, Richmond, VA, 23218-2500.

Payables to the Pension Plan

At June 30, 2024, \$1,188,345 was payable to the Virginia Retirement System for the legally required contributions related to June 2024 payroll.

CITY OF LYNCHBURG, VIRGINIA

Notes to Financial Statements

As of June 30, 2024

Note 13. Summary of Pension Benefit Elements

A summary of pension financial statement elements are as follows:

	Governmental Activities	Business-Type Activities	Total Primary Government
Deferred outflows of resources			
Pension contributions subsequent to measurement date	\$ 13,620,157	\$ 1,967,113	\$ 15,587,270
Differences between expected and actual experience	1,333,409	192,579	1,525,988
Changes of assumptions	2,681,935	387,342	3,069,277
Total deferred outflow of resources	<u>\$ 17,635,501</u>	<u>\$ 2,547,034</u>	<u>\$ 20,182,535</u>
Net pension liability	<u>\$ 77,148,672</u>	<u>\$ 11,142,323</u>	<u>\$ 88,290,995</u>
Deferred inflows of resources			
Differences between projected and actual earnings on investments	\$ 4,713,825	\$ 680,802	\$ 5,394,627
Differences between expected and actual experience	3,199,137	462,041	3,661,178
Total deferred inflow of resources	<u>\$ 7,912,962</u>	<u>\$ 1,142,843</u>	<u>\$ 9,055,805</u>
Pension Expense			
VRS	<u>\$ 7,253,409</u>	<u>\$ 1,047,585</u>	<u>\$ 8,300,994</u>
Total pension expense	<u>\$ 7,253,409</u>	<u>\$ 1,047,585</u>	<u>\$ 8,300,994</u>

(Continued)

CITY OF LYNCHBURG, VIRGINIA

Notes to Financial Statements

As of June 30, 2024

Note 13. Summary of Pension Benefit Elements (Continued)

Lynchburg City Schools

The Schools participate in two pension plans as described in Notes 11 and 12. Following is a summary of key pension-related financial statement elements lifted from those notes.

	<u>School Board Component Unit</u>
Deferred outflows of resources:	
Changes in proportion and related differences – cost sharing plans VRS Teacher cost sharing plan	\$ 938,685
Changes in assumptions VRS Teacher cost sharing plan	2,759,537
Difference between expected and actual experience VRS – nonprofessionals	17,558
VRS Teacher cost sharing plan	5,228,950
Contributions subsequent to measurement date VRS – nonprofessionals	187,886
VRS Teacher cost sharing plan	<u>10,416,976</u>
	<u>\$ 19,549,592</u>
Net VRS liability (asset)liability:	
VRS – nonprofessionals	\$ (836,877)
VRS Teacher cost sharing plan	<u>60,871,923</u>
	<u>\$ 60,035,046</u>
Deferred inflows of resources:	
Difference between expected and actual experience VRS – nonprofessionals	\$ 77,598
VRS Teacher cost sharing plan	2,375,482
Net difference between projected and actual earnings on pension plan investments VRS – nonprofessionals	299,858
VRS Teacher cost sharing plan	3,957,903
Changes in proportion and related differences – cost sharing plans VRS Teacher cost sharing plan	<u>2,134,843</u>
	<u>\$ 16,445,242</u>
Net VRS expense (benefit)	
VRS – nonprofessionals	\$ (191,078)
VRS Teacher cost sharing plan	<u>4,415,026</u>
	<u>\$ 4,223,948</u>

(Continued)

CITY OF LYNCHBURG, VIRGINIA

Notes to Financial Statements
As of June 30, 2024

Note 14. Other Post-Employment Benefits – Healthcare

City of Lynchburg

Plan Description

The City provides certain benefits for retired employees through a single-employer defined benefit plan. The City may change, add, or delete benefits with City Council approval. The plan does not grant retirees vested health or dental coverage benefits.

Benefits Provided

The City provides post-employment health and dental benefits to its retirees, through its self-insured health plan. Retirees may continue to participate in the group health and dental plans based upon the date of full time hire in accordance with the provisions outlined below.

- (1) Full time Classified employees hired on or after July 1, 1996 are currently eligible to participate in the City’s health and dental plans at the retiree’s expense when they retire directly from the City with at least fifteen (15) years of full-time service with the City. The retiree must pay the current premium value of the medical coverage.
- (2) Full time Classified employees hired on or after July 1, 1990 but before July 1, 1996 are currently eligible to participate in the City’s health and dental plans and receive City contributions for the coverage when they retire directly from the City with at least fifteen (15) years of full-time service with the City and the retiree worked for the City five (5) of the fifteen (15) years immediately preceding retirement.
- (3) Full time Classified employees hired prior to July 1, 1990 are currently eligible for health and dental plan participation and receive City contributions for their coverage when they retire directly from the City.

The City does not provide prescription coverage for Medicare eligible retirees.

Membership

The number of participants as of the most recent valuation, January 1, 2024, was as follows:

Actives	1,154
Retired/Dependents	<u>458</u>
Total Participants	<u><u>1,612</u></u>

Total OPEB Liability

The City’s total OPEB liability of \$32,999,353 was measured as of June 30, 2024, and was determined by an actuarial valuation as of January 1, 2024.

Actuarial Assumptions

In the January 1, 2024 actuarial valuation, the Entry Age actuarial cost method was used to develop the AAL and the Normal Cost. Under this method, the postretirement health costs are assumed to be earned ratably from date of hire to the participant’s full retirement eligibility age (age 50 or older with 15 or more years of service). The actuarial assumptions used a 4.00% discount rate, and an initial annual healthcare cost trend of 6.0% reduced by decrements each year to arrive at an ultimate healthcare cost trend rate of 4.25%. Mortality rates were PUB-2010 for Males and Females projected generationally to 2020 with Scale SSA.

CITY OF LYNCHBURG, VIRGINIA

Notes to Financial Statements

As of June 30, 2024

Note 14. Other Post-Employment Benefits – Healthcare (Continued)

City of Lynchburg (Continued)

Changes in OPEB Liability

	2024
Service Cost	\$ 266,425
Interest	1,410,943
Difference between expected and actual experience	(5,022,789)
Changes in assumptions	1,404,750
Benefit payments, including implicit subsidies	(2,480,520)
Net Change in Total OPEB Liability	(4,421,191)
Total OPEB Liability – Beginning of Year	37,420,544
Total OPEB Liability – End of Year	<u>\$ 32,999,353</u>

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

The following presents the net OPEB liability of the plans, calculated using the discount rate of 4.00%, as well as what each plan's net OPEB liability would be if it were calculated using a discount rate that is 1.00% lower or 1.00% higher than the current rate:

	1.00% Decrease (3.00%)	Current Discount Rate (4.00%)	1.00% Increase (5.00%)
Total OPEB Liability	\$ 37,444,236	\$ 32,999,353	\$ 29,393,960
Net OPEB Liability	<u>\$ 37,444,236</u>	<u>\$ 32,999,353</u>	<u>\$ 29,393,960</u>
Ratio of Plan Net Position to Total OPEB Liability	0.0%	0.0%	0.0%

Sensitivity of the Net OPEB Liability to Changes in the Healthcare Cost Trend Rate

The following presents the net OPEB liability of the plans, calculated using the healthcare cost trend rate of from 6.00% to an ultimate rate of 4.25%, as well as what each plan's net OPEB liability would be if it were calculated using a healthcare cost trend rate that is 1.00% lower or 1.00% higher than the current rate:

	1.00% Decrease (3.25%)	Current Ultimate Trend Rate (4.25%)	1.00% Increase (5.25%)
Total OPEB Liability	\$ 29,290,369	\$ 32,999,353	\$ 37,524,250
Net OPEB Liability	<u>\$ 29,290,369</u>	<u>\$ 32,999,353</u>	<u>\$ 37,524,250</u>
Ratio of Plan Net Position to Total OPEB Liability	0.0%	0.0%	0.0%

(Continued)

CITY OF LYNCHBURG, VIRGINIA

Notes to Financial Statements
As of June 30, 2024

Note 14. Other Post-Employment Benefits – Healthcare (Continued)

City of Lynchburg (Continued)

OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB

For the year ended June 30, 2024, the City recognized OPEB expense of \$(6,811,211). At June 30, 2024, the City reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ -	\$ 19,704,483
Change in actuarial assumptions	4,313,386	4,993,067
Total	<u>\$ 4,313,386</u>	<u>\$ 24,697,550</u>

Amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Year ended June 30,	Net Amount of /(Inflow)
2025	\$ (4,934,474)
2026	(5,791,532)
2027	(5,791,538)
2028	(1,253,669)
2029	(1,613,542)
After 2029	(999,409)
Total Amount to be Recognized	<u>\$ (20,384,164)</u>

Lynchburg City Schools

Plan Description

The Schools provide full-time active employees eligibility to receive postretirement medical and dental benefits after retiring from active service from the Schools under the VRS Teachers Retirement Plan under the normal or early retirement plan provisions. The employee must have worked for the Schools for 10 continuous years prior to retirement. The earliest retirement eligibility is age 50 with at least 10 years of service.

Benefits Provided

Lynchburg City Schools currently provides medical, dental and vision benefits to its retirees and their eligible dependents that elect to stay in the plan. At retirement, retirees may stay in an Anthem KeyCare Plan with prescription drug benefits. The plan is an Anthem KeyCare 25 plan with a \$750 deductible.

Dental benefits are offered through Anthem and the vision benefits are offered through EyeMed Vision. Since the retiree pays the full rates for both of these plans, we assumed there was no GASB liability for either of these plans.

Retirees can continue coverage under all the benefits until age 65. If the spouse is covered, he or she can continue until the retiree turns 65. If the spouse turns 65 before the retiree, they may remain in the plan with the same benefits or elect to leave the plan and go on Medicare. It is assumed that spouses would remain in the plan since this was the more conservative approach and there have been spouses over age 65 in the plan.

(Continued)

CITY OF LYNCHBURG, VIRGINIA

Notes to Financial Statements
As of June 30, 2024

Note 14. Other Post-Employment Benefits – Healthcare (Continued)

Lynchburg City Schools (Continued)

Employees Covered by Benefit Terms

As of the July 1, 2022 actuarial valuation, the following employees were covered by the benefit terms of the plan:

Inactive employees or beneficiaries	
currently receiving benefits	30
Active plan members	<u>1,271</u>
Total participants	<u><u>1,301</u></u>

Total OPEB Liability

The School's total OPEB liability of \$9,049,059 was measured as of June 30, 2023 and was determined based on an actuarial valuation performed as of July 1, 2022.

Actuarial Assumptions and Other Inputs

The total OPEB liability was determined using the following assumptions, applied to all periods included in the measurement, unless otherwise specified:

Inflation	2.5%
-----------	------

Mortality rates: Pub-2010 Teachers Headcounted – Weighted Mortality Table with projections Scale MP-2021.

The actuarial assumptions used in the July 1, 2022 valuation were based on the results of an actuarial experience study for the period from July 1, 2016 through June 30, 2020 for the VRS.

Changes in assumptions and other inputs reflect a change in the discount rate based on GASB 75 rules.

Changes in the Total OPEB Liability

Balance at June 30, 2022	<u>\$ 8,096,672</u>
Changes for the year:	
Service cost	735,812
Interest	324,100
Assumption or other input changes	(8,959)
Benefit payments	<u>(98,566)</u>
Net changes	<u>952,387</u>
Balance at June 30, 2023	<u><u>\$ 9,049,059</u></u>

(Continued)

CITY OF LYNCHBURG, VIRGINIA

Notes to Financial Statements

As of June 30, 2024

Note 14. Other Post-Employment Benefits – Healthcare (Continued)

Lynchburg City Schools (Continued)

Sensitivity of the Total OPEB Liability to Changes in the Discount Rate

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

	<u>1.00% Decrease (2.86%)</u>	<u>Current Discount Rate (3.86%)</u>	<u>1.00% Increase (4.86%)</u>
Total OPEB liability	<u>\$ 10,112,578</u>	<u>\$ 9,049,059</u>	<u>\$ 8,117,871</u>

Sensitivity of the Total OPEB Liability to Changes in the Healthcare Cost Trend Rates

The following presents the total OPEB liability of the Schools, as well as what the Schools' total OPEB liability would be if it were calculated using healthcare cost trend rates that are one percentage point lower (7.00%) or one percentage point higher (9.00%) than the current healthcare cost trend rates:

	<u>1.00% Decrease (7.00%)</u>	<u>Current Healthcare Cost Trend Rate (8.00%)</u>	<u>1.00% Increase (9.00%)</u>
Total OPEB liability	<u>\$ 7,827,228</u>	<u>\$ 9,049,059</u>	<u>\$ 10,540,510</u>

OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB

For the year ended June 30, 2024, the Schools recognized OPEB expense of \$730,552. At June 30, 2024, the political subdivision reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ -	\$ 3,746,083
Change in assumptions	438,575	59,575
Employer contributions subsequent to the measurement date	<u>127,823</u>	<u>-</u>
Total	<u>\$ 566,398</u>	<u>\$ 3,805,658</u>

(Continued)

CITY OF LYNCHBURG, VIRGINIA

Notes to Financial Statements
As of June 30, 2024

Note 14. Other Post-Employment Benefits – Healthcare (Continued)

Lynchburg City Schools (Continued)

The \$127,823 reported as deferred outflows of resources related to OPEB resulting from the Schools' contributions subsequent to the measurement date will be recognized as a reduction of the OPEB Liability in the year ending June 30, 2025. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Year Ended June 30,	Reduction to OPEB Expense
2025	\$ (854,102)
2026	(854,102)
2027	(916,855)
2028	(348,572)
2029	(392,170)
Thereafter	(1,282)

Note 15. Other Post-Employment Benefits – Group Life Insurance

City of Lynchburg

Summary of Significant Accounting Policies

Group Life Insurance

The Virginia Retirement System (VRS) Group Life Insurance Program is a multiple employer, cost-sharing plan. It provides coverage to state employees, teachers, and employees of participating political subdivisions. The Group Life Insurance Program was established pursuant to §51.1-500 et seq. of the *Code of Virginia*, as amended, and which provides the authority under which benefit terms are established or may be amended. The Group Life Insurance Program is a defined benefit plan that provides a basic group life insurance benefit for employees of participating employers. For purposes of measuring the net Group Life Insurance Program OPEB liability, deferred outflows of resources and deferred inflows of resources related to the Group Life Insurance Program OPEB, and Group Life Insurance Program OPEB expense, information about the fiduciary net position of the Virginia Retirement System (VRS) Group Life Insurance program OPEB and the additions to/deductions from the VRS Group Life Insurance Program OPEB's net fiduciary position have been determined on the same basis as they were reported by VRS. In addition, benefit payments are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

General Information about the Group Life Insurance Program

Plan Description

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 Program upon employment. This plan is administered by the Virginia Retirement System (the System), along with pensions and other OPEB plans, for public employer groups in the Commonwealth of Virginia.

(Continued)

CITY OF LYNCHBURG, VIRGINIA

Notes to Financial Statements
As of June 30, 2024

Note 15. Other Post-Employment Benefits – Group Life Insurance (Continued)

City of Lynchburg (Continued)

General Information about the Group Life Insurance Program (Continued)

Plan Description (Continued)

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.

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

Contributions

The contribution requirements for the Group Life Insurance Program are governed by §51.1-506 and §51.1-508 of the *Code of Virginia*, as amended, but may be impacted as a result of funding provided to state agencies and school divisions by the Virginia General Assembly. The total rate for the Group Life Insurance Program was 1.34% of covered employee compensation. This was allocated into an employee and an employer component using a 60/40 split. The employee component was 0.80% (1.34% x 60%) and the employer component was 0.54% (1.34% x 40%). Employers may elect to pay all or part of the employee contribution; however, the employer must pay all of the employer contribution. Each employer's contractually required employer contribution rate for the year ended June 30, 2024 was 0.54% of covered employee compensation. This rate was based on an actuarially determined rate from an actuarial valuation as of June 30, 2021. The actuarially determined rate, when combined with employee contributions, was expected to finance the costs of benefits payable during the year, with an additional amount to finance any unfunded accrued liability. Contributions to the Group Life Insurance Program from the City were \$399,369 and \$365,000 for the years ended June 30, 2024 and June 30, 2023, respectively.

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

At June 30, 2024, the City reported a liability of \$3,432,315 for its proportionate share of the Net GLI OPEB Liability. The Net GLI OPEB Liability was measured as of June 30, 2023 and the total GLI OPEB liability used to calculate the Net GLI OPEB Liability was determined by an actuarial valuation performed as of June 30, 2022 and rolled forward to the measurement date of June 30, 2023. The covered employer's proportion of the Net GLI OPEB Liability was based on the covered employer's actuarially determined employer contributions to the Group Life Insurance Program for the year ended June 30, 2023 relative to the total of the actuarially determined employer contributions for all participating employers. At June 30, 2023, the City's proportion was 0.28619% as compared to 0.27204% at June 30, 2022.

For the year ended June 30, 2024, the City recognized GLI OPEB expense of \$135,265. Since there was a change in proportionate share between measurement dates, a portion of the GLI OPEB expense was related to deferred amounts from changes in proportion.

(Continued)

CITY OF LYNCHBURG, VIRGINIA

Notes to Financial Statements
As of June 30, 2024

Note 15. Other Post-Employment Benefits – Group Life Insurance (Continued)

City of Lynchburg (Continued)

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

At June 30, 2024, the City reported deferred outflows of resources and deferred inflows of resources related to the GLI OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 342,804	\$ 104,188
Net difference between projected and actual earnings on GLI OPEB program investments	-	137,930
Changes in Actuarial Assumptions	73,367	237,804
Changes in Proportionate Share	153,583	99,788
Employer contributions subsequent to the measurement date	399,369	-
Total	<u>\$ 969,123</u>	<u>\$ 579,710</u>

\$399,369 reported as deferred outflows of resources related to the GLI OPEB resulting from the City's contributions subsequent to the measurement date will be recognized as a reduction of the Net GLI OPEB Liability in the Fiscal Year ending June 30, 2025. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to the GLI OPEB will be recognized in the GLI OPEB expense in future reporting periods as follows:

Year Ended June 30,	Increase (Reduction) to OPEB Expense
2025	\$ (35,925)
2026	(139,624)
2027	69,537
2028	32,701
2029	63,355
Thereafter	-

(Continued)

CITY OF LYNCHBURG, VIRGINIA

Notes to Financial Statements
As of June 30, 2024

Note 15. Other Post-Employment Benefits – Group Life Insurance (Continued)

City of Lynchburg (Continued)

Actuarial Assumptions

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

Inflation	2.50%
Salary increases, including inflation:	
• Locality – General employees	3.50 – 5.35 %
• Locality – Hazardous Duty employees	3.50 – 4.75 %
Healthcare cost trend rates:	
• Under age 65	7.00 – 4.75%
• Ages 65 and older	5.25 – 4.75%
Investment rate of return	6.75%, net of investment expenses, including inflation

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

Net GLI OPEB Liability

The net OPEB liability (NOL) for the Group Life Insurance Program represents the program's total OPEB liability determined in accordance with GASB Statement No. 74, less the associated fiduciary net position. As of June 30, 2023, NOL amounts for the Group Life Insurance Program is as follows (amounts expressed in thousands):

	GLI OPEB Program
Total GLI OPEB Liability	\$ 3,907,052
Plan Fiduciary Net Position	<u>2,707,739</u>
Employers' Net GLI OPEB Liability (Asset)	<u><u>\$ 1,199,313</u></u>
Plan Fiduciary Net Position as a Percentage of the Total GLI OPEB Liability	69.30%

The total GLI OPEB liability is calculated by the VRS actuary, and each plan's fiduciary net position is reported in the VRS financial statements. The net GLI 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.

(Continued)

CITY OF LYNCHBURG, VIRGINIA

Notes to Financial Statements

As of June 30, 2024

Note 15. Other Post-Employment Benefits – Group Life Insurance (Continued)

City of Lynchburg (Continued)

Long-Term Expected Rate of Return

The long-term expected rate of return on the 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 System's investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The target asset allocation and best estimate of arithmetic real rates of return for each major asset class are summarized in the following table:

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

- * The above allocation provides for a one-year return of 8.25%. However, one-year returns do not take into account the volatility present in each of the asset classes. In setting the long-term expected rate of return for the System, stochastic projections are employed to model future returns under various economic conditions. The results provide a range of returns over various time periods that ultimately provide a median return of 7.14%, including expected inflation of 2.50%. On June 15, 2023, the VRS Board elected a long-term rate of 6.75% which is roughly at the 45th percentile of expected long-term results of the VRS fund asset allocation at that time, providing a median return of 7.14, including inflation of 2.50%.

(Continued)

CITY OF LYNCHBURG, VIRGINIA

Notes to Financial Statements
As of June 30, 2024

Note 15. Other Post-Employment Benefits – Group Life Insurance (Continued)

City of Lynchburg (Continued)

Discount Rate

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

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

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

	1.00% Decrease (5.75%)	Current Discount Rate (6.75%)	1.00% Increase (7.75%)
Total GLI OPEB Liability	<u>\$ 5,087,764</u>	<u>\$ 3,432,315</u>	<u>\$ 2,093,874</u>

Group Life Insurance Program Fiduciary Net Position

Detailed information about the Group Life Insurance Program's Fiduciary Net Position is available in the separately issued VRS 2023 Annual Comprehensive Financial Report (Annual Report). A copy of the 2023 VRS Annual Report may be downloaded from the VRS website at <http://varetire.org/pdf/publications/2023-annual-report.pdf> or by writing to the System's Chief Financial Officer at P.O. Box 2500, Richmond, VA, 23218-2500.

Payables to the VRS Group Life Insurance OPEB Plan

At June 30, 2024 the City reported a payable of \$196,061 for the outstanding amount of contributions to VRS required for the year ended June 30, 2024.

Lynchburg City Schools

Plan Descriptions

All full-time teachers and employees of 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 GLI Program OPEB.

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

(Continued)

CITY OF LYNCHBURG, VIRGINIA

Notes to Financial Statements
As of June 30, 2024

Note 15. Other Post-Employment Benefits – Group Life Insurance (Continued)

Lynchburg City Schools (Continued)

Contributions

The contribution requirements for the Group Life Insurance Program are governed by §51.1-506 and §51.1-508 of the *Code of Virginia*, as amended, but may be impacted as a result of funding provided to state agencies and school divisions by the Virginia General Assembly. The total rate for the Group Life Insurance Program was 1.34% of covered employee compensation. This was allocated into an employee and an employer component using a 60/40 split. The employee component was 0.80% (1.34% x 60%) and the employer component was 0.54% (1.34% x 40%). Employers may elect to pay all or part of the employee contribution; however, the employer must pay all of the employer contribution. Each employer's contractually required employer contribution rate for the year ended June 30, 2024 was 0.54% of covered employee compensation. This rate was based on an actuarially determined rate from an actuarial valuation as of June 30, 2020. The actuarially determined rate, when combined with employee contributions, was expected to finance the costs of benefits payable during the year, with an additional amount to finance any unfunded accrued liability. Contributions to the Group Life Insurance Program from the Schools General plan were \$26,390 and \$24,540 for the years ended June 30, 2024 and June 30, 2023, respectively. Contributions to the Group Life Insurance Program from the Schools Teachers plan were \$357,917 and \$324,688 for the years ended June 30, 2024 and June 30, 2023, respectively. In June 2023, the Commonwealth made a special contribution of approximately \$10.1 million to the Group Life Insurance plan. This special payment was authorized by Chapter 2 of the Acts of Assembly of 2022, Special Session I, as amended by Chapter 769, 2023 Acts of Assembly Reconvened Session.

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

At June 30, 2024, the Schools General plan reported a liability of \$233,822 for its proportionate share of the Net GLI OPEB Liability. The Net GLI OPEB Liability was measured as of June 30, 2023 and the total GLI OPEB liability used to calculate the Net GLI OPEB Liability was determined by an actuarial valuation performed as of June 30, 2022 and rolled forward to the measurement date of June 30, 2023. The covered employer's proportion of the Net GLI OPEB Liability was based on the covered employer's actuarially determined employer contributions to the Group Life Insurance Program for the year ended June 30, 2023 relative to the total of the actuarially determined employer contributions for all participating employers. At June 30, 2023, the Schools General plan proportion was 0.02014% as compared to 0.02023% at June 30, 2022.

For the year ended June 30, 2024, the Schools General plan recognized GLI OPEB expense of \$8,912. Since there was a change in proportionate share between measurement dates, a portion of the GLI OPEB expense was related to deferred amounts from changes in proportion.

At June 30, 2024, the Schools General plan reported deferred outflows of resources and deferred inflows of resources related to the GLI OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 23,353	\$ 7,098
Changes in actuarial assumptions	4,998	16,200
Net difference between projected and actual earnings on GLI OPEB program investments	-	9,397
Changes in proportion	10,476	5,856
Employer contributions subsequent to the measurement date	26,390	-
Total	<u>\$ 65,217</u>	<u>\$ 38,551</u>

(Continued)

CITY OF LYNCHBURG, VIRGINIA

Notes to Financial Statements

As of June 30, 2024

Note 15. Other Post-Employment Benefits – Group Life Insurance (Continued)

Lynchburg City Schools (Continued)

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

\$26,390 reported as deferred outflows of resources related to the GLI OPEB resulting from the School's contributions subsequent to the measurement date will be recognized as a reduction of the Net GLI OPEB Liability in the Fiscal Year ending June 30, 2025. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to the GLI OPEB will be recognized in the GLI OPEB expense in future reporting periods as follows:

Year Ended June 30,	Increase (Reduction) to OPEB Expense
2025	\$ (1,860)
2026	(7,332)
2027	6,145
2028	1,200
2029	2,123
Thereafter	-

At June 30, 2024, the Schools Teachers plan reported a liability of \$3,082,875 for its proportionate share of the Net GLI OPEB Liability. The Net GLI OPEB Liability was measured as of June 30, 2023 and the total GLI OPEB liability used to calculate the Net GLI OPEB Liability was determined by an actuarial valuation performed as of June 30, 2022 and rolled forward to the measurement date of June 30, 2023. The covered employer's proportion of the Net GLI OPEB Liability was based on the covered employer's actuarially determined employer contributions to the Group Life Insurance Program for the year ended June 30, 2023 relative to the total of the actuarially determined employer contributions for all participating employers. At June 30, 2023, the Schools Teachers plan proportion was 0.26554% as compared to 0.26709% at June 30, 2022.

For the year ended June 30, 2024, the Schools Teachers plan recognized GLI OPEB expense of 35,979. Since there was a change in proportionate share between measurement dates, a portion of the GLI OPEB expense was related to deferred amounts from changes in proportion.

At June 30, 2024, the Schools Teachers plan reported deferred outflows of resources and deferred inflows of resources related to the GLI OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 307,904	\$ 93,581
Changes in actuarial assumptions	65,897	213,594
Net difference between projected and actual earnings on GLI OPEB program investments	-	123,888
Changes in proportion	25,952	180,681
Employer contributions subsequent to the measurement date	357,917	-
Total	<u>\$ 757,670</u>	<u>\$ 611,744</u>

(Continued)

CITY OF LYNCHBURG, VIRGINIA

Notes to Financial Statements
As of June 30, 2024

Note 15. Other Post-Employment Benefits – Group Life Insurance (Continued)

Lynchburg City Schools (Continued)

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

\$357,917 reported as deferred outflows of resources related to the GLI OPEB resulting from the School's contributions subsequent to the measurement date will be recognized as a reduction of the Net GLI OPEB Liability in the Fiscal Year ending June 30, 2025. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to the GLI OPEB will be recognized in the GLI OPEB expense in future reporting periods as follows:

<u>Year Ended June 30,</u>	<u>Increase (Reduction) to OPEB Expense</u>
2025	\$ (102,406)
2026	(173,702)
2027	27,204
2028	9,611
2029	27,302
Thereafter	-

Actuarial Assumptions

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

Inflation	2.50%
Salary increases, including inflation:	
• Locality – General employees	3.50 – 5.35 %
• Teachers	3.50 – 5.95 %
Healthcare cost trend rates:	
• Under age 65	7.00 – 4.75%
• Ages 65 and older	5.375 – 4.75%
Investment rate of return	6.75%, net of investment expenses, including inflation

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

Net OPEB Liability

The net OPEB liability (NOL) for the Group Life Insurance Program represents the program's total OPEB liability determined in accordance with GASB Statement No. 74, less the associated fiduciary net position. As of June 30, 2023, NOL amounts for the Group Life Insurance Program is as follows (amounts expressed in thousands):

	<u>GLI OPEB Program</u>
Total GLI OPEB Liability	\$ 3,907,052
Plan Fiduciary Net Position	<u>2,707,739</u>
Employers' Net GLI OPEB Liability (Asset)	<u>\$ 1,199,313</u>
Plan Fiduciary Net Position as a Percentage of the Total GLI OPEB Liability	69.30%

(Continued)

CITY OF LYNCHBURG, VIRGINIA

Notes to Financial Statements

As of June 30, 2024

Note 15. Other Post-Employment Benefits – Group Life Insurance (Continued)

Lynchburg City Schools (Continued)

Net OPEB Liability (Continued)

The total GLI OPEB liability is calculated by the VRS actuary, and each plan's fiduciary net position is reported in the VRS financial statements. The net GLI 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.

Long-Term Expected Rate of Return

The long-term expected rate of return on the 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 System's investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The target asset allocation and best estimate of arithmetic real rates of return for each major asset class are summarized in the following table:

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

- * The above allocation provides for a one-year return of 8.25%. However, one-year returns do not take into account the volatility present in each of the asset classes. In setting the long-term expected rate of return for the System, stochastic projections are employed to model future returns under various economic conditions. The results provide a range of returns over various time periods that ultimately provide a median return of 7.14%, including expected inflation of 2.50%. On June 15, 2023, the VRS Board elected a long-term rate of 6.75% which is roughly at the 45th percentile of expected long-term results of the VRS fund asset allocation at that time, providing a median return of 7.14, including inflation of 2.50%.

(Continued)

CITY OF LYNCHBURG, VIRGINIA

Notes to Financial Statements
As of June 30, 2024

Note 15. Other Post-Employment Benefits – Group Life Insurance (Continued)

Lynchburg City Schools (Continued)

Discount Rate

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

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

	1.00% Decrease (5.75%)	Current Discount Rate (6.75%)	1.00% Increase (7.75%)
Total GLI OPEB Liability – General	<u>\$ 346,597</u>	<u>\$ 233,822</u>	<u>\$ 142,643</u>
Total GLI OPEB Liability – Teachers	<u>\$ 4,569,785</u>	<u>\$ 3,082,875</u>	<u>\$ 1,880,699</u>

Group Life Insurance Program Fiduciary Net Position

Detailed information about the Group Life Insurance Program's Fiduciary Net Position is available in the separately issued VRS 2023 Annual Comprehensive Financial Report (Annual Report). A copy of the 2023 VRS Annual Report may be downloaded from the VRS website at <http://www.varetire.org/Pdf/Publications/2023-annual-report.pdf> or by writing to the System's Chief Financial Officer at P.O. Box 2500, Richmond, VA, 23218-2500.

Payables to the VRS Group Life Insurance OPEB Plan

At June 30, 2024 the School's General plan and Teachers plan reported payables of \$7,302 and \$79,256, respectively for the outstanding amount of contributions to VRS required for the year ended June 30, 2024.

(Continued)

CITY OF LYNCHBURG, VIRGINIA

Notes to Financial Statements
As of June 30, 2024

Note 16. Other Post-Employment Benefits – Health Insurance Credit (HIC)

Lynchburg City Schools

Summary of Significant Accounting Policies

Teacher Employee Health Insurance Credit Program

The Virginia Retirement System (VRS) Teacher Employee Health Insurance Credit Program is a multiple-employer, cost-sharing plan. The Teacher Employee Health Insurance Credit Program was established pursuant to §51.1-1400 et seq. of the Code of Virginia, as amended, and which provides the authority under which benefit terms are established or may be amended. The Teacher Employee Health Insurance Credit Program is a defined benefit plan that provides a credit toward the cost of health insurance coverage for retired teachers. For purposes of measuring the net Teacher Employee Health Insurance Credit Program OPEB liability, deferred outflows of resources and deferred inflows of resources related to the Teacher Employee Health Insurance Credit Program OPEB, and the Teacher Employee Health Insurance Credit Program OPEB expense, information about the fiduciary net position of the Virginia Retirement System (VRS) Teacher Employee Health Insurance Credit Program; and the additions to/deductions from the VRS Teacher Employee Health Insurance Credit Program's net fiduciary position have been determined on the same basis as they were reported by VRS. For this purpose, benefit payments are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

General Information about the Teacher Employee Health Insurance Credit Program

Plan Description

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. Specific information about the Teacher HIC is available at <https://www.varetire.org/retirees/insurance/healthinscredit/index.asp>

General Information about the General Employee Health Insurance Credit Program

Plan Description

The General Employee Health Insurance Credit Program (HIC) is available for all full time, salaried employees of local government entities other than teachers. The General Employee HIC provides all the same benefits as the Teacher HIC, except that this plan is considered a multi-employer agent plan.

As of the June 30, 2023 actuarial valuation, the following employees were covered by the benefit terms of the General Employee Health Insurance Credit Program:

Inactive members or their beneficiaries currently receiving benefits	<u>21</u>
Inactive members:	
Vested inactive members	<u>5</u>
Total inactive members	26
Active elsewhere in VRS	31
Active members	<u>137</u>
Total covered employees	<u>194</u>

(Continued)

CITY OF LYNCHBURG, VIRGINIA

Notes to Financial Statements
As of June 30, 2024

Note 16. Other Post-Employment Benefits – Health Insurance Credit (Continued)

Lynchburg City Schools (Continued)

General Information about the General Employee Health Insurance Credit Program (Continued)

Contributions

The contribution requirement for active employees is governed by § 51.1-1401(E) 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. Each school division's contractually required employer contribution rate for the year ended June 30, 2024, was 1.21% of covered employee compensation for employees in the VRS Teacher Employee Health Insurance Credit Program. This rate was based on an actuarially determined rate from an actuarial valuation as of June 30, 2021. The actuarially determined rate 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 Teacher Employee Health Insurance Credit Program from the Schools were \$807,175 and \$732,276 for the years ended June 30, 2024 and June 30, 2023, respectively. Contributions to the General Employee Health Insurance Credit Program from the Schools were \$33,937 and \$31,560 for the years ended June 30, 2024 and June 30, 2023, respectively. In June 2023, the Commonwealth made a special contribution of approximately \$4.0 million to the VRS Teacher Health Insurance Credit Program. This special payment was authorized by Chapter 2 of the Acts of Assembly of 2022, Special Session I, as amended by Chapter 769, 2023 Acts of Assembly Reconvened Session, and is classified as a non-employer contribution.

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

At June 30, 2024, the School's reported a liability of \$7,346,284 for its proportionate share of the Teacher Net HIC OPEB Liability. The Teacher Net HIC OPEB Liability was measured as of June 30, 2023 and the total HIC OPEB liability used to calculate the Net HIC OPEB Liability was determined by an actuarial valuation performed as of June 30, 2022 and rolled forward to the measurement date of June 30, 2023. The covered employer's proportion of the Teacher Net HIC OPEB Liability was based on the covered employer's actuarially determined employer contributions to the HIC Program for the year ended June 30, 2023 relative to the total of the actuarially determined employer contributions for all participating employers. At June 30, 2023, the School's proportion was 0.62707% as compared to 0.62232% at June 30, 2022.

For the year ended June 30, 2024, the School's recognized Teacher HIC OPEB expense of \$400,243. Since there was a change in proportionate share between measurement dates, a portion of the HIC OPEB expense was related to deferred amounts from changes in proportion.

At June 30, 2024, the School's reported deferred outflows of resources and deferred inflows of resources related to the Teacher HIC OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ -	\$ 323,347
Changes in actuarial assumptions	171,009	7,403
Net difference between projected and actual earnings on HIC OPEB program investments	3,687	-
Changes in proportion	104,305	491,103
Employer contributions subsequent to the measurement date	807,175	-
Total	<u>\$ 1,086,176</u>	<u>\$ 821,853</u>

(Continued)

CITY OF LYNCHBURG, VIRGINIA

Notes to Financial Statements
As of June 30, 2024

Note 16. Other Post-Employment Benefits – Health Insurance Credit (Continued)

Lynchburg City Schools (Continued)

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

\$807,175 reported as deferred outflows of resources related to the Teacher HIC OPEB resulting from the School's contributions subsequent to the measurement date will be recognized as a reduction of the Teacher Net HIC OPEB Liability in the Fiscal Year ending June 30, 2025. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to the Teacher HIC OPEB will be recognized in the HIC OPEB expense in future reporting periods as follows:

<u>Year Ended June 30,</u>	<u>Reduction to OPEB Expense</u>
2025	\$ (193,252)
2026	(161,342)
2027	(87,828)
2028	(70,205)
2029	(24,722)
Thereafter	(5,503)

At June 30, 2024, the School's reported deferred outflows of resources and deferred inflows of resources related to the General Employee HIC OPEB from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ -	\$ 101,822
Changes in actuarial assumptions	5,178	-
Net difference between projected and actual earnings on OPEB plan investments	764	-
Employer contributions subsequent to the measurement date	33,937	-
Total	<u>\$ 39,879</u>	<u>\$ 101,822</u>

\$33,937 reported as deferred outflows of resources related to the General Employee HIC OPEB resulting from the School's contributions subsequent to the measurement date will be recognized as a reduction of the Net HIC OPEB Liability in the Fiscal Year ending June 30, 2025. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to the HIC OPEB will be recognized in the HIC OPEB expense in future reporting periods as follows:

<u>Year Ended June 30,</u>	<u>Reduction to OPEB Expense</u>
2025	\$ (29,574)
2026	(30,372)
2027	(27,721)
2028	(8,213)
2029	-
Thereafter	-

(Continued)

CITY OF LYNCHBURG, VIRGINIA

Notes to Financial Statements
As of June 30, 2024

Note 16. Other Post-Employment Benefits – Health Insurance Credit (Continued)

Lynchburg City Schools (Continued)

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

Actuarial Assumptions

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

Inflation	2.50%
Salary increases, including inflation:	
• Locality – General employees	3.50 – 5.35 %
• Locality – Teachers	3.50 – 5.95 %
Healthcare cost trend rates:	
• Under age 65	7.00 – 4.75%
• Ages 65 and older	5.375 – 4.75%
Investment rate of return	6.75%, net of investment expenses, including inflation

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

Net OPEB Liability

The net OPEB liability (NOL) for the HIC Program represents the program's total OPEB liability determined in accordance with GASB Statement No. 74, less the associated fiduciary net position. As of June 30, 2023, NOL amounts for the HIC Program is as follows (amounts expressed in thousands):

	HIC OPEB Program
Total HIC OPEB Liability	\$ 1,475,471
Plan Fiduciary Net Position	264,054
Employers' Net HIC OPEB Liability (Asset)	<u>\$ 1,211,417</u>
Plan Fiduciary Net Position as a Percentage of the Total HIC OPEB Liability	17.90%

The total HIC OPEB liability is calculated by the VRS actuary, and each plan's fiduciary net position is reported in the VRS financial statements. The net HIC 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.

CITY OF LYNCHBURG, VIRGINIA

Notes to Financial Statements

As of June 30, 2024

Note 16. Other Post-Employment Benefits – Health Insurance Credit (Continued)

Lynchburg City Schools (Continued)

Long-Term Expected Rate of Return

The long-term expected rate of return on the 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 System's investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The target asset allocation and best estimate of arithmetic real rates of return for each major asset class are summarized in the following table:

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

- * The above allocation provides for a one-year return of 8.25%. However, one-year returns do not take into account the volatility present in each of the asset classes. In setting the long-term expected rate of return for the System, stochastic projections are employed to model future returns under various economic conditions. The results provide a range of returns over various time periods that ultimately provide a median return of 7.14%, including expected inflation of 2.50%. On June 15, 2023, the VRS Board elected a long-term rate of 6.75% which is roughly at the 45th percentile of expected long-term results of the VRS fund asset allocation at that time, providing a median return of 7.14, including inflation of 2.50%.

Discount Rate

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

(Continued)

CITY OF LYNCHBURG, VIRGINIA

Notes to Financial Statements

As of June 30, 2024

Note 16. Other Post-Employment Benefits – Health Insurance Credit (Continued)

Lynchburg City Schools (Continued)

Changes in Net OPEB Liability

	Increase (Decrease)		
	Total OPEB Liability (a)	Plan Fiduciary Net Position (b)	Net OPEB Liability (a) – (b)
Balances at June 30, 2022	\$ 337,630	\$ 48,120	\$ 289,510
Changes for the year:			
Service cost	3,178	-	3,178
Interest	22,565	-	22,565
Differences between expected and actual experience	(114,135)	-	(114,135)
Contributions – employer	-	31,558	(31,558)
Net investment income	-	3,914	(3,914)
Benefit payments	(10,056)	(10,056)	-
Administrative expenses	-	(105)	105
Other changes	-	380	(380)
Net changes	(98,448)	25,691	(124,139)
Balances at June 30, 2023	\$ 239,182	\$ 73,811	\$ 165,371

In addition, for the year ended June 30, 2024, the School's recognized OPEB expense of \$7,639 related to the General Employee Health Insurance Credit Program.

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

The following presents the School's proportionate share of the net HIC OPEB liability using the discount rate of 6.75%, as well as what the School's proportionate share of the net HIC 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:

	1.00% Decrease (5.75%)	Current Discount Rate (6.75%)	1.00% Increase (7.75%)
Teacher HIC Net OPEB Liability	\$ 8,309,468	\$ 7,346,284	\$ 6,530,070
General Employee HIC Net OPEB Liability	191,412	165,371	143,261

Health Insurance Credit Program Fiduciary Net Position

Detailed information about the Health Insurance Credit Program's Fiduciary Net Position is available in the separately issued VRS 2023 Annual Comprehensive Financial Report (Annual Report). A copy of the 2023 VRS Annual Report may be downloaded from the VRS website at <http://www.varetire.org/Pdf/Publications/2023-annual-report.pdf>, or by writing to the System's Chief Financial Officer at P.O. Box 2500, Richmond, VA, 23218-2500.

(Continued)

CITY OF LYNCHBURG, VIRGINIA

Notes to Financial Statements
As of June 30, 2024

Note 16. Other Post-Employment Benefits – Health Insurance Credit (Continued)

Lynchburg City Schools (Continued)

Health Insurance Credit Program Fiduciary Net Position (Continued)

Payables to the VRS HIC OPEB Plan

At June 30, 2024 the School’s reported a payable of \$71,627 and \$2,393 for the outstanding amount of contributions to VRS required for the year ended June 30, 2024 for the Teachers and General Employee HIC, respectively.

Note 17. Other Post-Employment Benefits – Line of Duty Act (LODA)

City of Lynchburg

General Information about the Line of Duty Act

Plan Description

The City of Lynchburg is a non-participating employer of the State’s Line of Duty Act (LODA), and therefore directly funds the cost of benefits provided under LODA in a single-employer plan. Public safety employees and volunteers of the City who are disabled or killed in the line of duty and their eligible family members are eligible.

Benefits Provided

The City pays the LODA Health Benefit Plans premiums for any claimant and/or eligible spouse and family members to the Department of Health Resources and Management (DHRM), Virginia; pays death benefit of \$100,000 to eligible family members if death occurs as a direct result of performing duty (amount may vary for other causes of death) and funeral benefits (if requested); any administrative fees associated with the LODA claims and retroactive health insurance premium reimbursements, if applicable. Effective July 1, 2017, benefits are not covered upon eligibility for Medicare due to age, income greater than pre-disability income, surviving spouses who remarry. Existing participants with a death or disability eligibility date prior to July 1, 2017 and current/existing spouses who remarry prior to July 1, 2017 are grandfathered.

Membership

The number of participants as of the most recent valuation, January 1, 2024, was as follows:

Actives	397
Disabled Participants/Dependents	<u>30</u>
Total Participants	<u>427</u>

Total OPEB Liability

The City’s total OPEB liability of \$9,102,585 was measured as of June 30, 2024, and was determined by an actuarial valuation as of January 1, 2024.

Actuarial Assumptions

The total OPEB liability was determined by an actuarial valuation as of January 1, 2024, using a Healthcare Trend: 6.00% initially, grading down to 4.25% ultimate. Mortality rates were PUB2010 for Males and Females projected using scale MP 2020. The Entry Age method is used for accounting/GASB purposes.

CITY OF LYNCHBURG, VIRGINIA

Notes to Financial Statements
As of June 30, 2024

Note 17. Other Post-Employment Benefits – Line of Duty Act (LODA) (Continued)

City of Lynchburg (Continued)

General Information about the Line of Duty Act (Continued)

Changes in OPEB Liability

<u>Total OPEB Liability</u>	<u>2024</u>
Service Cost	\$ 201,225
Interest	228,450
Differences between expected and actual experience	3,308,910
Changes in assumptions	(152,902)
Benefit payments	(366,488)
Net Change in Total OPEB Liability	3,219,195
Total OPEB Liability – Beginning of Year	5,883,390
Total OPEB Liability – End of Year	<u>\$ 9,102,585</u>

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

The following presents the net OPEB liability of the plans, calculated using the discount rate of 4.00%, as well as what each plan's net OPEB liability would be if it were calculated using a discount rate that is 1.00% lower or 1.00% higher than the current rate:

	<u>1.00% Decrease (3.00%)</u>	<u>Current Discount Rate (4.00%)</u>	<u>1.00% Increase (5.00%)</u>
Total OPEB Liability	\$ 10,503,489	\$ 9,102,585	\$ 7,990,457
Net OPEB Liability	<u>\$ 10,503,489</u>	<u>\$ 9,102,585</u>	<u>\$ 7,990,457</u>
Ratio of Plan Net Position to Total OPEB Liability	<u>0.0%</u>	<u>0.0%</u>	<u>0.0%</u>

Sensitivity of the Net OPEB Liability to Changes in the Healthcare Cost Trend Rate

The following presents the net OPEB liability of the plans, calculated using the healthcare cost trend rate of from 6.00% to an ultimate rate of 4.25%, as well as what each plan's net OPEB liability would be if it were calculated using a healthcare cost trend rate that is 1.00% lower or 1.00% higher than the current rate:

	<u>1.00% Decrease (3.25%)</u>	<u>Current Ultimate Trend Rate (4.25%)</u>	<u>1.00% Increase (5.25%)</u>
Total OPEB Liability	\$ 7,917,062	\$ 9,102,585	\$ 10,584,306
Net OPEB Liability	<u>\$ 7,917,062</u>	<u>\$ 9,102,585</u>	<u>\$ 10,584,306</u>
Ratio of Plan Net Position to Total OPEB Liability	<u>0.0%</u>	<u>0.0%</u>	<u>0.0%</u>

(Continued)

CITY OF LYNCHBURG, VIRGINIA

Notes to Financial Statements
As of June 30, 2024

Note 17. Other Post-Employment Benefits – Line of Duty Act (LODA) (Continued)

City of Lynchburg (Continued)

General Information about the Line of Duty Act (Continued)

OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB

For the year ended June 30, 2024, the City recognized OPEB expense of \$470,228. At June 30, 2024, the City reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 2,877,848	\$ 1,997,386
Change in actuarial assumptions	<u>1,006,827</u>	<u>963,868</u>
Total	<u><u>\$ 3,884,675</u></u>	<u><u>\$ 2,961,254</u></u>

Amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Year ended June 30,	Net Amount of Inflow
2025	\$ 40,554
2026	(50,106)
2027	(50,106)
2028	(50,106)
2029	(50,107)
After 2029	<u>1,083,292</u>
Total Amount to be Recognized	<u><u>\$ 923,421</u></u>

(Continued)

CITY OF LYNCHBURG, VIRGINIA

Notes to Financial Statements

As of June 30, 2024

Note 18. Summary of Other Postemployment Benefit Elements

A summary of other postemployment benefit (“OPEB”) financial statement elements are as follows:

	Governmental Activities	Business-Type Activities	Total Primary Government
Deferred outflows of resources - OPEB			
OPEB contributions subsequent to measurement date			
Group life insurance	\$ 348,969	\$ 50,400	\$ 399,369
OPEB Difference between expected and actual experience			
Group life insurance	299,542	43,262	342,804
Line of duty	2,877,848	-	2,877,848
OPEB Change in proportionate share			
Group life insurance	134,201	19,382	153,583
OPEB Changes of assumptions			
Group life insurance	64,108	9,259	73,367
Health	3,744,020	569,366	4,313,386
Line of duty	1,006,827	-	1,006,827
Total deferred outflow of resources - OPEB	<u>\$ 8,475,515</u>	<u>\$ 691,669</u>	<u>\$ 9,167,184</u>
Net OPEB liability			
Group life insurance	\$ 2,999,157	\$ 433,158	\$ 3,432,315
Health - Local plan	28,643,438	4,355,915	32,999,353
Line of duty	9,102,585	-	9,102,585
Total net OPEB liability	<u>\$ 40,745,180</u>	<u>\$ 4,789,073</u>	<u>\$ 45,534,253</u>
Deferred inflows of resources - OPEB			
Difference between expected and actual experience			
Group life insurance	\$ 91,039	\$ 13,149	\$ 104,188
Health - Local plan	17,103,492	2,600,991	19,704,483
Line of duty	1,997,386	-	1,997,386
Difference between projected and actual investment earnings			
Group life insurance	120,523	17,407	137,930
Change of assumptions			
Group life insurance	207,793	30,011	237,804
Health - Local plan	4,333,982	659,085	4,993,067
Line of duty	963,868	-	963,868
Change in proportionate share			
Group life insurance	87,195	12,593	99,788
Total deferred inflow of resources - OPEB	<u>\$ 24,905,278</u>	<u>\$ 3,333,236</u>	<u>\$ 28,238,514</u>
OPEB expense			
Health - Local plan	\$ (5,951,636)	\$ (859,575)	\$ (6,811,211)
VRS GLI	118,195	17,070	135,265
Line of duty	470,228	-	470,228
Total OPEB expense	<u>\$ (5,363,213)</u>	<u>\$ (842,505)</u>	<u>\$ (6,205,718)</u>

(Continued)

CITY OF LYNCHBURG, VIRGINIA

Notes to Financial Statements

As of June 30, 2024

Note 18. Summary of Other Postemployment Benefit Elements (Continued)

A summary of other postemployment benefit (“OPEB”) financial statement elements are as follows:

	Component Unit School Board
Deferred outflows of resources:	
Difference between expected and actual experience	
Local OPEB	\$ -
GLI – general employees	23,353
GLI – teachers	307,904
Net difference between projected and actual earnings on OPEB plan investments	
HIC – teachers	3,687
Changes in assumptions	
Local OPEB	438,575
GLI – general employees	4,998
GLI – teachers	65,897
HIC – general employees	5,178
HIC – teachers	171,009
Changes in proportion and related differences – cost sharing plans	
GLI – general employees	10,476
GLI – teachers	25,952
HIC – teachers	104,305
OPEB pan investments	
HIC – general employees	764
OPEB contributions subsequent to measurement date	
Local OPEB	127,823
GLI – general employees	26,390
GLI – teachers	357,917
HIC – general employees	33,937
HIC – teachers	807,175
	<u>\$ 2,515,340</u>
Net OPEB liability	
Local OPEB	\$ 9,049,059
GLI – general employees	233,822
GLI – teachers	3,082,875
HIC – general employees	165,371
HIC – teachers	7,346,284
	<u>\$ 19,877,411</u>

(Continued)

CITY OF LYNCHBURG, VIRGINIA

Notes to Financial Statements

As of June 30, 2024

Note 18. Summary of Other Postemployment Benefit Elements (Continued)

A summary of other postemployment benefit (“OPEB”) financial statement elements are as follows:

	Component Unit School Board
Deferred inflows of resources:	
Difference between expected and actual experience	
Local OPEB	\$ 3,746,083
GLI – general employees	7,098
GLI – teachers	93,581
HIC – general employees	101,822
HIC – teachers	323,347
Difference between projected and actual earnings on OPEB plan investments	
GLI – general employees	9,397
GLI – teachers	123,888
Changes in assumptions	
Local OPEB	59,575
GLI – general employees	16,200
GLI – teachers	213,594
HIC – teachers	7,403
Changes in proportion and related differences – cost sharing plans	
GLI – general employees	5,856
GLI – teachers	180,681
HIC – teachers	491,103
	\$ 5,379,628
 Net OPEB expense (benefit)	
Local OPEB	\$ 730,552
GLI – general employees	8,912
GLI – teachers	35,979
HIC – general employees	(7,639)
HIC – teachers	400,243
	\$ 1,168,047

(Continued)

CITY OF LYNCHBURG, VIRGINIA

Notes to Financial Statements
As of June 30, 2024

Note 19. Leases and Subscription-Based Information Technology Arrangements (SBITA's) – City of Lynchburg

Primary Government:

Lessee:

For the year ended June 30, 2022, the financial statements included the adoption of GASB Statement No. 87, *Leases*. The primary objective of this statement is to enhance the relevance and consistency of information about governments' leasing activities. This statement establishes a single model of lease accounting based on the principle that leases are financings of the right to use an underlying asset. Under this Statement, a lessee is required to recognize a lease liability and an intangible right-to-use lease asset. For additional information, refer to the disclosures below.

Governmental Activities:

The City has forty-nine (49) leases as lessee for the use of copiers and a postage meter. As of June 30, 2024, the value of the lease liability is \$198,055. The City is required to make fixed monthly or quarterly payments ranging between \$17 and \$561; totaling approximately \$103,172 per year. The leases have an interest rate of 0.5140% to 3.3050%. The value of the right to use asset as of June 30, 2024 is \$296,623 with accumulated amortization of \$101,574 for a net book value of \$195,049.

The City has four (4) leases as lessee for the use of infrastructure and buildings. As of June 30, 2024, the value of the lease liability is \$2,470,157. The City is required to make fixed monthly, annual, and quarterly payments ranging between \$561 to \$36,688; totaling approximately \$129,308 per year. The leases have an interest rate of 0.3160% to 2.5830%. The value of the right to use asset as of June 30, 2024 is \$2,554,859 with accumulated amortization of \$134,633 for a net book value of \$2,420,226.

Business-type Activities:

The City has nine (9) leases as lessee for the use of copiers. As of June 30, 2024, the value of the lease liability is \$66,069. The City is required to make fixed monthly and annual payments ranging between \$54 and \$4,916; totaling approximately \$17,816 per year. The leases have an interest rate of 0.3870% to 3.5110%. The value of the right to use asset as of June 30, 2024 is \$82,613 with accumulated amortization of \$14,969 for a net book value of \$67,644.

CITY OF LYNCHBURG, VIRGINIA

Notes to Financial Statements
As of June 30, 2024

Note 19. Leases and Subscription-Based Information Technology Arrangements (SBITA's) – City of Lynchburg

Primary Government: (Continued)

Lessee: (Continued)

Lessee Principal and Interest Requirements to Maturity:

Year Ending June 30	Governmental Activities		
	Principal Payments	Interest Payments	Total Payments
2025	\$ 105,845	\$ 67,199	\$ 173,044
2026	69,035	64,995	134,030
2027	58,090	63,504	121,594
2028	46,172	62,288	108,460
2029	36,965	61,262	98,227
2030 - 2034	99,616	298,471	398,087
2035 - 2039	79,221	287,654	366,875
2040 - 2044	90,068	276,807	366,875
2045 - 2049	102,400	264,475	366,875
2050 - 2054	116,420	250,455	366,875
2055 - 2059	132,361	234,514	366,875
2060 - 2064	150,484	216,391	366,875
2065 - 2069	171,088	195,787	366,875
2070 - 2074	194,513	172,362	366,875
2075 - 2079	221,146	145,729	366,875
2080 - 2084	251,426	115,449	366,875
2085 - 2089	285,851	81,024	366,875
2090 - 2094	324,990	41,885	366,875
2095 - 2096	132,521	4,619	137,140
	<u>\$ 2,668,212</u>	<u>\$ 2,904,870</u>	<u>\$ 5,573,082</u>

Year Ending June 30	Business-Type Activities		
	Principal Payments	Interest Payments	Total Payments
2025	\$ 15,349	\$ 1,450	\$ 16,799
2026	16,740	1,067	17,807
2027	17,133	674	17,807
2028	10,995	274	11,269
2029	5,852	41	5,893
	<u>\$ 66,069</u>	<u>\$ 3,506</u>	<u>\$ 69,575</u>

(Continued)

CITY OF LYNCHBURG, VIRGINIA

Notes to Financial Statements
As of June 30, 2024

Note 19. Leases and SBITA's – City of Lynchburg (Continued)

Lessor:

For the year ended June 30, 2022, the financial statements included the adoption of GASB Statement No. 87, *Leases*. The primary objective of this statement is to enhance the relevance and consistency of information about governments' leasing activities. This statement establishes a single model of lease accounting based on the principle that leases are financings of the right to use an underlying asset. Under this Statement, a lessee is required to recognize a lease liability and an intangible right-to-use lease asset, and a lessor is required to recognize a lease receivable and a deferred inflow of resources. For additional information, refer to the disclosures below.

Governmental Activities:

The City has seven (7) leases as lessor, with a time frame of 36 to 349 months. As of June 30, 2024, the value of the lease receivable is \$1,099,369. The lessee is required to make either annual or monthly fixed payments ranging from \$1,000 to \$37,316; totaling approximately \$203,036 per year. The leases have an interest rate of 0.7270% to 2.5630%. The value of the deferred inflow of resources as of June 30, 2024 was \$1,066,982, and the City recognized lease revenue of \$181,452 during the fiscal year.

Business-type Activities:

The City has four (4) leases as lessor, with a time frame of 71 to 144 months. As of June 30, 2024, the value of the lease receivable is \$72,600. The lessee is required to make an annual fixed payment ranging from \$100 to \$10,350; totaling approximately \$14,438 per year. The leases have an interest rate of 0.5140% to 3.3310%. The value of the deferred inflow of resources as of June 30, 2024 was \$70,522, and the City recognized lease revenue of \$14,104 during the fiscal year.

Lynchburg City Schools

The Schools' has SBITAs for software platforms with periods expiring April 2025 through November 2025. The Schools' uses its estimated incremental borrowing rate ranging from 0.00% to 3.25% as the discount rate as none of the subscription arrangements have an explicitly stated interest rate. The value of the right-to-use subscription asset and related accumulated amortization as of year-end are disclosed in Note 8. The related liability as well as principal and interest requirements to maturity are disclosed in Note 9.

Note 20. Risk Management

The Risk Management Programs of the City are as follows:

Workers' Compensation: The City is self-insured for workers' compensation claims. All settled claims are paid through the General Fund and then charged to the Proprietary funds as appropriate. The liability for worker's compensation claims, including an estimate of incurred but not reported claims based on prior experience, to be paid in the next fiscal year and in future years is reflected in the statement of net position. Total claims paid for the year ended June 30, 2024 amounted to \$769,935.

General Liability and Other: The City is contingently liable with respect to lawsuits and other claims that arise in the normal course of operations. The City is self-insured for general liability and automobile liability claims and purchases insurance coverage for risks related to property, boiler and machinery, surety bonds, and airport liability. City property is insured up to a limit of approximately \$552 million per occurrence. Other liability policies provide up to \$60,000,000 coverage in the aggregate. Police professional liability and public officials' liability claims with a \$500,000 deductible per claim are covered through a policy with the Virginia Association of Counties Group Self-Insurance Risk Pool (VaCorp). Total premiums for purchased coverage for the year ended June 30 were \$1,198,804. The City has designated a portion of its fund balance in the General Fund to fund future general liability claims. City management believes any incurred but not reported claims at June 30 would be insignificant.

(Continued)

CITY OF LYNCHBURG, VIRGINIA

Notes to Financial Statements

As of June 30, 2024

Note 20. Risk Management (Continued)

The Risk Management Programs of the City are as follows: (Continued)

Healthcare: The City's professionally administered self-insurance program provides healthcare coverage for employees and retirees of the City on a cost-plus basis. Dependents of employees and retirees are also covered by the program provided they pay a premium to the City. Under the program, the City is obligated for claims payments and administrative costs. A stop loss insurance contract executed with an insurance carrier covers claims in excess of \$400,000 per covered individual per contract year. Included in accrued payroll related liabilities for the year ended June 30 were claims payables of \$1,143,004. Administrative fees, Affordable Care Act fees, and stop loss premiums for the year ended June 30 totaled \$1,312,608.

Changes in aggregate liabilities were as follows:

			Beginning of Year	Claims and Reserves	Claim Payments	End of Year
Workers' Compensation	2024	\$	3,133,132	\$ 965,993	\$ 769,935	\$ 3,329,190
	2023	\$	2,507,766	\$ 1,714,093	\$ 1,088,727	\$ 3,133,132
General/Automotive Liability	2024	\$	-	\$ 678,435	\$ 678,435	\$ -
	2023	\$	-	\$ 352,826	\$ 352,826	\$ -
Healthcare	2024	\$	500,000	\$ 15,801,951	\$ 15,158,947	\$ 1,143,004
	2023	\$	550,000	\$ 14,337,209	\$ 14,387,209	\$ 500,000

General/Automobile Liability and Healthcare are considered current liabilities and are included in accounts payable and accrued liabilities in the Statement of Net Position. The Workers' Compensation breakdown between current and noncurrent is shown in Note 9.

The Risk Management Programs of the Schools are as follows:

Workers' Compensation: The Schools is a member of the School System of Virginia for its workers' compensation claims. The membership is funded through the school operating budget.

General Liability and Other: The Schools carry commercial insurance for all risk of loss. Settled claims have not exceeded commercial insurance coverage and there have not been any significant reductions in insurance coverage over the previous year.

Healthcare: The Schools' professionally administered self-insurance program provides healthcare coverage for employees and retirees of the Schools on a cost-plus basis. Dependents of employees and retirees are also covered by the program provided they pay a premium to the Schools. Under the program, the Schools are obligated for claims payments and administrative costs. A stop loss insurance contract executed with an insurance carrier covers claims in excess of \$400,000 per covered individual per contract year. Total claims expense of \$14,771,656 was incurred in the current year, and there were no claims above the per individual limit that would have been covered by the stop loss policy. Administrative fees, affordable care act fees, and stop loss premiums for the current year totaled \$1,157,149. Estimated incurred, but not reported, claims at June 30 based on prior experience totaled \$1,000,034 and have been recorded as a liability by the Schools and is included with accrued payroll and related liabilities on the statement of net position.

Changes in aggregate liabilities were as follows:

			Beginning of Year	Claims and Reserves	Claim Payments	End of Year
Healthcare	2024	\$	652,186	\$ 14,771,656	\$ 14,423,808	\$ 1,000,034
	2023	\$	375,265	\$ 13,235,507	\$ 12,958,586	\$ 652,186

(Continued)

CITY OF LYNCHBURG, VIRGINIA

Notes to Financial Statements
As of June 30, 2024

Note 21. Significant Transactions of the City and Discretely Presented Component Unit – Schools

Certain transactions between the City and Schools are explained here to provide a more informed understanding of the operational relationship of the two entities and how such transactions are presented in the financial statements.

1. The Schools can neither levy taxes nor incur debt under Virginia law. Therefore, the City issues debt “on behalf” of the Schools. The debt obligation is recorded as a liability of the City’s governmental activities. The proceeds from such debt are recorded in the City’s General Fund. Funding in an amount equal to the proceeds is then provided to the Schools to pay for capital expenditures. Unspent funds at year-end are reported as deposits and investments of the City in the School Capital Projects Fund.
2. The City’s budgeting process provides funding in the General Fund for Schools debt service payments. GAAP requires that debt issued “on behalf” of the Schools and related debt service payments be reported by the City for financial reporting purposes. Therefore, debt service payments for Schools’ bonded debt is reported as part of the City for financial reporting purposes in the Statement of Revenues, Expenditures and Changes in Fund Balances – Governmental Funds. Debt and related debt service for other than bonded debt is reported by the Schools.
3. If all economic resources associated with school activities were reported with the Schools, its total expenses/expenditures would be as follows:

Expenses of Schools – Component Unit (Exhibit 2)	\$ 143,831,578
Principal and other debt service expenses included in City	<u>7,880,935</u>
Total expenses/expenditures for School activities	<u>\$ 151,712,513</u>

Note 22. Commitments and Contingencies

Combined Sewer Overflow (CSO):

In 1994, the Virginia Department of Environmental Quality (VDEQ) and the State Water Control Board entered into a Consent Special Order with the City to address its combined sewers. That Consent Special Order required the City to implement a CSO Long-Term Control Plan and to undertake certain combined sewer management practices designed to minimize CSO discharge until the sewer system was completely separated. The order established a project priority listing for implementation of the CSO control plan.

On July 31, 2015 VDEQ and State Water Control Board issued a revised Consent Special Order which significantly changed the CSO Long-Term Control Plan. The revised plan includes an alternate list of new projects designed to integrate the CSO program with overarching water quality standards that encompass both CSO and stormwater management impacts. As of June 30, 2024, the revised program has an estimated remaining cost \$121 million.

The Consent Special Order does not contain a strict compliance schedule for implementing the CSO Long-Term Control Plan, but rather provides for implementation based on criteria reflecting the limits of the City’s financial capability. The current Consent Special Order requires the City to meet several specific criteria such as: maintain a sewer operating fund debt coverage ratio within a range of 1.1 to 1.5 computed on a rolling three year average; ensure sewer fund reserves equal no more than 40 percent of the subsequent years’ budgeted operating expenditures; and at least every other year adjust sewer rates and fees so that the annual sewer billing for a residential customer equals or exceeds 1.25% of the median household income (MHI) based on 7 hcf (hundred cubic feet) of use per month. The City has successfully implemented its CSO Long-Term Control Plan since 1994 in accordance with the requirements of its permit and Consent Special Order. The City is also required by the current Special Order of Consent to submit an annual report by December 10 of each year to VDEQ on its compliance with the order and its progress with the CSO Long-Term Control Plan implementation. The report includes a review of the required financial targets by an independent consultant. VDEQ has not cited the City for any noncompliance on our original Consent Special Order or our current (revised) Consent Special Order.

(Continued)

CITY OF LYNCHBURG, VIRGINIA

Notes to Financial Statements
As of June 30, 2024

Note 22. Commitments and Contingencies (Continued)

Grant Programs:

Under the terms of federal and state grants, periodic audits are required and certain costs may be questioned as to being appropriate expenditures under terms of the grants. Such audits could lead to reimbursement to the grantor agencies. Management believes disallowances, if any, related to such audits would not be material to the financial position of the City at June 30, 2024.

Arbitrage:

The City has certain debt instruments subject to arbitrage regulations. As of June 30, 2024, the arbitrage rebate liability estimate was zero.

Encumbrance Commitments:

The City had the following outstanding encumbrances as of June 30.

MAJOR FUNDS

General Fund	\$ 6,391,362
City Capital Projects Fund	44,386,249
School Capital Projects	<u>2,828,437</u>
Total Major Funds	<u>53,606,048</u>

NONMAJOR FUNDS

City Federal State Aid	205,005
Lynchburg Regional Juvenile Detention Center	<u>16,441</u>
Total Nonmajor Funds	<u>221,446</u>

TOTAL ENCUMBRANCES	<u>\$ 53,827,494</u>
---------------------------	-----------------------------

Construction Commitments:

Included in the encumbrances above are construction commitments of \$44,386,249 in the City Capital Projects fund and \$2,828,437 in the School Capital Projects fund. The City also had construction commitments of \$2,454,804 in the Water fund; \$86,724,635 in the Sewer fund; \$462,159 in the Stormwater Fund; and \$730,730 in the Airport fund as of June 30, 2024.

Note 23. Tax Abatements

The City provides tax abatements through Economic Development for two grants. The grants are provided to local developers through the Economic Development Authority (EDA) of the City of Lynchburg. To qualify for the grant, local developers must complete projects that promote economic development within the City. The projects must generate additional tax revenue; as well as create new jobs, and services that will benefit the City. Performance agreements between the City, the developer, and EDA are approved by City Council. Local taxes collected from the businesses located in these developments are used to fund the grants. The applicable taxes include real estate, business personal property, business license, sales and use, meals, and lodging tax. Total taxes abated for the two grants during FY2024 were \$1,121,911.

(Continued)

CITY OF LYNCHBURG, VIRGINIA

Notes to Financial Statements
As of June 30, 2024

Note 23. Tax Abatements (Continued)

The maximum total tax abatements, over a fifteen-year period, for the two current grants is \$3,000,000 plus interest for a conduit loan by the EDA and \$5,879,794 for reimbursement of the cost to construct a road in a mixed-use development.

The City has real estate tax abatement agreements with individuals and businesses who have renovated property within City limits in accordance with the City Code. The abatement is available for an existing residential structure, which is no less than fifty years of age, and which has been improved as to increase the assessed value of the structure by no less than forty percent. For multifamily (five units or more), commercial, or industrial real estate; the abatement is for a substantially rehabilitated or renovated structure which is no less than twenty-five years of age, and which has been so improved as to increase the assessed value of the structure by no less than sixty percent. The tax exemption is effective for a period of up to ten years for individual, commercial, and industrial and up to eight years for multifamily for any completed approved rehabilitation/renovation during the preceding fiscal year. Currently, the total active real estate rehabilitation credits are \$162,994,050 on a total of 517 parcels equating to \$1,450,647 in real estate tax.

Note 24. New Accounting Standards

In June 2022, the GASB issued **Statement No. 101, *Compensated Absences***. This statement updates the recognition and measurement guidance for compensated absences and amends certain previously required disclosures. The requirements of this Statement are effective for reporting periods beginning after December 15, 2023.

In December 2023, the GASB issued **Statement No. 102, *Certain Risk Disclosures***. This statement defines and requires governments to disclose the risks related to concentrations of inflows or outflows of resources. The requirements of this Statement are effective for reporting periods beginning after June 15, 2024.

In April 2024, the GASB issued **Statement No. 103, *Financial Reporting Model Improvements***. This statement improves key components of the financial reporting model to enhance its effectiveness in providing information that is essential for decision making and assessing a government's accountability as well as addresses certain application issues. The requirements of this Statement are effective for reporting periods beginning after June 15, 2025.

Management has not determined the effects these new GASB Statements may have on prospective financial statements.

REQUIRED SUPPLEMENTAL INFORMATION

Required Supplementary Information

Primary Government

Schedule of Changes in Net Pension Liability and Related Ratios

For the Year Ended June 30, 2024

	Plan Year									
	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Total Pension Liability										
Service cost	\$ 6,203,323	\$ 6,349,597	\$ 6,346,042	\$ 6,432,589	\$ 6,654,862	\$ 6,625,713	\$ 6,986,017	\$ 7,087,893	\$ 6,786,710	\$ 7,591,733
Interest on total pension liability	22,279,728	22,979,376	23,599,711	24,063,948	24,449,704	25,140,219	25,463,249	25,997,865	27,758,411	28,109,009
Difference between expected and actual experience	-	(1,322,839)	(3,091,281)	(5,899,588)	120,722	(2,629,680)	(1,859,042)	(6,001,569)	(5,754,737)	2,153,966
Changes in assumptions	-	-	-	2,149,134	-	10,427,997	-	16,038,052	-	-
Benefit payments, including refunds of employee contributions	(18,346,084)	(18,630,099)	(19,658,299)	(20,786,742)	(21,683,819)	(21,037,746)	(21,916,092)	(23,423,878)	(24,229,710)	(24,573,005)
Net change in total pension liability	10,136,967	9,376,035	7,196,173	5,959,341	9,541,469	18,526,503	8,674,132	19,698,363	4,560,674	13,281,703
Total pension liability - beginning	<u>327,454,876</u>	<u>337,591,843</u>	<u>346,967,878</u>	<u>354,164,051</u>	<u>360,123,392</u>	<u>369,664,861</u>	<u>388,191,364</u>	<u>396,865,496</u>	<u>416,563,859</u>	<u>421,124,533</u>
Total pension liability - ending	<u>337,591,843</u>	<u>346,967,878</u>	<u>354,164,051</u>	<u>360,123,392</u>	<u>369,664,861</u>	<u>388,191,364</u>	<u>396,865,496</u>	<u>416,563,859</u>	<u>421,124,533</u>	<u>434,406,236</u>
Plan Fiduciary Net Position										
Contributions - employer	10,482,447	10,640,498	10,888,855	9,920,997	10,083,118	10,150,416	10,510,166	10,801,810	11,256,065	13,684,223
Contributions - employee	2,545,602	2,623,103	2,647,107	2,766,837	2,676,472	2,655,886	2,783,330	2,717,344	2,889,376	3,171,043
Net investment income	32,917,551	10,830,296	4,079,524	28,939,509	19,156,055	17,849,423	5,343,056	74,989,208	(244,636)	21,311,201
Benefit payments, including refunds of employee contributions	(18,346,084)	(18,630,099)	(19,658,299)	(20,786,742)	(21,683,819)	(21,037,746)	(21,916,092)	(23,423,878)	(24,229,710)	(24,573,005)
Administrative expenses	(180,075)	(151,038)	(152,831)	(171,345)	(169,088)	(180,734)	(184,881)	(190,993)	(214,575)	(213,135)
Other	1,737	(2,273)	(1,774)	(25,640)	(16,908)	(11,250)	(7,513)	7,042	7,818	8,569
Net change in plan fiduciary net position	27,421,178	5,310,487	(2,197,418)	20,643,616	10,045,830	9,425,995	(3,471,934)	64,900,533	(10,535,662)	13,388,896
Plan fiduciary net position - beginning	<u>211,183,720</u>	<u>238,604,898</u>	<u>243,915,385</u>	<u>241,717,967</u>	<u>262,361,583</u>	<u>272,407,413</u>	<u>281,833,408</u>	<u>278,361,474</u>	<u>343,262,007</u>	<u>332,726,345</u>
Plan fiduciary net position - ending	<u>238,604,898</u>	<u>243,915,385</u>	<u>241,717,967</u>	<u>262,361,583</u>	<u>272,407,413</u>	<u>281,833,408</u>	<u>278,361,474</u>	<u>343,262,007</u>	<u>332,726,345</u>	<u>346,115,241</u>
Net pension liability - ending	<u>\$ 98,986,945</u>	<u>\$ 103,052,493</u>	<u>\$ 112,446,084</u>	<u>\$ 97,761,809</u>	<u>\$ 97,257,448</u>	<u>\$ 106,357,956</u>	<u>\$ 118,504,022</u>	<u>\$ 73,301,852</u>	<u>\$ 88,398,188</u>	<u>\$ 88,290,995</u>
Plan fiduciary net position as a percentage of total pension liability	<u>71%</u>	<u>70%</u>	<u>68%</u>	<u>73%</u>	<u>74%</u>	<u>73%</u>	<u>70%</u>	<u>82%</u>	<u>79%</u>	<u>80%</u>
Covered payroll	<u>\$ 49,759,064</u>	<u>\$ 50,441,350</u>	<u>\$ 51,326,626</u>	<u>\$ 52,930,961</u>	<u>\$ 54,235,867</u>	<u>\$ 54,656,679</u>	<u>\$ 56,091,908</u>	<u>\$ 57,485,897</u>	<u>\$ 55,542,571</u>	<u>\$ 58,884,988</u>
Net pension liability as a percentage of covered payroll	<u>199%</u>	<u>204%</u>	<u>219%</u>	<u>185%</u>	<u>179%</u>	<u>195%</u>	<u>211%</u>	<u>128%</u>	<u>159%</u>	<u>150%</u>

The plan years above are reported in the entity's financial statements in the fiscal year following the plan year - i.e., plan year 2014 information was presented in the entity's fiscal year 2015 financial report.

Required Supplementary Information

Schools - Non Professional Employees

Schedule of Changes in Net Pension Liability and Related Ratios

For the Year Ended June 30, 2024

	Plan Year									
	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Total Pension Liability										
Service cost	\$ 408,027	\$ 408,652	\$ 390,047	\$ 388,263	\$ 369,905	\$ 363,374	\$ 386,485	\$ 373,612	\$ 368,960	\$ 401,410
Interest on total pension liability	935,168	975,621	1,013,096	1,012,802	1,013,987	1,047,533	1,048,986	1,113,455	1,201,099	1,210,831
Difference between expected and actual experience	-	(47,318)	(601,120)	(438,840)	(45,578)	(326,795)	486,898	(66,595)	(492,204)	32,046
Changes in assumptions	-	-	-	(126,476)	-	397,376	-	495,368	-	-
Benefit payments, including refunds of employee contributions	(736,082)	(794,492)	(808,719)	(803,718)	(833,932)	(884,234)	(927,192)	(1,007,349)	(965,408)	(966,840)
Net change in total pension liability	607,113	542,463	(6,696)	32,031	504,382	597,254	995,177	908,491	112,447	677,447
Total pension liability - beginning	<u>13,727,582</u>	<u>14,334,695</u>	<u>14,877,158</u>	<u>14,870,462</u>	<u>14,902,493</u>	<u>15,406,875</u>	<u>16,004,129</u>	<u>16,999,306</u>	<u>17,907,797</u>	<u>18,020,244</u>
Total pension liability - ending	<u>14,334,695</u>	<u>14,877,158</u>	<u>14,870,462</u>	<u>14,902,493</u>	<u>15,406,875</u>	<u>16,004,129</u>	<u>16,999,306</u>	<u>17,907,797</u>	<u>18,020,244</u>	<u>18,697,691</u>
Plan Fiduciary Net Position										
Contributions - employer	382,008	327,719	332,290	228,134	229,132	179,891	192,366	211,631	225,247	187,018
Contributions - employee	192,487	183,717	185,375	182,067	183,766	174,448	188,186	190,176	202,816	215,389
Net investment income	1,844,193	609,217	236,379	1,651,561	1,096,860	1,024,271	306,074	4,271,921	(14,982)	1,209,247
Benefit payments, including refunds of employee contributions	(736,082)	(794,492)	(808,719)	(803,718)	(833,932)	(884,234)	(927,192)	(1,007,349)	(965,408)	(966,840)
Administrative expenses	(9,987)	(8,505)	(8,626)	(9,732)	(9,621)	(10,452)	(10,658)	(10,929)	(12,221)	(12,248)
Other	98	(127)	(101)	(1,460)	(969)	(642)	(357)	400	(1,084)	484
Net change in plan fiduciary net position	1,672,717	317,529	(63,402)	1,246,852	665,236	483,282	(251,581)	3,655,850	(565,632)	633,050
Plan fiduciary net position - beginning	<u>11,769,997</u>	<u>13,442,714</u>	<u>13,760,243</u>	<u>13,696,841</u>	<u>14,943,693</u>	<u>15,608,929</u>	<u>16,092,211</u>	<u>15,840,630</u>	<u>19,496,480</u>	<u>18,930,848</u>
Plan fiduciary net position - ending	<u>13,442,714</u>	<u>13,760,243</u>	<u>13,696,841</u>	<u>14,943,693</u>	<u>15,608,929</u>	<u>16,092,211</u>	<u>15,840,630</u>	<u>19,496,480</u>	<u>18,930,848</u>	<u>19,563,898</u>
Net pension liability - ending	<u>\$ 891,981</u>	<u>\$ 1,116,915</u>	<u>\$ 1,173,621</u>	<u>\$ (41,200)</u>	<u>\$ (202,054)</u>	<u>\$ (88,082)</u>	<u>\$ 1,158,676</u>	<u>\$ (1,588,683)</u>	<u>\$ (910,604)</u>	<u>\$ (866,207)</u>
Plan fiduciary net position as a percentage of total pension liability	<u>94%</u>	<u>92%</u>	<u>92%</u>	<u>100%</u>	<u>101%</u>	<u>101%</u>	<u>93%</u>	<u>109%</u>	<u>105%</u>	<u>105%</u>
Covered payroll	<u>\$ 3,851,034</u>	<u>\$ 3,727,782</u>	<u>\$ 3,613,671</u>	<u>\$ 3,593,865</u>	<u>\$ 3,654,690</u>	<u>\$ 3,837,637</u>	<u>\$ 3,971,969</u>	<u>\$ 4,080,952</u>	<u>\$ 4,399,742</u>	<u>\$ 4,723,819</u>
Net pension liability as a percentage of covered payroll	<u>23%</u>	<u>30%</u>	<u>32%</u>	<u>-1%</u>	<u>-6%</u>	<u>-2%</u>	<u>29%</u>	<u>-39%</u>	<u>-21%</u>	<u>-18%</u>

The plan years above are reported in the entity's financial statements in the fiscal year following the plan year - i.e., plan year 2014 information was presented in the entity's fiscal year 2015 financial report.

Required Supplementary Information
Schedule of Pension Contributions
For the Year Ended June 30, 2024

Entity Fiscal Year Ended June 30	Actuarially Determined Contribution	Contributions in Relation to Actuarially Determined Contribution	Contribution Deficiency (Excess)	Covered Payroll	Contributions as a Percentage of Covered Payroll
Primary Government					
2024	\$ 15,587,270	\$ 15,587,270	\$ -	\$ 67,218,938	23.19%
2023	\$ 14,240,279	\$ 14,240,279	\$ -	\$ 58,884,988	24.18%
2022	\$ 11,141,125	\$ 11,141,125	\$ -	\$ 55,542,571	20.06%
2021	\$ 11,088,357	\$ 11,088,357	\$ -	\$ 57,485,897	19.29%
2020	\$ 10,870,219	\$ 10,870,219	\$ -	\$ 56,091,908	19.38%
2019	\$ 10,377,528	\$ 10,377,528	\$ -	\$ 54,656,679	18.99%
2018	\$ 10,288,625	\$ 10,288,625	\$ -	\$ 54,235,867	18.97%
2017	\$ 9,920,997	\$ 9,920,997	\$ -	\$ 52,930,961	18.74%
2016	\$ 10,951,053	\$ 10,951,053	\$ -	\$ 51,326,626	21.34%
2015	\$ 10,728,502	\$ 10,728,502	\$ -	\$ 50,441,350	21.27%
Schools - Nonprofessional Employees					
2024	\$ 194,471	\$ 194,471	\$ -	\$ 5,085,997	3.82%
2023	\$ 186,799	\$ 186,799	\$ -	\$ 4,723,819	3.95%
2022	\$ 225,247	\$ 225,247	\$ -	\$ 4,399,742	5.12%
2021	\$ 211,631	\$ 211,631	\$ -	\$ 4,080,952	5.19%
2020	\$ 192,396	\$ 192,396	\$ -	\$ 3,971,969	4.84%
2019	\$ 179,891	\$ 179,891	\$ -	\$ 3,837,637	4.69%
2018	\$ 229,094	\$ 229,094	\$ -	\$ 3,654,691	6.27%
2017	\$ 235,433	\$ 235,433	\$ -	\$ 3,593,865	6.55%
2016	\$ 340,611	\$ 340,611	\$ -	\$ 3,613,671	9.43%
2015	\$ 330,294	\$ 330,294	\$ -	\$ 3,727,782	8.86%

The covered payroll amounts above are for the entity's fiscal year - i.e. the covered payroll on which required contributions were based for the same year.

The Notes to Required Supplementary Information are an integral part of this statement.

Required Supplementary Information**Schedule of Employer's Share of Net Pension Liability****VRS Teacher Retirement Plan****For the Year Ended June 30, 2024**

School Division	Employer's Proportion of the Net Pension Liability	Employer's Proportionate Share of the Net Pension Liability	Employer's Covered Payroll	Employer's Proportionate Share of the Net Pension Liability as a Percentage of its Covered Payroll	Plan Fiduciary Net Position as a Percentage of the Total Pension Liability
Fiscal Year Ended June 30					
2024	0.62%	\$ 63,005,282	\$ 62,501,211	100.81%	82.45%
2023	0.62%	\$ 58,868,718	\$ 57,947,892	101.59%	82.61%
2022	0.61%	\$ 47,405,591	\$ 54,503,957	86.98%	85.46%
2021	0.64%	\$ 92,940,347	\$ 56,477,224	164.56%	71.47%
2020	0.65%	\$ 82,501,054	\$ 51,957,981	158.78%	73.51%
2019	0.69%	\$ 80,732,000	\$ 53,894,780	149.80%	74.81%
2018	0.71%	\$ 87,249,000	\$ 53,942,322	161.74%	72.92%
2017	0.73%	\$ 102,102,000	\$ 50,669,701	201.51%	68.28%
2016	0.71%	\$ 88,962,000	\$ 51,468,623	172.85%	70.68%
2015	0.70%	\$ 84,602,000	\$ 51,468,623	164.38%	70.88%

The covered payroll amounts above are for the measurement period, which is the twelve months prior to the School Division's fiscal year.

Required Supplementary Information
Schedule of Pension Contributions
VRS Teacher Retirement Plan
For the Year Ended June 30, 2024

School Division Fiscal Year Ended June 30	Contractually Required Contribution	Contributions in Relation to Contractually Required Contribution	Contribution Deficiency (Excess)	Covered Payroll	Contributions as a Percentage of Covered Payroll
2024	\$ 10,782,057	\$ 10,782,057	\$ -	\$ 68,980,189	15.63%
2023	\$ 9,822,234	\$ 9,822,234	\$ -	\$ 62,501,211	15.72%
2022	\$ 9,161,578	\$ 9,161,578	\$ -	\$ 57,947,892	15.81%
2021	\$ 8,629,023	\$ 8,629,023	\$ -	\$ 54,503,957	15.83%
2020	\$ 8,469,585	\$ 8,469,585	\$ -	\$ 56,477,224	15.00%
2019	\$ 8,313,426	\$ 8,313,426	\$ -	\$ 51,957,981	16.00%
2018	\$ 8,869,387	\$ 8,869,387	\$ -	\$ 53,894,780	16.46%
2017	\$ 8,261,471	\$ 8,261,471	\$ -	\$ 53,942,322	15.32%
2016	\$ 7,972,259	\$ 7,972,259	\$ -	\$ 50,669,701	15.73%
2015	\$ 7,458,200	\$ 7,458,200	\$ -	\$ 51,468,623	14.49%

The covered payroll amounts above are for the school division's fiscal year - i.e. the covered payroll on which required contributions were based for the same year.

Required Supplementary Information

Primary Government

Schedule of Changes in Net OPEB for Healthcare Liability and Related Ratios

For the Year Ended June 30, 2024

	Fiscal Year						
	2018	2019	2020	2021	2022	2023	2024
Total OPEB Liability							
Service cost	\$ 350,020	\$ 360,521	\$ 371,336	\$ 356,717	\$ 367,419	\$ 258,665	\$ 266,425
Interest on OPEB liability	3,559,674	2,771,030	2,600,222	1,148,518	930,937	1,412,267	1,410,943
Difference between expected and actual experience	(24,181,307)	-	(38,403,363)	-	(1,453,248)	-	(5,022,789)
Changes in assumptions	(697,398)	5,999,406	2,100,461	2,879,001	(7,077,885)	(759,186)	1,404,750
Benefit payments, including refunds of member contributions	(2,632,827)	(2,333,984)	(2,898,368)	(2,796,080)	(2,774,048)	(2,983,684)	(2,480,520)
Net change in total OPEB liability	(23,601,838)	6,796,973	(36,229,712)	1,588,156	(10,006,825)	(2,071,938)	(4,421,191)
Total OPEB liability - beginning	100,945,728	77,343,890	84,140,863	47,911,151	49,499,307	39,492,482	37,420,544
Total OPEB liability - ending	\$ 77,343,890	\$ 84,140,863	\$ 47,911,151	\$ 49,499,307	\$ 39,492,482	\$ 37,420,544	\$ 32,999,353
Covered employee payroll	\$ 55,870,874	\$ 60,897,864	\$ 63,032,343	\$ 64,452,592	\$ 68,360,485	\$ 75,162,775	\$ 82,412,912
Net OPEB liability as a percentage of covered employee payroll	138.4%	138.2%	76.0%	76.8%	57.8%	49.8%	40.0%

Schedule is intended to show information for 10 years. Since 2018 was the first year for this presentation, only seven years of data is available. Additional years will be included as they become available. The covered payroll amounts above are for the entity's fiscal year - i.e. the covered payroll on which required contributions were based for the same year.

Required Supplementary Information

Lynchburg City Schools

Schedule of Changes in Net OPEB for Healthcare Liability and Related Ratios

For the Year Ended June 30, 2024

	Fiscal Year						
	2018	2019	2020	2021	2022	2023	2024
Total OPEB Liability							
Service cost	\$ 629,101	\$ 523,630	\$ 858,868	\$ 956,878	\$ 890,149	\$ 944,891	\$ 735,812
Interest on OPEB liability	271,525	253,909	424,127	437,213	213,079	233,096	324,100
Difference between expected and actual experience	(2,319,827)	3,458,793	-	(4,301,568)	-	(2,663,577)	-
Changes in assumptions	(638,060)	(310,331)	439,283	323,568	305,192	(72,654)	(8,959)
Benefit payments, including refunds of member contributions	(175,271)	(368,838)	(419,802)	(155,894)	(243,252)	(383,304)	(98,566)
Net change in total OPEB liability	(2,232,532)	3,557,163	1,302,476	(2,739,803)	1,165,168	(1,941,548)	952,387
Total OPEB liability - beginning	8,985,748	6,753,216	10,310,379	11,612,855	8,873,052	10,038,220	8,096,672
Total OPEB liability - ending	6,753,216	10,310,379	11,612,855	8,873,052	10,038,220	8,096,672	9,049,059
Covered employee payroll	\$ 61,142,865	\$ 61,045,540	\$ 61,045,540	\$ 66,302,035	\$ 63,870,989	\$ 70,540,583	\$ 76,402,326
Net OPEB liability as a percentage of covered employee payroll	11.0%	16.9%	19.0%	13.4%	15.7%	11.5%	11.8%

Schedule is intended to show information for 10 years. Since 2018 was the first year for this presentation, only seven years of data is available. Additional years will be included as they become available. The covered payroll amounts above are for the entity's fiscal year - i.e. the covered payroll on which required contributions were based for the same year.

Required Supplementary Information

Lynchburg City Schools

Schedule of Changes in Net OPEB for Healthcare Liability and Related Ratios for Health Insurance Credit Schools
For the Year Ended June 30, 2024

	Fiscal Year		
	2022	2023	2024
Total OPEB Liability			
Service cost	\$ 5,471	\$ 5,571	\$ 3,286
Interest on OPEB liability	21,260	23,589	23,333
Difference between expected and actual experience	(1)	(26,858)	(118,021)
Changes in assumptions	6,656	5,840	-
Benefit payments	-	(8,908)	(10,398)
Net change in total OPEB liability	33,386	(766)	(101,800)
Total OPEB liability - beginning	314,969	348,355	347,589
Total OPEB liability - ending	348,355	347,589	245,789
Plan Fiduciary Net Position			
Contributions - employer	26,119	28,159	32,633
Net investment income	3,593	(496)	4,047
Benefit payments	-	(8,908)	(10,398)
Administrative expenses	(116)	(97)	(109)
Other	-	341	19
Net change in plan fiduciary net position	29,596	18,999	26,192
Plan fiduciary net position - beginning	-	29,596	48,595
Plan fiduciary net position - ending	29,596	48,595	74,787
Net OPEB liability - ending	\$ 318,759	\$ 298,994	\$ 171,002
Plan fiduciary net position as a percentage of total OPEB liability	8.5%	14.0%	30.4%
Covered payroll	\$ 4,082,596	\$ 4,399,742	\$ 4,723,819
Net OPEB liability as a percentage of covered payroll	7.8%	6.8%	3.6%

Schedule is intended to show information for 10 years. Since 2022 was the first year for this presentation, only three years of data is available. Additional years will be included as they become available. The covered payroll amounts above are for the entity's fiscal year - i.e. the covered payroll on which required contributions were based for the same year.

Required Supplementary Information

Primary Government

Schedule of Changes in Net OPEB for Line of Duty Act (LODA)

For the Year Ended June 30, 2024

	Fiscal Year						
	2018	2019	2020	2021	2022	2023	2024
Total OPEB Liability							
Service cost	\$ 163,599	\$ 168,507	\$ 173,562	\$ 228,263	\$ 235,111	\$ 195,364	\$ 201,225
Interest on OPEB liability	287,149	294,269	281,173	176,727	150,318	221,043	228,450
Difference between expected and actual experience	-	-	(3,213,464)	-	(585,976)	-	3,308,910
Changes in assumptions	-	634,614	1,192,943	532,826	(1,227,410)	(139,056)	(152,902)
Benefit payments, including refunds of member contributions	(250,836)	(267,213)	(228,753)	(288,639)	(369,297)	(374,427)	(366,488)
Net change in total OPEB liability	199,912	830,177	(1,794,539)	649,177	(1,797,254)	(97,076)	3,219,195
Total OPEB liability - beginning	7,892,993	8,092,905	8,923,082	7,128,543	7,777,720	5,980,466	5,883,390
Total OPEB liability - ending	\$ 8,092,905	\$ 8,923,082	\$ 7,128,543	\$ 7,777,720	\$ 5,980,466	\$ 5,883,390	\$ 9,102,585
Covered employee payroll	\$ 18,941,025	\$ 21,770,826	\$ 20,775,959	\$ 21,101,725	\$ 23,692,611	\$ 26,581,417	\$ 29,230,865
Net OPEB liability as a percentage of covered employee payroll	42.7%	41.0%	34.3%	36.9%	25.2%	22.1%	31.1%

Schedule is intended to show information for 10 years. Since 2018 was the first year for this presentation, only seven years of data is available. Additional years will be included as they become available. The covered payroll amounts above are for the entity's fiscal year - i.e. the covered payroll on which required contributions were based for the same year.

Required Supplementary Information**Schedule of OPEB Contributions Group Life Insurance****For the Year Ended June 30, 2024**

Entity Fiscal Year Ended June 30	Contractually Required Contribution	Contributions in Relation to Contractually Required Contribution	Contribution Deficiency (Excess)	Employer's Covered Payroll	Contributions as a Percentage of Covered Payroll
Primary Government					
2024	\$ 399,369	\$ 399,369	\$ -	\$ 68,034,046	0.59%
2023	\$ 365,000	\$ 365,000	\$ -	\$ 60,514,320	0.60%
2022	\$ 303,902	\$ 303,902	\$ -	\$ 55,542,571	0.55%
2021	\$ 303,246	\$ 303,246	\$ -	\$ 57,485,897	0.53%
2020	\$ 303,560	\$ 303,560	\$ -	\$ 56,091,908	0.54%
2019	\$ 290,819	\$ 290,819	\$ -	\$ 54,656,679	0.53%
2018	\$ 279,734	\$ 279,734	\$ -	\$ 54,235,867	0.52%

Schedule is intended to show information for 10 years. Since 2018 was the first year for this presentation, only seven years of data is available. Additional years will be included as they become available. The covered payroll amounts above are for the entity's fiscal year - i.e. the covered payroll on which required contributions were based for the same year.

Required Supplementary Information**Schedule of OPEB Contributions Group Life Insurance - Schools General Employees****For the Year Ended June 30, 2024**

Entity Fiscal Year Ended June 30	Contractually Required Contribution	Contributions in Relation to Contractually Required Contribution	Contribution Deficiency (Excess)	Employer's Covered Payroll	Contributions as a Percentage of Covered Payroll
Schools General Employees					
2024	\$ 27,261	\$ 27,261	\$ -	\$ 5,085,997	0.54%
2023	\$ 25,320	\$ 25,320	\$ -	\$ 4,723,819	0.54%
2022	\$ 23,583	\$ 23,583	\$ -	\$ 4,399,742	0.54%
2021	\$ 21,949	\$ 21,949	\$ -	\$ 4,094,871	0.54%
2020	\$ 20,871	\$ 20,871	\$ -	\$ 3,666,419	0.57%
2019	\$ 19,912	\$ 19,912	\$ -	\$ 3,983,065	0.50%
2018	\$ 20,062	\$ 20,062	\$ -	\$ 3,617,185	0.55%

Schedule is intended to show information for 10 years. Since 2018 was the first year for this presentation, only seven years of data is available. Additional years will be included as they become available. The covered payroll amounts above are for the entity's fiscal year - i.e. the covered payroll on which required contributions were based for the same year.

Required Supplementary Information**Schedule of OPEB Contributions Group Life Insurance - School Teachers****For the Year Ended June 30, 2024**

Entity Fiscal Year Ended June 30	Contractually Required Contribution	Contributions in Relation to Contractually Required Contribution	Contribution Deficiency (Excess)	Employer's Covered Payroll	Contributions as a Percentage of Covered Payroll
Schools Teachers					
2024	\$ 369,734	\$ 369,734	\$ -	\$ 68,980,189	0.54%
2023	\$ 335,006	\$ 335,006	\$ -	\$ 62,501,211	0.54%
2022	\$ 311,145	\$ 311,145	\$ -	\$ 58,049,523	0.54%
2021	\$ 292,433	\$ 292,433	\$ -	\$ 54,558,390	0.54%
2020	\$ 296,299	\$ 296,299	\$ -	\$ 54,925,031	0.54%
2019	\$ 288,302	\$ 288,302	\$ -	\$ 55,019,401	0.52%
2018	\$ 293,909	\$ 293,909	\$ -	\$ 52,992,834	0.55%

Schedule is intended to show information for 10 years. Since 2018 was the first year for this presentation, only seven years of data is available. Additional years will be included as they become available. The covered payroll amounts above are for the entity's fiscal year - i.e. the covered payroll on which required contributions were based for the same year.

Required Supplementary Information
Schedule of OPEB Contributions for Health Insurance Credit - School Teachers and General Employees
For the Year Ended June 30, 2024

Entity Fiscal Year Ended June 30	Contractually Required Contribution	Contributions in Relation to Contractually Required Contribution	Contribution Deficiency (Excess)	Employer's Covered Payroll	Contributions as a Percentage of Covered Payroll
School Teachers					
2024	\$ 834,660	\$ 834,660	\$ -	\$ 68,980,189	1.21%
2023	\$ 732,276	\$ 732,276	\$ -	\$ 62,501,211	1.17%
2022	\$ 701,169	\$ 701,169	\$ -	\$ 57,947,892	1.21%
2021	\$ 654,498	\$ 654,498	\$ -	\$ 54,503,956	1.20%
2020	\$ 677,727	\$ 677,727	\$ -	\$ 54,925,031	1.23%
2019	\$ 659,100	\$ 659,100	\$ -	\$ 55,019,401	1.20%
2018	\$ 688,326	\$ 688,326	\$ -	\$ 53,104,064	1.30%

Schedule is intended to show information for 10 years. Since 2018 was the first year for this presentation, only seven years of data is available. Additional years will be included as they become available. The covered payroll amounts above are for the entity's fiscal year - i.e. the covered payroll on which required contributions were based for the same year.

Entity Fiscal Year Ended June 30	Contractually Required Contribution	Contributions in Relation to Contractually Required Contribution	Contribution Deficiency (Excess)	Employer's Covered Payroll	Contributions as a Percentage of Covered Payroll
General Employees					
2024	\$ 35,093	\$ 35,093	\$ -	\$ 5,085,997	0.69%
2023	\$ 32,594	\$ 32,594	\$ -	\$ 4,723,819	0.69%
2022	\$ 28,158	\$ 28,158	\$ -	\$ 4,399,742	0.64%

Schedule is intended to show information for 10 years. Since 2022 was the first year for this presentation, only three years of data is available. Additional years will be included as they become available. The covered payroll amounts above are for the entity's fiscal year - i.e. the covered payroll on which required contributions were based for the same year.

The Notes to Required Supplementary Information are an integral part of this statement.

Required Supplementary Information**Schedule of Employer's Share of Net OPEB Liability - Group Life Insurance****City of Lynchburg****For the Year Ended June 30, 2024**

Fiscal Year Ended June 30	Employer's Proportion of the Net OPEB Liability	Employer's Proportionate Share of the Net OPEB Liability	Employer's Covered Employee Payroll	Employer's Proportionate Share of the Net OPEB Liability as a Percentage of its Covered Employee Payroll	Fiduciary Net Position as a Percentage of the Total OPEB Liability
Primary Government					
2024	0.28619%	\$ 3,432,315	\$ 60,514,320	5.67%	69.30%
2023	0.27204%	\$ 3,275,624	\$ 55,542,571	5.90%	67.21%
2022	0.27445%	\$ 3,195,343	\$ 57,485,897	5.56%	67.45%
2021	0.27948%	\$ 4,664,064	\$ 56,091,908	8.32%	52.64%
2020	0.28214%	\$ 4,591,169	\$ 54,656,679	8.40%	52.00%
2019	0.28865%	\$ 4,384,000	\$ 54,235,867	8.08%	51.22%
2018	0.29164%	\$ 4,388,000	\$ 52,930,961	8.29%	48.86%

Schedule is intended to show information for 10 years. Since 2018 was the first year for this presentation, only seven years of data is available. Additional years will be included as they become available. The covered payroll amounts above are for the measurement period, which is the twelve months prior to the fiscal year.

Required Supplementary Information**Schedule of Employer's Share of Net OPEB Liability Group Life Insurance - Schools General Employees****Lynchburg City Schools****For the Year Ended June 30, 2024**

Fiscal Year Ended June 30	Employer's Proportion of the Net OPEB Liability	Employer's Proportionate Share of the Net OPEB Liability	Employer's Covered Employee Payroll	Employer's Proportionate Share of the Net OPEB Liability as a Percentage of its Covered Employee Payroll	Fiduciary Net Position as a Percentage of the Total OPEB Liability
Schools General Employees					
2024	0.20140%	\$ 241,542	\$ 4,723,819	5.11%	69.30%
2023	0.02023%	\$ 243,589	\$ 4,399,742	5.54%	67.21%
2022	0.01983%	\$ 230,875	\$ 4,094,871	5.64%	67.45%
2021	0.01936%	\$ 323,086	\$ 3,666,419	8.81%	52.64%
2020	0.01870%	\$ 304,000	\$ 3,983,065	7.63%	52.00%
2019	0.02014%	\$ 306,000	\$ 3,617,185	8.46%	51.22%
2018	0.02039%	\$ 307,000	\$ 3,617,185	8.49%	48.86%

Schedule is intended to show information for 10 years. Since 2018 was the first year for this presentation, only seven years of data is available. Additional years will be included as they become available. The covered payroll amounts above are for the measurement period, which is the twelve months prior to the fiscal year.

Required Supplementary Information**Schedule of Employer's Share of Net OPEB Liability Group Life Insurance - School Teachers****Lynchburg City Schools****For the Year Ended June 30, 2024**

Fiscal Year Ended June 30	Employer's Proportion of the Net OPEB Liability	Employer's Proportionate Share of the Net OPEB Liability	Employer's Covered Employee Payroll	Employer's Proportionate Share of the Net OPEB Liability as a Percentage of its Covered Employee Payroll	Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability
School Teachers					
2024	0.26554%	\$ 3,184,657	\$ 62,501,211	5.10%	69.30%
2023	0.26709%	\$ 3,216,021	\$ 58,049,523	5.54%	67.21%
2022	0.26424%	\$ 3,076,470	\$ 54,558,390	5.64%	67.45%
2021	0.27477%	\$ 4,585,461	\$ 54,925,031	8.35%	52.64%
2020	0.29000%	\$ 4,567,000	\$ 55,019,401	8.30%	52.00%
2019	0.29500%	\$ 4,481,000	\$ 52,992,834	8.46%	51.22%
2018	0.30644%	\$ 4,612,000	\$ 52,992,834	8.70%	48.86%

Schedule is intended to show information for 10 years. Since 2018 was the first year for this presentation, only seven years of data is available. Additional years will be included as they become available. The covered payroll amounts above are for the measurement period, which is the twelve months prior to the fiscal year.

Required Supplementary Information**Schedule of Employer's Share of Net OPEB Liability Health Insurance Credit - School Teachers****Lynchburg City Schools****For the Year Ended June 30, 2024**

Fiscal Year Ended June 30	Employer's Proportion of the Net OPEB Liability	Employer's Proportionate Share of the Net OPEB Liability	Employer's Covered Employee Payroll	Employer's Proportionate Share of the Net OPEB Liability as a Percentage of its Covered Employee Payroll	Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability
School Teachers					
2024	0.62707%	\$ 7,596,435	\$ 62,501,211	12.15%	17.90%
2023	0.62232%	\$ 7,773,066	\$ 57,947,892	13.41%	15.08%
2022	0.61628%	\$ 7,910,380	\$ 54,503,957	14.51%	13.15%
2021	0.64426%	\$ 8,404,478	\$ 54,925,031	15.30%	9.95%
2020	0.65486%	\$ 8,573,000	\$ 55,019,401	15.58%	8.97%
2019	0.69210%	\$ 8,787,000	\$ 53,104,064	16.55%	8.08%
2018	0.71414%	\$ 9,060,000	\$ 53,104,064	17.06%	7.04%

Schedule is intended to show information for 10 years. Since 2018 was the first year for this presentation, only seven years of data is available. Additional years will be included as they become available. The covered payroll amounts above are for the measurement period, which is the twelve months prior to the fiscal year.

CITY OF LYNCHBURG, VIRGINIA

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION

June 30, 2024

Note 1. Changes of Benefit Terms

Pension

There have been no actuarially material changes to the Virginia Retirement System (the "System") benefit provisions since the prior actuarial valuation.

Other Postemployment Benefits (OPEB)

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

Note 2. Changes of Assumptions

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

Largest 10 – Non-Hazardous Duty:

- Update mortality table to PUB2010 public sector mortality tables. For future mortality improvements, replace load with a modified Mortality Improvement Scale MP-2020.
- Adjusted retirement rates to better fit experience for Plan 1; set separate rates based on experience for Plan2/Hybrid; changed final retirement age from 75 to 80 for all.
- Adjusted withdrawal rates to better fit experience at each age and service through 9 years of service.
- No change to disability rates.
- No change to salary scale.
- No change to line of duty rates.
- No change to discount rate.

Largest 10 – Hazardous Duty/Public Safety Employees:

- Update mortality table to PUB2010 public sector mortality tables. For future mortality improvements, replace load with a modified Mortality Improvement Scale MP-2020.
- Adjusted retirement rates to better fit experience and changed final retirement age from 65 to 70.
- Decreased withdrawal rates.
- No change to disability rates.
- No change to salary scale.
- No change to line of duty rates.
- No change to discount rate.

(Continued)

CITY OF LYNCHBURG, VIRGINIA

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION

June 30, 2024

Note 2. Changes of Assumptions (Continued)

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

- Update mortality table to PUB2010 public sector mortality tables. For future mortality improvements, replace load with a modified Mortality Improvement Scale MP-2020.
- Adjusted retirement rates to better fit experience for Plan 1; set separate rates based on experience for Plan2/Hybrid; changed final retirement age from 75 to 80 for all.
- Adjusted withdrawal rates to better fit experience at each age and service through 9 years of service.
- No change to disability rates.
- No changes to salary scale.
- No change to line of duty rates.
- No change to discount rate.

All Others (Non 10 Largest) – Hazardous Duty/Public Safety Employees:

- Update mortality table to PUB2010 public sector mortality tables. For future mortality improvements, replace load with a modified Mortality Improvement Scale MP-2020.
- Adjusted retirement rates to better fit experience and changed final retirement age from 65 to 70.
- Decreased withdrawal rates and changed from rates based on age and service to rates based on service only to better fit experience and to be more consistent with Locals Largest 10 Hazardous Duty.
- No change to disability rates.
- No change to salary scale.
- No change to line of duty rates.
- No change to discount rate.

Teacher cost-sharing pool

- Update mortality table to PUB2010 public sector mortality tables. For future mortality improvements, replace load with a modified Mortality Improvement Scale MP-2020.
- Adjusted retirement rates to better fit experience for Plan 1; set separate rates based on experience for Plan2/Hybrid; changed final retirement age from 75 to 80 for all.
- Adjusted withdrawal rates to better fit experience at each age and service through 9 years of service.
- No change to disability rates.
- No changes to salary scale.
- No change to discount rate.

THIS PAGE INTENTIONALLY BLANK

OTHER SUPPLEMENTAL INFORMATION

CITY OF LYNCHBURG, VIRGINIA

Notes to Combining and Individual Fund Statements and Schedules – Nonmajor Governmental Funds

Nonmajor Governmental Funds:

Nonmajor governmental funds consist of special revenue funds.

Special Revenue Funds are used to account for the proceeds of specific revenue sources (other than major capital projects) that are legally restricted to expenditures for specified purposes.

Funds in this category include:

- City Federal/State Aid Fund – Accounts for various federal and state grants for such purposes as building projects, certain social service and community development programs, and public safety.
- Community Development Block Grant Fund – Accounts for revenues from the Department of Housing and Urban Development which are used for various development projects.
- Lynchburg Business Development Centre Fund – Accounts for revenues received to support a local business incubator and for monies received from the Economic Development Administration for a revolving loan fund and certain other economic development assistance.
- Lynchburg Regional Juvenile Detention Center Fund – Accounts for revenues received and expenditures made to support the operations of the City's Juvenile Detention Home.
- Forfeited Assets Fund – Accounts for revenues received from the sale of confiscated assets which are related to illegal drug sales and are used for law enforcement expenditures.
- Lynchburg Expressway Appearance Fund – Accounts for the revenues and expenditures associated with beautification of the Lynchburg Expressway Area.
- Children's Services Act Fund – Accounts for revenues received and expenditures made to support the Children's Services Act for At-Risk Youth and Families adopted by the Virginia General Assembly.
- HOME Investment Partnerships Program Fund – Accounts for revenues received from the Department of Housing and Urban Development for support of affordable housing needs in the City.

Combining Balance Sheet
Nonmajor Special Revenue Funds
June 30, 2024

	City Federal State Aid	Community Development Block Grant	Lynchburg Business Development Centre	Forfeited Assets	Children's Services Act
Assets					
Cash and cash equivalents	\$ -	\$ -	\$ 171	\$ 382,029	\$ -
Receivables, net of allowance:				-	
Other	1,379,548	-	-	-	8,727
Due from other funds	55,242	-	-	-	350,485
Due from other governments	535,487	334,506	-	-	1,379,154
Due from component unit	-	-	125,000	-	-
Other assets	-	-	213	-	-
Restricted assets:					
Cash and cash equivalents	3,300,341	-	-	-	-
Total assets	<u>\$ 5,270,618</u>	<u>\$ 334,506</u>	<u>\$ 125,384</u>	<u>\$ 382,029</u>	<u>\$ 1,738,366</u>
Liabilities					
Accounts payable and other liabilities	196,650	\$ 127,220	\$ -	\$ 297	\$ 1,000,340
Accrued payroll and related liabilities	72,418	4,184	-	-	2,121
Due to other funds	437,298	203,102	-	-	525,710
Due to other governments	310,216	-	-	-	-
Total liabilities	<u>1,016,582</u>	<u>334,506</u>	<u>-</u>	<u>297</u>	<u>1,528,171</u>
Deferred Inflows of Resources					
Unavailable revenue	2,978,488	-	-	-	-
Total deferred inflows of resources	<u>2,978,488</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balances					
Restricted	1,275,548	-	-	381,732	210,195
Committed	-	-	125,384	-	-
Assigned	-	-	-	-	-
Total fund balances	<u>1,275,548</u>	<u>-</u>	<u>125,384</u>	<u>381,732</u>	<u>210,195</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 5,270,618</u>	<u>\$ 334,506</u>	<u>\$ 125,384</u>	<u>\$ 382,029</u>	<u>\$ 1,738,366</u>

(Continued)

Combining Balance Sheet
Nonmajor Special Revenue Funds
June 30, 2024

	Lynchburg Expressway Appearance	HOME Investment Partnerships Program	Lynchburg Regional Juvenile Detention Center	Total Nonmajor Special Revenue
Assets				
Cash and cash equivalents	\$ 199,493	\$ 5,834	\$ 299,590	\$ 887,117
Receivables, net of allowance:				
Other	-	867	-	1,389,142
Due from other funds	-	-	152,017	557,744
Due from other governments	-	7,341	108,570	2,365,058
Due from component unit	-	-	-	125,000
Other assets	-	-	-	213
Restricted assets:				
Cash and cash equivalents	-	-	-	3,300,341
Total assets	<u>\$ 199,493</u>	<u>\$ 14,042</u>	<u>\$ 560,177</u>	<u>\$ 8,624,615</u>
Liabilities				
Accounts payable and other liabilities	\$ 3,126	\$ -	\$ 31,000	\$ 1,358,633
Accrued payroll and related liabilities	-	1,032	86,475	166,230
Due to other funds	-	7,176	109,081	1,282,367
Due to other governments	-	-	57,524	367,740
Total liabilities	<u>3,126</u>	<u>8,208</u>	<u>284,080</u>	<u>3,174,970</u>
Deferred Inflows of Resources				
Unavailable revenue	-	-	-	2,978,488
Total deferred inflows of resources	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,978,488</u>
Fund Balances				
Restricted	196,367	5,834	275,863	2,345,539
Committed	-	-	-	125,384
Assigned	-	-	234	234
Total fund balances	<u>196,367</u>	<u>5,834</u>	<u>276,097</u>	<u>2,471,157</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 199,493</u>	<u>\$ 14,042</u>	<u>\$ 560,177</u>	<u>\$ 8,624,615</u>

Combining Statement of Revenues, Expenditures, and Changes in Fund Balances

Nonmajor Special Revenue Funds

For the Year Ended June 30, 2024

	City Federal State Aid	Community Development Block Grant	Lynchburg Business Development Centre	Forfeited Assets	Children's Services Act
Revenues					
Intergovernmental	\$ 5,433,760	\$ 678,401	\$ -	\$ 78,606	\$ 7,407,021
Revenue from use of money and property	-	-	13,598	6,700	-
Charges for services	836,197	-	-	-	3,158,634
Miscellaneous	431,347	-	-	-	110,707
Total revenues	<u>6,701,304</u>	<u>678,401</u>	<u>13,598</u>	<u>85,306</u>	<u>10,676,362</u>
Expenditures					
Current operating expenditures:					
General government	-	-	-	-	-
Judicial	1,666,448	-	-	12,414	-
Public safety	3,193,479	-	-	4,460	-
Public works	72,884	-	-	-	-
Health and human services	1,537,417	-	-	-	10,550,906
Community development	305,095	678,401	13,598	-	-
Debt service:					
Principal retirements	-	-	-	-	-
Interest payments and other fiscal charges	-	-	-	-	-
Total expenditures	<u>6,775,323</u>	<u>678,401</u>	<u>13,598</u>	<u>16,874</u>	<u>10,550,906</u>
Excess (deficiency) of revenues over expenditures	<u>(74,019)</u>	<u>-</u>	<u>-</u>	<u>68,432</u>	<u>125,456</u>
Other financing sources					
Transfers in	385,022	-	-	-	-
Total other financing sources	<u>385,022</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net changes in fund balances	311,003	-	-	68,432	125,456
Fund balances - beginning	<u>964,545</u>	<u>-</u>	<u>125,384</u>	<u>313,300</u>	<u>84,739</u>
Fund balances - ending	<u>\$ 1,275,548</u>	<u>\$ -</u>	<u>\$ 125,384</u>	<u>\$ 381,732</u>	<u>\$ 210,195</u>

(Continued)

Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
Nonmajor Special Revenue Funds
For the Year Ended June 30, 2024

	Lynchburg Expressway Appearance	HOME Investment Partnerships Program	Lynchburg Regional Juvenile Detention Center	Total Nonmajor Special Revenue
Revenues				
Intergovernmental	\$ -	\$ 115,610	\$ 1,302,603	\$ 15,016,001
Revenue from use of money and property	-	-	-	20,298
Charges for services	-	-	2,179,212	6,174,043
Miscellaneous	8,000	-	2,100	552,154
Total revenues	<u>8,000</u>	<u>115,610</u>	<u>3,483,915</u>	<u>21,762,496</u>
Expenditures				
Current operating expenditures:				
General government	-	-	5,434	5,434
Judicial	-	-	-	1,678,862
Public safety	-	-	3,413,263	6,611,202
Public works	26,229	-	-	99,113
Health and human services	-	-	-	12,088,323
Community development	-	115,610	-	1,112,704
Debt service:				
Principal retirements	-	-	8,808	8,808
Interest payments and other fiscal charges	-	-	2,773	2,773
Total expenditures	<u>26,229</u>	<u>115,610</u>	<u>3,430,278</u>	<u>21,607,219</u>
Excess (deficiency) of revenues over expenditures	<u>(18,229)</u>	<u>-</u>	<u>53,637</u>	<u>155,277</u>
Other financing sources				
Transfers in	-	-	-	385,022
Total other financing sources	<u>-</u>	<u>-</u>	<u>-</u>	<u>385,022</u>
Net changes in fund balance	<u>(18,229)</u>	<u>-</u>	<u>53,637</u>	<u>540,299</u>
Fund balances - beginning	<u>214,596</u>	<u>5,834</u>	<u>222,460</u>	<u>1,930,858</u>
Fund balances - ending	<u>\$ 196,367</u>	<u>\$ 5,834</u>	<u>\$ 276,097</u>	<u>\$ 2,471,157</u>

Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual
City/Federal/State Aid Fund
For the Year Ended June 30, 2024

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
Revenues				
Intergovernmental	\$ 3,684,192	\$ 8,964,183	\$ 5,433,760	\$ (3,530,423)
Charges for services	738,700	738,700	836,197	97,497
Miscellaneous	31,755	990,559	431,347	(559,212)
Total revenues	<u>4,454,647</u>	<u>10,693,442</u>	<u>6,701,304</u>	<u>(3,992,138)</u>
Expenditures				
Current operating expenditures:				
General government	-	5,472	-	5,472
Judicial	1,368,320	3,051,777	1,666,448	1,385,329
Public safety	1,385,391	4,444,452	3,193,479	1,250,973
Public works	-	76,125	72,884	3,241
Health and human services	1,702,006	3,759,594	1,537,417	2,222,177
Cultural and recreational	-	-	-	-
Community development	223,600	545,970	305,095	240,875
Total expenditures	<u>4,679,317</u>	<u>11,883,390</u>	<u>6,775,323</u>	<u>5,108,067</u>
Excess (deficiency) of revenues over expenditures	<u>(224,670)</u>	<u>(1,189,948)</u>	<u>(74,019)</u>	<u>1,115,929</u>
Other financing sources				
Transfers in	220,814	362,444	385,022	22,578
Total other financing sources	<u>220,814</u>	<u>362,444</u>	<u>385,022</u>	<u>22,578</u>
Net changes in fund balance	<u>(3,856)</u>	<u>(827,504)</u>	<u>311,003</u>	<u>1,138,507</u>
Fund balance - beginning	<u>964,545</u>	<u>964,545</u>	<u>964,545</u>	<u>-</u>
Fund balance - ending	<u>\$ 960,689</u>	<u>\$ 137,041</u>	<u>\$ 1,275,548</u>	<u>\$ 1,138,507</u>

Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual
Community Development Block Grant Fund
For the Year Ended June 30, 2024

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Intergovernmental	\$ 708,843	\$ 1,834,480	\$ 678,401	\$ (1,156,079)
Total revenues	<u>708,843</u>	<u>1,834,480</u>	<u>678,401</u>	<u>(1,156,079)</u>
Expenditures				
Current operating expenditures:				
Community development	708,843	1,137,677	678,401	459,276
Total expenditures	<u>708,843</u>	<u>1,137,677</u>	<u>678,401</u>	<u>459,276</u>
Net changes in fund balance	-	696,803	-	(696,803)
Fund balance - beginning	-	-	-	-
Fund balance - ending	<u>\$ -</u>	<u>\$ 696,803</u>	<u>\$ -</u>	<u>\$ (696,803)</u>

Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual
Forfeited Assets Fund
For the Year Ended June 30, 2024

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Intergovernmental	\$ -	\$ -	\$ 78,606	\$ 78,606
Revenue from use of money and property	-	-	6,700	6,700
Total revenues	-	-	85,306	85,306
Expenditures				
Current operating expenditures:				
Judicial	-	68,641	12,414	56,227
Public safety	-	286,781	4,460	282,321
Total expenditures	-	355,422	16,874	338,548
Net changes in fund balance	-	(355,422)	68,432	423,854
Fund balance - beginning	313,300	313,300	313,300	-
Fund balance (deficit)- ending	<u>\$ 313,300</u>	<u>\$ (42,122)</u>	<u>\$ 381,732</u>	<u>\$ 423,854</u>

Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual
Children's Services Act Fund
For the Year Ended June 30, 2024

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Intergovernmental	\$ 4,738,816	\$ 7,661,856	\$ 7,407,021	\$ (254,835)
Charges for services	2,280,179	3,158,684	3,158,634	(50)
Miscellaneous	48,600	48,600	110,707	62,107
Total revenues	<u>7,067,595</u>	<u>10,869,140</u>	<u>10,676,362</u>	<u>(192,778)</u>
Expenditures				
Current operating expenditures:				
Health and human services	7,067,595	10,949,140	10,550,906	398,234
Total expenditures	<u>7,067,595</u>	<u>10,949,140</u>	<u>10,550,906</u>	<u>398,234</u>
Net changes in fund balance	-	(80,000)	125,456	205,456
Fund balance - beginning	<u>84,739</u>	<u>84,739</u>	<u>84,739</u>	<u>-</u>
Fund balance - ending	<u>\$ 84,739</u>	<u>\$ 4,739</u>	<u>\$ 210,195</u>	<u>\$ 205,456</u>

Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual
Lynchburg Expressway Appearance Fund
For the Year Ended June 30, 2024

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Miscellaneous	\$ -	\$ -	\$ 8,000	\$ 8,000
Total revenues	-	-	8,000	8,000
Expenditures				
Current operating expenditures:				
Public works	75,000	75,000	26,229	48,771
Total expenditures	75,000	75,000	26,229	48,771
Net changes in fund balance	(75,000)	(75,000)	(18,229)	56,771
Fund balance - beginning	214,596	214,596	214,596	-
Fund balance - ending	<u>\$ 139,596</u>	<u>\$ 139,596</u>	<u>\$ 196,367</u>	<u>\$ 56,771</u>

Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual
HOME Investment Partnerships Program Fund
For the Year Ended June 30, 2024

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Intergovernmental	\$ 378,083	\$ 781,765	\$ 115,610	\$ (666,155)
Charges for Services	-	43,976	-	(43,976)
Total revenues	<u>378,083</u>	<u>825,741</u>	<u>115,610</u>	<u>(710,131)</u>
Expenditures				
Current operating expenditures:				
Community development	378,083	818,613	115,610	703,003
Total expenditures	<u>378,083</u>	<u>818,613</u>	<u>115,610</u>	<u>703,003</u>
Net changes in fund balance	-	7,128	-	(7,128)
Fund balance - beginning	<u>5,834</u>	<u>5,834</u>	<u>5,834</u>	<u>-</u>
Fund balance - ending	<u><u>\$ 5,834</u></u>	<u><u>\$ 12,962</u></u>	<u><u>\$ 5,834</u></u>	<u><u>\$ (7,128)</u></u>

Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual
Lynchburg Regional Juvenile Detention Center Fund
For the Year Ended June 30, 2024

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Intergovernmental	\$ 1,084,329	\$ 1,084,329	\$ 1,302,603	\$ 218,274
Charges for services	1,996,546	2,427,301	2,179,212	(248,089)
Miscellaneous	1,400	1,400	2,100	700
Total revenues	<u>3,082,275</u>	<u>3,513,030</u>	<u>3,483,915</u>	<u>(29,115)</u>
Expenditures				
Current operating expenditures:				
General government	5,316	5,435	5,434	1
Public safety	3,067,014	3,492,411	3,413,263	79,148
Debt service:				
Principal retirements	7,175	7,175	8,808	(1,633)
Interest payments and other fiscal charges	2,770	2,770	2,773	(3)
Total expenditures	<u>3,082,275</u>	<u>3,507,791</u>	<u>3,430,278</u>	<u>77,513</u>
Net changes in fund balance	-	5,239	53,637	48,398
Fund balance - beginning	<u>222,460</u>	<u>222,460</u>	<u>222,460</u>	<u>-</u>
Fund balance - ending	<u>\$ 222,460</u>	<u>\$ 227,699</u>	<u>\$ 276,097</u>	<u>\$ 48,398</u>

**Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual
City Capital Projects
For the Year Ended June 30, 2024**

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
Revenues				
Intergovernmental	\$ 10,557,124	\$ 68,744,663	\$ 10,225,951	\$ (58,518,712)
Revenue from use of money and property	-	751,268	847,914	96,646
Miscellaneous	-	331,632	196,284	(135,348)
Total revenues	<u>10,557,124</u>	<u>69,827,563</u>	<u>11,270,149</u>	<u>(58,557,414)</u>
Expenditures				
Current operating expenditures:				
Public works	8,080,624	8,693,732	4,493,568	4,200,164
Cultural and recreational	853,000	2,389,841	1,333,996	1,055,845
Community development	-	1,273,005	244,832	1,028,173
Capital outlay:				
Capital general government	29,802,005	171,690,263	47,037,194	124,653,069
Total expenditures	<u>38,735,629</u>	<u>184,046,841</u>	<u>53,109,590</u>	<u>130,937,251</u>
Deficiency of revenues over expenditures	<u>(28,178,505)</u>	<u>(114,219,278)</u>	<u>(41,839,441)</u>	<u>72,379,837</u>
Other financing sources				
Issuance of bonds	17,526,797	64,175,119	7,504,225	(56,670,894)
Transfers in	10,651,708	21,136,708	21,136,708	-
Total other financing sources	<u>28,178,505</u>	<u>85,311,827</u>	<u>28,640,933</u>	<u>(56,670,894)</u>
Net changes in fund balance	-	(28,907,451)	(13,198,508)	15,708,943
Fund balance - beginning	<u>73,383,585</u>	<u>73,383,585</u>	<u>73,383,585</u>	<u>-</u>
Fund balance - ending	<u>\$ 73,383,585</u>	<u>\$ 44,476,134</u>	<u>\$ 60,185,077</u>	<u>\$ 15,708,943</u>

Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual
School Capital Projects
For the Year Ended June 30, 2024

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
Revenues				
Intergovernmental	\$ -	\$ 8,574,269	\$ 4,287,544	\$ (4,286,725)
Revenue from use of money and property	-	-	170,080	170,080
Total revenues	-	8,574,269	4,457,624	(4,116,645)
Expenditures				
Current operating expenditures:				
Education	3,593,800	5,273,043	1,884,228	3,388,815
Capital outlay:				
Capital general government	112,500	9,505,260	4,674,491	4,830,769
Total expenditures	3,706,300	14,778,303	6,558,719	8,219,584
Deficiency of revenues over expenditures	(3,706,300)	(6,204,034)	(2,101,095)	4,102,939
Other financing sources				
Issuance of bonds	3,373,300	3,015,609	294,705	(2,720,904)
Transfers in	333,000	333,000	333,000	-
Total other financing sources	3,706,300	3,348,609	627,705	(2,720,904)
Net changes in fund balance	-	(2,855,425)	(1,473,390)	1,382,035
Fund balance - beginning	6,041,887	6,041,887	6,041,887	-
Fund balance - ending	<u>\$ 6,041,887</u>	<u>\$ 3,186,462</u>	<u>\$ 4,568,497</u>	<u>\$ 1,382,035</u>

Discretely Presented Component Unit - Lynchburg City Schools
Combining Balance Sheet
June 30, 2024

	School Operating	School Federal Aid	School Cafeteria	School Activities	Total Governmental
Assets					
Cash and cash equivalents	\$ -	\$ 612,880	\$ 1,879,739	\$ 1,152,095	\$ 3,644,714
Receivables, net of allowance	79,085	-	104,048	-	183,133
Due from other funds	-	1,860,210	12,223	-	1,872,433
Due from other governments	2,511,366	5,047,967	-	-	7,559,333
Due from primary government- local funding	8,360,355	-	-	-	8,360,355
Prepaid expenses and other assets	345,963	-	-	-	345,963
Inventory	-	-	142,808	-	142,808
Total assets	\$ 11,296,769	\$ 7,521,057	\$ 2,138,818	\$ 1,152,095	\$ 22,108,739
Liabilities					
Accounts payable and other liabilities	\$ 665,332	\$ 269,876	\$ 104,226	\$ -	\$ 1,039,434
Accrued payroll and related liabilities	6,015,316	1,158,835	221,591	-	7,395,742
Due to other funds	1,872,433	-	-	-	1,872,433
Unearned revenue	-	6,091,174	-	-	6,091,174
Due to primary government- return of local funding	47,950	-	-	-	47,950
Due to primary government- other	76,065	-	-	-	76,065
Total liabilities	8,677,096	7,519,885	325,817	-	16,522,798
Deferred Inflows of Resources					
Unavailable revenue	1,043,435	-	-	-	1,043,435
Total deferred inflows of resources	1,043,435	-	-	-	1,043,435
Fund balances					
Nonspendable:					
Prepaid expenses	345,963	-	-	-	345,963
Inventory	-	-	142,808	-	142,808
Restricted for:					
Nutrition	-	-	1,670,193	-	1,670,193
Committed for:					
Education	1,230,275	1,172	-	-	1,231,447
Assigned for:					
Student activities	-	-	-	1,152,095	1,152,095
Total fund balances	1,576,238	1,172	1,813,001	1,152,095	4,542,506
Total liabilities, deferred inflows of resources, and fund balances	\$ 11,296,769	\$ 7,521,057	\$ 2,138,818	\$ 1,152,095	

Amounts reported for governmental activities in the Statement of Net Position are different because:

Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.	9,559,023
Receivables on the Statement of Net Position that do not provide current financial resources are reported as unavailable revenue in the funds.	1,043,435
Financial statement elements related to pensions are applicable to future periods and, therefore, are not reported in the funds.	
Deferred outflows related to:	
Pensions	19,549,592
Other postemployment benefits	2,515,340
Deferred inflows related to:	
Pensions	(8,845,684)
Other postemployment benefits	(5,379,628)
Net pension asset	836,877
Net pension liability	(60,871,923)
Other postemployment benefits	(19,877,411)
Long-term liabilities are not due and payable in the current period and, therefore, are not reported in the funds.	(4,515,297)
Net position of governmental activities	<u>\$ (61,443,170)</u>

Discretely Presented Component Unit - Lynchburg City Schools
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
For the Year Ended June 30, 2024

	<u>School Operating</u>	<u>School Federal Aid</u>	<u>School Cafeteria</u>	<u>School Activities</u>	<u>Total Governmental</u>
Revenues					
Intergovernmental:					
State and Federal	\$ 68,151,331	\$ 30,226,245	\$ 6,345,499	\$ -	\$ 104,723,075
City of Lynchburg	41,195,985	-	-	-	41,195,985
Charges for services	399,864	-	255,893	1,639,194	2,294,951
Miscellaneous	1,305,091	92,415	74,387	-	1,471,893
Total revenues	<u>111,052,271</u>	<u>30,318,660</u>	<u>6,675,779</u>	<u>1,639,194</u>	<u>149,685,904</u>
Expenditures					
Education:					
Instruction	78,109,660	19,624,774	-	1,592,737	99,327,171
Administration, attendance and health	7,564,310	4,002,233	-	-	11,566,543
Pupil transportation services	5,896,309	-	-	-	5,896,309
Operations and maintenance	13,124,602	752,049	-	-	13,876,651
Food services and other non-instructional operations	1,093	1,116,158	7,040,831	-	8,158,082
Facilities	9,686	-	-	-	9,686
Technology	9,150,568	474,282	-	-	9,624,850
Capital outlay	1,121,496	4,318,337	402,531	-	5,842,364
Debt service:					
Principal retirement	3,008,548	-	-	-	3,008,548
Interest payments	2,588	-	-	-	2,588
Total expenditures	<u>117,988,860</u>	<u>30,287,833</u>	<u>7,443,362</u>	<u>1,592,737</u>	<u>157,312,792</u>
Excess (deficiency) of revenues over expenditures	<u>(6,936,589)</u>	<u>30,827</u>	<u>(767,583)</u>	<u>46,457</u>	<u>(7,626,888)</u>
Other financing sources (uses)					
Issuance of subscription liability	6,068,069	-	-	-	6,068,069
Transfers in	-	-	32,923	-	32,923
Transfers out	-	(32,923)	-	-	(32,923)
Total other financing sources (uses)	<u>6,068,069</u>	<u>(32,923)</u>	<u>32,923</u>	<u>-</u>	<u>6,068,069</u>
Net changes in fund balances	<u>(868,520)</u>	<u>(2,096)</u>	<u>(734,660)</u>	<u>46,457</u>	<u>(1,558,819)</u>
Fund balances - beginning	<u>2,444,758</u>	<u>3,268</u>	<u>2,547,661</u>	<u>1,105,638</u>	
Fund balances - ending	<u>\$ 1,576,238</u>	<u>\$ 1,172</u>	<u>\$ 1,813,001</u>	<u>\$ 1,152,095</u>	

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

Governmental funds report capital outlays as expenditures. However, in the Statement

Statement of Activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation and amortization expense. This is the amount by which capital outlay of \$7,827,032 exceeded depreciation and amortization expense of (\$4,585,998)

3,241,034

Governmental funds report employer pension contributions as expenditures. However, in the Statement of Activities the cost of pension benefits earned net of employee contributions is reported as pension expense.

Employer pension contributions
Pension benefit

10,604,862
(3,242,624)

Governmental funds report other postemployment benefit contributions as expenditures. However, in the Statement of Activities the cost of these benefits earned net of employee contributions is reported as other postemployment benefit expense.

Employer other postemployment contributions
Other postemployment expense

1,353,242
(1,098,474)

Compensated absences are not due and payable at June 30, and therefore are not reported in the fund statements.

(385,374)

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

106,296

The issuance of long term debt (e.g. subscription liabilities) provides current financial resources to governmental funds, but has no effect on net assets.

(6,068,069)

Principal payments on subscription liabilities consumes the current financial resources of governmental funds, but has no effect on net assets.

3,008,548

Change in net position of governmental activities.

\$ 5,960,622

Discretely Presented Component Unit - Lynchburg City Schools
School Operating Fund
Schedule of Revenues, Expenditures, and Changes in Fund Balances
Budget and Actual
For the Year Ended June 30, 2024

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Intergovernmental:				
State and Federal	\$ 69,062,129	\$ 67,046,137	\$ 68,151,331	\$ 1,105,194
City of Lynchburg, before return of funds	39,360,355	41,196,601	41,196,601	-
Charges for services	481,000	481,000	399,864	(81,136)
Miscellaneous	407,000	4,842,751	1,305,091	(3,537,660)
Total revenues	109,310,484	113,566,489	111,052,887	(2,513,602)
Expenditures				
Education:				
Instruction	82,904,543	78,996,249	78,109,660	886,589
Administration, attendance and health	9,982,166	7,965,212	7,564,310	400,902
Pupil transportation services	6,596,842	5,910,424	5,896,309	14,115
Operations and maintenance	12,088,310	12,196,610	13,124,602	(927,992)
Food service and other	42,145	42,145	1,093	41,052
Facilities	20,230	20,230	9,686	10,544
Technology	5,607,408	7,313,814	3,082,499	4,231,315
Capital outlay	692,119	1,121,805	1,121,496	309
Debt service	-	-	3,011,136	(3,011,136)
Total expenditures	117,933,763	113,566,489	111,920,791	1,645,698
Excess of revenues over expenditures	(8,623,279)	-	(867,904)	(867,904)
Net changes in fund balances	\$ (8,623,279)	\$ -	(867,904)	\$ (867,904)
Less return of funds to the City			(616)	
			<u><u>\$ (868,520)</u></u>	

The adopted budget does not include the impacts of accounting for subscription liabilities and subscription right-to-use assets.

Discretely Presented Component Unit - Lynchburg City Schools
Statement of Fiduciary Net Position
June 30, 2024

	<u>Total</u> <u>Custodial Funds</u>
Assets	
Cash and cash equivalents	\$ 805,932
Prepaid expenses	<u>12,971</u>
Total assets	<u>818,903</u>
Liabilities	
Accounts payable and other liabilities	342
Accrued payroll and related liabilities	55,438
Unearned revenue	<u>220,100</u>
Total liabilities	<u>275,880</u>
Net Position	
Restricted for individuals and organizations	<u>543,023</u>
Total net position	<u>\$ 543,023</u>

Discretely Presented Component Unit - Lynchburg City Schools
Combining Statement of Fiduciary Net Position
June 30, 2024

	<u>Governor's School</u>	<u>STEM</u>	<u>Step with Links</u>	<u>GLCT- Step with Links</u>	<u>Total</u>
Assets					
Cash and cash equivalents	\$ 343,760	\$ 99,640	\$ 53,696	\$ 308,836	\$ 805,932
Prepaid expenses	8,108	3,364	1,499	-	12,971
Total assets	<u>351,868</u>	<u>103,004</u>	<u>55,195</u>	<u>308,836</u>	<u>818,903</u>
Liabilities					
Accounts payable and other liabilities	342	-	-	-	342
Accrued payroll and related liabilities	51,608	3,830	-	-	55,438
Unearned revenue	131,600	88,500	-	-	220,100
Total liabilities	<u>183,550</u>	<u>92,330</u>	<u>-</u>	<u>-</u>	<u>275,880</u>
Net Position					
Restricted for individuals and organizations	168,318	10,674	55,195	308,836	543,023
Total net position	<u>\$ 168,318</u>	<u>\$ 10,674</u>	<u>\$ 55,195</u>	<u>\$ 308,836</u>	<u>\$ 543,023</u>

Discretely Presented Component Unit - Lynchburg City Schools
Statement of Changes in Fiduciary Net Position
For the Year Ended June 30, 2024

	Governor's School	STEM	Step with Links	GLCT- Step with Links	Total
Additions					
Contributions:					
Donations	\$ -	\$ 9,219	\$ 6,000	\$ -	\$ 15,219
Tuition	662,700	354,000	-	-	1,016,700
Other fees	-	5,014	-	50	5,064
Intergovernmental- state and federal	626,677	-	-	-	626,677
Investment earnings:					
Interest and capital gains	-	-	-	41,869	41,869
Total additions	1,289,377	368,233	6,000	41,919	1,705,529
Deductions					
Investment expenses	-	-	-	4,337	4,337
Instruction	1,089,182	390,613	16,091	-	1,495,886
Operations and maintenance	111,142	-	-	-	111,142
Technology	10,429	-	-	-	10,429
Capital outlay	111,596	-	-	-	111,596
Total deductions	1,322,349	390,613	16,091	4,337	1,733,390
Net increase (decrease) in fiduciary net position	(32,972)	(22,380)	(10,091)	37,582	(27,861)
Net position - beginning	201,290	33,054	65,286	271,254	570,884
Net position - ending	\$ 168,318	\$ 10,674	\$ 55,195	\$ 308,836	\$ 543,023

Combining Statement of Net Position
Other Component Units
June 30, 2024

	Component Units		
	Business Development Centre, Inc.	Greater Lynchburg Transit Company	Total
Assets			
Current assets:			
Cash and cash equivalents	\$ 1,401,004	\$ 939,521	\$ 2,340,525
Receivables, net of allowance	223,213	119,405	342,618
Due from other governments	-	777,737	777,737
Inventory	-	284,168	284,168
Prepays and other assets	-	64,277	64,277
Capital assets:			
Nondepreciable	-	2,724,202	2,724,202
Depreciable/Amortizable, net	-	31,147,583	31,147,583
Total assets	<u>1,624,217</u>	<u>36,056,893</u>	<u>37,681,110</u>
Deferred Outflows of Resources			
Deferred outflows related to other postemployment benefits	-	168,624	168,624
Total deferred inflows of resources	<u>-</u>	<u>168,624</u>	<u>168,624</u>
Liabilities			
Current liabilities:			
Accounts payable and other liabilities	75,480	725,537	801,017
Due to other governments	759,708	-	759,708
Due to primary government	125,000	941,284	1,066,284
Subscription liabilities, current portion	-	1,120	1,120
Net other postemployment benefit liability, current portion	-	25,625	25,625
Total current liabilities	<u>960,188</u>	<u>1,693,566</u>	<u>2,653,754</u>
Noncurrent liabilities:			
Net other postemployment benefit liability	-	230,626	230,626
Subscription liabilities, net of current portion	-	11,200	11,200
Compensated absences	-	152,967	152,967
Total noncurrent liabilities	<u>-</u>	<u>394,793</u>	<u>394,793</u>
Total liabilities	<u>960,188</u>	<u>2,088,359</u>	<u>3,048,547</u>
Deferred Inflows of Resources			
Deferred inflows related to other postemployment benefits	-	67,954	67,954
Total deferred inflows of resources	<u>-</u>	<u>67,954</u>	<u>67,954</u>
Net position			
Net investment in capital assets	-	34,169,583	34,169,583
Restricted	-	81,464	81,464
Unrestricted	664,029	(181,843)	482,186
Total net position	<u>\$ 664,029</u>	<u>\$ 34,069,204</u>	<u>\$ 34,733,233</u>

Combining Statement of Revenues, Expenses, and Changes in Fund Net Position
Other Component Units
For the Year Ended June 30, 2024

	Component Units		
	Business Development Centre, Inc.	Greater Lynchburg Transit Company	Total
Operating revenues			
Charges for services and other operating revenues	\$ 309,624	\$ 710,847	\$ 1,020,471
Total operating revenues	<u>309,624</u>	<u>710,847</u>	<u>1,020,471</u>
Operating expenses			
Operations	213,188	6,027,589	6,240,777
Administration	450	2,494,443	2,494,893
Maintenance and repairs	33,228	2,282,731	2,315,959
Total operating expenses	<u>246,866</u>	<u>10,804,763</u>	<u>11,051,629</u>
Operating income (loss)	<u>62,758</u>	<u>(10,093,916)</u>	<u>(10,031,158)</u>
Nonoperating revenue			
Subsidy of operations- City of Lynchburg	-	1,974,463	1,974,463
Subsidy of operations- Counties	-	81,690	81,690
Subsidy of operations- State aid for public transportation	-	1,790,245	1,790,245
Subsidy of operations- Federal operating grant	-	4,026,091	4,026,091
Miscellaneous revenue	-	349,181	349,181
Total nonoperating revenue	<u>-</u>	<u>8,221,670</u>	<u>8,221,670</u>
Capital contributions	-	1,702,337	1,702,337
Change in net position	<u>62,758</u>	<u>(169,909)</u>	<u>(107,151)</u>
Total net position - beginning	<u>601,271</u>	<u>34,239,113</u>	<u>34,840,384</u>
Total net position - ending	<u>\$ 664,029</u>	<u>\$ 34,069,204</u>	<u>\$ 34,733,233</u>

Combining Statement of Cash Flows
Other Component Units
For the Year Ended June 30, 2024

	Component Units		
	Business Development Centre, Inc.	Greater Lynchburg Transit Company	Total
Operating activities			
Cash received from operations	\$ 632,230	\$ 725,462	\$ 1,357,692
Cash paid to employees	(96,037)	(4,229,532)	(4,325,569)
Cash paid to suppliers for goods and services	(145,070)	(4,494,358)	(4,639,428)
Net cash used in operating activities	391,123	(7,998,428)	(7,607,305)
Noncapital financing activities			
Subsidies	-	7,372,767	7,372,767
Net cash provided by noncapital financing activities	-	7,372,767	7,372,767
Capital and related financing activities			
Capital contributions received	-	1,540,946	1,540,946
Proceeds from short term City loan	-	941,284	941,284
Purchases of capital assets	-	(1,416,378)	(1,416,378)
Principal payments on long-term liabilities	-	(1,120)	(1,120)
Proceeds from sale of capital assets	-	-	-
Repayment of amounts due to Lynchburg Economic Development Authority	(513,811)	-	(513,811)
Net cash used in capital and related financing activities	(513,811)	1,064,732	550,921
Net decrease in cash and cash equivalents	(122,688)	439,071	316,383
Cash and cash equivalents			
Beginning of year	1,523,692	500,450	2,024,142
End of year	\$ 1,401,004	\$ 939,521	\$ 2,340,525
Reconciliation of operating income (loss) to net cash used in operating activities			
Operating income (loss)	\$ 62,758	\$ (10,093,916)	\$ (10,031,158)
Adjustments to reconcile operating income (loss) to net cash used in operating activities:			
Depreciation	-	1,801,799	1,801,799
Decrease in receivables	320,356	14,615	334,971
Decrease in prepaids and other assets	453	180,781	181,234
Decrease in inventory	-	5,201	5,201
Increase in accounts payable and other current liabilities	7,556	68,033	75,589
Increase in compensated absences	-	21,799	21,799
Increase in other postemployment benefits	-	3,260	3,260
Net cash used in operating activities	\$ 391,123	\$ (7,998,428)	\$ (7,607,305)
Supplemental cash flow information			
Non-cash transactions:			
Capital assets additions financed by accounts payable	\$ -	\$ 361,192	\$ 361,192

THIS PAGE INTENTIONALLY BLANK

SUPPLEMENTAL SCHEDULES

Schedule of Expenditures of Federal Awards
Year Ended June 30, 2024

Federal Granting Agency/ Recipient State Agency/ Grant Program	Assistance Listing Number (ALN)	Grant Agency Number	Passed Through to Sub-Recipients	Federal Expenditures	Total Cluster	Total By ALN
<u>Primary Government</u>						
Department of Agriculture						
Passed through Commonwealth of Virginia:						
Department of Social Services:						
SNAP Cluster						
Supplemental Nutrition Assistance Program	10.561	171VA407S2514		\$ 2,237,218		
Supplemental Nutrition Assistance Program - Community Market	10.561	171VA407S2514		33,635		
Total SNAP Cluster					\$ 2,270,853	\$ 2,270,853
Child Nutrition Cluster						
National School Lunch Program	10.555	16161VA347N2535		48,630		48,630
National School Breakfast Program	10.553	16161VA347N2535		36,685		36,685
Department of Parks & Recreation:						
Food Insecurity Nutritional Incentive (FINI) Double-Dollars Grant	10.331	2015-70018-2330		28,715		28,715
Total Department of Agriculture						\$ 2,384,883
Department of Health and Human Services						
Passed through Commonwealth of Virginia:						
Department of Social Services:						
Family Preservation and Support	93.556	1801VAFPSS		85,745		\$ 85,745
TANF Block Grant	93.558	1901VATANF	94,566	895,202		989,768
Refugee and Entrant Assistance State - Administered Programs	93.566	1801VARSOC		5,710		5,710
Low Income Energy Assistance	93.568	18B1VALIEA		189,123		189,123
CCDF Cluster - Child Care Assistance	93.575	1801VACCDF		942		942
CCDF Cluster - Child Care Development Fund	93.596	1801VACCDF		204,903		204,903
Total CCDF Cluster					\$ 205,845	
Chafee Education and Training Vouchers Program (ETV)	93.599	1801VACETV		4,258		4,258
Child Welfare Services	93.645	1801VACWSS		1,031		1,031
Foster Care - Title IV-E	93.658	1901VAFOST		1,190,251		1,190,251
Adoption Assistance	93.659	1901VAADPT		3,386,502		3,386,502
Social Services Block Grant	93.667	1801VASOSR		868,803		868,803
Independent Living	93.674	1801VACILP		41,570		41,570
Children's Insurance Program	93.767	1905VA0301		18,773		18,773
Medicaid Cluster - Medicaid Assistance	93.778	1805VA5MAP		1,697,937		1,697,937
Total Medicaid Cluster					1,697,937	
Total Department of Health and Human Services						\$ 8,685,316

Schedule of Expenditures of Federal Awards
Year Ended June 30, 2024

Federal Granting Agency/ Recipient State Agency/ Grant Program	Assistance Listing Number (ALN)	Grant Agency Number	Passed Through to Sub-Recipients	Federal Expenditures	Total Cluster	Total By ALN
Department of Housing and Urban Development						
Direct Payments:						
Entitlement Grants Cluster - Community Block Development Grant						
Community Development Block Grant FY19	14.218	B-18-MC-51-0014		\$ -		
Passed through to:						
Lynchburg Redevelopment and Housing Authority	14.218	B-18-MC-51-0014	\$ 21,184	21,184		
Community Development Block Grant FY20	14.218	B-19-MC-51-0014		-		
Passed through to:						
COVID-19 Coronavirus Relief Supplement	14.218	B-19-MC-51-0014	21,711	30,041		
Community Development Block Grant FY21	14.218	B-20-MC-51-0014	-	2,474		
Community Development Block Grant FY22	14.218	B-21-MC-51-0014		278,527		
Community Development Block Grant FY23	14.218	B-22-MC-51-0014		98,837		
Passed through to:						
Lynchburg Redevelopment and Housing Authority	14.218	B-22-MC-51-0014	100,000	100,000		
Community Development Block Grant FY24	14.218	B-22-MC-51-0014		75,025		
Passed through to:						
Miriam's House	14.218	B-23-MC-51-0014	61,751	61,751		
Blue Ridge Mtns Council Boy Scouts	14.218	B-23-MC-51-0014	10,562	10,562		
Total Entitlement Grants Cluster - Community Development Block Grant					\$ 678,401	\$ 678,401
Home Investment Partnership Program						
Home Investment Partnership Program FY21	14.239	M-20-MC-51-0211		160		
Passed through to:						
Habitat for Humanity	14.239	M-20-MC-51-0211	51,772	51,772		
COVID-19 American Rescue Plan Relief Supplement	14.239	M-20-MC-51-0211		22,799		
Home Investment Partnership Program FY22	14.239	M-21-MC-51-0211		18,972		
Home Investment Partnership Program FY23	14.239	M-22-MC-51-0211		11,907		
Passed through to:						
Rush Homes	14.239	M-22-MC-51-0211	10,000	10,000		115,610
Total Department of Housing and Urban Development					\$	794,011

Schedule of Expenditures of Federal Awards
Year Ended June 30, 2024

Federal Granting Agency/ Recipient State Agency/ Grant Program	Assistance Listing Number (ALN)	Grant Agency Number	Passed Through to Sub-Recipients	Federal Expenditures	Total Cluster	Total By ALN
Department of Justice						
Direct Payments:						
Office of Violence Against Women - Improving Criminal Responses Program	16.590	2016-WE-AX-0020	\$ 47,693	\$ 111,192		\$ 158,885
Bulletproof Vest Partnership 2022	16.607	2022-BUBX-1608-2768		26,090		
Bulletproof Vest Partnership 2023	16.607	2023-BUBX-1608-2768		28,962		55,052
Edward Byrne Memorial Justice Assistance Grant Program - Equipment 2023	16.738	15PBJA-22-GG-02382-JAGX		47,138		47,138
Federal Asset Forfeiture	16.922			4,460		4,460
Passed through Commonwealth of Virginia:						
Department of Criminal Justice Services:						
Victim-Witness Services	16.575	24-O0981VW20		232,426		232,426
Violence Against Women Formula Grant	16.588	23-M6141VA21		48,740		
Violence Against Women Formula Grant	16.588	24-N6141VA22		33,907		82,647
Total Department of Justice						\$ 580,608
Department of Labor						
Passed through Commonwealth of Virginia:						
Virginia Community College System (VCCS):						
WIOA Cluster						
WIA Adult Program	17.258 AA-33260-22-55-A-51		\$ 80,648	\$ 80,648		
WIA Adult Program	17.258 AA-34799-23-55-A-51		379,593	379,593		\$ 460,241
WIA Youth Activities	17.259 AA-33260-22-55-A-51		46,893	46,893		
WIA Youth Activities	17.259 AA-34799-23-55-A-51		373,383	373,383		420,276
WIA Dislocated Workers	17.278 AA-34799-22-55-A-51		20,340	20,340		
WIA Dislocated Workers	17.278 AA-33260-23-55-A-51		136,268	136,268		156,608
Total WIOA Cluster					\$ 1,037,125	
Total Department of Labor						\$ 1,037,125
Department of Homeland Security						
Direct Payments:						
Transportation Security Administration:						
Airport LEO Cooperative Agreement	97.090	HSTS02-16-H-SLR753		\$ 76,196		\$ 76,196
2021 Assistance to Firefighters Grant (AFG)		EMW-2021-FG-06375		913,700		913,700
Total Department of Homeland Security						\$ 989,896

Schedule of Expenditures of Federal Awards
Year Ended June 30, 2024

Federal Granting Agency/ Recipient State Agency/ Grant Program	Assistance Listing Number (ALN)	Grant Agency Number	Passed Through to Sub-Recipients	Federal Expenditures	Total Cluster	Total By ALN
Department of Treasury						
Passed through Commonwealth of Virginia:						
Virginia Department of Criminal Justice Services						
COVID-19 DCJS ARPA Law Enforcement Equipment & Technology Grant	21.027	2023-507591		274,238		
Virginia Department of Environmental Quality						
COVID-19 Coronavirus State and Local Fiscal Recovery Fund	21.027		\$	5,970,954		\$ 6,245,192
Total Department of Treasury						\$ 6,245,192
Department of Transportation						
Passed through Commonwealth of Virginia:						
Virginia Department of Transportation						
Highway Planning and Construction						
Graves Mill Road Adaptive Signal System	20.205	HSIP-118-295	\$	144,072		
Kemper Street Bike and Pedestrian Improvements	20.205	HSIP-118-280		3,474		
Nationwide Drive Pedestrian Improvements	20.205	HSIP-118-296		25,338		
Pedestrian Improvements - Old Forest Road	20.205	HSIP-118-294		33,843		
Route 501/221 One-Way Pairs	20.205	U000-118-286		73,484		
						\$ 280,211
Passed through Commonwealth of Virginia:						
Highway Safety Cluster						
DMV Selective Enforcement - Speed FY23	20.600	BPT-2023-53145-23145		19,008		
DMV Selective Enforcement - Speed FY24	20.600	BPT-2024-53145-23145		16,022		35,030
Total Highway Safety Cluster					\$	
DMV Selective Enforcement - Alcohol FY23	20.607	ENF-AL-2023-53120-23120		11,186		
DMV Selective Enforcement - Alcohol FY24	20.607	ENF-AL-2024-53120-23120		9,519		20,705
Total Department of Transportation						\$ 335,946
Environmental Protection Agency						
Passed through Commonwealth of Virginia:						
Virginia Resources Authority:						
Capitalization Grants for Drinking Water State Revolving Funds (1)	66.468	BIL-04L-22	\$	772,134		772,134
Total Environmental Protection Agency						\$ 772,134
Federal Aviation Administration						
Direct Payments:						
Department of Aviation:						
Airport Improvement Program	20.106	3-51-0029-045-2020	\$	991,877		
COVID-19 - Airport Improvement Program (CRRSA)	20.106	3-51-0029-047-2021		524,070		
COVID-19 - Airport Improvement Program (ARPA)	20.106	3-51-0029-048-2022		1,229,342		\$ 2,745,289
Total Federal Aviation Administration						\$ 2,745,289

Schedule of Expenditures of Federal Awards
Year Ended June 30, 2024

Federal Granting Agency/ Recipient State Agency/ Grant Program	Assistance Listing Number (ALN)	Grant Agency Number	Passed Through to Sub-Recipients	Federal Expenditures	Total Cluster	Total By ALN
Federal Emergency Management Agency						
Passed through Commonwealth of Virginia:						
Virginia Department of Emergency Management:						
Emergency Management Performance Grants	97.042	7196		\$ 23,423		\$ 23,423
State Homeland Security Program Grant - Fire	97.067	S# 26		54,277		
State Homeland Security Program Grant - Fire	97.067	S# 66		70,000		
State Homeland Security Program Grant - Police 2023	97.067	8510 - S#76		55,290		<u>179,567</u>
Total Federal Emergency Management Agency						<u>\$ 202,990</u>
<u>Component Unit - Lynchburg Schools</u>						
Department of Agriculture						
Passed through Commonwealth of Virginia:						
Department of Education:						
Child Nutrition Cluster						
Fresh Fruit and Vegetables	10.582			\$ 93,230		\$ 93,230
National School Lunch Program	10.555			3,948,708		3,948,708
National School Breakfast Program	10.553			1,632,420		1,632,420
Summer Food Service Program	10.559			164,911		164,911
Total Child Nutrition Cluster (10.555, 10.553, 10.559)					\$ 5,839,269	
CACFP	10.558			124,366		124,366
CNP Team Nutrition	10.574			2,100		2,100
CN School Meals Equip Grant	10.579			68,790		68,790
COVID-19 Pandemic EBT Administrative Costs	10.649			3,256		3,256
Total Department of Agriculture						<u>\$ 6,037,781</u>
Department of Education						
Passed through Commonwealth of Virginia:						
Passed through Commonwealth of Virginia:						
Title I - Part A - Improving Basic Programs 224	84.010	S010A210046		\$ 17,605		
Title I - Part A - Improving Basic Programs 324	84.010	S010A220046		1,322,929		
Title I - Part A - Improving Basic Programs 424	84.010	S010A230046		2,949,224		\$ 4,289,758
Title I - Part D - Neglected or Delinquent 115	84.013	S010A200046		310		
Title I - Part D - Neglected or Delinquent 215	84.013	S010A210046		14,207		
Title I - Part D - Neglected or Delinquent 315	84.013	S010A220046		50,170		
Title I - Part D - Neglected or Delinquent 415	84.013	S010A230046		2,275		
Title I - Neglected and Delinquent Children 118	84.013	S013A200046		732		
Title I - Neglected and Delinquent Children 218	84.013	S013A210046		8,186		75,880

Schedule of Expenditures of Federal Awards
Year Ended June 30, 2024

Federal Granting Agency/ Recipient State Agency/ Grant Program	Assistance Listing Number (ALN)	Grant Agency Number	Passed Through to Sub-Recipients	Federal Expenditures	Total Cluster	Total By ALN
Component Unit - Lynchburg Schools (Continued)						
Department of Education (Continued)						
Passed through Commonwealth of Virginia:						
Special Education Cluster						
CARES SPED 611 278	84.027			253,769		
IDEA - Part B Section 611 - Special Education 229	84.027	H027A210107	\$	420,035		
IDEA - Part B Section 611 - Special Education 329	84.027	H027A220107		1,044,504		
Flow-through CEIS/CCEIS 395	84.027	H027A220107		260,266		1,978,574
CARES PRESCHOOL 619 279	84.173			26,121		
IDEA - Part B Section 619 - Special Education Preschool 313	84.173	H173A220112		43,937		70,058
Total Special Education Cluster (84.027, 84.173)				- \$	2,048,632	-
Elementary and Secondary Education Act (ESEA):						
Title III Part A - Language Acquisition State Grant 221	84.365	S265A210046		5,534		
Title III Part A - Language Acquisition State Grant 321	84.365	S265A220046		23,322		
Title III Part A - Language Acquisition State Grant 421	84.365	S265A230046		4,756		33,612
Title II - Part A - Supporting Effective Instruction State Grants 116	84.367	S367A200044		73,824		
Title II - Part A - Supporting Effective Instruction State Grants 216	84.367	S367A210044		84,949		
Title II - Part A - Supporting Effective Instruction State Grants 316	84.367	S367A220044		81,936		
Title II - Part A - Supporting Effective Instruction State Grants 416	84.367	S367A230044		42,519		283,228
Title IV - Student Support and Academic Enrichment 159	84.424	S424A200048		114,116		
Title IV - Student Support and Academic Enrichment 259	84.424	S424A210048		98,057		
Title IV - Student Support and Academic Enrichment 359	84.424	S424A220048		155,437		
Title IV - Student Support and Academic Enrichment 459	84.424	S424A230048		63,482		
Title IV - Part A - SCG LEA - Stronger Connections Grant 496	84.424	S424F220048		222,211		653,303
Vocational Education:						
CTE Basic Grants to States 310	84.048	V048A220046		37,017		
CTE Basic Grants to States 410	84.048	V048A230046		257,301		294,318
McKenney - Vento Homeless Education Assistance Improvements Act of 2001:						
Title X-C - No Child Left Behind Act 237	84.000	S196A210048		4,601		
Title X-C - No Child Left Behind Act 337	84.000	S196A220048		15,999		20,600
Esser II SEL and Mental Health 280	84.425D	S425D210008		41,749		
ESSER III 176	84.425U	S425U210008		11,697,432		
Before & After School 1037.283	84.425U	S425U210008		196,617		
Unfinished Learning 0119.283	84.425U	S425U210008		165,823		
Summer Learning 0619.283	84.425U	S425U210008		72,344		
HVAC-ARP-CSLFRF-CPVID19 284	21.027	SLFRP1026		1,479,964		1,479,964
ARP ESSER III - RIPE 486	84.425U	S425U210008		22,500		12,154,716
COVID-19 CRRSA ESSER II 175	84.425D	S425D210008		2,164,875		2,206,624
Total Department of Education					\$	23,540,635

Schedule of Expenditures of Federal Awards
Year Ended June 30, 2024

Federal Granting Agency/ Recipient State Agency/ Grant Program	Assistance Listing Number (ALN)	Grant Agency Number Donated Food Received	Passed Through to Sub-Recipients	Federal Expenditures	Total Cluster	Total By ALN
<u>Primary Government</u>						
Department of Agriculture						
Passed through Commonwealth of Virginia:						
Department of Social Services:						
Child Nutrition Cluster - Juvenile Detention Home (Commodities)	10.555	16161VA347N2535		\$ 2,655		\$ 2,655
<u>Component Unit - Lynchburg Schools</u>						
Department of Agriculture						
Passed through Commonwealth of Virginia:						
Department of Education:						
Child Nutrition Cluster - National School Lunch Program (Commodities)	10.555	16161VA347N2535		185,038		185,038
TOTAL						\$ 187,693
TOTAL SEFA						\$ 54,539,499

(1) This amount includes expenditures incurred in prior years of \$445,433 that were approved for reimbursement in the current year.

(2) This amount includes expenditures incurred in prior years of \$3,287,386 that were approved for reimbursement in the current year.

CITY OF LYNCHBURG, VIRGINIA

Notes to Schedule of Expenditures of Federal Awards
As of June 30, 2024

Note 1. Significant Accounting Policy

Basis of Accounting:

The accompanying schedule of federal awards is prepared on the modified accrual basis of accounting.

Note 2. Business Development Centre, Inc. – Revolving Loan Fund

The Centre administers the Economic Development Administration Special Economic Adjustment Assistance Revolving Loan Fund Program CFDA 11.307 (01-49-03245) on behalf of the City of Lynchburg. Loans under this program are subject to various restrictions as determined by the Economic Development Administration.

The Centre received the funds indicated as follows through the fiscal year ended June 30, 1998. No funds have been received since that date.

	Federal	State	Local
Amount received through June 30, 1993	\$ 45,000	\$ -	\$ 24,000
Amount received through June 30, 1994	127,836	-	33,612
Amount received through June 30, 1995	44,027	-	14,676
Amount received through June 30, 1996	108,201	-	36,067
Bad debt charge off for the year ended June 30, 1996	(3,005)	-	(1,002)
Amount received through June 30, 1997	10,268	-	3,423
Recapitalized from earnings for the year ended June 30, 1997	3,005	-	1,002
Amount received through June 30, 1998	159,668	40,000	13,222
	<u>\$ 495,000</u>	<u>\$ 40,000</u>	<u>\$ 125,000</u>

Note 3. Non-monetary Assistance

Non-monetary assistance is reported in the Schedule of Federal Awards at the fair market value of the food commodities.

Note 4. Indirect Costs

The City has elected to use the de minimis 10% cost rate for certain grants.

(Continued)

CITY OF LYNCHBURG, VIRGINIA

Notes to Schedule of Expenditures of Federal Awards
As of June 30, 2024

Note 5. Subgrantees

The federal expenditures for the Community Development Block Grant, the Home Investment Trust, and the Workforce Investment Act Cluster programs include grants to subrecipients as follows:

Subrecipient	Community Development Block Grant	HOME Investment Partnerships Program	Workforce Investment Act Cluster
Coronavirus Relief Supplement	21,711	-	-
Habitat for Humanity	-	51,772	-
Lynchburg Redevelopment & Housing Authority	121,184	-	-
Region 2000 Local Government Council	-	-	1,037,124
Miriam's House	61,751	-	-
Blue Ridge Mountains Council Boy Scouts	10,562	-	-
Rush Homes	-	10,000	-
	<u>\$ 215,208</u>	<u>\$ 61,772</u>	<u>\$ 1,037,124</u>

Note 6. Program Income

The City received no program income during FY2024 for the Community Development Block grant.

Note 7. Virginia Revolving Loan Fund (CFDA 66.458)

As of June 30, 2024, the City had an outstanding balance through the Virginia Revolving Loan Fund in the amount of \$27,175,000 which includes federal funded loans. Expenditures associated with federally funded loans in FY 2024 totaled \$772,134.

SCHEDULE 2

CITY OF LYNCHBURG, VIRGINIA

Schedule of Passenger Facility Charges
As of June 30, 2024

Passenger Facility Charges and Disbursements:

	<u>July-Sept</u> <u>1st Quarter</u>	<u>Oct-Dec</u> <u>2nd Quarter</u>	<u>Jan-March</u> <u>3rd Quarter</u>	<u>April-June</u> <u>4th Quarter</u>	<u>Totals for Year</u>
Beginning Collections on Hand	\$ 28,545	\$ 28,892	\$ 45,486	\$ 33,890	\$ 28,545
Revenues					
Receipts	75,185	91,266	67,713	73,873	308,037
Interest	162	328	327	251	1,068
Total revenues received	75,347	91,594	68,040	74,124	309,105
Expenditures					
Application #5/6					
06-001 PFC Dev. & Admin	-	-	4,636	-	4,636
06-008 Extend RW 4-55 Constr	75,000	75,000	75,000	75,000	300,000
Total Application 5/6	75,000	75,000	79,636	75,000	304,636
Total Expenditures	75,000	75,000	79,636	75,000	304,636
Ending Collections on Hand	\$ 28,892	\$ 45,486	\$ 33,890	\$ 33,014	\$ 33,014

SCHEDULE 3

Schedule of Expenditures of Passenger Facility Charges
As of June 30, 2024

Expenditures of Passenger Facility Charges:

<u>Project</u>	<u>PFC</u> <u>Expenditures</u>
<u>Application 6 (12-06-C-00-LYH)</u>	
PFC Development & Admin Costs	\$ 4,636
“State” Expense Reimbursements	300,000
Total PFC expenditures	<u>\$ 304,636</u>

The accompanying schedule of expenditures of passenger facility charges includes the passenger facility charge activity of the City, and is presented on the cash basis of accounting. Therefore, some amounts presented in these schedules may differ from amounts presented in, or used in preparation of, the basic financial statements.

STATISTICAL SECTION

STATISTICAL SECTION

This section presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information indicates about the government's overall financial condition.

CONTENTS

Pages

MISCELLANEOUS STATISTICAL DATA

This section provides additional information about the City, form of government, taxable subjects for local taxation, City's Fund Balance, Debt Management, Budget, and Investment policies. 160-165

FINANCIAL TRENDS

Tables 1-11 contain trend information to help the reader understand how the City's financial performance and well-being have changed over the time. 166-178

REVENUE CAPACITY

Tables 12-19 contain information to help the reader assess the City's most significant local revenue sources, property taxes. 179-186

DEBT CAPACITY

Tables 20-25 present information to help the reader assess the affordability of the City's current levels of outstanding debt and the City's ability to issue additional debt in the future. 187-192

DEMOGRAPHIC AND ECONOMIC INDICATORS

Tables 26-27 offer demographic and economic indicators to help the reader understand the environment within which the City's financial activities take place. 193-194

OPERATING INFORMATION

Tables 28-31 contain service and infrastructure data to help the reader understand how the information in the City's financial report relates to the services it provides and the activities it performs. 195-198

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

CITY OF LYNCHBURG, VIRGINIA
MISCELLANEOUS STATISTICAL DATA
June 30, 2024

DATE OF INCORPORATION

Lynchburg was founded by John Lynch in 1757, established as a town in October 1786, incorporated as a town on January 10, 1805 and received independent city status in 1852.

AREA OF CITY

The area of the City consists of 50.107 square miles.

POPULATION

United States Census 2017 (1)	80,380
United States Census 2018 (1)	81,339
United States Census 2019 (1)	80,783
United States Census 2020 (1)	81,266
United States Census 2021 (1)	80,054
United States Census 2022 (1)	80,127
United States Census 2023 (1)	80,736

(1) Source: Weldon Cooper Center for Public Service,
www.coopercenter.org

FORM OF GOVERNMENT

Lynchburg is organized under the Council – Manager form of government. The City Council, comprised of seven members, is elected on either an at-large (3 members) or ward (4 members) representative basis for four-year staggered terms of office. From among the elected City Council members, they choose on or near July 1 of each election year by simple majority vote a Mayor, who serves a two-year term.

Appointed by the City Council, the City Manager serves as the chief administrative officer of the municipal corporation. The City Manager performs the City’s administrative and policy-related duties, directs business procedures and has the power of appointment and removal of the heads of all administrative departments as well as other employees of the City. The City Manager’s primary focus is on helping Council set priorities, interpreting City Council’s actions to the appropriate department, outside organizations and citizens, and providing professional leadership in executing the adopted policies of City Council.

SEGREGATION OF TAXABLE SUBJECTS FOR LOCAL TAXATION ONLY

By an Act of the General Assembly of Virginia, approved March 31, 1926, all real estate, tangible personal property, and machinery used for manufacturing purposes, were segregated to the City, and these subjects are not liable to any general tax except the City tax.

ASSESSMENTS

The City Assessor of real property appraises the market value of real estate on a biannual assessment cycle. The entire City is reviewed every other year (with values effective the first day of July of the odd years) and adjustments are made where necessary based upon market evidence indicating a change in the value.

The Commissioner of Revenue is required by law to assess vehicles and motorcycles by means of a recognized pricing guide. For most other personal property, the assessed value is based on a percentage of original cost.

CITY OF LYNCHBURG, VIRGINIA
MISCELLANEOUS STATISTICAL DATA
June 30, 2024

TAX RATES

The Commissioner of Revenue, as required by the *Code of Virginia*, assesses tangible personal property and machinery and tools. The City prorates personal property on a monthly basis.

Real Property:

- \$0.89 per \$100 assessed value: 2024
- \$1.11 per \$100 assessed value: 2013-2023
- \$1.05 per \$100 assessed value: 2008-2012
- \$1.11 per \$100 assessed value: 1998-2007
- \$1.13 per \$100 assessed value: 1997
- \$1.16 per \$100 assessed value: 1995-1996
- \$1.18 per \$100 assessed value: 1990-1994

Tangible Personal Property:

- \$3.80 per \$100 assessed value: 2005-2024
- \$3.30 per \$100 assessed value: 1990-2004

Machinery and Tools:

- \$3.00 per \$100 assessed value: 1990-2024

Local Sales Tax:

- 1% + 4.3% VA tax: 2014-2024
- 1% + 4.0% VA tax: 2005-2013
- 1% + 3.5% VA tax: 1998-2004

Utility Consumers' Tax:

- Electricity:
 - Residential – the greater of: \$0.0046 for the first 1,000 kwh (or a fraction thereof) plus \$0.0026 for each kwh over the first 1,000 kwh, or 7% of the minimum monthly charge.
 - Commercial – the greater of: \$0.0048 for the first 1,000 kwh (or a fraction thereof) plus \$0.0092 for each kwh over the first 1,000 kwh, or 7% of the minimum monthly charge.
 - Industrial – the greater of: \$0.00375 for the first 1,000 kwh (or a fraction thereof) plus \$0.0026 for each kwh over the first 1,000 kwh, or 7% of the minimum monthly charge.

Business, Professional, and Occupational License:

- Effective January 1, 2024 the City of Lynchburg will no longer issue a Business License for any business with gross receipts/purchases of \$150,000 or less.
- If gross receipts/purchases are greater than \$150,000 the following schedule is utilized:
 - Retail merchants – \$0.19 per \$100 of gross receipts
 - Contractors – \$0.15 per \$100 of gross receipts
 - Business/personal service – \$0.34 per \$100 of gross receipts
 - Professional service – \$0.55 per \$100 of gross receipts
 - Wholesale merchants – \$20.00 plus \$0.26 per \$100 of gross purchases

(Continued)

CITY OF LYNCHBURG, VIRGINIA
MISCELLANEOUS STATISTICAL DATA
June 30, 2024

TAX RATES
(Continued)

Motor Vehicle License:

- \$29.50 for vehicles weighing 4,000 pounds or less: 2005-2024
- \$34.50 for vehicles weighing greater than 4,000 pounds: 2005-2024
- \$25.00 for all types of vehicles: 1990-2004

Tobacco Tax:

- \$0.35 on pack of twenty cigarettes: 2004-2024
- \$0.15 on pack of twenty cigarettes: 1990-2003

Lodging Tax:

- A tax of 6.5% of the charge made for each room rented per night. In FY 2018, Lynchburg changed the lodging tax from 5.5% to 6.5% plus \$1 per room per night.

Meals Tax:

- A tax of 6.5% on prepared meals sold in the City in addition to Sales Tax. In FY 2005, Lynchburg changed the meals tax from 6.0% to 6.5%.

Ambulance Services:

- Basic Life Services
 - Non-emergency transport fee - \$350
 - Emergency transport fee - \$500
- Advanced Life Support
 - Non-emergency transport fee - \$425
 - Emergency transport fee - \$600
 - Emergency transport fee if three or more different medications combined with at least one Advanced Life Support procedure are administered- \$850
- A fee of \$12/mile is charged for each mile that the patient is transported
- A fee of \$100 is charged when the patient is evaluated and treated by emergency medical services personnel when no transport occurs.

TAXES DUE

Real estate taxes are levied as of the first day of July each year. Supplemental real estate taxes are levied throughout the year to reflect construction in progress during the fiscal year. Real estate taxes are payable in four quarterly installments on November 15, January 15, March 15, and May 15. If paid thereafter, a 10% penalty and interest at the rate of 10% per annum is added.

Personal property taxes are payable in two equal installments on June 5 and December 5. Supplemental billings for personal property acquisitions are due March 5 and September 5.

DELINQUENT TAXES

Real estate and personal property taxes are reported delinquent the day after the due date. Therefore, the day after each installment due date, if the taxes are unpaid, they are considered delinquent.

CITY OF LYNCHBURG, VIRGINIA
MISCELLANEOUS STATISTICAL DATA
June 30, 2024

OVERLAPPING AREAS AND DEBT

The City of Lynchburg is autonomous and entirely independent of any county or any other political subdivision of the state, being a separate and distinct political unit since 1852.

It is not coterminous with, nor subject to any county or school district taxation, and is not liable for any indebtedness other than its own. It has the power to levy taxes on all real and tangible personal property without limitation of rate or amount.

FUND BALANCE POLICY

The City council adopted a resolution in 1999 that was reaffirmed in 2010, revised in 2011, revised in 2013, revised in 2016, revised in 2019, and reaffirmed in 2023 which established major policy goal of maintaining the Unassigned General Fund Balance at a level to provide the City with sufficient working capital and a comfortable margin of safety to address emergencies and unexpected declines in revenue without borrowing. The Fund Balance Policy for the General Fund states:

- The City shall not use the Unassigned General Fund Balance to finance recurring operating expenditures.
- The City will maintain an Unassigned General Fund Balance (UGFB) equal to a minimum of 10% of General Fund revenues with a goal of 15% as the City strives to grow incrementally each year subject to revenues available. In the event the UGFB is used to provide for temporary funding of unforeseen emergency needs, the City shall restore the Unassigned General Fund Balance to the previous level within three years.
- The City will balance moving towards the 15% targeted fund balance with its annual “Pay as you go” capital improvement requirements.

Enterprise Funds:

- **Water Fund:** Minimum ending fund balance shall not be less than 25% of total fund appropriations with a target balance of 40% of total fund appropriations. In the event the ending fund balance falls below the minimum of 25% of total fund appropriations, the City shall restore the fund balance to the minimum of 25% within three years.
- **Sewer Fund:** In accordance with the Virginia Department of Environmental Quality Special Order, the City shall annually adjust sewer system reserve funds to no more than 40% of the subsequent fiscal years’ budgeted operating expenses and debt service. Minimum ending fund balance shall not be less than 25% of total fund appropriations. In the event the ending fund balance falls below the minimum of 25% of total fund appropriations, the City shall restore the fund balance to the minimum of 25% within three years.
- **Stormwater Fund:** Minimum ending fund balance shall not be less than 15% of total fund appropriations with a target balance of 20% of total fund appropriations. In the event the ending fund balance falls below the minimum of 15% of total fund appropriations, the City shall restore the fund balance to the minimum of 15% within three years.

CITY OF LYNCHBURG, VIRGINIA
MISCELLANEOUS STATISTICAL DATA
June 30, 2024

DEBT MANAGEMENT POLICY

The City council adopted a resolution on August 10, 1999, which was reaffirmed in 2004, revised in 2010, revised in 2013, revised in 2016, revised in 2019 and reaffirmed in 2023, establishing guidelines for the planning, issuance and management of debt, for and on behalf of City of Lynchburg. The City will issue debt for the purpose of acquiring or constructing capital projects and for making major renovations to existing capital projects. The City shall comply with all its undertakings in accordance with Securities and Exchange Commission Rule 15c2-12 and will follow the Government Finance Officers' Association and Securities and Exchange Commission requirements for continuing disclosure. Two types of debt obligations are used by the City:

- Tax supported obligations are those that are expected to be repaid from the General Fund tax revenue of the City of Lynchburg. These include general obligation bonds (except self-supporting bonds) and capital leases. General obligation bonds issued for self-supporting enterprise funds are not included in calculations of tax-supported bonds.
- Revenue-supported obligations are those for which the debt service is payable solely from the revenue generated from the operation of the project being financed or a category of facilities (i.e. water and sewer). These are not considered tax-supported debt of the City.

The City may use the Virginia Public School Authority (VPSA) or State Literary Fund loans to finance school capital projects. City bonds sold to the VPSA and Literary Fund loans constitute general obligation debt of the City. City Council shall approve any application to the VPSA or the Department of Education for a Literary Fund loan. City Council shall approve the issuance of the bonds as required by the Public Finance Act. The School Board shall recommend such financings before a proposed financing is brought to City Council for approval.

BUDGET POLICY

The City council adopted a resolution November 14, 2000 which was revised in 2008, reaffirmed in 2010, revised in 2013, revised in 2016, and reaffirmed in 2019 and 2023.

Principles

- Public participation in the budgetary process will be encouraged.
- The City will avoid dedicating revenue to a specific project or program because of the constraint this may place on flexibility in resource allocation except in instances where programs are expected to be self-sufficient or where revenue is dedicated to a program for statutory or policy reasons.
- The budget process will be coordinated in a way that major policy issues are identified for City Council several months prior to consideration of budget approval. This will allow adequate time for appropriate decisions and analysis of financial impacts.

QUARTERLY FINANCIAL REPORTING

The City Manager will present to the City Council's Finance Committee (with copies to the remainder of Council) quarterly financial reports identifying meaningful trends in revenues and expenditures for the General, Water, Sewer, Stormwater, Airport, Children's Services Act, Juvenile Detention, and Greater Lynchburg Transit Company Funds.

Third Quarter Review

In March, Budget staff will evaluate all expenditures and revenues as compared to budget and make recommendations to City Council regarding possible budget adjustments. Section 15.2-2507 of the *Code of Virginia* requires that a public hearing be held prior to City Council action when a proposed amendment of the budget exceeds one percent of the total expenditures shown in the currently adopted budget.

CITY OF LYNCHBURG, VIRGINIA
MISCELLANEOUS STATISTICAL DATA
June 30, 2024

INVESTMENT POLICY

The City council adopted an investment policy on September 25, 2001, which was revised in 2008, reaffirmed in 2010, revised in 2013, reaffirmed in 2016 and 2019, and revised in 2023, establishing specific requirements or limitations imposed upon the investment of Bond Proceeds, Debt Service Funds and Debt Service Reserve Funds. It is the policy of the City of Lynchburg that the investment and administration of its funds be made in accordance with the Code of Virginia Investment of Public Funds Act, the applicable provisions of any outstanding bond indebtedness, and this policy. It is the intent of the City to be in complete compliance with all applicable federal, state and local laws, and other regulations and statutes governing the investment of public funds. Within those parameters, the goal of this policy is to achieve the highest rate of return that is reasonable. The City will establish an Investment Committee consisting of the City Manager, Deputy City Manager, and Director of Financial Services. This Committee will provide broad policy oversight over investments. This policy will be reviewed on an annual basis. Any changes must be approved by the Investment Committee and be reaffirmed by City Council.

**NET POSITION BY COMPONENT,
LAST TEN FISCAL YEARS**

(accrual basis of accounting)

	Fiscal Year									
	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Governmental activities										
Net investment in capital assets	\$ 192,860,159	\$ 210,809,815	\$ 215,193,933	\$ 233,197,296	\$ 236,283,981	\$ 235,958,968	\$ 241,380,873	\$ 240,095,381	\$ 252,787,740	\$ 273,368,917
Restricted	9,483,640	4,879,215	2,743,988	2,929,713	3,540,436	3,232,537	3,497,836	3,300,380	2,310,836	10,020,934
Unrestricted	(20,298,752)	(26,991,866)	(29,668,951)	(119,179,431)	(106,684,248)	(91,350,597)	(71,751,034)	(35,063,679)	15,423,616	17,313,919
Total governmental activities net position	<u>\$ 182,045,047</u>	<u>\$ 188,697,164</u>	<u>\$ 188,268,970</u>	<u>\$ 116,947,578</u>	<u>\$ 133,140,169</u>	<u>\$ 147,840,908</u>	<u>\$ 173,127,675</u>	<u>\$ 208,332,082</u>	<u>\$ 270,522,192</u>	<u>\$ 300,703,770</u>
Business-type activities										
Net investment in capital assets	\$ 205,192,151	\$ 209,526,622	\$ 218,449,553	\$ 224,892,828	\$ 235,078,795	\$ 250,754,162	\$ 250,988,554	\$ 258,965,814	\$ 263,568,578	\$ 277,718,929
Restricted	7,231	3,478	108,833	46,465	3,621	53,350	53,539	51,547	28,545	33,014
Unrestricted	10,828,849	16,266,676	16,867,521	7,589,878	12,507,989	12,477,023	22,052,865	26,356,473	36,049,246	33,567,183
Total business-type activities net position	<u>\$ 216,028,231</u>	<u>\$ 225,796,776</u>	<u>\$ 235,425,907</u>	<u>\$ 232,529,171</u>	<u>\$ 247,590,405</u>	<u>\$ 263,284,535</u>	<u>\$ 273,094,958</u>	<u>\$ 285,373,834</u>	<u>\$ 299,646,369</u>	<u>\$ 311,319,126</u>
Primary government										
Net investment in capital assets	\$ 398,052,310	\$ 420,336,437	\$ 433,643,486	\$ 458,090,124	\$ 471,362,776	\$ 486,713,130	\$ 492,369,427	\$ 499,061,195	\$ 516,356,318	\$ 551,087,846
Restricted	9,490,871	4,882,693	2,852,821	2,976,178	3,544,057	3,285,887	3,551,375	3,351,927	2,339,381	10,053,948
Unrestricted	(9,469,903)	(10,725,190)	(12,801,430)	(111,589,553)	(94,176,259)	(78,873,574)	(49,698,169)	(8,707,206)	51,472,862	50,881,102
Total primary government net position	<u>\$ 398,073,278</u>	<u>\$ 414,493,940</u>	<u>\$ 423,694,877</u>	<u>\$ 349,476,749</u>	<u>\$ 380,730,574</u>	<u>\$ 411,125,443</u>	<u>\$ 446,222,633</u>	<u>\$ 493,705,916</u>	<u>\$ 570,168,561</u>	<u>\$ 612,022,896</u>

Note 1: GASB Statement No. 68 was adopted in Fiscal Year 2015.

Note 2: GASB Statement No. 75 was adopted in Fiscal Year 2018.

**CHANGES IN NET POSITION,
LAST TEN FISCAL YEARS**
(accrual basis of accounting)

	Fiscal Year									
	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Expenses										
Governmental Activities:										
General Government	\$ 13,675,189	\$ 14,564,945	\$ 15,669,122	\$ 15,034,844	\$ 13,734,751	\$ 14,379,320	\$ 16,049,250	\$ 14,375,451	\$ 16,333,475	\$ 15,623,936
Judicial	6,245,737	6,294,658	6,719,652	6,596,638	6,673,671	6,499,282	6,815,593	6,783,137	7,125,161	8,309,017
Public Safety	48,732,161	48,490,912	50,797,418	49,506,763	49,901,450	49,480,578	50,913,682	49,446,622	59,028,000	68,687,070
Public Works	24,846,090	26,656,472	28,964,652	28,254,520	29,588,360	29,026,793	27,411,647	28,546,799	31,199,359	31,886,711
Health and Human Services	27,317,037	28,802,640	29,306,224	28,447,078	28,193,609	30,842,359	31,485,493	29,917,851	32,786,726	36,925,707
Culture and Recreation	9,771,210	10,090,164	11,126,401	10,551,172	10,792,828	10,353,308	11,327,151	11,755,843	12,667,898	14,808,839
Community Development	6,742,294	7,764,713	6,216,395	6,423,270	6,618,561	6,420,082	9,107,983	6,553,744	7,398,674	7,474,318
Education	42,608,354	52,163,773	50,225,729	46,418,469	45,787,500	45,019,250	48,894,927	45,367,275	46,904,280	47,942,770
Interest Payments and Fiscal Charges	6,317,148	7,012,279	7,354,890	6,876,234	7,000,819	6,157,813	5,225,235	5,788,846	6,030,025	94,580
Issuance Costs	875,409	268,267	-	346,067	-	744,889	118,668	-	314,600	570,853
Total governmental activities expenses	187,130,629	202,108,823	206,380,483	198,455,055	198,291,549	198,923,674	207,349,629	198,535,568	219,788,198	232,323,801
Business-type activities:										
Stormwater	1,988,044	2,250,406	2,303,672	2,796,349	3,114,545	3,335,424	3,287,239	3,746,417	3,835,023	4,114,184
Airport	4,572,562	4,590,497	4,793,694	4,734,183	5,019,188	5,134,437	5,322,098	5,604,299	5,478,548	6,004,562
Water	13,192,403	14,392,767	13,767,772	14,801,886	14,845,315	15,046,373	14,158,717	14,239,005	16,073,660	16,477,619
Sewer	18,408,180	19,032,652	19,382,060	19,689,327	20,301,884	21,004,040	22,199,335	24,398,177	26,871,087	27,951,606
Total business-type activities expenses	38,161,189	40,266,322	40,247,198	42,021,745	43,280,932	44,520,274	44,967,389	47,987,898	52,258,318	54,547,971
Total primary government expenses	\$ 225,291,818	\$ 242,375,145	\$ 246,627,681	\$ 240,476,800	\$ 241,572,481	\$ 243,443,948	\$ 252,317,018	\$ 246,523,466	\$ 272,046,516	\$ 286,871,772

(Continued)

CHANGES IN NET POSITION
LAST TEN FISCAL YEARS
(accrual basis of accounting)

	Fiscal Year									
	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Program Revenues (see Table 3)										
Governmental Activities:										
Charges for services:										
General government	\$ 505,564	\$ 521,930	\$ 529,426	\$ 533,921	\$ 675,679	\$ 586,554	\$ 582,252	\$ 828,663	\$ 851,443	\$ 870,587
Judicial	785,268	807,987	628,411	558,501	445,007	581,557	448,904	418,146	1,420,972	1,403,273
Public safety	6,419,638	6,566,743	5,881,973	6,432,759	6,526,492	6,249,834	6,597,181	6,613,570	8,066,769	8,564,368
Public works	1,304,063	1,310,028	1,540,998	1,291,023	1,334,424	1,826,242	2,048,826	2,912,898	3,073,903	1,065,528
Health and human services	2,452,554	2,817,336	2,837,112	3,174,813	2,967,498	2,785,781	2,853,616	2,970,167	3,436,132	4,367,759
Cultural and Recreational	776,379	860,612	955,311	905,158	927,578	770,955	647,351	988,256	1,032,872	1,005,368
Community development	1,172,941	1,352,602	1,120,860	1,249,908	1,913,803	1,355,950	1,238,625	1,599,327	1,703,563	1,734,572
Education	-	-	-	-	-	-	-	9,513	-	-
Operating Grants and Contributions	42,055,609	43,418,231	44,712,908	44,119,995	44,733,375	46,966,908	61,690,682	49,640,088	53,409,922	56,743,640
Capital Grants and Contributions	1,516,624	12,039,460	6,501,142	18,953,042	8,265,018	4,217,888	4,218,171	2,242,135	6,095,825	8,477,218
Total governmental activities program services	56,988,640	69,694,929	64,708,141	77,219,120	67,788,874	65,341,669	80,325,608	68,222,763	79,091,401	84,232,313
Business-type activities:										
Charges for services:										
Stormwater	3,268,776	3,209,504	3,208,044	3,212,572	3,227,746	3,265,521	3,197,089	3,495,968	3,587,623	3,867,235
Airport	2,254,531	2,446,873	2,522,138	2,470,025	2,775,975	2,533,763	2,114,485	2,635,988	2,955,151	3,247,790
Water	14,703,923	14,811,555	15,177,716	15,362,052	15,127,793	15,564,799	15,725,568	16,130,624	16,693,515	17,586,124
Sewer	20,216,758	21,264,506	22,640,530	22,635,664	23,723,563	23,231,507	24,695,077	25,879,520	28,268,219	31,133,713
Operating Grants and Contributions	417,601	409,592	394,959	395,048	397,320	1,119,787	2,843,139	2,876,820	2,891,383	1,942,143
Capital Grants and Contributions	6,601,428	7,416,609	5,326,856	5,871,418	11,794,517	12,863,845	5,797,854	8,959,209	2,623,088	5,390,622
Total business-type activities program revenues	47,463,017	49,558,639	49,270,243	49,946,779	57,046,914	58,579,222	54,373,212	59,978,129	57,018,979	63,167,627
Total primary government program revenues	\$ 104,451,657	\$ 119,253,568	\$ 113,978,384	\$ 127,165,899	\$ 124,835,788	\$ 123,920,891	\$ 134,698,820	\$ 128,200,892	\$ 136,110,380	\$ 147,399,940
Net (Expense) Revenue										
Governmental Activities	\$ (130,141,989)	\$ (132,413,894)	\$ (141,672,342)	\$ (121,235,935)	\$ (130,502,675)	\$ (133,582,005)	\$ (127,024,021)	\$ (130,312,805)	\$ (140,696,797)	\$ (148,091,488)
Business-type Activities	9,301,828	9,292,317	9,023,045	7,925,034	13,765,982	14,058,948	9,405,823	11,990,231	4,760,661	8,619,656
Total Primary Government Net Expenses	\$ (120,840,161)	\$ (123,121,577)	\$ (132,649,297)	\$ (113,310,901)	\$ (116,736,693)	\$ (119,523,057)	\$ (117,618,198)	\$ (118,322,574)	\$ (135,936,136)	\$ (139,471,832)

(Continued)

CHANGES IN NET POSITION
LAST TEN FISCAL YEARS

(accrual basis of accounting)

	Fiscal Year									
	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
General Revenues and Other Changes in Net Position										
Governmental Activities:										
Taxes										
Property taxes	\$ 75,714,767	\$ 77,654,736	\$ 78,396,772	\$ 79,798,396	\$ 81,396,201	\$ 85,485,322	\$ 87,068,948	\$ 93,778,345	\$ 96,269,352	\$ 95,704,628
Local sales and use taxes	15,006,326	14,995,131	15,351,347	15,282,741	15,913,730	16,478,533	18,586,355	20,685,254	21,956,963	21,856,033
Meals taxes	13,756,602	14,188,513	14,881,552	14,097,828	14,958,842	13,540,536	15,114,569	17,916,644	19,550,773	20,105,919
Consumer utility taxes	4,575,492	4,660,389	4,569,906	4,768,971	4,673,911	4,527,250	4,581,154	4,733,521	4,452,989	4,287,295
Business license taxes	8,219,996	8,826,486	9,377,091	8,736,403	9,503,954	9,685,320	9,522,473	10,270,020	11,079,681	11,568,350
Communications sales and use taxes	3,382,915	3,282,767	3,202,076	3,101,975	2,877,715	2,812,099	2,497,779	2,424,362	2,354,000	2,212,151
Other taxes	6,785,275	6,862,577	7,137,128	7,397,005	7,745,217	6,672,235	6,897,558	8,387,255	8,529,742	6,896,111
Unrestricted intergovernmental	6,223,664	6,291,034	6,292,632	6,330,816	6,415,005	6,330,695	6,535,819	6,445,454	39,758,359	6,474,228
Interest	312,688	477,313	504,776	889,609	1,642,727	1,375,991	155,574	(412,442)	4,687,941	8,212,404
IRS interest subsidy - Build America bonds	272,388	272,975	273,563	273,856	274,884	137,736	-	-	-	-
Miscellaneous	2,141,167	1,374,166	1,164,928	1,060,093	733,225	1,028,422	859,247	960,543	1,521,111	613,007
Transfers	(60,658)	-	-	(135,751)	154,228	-	-	(24,000)	(7,500,000)	-
Gain (Loss) on sale of assets	324,443	179,924	92,377	588,918	405,627	208,605	491,312	352,256	225,996	342,940
Total governmental activities	136,655,065	139,066,011	141,244,148	142,190,860	146,695,266	148,282,744	152,310,788	165,517,212	202,886,907	178,273,066
Business-type activities:										
Interest	96,910	136,484	231,789	546,939	1,064,934	916,795	179,790	70,680	1,857,112	2,898,633
IRS interest subsidy - Build America Bonds	275,978	276,573	277,168	277,466	278,508	139,551	-	-	-	-
Miscellaneous	22,966	56,305	90,785	93,369	90,949	500,294	210,838	182,058	132,794	102,650
Transfers	60,658	-	-	135,751	(154,228)	-	-	24,000	7,500,000	-
Gain (loss) on sale of assets	9,825	6,866	6,344	47,162	15,089	78,542	13,972	11,907	21,968	51,818
Total business-type activities	466,337	476,228	606,086	1,100,687	1,295,252	1,635,182	404,600	288,645	9,511,874	3,053,101
Total primary government	\$ 137,121,402	\$ 139,542,239	\$ 141,850,234	\$ 143,291,547	\$ 147,990,518	\$ 149,917,926	\$ 152,715,388	\$ 165,805,857	\$ 212,398,781	\$ 181,326,167
Changes in Net Position										
Governmental activities	\$ 6,513,076	\$ 6,652,117	\$ (428,194)	\$ 20,954,925	\$ 16,192,591	\$ 14,700,739	\$ 25,286,767	\$ 35,204,407	\$ 62,190,110	\$ 30,181,578
Business-type activities	9,768,165	9,768,545	9,629,131	9,025,721	15,061,234	15,694,130	9,810,423	12,278,876	14,272,535	11,672,757
Total primary government	\$ 16,281,241	\$ 16,420,662	\$ 9,200,937	\$ 29,980,646	\$ 31,253,825	\$ 30,394,869	\$ 35,097,190	\$ 47,483,283	\$ 76,462,645	\$ 41,854,335

**PROGRAM REVENUES BY FUNCTION/PROGRAM,
LAST TEN FISCAL YEARS**
(accrual basis of accounting)

	Fiscal Year									
	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Function/Program										
Governmental Activities:										
General government	\$ 822,568	\$ 6,315,850	\$ 852,147	\$ 14,731,586	\$ 1,296,467	\$ 990,778	\$ 2,281,911	\$ 1,488,144	\$ 1,301,317	\$ 1,429,065
Judicial	4,556,364	4,613,026	4,528,778	4,494,336	4,366,657	4,486,505	4,442,397	4,719,983	6,026,174	6,373,915
Public safety	12,043,156	12,167,299	12,562,382	12,682,717	13,101,997	13,328,228	18,895,845	13,532,229	15,036,459	16,353,422
Public works	13,462,198	18,900,766	19,394,584	17,786,121	20,888,553	17,410,171	18,586,893	17,037,159	20,506,810	21,073,622
Health and human services	22,626,330	23,708,853	24,089,638	24,012,556	23,752,553	24,828,227	25,788,088	26,464,286	28,260,751	30,761,788
Cultural and recreational	1,010,645	1,153,738	1,201,444	1,177,805	1,193,224	1,894,496	1,941,303	1,398,721	1,344,686	1,367,000
Community development	2,467,379	2,755,042	1,943,831	2,213,229	2,864,423	2,403,264	6,381,727	3,167,257	3,649,829	2,585,957
Education	-	80,355	135,337	120,770	325,000	-	2,007,444	414,984	2,965,375	4,287,544
Subtotal governmental activities	56,988,640	69,694,929	64,708,141	77,219,120	67,788,874	65,341,669	80,325,608	68,222,763	79,091,401	84,232,313
Business-type activities:										
Stormwater	3,543,776	3,484,504	3,572,102	4,042,606	3,502,746	4,096,871	3,903,728	3,861,250	3,891,437	4,142,235
Airport	5,786,312	5,163,799	5,786,943	4,913,857	5,312,847	6,696,743	9,045,487	12,151,471	7,946,535	8,452,311
Water	14,708,923	15,174,472	15,387,716	15,362,052	15,397,448	15,568,073	15,725,568	16,130,624	16,693,515	18,554,394
Sewer	23,424,006	25,735,864	24,523,482	25,628,264	32,833,873	32,217,535	25,698,429	27,834,784	28,487,492	32,018,687
Subtotal business-type activities	47,463,017	49,558,639	49,270,243	49,946,779	57,046,914	58,579,222	54,373,212	59,978,129	57,018,979	63,167,627
Total primary government	\$ 104,451,657	\$ 119,253,568	\$ 113,978,384	\$ 127,165,899	\$ 124,835,788	\$ 123,920,891	\$ 134,698,820	\$ 128,200,892	\$ 136,110,380	\$ 147,399,940

**FUND BALANCES, GOVERNMENTAL FUNDS,
LAST TEN FISCAL YEARS**

(modified accrual basis of accounting)

	Fiscal Year									
	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
General Fund										
Restricted	\$ -	\$ -	\$ -	\$ 14,401,700	\$ 14,093,629	\$ -	\$ -	\$ -	\$ -	\$ -
Committed	14,803,075	12,139,666	13,970,703	12,739,188	15,920,227	16,944,527	14,606,255	14,477,110	15,738,181	13,491,924
Assigned	6,118,051	5,232,752	3,838,602	8,071,697	9,083,748	10,054,580	9,693,184	9,576,402	12,516,535	21,113,223
Unassigned	32,089,924	25,589,098	27,147,729	29,197,526	29,364,685	34,579,844	49,771,343	66,394,917	68,092,249	40,362,724
Total General Fund	<u>\$ 53,011,050</u>	<u>\$ 42,961,516</u>	<u>\$ 44,957,034</u>	<u>\$ 64,410,111</u>	<u>\$ 68,462,289</u>	<u>\$ 61,578,951</u>	<u>\$ 74,070,782</u>	<u>\$ 90,448,429</u>	<u>\$ 96,346,965</u>	<u>\$ 74,967,871</u>
All Other Governmental Funds										
Nonspendable	\$ 350,000	\$ 300,000	\$ 250,000	\$ 200,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Restricted	9,483,641	4,879,215	2,743,988	2,929,713	3,540,436	3,232,537	3,497,836	3,300,380	2,310,836	10,020,934
Committed	68,602,388	52,840,854	33,170,926	21,141,975	17,551,255	44,853,501	35,302,180	26,581,307	79,045,260	57,203,563
Assigned	100,012	100,012	100,012	100,012	122,328	-	-	-	234	234
Unassigned	(50,067)	-	-	-	-	-	-	-	-	-
Total All Other Governmental Funds	<u>\$ 78,485,974</u>	<u>\$ 58,120,081</u>	<u>\$ 36,264,926</u>	<u>\$ 24,371,700</u>	<u>\$ 21,214,019</u>	<u>\$ 48,086,038</u>	<u>\$ 38,800,016</u>	<u>\$ 29,881,687</u>	<u>\$ 81,356,330</u>	<u>\$ 67,224,731</u>

CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS
(modified accrual basis of accounting)

	Fiscal Year									
	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Revenues										
Taxes	\$127,770,651	\$130,022,195	\$132,895,836	\$134,835,168	\$137,222,286	\$139,065,653	\$144,180,960	\$157,712,379	\$164,305,615	\$162,175,603
Regulatory licenses, permits and privilege fees	1,000,222	1,108,694	1,071,926	1,101,285	1,106,893	1,162,650	980,572	1,266,228	1,386,510	1,429,983
Intergovernmental	49,874,673	55,070,162	55,784,306	55,565,967	57,603,524	57,356,173	71,914,607	57,937,519	99,049,715	71,341,823
Fines and forfeitures	637,417	570,242	505,829	406,905	363,010	323,366	319,307	263,529	301,250	376,208
Revenue from use of money and property	820,000	1,051,355	1,243,844	1,496,011	2,296,990	2,003,967	838,458	291,796	5,101,989	8,374,311
Charges for services	14,365,457	14,484,302	13,397,141	14,716,870	15,500,824	14,934,876	15,501,347	17,231,881	19,254,592	19,123,716
Miscellaneous	2,807,317	3,033,445	3,317,877	1,808,108	3,636,735	1,300,132	1,323,168	1,316,965	1,965,807	1,380,178
Total revenues	<u>197,275,737</u>	<u>205,340,395</u>	<u>208,216,759</u>	<u>209,930,314</u>	<u>217,730,262</u>	<u>216,146,817</u>	<u>235,058,419</u>	<u>236,020,297</u>	<u>291,365,478</u>	<u>264,201,822</u>
Expenditures										
General government	16,152,572	16,255,049	16,987,863	17,359,357	16,547,404	17,235,539	18,747,740	18,121,052	20,360,967	19,691,265
Judicial	5,717,080	5,654,176	6,042,746	6,201,171	6,326,561	6,295,896	6,491,200	6,922,706	7,269,495	8,274,198
Public Safety	48,818,343	48,233,548	49,659,468	50,284,130	51,881,221	51,550,558	52,351,968	54,518,372	63,787,826	73,254,795
Public Works	18,097,502	19,790,108	20,593,526	20,211,943	21,227,308	20,678,139	18,739,719	20,944,237	23,881,442	24,135,587
Health and human services	27,443,758	28,554,889	28,892,687	28,900,411	28,731,703	31,511,665	31,869,858	32,012,799	35,097,151	38,907,445
Cultural and recreational	8,821,557	8,928,603	9,623,473	8,910,592	9,428,732	9,079,179	9,830,865	10,636,191	11,493,956	13,562,113
Community development	6,681,436	7,623,841	5,995,399	6,385,505	6,578,169	6,413,185	9,040,985	6,885,262	7,735,839	7,717,863
Education	37,562,551	42,897,772	43,216,739	39,017,813	38,318,576	37,423,267	42,161,777	39,140,844	40,972,185	41,757,835
Capital Outlay										
Capital general government (1)	53,408,143	56,618,269	29,017,350	19,728,578	21,053,810	21,721,700	26,541,658	25,332,880	32,961,878	56,419,613
Debt Services										
Principal Retirement	10,296,872	10,134,827	10,972,265	10,678,219	11,719,848	17,285,515	11,258,024	11,285,733	19,510,421	12,243,729
Interest payments and other fiscal charges	7,435,810	7,306,428	7,324,880	7,407,067	7,390,213	6,517,496	6,660,521	6,471,676	6,131,640	5,794,432
Issuance costs	875,409	268,267	-	346,067	-	744,889	118,668	-	314,600	570,853
Total expenditures	<u>241,311,033</u>	<u>252,265,777</u>	<u>228,326,396</u>	<u>215,430,853</u>	<u>219,203,545</u>	<u>226,457,028</u>	<u>233,812,983</u>	<u>232,271,752</u>	<u>269,517,400</u>	<u>302,329,728</u>
Excess (deficiency) of revenues over expenditures	<u>(44,035,296)</u>	<u>(46,925,382)</u>	<u>(20,109,637)</u>	<u>(5,500,539)</u>	<u>(1,473,283)</u>	<u>(10,310,211)</u>	<u>1,245,436</u>	<u>3,748,545</u>	<u>21,848,078</u>	<u>(38,127,906)</u>
Other financing sources (uses)										
Proceeds from debt issues	83,225,000	15,680,000	-	182,562	2,274,450	40,931,365	2,330,131	1,553,482	42,313,228	7,952,880
Premium on debt proceeds	7,792,446	1,505,630	-	-	-	3,691,148	-	-	3,591,482	-
Issuance of refunding bonds	23,292,975	7,243,402	-	15,221,555	-	-	9,196,740	-	-	57,787,236
Premium on refunding debt issuance	-	909,464	-	1,700,762	-	-	2,018,070	-	-	5,620,150
Payments to escrow agent	(23,114,836)	(8,065,760)	-	(2,160,352)	-	(13,850,000)	(9,358,669)	-	-	(62,991,738)
Refunded bond principal payments	-	-	-	-	-	-	(1,733,158)	-	-	-
Lease financing	-	-	-	-	-	-	-	2,801,592	104,333	180,834
Transfers in	11,606,390	15,442,682	6,456,092	4,746,481	7,642,818	7,345,416	7,465,685	9,806,494	37,660,172	21,854,730
Transfers out	(11,702,990)	(16,205,463)	(6,206,092)	(6,630,618)	(7,549,488)	(7,819,037)	(7,958,426)	(10,450,795)	(48,144,114)	(27,786,879)
Total other financing sources (uses)	<u>91,098,985</u>	<u>16,509,955</u>	<u>250,000</u>	<u>13,060,390</u>	<u>2,367,780</u>	<u>30,298,892</u>	<u>1,960,373</u>	<u>3,710,773</u>	<u>35,525,101</u>	<u>2,617,213</u>
Net change in fund balances	<u>\$ 47,063,689</u>	<u>\$ (30,415,427)</u>	<u>\$ (19,859,637)</u>	<u>\$ 7,559,851</u>	<u>\$ 894,497</u>	<u>\$ 19,988,681</u>	<u>\$ 3,205,809</u>	<u>\$ 7,459,318</u>	<u>\$ 57,373,179</u>	<u>\$ (35,510,693)</u>
Debt Service as a percentage of noncapital expenditures (2)	9.44%	8.91%	9.18%	9.24%	9.64%	11.63%	8.64%	8.58%	10.84%	7.34%

(1) Beginning with restating FY 2006, and going forward, capital outlay was adjusted to reflect all capital expenditures. The functional categories of current expenditures were adjusted to reflect the reduction for capital expenditures already reported.

(2) The Debt Service ratio has been updated to only include the principal and interest components of debt service expenditures in the ratio.

COMPARATIVE STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
GENERAL FUND
LAST TEN FISCAL YEARS

	Fiscal Year									
	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Revenues:										
Taxes	\$ 127,770,651	\$ 130,022,195	\$ 132,895,836	\$ 134,835,168	\$ 137,222,286	\$ 139,065,653	\$ 144,180,960	\$ 157,712,379	\$ 164,305,615	\$ 162,175,603
Regulatory licenses, permits, and privilege fees	1,000,222	1,108,694	1,071,926	1,101,285	1,106,893	1,162,650	980,572	1,266,228	1,386,510	1,429,983
Intergovernmental	34,604,123	36,644,986	37,432,488	36,917,105	37,433,967	38,090,501	38,592,078	39,843,467	74,208,652	41,812,327
Fines & forfeitures	637,417	570,242	505,829	406,905	363,010	323,366	319,307	263,529	301,250	376,208
Revenues from use of money & property	697,756	916,257	1,125,893	1,434,901	2,213,643	1,908,132	753,752	242,292	4,414,051	7,336,019
Charges for services	10,750,591	10,356,244	9,938,717	10,743,235	10,970,514	11,168,427	11,334,318	13,025,106	14,462,495	12,949,673
Miscellaneous	1,154,870	1,234,853	1,050,756	1,380,263	781,049	1,052,246	821,512	835,869	1,177,840	631,740
Total revenues	176,615,630	180,853,471	184,021,445	186,818,862	190,091,362	192,770,975	196,982,499	213,188,870	260,256,413	226,711,553
Expenditures:										
Current operating expenditures:										
General government	16,298,894	16,490,338	17,106,909	17,389,996	16,893,676	17,521,050	17,925,675	17,896,501	20,969,644	19,782,932
Judicial	4,696,403	4,788,676	4,832,773	5,032,655	5,088,929	5,176,741	5,255,436	5,516,524	5,754,828	6,595,336
Public safety	44,421,121	44,391,282	45,274,306	46,414,215	47,769,024	47,642,493	42,690,099	50,078,262	59,250,368	67,701,519
Public works	14,600,543	16,009,423	16,364,853	15,920,299	17,926,578	16,707,843	17,156,557	17,428,616	21,119,869	21,528,506
Health and human services	19,825,954	21,018,515	21,401,062	21,441,064	21,133,854	22,938,513	22,746,911	23,106,733	24,632,938	26,833,708
Cultural & recreational	8,558,412	8,394,652	9,034,143	8,825,071	9,320,532	8,906,758	8,926,841	9,925,705	11,321,205	12,241,117
Community development	4,819,261	4,590,547	3,804,380	4,817,967	5,041,335	4,905,846	3,462,940	4,867,147	5,220,220	6,392,162
Education	36,389,604	42,691,567	42,943,004	38,894,037	38,257,161	37,411,557	40,002,658	39,128,643	40,787,588	41,195,985
Capital outlay:										
Capital general government	-	-	-	649,712	37,309	12,102	810,907	3,597,518	139,091	185,502
Debt service:										
Principal retirements	9,959,146	9,837,962	10,683,800	10,416,914	10,649,783	17,254,960	11,250,149	11,276,319	19,500,638	12,234,921
Interest payments and other fiscal charges	7,276,813	7,281,382	7,294,605	7,380,164	7,321,643	6,514,725	6,658,383	6,468,169	6,128,493	5,791,659
Issuance costs	443,933	171,746	-	346,067	-	374,779	118,505	-	230,542	570,853
Total expenditures	167,290,084	175,666,090	178,739,835	177,528,161	179,439,824	185,367,367	177,005,061	189,290,137	215,055,424	221,054,200
Excess of revenues over expenditures	9,325,546	5,187,381	5,281,610	9,290,701	10,651,538	7,403,608	19,977,438	23,898,733	45,200,989	5,657,353
Other financing sources (uses):										
Issuance of bonds	412,470	83,298	-	103,342	-	6,138,453	-	-	7,925,739	153,950
Premium on debt proceeds	-	-	-	1,700,762	-	593,822	-	-	726,179	-
Issuance of refunding bonds	22,823,100	8,152,866	-	15,221,555	-	-	9,124,115	-	-	57,787,236
Premium on refunding debt issuance	-	-	-	-	-	-	2,002,105	-	-	5,620,150
Refunded bond principal payments	-	-	-	-	-	-	(1,644,732)	-	-	-
Payments to escrow agent	(22,647,772)	(8,065,760)	-	(2,160,352)	-	(13,850,000)	(9,358,669)	-	-	(62,991,738)
Lease financing	-	-	-	-	-	-	-	2,794,413	104,333	180,834
Transfers in	325,036	366,572	1,585,000	252,397	643,814	274,908	175,000	65,000	25,000	-
Transfers out	(11,373,362)	(15,773,891)	(4,871,092)	(4,955,328)	(7,243,174)	(7,444,129)	(7,783,426)	(10,380,499)	(48,083,704)	(27,786,879)
Total other financing sources (uses)	(10,460,528)	(15,236,915)	(3,286,092)	10,162,376	(6,599,360)	(14,286,946)	(7,485,607)	(7,521,086)	(39,302,453)	(27,036,447)
Net changes in fund balances	(1,134,982)	(10,049,534)	1,995,518	19,453,077	4,052,178	(6,883,338)	12,491,831	16,377,647	5,898,536	(21,379,094)
Fund balance - beginning, as restated	54,146,032	53,011,050	42,961,516	44,957,034	64,410,111	68,462,289	61,578,951	74,070,782	90,448,429	96,346,965
Fund balance - ending	\$ 53,011,050	\$ 42,961,516	\$ 44,957,034	\$ 64,410,111	\$ 68,462,289	\$ 61,578,951	\$ 74,070,782	\$ 90,448,429	\$ 96,346,965	\$ 74,967,871

COMPARATIVE STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
SCHOOL FUND
LAST TEN FISCAL YEARS

	Fiscal Year									
	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Revenues:										
Intergovernmental	\$ 84,423,859	\$ 89,797,227	\$ 93,028,379	\$ 90,439,558	\$ 91,790,234	\$ 90,816,094	\$ 99,931,412	\$ 98,783,518	\$ 106,515,754	\$ 109,347,316
Charges for services	1,169,484	1,491,359	1,820,727	1,640,533	1,723,917	2,706,961	464,205	510,448	492,565	399,864
Miscellaneous	726,730	1,365,368	412,650	632,056	803,639	1,432,973	321,090	1,022,427	1,429,395	1,305,091
Total revenues	86,320,073	92,653,954	95,261,756	92,712,147	94,317,790	94,956,028	100,716,707	100,316,393	108,437,714	111,052,271
Expenditures:										
Education:										
Instruction	61,909,077	65,839,840	68,909,218	67,276,868	66,430,018	68,039,938	68,140,244	68,296,053	70,472,281	78,109,660
Administration, attendance, and health	4,865,032	5,426,428	5,717,931	6,376,477	5,675,250	5,953,847	7,208,116	7,983,324	9,239,258	7,564,310
Pupil transportation services	4,828,845	4,762,678	5,016,591	5,335,508	5,668,771	5,322,011	4,302,460	5,659,041	6,840,626	5,896,309
Operations and maintenance	10,665,930	10,485,381	10,157,853	10,296,919	10,899,422	10,554,930	10,945,726	11,539,043	12,758,198	13,124,602
Food service and other	24,670	21,358	12,153	16,691	15,344	8,986	30,194	19,510	18,155	1,093
Facilities	10,163	14,825	20,758	26,138	20,959	18,434	175	2,288	2,751	9,686
Technology	3,525,049	3,230,426	3,034,004	3,060,199	3,104,473	3,748,479	6,280,494	5,940,881	7,536,584	9,150,568
Capital outlay	742,418	2,813,555	1,147,768	1,445,076	1,759,244	1,070,693	2,740,740	1,690,511	771,916	1,121,496
Debt service:										
Principal retirements	-	-	-	-	-	-	-	-	-	3,008,548
Interest payments	-	-	-	-	-	-	-	-	-	2,588
Total expenditures	86,571,184	92,594,491	94,016,276	93,833,876	93,573,481	94,717,318	99,648,149	101,130,651	107,639,769	117,988,860
Excss (deficiency) of revenues over expenditures	(251,111)	59,463	1,245,480	(1,121,729)	744,309	238,710	1,068,558	(814,258)	797,945	(6,936,589)
Other financing sources (uses):										
Issuance of subscription liability	-	-	-	-	-	-	-	-	-	6,068,069
Transfers in (out)	-	-	-	-	-	-	(229,754)	-	-	-
Total other financing sources (uses)	-	-	-	-	-	-	(229,754)	-	-	6,068,069
Net change in fund balances	(251,111)	59,463	1,245,480	(1,121,729)	744,309	238,710	838,804	(814,258)	797,945	(868,520)
Fund balance - beginning	707,145	456,034	515,497	1,760,977	639,248	1,383,557	1,622,267	2,461,071	1,646,813	2,444,758
Fund balance - ending	\$ 456,034	\$ 515,497	\$ 1,760,977	\$ 639,248	\$ 1,383,557	\$ 1,622,267	\$ 2,461,071	\$ 1,646,813	\$ 2,444,758	\$ 1,576,238

COMPARATIVE STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET POSITION
WATER FUND
LAST TEN FISCAL YEARS

	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Operating revenues:										
Charges for services and other operating revenues	\$ 14,703,923	\$ 14,811,555	\$ 15,177,716	\$ 15,362,052	\$ 15,127,793	\$ 15,564,799	\$ 15,725,568	\$ 16,130,624	\$ 16,693,515	\$ 17,586,124
Total operating revenues	14,703,923	14,811,555	15,177,716	15,362,052	15,127,793	15,564,799	15,725,568	16,130,624	16,693,515	17,586,124
Operating expenses:										
Personal services and benefits	4,350,457	5,061,596	5,173,210	4,779,528	5,076,126	5,960,956	5,896,481	4,804,038	6,110,702	5,968,160
Operation and maintenance	1,550,252	1,788,171	945,920	1,750,445	1,301,725	1,269,534	1,272,141	1,873,850	1,670,452	2,477,060
Supplies and materials	1,210,601	1,229,613	1,378,106	1,435,848	1,362,100	1,210,432	973,583	1,152,654	1,379,085	1,739,200
Administration	1,462,335	1,335,499	1,196,167	1,431,196	1,550,316	1,610,286	1,576,052	1,532,789	1,619,864	1,770,389
Other charges	77,950	87,808	90,180	86,149	89,138	93,493	87,911	121,944	157,830	145,501
Depreciation	2,852,246	2,916,684	3,048,763	3,116,981	3,231,814	3,225,638	3,278,090	3,402,047	3,471,402	3,435,275
Total operating expenses	11,503,841	12,419,371	11,832,346	12,600,147	12,611,219	13,370,339	13,084,258	12,887,322	14,409,335	15,535,585
Operating income	3,200,082	2,392,184	3,345,370	2,761,905	2,516,574	2,194,460	2,641,310	3,243,302	2,284,180	2,050,539
Nonoperating revenues (expenses):										
Interest income	21,514	41,904	75,939	229,606	501,029	435,285	82,440	(14,082)	441,444	551,004
Miscellaneous	2,781	1,028	1,131	1,001	33,101	220,157	154,952	70,140	32,801	21,214
Gain (loss) on disposition of assets	9,219	6,128	5,172	18,282	5,798	9,621	7,877	10,313	11,640	(10,909)
Interest on long-term debt	(1,678,042)	(1,971,229)	(1,911,073)	(2,204,019)	(2,208,099)	(1,663,343)	(1,138,518)	(1,400,233)	(1,716,158)	(907,473)
IRS interest subsidy - Build America Bonds	233,357	233,860	234,363	234,615	235,496	117,999	-	-	-	-
Total nonoperating revenues (expenses)	(1,411,171)	(1,688,309)	(1,594,468)	(1,720,515)	(1,432,675)	(880,281)	(893,249)	(1,333,862)	(1,230,273)	(346,164)
Income before contributions and transfers	1,788,911	703,875	1,750,902	1,041,390	1,083,899	1,314,179	1,748,061	1,909,440	1,053,907	1,704,375
Capital contributions	5,000	362,917	210,000	-	269,655	3,274	-	-	-	968,270
Transfers in	-	-	-	67,298	93,215	-	-	-	-	-
Transfers out	-	-	-	-	-	-	(48,494)	(63,463)	(12,631)	(15,626)
Change in net position	1,793,911	1,066,792	1,960,902	1,108,688	1,446,769	1,317,453	1,699,567	1,845,977	1,041,276	2,657,019
Total net position - beginning, as restated (1) (2)	31,448,108	33,242,019	34,308,811	29,985,889	31,094,577	32,541,346	33,858,799	35,558,366	37,404,343	38,445,619
Ending net position:										
Net investment in capital assets	28,620,307	27,610,452	29,430,618	29,134,568	30,347,378	31,506,001	34,204,364	35,416,138	36,420,501	39,333,435
Unrestricted	4,621,712	6,698,359	6,839,095	1,960,009	2,193,968	2,352,798	1,354,002	1,988,205	2,025,118	1,769,203
Total net position - ending	<u>\$ 33,242,019</u>	<u>\$ 34,308,811</u>	<u>\$ 36,269,713</u>	<u>\$ 31,094,577</u>	<u>\$ 32,541,346</u>	<u>\$ 33,858,799</u>	<u>\$ 35,558,366</u>	<u>\$ 37,404,343</u>	<u>\$ 38,445,619</u>	<u>\$ 41,102,638</u>

(1) Total net position - beginning, was restated as of June 30, 2014. See Note 20, City of Lynchburg's Annual Comprehensive Financial Report for FY 2015 for an explanation.

(2) Total net position - beginning, was restated as of June 30, 2017. See Note 25, City of Lynchburg's Annual Comprehensive Financial Report for FY 2018 for an explanation.

COMPARATIVE STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET POSITION
SEWER FUND
LAST TEN FISCAL YEARS

	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Operating revenues:										
Charges for services and other operating revenues	\$ 20,216,758	\$ 21,264,506	\$ 22,640,530	\$ 22,635,664	\$ 23,723,563	\$ 23,231,507	\$ 24,695,077	\$ 25,879,520	\$ 28,268,219	\$ 31,133,713
Total operating revenues	20,216,758	21,264,506	22,640,530	22,635,664	23,723,563	23,231,507	24,695,077	25,879,520	28,268,219	31,133,713
Operating expenses:										
Personal services and benefits	2,944,024	3,390,178	3,424,756	3,274,735	3,355,976	3,365,150	3,633,749	3,297,274	4,209,082	4,605,872
Operation and maintenance	2,697,307	2,906,172	3,071,702	3,533,634	3,636,697	3,649,979	4,062,291	4,288,688	4,481,546	4,962,643
Supplies and materials	1,336,709	1,489,227	1,562,481	1,386,495	1,661,637	1,738,027	2,098,779	2,322,572	2,954,211	2,955,880
Administration	2,573,784	2,341,346	2,316,721	2,467,815	2,580,626	2,802,473	3,191,245	3,169,432	3,376,388	3,943,232
Other charges	66,946	51,118	106,560	74,387	66,021	69,826	111,934	106,719	250,166	192,206
Depreciation	7,584,388	7,635,836	7,888,946	7,898,587	8,037,676	8,131,718	8,434,452	10,441,598	10,554,426	10,565,850
Total operating expenses	17,203,158	17,813,877	18,371,166	18,635,653	19,338,633	19,757,173	21,532,450	23,626,283	25,825,819	27,225,683
Operating income	3,013,600	3,450,629	4,269,364	4,000,011	4,384,930	3,474,334	3,162,627	2,253,237	2,442,400	3,908,030
Nonoperating revenues (expenses):										
Interest income	73,142	85,086	124,705	241,852	409,567	350,086	79,817	49,315	774,628	1,326,274
Governmental grants	-	-	219	-	-	-	-	-	-	-
Miscellaneous	10,400	11,821	19,605	47,687	47,717	270,958	53,235	100,365	87,420	61,223
Gain (loss) on disposition of assets	606	738	1,172	16,393	2,259	(175,771)	(213,716)	1,594	(62,149)	851
Interest on long-term debt	(1,086,336)	(1,129,426)	(985,817)	(1,068,072)	(1,077,985)	(1,119,367)	(585,733)	(901,840)	(1,154,335)	(913,379)
IRS interest subsidy - Build America Bonds	42,621	42,713	42,805	42,851	43,012	21,552	-	-	-	-
Total nonoperating revenues (expenses)	(959,567)	(989,068)	(797,311)	(719,289)	(575,430)	(652,542)	(666,397)	(750,566)	(354,436)	474,969
Income before contributions and transfers	2,054,033	2,461,561	3,472,053	3,280,722	3,809,500	2,821,792	2,496,230	1,502,671	2,087,964	4,382,999
Capital contributions	3,207,248	4,471,358	1,882,733	2,992,600	9,110,310	8,986,028	1,003,352	1,955,264	219,273	884,974
Transfers in	126,734	126,734	-	50,729	64,082	-	48,494	87,463	7,512,631	15,626
Change in net position	5,388,015	7,059,653	5,354,786	6,324,051	12,983,892	11,807,820	3,548,076	3,545,398	9,819,868	5,283,599
Total net position - beginning, as restated (1) (2)	140,651,555	146,039,570	153,099,223	154,135,205	160,459,256	173,443,148	185,250,968	188,799,044	192,344,442	202,164,310
Ending net position:										
Net investment in capital assets	138,595,419	144,934,435	148,010,757	154,280,143	164,363,686	177,570,472	174,740,303	177,500,410	180,993,177	187,569,934
Unrestricted	7,444,151	8,164,788	10,443,252	6,179,113	9,079,462	7,680,496	14,058,741	14,844,032	21,171,133	19,877,975
Total net position - ending	\$ 146,039,570	\$ 153,099,223	\$ 158,454,009	\$ 160,459,256	\$ 173,443,148	\$ 185,250,968	\$ 188,799,044	\$ 192,344,442	\$ 202,164,310	\$ 207,447,909

(1) Total net position - beginning, was restated as of June 30, 2014. See Note 20, City of Lynchburg's Annual Comprehensive Financial Report for FY 2015 for an explanation.

(2) Total net position - beginning, was restated as of June 30, 2017. See Note 25, City of Lynchburg's Annual Comprehensive Financial Report for FY 2018 for an explanation.

COMPARATIVE STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET POSITION
STORMWATER FUND
LAST TEN FISCAL YEARS

	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Operating revenues:										
Charges for services and other operating revenues	\$ 3,268,776	\$ 3,209,504	\$ 3,208,044	\$ 3,212,572	\$ 3,227,746	\$ 3,265,521	\$ 3,197,089	\$ 3,495,968	\$ 3,587,623	\$ 3,867,235
Intergovernmental	275,000	275,000	275,000	275,000	275,000	275,000	275,000	275,000	275,000	275,000
Total operating revenues	3,543,776	3,484,504	3,483,044	3,487,572	3,502,746	3,540,521	3,472,089	3,770,968	3,862,623	4,142,235
Operating expenses:										
Personal services and benefits	362,502	446,320	651,860	531,569	673,639	680,361	554,455	781,650	627,178	835,558
Operation and maintenance	306,678	285,560	327,657	451,961	511,138	418,487	369,085	563,868	581,585	762,956
Supplies and materials	104,029	136,741	131,321	127,008	168,543	186,793	152,042	160,879	177,890	163,695
Administration	1,227,229	1,353,809	1,160,256	1,576,573	1,528,109	1,767,225	1,805,945	1,792,075	1,911,548	1,722,443
Other charges	11,916	5,289	16,864	23,538	16,045	11,939	21,071	20,455	19,945	24,326
Depreciation	33,662	67,558	76,239	142,092	275,261	295,876	419,151	456,956	400,339	442,271
Total operating expenses	2,046,016	2,295,277	2,364,197	2,852,741	3,172,735	3,360,681	3,321,749	3,775,883	3,718,485	3,951,249
Operating income	1,497,760	1,189,227	1,118,847	634,831	330,011	179,840	150,340	(4,915)	144,138	190,986
Nonoperating revenue:										
Interest Income	-	1,213	9,477	31,120	60,794	39,235	5,873	3,223	128,896	182,282
Governmental Grants	-	-	-	-	-	-	9,822	21,311	28,814	-
Miscellaneous	61	23,452	2	491	-	3,203	(19,583)	(14)	-	552
Gain (loss) on disposition of assets	-	-	-	-	-	-	-	-	(9,041)	-
Interest on long-term debt	-	-	-	(4,672)	(106)	(37,254)	(20,751)	(29,871)	(166,071)	(232,487)
Total nonoperating revenue	61	24,665	9,479	26,939	60,688	5,184	(24,639)	(5,351)	(17,402)	(49,653)
Income before contributions and transfers	1,497,821	1,213,892	1,128,326	661,770	390,699	185,024	125,701	(10,266)	126,736	141,333
Capital contributions	-	-	89,058	555,034	-	556,350	421,817	68,971	-	-
Transfers in	-	-	-	8,593	9,543	-	-	-	-	-
Transfers out	(162,676)	(126,734)	-	(4,215)	(337,500)	-	-	-	-	-
Change in net position	1,335,145	1,087,158	1,217,384	1,221,182	62,742	741,374	547,518	58,705	126,736	141,333
Total net position - beginning, as restated (1) (2)	2,428,919	3,764,064	4,851,222	5,656,260	6,877,442	6,940,184	7,681,558	8,229,076	8,287,781	8,414,517
Ending net position:										
Net investment in capital assets	2,002,495	2,484,986	3,950,070	4,336,742	4,894,032	6,496,175	6,717,478	6,546,769	6,831,579	6,326,276
Unrestricted	1,761,569	2,366,236	2,118,536	2,540,700	2,046,152	1,185,383	1,511,598	1,741,012	1,582,938	2,229,574
Total net position - ending	\$ 3,764,064	\$ 4,851,222	\$ 6,068,606	\$ 6,877,442	\$ 6,940,184	\$ 7,681,558	\$ 8,229,076	\$ 8,287,781	\$ 8,414,517	\$ 8,555,850

(1) Total net position - beginning, was restated as of June 30, 2014. See Note 20, City of Lynchburg's Annual Comprehensive Financial Report for FY 2015 for an explanation.

(2) Total net position - beginning, was restated as of June 30, 2017. See Note 25, City of Lynchburg's Annual Comprehensive Financial Report for FY 2018 for an explanation.

COMPARATIVE STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET POSITION
AIRPORT FUND
LAST TEN FISCAL YEARS

	Fiscal Year									
	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Operating revenues:										
Charges for services and other operating revenues	\$ 2,254,531	\$ 2,446,873	\$ 2,522,138	\$ 2,470,025	\$ 2,775,975	\$ 2,533,763	\$ 2,114,485	\$ 2,635,988	\$ 2,955,151	\$ 3,247,790
Intergovernmental	142,601	134,592	119,740	120,048	122,320	844,787	2,558,317	2,580,509	2,587,569	1,667,143
Total operating revenues	2,397,132	2,581,465	2,641,878	2,590,073	2,898,295	3,378,550	4,672,802	5,216,497	5,542,720	4,914,933
Operating expenses: (1)										
Personal services and benefits	1,006,709	1,018,464	1,058,236	1,097,115	1,151,858	1,199,829	980,321	951,481	885,798	1,141,699
Operation and maintenance	1,166,823	1,011,546	1,134,897	965,901	1,064,812	1,281,301	1,658,459	2,013,978	1,909,294	1,797,579
Supplies and materials	12,803	137,041	141,930	114,948	145,406	53,306	183,642	192,569	184,840	280,108
Administration	239,614	235,287	258,123	272,997	300,143	282,978	260,306	336,678	316,815	335,188
Other charges	24,384	20,637	27,399	29,752	31,762	28,466	28,242	28,254	39,716	54,701
Depreciation	2,115,435	2,141,357	2,145,813	2,240,282	2,284,681	2,247,024	2,179,385	2,050,505	2,100,784	2,349,848
Total operating expenses	4,565,768	4,564,332	4,766,398	4,720,995	4,978,662	5,092,904	5,290,355	5,573,465	5,437,247	5,959,123
Operating loss	(2,168,636)	(1,982,867)	(2,124,520)	(2,130,922)	(2,080,367)	(1,714,354)	(617,553)	(356,968)	105,473	(1,044,190)
Nonoperating revenues (expenses):										
Interest income	2,254	8,281	21,668	44,361	93,544	92,189	11,660	32,224	512,144	839,073
Miscellaneous	9,724	20,004	70,047	44,190	10,131	5,976	22,234	11,567	12,573	19,661
Gain (Loss) on disposition of assets	-	-	-	12,487	7,032	421	-	-	-	-
Interest on long-term debt	(8,061)	(27,422)	(24,752)	(11,781)	(38,239)	(33,252)	(30,048)	(26,675)	(40,217)	(44,466)
Total nonoperating revenues (expenses)	3,917	863	66,963	89,257	72,468	65,334	3,846	17,116	484,500	814,268
Income (loss) before contributions and transfers	(2,164,719)	(1,982,004)	(2,057,557)	(2,041,665)	(2,007,899)	(1,649,020)	(613,707)	(339,852)	589,973	(229,922)
Capital contributions	3,065,217	2,264,831	2,824,123	1,985,329	2,054,429	2,992,979	4,139,246	6,632,385	2,105,501	3,229,342
Passenger facility charges (2)	323,963	317,503	320,942	338,455	360,123	325,214	233,439	302,589	298,314	308,036
Transfers in	96,600	-	-	13,346	16,432	-	-	-	-	-
Change in net position	1,321,061	600,330	1,087,508	295,465	423,085	1,669,173	3,758,978	6,595,122	2,993,788	3,307,456
Total net position - beginning, as restated (1) (3)	35,756,707	37,077,768	37,678,098	37,858,123	38,153,588	38,576,673	40,245,846	44,004,824	50,599,946	53,593,734
Ending net position:										
Net investment in capital assets	35,973,930	34,496,749	37,058,108	37,141,375	35,473,699	35,181,514	35,326,409	39,502,497	39,323,321	44,489,284
Restricted	7,231	3,478	108,833	46,465	3,621	53,350	53,539	51,547	28,545	33,014
Unrestricted	1,096,607	3,177,871	1,598,665	965,748	3,099,353	5,010,982	8,624,876	11,045,902	14,241,868	12,378,892
Total net position - ending	\$ 37,077,768	\$ 37,678,098	\$ 38,765,606	\$ 38,153,588	\$ 38,576,673	\$ 40,245,846	\$ 44,004,824	\$ 50,599,946	\$ 53,593,734	\$ 56,901,190

(1) Total net position - beginning, was restated as of June 30, 2014. See Note 20, City of Lynchburg's Annual Comprehensive Financial Report for FY 2015 for an explanation.

(2) Beginning in FY 2013, Passenger facility charges are reported with capital contributions and transfers.

(3) Total net position - beginning, was restated as of June 30, 2017. See Note 25, City of Lynchburg's Annual Comprehensive Financial Report for FY 2018 for an explanation.

**TAX REVENUES BY SOURCE, GOVERNMENTAL FUNDS,
LAST TEN FISCAL YEARS**
(modified accrual basis of accounting)

	Fiscal Year									
	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Real Estate	\$ 54,894,485	\$ 55,825,934	\$ 56,473,104	\$ 56,927,450	\$ 57,541,054	\$ 60,268,655	\$ 61,597,048	\$ 66,268,468	\$ 67,170,299	\$ 65,307,644
PSC Taxes	2,267,069	2,371,493	2,419,023	2,522,219	2,596,128	2,608,746	2,738,081	2,652,828	2,776,319	2,318,407
Personal Property Tax	17,578,905	18,390,620	18,747,247	19,635,406	20,347,254	21,556,547	21,619,044	23,456,075	25,019,655	26,479,544
Penalties & Interest	1,299,858	1,198,049	1,385,475	1,275,152	1,218,007	1,154,905	1,236,751	1,269,376	1,586,477	1,547,024
Sales & Use Tax	15,006,326	14,995,131	15,351,346	15,282,741	15,913,730	16,478,533	18,586,355	20,685,254	21,956,963	21,856,033
Utility Tax	4,575,492	4,660,389	4,569,906	4,768,971	4,673,597	4,527,034	4,581,154	4,733,518	4,452,987	4,287,277
Business License Tax	8,535,544	8,464,009	9,258,208	9,095,288	9,398,263	9,553,844	9,294,844	10,049,251	11,058,315	11,054,355
Franchise License Tax	-	10,100	500	-	-	-	-	-	-	-
Communication Sales & Use Tax	3,382,915	3,282,767	3,202,076	3,101,975	2,877,715	2,812,099	2,497,779	2,424,362	2,354,000	2,212,151
Motor Vehicle Licenses	1,701,647	1,722,007	1,764,571	1,765,907	1,800,426	1,863,819	1,760,977	1,792,935	1,791,784	343,574
Bank Stock Taxes	831,103	836,320	834,986	829,988	953,307	519,806	870,383	955,810	950,835	1,022,239
Taxes on Recordation and Wills	592,113	504,432	614,673	629,846	694,483	699,608	1,015,647	1,177,889	939,214	886,239
Tobacco Taxes	936,024	900,484	903,846	870,084	846,122	840,871	786,583	796,786	698,822	680,904
Admission and Amusement Taxes	667,212	678,870	762,657	847,388	820,805	624,430	302,249	756,599	854,490	869,359
Hotel and Motel Room Taxes	2,066,200	2,100,391	2,226,551	2,583,241	2,648,042	2,100,355	2,180,981	2,856,364	3,274,962	3,446,130
Restaurant Food Taxes	13,435,756	14,081,199	14,381,667	14,699,512	14,893,353	13,456,401	15,113,084	17,836,864	19,420,493	19,864,723
Total General Government Tax Revenues	\$ 127,770,649	\$ 130,022,195	\$ 132,895,836	\$ 134,835,168	\$ 137,222,286	\$ 139,065,653	\$ 144,180,960	\$ 157,712,379	\$ 164,305,615	\$ 162,175,603

Source: Chief Financial Officer, City of Lynchburg, Virginia.

**ASSESSED VALUE OF TAXABLE REAL PROPERTY,
LAST TEN FISCAL YEARS (1)**
(in thousands of dollars)

Fiscal Year	Residential Property (3)	Commercial Property	Industrial Property	Total Taxable Assessed Value (2) (4)	Direct Tax Rate
2015	\$ 3,358,581,200	\$ 1,312,217,000	\$ 356,639,200	\$ 5,027,437,400	1.11
2016	3,383,069,800	1,396,087,500	364,092,500	5,143,249,800	1.11
2017	3,417,714,400	1,395,683,100	364,597,600	5,177,995,100	1.11
2018	3,461,934,400	1,404,744,500	362,786,100	5,229,465,000	1.11
2019	3,503,663,800	1,440,950,200	362,489,500	5,307,103,500	1.11
2020	3,702,964,600	1,535,445,000	367,252,100	5,605,661,700	1.11
2021	3,773,293,400	1,561,696,200	361,916,500	5,696,906,100	1.11
2022	4,187,446,900	1,589,336,500	390,144,300	6,166,927,700	1.11
2023	4,207,702,500	1,577,534,200	392,477,800	6,177,714,500	1.11
2024	5,353,280,300	1,753,230,300	482,942,000	7,589,452,600	0.89

Source: Real Estate Assessor, City of Lynchburg, Virginia

(1) Assessed value is as of July 1 of each fiscal year.

(2) Excludes tax-exempt property.

(3) These figures include assessments that qualify for land use exemptions. Title 58.1-3230 through 3244 of the Code of Virginia provides for the assessment of land based on use value rather than market value. Use value is the assessment of the land for a specific purpose and is generally lower than market value. This is a local option statute adopted by the City of Lynchburg.

(4) Fiscal Years 2017, 2018 and 2020 are restated due to correction of prior year's data.

ASSESSED VALUE OF ALL TAXABLE PROPERTY (1)
LAST TEN FISCAL YEARS

Fiscal Year	Real Property (1)					Personal Property (3)				Machinery and Tools		Total Assessed Value of Taxable Property	Total Direct Tax Rate (8)
	Residential Property (2)(6)	Commercial Property (2)(7)	Public Service Corporation	Total	Tax Rate	Personal Property	Public Service Corporation	Total	Tax Rate	Machinery and Tools (2)	Tax Rate		
2015	\$ 3,358,581,200	\$ 1,668,856,200	\$ 175,223,235	\$ 5,202,660,635	1.11	\$ 622,453,513 (4)	\$ 25,979,883	\$ 648,433,396	3.80	\$ 155,103,327 (4)	3.00	\$ 6,006,197,358	7.91
2016	3,383,069,800	1,760,180,000	185,088,590	5,328,338,390	1.11	625,528,817 (4)	28,004,949	653,533,766	3.80	159,879,989 (4)	3.00	6,141,752,145	7.91
2017	3,417,070,700	1,760,280,700	188,976,706	5,366,328,106	1.11	658,107,572 (4)	26,479,912	684,587,484	3.80	158,933,643 (4)	3.00	6,209,849,233	7.91
2018	3,460,374,300	1,767,530,600	193,804,645	5,421,709,545	1.11	676,603,014 (4)	31,249,795	707,852,809	3.80	169,680,373 (4)	3.00	6,299,242,727	7.91
2019	3,503,663,800	1,803,439,700	205,907,581	5,513,011,081	1.11	718,416,481 (4)	26,991,933	745,408,414	3.80	175,657,733 (4)	3.00	6,434,077,228	7.91
2020	3,709,717,400	1,902,697,100	200,755,250	5,813,169,750	1.11	723,862,510 (4)	33,531,033	757,393,543	3.80	157,661,606 (4)	3.00	6,728,224,899	7.91
2021	3,773,293,400	1,923,612,700	214,754,922	5,911,661,022	1.11	795,541,727 (4)	31,097,593	826,639,320	3.80	158,532,445 (4)	3.00	6,896,832,787	7.91
2022	4,187,446,900	1,979,480,800	209,009,697	6,375,937,397	1.11	812,007,960 (4)	29,459,641	841,467,601	3.80	165,805,534 (4)	3.00	7,383,210,532	7.91
2023	4,207,702,500	1,970,012,000	220,176,366	6,397,890,866	1.11	863,955,841 (4)	29,353,165	893,309,006	3.80	173,660,754 (4)	3.00	7,464,860,626	7.91
2024	5,353,280,300	2,236,172,300	228,209,953	7,817,662,553	0.89	774,344,309 (5)	31,428,197	805,772,506	3.80	163,242,732 (5)	3.00	8,786,677,791	7.69

Sources: Real Estate Assessor and Commissioner of Revenue, City of Lynchburg, Virginia

(1) Assessed value is as of July 1 of the fiscal year noted.

(2) Real estate and machinery and tools are assessed at 100% of fair market value.

(3) Personal property tax is assessed according to the National Automobile Dealers Association (NADA) pricing guide. Tax year 2022 was assessed at 75% of the NADA and tax year 2023 was assessed at 90% of the NADA value. All other tax years were assessed at 100% value.

(4) These figures have been updated to reflect all billings associated with the levy.

(5) 2024 Personal Property Tax Levy in FY 2024. These figures only reflect two of the four billings associated with this levy. These figures will be updated in FY 2025 to reflect all four billings.

(6) These figures are net of land use exemptions. Title 58.1-3230 through 3244 of the Code of Virginia provides for the assessment of land based on use value rather than market value.

Use value is the assessment of the land for a specific purpose and is generally lower than market value. This is a local option statute adopted by the City of Lynchburg.

(7) Commercial property also includes industrial property.

(8) When a government's individual direct rates apply to the same proportion of the revenue base, and does not apply to only a portion (such as residential, commercial, industrial) the Total Direct Rate is the sum of individual direct rates.

PRINCIPAL PROPERTY TAXPAYERS,
CURRENT YEAR AND NINE YEARS AGO

Taxpayer	Type of Business	2024				2015			
		Taxable Assessed Value	Rank	Percentage of Total Taxable Assessed Value	2024 Total Tax Levy	Percentage of Total Tax Levy	Taxable Assessed Value	Rank	Percentage of Total Taxable Assessed Value
AEP - American Electric Power	Utility	\$ 128,429,087	1	1.46 %	\$ 1,148,671	1.12 %	\$ 80,513,404	1	1.36 %
Frito Lay, Inc.	Food Manufacturer	64,823,590	2	0.74	1,406,658	1.38	54,214,901	2	0.92
River Ridge, Ltd.	Shopping Mall	62,985,772	3	0.72	590,078	0.58	46,604,400	4	0.79
Framatome (fmr Areva NP, Inc.)	Nuclear Power Design & Fuel	53,207,251	4	0.61	1,013,357	0.99	53,326,337	3	0.90
Triangle West Edge (fmr TPB Enterprises LLC)	Apartments	51,804,619	5	0.59	461,463	0.45			
REA Lynchburg LLC	Apartments	43,425,834	6	0.49	389,602	0.38			
Columbia Gas of Virginia, Inc.	Utility	37,085,378	7	0.42	335,101	0.33	28,830,464	9	0.49
Wal-Mart Real Estate Business Trust	Retail	36,526,086	7	0.42	391,881	0.38	37,819,140	7	0.64
Eleven 25 of Virginia	Apartments	35,360,600	8	0.40	314,709	0.31			
C.B. Fleet Co.	Pharmaceuticals	33,943,093	9	0.39	591,018	0.58	20,025,859	11	0.34
Verizon Va, Inc.	Utility	30,415,457	10	0.35	272,051	0.27	39,612,860	6	0.67
Gardens on Timberlake LLC (fmr Carriage Sq)	Apartment complex	29,953,100	11	0.34	266,583	0.26			
J Crew Inc.	Clothing	28,197,789	12	0.32	513,582	0.50	23,410,765	10	0.40
MMAC FCA (fmr Central Virginia Prof)	Medical Office	26,692,300	13	0.30	237,561	0.23			
Genworth Financial, Inc.	Life Insurance	23,939,990	14	0.27	473,219	0.46	42,584,249	5	0.72
Rosedale Investments LLC	Apartments/shopping	24,000,000	14	0.27	168,249	0.16			
Logans Landing LLC	Apartments	22,935,200	15	0.26	204,123	0.20			
Vistas LP	Apartments	22,682,000	15	0.26	201,870	0.20			
Azdel Inc	Thermoplastic manufacturer	22,369,012	16	0.25	431,859	0.42			
Southwood Overlook LLC (fmr CL Overlook LP)	Apartments	22,364,809	16	0.25	199,300	0.20			
LU Candler Station Holdings LLC	Shopping Center	21,500,000	17	0.24	191,350	0.19	17,588,400	13	0.30
Old Mill Investments LLC	Apartments	17,940,500	18	0.20	159,670	0.16			
Virginian Hotel & Restaurant	Hotel/conference center	17,787,463	18	0.20	181,224	0.18			
L3 Harris Corp.	Radio communications	16,285,789	19	0.19	145,275	0.14			
IREIT Lynchburg Lakeside LLC	Shopping Center	16,226,000	20	0.18	144,411	0.14			
Lynchburg Hospitality LLC	Hotel	15,500,000	20	0.18	137,950	0.13			
Lynchburg (Wards Crossing) LLC	Retail	15,110,600	21	0.17	133,071	0.13			
Reserve at Burton Creek	Apartments	15,108,100	21	0.17	134,462	0.13			
Delta Star Inc	Power Transformer Manufacturing	13,811,000	22	0.16	122,214	0.12			
Old Mill Acquisitions LLC	Apartments	14,052,200	22	0.16	125,065	0.12			
Lynchburg Hotel Group	Hotels	12,734,650	23	0.14	134,274	0.13			
700 Main Street LLC (Pacific Life Insurance)	Office building	11,500,000	24	0.13	102,350	0.10			
Summit SNF Property Holdings, LLC	Nursing Home/Assisted Living	11,500,000	24	0.13	102,350	0.10			
Virginia Baptist Homes, Inc (fmr CCRC, Inc.)	Nursing Home/Assisted Living	-	-	0.00	-	0.00	18,802,100	12	0.32
LSC Communications (fmr RR Donnelley)	Periodical Publication Printing	-	-	0.00	-	0.00	32,157,377	8	0.54
Total		\$ 1,000,197,269		11.38 %	\$ 11,424,601	11.18 %	\$ 495,490,256		8.39 %
Total Assessed Valuation:		\$ 8,786,677,791					\$ 5,906,644,753		
Tax Levy:									
Real Estate		\$ 67,547,496							
Railroads and Pipelines		205,144							
Public Service Corporations		2,113,263							
Personal Property		32,337,471							
Total Tax Levy:		\$ 102,203,374							

Source: Real Estate Assessor and Commissioner of Revenue, City of Lynchburg, Virginia

**PROPERTY TAX LEVIES AND COLLECTIONS
LAST TEN FISCAL YEARS**

Fiscal Year	Tax Levied for the Fiscal Year (1)	Adjustments (2)	Adjusted Levy	Collected within the Fiscal Year of the Levy		Delinquent Tax Collections (4)	Total Collections to Date	
				Amount	Percentage of Levy (3)		Amount	Percentage of Levy (3)
2015	\$ 81,223,917	\$ 374,235	\$ 81,598,152	\$ 78,731,871	96.93%	\$ 2,849,838	\$ 81,581,709	99.98%
2016	82,721,284	179,324	82,900,608	80,478,895	97.29%	2,399,514	82,878,409	99.97%
2017	83,923,034	617,068	84,540,102	81,750,492	97.41%	2,748,551	84,499,043	99.95%
2018	85,534,487	659,702	86,194,189	83,113,348	97.17%	3,043,863	86,157,211	99.96%
2019	87,349,894	824,495	88,174,389	84,635,267	96.89%	3,389,160	88,024,427	99.83%
2020	90,985,488	498,453	91,483,941	88,831,389	97.63%	2,479,323	91,310,712	99.81%
2021	94,112,716	693,927	94,806,643	90,819,949	96.50%	3,721,491	94,541,440	99.72%
2022	100,695,312	532,490	101,227,802	97,067,294	96.40%	3,703,438	100,770,732	99.55%
2023	102,967,953	759,273	103,727,226	99,601,117	96.73%	2,899,501	102,500,618	98.82%
2024	102,307,038	(653,507)	101,653,531	98,227,848	96.01%	-	98,227,848	96.63%

Source: Chief Financial Officer, City of Lynchburg, Virginia

(1) Total tax levy is calculated based on the sum of the initial Real Estate Tax and Personal Property Tax levies.

(2) Adjustments include supplemental billings and exonerations attributable to the year the tax was levied. The current year only includes exonerations.

(3) These columns represent the amount and percentage of the tax levy within the respective tax year reporting period.

(4) These columns represent collections in subsequent years for the tax levied in the noted fiscal year.

PROPERTY TAX RATES
LAST TEN FISCAL YEARS
(per \$100 of assessed valuation)

	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>
Real Estate										
Locally Assessed	\$ 1.11	\$ 1.11	\$ 1.11	\$ 1.11	\$ 1.11	\$ 1.11	\$ 1.11	\$ 1.11	\$ 1.11	\$ 0.89
Personal Property										
Locally Assessed	3.80	3.80	3.80	3.80	3.80	3.80	3.80	3.80	3.80	3.80
Machinery and Tools	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00
Automobiles, Trucks and Business Equipment	3.80	3.80	3.80	3.80	3.80	3.80	3.80	3.80	3.80	3.80
Public Service Corporations										
Equalized	1.11	1.11	1.11	1.11	1.11	1.11	1.11	1.11	1.11	0.89
Automobiles and Trucks	3.80	3.80	3.80	3.80	3.80	3.80	3.80	3.80	3.80	3.80
Total Direct Tax Rate	7.91	7.91	7.91	7.91	7.91	7.91	7.91	7.91	7.91	7.69

Note: There is no overlapping government taxation.

Source:

City of Lynchburg Adopted Budget Fiscal Year 2024
Commissioner of the Revenue for City of Lynchburg, Virginia www.lynchburgva.gov

**TAXABLE RETAIL SALES AND
TAXABLE RETAIL SALES PER CAPITA
LAST TEN FISCAL YEARS**

Fiscal Year	Population (1)	Taxable Retail Sales (2)	Taxable Retail Sales Per Capita (2)
2015	79,318	\$ 1,353,815,269	\$ 17,068
2016	79,977	1,345,647,515	16,825
2017	80,667	1,373,101,289	17,022
2018	80,690	1,388,422,136	17,207
2019	80,772	1,426,885,543	17,666
2020	80,327	1,415,058,859	17,616
2021	80,054	1,621,386,030	20,254
2022	80,127	1,803,280,572	22,505
2023	80,736	1,830,041,726	22,667
2024	80,736	*	*

(1) Weldon Cooper Center for Public Service, University of Virginia www.coopercenter.org

Figures given are the final estimate for that year. Since the estimate for the current fiscal year is not available at this time, the prior year data is given. 2015 through 2023 are all based on calendar year sales published on January 31, 2024. Intercensal estimates for 2020-2023 were last published on January 29, 2024.

(2) Weldon Cooper Center for Public Service, University of Virginia <https://ceps.coopercenter.org/taxable-sales>
Information provided courtesy of the Virginia Department of Taxation, information is as of January 31st

* Information unavailable

**WATER, SEWER AND STORMWATER RATES
LAST TEN FISCAL YEARS**

Water, Sewer and Stormwater Rates										
	FY 2015	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022	FY 2023	FY 2024
<u>Water</u>										
Volume Rate/hcf*	\$ 2.43	\$ 2.43	\$ 2.55	\$ 2.68	\$ 2.68	\$ 2.68	\$ 2.68	\$ 2.68	2.77	2.83
Hydrant charge or 8" or smaller fire line	19.79	19.79	20.58	20.58	20.58	20.58	20.58	20.58	20.58	20.58
10" fire line	35.53	35.53	36.95	36.95	36.95	36.95	36.95	36.95	36.95	36.95
12" fire line	56.38	56.38	58.64	58.64	58.64	58.64	58.64	58.64	58.64	58.64
<u>Sewer</u>										
Volume Rate/hcf*	\$ 5.65	\$ 5.83	\$ 6.02	\$ 6.02	\$ 6.02	\$ 6.02	\$ 6.14	\$ 6.14	7.22	8.30
<u>Stormwater</u>										
Single Family Unit Rate	\$ 4.00	\$ 4.00	\$ 4.00	\$ 4.00	\$ 4.00	\$ 4.00	\$ 4.00	\$ 4.00	\$ 4.17	\$ 4.48

* hundred cubic feet

Monthly Service Charge Table

	FY 2015	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022	FY 2023	FY 2024
<u>Meter Size</u>										
5/8"	\$ 7.69	\$ 7.69	\$ 7.69	\$ 7.69	\$ 7.69	\$ 7.69	\$ 7.69	\$ 7.69	\$ 7.69	\$ 7.69
3/4"	9.69	9.69	9.69	9.69	9.69	9.69	9.69	9.69	9.69	9.69
1"	13.69	13.69	13.69	13.69	13.69	13.69	13.69	13.69	13.69	13.69
1-1/2"	23.69	23.69	23.69	23.69	23.69	23.69	23.69	23.69	23.69	23.69
2"	35.69	35.69	35.69	35.69	35.69	35.69	35.69	35.69	35.69	35.69
3"	63.69	63.69	63.69	63.69	63.69	63.69	63.69	63.69	63.69	63.69
4"	123.69	123.69	123.69	123.69	123.69	123.69	123.69	123.69	123.69	123.69
6"	243.69	243.69	243.69	243.69	243.69	243.69	243.69	243.69	243.69	243.69
8"	363.69	363.69	363.69	363.69	363.69	363.69	363.69	363.69	363.69	363.69
10"	603.69	603.69	603.69	603.69	603.69	603.69	603.69	603.69	603.69	603.69

Source: Director of Water Resources, City of Lynchburg, Virginia.

RATIOS OF OUTSTANDING DEBT BY TYPE

LAST TEN FISCAL YEARS

(dollars expressed in thousands, except for per capita amounts)

Fiscal Year	Governmental Activities						Business-type Activities						Total Primary Government - Net Outstanding Debt Ratios			
	General Obligation Bonds	Direct Borrowings ⁽¹⁾	General Obligation Notes	Note Payable and Other	Leases	Net Deferred Amounts ⁽²⁾	General Obligation Bonds	Direct Borrowings ⁽¹⁾	General Obligation Notes	Public Utility Revenue Bonds	Leases	Net Deferred Amounts ⁽²⁾	Total Primary Government (Principal Only)	Total Primary Government - Net (Includes Net Deferred Amounts)	Percentage of Personal Income ⁽³⁾	Total Primary Government - Net Bonded Debt Per Capita ⁽³⁾
2015	\$ 186,515	\$ -	\$ -	\$ 1,580	\$ -	\$ 11,087	\$ 70,415	\$ -	\$ -	\$ 111,236	\$ -	\$ 2,871	\$ 369,746	\$ 383,704	13.14%	\$ 4,877
2016	191,848	-	-	1,400	-	12,877	76,395	-	-	104,998	-	4,722	374,641	392,240	13.16%	4,932
2017	180,737	-	-	1,220	-	12,143	71,917	-	-	99,530	-	4,483	353,404	370,030	11.94%	4,604
2018	169,882	12,496	183	4,978	-	12,610	79,953	1,400	618	93,217	-	5,709	362,727	381,046	11.60%	4,685
2019	160,508	10,851	2,457	3,500	-	11,792	76,582	1,130	5,619	118,825	-	5,412	379,472	396,676	11.90%	4,910
2020	173,528	9,188	551	3,063	-	14,594	72,970	856	81	113,934	-	5,914	374,171	394,679	11.16%	4,857
2021	163,143	6,246	4,529	2,625	-	14,849	69,349	-	3,169	109,284	-	6,234	358,345	379,428	10.00%	4,740
2022	152,733	5,163	7,910	2,188	2,658	13,789	66,040	-	10,575	102,640	2	5,874	349,909	369,572	9.56%	4,612
2023	184,219	4,072	-	1,750	2,611	16,674	88,028	-	-	96,103	28	6,346	376,811	399,831	10.26%	4,952
2024	175,507	3,330	449	1,313	2,668	15,810	83,400	-	11,532	90,342	66	5,969	368,607	390,386	10.02%	4,835

Source: Chief Financial Officer, City of Lynchburg, Virginia.

Note: Details regarding the City's outstanding debt can be found in the Notes to the Financial Statements.

The City of Lynchburg is autonomous and entirely independent of any county or any other political subdivision of the Commonwealth of Virginia.

Therefore, there is no direct and no overlapping debt related to governmental activities.

(1) Direct Borrowings were split out from General Obligation Bonds starting with FY 2018 to meet GASB 88 disclosure requirements.

(2) Net Deferred Amounts include Premiums and Discounts.

(3) See Table 26 for population and per capita personal income information. For FY 2024 and FY 2023, the FY 2022 amount for per capita personal income of \$48,255 was utilized to calculate the Percentage of Personal Income.

**RATIOS OF NET GENERAL BONDED DEBT OUTSTANDING,
LAST TEN FISCAL YEARS**

(dollars in thousands, except per capita)

Fiscal Year	Population (1)	Assessed Valuation (in thousands) (1)	Gross Bonded Debt (2)	Net Deferred Amounts (3)	Net Bonded Debt (Includes Net Deferred Amounts)	Net Bonded Debt To Assessed Value (Includes Net Deferred Amounts)	Net Bonded Debt Per Capita (Includes Net Deferred Amounts)	Bonded Debt Payable From Enterprise Fund Revenues (4)	Net Deferred Amounts Enterprise Funds (4)	Net Bonded Debt Governmental Funds Only (4)	Net Bonded Debt Governmental Funds Only To Assessed Value (Includes Net Deferred Amounts) (4)
2015	79,318	\$ 6,006,197 (5)	\$ 256,930	\$ 13,958	\$ 270,888	4.51%	\$ 3,415	\$ 70,415	\$ 2,871	\$ 197,602	3.29%
2016	79,977	6,141,752 (5)	268,243	17,599	285,842	4.65%	3,574	76,395	4,722	204,725	3.33%
2017	80,667	6,209,849 (5)	252,654	16,626	269,280	4.34%	3,338	71,917	4,483	192,880	3.11%
2018	80,690	6,299,243 (5)	264,532	18,319	282,851	4.49%	3,505	81,971	5,709	195,171	3.10%
2019	80,772	6,434,077 (5)	257,147	17,204	274,351	4.26%	3,397	83,331	5,412	185,608	2.88%
2020	80,327	6,728,225 (5)	257,174	20,508	277,682	4.13%	3,457	73,907	5,914	197,861	2.94%
2021	80,054	6,896,833 (5)	246,436	21,083	267,519	3.88%	3,342	72,518	6,234	188,767	2.74%
2022	80,127	7,383,211 (5)	242,421	19,663	262,084	3.55%	3,271	76,615	5,874	179,595	2.43%
2023	80,736	7,464,861 (5)	276,319	23,020	299,339	4.01%	3,708	88,028	6,346	204,965	2.75%
2024	80,736	8,786,678 (6)	274,218	21,779	295,997	3.37%	3,666	94,932	5,969	195,096	2.22%

Source: Chief Financial Officer, City of Lynchburg, Virginia.

(1) See Table 14 for Assessed Valuations and Table 26 for population information.

(2) Includes governmental and business type activity general obligation principal only and excludes City of Lynchburg Public Utility revenue bonds.

(3) Net Deferred Amounts include Premiums and Discounts.

(4) Per City Council Adopted Debt Policies, total tax-supported debt will not exceed 4.5% of the net assessed valuation of taxable property in the City of Lynchburg.

For the purpose of this policy, tax-supported obligations are defined as those that are expected to be repaid from General Fund tax revenue of the City of Lynchburg.

These include general obligation bonds (except self-supporting bonds) and capital leases. General obligation bonds issued for self-supporting enterprise funds are not included in the calculations of tax-supported bonds.

The City is including a ratio of Governmental Fund debt only to prove adherence to internal debt policies.

(5) These figures have been updated to reflect all billings associated with the personal property tax levy.

(6) These figures only reflect two of the four billings associated with the personal property tax levy.

These figures will be updated in FY 2025 to reflect all four billings.

Note: Details regarding the City's outstanding debt can be found in the Notes to the Financial Statements.

LEGAL DEBT MARGIN INFORMATION,
LAST TEN FISCAL YEARS

(dollars in thousands)

Legal Debt Margin Calculation for Fiscal Year 2024

Real Property Assessed Value	\$ 7,589,453
Public Service Corporations Real Property Assessed Value	228,210
Total Real Property Assessed Value (1)	<u>7,817,663</u>
Debt limit (10% of assessed value)	781,766
Debt applicable to limit:	
Less: General Obligation Debt	(274,218)
Legal Debt Margin	<u><u>\$ 507,548</u></u>

Description	Fiscal Years									
	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Debt limit	\$ 520,266	\$ 532,834	\$ 536,633	\$ 542,171	\$ 551,301	\$ 581,317	\$ 591,166	\$ 637,594	\$ 639,789	\$ 781,766
Total net debt applicable to limit	<u>256,930</u>	<u>268,243</u>	<u>252,654</u>	<u>264,532</u>	<u>257,147</u>	<u>257,174</u>	<u>246,436</u>	<u>242,421</u>	<u>276,319</u>	<u>274,218</u>
Legal debt margin	<u>\$ 263,336</u>	<u>\$ 264,591</u>	<u>\$ 283,979</u>	<u>\$ 277,639</u>	<u>\$ 294,154</u>	<u>\$ 324,143</u>	<u>\$ 344,730</u>	<u>\$ 395,173</u>	<u>\$ 363,470</u>	<u>\$ 507,548</u>
Total net debt applicable to the limit as a percentage of the debt limit	49.38%	50.34%	47.08%	48.79%	46.64%	44.24%	41.69%	38.02%	43.19%	35.08%

Source: Chief Financial Officer, City of Lynchburg, Virginia.

(1) See Table 14 for Real Property Assessed Value information.

Note: The Constitution of Virginia, Article 7, Section 10(a) sets forth the City's legal debt limit at ten percent (10%) of its assessed valuation of real estate subject to taxation for the City's issuance of any bonds or other interest-bearing obligations. In August 1999, City Council adopted a Debt Management Policy that limits tax-supported debt to five percent (5%) of its assessed valuation of real estate subject to taxation. In December 2006, City Council amended the Debt Management Policy that limits tax-supported debt to four and a half percent (4.5%) of its assessed valuation of real estate subject to taxation. All debt information included in this Table includes principal only as required by Virginia law.

**PLEDGED REVENUE COVERAGE WATER
FIRST FISCAL YEAR**

	Fiscal Year
	2024
Water Fund Operating Income	\$ 2,050,539
Plus:	
Depreciation & amortization	3,435,275
Interest income received	551,004
Governmental grants & miscellaneous income	21,214
Intergovernmental transfer	-
Capitalized cost	139,016
Net Revenue per Indenture	<u>\$ 6,197,048</u>
Debt Service	
General obligation bonds	
Principal	\$ 1,997,104
Interest	1,805,928
Total	<u>3,803,032</u>
Revenue bonds	
Principal	-
Interest	-
Total	<u>-</u>
Total Debt Service Principal and Interest	<u>\$ 3,803,032</u>
Debt Coverage	<u>1.63</u>

**PLEDGED REVENUE COVERAGE SEWER
LAST TEN FISCAL YEARS**

	Fiscal Year									
	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Sewer Fund Operating Income	\$ 3,013,600	\$ 3,450,629	\$ 4,269,364	\$ 4,000,011	\$ 4,384,930	\$ 3,474,334	\$ 3,162,627	\$ 2,253,237	\$ 2,442,400	\$ 3,908,030
Plus:										
Depreciation & amortization	7,584,388	7,635,836	7,888,946	7,898,587	8,037,676	8,131,718	8,434,452	10,441,598	10,554,426	10,565,850
Interest income received	73,142	85,086	124,705	241,852	409,567	350,086	79,817	49,315	774,628	1,326,274
Capital contributions from members										
Regional Sewerage Treatment Plant	1,015,339	525,856	616,250	549,989	504,507	1,027,533	592,329	903,795	527,051	604,695
Governmental grants & miscellaneous income	10,400	11,821	19,824	47,687	47,717	270,958	53,235	100,365	87,420	61,223
Intergovernmental transfer (3)	126,734	126,734	-	-	-	-	-	-	-	-
Capitalized cost (2)	151,044	131,088	163,662	135,257	103,546	114,211	124,984	147,661	162,000	191,426
Net Revenue per Indenture (1)	<u>\$11,974,647</u>	<u>\$11,967,050</u>	<u>\$ 13,082,751</u>	<u>\$ 12,873,383</u>	<u>\$ 13,487,943</u>	<u>\$ 13,368,840</u>	<u>\$ 12,447,444</u>	<u>\$ 13,895,971</u>	<u>\$ 14,547,925</u>	<u>\$16,657,498</u>
Debt Service										
General obligation bonds										
Principal (4) (5)	\$ 1,962,544	\$ 1,990,110	\$ 2,059,474	\$ 1,863,830	\$ 1,607,228	\$ 1,384,934	\$ 1,326,351	\$ 1,395,513	\$ 1,390,302	\$ 1,570,614
Interest	1,058,566	1,046,664	891,725	987,085	1,052,708	1,100,070	1,059,949	981,590	1,111,845	1,275,280
Total	3,021,110	3,036,774	2,951,199	2,850,915	2,659,936	2,485,004	2,386,300	2,377,103	2,502,147	2,845,894
Revenue bonds										
Principal	6,034,143	6,238,057	6,274,745	6,312,571	6,351,572	5,816,174	6,055,995	6,449,022	6,449,022	6,449,022
Interest	210,084	174,501	137,815	99,989	60,988	20,775	5,345	-	-	-
Total	6,244,227	6,412,558	6,412,560	6,412,560	6,412,560	5,836,949	6,061,340	6,449,022	6,449,022	6,449,022
Total Debt Service Principal and Interest	<u>\$ 9,265,337</u>	<u>\$ 9,449,332</u>	<u>\$ 9,363,759</u>	<u>\$ 9,263,475</u>	<u>\$ 9,072,496</u>	<u>\$ 8,321,953</u>	<u>\$ 8,447,640</u>	<u>\$ 8,826,125</u>	<u>\$ 8,951,169</u>	<u>\$ 9,294,916</u>
Debt Coverage	<u>1.29</u>	<u>1.27</u>	<u>1.40</u>	<u>1.39</u>	<u>1.49</u>	<u>1.61</u>	<u>1.47</u>	<u>1.57</u>	<u>1.63</u>	<u>1.79</u>

(1) On August 19, 1994, the Virginia Department of Environmental Quality(VDEQ) issued the City a discharge permit and a special Consent Order which established a compliance schedule and project priorities for implementation of a Combined Sewer Overflow (CSO) Control Plan. The compliance schedule did not contain fixed dates for finished CSO Control Plan Projects for achieving complete sewer system separation , but rather provided implementation that reflects the City's financial capability . On July 31, 2015, VDEQ issued a revised Consent Special Order which significantly changed the CSO Long Term Control Plan that includes an alternate list of projects. The former Consent Order included a debt coverage requirement for determining City's financial capability within a annual range of 1.1 to 1.5. The revised Consent Order includes a debt coverage ratio requirement within a range of 1.1 to 1.5 computed under a a rolling three year average.

(2) Capitalizable cost includes internal labor charges applicable to time spent on capital project activities.

(3) For FY2012, the General Fund transferred \$688,036 to the Sewer Fund for maintenance and operation of the City's storm sewer system. For FY2014 ,FY2015, and FY2016, the Stormwater Operating Fund transferred \$126,734 to the Sewer Operating Fund which were annual installments to reimburse the Sewer Operating Fund for Stormwater Operating Fund's set up costs.

(4) For FY2020, the payment of \$2,125,000 for the defeased August 13, 2009 Series B Bonds were excluded from Debt Service.

(5) For FY2020, Bond Anticipation Note of \$6,645,700 was paid with the issuance of January30, 2020 General Obligation Bonds and therefore was excluded from Debt Service.

**PLEDGED REVENUE COVERAGE STORMWATER
LAST SIX FISCAL YEARS**

	Fiscal Year					
	2019	2020	2021	2022	2023	2024
Stormwater Fund Operating Income	\$ 330,011	\$ 179,840	\$ 150,340	\$ (4,915)	\$ 144,138	\$ 190,986
Plus:						
Depreciation & amortization	275,261	295,876	419,151	456,956	400,339	442,271
Interest income received	60,794	39,235	5,873	3,223	128,896	182,282
Governmental grants & miscellaneous income	-	3,203	(9,761)	(14)	-	552
Intergovernmental transfer (1)	(337,500)	-	-	-	-	-
Capitalized cost (2)	33,883	48,319	33,256	31,299	55,254	66,492
Net Revenue per Indenture	<u>\$ 362,449</u>	<u>\$ 566,473</u>	<u>\$ 598,859</u>	<u>\$ 486,549</u>	<u>\$ 728,627</u>	<u>\$ 882,583</u>
Debt Service						
General obligation bonds						
Principal	\$ -	\$ -	\$ 15,000	\$ 15,000	\$ 15,000	\$ 55,000
Interest	106	28,374	22,623	31,689	104,021	219,137
Total	106	28,374	37,623	46,689	119,021	274,137
Revenue bonds						
Principal	40,331	67,142	93,950	93,950	87,619	87,618
Interest	-	-	-	-	-	-
Total	40,331	67,142	93,950	93,950	87,619	87,618
Total Debt Service Principal and Interest	<u>\$ 40,437</u>	<u>\$ 95,516</u>	<u>\$ 131,573</u>	<u>\$ 140,639</u>	<u>\$ 206,640</u>	<u>\$ 361,755</u>
Debt Coverage	<u>8.96</u>	<u>5.93</u>	<u>4.55</u>	<u>3.46</u>	<u>3.53</u>	<u>2.44</u>

(1) For FY2019, the Stormwater Fund transferred \$337,500 to the General Fund to help mitigate cost impacts related to the August 2, 2018 Flood Event.

(2) Capitalizable cost includes internal labor charges applicable to time spent on capital project activities.

**DEMOGRAPHIC AND ECONOMIC STATISTICS
LAST TEN CALENDAR YEARS**

Calendar Year	Population (1)	Personal Income (thousands of dollars) (2)	Per Capita Personal Income (3)	Median Age (4)	School Enrollment (5)	Unemployment Rate (6)
2015	79,318	\$ 2,922,551	\$ 36,846	39.9	8,577	5.8
2016	79,977	2,966,987	37,098	40.3	8,566	4.7
2017	80,667	3,086,481	38,262	39.8	8,477	4.8
2018	80,690	3,198,390	39,638	39.9	8,413	3.9
2019	80,772	3,312,298	41,008	39.9	8,286	3.6
2020	80,327	3,547,722	44,166	40.0	8,238	7.8
2021	80,054	3,799,043	47,456	40.0	7,961	4.8
2022	80,127	3,866,528	48,255	40.1	7,879	3.4
2023	80,736	*	*	39.5	7,903	3.6
2024	80,736	*	*	*	7,794	3.7

Source: Chief Financial Officer, City of Lynchburg, Virginia.

(1) Weldon Cooper Center for Public Service, University of Virginia www.coopercenter.org

Figures given are the final estimate for that year. Since the estimate for the current fiscal year is not available at this time, the prior year data is given. 2015 through 2019 based on a July 1st estimate published on January 30, 2023. Intercensal estimates for 2020-2023 were last published on January 29, 2024.

(2) U.S. Department of Commerce, Economic and Statistic Administration, Bureau of Economic Analysis

Per Capita Personal Income multiplied by Population.

Annual dollars revised due to revisions in Per Capita Personal Income (see note 3 below).

(3) U.S. Department of Commerce, Economic and Statistic Administration, Bureau of Economic Analysis

Report MAINC1 - Personal Income Summary:

<https://apps.bea.gov/iTable/iTable.cfm?reqid=70&step=1&isuri=1&acrdn=7#reqid=70&step=1&isuri=1&acrdn=7>

MSA Map corroborates 2019 number - <https://apps.bea.gov/regional/bearfacts/action.cfm>

The information was last updated November 16, 2023.

The Table has been revised to reflect these changes.

(4) United States Census - 2023

Report S0101 <https://data.census.gov/table/ACSST1Y2023.S0101?g=310XX00US31340>

(5) Virginia Department of Education reported by Lynchburg City Schools. Enrollment as of September 30 for each year.

These figures were previously reported based on preliminary information provided by Lynchburg City Schools and have been updated with the information available from the Virginia Department of Education. The figures given are as of September 30 of the prior year. <https://p1pe.doe.virginia.gov/apex/f?p=180:1:7684774037451:>

(6) Virginia Employment Commission & U.S. Department of Labor, Bureau of Labor Statistics, as of October 2, 2024

2015-2024 Unemployment Rates have been adjusted to reflect the most current data available.

<https://data.bls.gov/timeseries/LASST510000000000003> |

<https://www.bls.gov/news.release/metro.t01.htm>

* Information unavailable

**PRINCIPAL EMPLOYERS
CURRENT YEAR AND NINE YEARS AGO**

Employer	2024	2015
	Employees	Employees (1)
Centra Health, Inc.	7000-7500	6000-6999
Liberty University (2)(3)	3500-3999	8000 +
City of Lynchburg	1000-1499	1000-1499
Framatome (4)	1000-1499	1500-1999
Lynchburg City Schools	1000-1499	1500-1999
Central Virginia Community College	500-999	500-999
Delta Star, Inc.	500-999	
Frito-Lay, Inc.	500-999	250-499
Horizon Behavioral Health (5)	500-999	500-999
J. Crew Outfitters	500-999	1000-1499
Kroger, Inc.	500-999	500-999
Southern Air, Inc.	500-999	500-999
University of Lynchburg (7)	500-999	250-499
Wal-Mart Stores, Inc.	500-999	500-999
C.B. Fleet Company, Inc.	250-499	
Genworth Financial Inc.	250-499	1000-1499
L3Harris	250-499	500-999
Lowe's	250-499	
Pacific Life	250-499	
Randolph College	250-499	
US Pipe	250-499	
Westminster-Canterbury	250-499	
Belvac Production Machinery	150-199	
Bausch & Lomb	100-249	
LSC Communicatons (8)	-	250-499
Nationwide Insurance Company	-	0-249
KDC (6)	-	250-499
Employed Civilian Labor Force (June 2024) Lynchburg City - Virginia Employment Commission		36,511
Employed Civilian Labor Force (June 2015) Lynchburg City - Virginia Employment Commission		36,293

Source: FY2024 numbers are derived from Office of Economic Development and Tourism, City of Lynchburg, VA, or employer contact, as of June 30, 2024.

Source: FY2015 numbers are derived from City of Lynchburg Annual Report.

(1) Numbers as reported in the FY2015 Annual Comprehensive Financial Report.

(2) Liberty University operates an online higher education institution, and as a result a number of employees live outside of the City.

(3) Combined numbers for TRBC and Liberty University for 2015

(4) Formerly Areva

(5) Formerly Central Virginia Community Services

(6) Formerly Tri-Tech Laboratories

(7) Formerly Lynchburg College

(8) Formerly R.R. Donnelley

**FULL-TIME-EQUIVALENT CITY GOVERNMENT EMPLOYEES BY FUNCTION/PROGRAM
LAST TEN FISCAL YEARS**

Functions/Programs	Full-Time Equivalent Employees as of June 30									
	Actual 2015	Actual 2016	Actual 2017	Actual 2018	Actual 2019	Actual 2020	Actual 2021	Actual 2022	Actual 2023	Adopted 2024 ⁽¹⁾
Primary government:										
City Council and Clerk ⁽⁶⁾	-	-	-	-	-	-	-	-	-	1.5
Council Manager Offices	6.0	6.0	7.0	7.0	7.0	8.0	8.0	8.0	8.0	7.0
Parking Division ⁽⁵⁾	5.7	5.7	5.7	5.7	5.7	5.7	4.7	-	-	-
City Assessor	9.6	9.0	9.0	9.0	9.0	9.0	9.0	9.0	9.0	8.5
City Attorney	6.9	6.9	6.9	6.9	7.9	7.9	7.9	7.9	9.1	9.2
Commissioner of Revenue (State)	6.0	6.0	6.0	6.0	6.0	6.0	6.0	6.0	6.0	6.0
Commissioner of Revenue (City)	4.4	4.4	4.6	4.6	4.6	4.6	4.6	4.6	4.6	4.6
Communications and Public Engagement	4.0	4.0	4.0	4.0	4.0	4.0	4.0	4.0	10.0	10.0
Local Government Channel ⁽⁴⁾	2.0	2.0	2.0	2.0	2.0	2.0	2.0	4.0	-	-
Citizens First Customer Service Center ⁽⁴⁾	3.0	3.0	3.0	3.0	3.0	3.0	3.0	2.0	-	-
Financial Services	41.7	41.7	40.7	39.0	39.0	38.5	38.5	39.5	40.5	40.5
Financial Services-Human Services ⁽²⁾	5.7	5.7	-	-	-	-	-	-	-	-
Human Resources	9.6	9.6	9.6	9.5	9.6	8.7	7.7	8.7	9.1	10.5
Information Technology	30.0	32.0	32.0	32.0	33.8	33.6	33.6	33.6	33.0	36.0
Registrar and Electoral Board (State)	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0
Registrar and Electoral Board (City)	1.5	1.5	1.5	1.5	1.5	1.5	2.0	2.0	2.0	2.0
State Treasurer (State)	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0
State Treasurer (City)	-	-	-	0.7	0.7	0.7	-	-	-	-
Risk Management Fund	2.9	2.9	2.9	3.1	3.1	3.1	3.1	3.1	3.1	3.1
Circuit Court Clerk (State)	13.0	13.0	13.0	13.0	13.0	13.0	13.0	13.0	13.0	13.0
Circuit Court Clerk (City)	-	-	-	1.0	1.0	1.0	1.0	1.0	1.0	1.7
Circuit Court Judges	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0
Commonwealth Attorney (State)	15.2	14.0	14.0	14.0	14.0	14.0	14.0	14.0	14.0	16.6
Commonwealth Attorney (City)	1.7	2.2	5.7	4.8	3.8	4.8	5.0	4.0	5.5	4.9
Sheriff (State)	22.0	22.0	21.0	19.0	18.0	17.0	17.0	16.0	16.0	16.0
Sheriff (City)	8.0	8.4	8.4	8.3	8.4	8.4	11.3	11.3	11.3	13.3
Regional Juvenile Detention Center Fund	45.1	45.1	41.1	44.1	44.1	45.1	45.1	45.1	40.6	40.6
Police Department	199.8	200.8	204.3	204.0	207.1	207.1	206.3	209.3	213.3	227.1
Emergency Services	35.6	36.6	36.6	36.6	36.6	36.6	36.6	36.6	42.6	43.2
Fire Department	187.5	189.5	189.5	189.5	189.5	189.5	189.5	198.5	199.5	208.5
Public Works Administration	10.7	10.7	10.0	10.0	10.0	10.0	10.0	10.0	10.0	10.0
Buildings and Grounds Maintenance	72.3	74.2	74.3	74.3	74.3	72.3	72.3	72.3	72.3	72.1
Engineering Division	31.2	32.2	32.2	32.7	32.7	33.7	33.7	33.7	34.2	34.2
Street, Traffic, and Refuse Maintenance	48.5	46.3	47.0	46.2	46.2	46.9	48.9	50.0	50.0	52.0
Health and Human Services	167.9	170.5	176.3	173.3	175.3	177.3	177.3	180.3	182.1	185.9
Cultural and Recreational	94.6	97.0	95.0	94.0	85.2	80.5	81.5	82.6	84.5	90.1
Community Development	22.0	23.0	23.0	23.8	23.8	24.3	25.3	25.5	26.5	27.7
Economic Development, Tourism, and Visitor Center ⁽³⁾	-	12.3	12.3	9.8	19.8	18.7	18.7	19.7	18.4	19.4
Economic Development ⁽³⁾	3.0	-	-	-	-	-	-	-	-	-
Tourism and Visitor Center ⁽³⁾	11.8	-	-	-	-	-	-	-	-	-
Fleet Services Fund	11.0	10.6	11.1	11.4	11.4	10.0	11.0	12.0	14.1	14.1
Business-type activities:										
Airport Fund	17.7	17.7	17.7	17.7	18.3	18.3	19.2	19.2	18.7	18.7
Water Fund	69.0	70.4	72.4	73.4	75.4	77.4	77.4	80.4	83.4	84.8
Sewer Fund	52.5	53.5	55.5	55.5	56.5	56.5	55.9	57.9	59.9	62.9
Stormwater Fund	7.1	7.1	9.1	9.0	10.1	11.1	11.1	11.1	11.1	11.1
	1,291.2	1,302.5	1,309.4	1,304.4	1,316.4	1,314.8	1,320.2	1,340.7	1,361.3	1,411.6

Source: Adopted Budget Documents, City of Lynchburg, Virginia

(1) FY2024 actual will be available with the FY2025 adopted budget.

(2) Financial Services-Human Services joined with Health and Human Services in FY2017.

(3) Tourism and Visitor Center were formed in FY2014 and joined with Economic Development in FY2016.

(4) Citizens First and Local Government Channel will join with Communications and Marketing beginning in FY2024.

(5) Parking Management was split and joined between Financial Services and the Police Department in FY2023.

(6) City Council and Clerk reported separately beginning in FY2024.

**OPERATING INDICATORS BY FUNCTION/PROGRAM
LAST TEN FISCAL YEARS**

Function/Program	Fiscal Year									
	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Police										
Physical Arrests (5)	5,435	5,047	4,608	4,614	5,084	5,014	4,703	4,263	4,623	4,595
Traffic Violations	10,344	8,581	5,667	5,887	6,064	5,746	4,323	3,753	5,772	6,823
Parking Violations (6)	6,812	5,718	6,642	5,916	5,807	4,954	4,635	3,417	5,831	5,610
Fire										
Number of Fire calls answered (per month)	241	277	296	284	175	220	195	266	268	275
Number of inspections conducted (2) (3) (4)	192	441	332	465	587	519	365	440	471	474
Number of EMS calls	19,426	19,169	19,296	15,509	11,776	12,190	12,931	13,836	15,740	15,085
Sanitation and Refuse										
Refuse collected (tons/day)	55.70	63.17	65.37	65.50	69.53	61.27	67.47	63.29	60.64	61.47
Recyclables collected (tons/day)	4.10	7.09	6.04	5.27	4.27	5.59	4.41	4.13	3.81	4.26
Airport										
Total number of passengers	153,729	154,218	159,523	157,452	172,449	147,139	109,328	143,022	144,162	147,044
Sewage										
Number of service connections (1)	19,060	19,083	19,149	19,186	19,363	19,493	19,606	19,662	19,834	20,124
Average daily treatment in million gallons	11.33	12.97	11.19	11.53	14.80	12.71	14.45	11.74	11.86	12.36
Maximum daily average capacity of treatment plant in million gallons	22	22	22	22	22	22	22	22	22	22
Maximum daily capacity of treatment plant in million gallons	44	44	44	44	44	44	44	44	44	44
Water										
Number of service connections (1)	22,640	22,716	22,786	22,807	22,982	23,119	23,214	23,268	23,451	23,757
Average daily consumption of plant in million gallons	10	11	11	10	10	10	11	11	11	11
Maximum daily capacity of plant in million gallons	26	26	26	26	26	26	26	26	26	26

Source: City Departments, City of Lynchburg, Virginia

- (1) The amounts reported do not include stormwater accounts.
 (2) In FY2015, number of inspectors in the Fire Marshal's Office dropped from 3 to 2 due to retirement.
 (3) In FY2016, the Fire department trained additional field employees to conduct inspections and the inspections were conducted off-duty with paid overtime funds.
 (4) In FY2017, fewer field employees were available to conduct off-duty inspections due to staffing issues.
 (5) Physical arrests are considered incidents in which individuals are physically detained and brought into the police station.
 (6) Parking violations include violations from Parking Management and the Police Department.

CAPITAL ASSETS STATISTICS BY FUNCTION/PROGRAM
LAST TEN FISCAL YEARS

Function/Program	Fiscal Year									
	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Police										
Stations	1	1	1	1	1	1	1	1	1	1
Number of patrol units (7)	60	83	91	81	116	114	90	86	85	108
Fire										
Stations	8	8	8	8	8	8	8	8	8	8
Refuse collection										
Collection Trucks	20	20	19	21	19	18	23	23	21	23
Highways and Streets										
Street (miles)	378.10	378.95	378.95	381.32	381.32	383.53	384.50	382.11	385.71	387.49
Streetlights	10,347	10,347	10,378	10,504	10,521	10,535	10,649	10,649	10,906	10,944
Traffic signals	121	120	116	113	113	113	104	103	102	104
Culture and Recreation										
Community centers	7	7	6	6	6	7	7	7	7	7
Senior centers	1	1	1	1	1	1	1	1	1	1
Parks	21	21	21	21	21	21	21	21	21	21
Parks acreage (1)	948	948	948	948	948	953	953	953	953	953
Swimming pools	2	2	2	2	2	2	2	2	2	2
Tennis courts (2)	40	40	40	40	40	40	40	40	40	40
Gymnasiums	7	7	7	7	7	7	7	7	7	7
Sewage system										
Storm sewers (miles) (3)	not mapped	not mapped	not mapped	not mapped	not mapped	not mapped	not mapped	not mapped	not mapped	not mapped
Water										
Fire hydrants	3,210	3,230	3,253	3,289	3,303	3,347	3,364	3,400	3,446	3,467
Storage capacity (thousands of gallons)	33,000	33,000	33,000	33,000	33,000	33,000	33,000	33,000	33,000	33,000
Sewer										
Average daily sewage treatment (MGD)	11.33	12.97	11.19	11.53	14.80	12.71	14.45	11.74	11.86	12.36
Maximum daily sewage treatment (MGD)	30.47	38.82	32.95	47.04	55.40	33.80	33.82	28.75	31.63	37.65
Transit - route service buses (4)	39	39	39	39	39	39	34	36	32	32
Transit - paratransit service buses (5)	14	17	13	13	13	13	13	13	13	11
Transit - paratransit service buses (9)	-	-	-	-	-	-	-	-	-	5
Facility and service not included in the reporting entity:										
Education										
Number of elementary schools (6)	11	11	11	11	11	11	11	11	11	11
Number of secondary schools	5	5	5	5	5	5	5	5	5	5
Number of community colleges	1	1	1	1	1	1	1	1	1	1
Number of universities or colleges	4	4	4	4	4	4	4	4	4	4
Hospitals										
Number of hospitals	2	2	2	2	2	2	2	2	2	2
Number of patient beds (8)	519	519	519	519	519	519	519	519	519	519

Source: City Departments, City of Lynchburg, Virginia

- (1) Including Blackwater Creek Natural Area.
- (2) 10 locations with a total of 40 courts - including schools.
- (3) Mapping is under development. Complete information is not available.
- (4) GLTC no longer provides service to Liberty University, and is reducing the fleet size through attrition to meet the Federal Transit Administration's (FTA) spare ratio requirement
- (5) GLTC purchased new paratransit buses to better serve the elderly population.
- (6) Kizer Elementary School used for Special Education, therefore, excluded from total number of elementary schools for reporting purposes.
- (7) Patrol units are defined as vehicles used by the Police department and Animal Control in their daily operations.
- (8) FY2019 reported the number of licensed beds; this amount has been updated to report the actual number of patient beds.

TABLE 31

**CITY OF LYNCHBURG, VIRGINIA
LYNCHBURG CITY SCHOOLS
STUDENT ENROLLMENT, EMPLOYEES AND SCHOOLS BY FISCAL YEAR
LAST TEN YEARS**

<u>Description</u>	<u>Student Enrollment, Employees and Schools by Fiscal Year</u>									
	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>
Elementary School Membership	3,921	3,982	3,985	3,839	3,723	3,683	3,420	3,433	3,477	3,607
Secondary School Membership	4,216	4,191	4,270	4,213	4,258	4,250	4,245	4,126	4,083	4,102
Total Membership	<u>8,137</u>	<u>8,173</u>	<u>8,255</u>	<u>8,052</u>	<u>7,981</u>	<u>7,933</u>	<u>7,665</u>	<u>7,559</u>	<u>7,560</u>	<u>7,709</u>
Instructional and Administrators (1)	967	1,019	994	948	1,003	1,018	1,046	1,044	1,156	1,142
Support (1)	426	434	479	404	373	389	349	273	329	376
Total Employees	<u>1,393</u>	<u>1,453</u>	<u>1,473</u>	<u>1,352</u>	<u>1,376</u>	<u>1,407</u>	<u>1,395</u>	<u>1,317</u>	<u>1,485</u>	<u>1,518</u>
Elementary Schools (2)	11	11	11	11	11	11	11	11	11	11
Secondary Schools (3)	5	5	5	5	5	5	5	5	5	5
Total Buildings	<u>16</u>	<u>16</u>	<u>16</u>	<u>16</u>	<u>16</u>	<u>16</u>	<u>16</u>	<u>16</u>	<u>16</u>	<u>16</u>

(1) Includes only full-time equivalent positions funded through the operating budget. For 2010 - 2018, the classification of instruction assistants were not consistent. Beginning with 2019, all instructional assistants are included in the Instructional and Administrators category.

FY2023 has been updated to reflect the corrected number per ASR Report. The original numbers were overstated.

(2) Does not include LAUREL Regional Program, now being used for special education students.

(3) Does not include the Empowerment Academy, an alternative education environment that provides high school students in the need of credit recovery, SOL support, and/or specialized academic assistance with an intimate, individualized instructional setting that will ensure that they achieve their academic and post-graduate goals.

**Actual Average Daily Student Enrollment by Grade and Fiscal Year
(Based on September 30th Actual Enrollment)**

<u>Grade</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>
K	567	667	670	636	630	664	543	566	621	609
1	719	701	653	664	625	614	615	563	581	656
2	696	677	695	630	626	595	565	607	567	591
3	658	675	675	624	594	610	564	560	582	574
4	638	637	662	653	623	585	574	565	563	602
5	643	625	630	632	625	615	559	572	563	575
6	615	619	630	591	626	604	600	542	550	571
7	608	597	616	609	595	627	591	577	554	562
8	585	597	613	595	601	564	629	582	581	576
9	639	610	641	646	660	636	618	755	636	673
10	596	619	595	623	632	643	624	567	675	610
11	612	591	605	549	587	600	604	556	540	578
12	561	558	570	600	557	576	579	547	547	532
Total	<u>8,137</u>	<u>8,173</u>	<u>8,255</u>	<u>8,052</u>	<u>7,981</u>	<u>7,933</u>	<u>7,665</u>	<u>7,559</u>	<u>7,560</u>	<u>7,709</u>

COMPLIANCE SECTION

**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 Honorable Members of the City Council and the City Manager
City of Lynchburg, Virginia

We have audited, in accordance with the auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and *the Specifications for Audits of Counties, Cities, and Towns*, issued by the Auditor of Public Accounts of the Commonwealth of Virginia, the financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the City of Lynchburg, Virginia (the "City"), as of and for the year ended June 30, 2024, and the related notes to the financial statements, which collectively comprise the City's basic financial statements, and have issued our report thereon dated December 5, 2024.

Report on Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the City'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 City's internal control. Accordingly, we do not express an opinion on the effectiveness of the City'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 and therefore, material weaknesses or significant deficiencies may exist that have not been identified. **We identified a deficiency in internal control, described in the accompanying schedule of findings and questioned costs, as Item 2024-001, that we consider to be a material weakness.**

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the City'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 2024-002.**

City's Response to Findings

Government Auditing Standards requires the auditor to perform limited procedures on the City's response to the findings identified in our audit and described in the accompanying schedule of findings and questioned costs. The City's response was not subjected to the other auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on the response.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City'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 City's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Brown, Edwards & Company, L.L.P.

CERTIFIED PUBLIC ACCOUNTANTS

Roanoke, Virginia
December 5, 2024

**INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM
AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY
THE UNIFORM GUIDANCE**

To the Honorable Members of the City Council and the City Manager
City of Lynchburg, Virginia

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited the City of Lynchburg, Virginia's (the "City") compliance with the types of compliance requirements identified as subject to audit in the *OMB Compliance Supplement* that could have a direct and material effect on each of the City's major federal programs for the year ended June 30, 2024. The City's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

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

Basis for Opinion on Each Major Federal Program

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

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

Responsibilities of Management for Compliance

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

Report on Compliance for Each Major Federal Program (Continued)

Auditor's Responsibilities for the Audit of Compliance

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

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

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

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

Report on Internal Control over Compliance

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or 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.

Report on Internal Control over Compliance (Continued)

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

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

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

Brown, Edwards & Company, L.L.P.

CERTIFIED PUBLIC ACCOUNTANTS

Roanoke, Virginia
December 5, 2024

**INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE WITH REQUIREMENTS
APPLICABLE TO THE PASSENGER FACILITY CHARGE PROGRAM AND ON INTERNAL
CONTROL OVER COMPLIANCE IN ACCORDANCE WITH THE PASSENGER FACILITY
CHARGE PROGRAM AUDIT GUIDE**

To the Honorable Members of the City Council and the City Manager
City of Lynchburg, Virginia

Report on Compliance

Opinion on Compliance

We have audited the City of Lynchburg, Virginia's (the "City") compliance with the types of compliance requirements described in the *Passenger Facility Charge Audit Guide for Public Agencies* (the "Guide"), issued by the Federal Aviation Administration, for its passenger facility program (the "Program") for the year ended June 30, 2024.

In our opinion, the City of Lynchburg complied, in all material respects, with the types of compliance requirements referred to above that are applicable to the Program for the year ended June 30, 2024.

Basis for Opinion

We conducted our audit of compliance in accordance with requirements described in the *Passenger Facility Charge Audit Guide for Public Agencies* (the "Guide"), issued by the Federal Aviation Administration, for its passenger facility program (the "Program") and 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. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

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

Responsibilities of Management for Compliance

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

Report on Compliance (Continued)

Auditor's Responsibilities for the Audit of Compliance

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

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

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

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

Report on Internal Control over Compliance

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of the 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 the 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 the 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.

Report on Internal Control over Compliance (Continued)

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

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

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

Brown, Edwards & Company, L.L.P.

CERTIFIED PUBLIC ACCOUNTANTS

Roanoke, Virginia
December 5, 2024

CITY OF LYNCHBURG, VIRGINIA

SUMMARY OF COMPLIANCE MATTERS
June 30, 2024

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 City'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

Education
Social Services
Stormwater Utility Program
Urban Highway Maintenance
Fire Programs Aid to Localities
Opioid Abatement Program

FEDERAL COMPLIANCE MATTERS

Compliance Supplement for Single Audits of State and Local Governments

Provisions and conditions of agreements related to federal programs selected for testing.

FEDERAL AVIATION ADMINISTRATION COMPLIANCE MATTERS

Passenger Facility Charge Audit Guide for Public Agencies

Requirements of laws and regulations required by the Federal Aviation Administration in relation to the passenger facility charge program.

CITY OF LYNCHBURG, VIRGINIA

SCHEDULE OF FINDINGS AND QUESTIONED COSTS
Year Ended June 30, 2024

A. SUMMARY OF AUDITOR'S RESULTS

1. The auditor's report expresses an **unmodified opinion** on the financial statements.
2. **No significant deficiencies and one material weakness** 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 *Governmental Auditing Standards*.
3. **No instances of noncompliance** material to the financial statements were disclosed.
4. **No significant deficiencies and no material weaknesses** 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 major programs of the City are:

Name of Program	Assistance Listing #
COVID-19 – Coronavirus State and Local Fiscal Recovery Funds	21.027
COVID-19 – Elementary and Secondary School Emergency Relief Fund	84.425D
COVID-19 – American Rescue Plan – Elementary and Secondary School Emergency Relief	84.425U
Adoption Assistance Program	93.659
Medicaid Cluster – Medical Assistance Program	93.778

8. The **threshold for** distinguishing Type A and B programs was **\$1,636,185**.
9. The City of Lynchburg was **not** determined to be a **low-risk auditee**.
10. Passenger Facility Charge Program:
 - a. **No significant deficiencies** relating to the audit of the Passenger Facility Charge Program were reported in the Independent Auditor's Report on Compliance with Requirements Applicable to the Passenger Facility Charge Program and on Internal Control over Compliance in Accordance with the *Passenger Facility Charge Program Audit Guide*.
 - b. The auditor's report on compliance for the Passenger Facility Program expresses an **unmodified opinion**.
 - c. The audit disclosed **no audit findings relating to the Passenger Facility Charge Program**.

CITY OF LYNCHBURG, VIRGINIA

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS
Year Ended June 30, 2024**

B. FINDINGS – FINANCIAL STATEMENT AUDIT

2024-001: Timely Reconciliations and Financial Reporting (Material Weakness)

Condition:

As part of the Schools' audit, we proposed multiple significant adjustments related to cash and accrued liabilities, including estimates of future insurance claims, resulting in significant adjustments to amounts due to/from the primary government balances.

Criteria:

Reconciliations and adjustments are key functions in proper financial reporting.

Cause:

Lack of reconciliations and adjustments throughout the year.

Effect:

Significant adjustments were required for accurate year-end financial reporting.

Recommendation:

We suggest management implement procedures, such as monthly reviews and reconciliations of account balance for accounting implications, periodic comparison of estimates with actual results, and consideration of other accounting policies for appropriateness. Additionally, all adjustments that were made as a result of our current year audit should be reviewed during the next year as a reminder of matters requiring accounting attention in preparing for the 2025 audit.

Views of Responsible Officials and Planned Corrective Action:

We reviewed this recommendation and agreed with the need for improvement in this area. To address this finding, we implemented the following corrective action plan in FY 2025.

1. **Monthly Reconciliations:** We enforced a structured process for monthly reconciliations and review of all account balances, ensuring accuracy and identifying discrepancies promptly. Included in this monthly process were P-Cards, Grants, Bank Statements, Payroll & Benefits (twice per month), Health Insurance (upon receipt of the bill from Lynchburg City), and monthly Financial Reports presented to the School Board.
2. **Staff Training:** Comprehensive training sessions and training manuals were provided to address knowledge gaps and enhance the team's proficiency in financial processes and reconciliations.
3. **Improved Oversight:** We established a formal review schedule and appointed supervisory oversight for reconciliation accuracy and procedure compliance.
4. **Year-end Health Insurance Adjustment:** For FY 2025 and beyond we will request the Health Insurance Lag Report be provided by the consultants prior to the June 30th deadline going forward.
5. **Year-end Adjusting Journal Entries:** For FY 2025 and beyond we will ensure that known end of year adjustment entries be made prior to audit commencement.

(Continued)

CITY OF LYNCHBURG, VIRGINIA

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS
Year Ended June 30, 2024**

C. FINDINGS AND QUESTIONED COSTS – MAJOR FEDERAL AWARD PROGRAMS AUDIT

None.

D. FINDINGS – COMMONWEALTH OF VIRGINIA

2024-002: VDSS Information Security Policy

Condition:

Social Services could not locate the VDSS Information Security – Policy Acknowledgement and Non-disclosure agreement for two employees selected in a sample of three to ensure that employees are performing security training each year. Additionally, Social Services did not have documentation noting annual review of employee system access for all three employees selected to ensure that accesses provided are appropriate for the employee's approved job responsibilities.

Criteria:

Security acknowledgement and annual system access are significant controls for employee awareness and ensuring employees have access to only programs they are authorized for.

Effect:

Employees that don't receive proper security training could increase vulnerability to outside threats and not reviewing system access can result in employees having unauthorized access.

Recommendation:

We recommend maintaining copies of all forms to ensure that systems access and job responsibilities are reflected accurately and that employees with these accesses are receiving systems training once a year.

Views of Responsible Officials and Planned Corrective Action:

We have established a process to ensure that these forms are maintained each year and in each employee file.

E. FINDINGS AND QUESTIONED COSTS – PASSENGER FACILITY CHARGE PROGRAM

None.

CITY OF LYNCHBURG, VIRGINIA

SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
Year Ended June 30, 2024

B. FINDINGS – FINANCIAL STATEMENT AUDIT

2023-001: Timely Reconciliations and Financial Reporting (Material Weakness)

Condition:

As part of the Schools' audit, we proposed multiple significant adjustments related to cash and accrued liabilities, including estimates of future insurance claims, resulting in significant adjustments to amounts due to/from the primary government balances.

Recommendation:

We suggest management implement procedures, such as monthly reviews and reconciliations of account balance for accounting implications, periodic comparison of estimates with actual results, and consideration of other accounting policies for appropriateness. Additionally, all adjustments that were made as a result of our current year audit should be reviewed during the next year as a reminder of matters requiring accounting attention in preparing for the 2024 audit.

Current status:

Condition still exists in the current year. See finding 2024-001.

D. FINDINGS – COMMONWEALTH OF VIRGINIA

2023-002: Budget Appropriations

Condition:

The School Operating Fund expenditures exceeded budgeted appropriations in instruction and operations and maintenance at the functional level for the year ended June 30, 2023.

Recommendation:

Steps should be taken to ensure that excess expenditures over budgeted appropriations are approved by the School Board and the budget amended accordingly.

Current Status:

Condition no longer exists in the current year.

Required Communication with Those Charged with Governance

Honorable Members of the City Council
and the City Manager
City of Lynchburg, Virginia

We have audited the financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of City of Lynchburg, Virginia, collectively hereafter referred to as the “City” for the year ended June 30, 2024. Professional standards require that we provide you with information about our responsibilities under generally accepted auditing standards, *Government Auditing Standards*, and the Uniform Guidance, as well as certain information related to the planned scope and timing of our audit. We have communicated such information in our letter to you dated June 27, 2024. Professional standards also require that we communicate to you the following information related to our audit.

Significant Audit Matters

Qualitative Aspects of Accounting Practices

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by the City are described in Note 1 to the financial statements. No new accounting policies were adopted and the application of existing policies was not changed during the year. We noted no transactions entered into by the City during the year for which there is a lack of authoritative guidance or consensus. All significant transactions have been recognized in the financial statements in the proper period.

Accounting estimates are an integral part of the financial statements prepared by management and are based on management’s knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected. The most sensitive estimates affecting the financial statements were:

- The useful lives of the capital assets is based on management’s experience, historical experience, and understanding of those assets.
- Health insurance claims incurred but not reported and the workers’ compensation liabilities as of June 30, 2024, are based on data provided by third-party administrators.
- The allowance for uncollectible ambulance accounts receivable is based on management’s evaluation of the balance and their review and evaluation of aged uncollectible accounts. The allowances for all other uncollectible accounts are based on management’s knowledge of the nature of the receivable and historical experience.
- The liabilities for local other post-employment benefits is based on actuarial calculations provided by actuaries engaged by the City and a variety of assumptions as disclosed in the notes to the financial statements.

- 
- The net pension and the net OPEB for state administered plans are based on actuarial studies provided by actuaries engaged by the Virginia Retirement System.
 - Discount rates used to determine lease liabilities and related assets are based on management's consideration of financing a comparable asset over a similar term.

We evaluated the key factors and assumptions used to develop these estimates in determining that it is reasonable in relation to the financial statements taken as a whole.

Certain financial statement disclosures are particularly sensitive because of their significance to financial statement users. The most sensitive disclosures affecting the financial statements include those related to:

- Capital assets, long-term debt, lease liabilities, commitments and contingencies, the liability for landfill closure and post-closure care costs, pension plans, and other post-employment benefit liabilities.

The financial statement disclosures are neutral, consistent, and clear.

Difficulties Encountered in Performing the Audit

We encountered no significant difficulties in dealing with management in performing and completing our audit.

Corrected and Uncorrected Misstatements

Professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that are clearly trivial, and communicate them to the appropriate level of management. We did not propose any audit adjustments.

Management has determined that the effects of the following unrecorded misstatement is immaterial to the financial statements taken as a whole. All amounts are rounded to the nearest thousand.

- In prior years, the City changed its policy related to the capitalization of internal engineering costs. The change resulted in an uncorrected misstatement that reduces net position of the governmental and business-type activities by approximately \$836,000 and \$1,439,000, respectively. The effects of this misstatement are reduced each year by an insignificant amount of overstated depreciation.

Disagreements with Management

For purposes of this letter, a disagreement with management is a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction, that could be significant to the financial statements or the auditor's report. We are pleased to report that no such disagreements arose during the course of our audit.



Management Representations

We have requested certain representations from management that are included in the management representation letter dated December 5, 2024, a copy of which is attached.

Management Consultations with Other Independent Accountants

In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a “second opinion” on certain situations. If a consultation involves application of an accounting principle to the City’s financial statements or a determination of the type of auditor’s opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants.

Other Audit Findings or Issues

We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to retention as the City’s auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention.

Other Matters

We applied certain limited procedures to the management’s discussion and analysis and the required supplementary information (RSI) as listed in the table of contents that supplements the basic financial statements. Our procedures consisted of inquiries of management regarding 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 did not audit the RSI and do not express an opinion or provide any assurance on the RSI.

We were engaged to report on the supplementary information listed in the table of contents, which accompany the financial statements but are not RSI. With respect to this supplementary information, we made certain inquiries of management and evaluated the form, content, and methods of preparing the information to determine that the information complies with accounting principles generally accepted in the United States of America, the method of preparing it has not changed from the prior period, and the information is appropriate and complete in relation to our audit of the financial statements. We compared and reconciled the supplementary information to the underlying accounting records used to prepare the financial statements or to the financial statements themselves.

We were not engaged to report on the introductory and statistical sections, which accompany the financial statements but are not RSI. Such information has 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 it.



Restriction on Use

This information is intended solely for the information and use of City Council and management of the City of Lynchburg and is not intended to be, and should not be, used by anyone other than these specified parties.

Brown, Edwards & Company, S. L. P.

CERTIFIED PUBLIC ACCOUNTANTS

Roanoke, Virginia
December 5, 2024

THE CITY OF LYNCHBURG
OFFICE OF THE CITY MANAGER

900 Church Street
Lynchburg, VA 24504

December 5, 2024

Brown, Edwards & Company, L.L.P.
Certified Public Accountants
3906 Electric Road
Roanoke, VA 24018

This representation letter is provided in connection with your audit of the financial statements of the City of Lynchburg, Virginia (the "City"), which comprise the respective financial position of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information as of June 30, 2024, and the respective changes in financial position and, where applicable, cash flows for the years then ended, and the related notes to the financial statements, for the purpose of expressing opinions as to whether the financial statements are presented fairly, in all material respects, in accordance with accounting principles generally accepted in the United States of America (U.S. GAAP).

Certain representations in this letter are described as being limited to matters that are material. Items are considered material, regardless of size, if they involve an omission or misstatement of accounting information that, in light of surrounding circumstances, makes it probable that the judgment of a reasonable person relying on the information would be changed or influenced by the omission or misstatement. An omission or misstatement that is monetarily small in amount could be considered material as a result of qualitative factors.

We confirm, to the best of our knowledge and belief, as of December 5, 2024, the following representations made to you during your audit.

Financial Statements

- 1) We have fulfilled our responsibilities, as set out in the terms of the audit engagement letter dated June 27, 2024, including our responsibility for the preparation and fair presentation of the financial statements in accordance with U.S. GAAP and for preparation of the supplementary information in accordance with the applicable criteria.
- 2) The financial statements referred to above are fairly presented in conformity with U.S. GAAP and include all properly classified funds and other financial information of the primary government and all component units required by generally accepted accounting principles to be included in the financial reporting entity.
- 3) We acknowledge our responsibility for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.
- 4) We acknowledge our responsibility for the design, implementation, and maintenance of internal control to prevent and detect fraud.
- 5) Significant assumptions we used in making accounting estimates, including those measured at fair value, are reasonable.
- 6) Related party relationships and transactions, including revenues, expenditures/expenses, loans, transfers, leasing arrangements, and guarantees, and amounts receivable from or payable to related parties have been appropriately accounted for and disclosed in accordance with U.S. GAAP.
- 7) Adjustments or disclosures have been made for all events, including instances of noncompliance, subsequent to the date of the financial statements that would require adjustment to or disclosure in the financial statements or in the schedule of findings and questioned costs.

- 8) The effects of uncorrected misstatements are immaterial, both individually and in the aggregate, to the financial statements as a whole for each opinion unit. A list of the uncorrected misstatements is attached to the representation letter.
 - a) In prior years, the City changed its policy related to the capitalization of internal engineering costs. The change resulted in an uncorrected misstatement that reduced net position of the governmental and business-type activities by approximately \$836,000 and \$1,439,000, respectively. The effects of this misstatement are reduced each year by an insignificant amount of overstated depreciation.
 - b) An overstatement of approximately \$139,000 in the prepaids and corresponding understatement of expenses in the Schools fund.
 - c) The Schools' identified leases were not recorded in accordance with GASB 87, the potential impact is an understatement of lease assets by approximately \$287,000 and a related understatement of lease liabilities by approximately \$293,000, overstatement of beginning net position by approximately \$7,000, and overstatement of current expense of approximately \$1,000.
- 9) The effects of all known actual or possible litigation, claims, and assessments have been accounted for and disclosed in accordance with U.S. GAAP.
- 10) Guarantees, whether written or oral, under which the entity is contingently liable, if any, have been properly recorded or disclosed.
- 11) We have provided the planning communication letter to all members of those charged with governance as requested.

Information Provided

- 12) We have provided you with:
 - a) Access to all information, of which we are aware, that is relevant to the preparation and fair presentation of the financial statements, such as records, documentation, and other matters and all audit or relevant monitoring reports, if any, received from funding sources.
 - b) Additional information that you have requested from us for the purpose of the audit.
 - c) Unrestricted access to persons within the entity from whom you determined it necessary to obtain audit evidence.
 - d) Minutes of the meetings or summaries of actions of recent meetings for which minutes have not yet been prepared.
- 13) All material transactions have been recorded in the accounting records and are reflected in the financial statements and the schedule of expenditures of federal awards.
- 14) We have disclosed to you the results of our assessment of the risk that the financial statements may be materially misstated as a result of fraud.
- 15) We have no knowledge of any fraud or suspected fraud that affects the entity and involves:
 - Management,
 - Employees who have significant roles in internal control,
 - Service organizations used by the entity, or
 - Others where the fraud could have a material effect on the financial statements.
- 16) We have no knowledge of any allegations of fraud or suspected fraud affecting the entity's financial statements communicated by employees, former employees, regulators, or others.
- 17) We have no knowledge of instances of noncompliance or suspected noncompliance with provisions of laws, regulations, contracts, or grant agreements, or waste or abuse, whose effects should be considered when preparing financial statements.
- 18) We have disclosed to you all known actual or possible litigation, claims, and assessments whose effects should be considered when preparing the financial statements.
- 19) We have disclosed to you the identity of the entity's related parties and all the related party relationships and transactions of which we are aware.

Government—specific

- 20) There have been no communications from regulatory agencies concerning noncompliance with, or deficiencies in, financial reporting practices.

- 21) We have a process to track the status of audit findings and recommendations.
- 22) We have identified to you any previous audits, attestation engagements, and other studies related to the audit objectives and whether related recommendations have been implemented.
- 23) We have provided our views on reported findings, conclusions, and recommendations, as well as our planned corrective actions, for the report.
- 24) The entity has no plans or intentions that may materially affect the carrying value or classification of assets, deferred outflows of resources, liabilities, deferred inflows of resources, and fund balance or net position.
- 25) We are responsible for compliance with the laws, regulations, and provisions of contracts and grant agreements applicable to us, including tax or debt limits and debt contracts; and legal and contractual provisions for reporting specific activities in separate funds.
- 26) We have appropriately identified, recorded, and disclosed all leases in accordance with GASBS No. 87.
- 27) We have appropriately identified, recorded, and disclosed subscription-based information technology arrangements in accordance with GASBS No. 96.
- 28) We have identified and disclosed to you all instances, which have occurred or are likely to have occurred, of fraud and noncompliance with provisions of laws and regulations that we believe have a material effect on the financial statements or other financial data significant to the audit objectives, and any other instances that warrant the attention of those charged with governance.
- 29) We have identified and disclosed to you all instances, which have occurred or are likely to have occurred, of noncompliance with provisions of contracts and grant agreements that we believe have a material effect on the determination of financial statement amounts or other financial data significant to the audit objectives.
- 30) We have identified and disclosed to you all instances that have occurred or are likely to have occurred, of abuse that could be quantitatively or qualitatively material to the financial statements or other financial data significant to the audit objectives.
- 31) There are no violations or possible violations of budget ordinances, laws and regulations (including those pertaining to adopting, approving, and amending budgets), provisions of contracts and grant agreements, tax or debt limits, and any related debt covenants whose effects should be considered for disclosure in the financial statements, or as a basis for recording a loss contingency, or for reporting on noncompliance.
- 32) As part of your audit, you assisted with preparation of the School Board's portion of the financial statements and related notes, and the data collection form. We acknowledge our responsibility as it relates to those nonaudit services, including that we assume all management responsibilities; oversee the services by designating an individual, preferably within senior management, who possesses suitable skill, knowledge, or experience; evaluate the adequacy and results of the services performed; and accept responsibility for the results of the services; and ensured that the entity's data and records are complete and received sufficient information to oversee the services. We have reviewed, approved, and accepted responsibility for those financial statements and related notes and the data collection form.
- 33) The entity has satisfactory title to all owned assets, and there are no liens or encumbrances on such assets nor has any asset been pledged as collateral.
- 34) The entity has complied with all aspects of contractual agreements that would have a material effect on the financial statements in the event of noncompliance.
- 35) The financial statements include all component units, appropriately present majority equity interests in legally separate organizations and joint ventures with an equity interest, and properly disclose all other joint ventures and other related organizations.
- 36) The financial statements properly classify all funds and activities, in accordance with GASB Statement No. 34, as amended, and GASB Statement No. 84.
- 37) All funds that meet the quantitative criteria in GASBS Nos. 34 and 37 for presentation as major are identified and presented as such and all other funds that are presented as major are particularly important to financial statement users.
- 38) Components of net position (net investment in capital assets; restricted; and unrestricted), and classifications of fund balance (nonspendable, restricted, committed, assigned, and unassigned) are properly classified and, if applicable, approved.
- 39) Investments, derivative instruments, and land and other real estate held by endowments are properly valued.

- 40) Provisions for uncollectible receivables have been properly identified and recorded.
- 41) Expenses have been appropriately classified in or allocated to functions and programs in the statement of activities, and allocations have been made on a reasonable basis.
- 42) Revenues are appropriately classified in the statement of activities within program revenues, general revenues, contributions to term or permanent endowments, or contributions to permanent fund principal.
- 43) Interfund, internal, and intra-entity activity and balances have been appropriately classified and reported.
- 44) Special and extraordinary items are appropriately classified and reported, if applicable.
- 45) Deposits and investment securities and derivative instruments are properly classified as to risk and are properly disclosed.
- 46) Capital assets, including infrastructure and intangible assets, are properly capitalized, reported, and, if applicable, depreciated or amortized.
- 47) Capital assets have been evaluated for impairment as a result of significant and unexpected decline in service utility.
- 48) We believe that the actuarial assumptions and methods used to measure pension and OPEB liabilities and costs for financial accounting purposes are appropriate in the circumstances.
- 49) We have not completed the process of evaluating the impact that will result from adopting new Governmental Accounting Standards Board Statements (GASBS) that are not yet effective, as discussed in the notes to financial statements. The entity is therefore unable to disclose the impact that adopting these Statements will have on its financial position and the results of its operations when the Statements are adopted.
- 50) We agree with the findings of specialists in evaluating the pension and OPEB liabilities and have adequately considered the qualifications of the specialist in determining the amounts and disclosures used in the financial statements and underlying accounting records. We did not give or cause any instructions to be given to specialists with respect to the values or amounts derived in an attempt to bias their work, and we are not otherwise aware of any matters that have had an impact on the independence or objectivity of the specialists.
- 51) We agree with the findings of specialists in evaluating the landfill liability estimate for closure, post-closure costs, the actuaries in determining pension and other post-employment benefits liabilities and disclosures, and the third party administrators in determining the incurred but not reported liabilities, and have adequately considered the qualifications of the specialist in determining the amounts and disclosures used in the financial statements and underlying accounting records. We did not give or cause any instructions to be given to specialists with respect to the values or amounts derived in an attempt to bias their work, and we are not otherwise aware of any matters that have had an impact on the independence or objectivity of the specialists.
- 52) We have appropriately disclosed the entity's policy regarding whether to first apply restricted or unrestricted resources when an expense is incurred for purposes for which both restricted and unrestricted net position is available and have determined that net position is properly recognized under the policy.
- 53) We are following our established accounting policy regarding which resources (that is, restricted, committed, assigned, or unassigned) are considered to be spent first for expenditures for which more than one resource classification is available. That policy determines the fund balance classifications for financial reporting purposes.
- 54) We acknowledge our responsibility for the required supplementary information (RSI). The RSI is measured and presented within prescribed guidelines and the methods of measurement and presentation have not changed from those used in the prior period. We have disclosed to you any significant assumptions and interpretations underlying the measurement and presentation of the RSI.
- 55) With respect to the supplementary information on which an in-relation-to opinion is issued.
 - a) We acknowledge our responsibility for presenting the supplementary information in accordance with accounting principles generally accepted in the United States of America, and we believe the supplementary information, including its form and content, is fairly presented in accordance with accounting principles generally accepted in the United States of America. The methods of measurement and presentation of the supplementary information have not changed from those used in the prior period, and we have disclosed to you any significant assumptions or interpretations underlying the measurement and presentation of the supplementary information.
 - b) If the supplementary information is not presented with the audited financial statements, we will make the audited financial statements readily available to the intended users of the supplementary information no later than the date we issue the supplementary information and the auditor's report thereon.
- 56) With respect to the other information:

- a) We acknowledge that we have informed you of all documents that may comprise other information we expect to issue. The financial statements and other information you obtained prior to the auditor's report date are consistent with one another, and the other information does not contain any material misstatements.
- b) With regard to the other information that will be included in the annual report that has not been obtained by you prior to the auditor's report date, we intend to prepare and issue the other information, as well as communicate the expected timing of issuance, and provide you with the final version of the document(s) when available and prior to the issuance of the annual report.

57) With respect to federal award programs:

- a) We are responsible for understanding and complying with and have complied 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), including requirements relating to preparation of the schedule of expenditures of federal awards.
- b) We acknowledge our responsibility for preparing and presenting the schedule of expenditures of federal awards (SEFA) and related disclosures in accordance with the requirements of the Uniform Guidance, and we believe the SEFA, including its form and content, is fairly presented in accordance with the Uniform Guidance. The methods of measurement or presentation of the SEFA have not changed from those used in the prior period and we have disclosed to you any significant assumptions and interpretations underlying the measurement or presentation of the SEFA.
- c) If the SEFA is not presented with the audited financial statements, we will make the audited financial statements readily available to the intended users of the SEFA no later than the date we issue the SEFA and the auditor's report thereon.
- d) We have identified and disclosed to you all of our government programs and related activities subject to the Uniform Guidance compliance audit, and have included in the SEFA expenditures made during the audit period for all awards provided by federal agencies in the form of federal awards, federal cost-reimbursement contracts, loans, loan guarantees, property (including donated surplus property), cooperative agreements, interest subsidies, insurance, food commodities, direct appropriations, and other direct assistance.
- e) We are responsible for understanding and complying with, and have complied with, the requirements of federal statutes, regulations, and the terms and conditions of federal awards related to each of our federal programs and have identified and disclosed to you the requirements of federal statutes, regulations, and the terms and conditions of federal awards that are considered to have a direct and material effect on each major program.
- f) We are responsible for establishing and maintaining, and have established and maintained, effective internal control over compliance for federal programs that provides reasonable assurance that we are managing our federal awards in compliance with federal statutes, regulations, and the terms and conditions of federal awards that could have a material effect on our federal programs. We believe the internal control system is adequate and is functioning as intended.
- g) We have made available to you all federal awards (including amendments, if any) and any other correspondence with federal agencies or pass-through entities relevant to federal programs and related activities.
- h) We have received no requests from a federal agency to audit one or more specific programs as a major program.
- i) We have complied with the direct and material compliance requirements (except for noncompliance disclosed to you), including when applicable, those set forth in the *OMB Compliance Supplement*, relating to federal awards and have identified and disclosed to you all amounts questioned and all known noncompliance with the direct and material compliance requirements of federal awards.
- j) We have disclosed any communications from federal awarding agencies and pass-through entities concerning possible noncompliance with the direct and material compliance requirements, including communications received from the end of the period covered by the compliance audit to the date of the auditor's report.
- k) We have disclosed to you the findings received and related corrective actions taken for previous audits, attestation engagements, and internal or external monitoring that directly relate to the objectives of the compliance audit, including findings received and corrective actions taken from the end of the period covered by the compliance audit to the date of the auditor's report.
- l) Amounts claimed or used for matching were determined in accordance with relevant guidelines in OMB's Uniform Guidance (2 CFR part 200, subpart E).
- m) We have disclosed to you our interpretation of compliance requirements that may have varying interpretations.

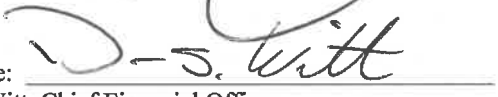
- n) We have made available to you all documentation related to compliance with the direct and material compliance requirements, including information related to federal program financial reports and claims for advances and reimbursements.
- o) We have disclosed to you the nature of any subsequent events that provide additional evidence about conditions that existed at the end of the reporting period affecting noncompliance during the reporting period.
- p) There are no such known instances of noncompliance with direct and material compliance requirements that occurred subsequent to the period covered by the auditor's report.
- q) No changes have been made in internal control over compliance or other factors that might significantly affect internal control, including any corrective action we have taken regarding significant deficiencies or material weaknesses in internal control over compliance, subsequent to the period covered by the auditor's report.
- r) Federal program financial reports and claims for advances and reimbursements are supported by the books and records from which the financial statements have been prepared.
- s) The copies of federal program financial reports provided you are true copies of the reports submitted, or electronically transmitted, to the respective federal agency or pass-through entity, as applicable.
- t) We have monitored subrecipients, as necessary, to determine that they have expended subawards in compliance with federal statutes, regulations, and the terms and conditions of the subaward and have met the requirements of the Uniform Guidance, if applicable.
- u) We have issued management decisions for audit findings that relate to federal awards made to subrecipients and such management decisions have been issued within six months of acceptance of the audit report by the Federal Audit Clearinghouse. Additionally, we have followed-up ensuring that the subrecipient has taken timely and appropriate action on all deficiencies detected through audits, on-site reviews, and other means that pertain to the federal award provided to the subrecipient, if applicable.
- v) We have considered the results of subrecipient audits and have made any necessary adjustments to our books and records, if applicable.
- w) We have charged costs to federal awards in accordance with applicable cost principles.
- x) We are responsible for and have accurately prepared the summary schedule of prior audit findings to include all findings required to be included by the Uniform Guidance and we have provided you with all information on the status of the follow-up on prior audit findings by federal awarding agencies and pass-through entities, including all management decisions.
- y) We are responsible for and have ensured the reporting package does not contain protected personally identifiable information.
- z) We are responsible for and have accurately prepared the auditee section of the Data Collection Form as required by the Uniform Guidance.
- aa) We are responsible for taking corrective action on each audit finding of the compliance audit and have developed a corrective action plan that meets the requirements of the Uniform Guidance.
- bb) We have disclosed to you all contracts or other agreements with service organizations, and we have disclosed to you all communications from the service organizations relating to noncompliance at the service organizations, if applicable.

58) With respect to the Passenger Facility Charge (PFC) program:

- a) We are responsible for understanding and complying with and have complied with the requirements of Passenger Facility Charge Audit Guide for Public Agencies, including requirements relating to preparation of the schedule of PFCs and schedule of expenditures of PFCs.
- b) We acknowledge our responsibility for presenting the PFC schedules in accordance with requirements of Passenger Facility Charge Audit Guide for Public Agencies, and we believe the PFC schedules, including their form and content, are fairly presented in accordance with Passenger Facility Charge Audie Guide for Public Agencies. The methods of measurement or presentation of the PFC schedules have not changed from those used in the prior period and we have disclosed to you any significant assumptions and interpretations underlying the measurement or presentation of the PFC schedules.
- c) If the PFC schedules are not presented with the audited financial statements, we will make the audited financial statements readily available to the intended users of the PFC schedules no later than the date we issue the PFC schedules and the auditor's report thereon.

- d) We are responsible for understanding and complying with, and have complied with, the requirements of laws, regulations, and the provisions of contracts and grant agreements related to the PFC program and have identified and disclosed to you the requirements of laws, regulations, and the provisions of contracts and grant agreements that are considered to have a direct material effect on the PFC program.
 - e) We are responsible for establishing and maintaining, and have established and maintained, effective internal control over compliance for the PFC program that provides reasonable assurance that we are managing our PFC program in compliance with laws, regulations, and the provisions of contracts and grant agreements that could have a material effect on the PFC program. We believe the internal control system is adequate and is functioning as intended.
 - f) We have made available to you all contracts and grant agreements (including amendments, if any) and any other correspondence with federal agencies or pass-through entities relevant to the PFC program and related activities.
 - g) We have complied with the direct and material compliance requirements including when applicable, those set forth in the Passenger Facility Charge Audit Guide for Public Agencies, relating to the PFC program and confirm that there were no amounts questioned and no known noncompliance with the direct and material compliance requirements of the PFC program.
 - h) We have disclosed any communications from grantors and pass-through entities concerning possible noncompliance with the direct and material compliance requirements, including communications received from the end of the period covered by the compliance audit to the date of the auditor's report.
 - i) We have disclosed to you the findings received and related corrective actions taken for previous audits, attestation engagements, and internal or external monitoring that directly relate to the objectives of the compliance audit, including findings received and corrective actions taken from the end of the period covered by the compliance audit to the date of the auditor's report.
 - j) Amounts claimed or used for matching were determined in accordance with the Passenger Facility Charge Audit Guide for Public Agencies.
 - k) We have disclosed to you our interpretation of compliance requirements that may have varying interpretations.
 - l) We have made available to you all documentation related to compliance with the direct and material compliance requirements, including information related to the PFC program financial reports and claims for advances and reimbursements.
 - m) We have disclosed to you the nature of any subsequent events that provide additional evidence about conditions that existed at the end of the reporting period affecting noncompliance during the reporting period.
 - n) There are no such known instances of noncompliance with direct and material compliance requirements that occurred subsequent to the period covered by the auditor's report.
 - o) No changes have been made in internal control over compliance or other factors that might significantly affect internal control, including any corrective action we have taken regarding significant deficiencies or material weaknesses in internal control over compliance, subsequent to the date as of which compliance was audited.
 - p) Federal program financial reports and claims for advances and reimbursements are supported by the books and records from which the financial statements have been prepared.
 - q) The copies of federal program financial reports provided you are true copies of the reports submitted, or electronically transmitted, to the respective federal agency or pass-through entity, as applicable.
 - r) We have charged costs to the PFC program in accordance with applicable cost principles.
- 59) We reaffirm the representations made to you in our letter dated December 1, 2023 regarding your audit for the fiscal year ended June 30, 2023.

Signature: 
Wynter C. Benda, City Manager
City of Lynchburg

Signature: 
Donna Witt, Chief Financial Officer
City of Lynchburg

Signature: **Rhonda F. Allbeck**
Rhonda Allbeck, Assistant Director of Financial Services
City of Lynchburg

Digitally signed by Rhonda F. Allbeck
Date: 2024.12.05 16:23:29 -05'00'

Signature: 
Ben Copeland, Interim Superintendent
Lynchburg City Schools

Signature: 
Sonia Jammes, Chief Financial Officer
Lynchburg City Schools



To the Honorable Members of City Council
and the City Manager
City of Lynchburg, Virginia

During the audit of the financial statements of the City of Lynchburg, Virginia (the "City") for the year ended June 30, 2024, we did not detect any matters that warranted issuance of an internal control or management letter. However, in our communications to those charged with governance, we commonly include information on accounting and other matters that we believe is important enough to merit consideration by management and those charged with governance. In this document, we would like to make you aware of certain confirmed and potential changes on the horizon that may affect your financial reporting and audit in future years. Should you have any questions on these matters, please contact our firm.

Brown, Edwards & Company, L.L.P.

CERTIFIED PUBLIC ACCOUNTANTS

Roanoke, Virginia
December 5, 2024

City of Lynchburg, Virginia
Accounting and Other Matters
June 30, 2024

New GASB Pronouncements

In this section, we would like to make you aware of certain confirmed and potential changes that are on the horizon that may affect your financial reporting and audit.

The GASB issued **Statement No. 101, *Compensated Absences*** in June 2022. The objective of this Statement is to better meet the information needs of financial statement users by updating the recognition and measurement guidance for compensated absences. That objective is achieved by aligning the recognition and measurement guidance under a unified model and by amending certain previously required disclosures. This Statement requires that liabilities for compensated absences be recognized for (1) leave that has not been used and (2) leave that has been used but not yet paid in cash or settled through noncash means. A liability should be recognized for leave that has not been used if (a) the leave is attributable to services already rendered, (b) the leave accumulates, and (c) the leave is more likely than not to be used for time off or otherwise paid in cash or settled through noncash means. Leave is attributable to services already rendered when an employee has performed the services required to earn the leave. Leave that accumulates is carried forward from the reporting period in which it is earned to a future reporting period during which it may be used for time off or otherwise paid or settled. In estimating the leave that is more likely than not to be used or otherwise paid or settled, a government should consider relevant factors such as employment policies related to compensated absences and historical information about the use or payment of compensated absences. However, leave that is more likely than not to be settled through conversion to defined benefit postemployment benefits should not be included in a liability for compensated absences.

This Statement requires that a liability for certain types of compensated absences – including parental leave, military leave, and jury duty leave—not be recognized until the leave commences. This Statement also requires that a liability for specific types of compensated absences not be recognized until the leave is used.

This Statement also establishes guidance for measuring a liability for leave that has not been used, generally using an employee's pay rate as of the date of the financial statements. A liability for leave that has been used but not yet paid or settled should be measured at the amount of the cash payment or noncash settlement to be made. Certain salary-related payments that are directly and incrementally associated with payments for leave also should be included in the measurement of the liabilities.

With respect to financial statements prepared using the current financial resources measurement focus, this Statement requires that expenditures be recognized for the amount that normally would be liquidated with expendable available financial resources.

The requirements of this Statement are effective for fiscal years beginning after December 15, 2023, and all reporting periods thereafter. Earlier application is encouraged.

The GASB issued **Statement No. 102, *Certain Risk Disclosures*** in December 2023. State and local governments face a variety of risks that could negatively affect the level of service they provide or their ability to meet obligations as they come due. Although governments are required to disclose information about their exposure to some of those risks, essential information about other risks that are prevalent among state and local governments is not routinely disclosed because it is not explicitly required. The objective of this Statement is to provide users of government financial statements with essential information about risks related to a government's vulnerabilities due to certain concentrations or constraints.

This Statement defines a concentration as a lack of diversity related to an aspect of a significant inflow of resources or outflow of resources. A constraint is a limitation imposed on a government by an external party or by formal action of the

City of Lynchburg, Virginia
Accounting and Other Matters
June 30, 2024

government's highest level of decision-making authority. Concentrations and constraints may limit a government's ability to acquire resources or control spending.

This Statement requires a government to assess whether a concentration or constraint makes the primary government reporting unit or other reporting units that report a liability for revenue debt vulnerable to the risk of a substantial impact. Additionally, this Statement requires a government to assess whether an event or events associated with a concentration or constraint that could cause the substantial impact have occurred, have begun to occur, or are more likely than not to begin to occur within 12 months of the date the financial statements are issued.

If a government determines that those criteria for disclosure have been met for a concentration or constraint, it should disclose information in notes to financial statements in sufficient detail to enable users of financial statements to understand the nature of the circumstances disclosed and the government's vulnerability to the risk of a substantial impact. The disclosure should include descriptions of the following:

- The concentration or constraint
- Each event associated with the concentration or constraint that could cause a substantial impact if the event had occurred or had begun to occur prior to the issuance of the financial statements
- Actions taken by the government prior to the issuance of the financial statements to mitigate the risk.

The requirements of this Statement are effective for fiscal years beginning after June 15, 2024, and all reporting periods thereafter. Earlier application is encouraged.

The GASB issued **Statement No. 103, Financial Reporting Model Improvements** in April 2024. The objective of this Statement is to improve key components of the financial reporting model to enhance its effectiveness in providing information that is essential for decision making and assessing a government's accountability. This Statement also addresses certain application issues.

Management's Discussion and Analysis: This Statement continues the requirement that the basic financial statements be preceded by management's discussion and analysis (MD&A), which is presented as required supplementary information (RSI). MD&A provides an objective and easily readable analysis of the government's financial activities based on currently known facts, decisions, or conditions and presents comparisons between the current year and the prior year. This Statement requires that the information presented in MD&A be limited to the related topics discussed in five sections: (1) Overview of the Financial Statements, (2) Financial Summary, (3) Detailed Analyses, (4) Significant Capital Asset and Long-Term Financing Activity, and (5) Currently Known Facts, Decisions, or Conditions. Furthermore, this Statement stresses that the detailed analyses should explain why balances and results of operations changed rather than simply presenting the amounts or percentages by which they changed. This Statement emphasizes that the analysis provided in MD&A should avoid unnecessary duplication by not repeating explanations that may be relevant to multiple sections and that "boilerplate" discussions should be avoided by presenting only the most relevant information, focused on the primary government. In addition, this Statement continues the requirement that information included in MD&A distinguish between that of the primary government and its discretely presented component units.

Unusual or Infrequent Items: This Statement describes unusual or infrequent items as transactions and other events that are either unusual in nature or infrequent in occurrence. Furthermore, governments are required to display the inflows and outflows related to each unusual or infrequent item separately as the last presented flow(s) of resources prior to the net change in resource flows in the government-wide, governmental fund, and proprietary fund statements of resource flows.

Presentation of the Proprietary Fund Statement of Revenues, Expenses, and Changes in Fund Net Position: This Statement requires that the proprietary fund statement of revenues, expenses, and changes in fund net position continue to

City of Lynchburg, Virginia

Accounting and Other Matters

June 30, 2024

distinguish between operating and nonoperating revenues and expenses. Operating revenues and expenses are defined as revenues and expenses other than nonoperating revenues and expenses. Nonoperating revenues and expenses are defined as (1) subsidies received and provided, (2) contributions to permanent and term endowments, (3) revenues and expenses related to financing, (4) resources from the disposal of capital assets and inventory, and (5) investment income and expenses.

In addition to the subtotals currently required in a proprietary fund statement of revenues, expenses, and changes in fund net position, this Statement requires that a subtotal for operating income (loss) and noncapital subsidies be presented before reporting other nonoperating revenues and expenses. Subsidies are defined as (1) resources received from another party or fund (a) for which the proprietary fund does not provide goods and services to the other party or fund and (b) that directly or indirectly keep the proprietary fund's current or future fees and charges lower than they would be otherwise, (2) resources provided to another party or fund (a) for which the other party or fund does not provide goods and services to the proprietary fund and (b) that are recoverable through the proprietary fund's current or future pricing policies, and (3) all other transfers.

Major Component Unit Information: This Statement requires governments to present each major component unit separately in the reporting entity's statement of net position and statement of activities if it does not reduce the readability of the statements. If the readability of those statements would be reduced, combining statements of major component units should be presented after the fund financial statements.

Budgetary Comparison Information: This Statement requires governments to present budgetary comparison information using a single method of communication – RSI. Governments also are required to present (1) variances between original and final budget amounts and (2) variances between final budget and actual amounts. An explanation of significant variances is required to be presented in notes to RSI.

The requirements of this Statement are effective for fiscal years beginning after June 15, 2025, and all reporting periods thereafter. Earlier application is encouraged.

Current GASB Projects

GASB currently has a variety of projects in process. Some of these projects discussed below.

Classification of Nonfinancial Assets. The objective of this project would be to reconsider the existing classification of nonfinancial assets and other related sub-classifications (for example, capital assets or intangible assets) to ensure that (1) assets are classified in a way that provides the most relevant financial information and (2) the definitions of the classifications are understandable and appropriate to meeting financial reporting objectives. The project also will consider how any classification changes would affect financial statement presentation and disclosure of nonfinancial assets. The project will not, however, reexamine recognition or measurement of nonfinancial assets. This project is in the exposure draft re-deliberations period.

Going Concern Uncertainties and Severe Financial Stress. The objective of this project is to address issues related to disclosures regarding going concern uncertainties and severe financial stress. The project will consider (1) improvements to existing guidance for going concern considerations to address diversity in practice and clarify the circumstances under which disclosure is appropriate, (2) developing a definition of severe financial stress and criteria for identifying when governments should disclose their exposure to severe financial stress, and (3) what information about a government's exposure to severe financial stress is necessary to disclose. This project is currently in the initial deliberations period.

City of Lynchburg, Virginia

Accounting and Other Matters

June 30, 2024

Implementation Guidance Update – 2025. The objective of this project is to update implementation guidance for additional issues that come to the attention of the staff. This project will result in the issuance of an Implementation Guide when sufficient need exists for new or improved guidance and the Board does not object to its issuance. All updates are incorporated into the Codification of Governmental Accounting and Financial Reporting Standards and the Comprehensive Implementation Guide, as appropriate. This project is currently in the initial proposals period.

Infrastructure Assets. The objective of this project is to address issues related to accounting and financial reporting for infrastructure assets. The project would evaluate standards-setting options related to reporting infrastructure assets to make information (1) more comparable across governments and more consistent over time, (2) more useful for making decisions and assessing government accountability, (3) more relevant to assessments of a government's economic condition, and (4) better reflect the capacity of those assets to provide service and how that capacity may change over time. This project is currently in the initial deliberations period.

Revenue and Expense Recognition. The objective of this project is to develop a comprehensive application model for the classification, recognition, and measurement of revenues and expenses. The purpose for developing a comprehensive model is (1) to improve the information regarding revenues and expenses that users need to make decisions and assess accountability, (2) to provide guidance regarding exchange and exchange-like transactions that have not been specifically addressed, (3) to evaluate revenue and expense recognition in the context of the conceptual framework, and (4) to address application issues identified in practice, based upon the results of the pre-agenda research on revenue for exchange and exchange-like transactions. This project is currently in the preliminary views re-deliberations period.

Subsequent Events. The objective of this project is to improve the accounting and financial reporting for subsequent events. The project will reexamine existing requirements related to subsequent events in Statement No. 56, *Codification of Accounting and Financial Reporting Guidance Contained in the AICPA Statements on Auditing Standards*, to address issues related to (1) confusion about and challenges associated with applying the existing standards, (2) inconsistency in practice in the information provided about subsequent events, and (3) the usefulness of the information provided about subsequent events. This project is currently in the initial deliberations period toward an Exposure Draft.

Required Communication with Those Charged with Governance

Honorable Members of the School Board and the
Superintendent of Lynchburg City Schools
Lynchburg, Virginia

As part of our audit of the City of Lynchburg, Virginia we have audited the financial statements of Lynchburg City Schools (the “Schools”), a component unit of the City of Lynchburg, Virginia, for the year ended June 30, 2024. Professional standards require that we provide you with information about our responsibilities under generally accepted auditing standards, *Government Auditing Standards*, and the Uniform Guidance, as well as certain information related to the planned scope and timing of our audit. We have communicated such information in our letter to you dated June 27, 2024. Professional standards also require that we communicate to you the following information related to our audit.

Significant Audit Matters

Qualitative Aspects of Accounting Practices

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by the Schools are described in Note 1 to the financial statements. No new accounting policies were adopted and the application of existing policies was not changed during 2024. We noted no transactions entered into by the Schools during the year for which there is a lack of authoritative guidance or consensus. All significant transactions have been recognized in the financial statements in the proper period.

Accounting estimates are an integral part of the financial statements prepared by management and are based on management’s knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected. The most sensitive estimates affecting the Schools’ financial statements were:

- The useful lives of capital assets and the allowance for uncollectible accounts are based on management’s knowledge and judgment, which is based on history.
- The local other post-employment benefits liability is based on an actuarial study provided by the Schools’ external actuarial firm.
- The self-insurance liability is based on information from an external third-party consultant and subsequent claims information provided by the insurance carrier.
- The net pension liability and the net OPEB liability is based on an actuarial study performed by actuaries engaged by the Virginia Retirement System.

We evaluated the methods, assumptions, and data used to develop these estimates in determining that it is reasonable in relation to the financial statements taken as a whole.



Certain financial statement disclosures are particularly sensitive because of their significance to financial statement users. The most sensitive disclosures affecting the financial statements include those related to:

- Capital assets, commitments, health insurance claims incurred but not reported, pension plans, and other post-employment benefit liabilities.

The financial statement disclosures are neutral, consistent, and clear.

Difficulties Encountered in Performing the Audit

We encountered no significant difficulties in dealing with management in performing and completing our audit.

Corrected and Uncorrected Misstatements

Professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that are clearly trivial, and communicate them to the appropriate level of management. Management has corrected all such misstatements. The audit adjustments in the attachment were recorded by the Schools and indicate matters that had a significant effect on the Schools' financial reporting process.

Management has determined that the effects of the following unrecorded misstatements are immaterial, both individually and in the aggregate, to the financial statements taken as a whole. All amounts are rounded to the nearest thousand.

- An overstatement of approximately \$139,000 in the prepaids and corresponding understatement of expenses.
- Identified leases were not recorded in accordance with GASB 87, the potential impact is an understatement of lease assets by approximately \$287,000 and a related understatement of lease liabilities by approximately \$293,000, overstatement of beginning net position of approximately \$7,000, and overstatement of current year expense of approximately \$1,000.

Disagreements with Management

For purposes of this letter, a disagreement with management is a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction, that could be significant to the financial statements or the auditor's report. We are pleased to report that no such disagreements arose during the course of our audit.

Management Representations

We have requested certain representations from management that are included in the management representation letter dated December 5, 2024, a copy of which is attached.



Management Consultations with Other Independent Accountants

In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a “second opinion” on certain situations. If a consultation involves application of an accounting principle to the Schools’ financial statements or a determination of the type of auditor’s opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants.

Other Audit Findings or Issues

We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to retention as the Schools’ auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention.

Other Matters

We applied certain limited procedures to the required supplementary information (RSI), as listed in the table of contents, which supplements the basic financial statements. Our procedures consisted of inquiries of management regarding 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 did not audit the RSI and do not express an opinion or provide any assurance on the RSI.

We were engaged to report on other supplementary information, which accompany the financial statements but are not RSI. With respect to this supplementary information, we made certain inquiries of management and evaluated the form, content, and methods of preparing the information to determine that the information complies with accounting principles generally accepted in the United States of America, the method of preparing it has not changed from the prior period, and the information is appropriate and complete in relation to our audit of the financial statements. We compared and reconciled the supplementary information to the underlying accounting records used to prepare the financial statements or to the financial statements themselves.

We were not engaged to report on the introductory and statistical sections, which accompany the financial statements but are not RSI. Such information has 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 it.



Restriction on Use

This information is intended solely for the information and use of the Board and management of the Schools and is not intended to be, and should not be, used by anyone other than these specified parties.

Brown, Edwards & Company, L.L.P.

CERTIFIED PUBLIC ACCOUNTANTS

Roanoke, Virginia
December 5, 2024

Lynchburg City Schools
Adjusting Journal Entries
June 30, 2024

Account	Description	Debit	Credit
Adjusting Journal Entries JE # 1			
To accrue SN payrolls that ran un June 24, but didnt come out of cash until July 2024			
3.0000.000.0110.0000.000	CASH IN BANK	129,949.99	
3.0000.000.0218.0000.000	PAYROLL PAYABLE		129,949.99
Total		129,949.99	129,949.99

Adjusting Journal Entries JE # 2			
To true-up BB fund balance			
1.0000.000.0221.0000.000	REGULAR FUND BALANCE	9,065.00	
5.1100.950.5800.0135.259	MISC.	3,020.00	
8.1100.304.5800.0400.715	MISCELLANEOUS	85.61	
1.1310.970.5800.0820.011	MISCELLANEOUS - PREK - PROF DEVELOPMENT		9,065.00
5.0000.000.0221.0000.000	REGULAR FUND BALANCE		3,020.00
8.0000.000.0221.0000.000	REGULAR FUND BALANCE		85.61
Total		12,170.61	12,170.61

Adjusting Journal Entries JE # 3			
To adjust IBNR balance			
1.1100.100.1120.0100.011	Salaries-Teachers Contingency	35,470.73	
1.1100.100.2300.0100.011	HMP (Hospital/Medical Plans)	10,699.27	
1.1100.100.2300.0100.011	HMP (Hospital/Medical Plans)	53,645.73	
1.1100.102.1120.0116.011	SALARIES - ESL TEACHERS	47,836.59	
1.1100.102.2300.0200.011	HMP (Hospital/Medical Plans)	9,400.34	
1.1100.104.2300.0100.011	HMP (Hospital/Medical Plans)	16,142.29	
1.1100.104.2300.0200.011	HMP (Hospital/Medical Plans)	10,000.00	
1.1100.107.2300.0100.011	HMP (Hospital/Medical Plans)	10,015.01	
1.1100.107.2300.0200.011	HMP (Hospital/Medical Plans)	12,097.54	
1.1100.108.2300.0200.011	HMP (Hospital/Medical Plans)	13,637.73	
1.1100.108.2300.0400.011	HMP (Hospital/Medical Plans)	13,421.28	
1.1100.110.2300.0116.011	HMP (Hospital/Medical Plans)	11,646.00	
1.1100.110.2300.0200.011	HMP (Hospital/Medical Plans)	20,678.54	
1.1100.111.2300.0100.011	HMP (Hospital/Medical Plans)	25,895.84	
1.1100.116.2300.0200.011	HMP (Hospital/Medical Plans)	37,140.88	
1.1100.116.6000.0200.011	MATERIALS & SUPPLIES - SPED - RESTRICTED	4,031.95	
1.1100.117.2300.0100.011	HMP (Hospital/Medical Plans)	42,089.73	
1.1100.117.2300.0200.011	HMP (Hospital/Medical Plans)	17,267.94	
1.1100.117.3000.0225.011	PURCHASED SERVICE - OCCUPATIONAL THERAPY	4,100.00	
1.1100.201.2300.0360.011	HMP(HOSPITAL/MEDICAL)PLAN	10,000.00	
1.1100.201.3000.0108.011	PURCHASED SERVICE - BAND	1,895.72	
1.1100.201.3000.0200.900	PURCHASED SERVICES SPED DISTRICT	12,019.14	
1.1100.201.6000.0100.011	MATERIALS & SUPPLIES - GENERAL	3,614.75	
1.1100.202.2300.0100.011	HMP (Hospital/Medical Plans)	6,705.56	
1.1100.202.2300.0200.011	HMP (Hospital/Medical Plans)	14,091.11	
1.1100.202.2300.0360.011	HMP (Hospital/Medical Plans)	9,410.04	
1.1100.202.3000.0216.011	PURCHASED SERVICE - VISION	2,946.23	
1.1100.202.3000.0225.011	PURCHASED SERVICE - OCCUPATIONAL THERAPY	11,898.66	
1.1100.202.6000.0520.011	MATERIALS & SUPPLIES - ATHLETICS	14,679.45	
1.1100.301.2300.0116.011	HMP (Hospital/Medical Plans)	9,210.59	
1.1100.301.2300.0200.011	HMP (Hospital/Medical Plans)	11,331.72	
1.1100.301.2300.0265.011	HMP (Hospital/Medical Plans)	10,000.00	
1.1100.301.3000.0225.011	PURCHASED SERVICE - OCCUPATIONAL THERAPY	6,213.05	

1.1100.301.3800.0100.011	PURCHASE OTHER GOVT ENTITY - ECG	14,228.90	
1.1100.302.2300.0380.011	HMP (Hospital/Medical Plans)	8,942.06	
1.1100.302.3000.0200.011	PURCHASED SERVICE - SPED	79,027.48	
1.1100.950.6000.0300.011	SCHOOL LEVEL MATERIALS & SUPPLIES - CTE	24,570.13	
1.1100.950.6000.0400.011	SCHOOL LEVEL MAT & SUPPLIES - GIFTED	15,000.00	
1.1100.950.6000.0820.011	SCHOOL LEVEL MATERIALS & SUPPLIES - PREK	62,159.81	
1.1100.970.6000.0200.011	SCHOOL LEVEL MATERIALS & SUPPLIES - SPED	12,417.45	
1.1210.106.2300.0100.011	HMP (Hospital/Medical Plans)	14,064.94	
1.1210.110.2300.0100.011	HMP (Hospital/Medical Plans)	10,898.61	
1.1210.111.2300.0100.011	HMP (Hospital/Medical Plans)	14,065.16	
1.1210.201.2300.0100.011	HMP (Hospital/Medical Plans)	16,817.24	
1.1210.202.2300.0100.011	HMP (Hospital/Medical Plans)	20,230.28	
1.1210.203.2300.0100.011	HMP (Hospital/Medical Plans)	26,141.40	
1.1210.301.2300.0100.011	HMP (Hospital/Medical Plans)	31,818.83	
1.1210.302.2300.0100.011	HMP (Hospital/Medical Plans)	18,054.86	
1.1210.309.2300.0100.011	HMP (Hospital/Medical Plans)	10,898.00	
1.1220.102.2300.0542.011	HEALTH INSURANCE	5,061.85	
1.1220.103.2300.0542.011	HEALTH INSURANCE	8,320.77	
1.1220.105.2300.0542.011	HEALTH INSURANCE	8,965.01	
1.1220.108.2300.0542.011	HEALTH INSURANCE	10,898.00	
1.1220.110.2300.0542.011	HEALTH INSURANCE	8,189.24	
1.1310.102.2300.0100.011	HEALTH INSURANCE	31,055.40	
1.1310.102.2300.0200.011	HEALTH INSURANCE	42,101.29	
1.1310.108.5500.0100.011	TRAVEL - PROFESSIONAL DEVELOPMENT	3,620.72	
1.1310.116.2300.0820.011	HEALTH INSURANCE	16,587.05	
1.1310.302.5800.0100.011	MISCELLANEOUS - MEALS/LODGING/DUES - PD	2,382.26	
1.1320.104.2300.0100.011	HMP (Hospital/Medical Plans)	10,898.00	
1.1320.107.2300.0100.011	HMP (Hospital/Medical Plans)	3,165.94	
1.1320.109.2300.0100.011	HMP (Hospital/Medical Plans)	3,165.94	
1.1320.110.2300.0100.011	HMP (Hospital/Medical Plans)	3,640.99	
1.1320.201.2300.0100.011	HMP (Hospital/Medical Plans)	3,511.82	
1.1320.203.2300.0100.011	HMP (Hospital/Medical Plans)	5,125.84	
1.1320.301.2300.0100.011	HMP (Hospital/Medical Plans)	16,086.86	
1.1320.302.2300.0100.011	HMP (Hospital/Medical Plans)	9,514.48	
1.1320.309.6012.0100.011	COPY PAPER - LIBRARY	3,200.00	
1.1410.102.2300.0100.011	HMP (Hospital/Medical Plans)	7,286.33	
1.1410.103.2300.0100.011	HMP (Hospital/Medical Plans)	11,565.68	
1.1410.104.2300.0100.011	HMP (Hospital/Medical Plans)	3,765.06	
1.1410.105.2300.0100.011	HMP (Hospital/Medical Plans)	12,843.14	
1.1410.106.2300.0100.011	HMP (Hospital/Medical Plans)	6,016.51	
1.1410.107.2300.0100.011	HMP (Hospital/Medical Plans)	7,694.74	
1.1410.108.2300.0100.011	HMP (Hospital/Medical Plans)	19,589.82	
1.1410.110.2300.0100.011	HMP (Hospital/Medical Plans)	8,338.34	
1.1410.111.2300.0100.011	HMP (Hospital/Medical Plans)	5,040.64	
1.1410.117.2300.0100.011	HMP (Hospital/Medical Plans)	11,261.06	
1.1410.201.2300.0100.011	HMP (Hospital/Medical Plans)	16,307.22	
1.1410.201.2300.0100.011	HMP (Hospital/Medical Plans)	18,396.98	
1.8100.911.2100.0100.011	FICA	73,271.22	
1.8100.911.2211.0100.011	VRS - Prof	44,187.26	
1.8100.911.2300.0100.011	HMP (Hospital/Medical Plans)	29,200.00	
1.8100.911.2300.0100.011	HMP (Hospital/Medical Plans)	41,594.00	
1.8100.911.6000.0100.011	MATERIALS & SUPPLIES - INSTRUCTIONAL	52,298.33	
1.0000.000.0227.0000.000	HOSP INS PAYABLE		1,462,716.35
Total		1,462,716.35	1,462,716.35

Adjusting Journal Entries JE # 4

PBC Entry to adjust inventory

3.0000.000.0130.0000.000	INVENTORY	4,932.10	
3.0000.000.0310.0000.000	FUND BALANCE	4,932.10	
3.5100.926.6010.0100.002	PAPER & DISPOSABLES - RM	12,342.31	
3.0000.000.0311.0000.000	FB RESERVE FOR INVENTORY		4,932.10
3.5100.926.6002.0100.002	FOOD SUPPLIES		17,274.41
Total		22,206.51	22,206.51

Adjusting Journal Entries JE # 5

To adjust Due to/Due from accounts

1.0000.000.0122.0000.000	DUE FROM OTHER FUNDS	32,378.25	
1.0000.000.0700.0100.011	MISC REV/OTH FUNDS		32,378.25
Total		32,378.25	32,378.25

Adjusting Journal Entries JE # 8

To record true-up with the City

1.0000.000.0501.100.011	510500 CITY OPER APPR	615.73	
1.0000.000.0245.0000.000	DUE TO CITY OF LYNCHBURG		615.73
Total		615.73	615.73

Adjusting Journal Entries JE # 9

To create entry to issue SBITAs on books

BE1.0000.000.0605.000.000	Principal	3,008,548.00	
BE1.0000.000.0606.000.000	Interest	2,588.00	
BE1.8100.101.6000.0100.011	Lease Expenditure	6,069,069.00	
BE1.0000.000.0731.0100.011	Issuance of Lease Liability		6,069,069.00
BE1.8100.101.6000.0100.011	Lease Expenditure		3,011,136.00
Total		9,080,205.00	9,080,205.00

THE CITY OF LYNCHBURG
OFFICE OF THE CITY MANAGER

900 Church Street
Lynchburg, VA 24504

December 5, 2024

Brown, Edwards & Company, L.L.P.
Certified Public Accountants
3906 Electric Road
Roanoke, VA 24018

This representation letter is provided in connection with your audit of the financial statements of the City of Lynchburg, Virginia (the "City"), which comprise the respective financial position of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information as of June 30, 2024, and the respective changes in financial position and, where applicable, cash flows for the years then ended, and the related notes to the financial statements, for the purpose of expressing opinions as to whether the financial statements are presented fairly, in all material respects, in accordance with accounting principles generally accepted in the United States of America (U.S. GAAP).

Certain representations in this letter are described as being limited to matters that are material. Items are considered material, regardless of size, if they involve an omission or misstatement of accounting information that, in light of surrounding circumstances, makes it probable that the judgment of a reasonable person relying on the information would be changed or influenced by the omission or misstatement. An omission or misstatement that is monetarily small in amount could be considered material as a result of qualitative factors.

We confirm, to the best of our knowledge and belief, as of December 5, 2024, the following representations made to you during your audit.

Financial Statements

- 1) We have fulfilled our responsibilities, as set out in the terms of the audit engagement letter dated June 27, 2024, including our responsibility for the preparation and fair presentation of the financial statements in accordance with U.S. GAAP and for preparation of the supplementary information in accordance with the applicable criteria.
- 2) The financial statements referred to above are fairly presented in conformity with U.S. GAAP and include all properly classified funds and other financial information of the primary government and all component units required by generally accepted accounting principles to be included in the financial reporting entity.
- 3) We acknowledge our responsibility for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.
- 4) We acknowledge our responsibility for the design, implementation, and maintenance of internal control to prevent and detect fraud.
- 5) Significant assumptions we used in making accounting estimates, including those measured at fair value, are reasonable.
- 6) Related party relationships and transactions, including revenues, expenditures/expenses, loans, transfers, leasing arrangements, and guarantees, and amounts receivable from or payable to related parties have been appropriately accounted for and disclosed in accordance with U.S. GAAP.
- 7) Adjustments or disclosures have been made for all events, including instances of noncompliance, subsequent to the date of the financial statements that would require adjustment to or disclosure in the financial statements or in the schedule of findings and questioned costs.

- 8) The effects of uncorrected misstatements are immaterial, both individually and in the aggregate, to the financial statements as a whole for each opinion unit. A list of the uncorrected misstatements is attached to the representation letter.
- a) In prior years, the City changed its policy related to the capitalization of internal engineering costs. The change resulted in an uncorrected misstatement that reduced net position of the governmental and business-type activities by approximately \$836,000 and \$1,439,000, respectively. The effects of this misstatement are reduced each year by an insignificant amount of overstated depreciation.
 - b) An overstatement of approximately \$139,000 in the prepaids and corresponding understatement of expenses in the Schools fund.
 - c) The Schools' identified leases were not recorded in accordance with GASB 87, the potential impact is an understatement of lease assets by approximately \$287,000 and a related understatement of lease liabilities by approximately \$293,000, overstatement of beginning net position by approximately \$7,000, and overstatement of current expense of approximately \$1,000.
- 9) The effects of all known actual or possible litigation, claims, and assessments have been accounted for and disclosed in accordance with U.S. GAAP.
- 10) Guarantees, whether written or oral, under which the entity is contingently liable, if any, have been properly recorded or disclosed.
- 11) We have provided the planning communication letter to all members of those charged with governance as requested.

Information Provided

- 12) We have provided you with:
- a) Access to all information, of which we are aware, that is relevant to the preparation and fair presentation of the financial statements, such as records, documentation, and other matters and all audit or relevant monitoring reports, if any, received from funding sources.
 - b) Additional information that you have requested from us for the purpose of the audit.
 - c) Unrestricted access to persons within the entity from whom you determined it necessary to obtain audit evidence.
 - d) Minutes of the meetings or summaries of actions of recent meetings for which minutes have not yet been prepared.
- 13) All material transactions have been recorded in the accounting records and are reflected in the financial statements and the schedule of expenditures of federal awards.
- 14) We have disclosed to you the results of our assessment of the risk that the financial statements may be materially misstated as a result of fraud.
- 15) We have no knowledge of any fraud or suspected fraud that affects the entity and involves:
- Management,
 - Employees who have significant roles in internal control,
 - Service organizations used by the entity, or
 - Others where the fraud could have a material effect on the financial statements.
- 16) We have no knowledge of any allegations of fraud or suspected fraud affecting the entity's financial statements communicated by employees, former employees, regulators, or others.
- 17) We have no knowledge of instances of noncompliance or suspected noncompliance with provisions of laws, regulations, contracts, or grant agreements, or waste or abuse, whose effects should be considered when preparing financial statements.
- 18) We have disclosed to you all known actual or possible litigation, claims, and assessments whose effects should be considered when preparing the financial statements.
- 19) We have disclosed to you the identity of the entity's related parties and all the related party relationships and transactions of which we are aware.

Government—specific

- 20) There have been no communications from regulatory agencies concerning noncompliance with, or deficiencies in, financial reporting practices.

- 21) We have a process to track the status of audit findings and recommendations.
- 22) We have identified to you any previous audits, attestation engagements, and other studies related to the audit objectives and whether related recommendations have been implemented.
- 23) We have provided our views on reported findings, conclusions, and recommendations, as well as our planned corrective actions, for the report.
- 24) The entity has no plans or intentions that may materially affect the carrying value or classification of assets, deferred outflows of resources, liabilities, deferred inflows of resources, and fund balance or net position.
- 25) We are responsible for compliance with the laws, regulations, and provisions of contracts and grant agreements applicable to us, including tax or debt limits and debt contracts; and legal and contractual provisions for reporting specific activities in separate funds.
- 26) We have appropriately identified, recorded, and disclosed all leases in accordance with GASBS No. 87.
- 27) We have appropriately identified, recorded, and disclosed subscription-based information technology arrangements in accordance with GASBS No. 96.
- 28) We have identified and disclosed to you all instances, which have occurred or are likely to have occurred, of fraud and noncompliance with provisions of laws and regulations that we believe have a material effect on the financial statements or other financial data significant to the audit objectives, and any other instances that warrant the attention of those charged with governance.
- 29) We have identified and disclosed to you all instances, which have occurred or are likely to have occurred, of noncompliance with provisions of contracts and grant agreements that we believe have a material effect on the determination of financial statement amounts or other financial data significant to the audit objectives.
- 30) We have identified and disclosed to you all instances that have occurred or are likely to have occurred, of abuse that could be quantitatively or qualitatively material to the financial statements or other financial data significant to the audit objectives.
- 31) There are no violations or possible violations of budget ordinances, laws and regulations (including those pertaining to adopting, approving, and amending budgets), provisions of contracts and grant agreements, tax or debt limits, and any related debt covenants whose effects should be considered for disclosure in the financial statements, or as a basis for recording a loss contingency, or for reporting on noncompliance.
- 32) As part of your audit, you assisted with preparation of the School Board's portion of the financial statements and related notes, and the data collection form. We acknowledge our responsibility as it relates to those nonaudit services, including that we assume all management responsibilities; oversee the services by designating an individual, preferably within senior management, who possesses suitable skill, knowledge, or experience; evaluate the adequacy and results of the services performed; and accept responsibility for the results of the services; and ensured that the entity's data and records are complete and received sufficient information to oversee the services. We have reviewed, approved, and accepted responsibility for those financial statements and related notes and the data collection form.
- 33) The entity has satisfactory title to all owned assets, and there are no liens or encumbrances on such assets nor has any asset been pledged as collateral.
- 34) The entity has complied with all aspects of contractual agreements that would have a material effect on the financial statements in the event of noncompliance.
- 35) The financial statements include all component units, appropriately present majority equity interests in legally separate organizations and joint ventures with an equity interest, and properly disclose all other joint ventures and other related organizations.
- 36) The financial statements properly classify all funds and activities, in accordance with GASB Statement No. 34, as amended, and GASB Statement No. 84.
- 37) All funds that meet the quantitative criteria in GASBS Nos. 34 and 37 for presentation as major are identified and presented as such and all other funds that are presented as major are particularly important to financial statement users.
- 38) Components of net position (net investment in capital assets; restricted; and unrestricted), and classifications of fund balance (nonspendable, restricted, committed, assigned, and unassigned) are properly classified and, if applicable, approved.
- 39) Investments, derivative instruments, and land and other real estate held by endowments are properly valued.

- 40) Provisions for uncollectible receivables have been properly identified and recorded.
- 41) Expenses have been appropriately classified in or allocated to functions and programs in the statement of activities, and allocations have been made on a reasonable basis.
- 42) Revenues are appropriately classified in the statement of activities within program revenues, general revenues, contributions to term or permanent endowments, or contributions to permanent fund principal.
- 43) Interfund, internal, and intra-entity activity and balances have been appropriately classified and reported.
- 44) Special and extraordinary items are appropriately classified and reported, if applicable.
- 45) Deposits and investment securities and derivative instruments are properly classified as to risk and are properly disclosed.
- 46) Capital assets, including infrastructure and intangible assets, are properly capitalized, reported, and, if applicable, depreciated or amortized.
- 47) Capital assets have been evaluated for impairment as a result of significant and unexpected decline in service utility.
- 48) We believe that the actuarial assumptions and methods used to measure pension and OPEB liabilities and costs for financial accounting purposes are appropriate in the circumstances.
- 49) We have not completed the process of evaluating the impact that will result from adopting new Governmental Accounting Standards Board Statements (GASBS) that are not yet effective, as discussed in the notes to financial statements. The entity is therefore unable to disclose the impact that adopting these Statements will have on its financial position and the results of its operations when the Statements are adopted.
- 50) We agree with the findings of specialists in evaluating the pension and OPEB liabilities and have adequately considered the qualifications of the specialist in determining the amounts and disclosures used in the financial statements and underlying accounting records. We did not give or cause any instructions to be given to specialists with respect to the values or amounts derived in an attempt to bias their work, and we are not otherwise aware of any matters that have had an impact on the independence or objectivity of the specialists.
- 51) We agree with the findings of specialists in evaluating the landfill liability estimate for closure, post-closure costs, the actuaries in determining pension and other post-employment benefits liabilities and disclosures, and the third party administrators in determining the incurred but not reported liabilities, and have adequately considered the qualifications of the specialist in determining the amounts and disclosures used in the financial statements and underlying accounting records. We did not give or cause any instructions to be given to specialists with respect to the values or amounts derived in an attempt to bias their work, and we are not otherwise aware of any matters that have had an impact on the independence or objectivity of the specialists.
- 52) We have appropriately disclosed the entity's policy regarding whether to first apply restricted or unrestricted resources when an expense is incurred for purposes for which both restricted and unrestricted net position is available and have determined that net position is properly recognized under the policy.
- 53) We are following our established accounting policy regarding which resources (that is, restricted, committed, assigned, or unassigned) are considered to be spent first for expenditures for which more than one resource classification is available. That policy determines the fund balance classifications for financial reporting purposes.
- 54) We acknowledge our responsibility for the required supplementary information (RSI). The RSI is measured and presented within prescribed guidelines and the methods of measurement and presentation have not changed from those used in the prior period. We have disclosed to you any significant assumptions and interpretations underlying the measurement and presentation of the RSI.
- 55) With respect to the supplementary information on which an in-relation-to opinion is issued.
 - a) We acknowledge our responsibility for presenting the supplementary information in accordance with accounting principles generally accepted in the United States of America, and we believe the supplementary information, including its form and content, is fairly presented in accordance with accounting principles generally accepted in the United States of America. The methods of measurement and presentation of the supplementary information have not changed from those used in the prior period, and we have disclosed to you any significant assumptions or interpretations underlying the measurement and presentation of the supplementary information.
 - b) If the supplementary information is not presented with the audited financial statements, we will make the audited financial statements readily available to the intended users of the supplementary information no later than the date we issue the supplementary information and the auditor's report thereon.
- 56) With respect to the other information:

- a) We acknowledge that we have informed you of all documents that may comprise other information we expect to issue. The financial statements and other information you obtained prior to the auditor's report date are consistent with one another, and the other information does not contain any material misstatements.
- b) With regard to the other information that will be included in the annual report that has not been obtained by you prior to the auditor's report date, we intend to prepare and issue the other information, as well as communicate the expected timing of issuance, and provide you with the final version of the document(s) when available and prior to the issuance of the annual report.

57) With respect to federal award programs:

- a) We are responsible for understanding and complying with and have complied 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), including requirements relating to preparation of the schedule of expenditures of federal awards.
- b) We acknowledge our responsibility for preparing and presenting the schedule of expenditures of federal awards (SEFA) and related disclosures in accordance with the requirements of the Uniform Guidance, and we believe the SEFA, including its form and content, is fairly presented in accordance with the Uniform Guidance. The methods of measurement or presentation of the SEFA have not changed from those used in the prior period and we have disclosed to you any significant assumptions and interpretations underlying the measurement or presentation of the SEFA.
- c) If the SEFA is not presented with the audited financial statements, we will make the audited financial statements readily available to the intended users of the SEFA no later than the date we issue the SEFA and the auditor's report thereon.
- d) We have identified and disclosed to you all of our government programs and related activities subject to the Uniform Guidance compliance audit, and have included in the SEFA expenditures made during the audit period for all awards provided by federal agencies in the form of federal awards, federal cost-reimbursement contracts, loans, loan guarantees, property (including donated surplus property), cooperative agreements, interest subsidies, insurance, food commodities, direct appropriations, and other direct assistance.
- e) We are responsible for understanding and complying with, and have complied with, the requirements of federal statutes, regulations, and the terms and conditions of federal awards related to each of our federal programs and have identified and disclosed to you the requirements of federal statutes, regulations, and the terms and conditions of federal awards that are considered to have a direct and material effect on each major program.
- f) We are responsible for establishing and maintaining, and have established and maintained, effective internal control over compliance for federal programs that provides reasonable assurance that we are managing our federal awards in compliance with federal statutes, regulations, and the terms and conditions of federal awards that could have a material effect on our federal programs. We believe the internal control system is adequate and is functioning as intended.
- g) We have made available to you all federal awards (including amendments, if any) and any other correspondence with federal agencies or pass-through entities relevant to federal programs and related activities.
- h) We have received no requests from a federal agency to audit one or more specific programs as a major program.
- i) We have complied with the direct and material compliance requirements (except for noncompliance disclosed to you), including when applicable, those set forth in the *OMB Compliance Supplement*, relating to federal awards and have identified and disclosed to you all amounts questioned and all known noncompliance with the direct and material compliance requirements of federal awards.
- j) We have disclosed any communications from federal awarding agencies and pass-through entities concerning possible noncompliance with the direct and material compliance requirements, including communications received from the end of the period covered by the compliance audit to the date of the auditor's report.
- k) We have disclosed to you the findings received and related corrective actions taken for previous audits, attestation engagements, and internal or external monitoring that directly relate to the objectives of the compliance audit, including findings received and corrective actions taken from the end of the period covered by the compliance audit to the date of the auditor's report.
- l) Amounts claimed or used for matching were determined in accordance with relevant guidelines in OMB's Uniform Guidance (2 CFR part 200, subpart E).
- m) We have disclosed to you our interpretation of compliance requirements that may have varying interpretations.

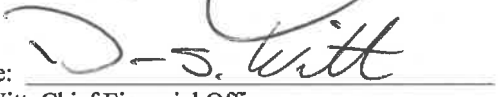
- n) We have made available to you all documentation related to compliance with the direct and material compliance requirements, including information related to federal program financial reports and claims for advances and reimbursements.
- o) We have disclosed to you the nature of any subsequent events that provide additional evidence about conditions that existed at the end of the reporting period affecting noncompliance during the reporting period.
- p) There are no such known instances of noncompliance with direct and material compliance requirements that occurred subsequent to the period covered by the auditor's report.
- q) No changes have been made in internal control over compliance or other factors that might significantly affect internal control, including any corrective action we have taken regarding significant deficiencies or material weaknesses in internal control over compliance, subsequent to the period covered by the auditor's report.
- r) Federal program financial reports and claims for advances and reimbursements are supported by the books and records from which the financial statements have been prepared.
- s) The copies of federal program financial reports provided you are true copies of the reports submitted, or electronically transmitted, to the respective federal agency or pass-through entity, as applicable.
- t) We have monitored subrecipients, as necessary, to determine that they have expended subawards in compliance with federal statutes, regulations, and the terms and conditions of the subaward and have met the requirements of the Uniform Guidance, if applicable.
- u) We have issued management decisions for audit findings that relate to federal awards made to subrecipients and such management decisions have been issued within six months of acceptance of the audit report by the Federal Audit Clearinghouse. Additionally, we have followed-up ensuring that the subrecipient has taken timely and appropriate action on all deficiencies detected through audits, on-site reviews, and other means that pertain to the federal award provided to the subrecipient, if applicable.
- v) We have considered the results of subrecipient audits and have made any necessary adjustments to our books and records, if applicable.
- w) We have charged costs to federal awards in accordance with applicable cost principles.
- x) We are responsible for and have accurately prepared the summary schedule of prior audit findings to include all findings required to be included by the Uniform Guidance and we have provided you with all information on the status of the follow-up on prior audit findings by federal awarding agencies and pass-through entities, including all management decisions.
- y) We are responsible for and have ensured the reporting package does not contain protected personally identifiable information.
- z) We are responsible for and have accurately prepared the auditee section of the Data Collection Form as required by the Uniform Guidance.
- aa) We are responsible for taking corrective action on each audit finding of the compliance audit and have developed a corrective action plan that meets the requirements of the Uniform Guidance.
- bb) We have disclosed to you all contracts or other agreements with service organizations, and we have disclosed to you all communications from the service organizations relating to noncompliance at the service organizations, if applicable.

58) With respect to the Passenger Facility Charge (PFC) program:

- a) We are responsible for understanding and complying with and have complied with the requirements of Passenger Facility Charge Audit Guide for Public Agencies, including requirements relating to preparation of the schedule of PFCs and schedule of expenditures of PFCs.
- b) We acknowledge our responsibility for presenting the PFC schedules in accordance with requirements of Passenger Facility Charge Audit Guide for Public Agencies, and we believe the PFC schedules, including their form and content, are fairly presented in accordance with Passenger Facility Charge Audie Guide for Public Agencies. The methods of measurement or presentation of the PFC schedules have not changed from those used in the prior period and we have disclosed to you any significant assumptions and interpretations underlying the measurement or presentation of the PFC schedules.
- c) If the PFC schedules are not presented with the audited financial statements, we will make the audited financial statements readily available to the intended users of the PFC schedules no later than the date we issue the PFC schedules and the auditor's report thereon.

- d) We are responsible for understanding and complying with, and have complied with, the requirements of laws, regulations, and the provisions of contracts and grant agreements related to the PFC program and have identified and disclosed to you the requirements of laws, regulations, and the provisions of contracts and grant agreements that are considered to have a direct material effect on the PFC program.
 - e) We are responsible for establishing and maintaining, and have established and maintained, effective internal control over compliance for the PFC program that provides reasonable assurance that we are managing our PFC program in compliance with laws, regulations, and the provisions of contracts and grant agreements that could have a material effect on the PFC program. We believe the internal control system is adequate and is functioning as intended.
 - f) We have made available to you all contracts and grant agreements (including amendments, if any) and any other correspondence with federal agencies or pass-through entities relevant to the PFC program and related activities.
 - g) We have complied with the direct and material compliance requirements including when applicable, those set forth in the Passenger Facility Charge Audit Guide for Public Agencies, relating to the PFC program and confirm that there were no amounts questioned and no known noncompliance with the direct and material compliance requirements of the PFC program.
 - h) We have disclosed any communications from grantors and pass-through entities concerning possible noncompliance with the direct and material compliance requirements, including communications received from the end of the period covered by the compliance audit to the date of the auditor's report.
 - i) We have disclosed to you the findings received and related corrective actions taken for previous audits, attestation engagements, and internal or external monitoring that directly relate to the objectives of the compliance audit, including findings received and corrective actions taken from the end of the period covered by the compliance audit to the date of the auditor's report.
 - j) Amounts claimed or used for matching were determined in accordance with the Passenger Facility Charge Audit Guide for Public Agencies.
 - k) We have disclosed to you our interpretation of compliance requirements that may have varying interpretations.
 - l) We have made available to you all documentation related to compliance with the direct and material compliance requirements, including information related to the PFC program financial reports and claims for advances and reimbursements.
 - m) We have disclosed to you the nature of any subsequent events that provide additional evidence about conditions that existed at the end of the reporting period affecting noncompliance during the reporting period.
 - n) There are no such known instances of noncompliance with direct and material compliance requirements that occurred subsequent to the period covered by the auditor's report.
 - o) No changes have been made in internal control over compliance or other factors that might significantly affect internal control, including any corrective action we have taken regarding significant deficiencies or material weaknesses in internal control over compliance, subsequent to the date as of which compliance was audited.
 - p) Federal program financial reports and claims for advances and reimbursements are supported by the books and records from which the financial statements have been prepared.
 - q) The copies of federal program financial reports provided you are true copies of the reports submitted, or electronically transmitted, to the respective federal agency or pass-through entity, as applicable.
 - r) We have charged costs to the PFC program in accordance with applicable cost principles.
- 59) We reaffirm the representations made to you in our letter dated December 1, 2023 regarding your audit for the fiscal year ended June 30, 2023.

Signature: 
Wynter C. Benda, City Manager
City of Lynchburg

Signature: 
Donna Witt, Chief Financial Officer
City of Lynchburg

Signature: **Rhonda F. Allbeck**
Rhonda Allbeck, Assistant Director of Financial Services
City of Lynchburg

Digitally signed by Rhonda F. Allbeck
Date: 2024.12.05 16:23:29 -05'00'

Signature: 
Ben Copeland, Interim Superintendent
Lynchburg City Schools

Signature: 
Sonia Jammes, Chief Financial Officer
Lynchburg City Schools



Lynchburg City Public Schools

Comments on Internal Control and Other Suggestions for your Consideration

June 30, 2024

Lynchburg City Public Schools

Contents

Independent Auditor’s Report on Comments and Suggestions 1

Prior Year Comments and Suggestions 3

Accounting and Other Matters 4

Independent Auditor's Report on Comments and Suggestions

To the Honorable Members of the School Board and the
Superintendent of Lynchburg City Schools
Lynchburg, Virginia

In planning and performing our audit of the financial statements of the governmental activities and each major fund, of the Lynchburg City Public Schools (the "Schools"), a component unit of the City of Lynchburg, Virginia, for the year ended June 30, 2024, in accordance with auditing standards generally accepted in the United States of America, we considered its 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 opinion on the financial statements and to comply with any other applicable standards, such as *Government Auditing Standards* and the regulations set forth in the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we do not express an opinion on the effectiveness of the Schools' internal control.

Our consideration of internal control was for the limited purpose described in the first paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and, therefore, material weaknesses or significant deficiencies may exist that were not identified. In addition, because of inherent limitations in internal control, including the possibility of management override of controls, misstatements due to error or fraud may occur and not be detected by such controls.

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.

If material weaknesses or significant deficiencies were identified during our procedures they are appropriately designated as such in this report. Additional information on material weaknesses or significant deficiencies and compliance and other matters is included 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*** which should be read in conjunction with this report.

Additionally, during our audit, we may have become aware of certain other matters that provide opportunities for improving your financial reporting system and/or operating efficiency. Such comments and suggestions regarding these matters, if any, are also included in the attached report, but are not designated as a material weakness or significant deficiency. Since our audit is not designed to include a detail review of all systems and procedures, these comments should not be considered as being all-inclusive of areas where improvements might be achieved. We also have included information on



accounting and other matters that we believe is important enough to merit consideration by management and those charged with governance. It is our hope that our suggestions will be taken in the constructive light in which they are offered.

We have already discussed these comments and suggestions with management, and we will be pleased to discuss them in further detail at your convenience, to perform any additional study of these matters, or to assist you in implementing the recommendations.

The Schools' responses to our recommendations are included in this report. The responses were not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on them.

This communication is intended solely for the information and use of the School Board, management, and the appropriate state and federal regulatory agencies and is not intended to be, and should not be, used by anyone other than these specified parties.

Brown, Edwards & Company, L.L.P.

CERTIFIED PUBLIC ACCOUNTANTS

Roanoke, Virginia
December 5, 2024

Lynchburg City Public Schools
Prior Year Comments and Suggestions
June 30, 2024

Timely Reconciliations and Financial Reporting (Material Weakness)

As part of our audit we proposed multiple significant adjustments related to cash and accrued liabilities, including estimates of future insurance claims, resulting in significant adjustments to amount due to/from the primary government balances. We suggest management implement procedures, such as monthly reviews and reconciliations of account balance for accounting implications, periodic comparison of estimates with actual results, and consideration of other accounting policies for appropriateness. Additionally, all adjustments that were made as a result of our current year audit should be reviewed during the next year as a reminder of matters requiring accounting attention in preparing for the 2025 audit.

Current Year Status: Still applicable for fiscal year 2024.

Management's Response: Management agreed with the need for improvement in this area. To address this finding, we implemented the following corrective action plan in fiscal year 2025.

- 1. Monthly reconciliations: We enforced a structured process for monthly reconciliations and review of all account balances, ensuring accuracy and identifying discrepancies promptly. Included in this monthly process were p-cards, grants, bank statements, payroll & benefits (twice per month), health insurance (upon receipt of the bill from Lynchburg City), and monthly financial reports presented to the School Board.*
- 2. Staff training: comprehensive training sessions and training manuals were provided to address knowledge gaps and enhance the team's proficiency in financial processes and reconciliations.*
- 3. Improved oversight: We established a formal review schedule and appointed supervisory oversight for reconciliation accuracy and procedure compliance.*
- 4. Year-end health insurance adjustment: For fiscal year 2025 and beyond we will request the health insurance lag report be provided by the consultants prior to the June 30th deadline going forward.*
- 5. Year-end adjusting journal entries: For fiscal year 2025 and beyond we will ensure that known end of year adjustment entries be made prior to audit commencement.*

Timely Grant Reimbursement Submissions

During the audit we noted that grant reimbursement requests were not filed in a timely manner. As a result, there was a significant increase in receivables due from other governments resulting in a negative cash balance within the operating fund. We recommend that grant reimbursements be filed timely and monitored throughout the year.

Management's Response: No longer applicable for fiscal year 2024.

Lynchburg City Public Schools

Accounting and Other Matters

June 30, 2024

New GASB Pronouncements

In this section, we would like to make you aware of certain confirmed and potential changes that are on the horizon that may affect your financial reporting and audit.

The GASB issued **Statement No. 101, *Compensated Absences*** in June 2022. The objective of this Statement is to better meet the information needs of financial statement users by updating the recognition and measurement guidance for compensated absences. That objective is achieved by aligning the recognition and measurement guidance under a unified model and by amending certain previously required disclosures. This Statement requires that liabilities for compensated absences be recognized for (1) leave that has not been used and (2) leave that has been used but not yet paid in cash or settled through noncash means. A liability should be recognized for leave that has not been used if (a) the leave is attributable to services already rendered, (b) the leave accumulates, and (c) the leave is more likely than not to be used for time off or otherwise paid in cash or settled through noncash means. Leave is attributable to services already rendered when an employee has performed the services required to earn the leave. Leave that accumulates is carried forward from the reporting period in which it is earned to a future reporting period during which it may be used for time off or otherwise paid or settled. In estimating the leave that is more likely than not to be used or otherwise paid or settled, a government should consider relevant factors such as employment policies related to compensated absences and historical information about the use or payment of compensated absences. However, leave that is more likely than not to be settled through conversion to defined benefit postemployment benefits should not be included in a liability for compensated absences.

This Statement requires that a liability for certain types of compensated absences – including parental leave, military leave, and jury duty leave – not be recognized until the leave commences. This Statement also requires that a liability for specific types of compensated absences not be recognized until the leave is used.

This Statement also establishes guidance for measuring a liability for leave that has not been used, generally using an employee's pay rate as of the date of the financial statements. A liability for leave that has been used but not yet paid or settled should be measured at the amount of the cash payment or noncash settlement to be made. Certain salary-related payments that are directly and incrementally associated with payments for leave also should be included in the measurement of the liabilities.

With respect to financial statements prepared using the current financial resources measurement focus, this Statement requires that expenditures be recognized for the amount that normally would be liquidated with expendable available financial resources.

The requirements of this Statement are effective for fiscal years beginning after December 15, 2023, and all reporting periods thereafter. Earlier application is encouraged.

The GASB issued **Statement No. 102, *Certain Risk Disclosures*** in December 2023. State and local governments face a variety of risks that could negatively affect the level of service they provide or their ability to meet obligations as they come due. Although governments are required to disclose information about their exposure to some of those risks, essential information about other risks that are prevalent among state and local governments is not routinely disclosed because it is not explicitly required. The objective of this Statement is to provide users of government financial statements with essential information about risks related to a government's vulnerabilities due to certain concentrations or constraints.

Lynchburg City Public Schools

Accounting and Other Matters

June 30, 2024

This Statement defines a concentration as a lack of diversity related to an aspect of a significant inflow of resources or outflow of resources. A constraint is a limitation imposed on a government by an external party or by formal action of the government's highest level of decision-making authority. Concentrations and constraints may limit a government's ability to acquire resources or control spending.

This Statement requires a government to assess whether a concentration or constraint makes the primary government reporting unit or other reporting units that report a liability for revenue debt vulnerable to the risk of a substantial impact. Additionally, this Statement requires a government to assess whether an event or events associated with a concentration or constraint that could cause the substantial impact have occurred, have begun to occur, or are more likely than not to begin to occur within 12 months of the date the financial statements are issued.

If a government determines that those criteria for disclosure have been met for a concentration or constraint, it should disclose information in notes to financial statements in sufficient detail to enable users of financial statements to understand the nature of the circumstances disclosed and the government's vulnerability to the risk of a substantial impact. The disclosure should include descriptions of the following:

- The concentration or constraint
- Each event associated with the concentration or constraint that could cause a substantial impact if the event had occurred or had begun to occur prior to the issuance of the financial statements
- Actions taken by the government prior to the issuance of the financial statements to mitigate the risk.

The requirements of this Statement are effective for fiscal years beginning after June 15, 2024, and all reporting periods thereafter. Earlier application is encouraged.

The GASB issued **Statement No. 103, Financial Reporting Model Improvements** in April 2024. The objective of this Statement is to improve key components of the financial reporting model to enhance its effectiveness in providing information that is essential for decision making and assessing a government's accountability. This Statement also addresses certain application issues.

Management's Discussion and Analysis: This Statement continues the requirement that the basic financial statements be preceded by management's discussion and analysis (MD&A), which is presented as required supplementary information (RSI). MD&A provides an objective and easily readable analysis of the government's financial activities based on currently known facts, decisions, or conditions and presents comparisons between the current year and the prior year. This Statement requires that the information presented in MD&A be limited to the related topics discussed in five sections: (1) Overview of the Financial Statements, (2) Financial Summary, (3) Detailed Analyses, (4) Significant Capital Asset and Long-Term Financing Activity, and (5) Currently Known Facts, Decisions, or Conditions. Furthermore, this Statement stresses that the detailed analyses should explain why balances and results of operations changed rather than simply presenting the amounts or percentages by which they changed. This Statement emphasizes that the analysis provided in MD&A should avoid unnecessary duplication by not repeating explanations that may be relevant to multiple sections and that "boilerplate" discussions should be avoided by presenting only the most relevant information, focused on the primary government. In addition, this Statement continues the requirement that information included in MD&A distinguish between that of the primary government and its discretely presented component units.

Unusual or Infrequent Items: This Statement describes unusual or infrequent items as transactions and other events that are either unusual in nature or infrequent in occurrence. Furthermore, governments are required to display the inflows and outflows related to each unusual or infrequent item separately as the last presented flow(s) of resources prior to the net change in resource flows in the government-wide, governmental fund, and proprietary fund statements of resource flows.

Lynchburg City Public Schools

Accounting and Other Matters

June 30, 2024

Presentation of the Proprietary Fund Statement of Revenues, Expenses, and Changes in Fund Net Position: This Statement requires that the proprietary fund statement of revenues, expenses, and changes in fund net position continue to distinguish between operating and nonoperating revenues and expenses. Operating revenues and expenses are defined as revenues and expenses other than nonoperating revenues and expenses. Nonoperating revenues and expenses are defined as (1) subsidies received and provided, (2) contributions to permanent and term endowments, (3) revenues and expenses related to financing, (4) resources from the disposal of capital assets and inventory, and (5) investment income and expenses.

In addition to the subtotals currently required in a proprietary fund statement of revenues, expenses, and changes in fund net position, this Statement requires that a subtotal for operating income (loss) and noncapital subsidies be presented before reporting other nonoperating revenues and expenses. Subsidies are defined as (1) resources received from another party or fund (a) for which the proprietary fund does not provide goods and services to the other party or fund and (b) that directly or indirectly keep the proprietary fund's current or future fees and charges lower than they would be otherwise, (2) resources provided to another party or fund (a) for which the other party or fund does not provide goods and services to the proprietary fund and (b) that are recoverable through the proprietary fund's current or future pricing policies, and (3) all other transfers.

Major Component Unit Information: This Statement requires governments to present each major component unit separately in the reporting entity's statement of net position and statement of activities if it does not reduce the readability of the statements. If the readability of those statements would be reduced, combining statements of major component units should be presented after the fund financial statements.

Budgetary Comparison Information: This Statement requires governments to present budgetary comparison information using a single method of communication – RSI. Governments also are required to present (1) variances between original and final budget amounts and (2) variances between final budget and actual amounts. An explanation of significant variances is required to be presented in notes to RSI.

The requirements of this Statement are effective for fiscal years beginning after June 15, 2025, and all reporting periods thereafter. Earlier application is encouraged.

Current GASB Projects

GASB currently has a variety of projects in process. Some of these projects discussed below.

Classification of Nonfinancial Assets. The objective of this project would be to reconsider the existing classification of nonfinancial assets and other related sub-classifications (for example, capital assets or intangible assets) to ensure that (1) assets are classified in a way that provides the most relevant financial information and (2) the definitions of the classifications are understandable and appropriate to meeting financial reporting objectives. The project also will consider how any classification changes would affect financial statement presentation and disclosure of nonfinancial assets. The project will not, however, reexamine recognition or measurement of nonfinancial assets. This project is in the exposure draft re-deliberations period.

Going Concern Uncertainties and Severe Financial Stress. The objective of this project is to address issues related to disclosures regarding going concern uncertainties and severe financial stress. The project will consider (1) improvements to existing guidance for going concern considerations to address diversity in practice and clarify the circumstances under which disclosure is appropriate, (2) developing a definition of severe financial stress and criteria for identifying when

Lynchburg City Public Schools

Accounting and Other Matters

June 30, 2024

governments should disclose their exposure to severe financial stress, and (3) what information about a government's exposure to severe financial stress is necessary to disclose. This project is currently in the initial deliberations period.

Implementation Guidance Update – 2025. The objective of this project is to update implementation guidance for additional issues that come to the attention of the staff. This project will result in the issuance of an Implementation Guide when sufficient need exists for new or improved guidance and the Board does not object to its issuance. All updates are incorporated into the Codification of Governmental Accounting and Financial Reporting Standards and the Comprehensive Implementation Guide, as appropriate. This project is currently in the initial proposals period.

Infrastructure Assets. The objective of this project is to address issues related to accounting and financial reporting for infrastructure assets. The project would evaluate standards-setting options related to reporting infrastructure assets to make information (1) more comparable across governments and more consistent over time, (2) more useful for making decisions and assessing government accountability, (3) more relevant to assessments of a government's economic condition, and (4) better reflect the capacity of those assets to provide service and how that capacity may change over time. This project is currently in the initial deliberations period.

Revenue and Expense Recognition. The objective of this project is to develop a comprehensive application model for the classification, recognition, and measurement of revenues and expenses. The purpose for developing a comprehensive model is (1) to improve the information regarding revenues and expenses that users need to make decisions and assess accountability, (2) to provide guidance regarding exchange and exchange-like transactions that have not been specifically addressed, (3) to evaluate revenue and expense recognition in the context of the conceptual framework, and (4) to address application issues identified in practice, based upon the results of the pre-agenda research on revenue for exchange and exchange-like transactions. This project is currently in the preliminary views re-deliberations period.

Subsequent Events. The objective of this project is to improve the accounting and financial reporting for subsequent events. The project will reexamine existing requirements related to subsequent events in Statement No. 56, Codification of Accounting and Financial Reporting Guidance Contained in the AICPA Statements on Auditing Standards, to address issues related to (1) confusion about and challenges associated with applying the existing standards, (2) inconsistency in practice in the information provided about subsequent events, and (3) the usefulness of the information provided about subsequent events. This project is currently in the initial deliberations period toward an Exposure Draft.

INDEPENDENT ACCOUNTANT'S REPORT ON APPLYING AGREED-UPON PROCEDURES

Auditor of Public Accounts
P.O. Box 1295
Richmond, Virginia 23218

Don Sloan, Sheriff
City of Lynchburg, Virginia

We have performed the procedures enumerated below on the Sheriff's internal control over compliance with the *Virginia Sheriffs' Accounting Manual*, issued by the Auditor of Public Accounts of the Commonwealth of Virginia and the criteria established in the *Code of Virginia* as of, and for the year ended June 30, 2024. The Sheriff is responsible for compliance with those requirements.

The City of Lynchburg, Virginia (the "City") has agreed to and acknowledged that the procedures performed are appropriate to meet the intended purpose of assisting the City and the Auditor of Public Accounts of the Commonwealth of Virginia in evaluating the effectiveness of the City Sheriff's internal control over compliance with the *Virginia Sheriffs' Accounting Manual* issued by the Auditor of Public Accounts of the Commonwealth of Virginia and the criteria established in the *Code of Virginia*. This report may not be suitable for any other purpose. The procedures performed may not address all the items of interest to a user of this report and may not meet the needs of all users of this report and, as such, users are responsible for determining whether the procedures performed are appropriate for their purposes.

The procedures and associated findings are presented below for the fund sources which were identified to us by the Sheriff's office and for certain other disbursements made by the Sheriff's office.

Court Support Services

1. Select two months' bank reconciliations to review for timely preparation and review by a supervisor. Additionally, determine if all items over \$1,000 that have been outstanding for more than 90 days or are unusual in nature are followed up on by the reviewer.
2. Select two of the monthly transmittal forms from the Sheriff that are utilized to transmit funds to the City Treasurer and determine:
 - a. Monthly summaries were prepared to account for all receipts collected and deposited to the Sheriff's account, less any disbursements to those owed funds collected on their behalf by the Sheriff.
 - b. Check was issued from the Sheriff's account to the Treasurer for the amount computed on the monthly summary.

Court Support Services (Continued)

3. For Sheriff's sales and levies, the Sheriff may withhold a commission in accordance with the *Code of Virginia*.
 - a. Inquire of the Sheriff if there were any sales held during the year.
 - b. Select the sales documentation from three sales and/or levies and determine that:
 - i. Sales commission was computed correctly. (Commissions are computed as 10% of the gross sale.)
 - ii. Net proceeds were issued on a check to the plaintiff owed the funds. (Net proceeds are the gross sale, less the costs of the auction and the 10% Sheriff's commission.)
4. For disposal of unclaimed property in the possession of the Sheriff, the Sheriff has the option to retain the property for department use or to sell the property at a public sale. Unclaimed personal property for this purpose is any personal property which has been acquired by a law enforcement officer pursuant to his/her duties, which is not needed in any criminal prosecution, which has not been claimed by its rightful owner, and which the State Treasurer has indicated will be declined if remitted under the Uniform Disposition of Unclaimed Property Act.
 - a. Inquire of the client whether there was any unclaimed property during the year that was sold or retained for department use.
 - b. Select three items that were either sold or retained and determine that:
 - i. The Sheriff made reasonable attempts to contact the rightful owner to return the property.
 - ii. The Sheriff has obtained a notice (in writing) from the locality's Commonwealth's Attorney that the property in question is not needed for any prosecution.
 - iii. The Sheriff has received notice from the State Treasurer that the property will be declined if remitted under the Uniform Disposition of Unclaimed Property Act.
 - iv. The Sheriff has published a notice in a local paper for two weeks that there will be a public display and sale of the unclaimed personal property and the property was described in the notice.
 - v. For an item retained, the Sheriff determined that there is a legitimate use for the property and the retention of such property is more economical than purchase of a similar or equivalent item.
 - vi. If the item was sold, the Sheriff properly calculated the amount of the commission on the sale. (Commission is computed as 10% of the gross sale proceeds.)
 - vii. Net proceeds from the sale are retained for the owner and paid to the owner upon proof that the individual owned the item sold. (Net proceeds are the gross sales price less the costs of the sale and the Sheriff's 10% commission.)
 - viii. Funds unclaimed by the former owner of the property within 60 days were properly deposited into the general fund of the locality.

Note: *The Sheriff has represented to us that there were no Sheriff's sales or levies and no sales or retention of unclaimed property during the year ended June 30, 2024.*

Findings: *None noted.*

Credit Cards/Small Purchase Cards

1. Obtain the sign-out log, authorized cardholders listing, and credit card statements for the year, select one statement from each department card account, and determine the following:
 - a. Statement was reviewed by supervisor or other designated individual.
 - b. Receipts, invoices, or other applicable documentation was obtained for all charges to the card.
 - c. Charge card purchase was within established limits (dollar and type of purchase) of the Sheriff and/or locality credit card/purchasing card policy.
 - d. Requests for cards are required to be approved before card is issued for use (form, space on sign-out log, or some other documentation) to ascertain that all established purchasing and procurement policies are followed.
 - e. Card was returned prior to end of the business day (unless signed-out and approved to be kept for after hours or overnight travel or other afterhours activity). Ideally, card and receipts are returned to the individual with custody of the cards at the same time. That individual can then give the receipts to the appropriate person for statement reconciliation.
 - f. Determine that the card is issued in the name of the Sheriff's office or the name of the Sheriff or deputy, with the locality name included. A card should never be issued in just the name of the individual Sheriff or deputy.

Findings: *None noted.*

Procurement and Personnel

In performing the procedures above, we noted no non-compliance with the Virginia Public Procurement Act, or unusual personnel incentives, bonuses, etc. Our inquiries of the City's finance department and Sheriff's office personnel indicate that purchases and payroll, which are funded through appropriations by the local government (whether funded by local, state, or federal means), are subject to the same internal controls and procurement processes as the local government's other departments.

Controls over Cash Receipts

As noted in prior years, there are various points where cash collections are handled by only one person, or where one person may have access both to undeposited funds and the accompanying accounting records. This could allow for the misappropriation of funds to remain undetected. This is common at Sheriff's offices due to the limited number of staff.

We were engaged by the City of Lynchburg, Virginia to perform this agreed-upon procedures engagement and conducted our engagement in accordance with attestation standards established by the American Institute of Certified Public Accountants. We were not engaged to, and did not, conduct an examination or review engagement, the objective of which would be the expression of an opinion or conclusion, respectively, on the effectiveness of the internal control of the Sheriff's office. Accordingly, we do not express such an opinion or conclusion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

We are required to be independent of the City and City Sheriff and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements related to our agreed-upon procedures engagement.

This report is intended solely for the information and use of the City, the City Sheriff, and the Auditor of Public Accounts, and is not intended to be, and should not be, used by anyone other than those specified parties.

Brown, Edwards & Company, L.L.P.

CERTIFIED PUBLIC ACCOUNTANTS

Roanoke, Virginia
October 8, 2024



INDEPENDENT ACCOUNTANT'S REPORT

Auditor of Public Accounts
P.O. Box 1295
Richmond, Virginia 23218

Management, the School Board, and City Council
of the City Council of Lynchburg, Virginia

We have examined management's assertion that the census data reported to the Virginia Retirement System by the City of Lynchburg, Virginia (the "City") and the Lynchburg City School Division (the "Schools") during the year ended June 30, 2024 is complete and accurate based on the criteria set forth by the Virginia Retirement System and the Board of Trustees' plan provisions as mandated in §51.1-136 of the *Code of Virginia*. The City and the Schools' management are responsible for its assertion. Our responsibility is to express an opinion on management's assertion based on our examination.

Our examination was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants. Those standards require that we plan and perform the examination to obtain reasonable assurance about whether management's assertion is fairly stated, in all material respects. An examination involves performing procedures to obtain evidence about management's assertion. The nature, timing, and extent of the procedures selected depend on our judgment, including an assessment of the risks of material misstatement of management's assertion, whether due to fraud or error. We believe that the evidence we obtained is sufficient and appropriate to provide a reasonable basis for our opinion.

We are required to be independent of the City and the Schools and to meet our other ethical responsibilities in accordance with relevant ethical requirements relating to the engagement.

In our opinion, management's assertion that the census data reported to the Virginia Retirement System by the City and the Schools during the year ended June 30, 2024 was complete and accurate based on the criteria set forth by the Virginia Retirement System and the Board of Trustees' plan provisions as mandated in §51.1-136 of the *Code of Virginia*, is fairly stated, in all material respects. Our sampling methodology and determination of control environments are included in Appendix A to this report.

This report is intended solely for the information and use of the Auditor of Public Accounts of the Commonwealth of Virginia and the City of Lynchburg's governing body, School Board, and management, and is not intended to be, and should not be, used by anyone other than these specified parties.

Brown, Edwards & Company, L.L.P.

CERTIFIED PUBLIC ACCOUNTANTS

Roanoke, Virginia
August 23, 2024

Appendix A

We identified two control environments during this review for which the City and the Schools were responsible.

The following table reflects the population size and sample size for each procedure performed over the control environment for which the City was responsible:

Required Audit Procedure	Population Size	Sample Size	Risks and Other Considerations Used to Determine Sample Size
Review of Census Data Elements	1,396	40	AICPA Audit Sampling Audit Guide dated December 1, 2019, Chapter 3, <i>Nonstatistical and Statistical Audit Sampling in Tests of Controls</i> , Table 3-4, <i>Limited Effect of Population Size on Sample Size</i> , using parameters of 5% Risk of Overreliance, 10% Tolerable Rate of Deviation, and no expected deviations.
Review of Eligible Members Reported to the VRS	1,729	40	Same as above.
Review of Eligibility of Newly Enrolled Members Reported to the VRS	Not Tested	Not Tested	Per the Retirement System audit procedures at Section 3-7 in the Specifications for Audits of Counties, Cities, and Towns, and Section 2-5 in the Specifications for Audits of Authorities, Boards, and Commission, for the fiscal year under audit, testing is performed on an alternating schedule.
Review of Monthly <i>myVRS</i> Navigator Contribution Confirmation Reconciliations	Not Tested	Not Tested	Same as above.
Review of <i>myVRS</i> Navigator System Access	5	3	AICPA Audit Sampling Audit Guide dated December 1, 2019, Chapter 3, <i>Nonstatistical and Statistical Audit Sampling in Tests of Controls</i> , Table 3-5, <i>Testing Operating Effectiveness of Small Populations</i> , population size 1 to 52.

Appendix A (Continued)

The following table reflects the population size and sample size for each procedure performed over the control environment for which the Schools was responsible:

Required Audit Procedure	Population Size	Sample Size	Risks and Other Considerations Used to Determine Sample Size
Review of Census Data Elements	1,633	40	AICPA Audit Sampling Audit Guide dated December 1, 2019, Chapter 3, <i>Nonstatistical and Statistical Audit Sampling in Tests of Controls</i> , Table 3-4, <i>Limited Effect of Population Size on Sample Size</i> , using parameters of 5% Risk of Overreliance, 10% Tolerable Rate of Deviation, and no expected deviations.
Review of Eligible Members Reported to the VRS	2,310	60	Same as above.
Review of Eligibility of Newly Enrolled Members Reported to the VRS	Not Tested	Not Tested	Per the Retirement System audit procedures at Section 3-7 in the Specifications for Audits of Counties, Cities, and Towns, and Section 2-5 in the Specifications for Audits of Authorities, Boards, and Commission, for the fiscal year under audit, testing is performed on an alternating schedule.
Review of Monthly <i>myVRS</i> Navigator Contribution Confirmation Reconciliations	Not Tested	Not tested	Same as above.
Review of <i>myVRS</i> Navigator System Access	7	3	AICPA Audit Sampling Audit Guide dated December 1, 2019, Chapter 3, <i>Nonstatistical and Statistical Audit Sampling in Tests of Controls</i> , Table 3-5, <i>Testing Operating Effectiveness of Small Populations</i> , population size 1 to 52.

AGENDA ITEM SUMMARY**MEETING DATE**

December 10, 2024

PRESENTED BYHollie Jennings, Special Assistant to the City
Manager for Data & Innovation**AGENDA ITEM # III.3**

Public Safety Recruitment and Retention Update

RECOMMENDATION

None.

SUMMARY

A year ago, the police department had 30 sworn officer vacancies and emergency communication officers had 14 vacancies. The national shortage of police officers required the City of Lynchburg to implement a strategic and creative approach to attracting and retaining the best officers for our city. At that time, City Council approved a one million dollar investment to assist with retaining and recruiting sworn police officers and emergency communication officers.

A comprehensive plan to recruit and retain highly qualified police officers was implemented with a four-pronged approach: increase employee satisfaction, implement procedural changes to hiring, expand recruitment outreach, and develop meaningful compensation strategies. An update will be provided regarding each of the four areas of the plan, along with data around the progress of recruitment and retention in public safety.

PRIOR ACTION(S)

In December of 2023, Lynchburg City Council made a million dollar investment in public safety through retention bonuses.

FISCAL IMPACT

None.

CONTACT(S)

Hollie Jennings, Special Assistant to the City Manager for Data & Innovation

ATTACHMENT(S)

1. RR Presentation UPDATE

REVIEWED BY



Gregory Patrick, Deputy City Manager

Date: December 05, 2024



Alicia Finney, Clerk of Council

Date: December 05, 2024

PUBLIC SAFETY RECRUITMENT & RETENTION UPDATE

Tuesday, December 10, 2024



FOUR PRONG STRATEGY

1. Employee Satisfaction
2. Procedural Changes
3. Expanded Outreach
4. Compensation Strategies

CONGRATULATIONS!



EMPLOYEE SATISFACTION

1. New Police Station Input

- Employee decompression space, state of the art of gym and equipment, bunk rooms, central break room, etc.

2. Take-Home Police Car Program

- Assigning vehicles in the Spring

3. Employee Advisory Group

- Equipment, Apparel, and Grooming Policy:
 - Changed the grooming policy to update facial hair and hair standards

PROCEDURAL CHANGES

1. Fast track Academies

- Northern Virginia & Virginia Beach

2. Reevaluated all hiring policies

- Matched to current standards and best practices



EXPANDED OUTREACH

1. Fulltime Recruiter and Expanded Outreach

- Attended over 40 events, 5 states outside of Virginia, 6 super Saturday events, and numerous other events around the state and City of Lynchburg

2. RFP for Marketing Consultant specializing in recruiting veteran officers

- Currently in production

COMPENSATION STRATEGIES

1. Recruitment Bonuses

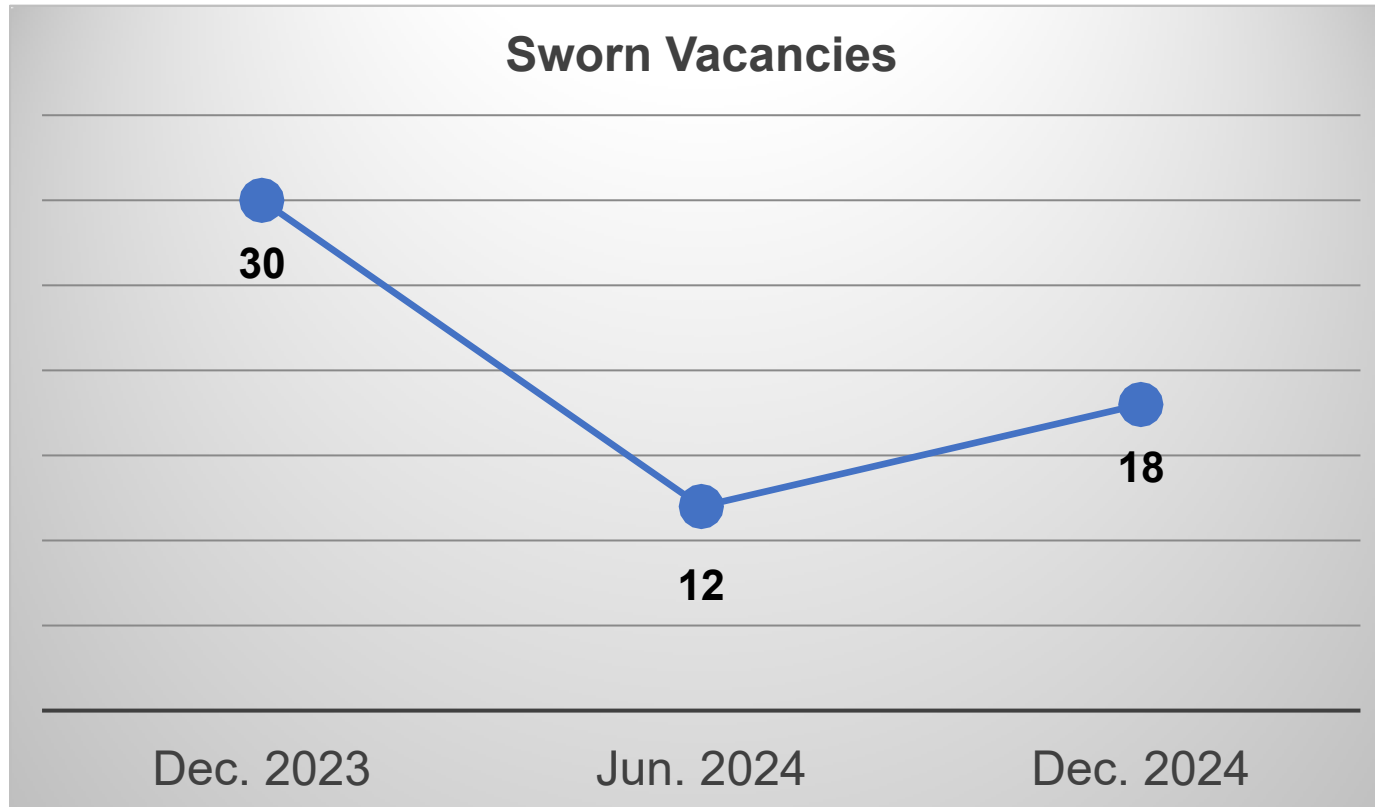
- Hired **24 new officers**, 6 of which were experienced officers
- **88%** acceptance rate for the recruitment bonus

2. Retention Bonuses

- 105 police and 11 emergency communications officers were eligible
- **74%** of eligible police officers signed the contract to receive the bonus
- **91%** of eligible emergency communications officers signed the contract to receive the bonus



RESULTS



Average
Number of
Vacancies in

2024:

16

* In 2023, the average number of vacancies was



WHAT'S NEXT?

- Implement marketing strategy
- Continued discussions with the employee advisory group
- Assign take home police cars
- Move into the new police station

AGENDA ITEM SUMMARY**MEETING DATE**

December 10, 2024

PRESENTED BY

Rachel Frischeisen, City Planner

AGENDA ITEM # IV.4

2712 Concord Turnpike and 118/120 Spinoza Circle - Rezoning - Residential Subdivision

RECOMMENDATION

This item will appear for City Council vote on the January 14, 2025, Public Hearing agenda. Approval of the petition to rezone 2712 Concord Turnpike and a portion of 118/120 Spinoza Circle from R-2, Low-Medium Density Residential District to R-3C, Medium Density Residential District (Conditional) to allow the construction of a residential subdivision with single-household detached homes.

SUMMARY

Michael L. Dillard is petitioning to rezone approximately four and fifty-four hundredths (4.54) acres from R-2, Low-Medium Density Residential District to R-3C, Medium Density Residential District (Conditional) at 2712 Concord Turnpike and 118/120 Spinoza Circle to allow the construction of a residential subdivision with single-household detached homes.

The property is recommended for Low Density Residential Use on the City's Future Land Use Map (FLUM). These areas are dominated by single family detached housing at densities of up to four (4) dwelling units per acre. Proffers indicate that the property will be subdivided to accommodate up to twenty-two (22) single-household detached homes. The density of the proposed development is similar to that which is recommended by the FLUM.

The proposed development of single-family homes would also adjoin other single-family lots and would align with the development recommendations of the Tyreeanna & Pleasant Valley Neighborhood Plan.

PRIOR ACTION(S)

October 23, 2024: The Planning Commission recommended approval (5-0, with 2 absent: Bowden and Gammon) of the petition.

October 23, 2024: The Planning Division recommended approval of the petition.

May 24, 2022: City Council adopted the Tyreeanna & Pleasant Valley Neighborhood Plan.

FISCAL IMPACT

N/A

CONTACT(S)

Rachel Frischeisen, City Planner

ATTACHMENT(S)

1. Presentation
2. Planning Commission Minutes, Report, and Attachments

REVIEWED BY



William Martin, Community Development Director

Date: November 26, 2024



Kent White, Assistant City Manager

Date: December 05, 2024



Alicia Finney, Clerk of Council

Date: December 05, 2024

2712 CONCORD TURNPIKE, 118/120 SPINOZA CIRCLE REZONING

Tuesday, December 10, 2024



PURPOSE & ACTION

Purpose:

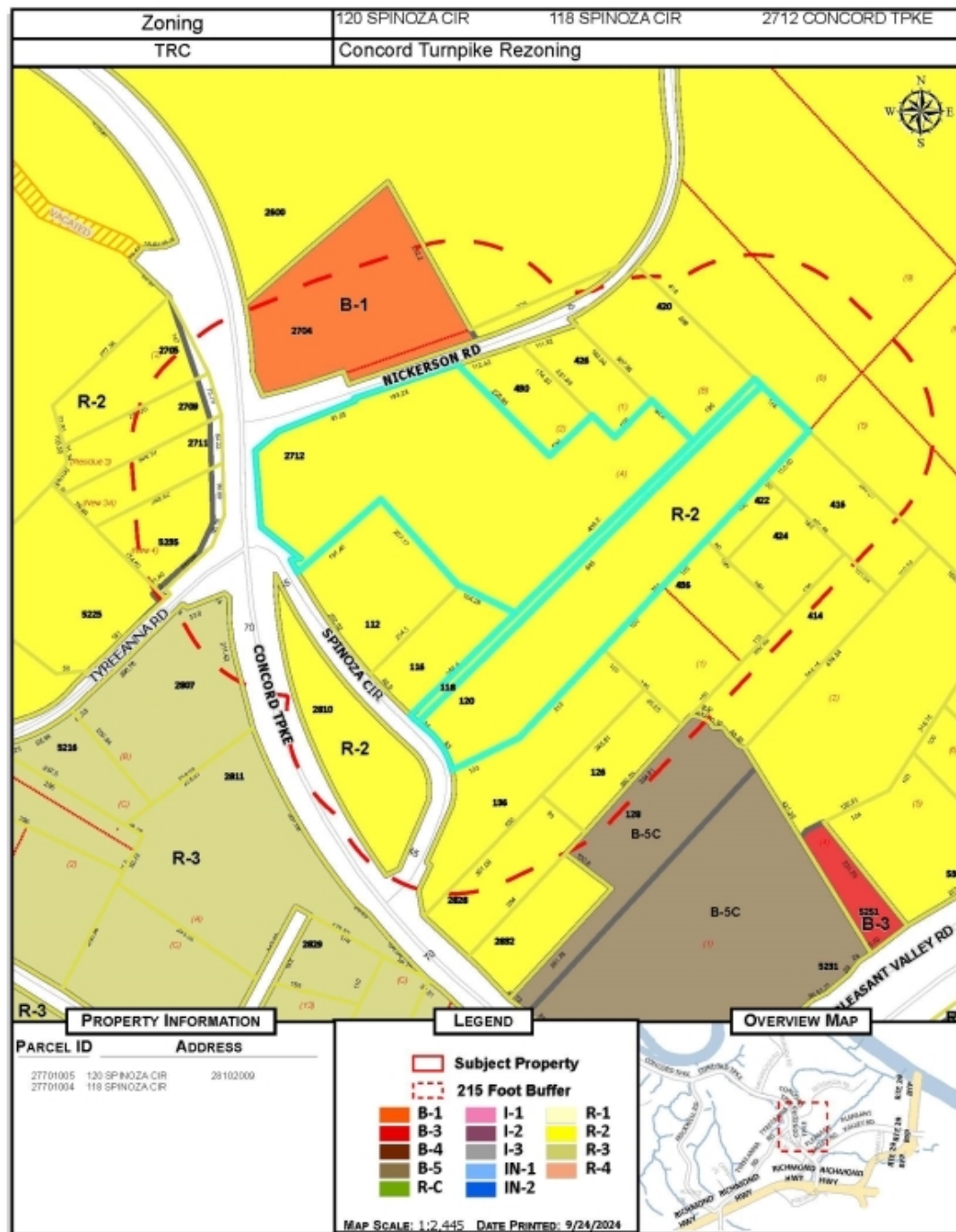
Michael L. Dillard is petitioning to rezone approximately four and fifty-four hundredths (4.54) acres from R-2, Low-Medium Density Residential District to R-3C, Medium Density Residential District (Conditional) at 2712 Concord Turnpike and 118/120 Spinoza Circle to allow the construction of a residential subdivision with single-household detached homes.

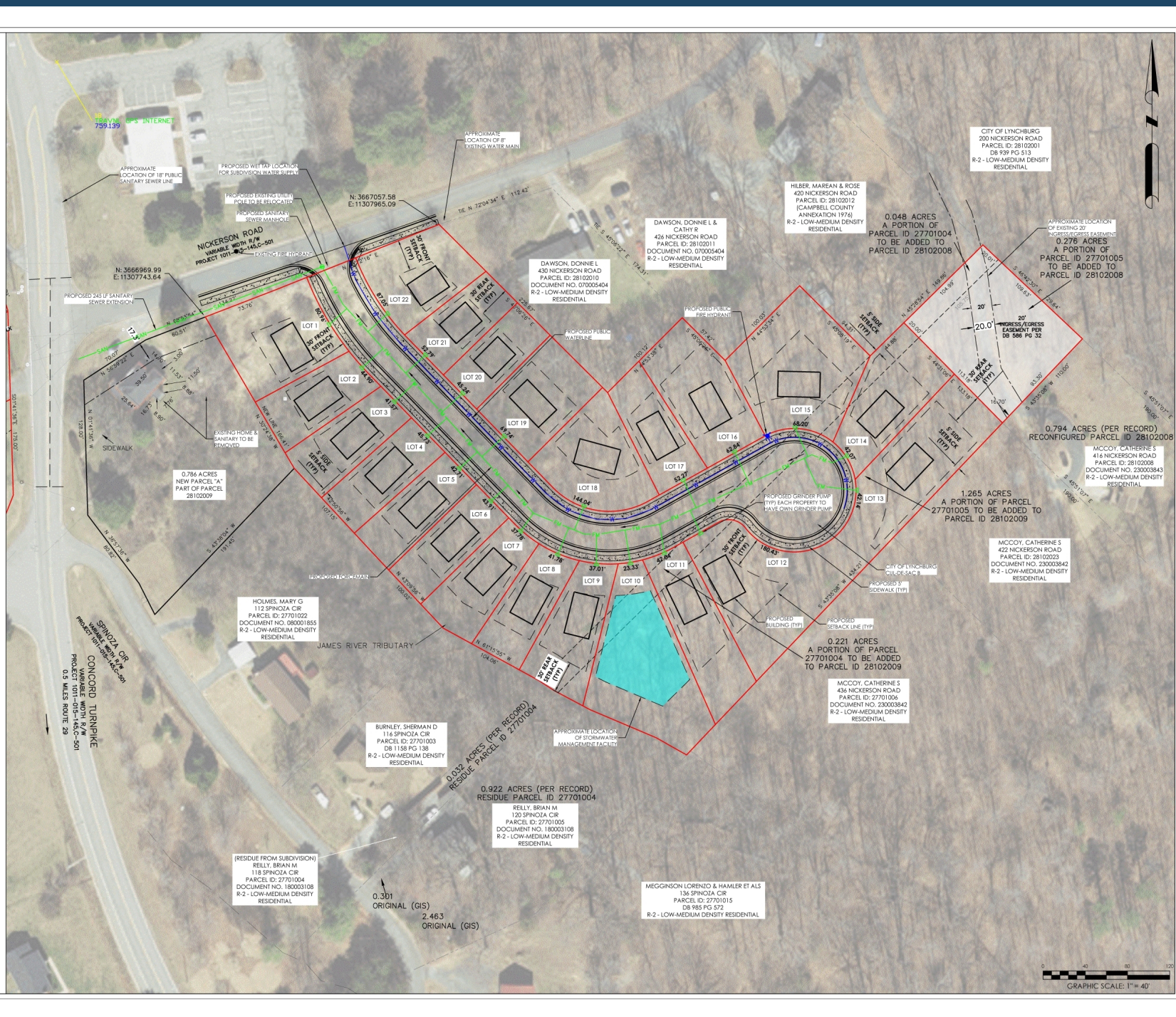
Recommendation:

The Planning Commission recommended approval (5-0) of the rezoning petition on October 23, 2024.

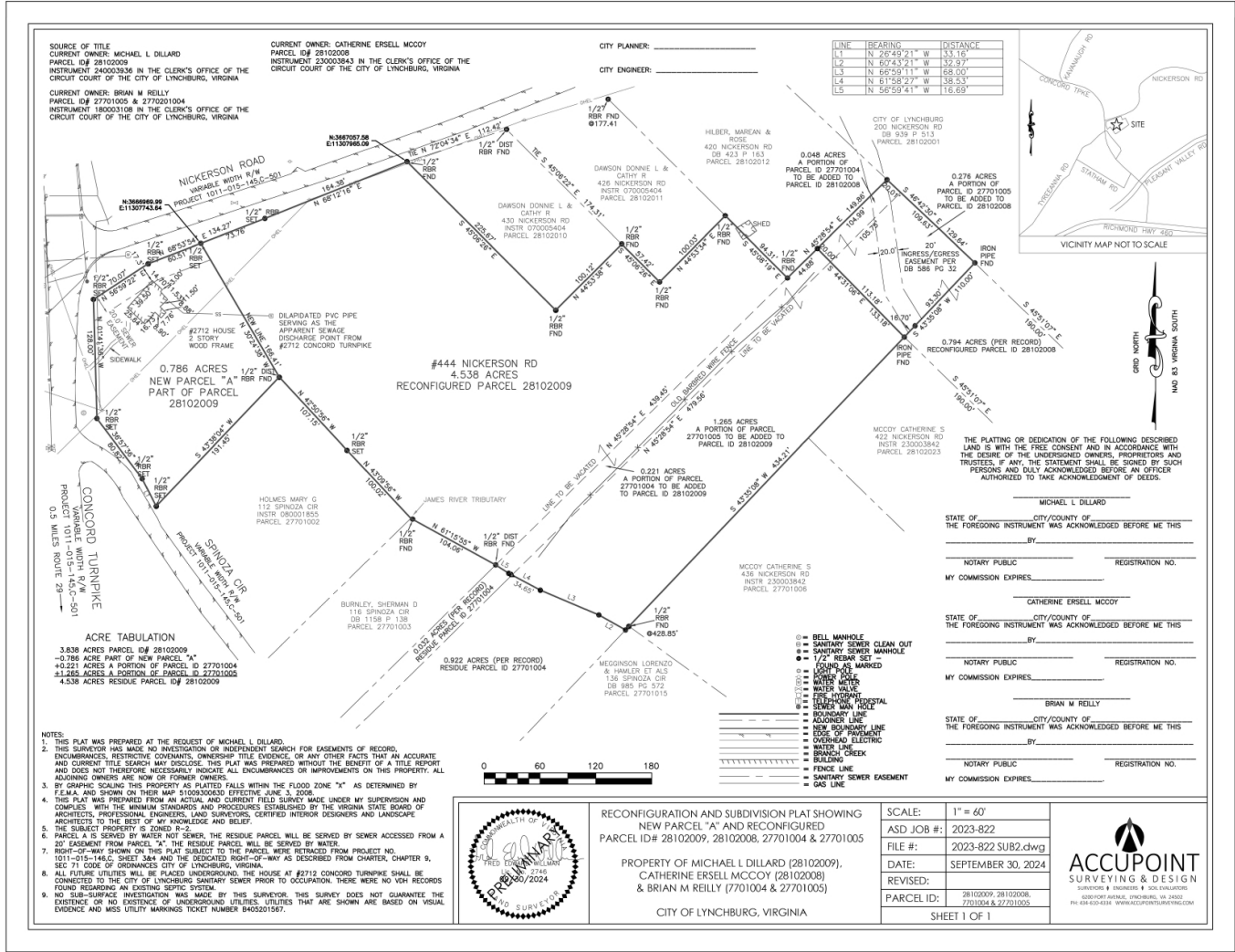
Action:

A City Council Public Hearing will be held on January 14, 2025.



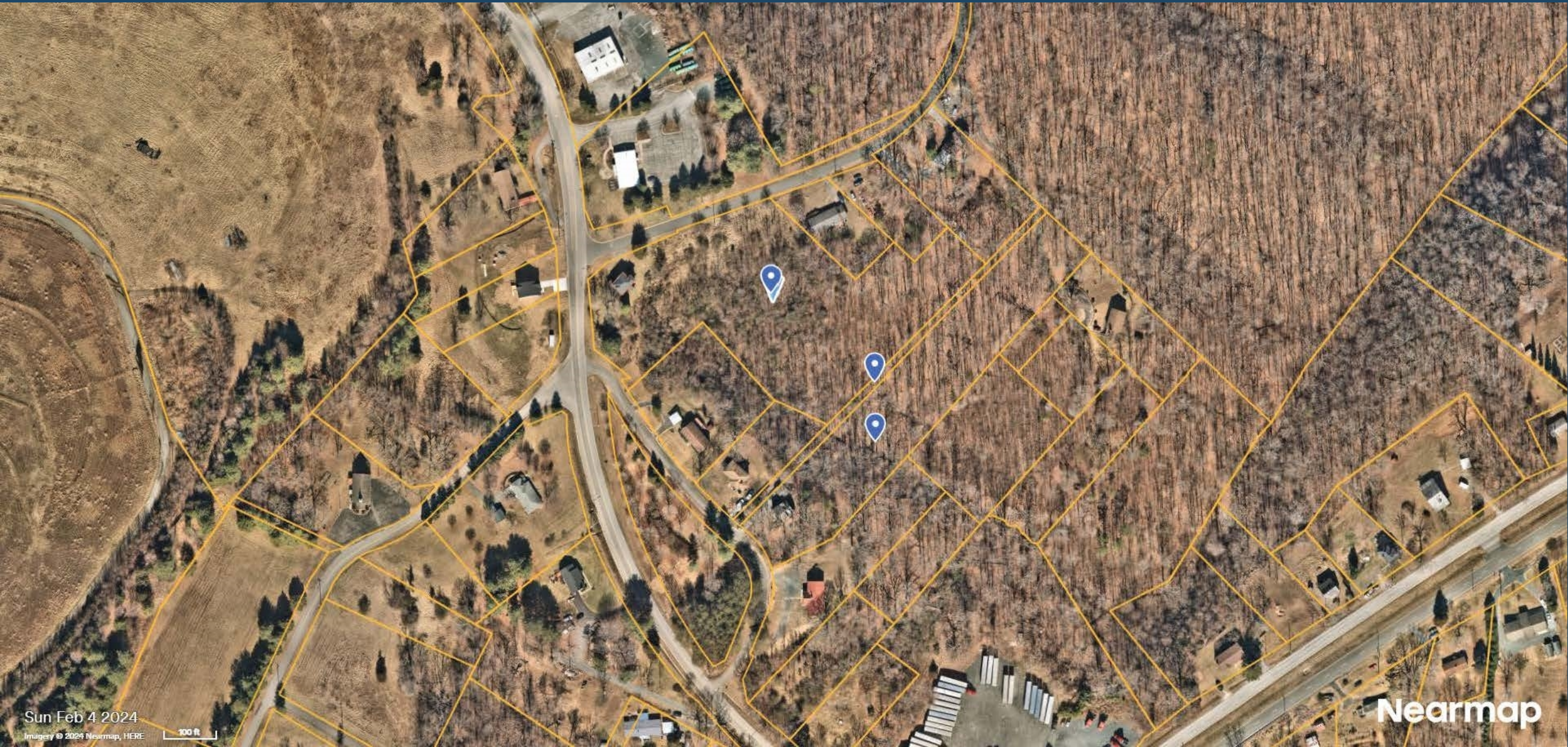


Example Homes by Owner/Developer
along Concord Turnpike



Beginning at a point;
thence n 68°53'54" e a distance of 73.76' to a point;
thence n 68°12'16" e a distance of 164.38' to a point;
thence s 45°06'26" e a distance of 225.67' to a point;
thence n 44°53'38" e a distance of 100.12' to a point;
thence s 45°06'26" e a distance of 57.42' to a point;
thence n 44°53'34" e a distance of 100.03' to a point;
thence s 45°08'19" e a distance of 94.31' to a point;
thence n 45°28'54" e a distance of 44.88' to a point;
thence s 44°31'06" e a distance of 133.18' to a point;
thence s 43°35'08" w a distance of 434.21' to a point;
thence n 60°43'21" w a distance of 32.97' to a point;
thence n 66°59'11" w a distance of 68.00' to a point;
thence n 61°58'27" w a distance of 38.53' to a point;
thence n 56°59'41" w a distance of 16.69' to a point;
thence n 61°15'55" w a distance of 104.06' to a point;
thence n 43°09'56" w a distance of 100.02' to a point;
thence n 42°50'56" w a distance of 107.15' to a point;
thence n 30°24'38" w a distance of 166.41' to a point;
which is the point of beginning, having an area of 4.538 acres

REVISION/DATE:	
PER CITY COMMENTS: 08/29/2024	
SCALE:	NTS
ASD JOB #:	24-443
FILE #:	24-443 CONCEPT
DATE:	08/07/2024



MINUTES OF THE OCTOBER 23, 2024 PLANNING COMMISSION MEETING (MINUTES HAVE BEEN APPROVED):

Petition of Michael Dillard to rezone approximately four and fifty-four hundredths (4.54) acres located at 2712 Concord Turnpike, 118 & 120 Spinoza Circle from R-2, Low-Medium Density Residential District to R-3C, Medium Density Residential District (Conditional) to allow the construction of single-family homes.

Ms. Rachel Frischeisen, City Planner, provided the following summary to the Commission. The purpose of the petition is to allow the construction of a residential subdivision with single-household detached homes. The Comprehensive Plan 2013-2030 recommends Low Density Residential use for the property. These areas are dominated by single family detached housing at densities of up to four (4) dwelling units per acre. In addition to residential uses, they may include public and institutional uses compatible in scale with single family residential homes. Private recreation uses, including country clubs and swim and racquet clubs, and private open space are also appropriate for Low Density Residential areas. The Tyreeanna & Pleasant Valley Neighborhood Plan, adopted into the Comprehensive Plan in 2022, recommends supporting the development of housing types for diverse demographics, including young families and aging population groups. It also recommends promoting the sustainable development of public and privately-owned vacant land. The subject property was annexed into the City in 1976. The existing R-2, Low Density Residential District zoning was established in 1978. The submitted concept plan indicates the construction of twenty-one (21) single-household detached homes. An additional home may be constructed on the parcel with the stormwater management facility, if conditions allow. City water and sewer service is available to the proposed development. Wastewater would be handled via a sanitary force main. Each residence would utilize individual grinder pumps. The proposed development would provide housing at desirable densities that reflect good land use principles and responsible use of limited land resources. The proposed development would adjoin other single-family lots and would align with the development recommendations of the Tyreeanna & Pleasant Valley Neighborhood Plan. The proposed rezoning would facilitate the construction of a residential development at a density of approximately four and eighty-five hundredths (4.85) dwelling units per acre. This proffered density is similar to the Future Land Use Map (FLUM) recommendation of Low Density Residential, which suggests up to four (4) units per acre, and is similar to the current R-2, Low-Medium Density Residential District, which allows a maximum net density of four and thirty-five hundredths (4.35) dwelling units per acre. The voluntarily submitted proffers would limit land use by excluding uses which would not be compatible with the surrounding area. The Technical Review Committee (TRC) reviewed the petition on September 4, 2024. Comments were minor in nature. The Planning Division recommends approval of the petition.

Chair Johnson asked if there was anyone present to speak on behalf of the petition.

Ms. Amy Seipp of Accupoint Surveying and Design, was present to represent the petition. There will be twenty-one (21) to twenty-two (22) single family homes built, depending on the stormwater management. This development would require a public extension to the water and sewer. Sidewalks would also be required. Trends show that most people want smaller lots with smaller yards.

Chair Johnson asked if there was anyone present to speak in favor of the petition.

Chair Johnson asked if there was anyone present to speak in opposition to the petition.

With there being none, Chair Johnson closed the public hearing.

Chair Johnson asked if streetlights will be required.

Ms. Frischeisen replied that they will not be required and are at the developer's discretion.

Chair Johnson asked Ms. Seipp if there are any streetlights planned.

Ms. Seipp replied that streetlights are considered later in development, but that they would want a few streetlights. There must be discussions with AEP and a determination of who handles the cost.

Commissioner Marion asked who maintains the streetlights if the new street is public.

Ms. Seipp replied that it will be a public street and the streetlights would become public or City lights.

Commissioner Rogers asked if code requires street lights.

Ms. Frischeisen reiterated that street lights are not required.

Commissioner Rogers noted that the City would likely take over the lights as it is unlikely a meter would be installed and charged to an HOA.

Ms. Seipp replied that has happened with private roads. The cost goes back to the HOA. For public streets, they will have a meeting with AEP and determine where they want them for ease of access.

Commissioner Rogers encouraged streetlights and noted that people leave their porchlight on for safety. He also likes the small lots.

Ms. Seipp said that the development would be very walkable.

Chair Johnson asked if the lots would be sold to developers or if the owner planned to develop himself.

Ms. Seipp replied that it depends on whether this was approved and how many lots would be able to be put in.

Commissioner Perault asked how many lots the current zoning would allow.

Ms. Frischeisen replied that eighteen (18) or nineteen (19) lots would be permitted.

Commissioner Perault shared his support for the petition noting that the rezoning is a small adjustment and the City should look into more development in this area.

Commissioner Marion stated that the area that used to a landfill is planned to be a park and would be a nice amenity for the neighborhood.

Ms. Frischeisen shared agreement.

Chair Johnson stated that there is new construction in the area and that it was nice to see more development.

Commissioner Perault replied that Concord Turnpike is one of the gateways to the City.

Ms. Seipp replied that this was an area that was forgotten but redevelopment has helped to make it more marketable.

Commissioner Rogers asked about long-range plans for water and sewer.

Ms. Frischeisen replied that the Department of Water Resources has their own master plan and that it is comprehensive in terms of looking at all areas that don't have City sewer.

Ms. Seipp stated that personal pump stations have enabled developers to get City sewer to lots that previously could not be reached. The pump stations are not very large and can be mowed over but do run on

power.

Commissioner Marion made the following motion, seconded by Commissioner Henderson, and approved by the following vote:

"Based on the preceding Findings of Fact, the Planning Commission recommends to City Council approval of the petition of Michael L. Dillard to rezone approximately four and fifty-four hundredths (4.54) acres from R-2, Low-Medium Density Residential District to R-3C, Medium Density Residential District (Conditional), subject to the following voluntarily submitted proffers:

- 1. Each of the 22 lots is designated for a typical single-household detached home. This includes the stormwater management facility.**
- 2. The subdivision will require extensions for public water and sanitary sewer. It will also include a new city street. The proposed street will be a public city street with public water and sewer.**
- 3. This rezone to R-3C will not include: housing services, dormitories, sorority or fraternity houses, art galleries, parking lots, parking garages, pet cemeteries, libraries, archives, museums, special purpose recreational institutions, country clubs, outdoor recreation facilities, hospitals, commercial orchards, animal production facilities, residential cluster development, traditional neighborhood development, or planned unit development."**

AYES: Henderson, Johnson, Marion, Perault, Rogers

5

NOES:

0

ABSTENTIONS:

0

ABSENT: Bowden, Gammon

2

The Department of Community Development
City Hall, Lynchburg, VA 24504 **434-455-3900**

To: Planning Commission
From: Planning Division
Date: October 23, 2024
Re: **REZONING: R-2, Low-Medium Density Residential District to R-3C, Medium Density Residential District (Conditional) – 2712 Concord Turnpike and 118/120 Spinoza Circle.**

I. PETITIONER

Michael L. Dillard, 5763 Campbell Highway N, Lynchburg, Virginia 24501

Representative: Amy Seipp, PE, Accupoint Surveying and Design, 106 Vista Center Drive, Forest, Virginia 24551

Property Owners:

2712 Concord Turnpike – Michael L. Dillard, 5763 Campbell Highway N, Lynchburg, VA 24501

118/120 Spinoza Circle – Brian M. Reilly, 120 Spinoza Circle, Lynchburg, VA 24504

II. LOCATION

The subject property is comprised of a portion of three (3) parcels located at 2712 Concord Turnpike and 118/120 Spinoza Circle, totaling approximately four and fifty-four hundredths (4.54) acres.

III. PURPOSE

The purpose of the petition is to allow the construction of a residential subdivision with twenty-one (21) single-household detached homes.

IV. SUMMARY

- The density of the proposed development is similar to that which is recommended by the *Future Land Use Map (FLUM)*.
- The proposed development of single-family homes would adjoin other single-family lots and would align with the development recommendations of the Tyreeanna & Pleasant Valley Neighborhood Plan.

The Planning Division recommends approval of the Rezoning petition.

V. FINDINGS OF FACT

1. **Comprehensive Plan.** The *Comprehensive Plan 2013-2030* recommends Low Density Residential use for the property. These areas are dominated by single family detached housing at densities of up to four dwelling units per acre. In addition to residential uses, they may include public and institutional uses compatible in scale with single family residential homes. Private recreation uses, including country clubs and swim and racquet clubs, and private open space are also appropriate for Low Density Residential areas (p. 72).

The *Tyreeanna & Pleasant Valley Neighborhood Plan*, adopted into the *Comprehensive Plan* in 2022, recommends supporting the development of housing types for diverse demographics, including

young families and aging population groups (p. 10). It also recommends promoting the sustainable development of public and privately-owned vacant land (p. 38).

2. **Zoning.** The subject property was annexed into the City in 1976. The existing R-2, Low Density Residential District zoning was established in 1978.
3. **Proffers.** The petitioner has voluntarily submitted the following proffers with the rezoning application:
 1. Each of the 22 lots is designated for a typical single-household detached home. This includes the stormwater management facility.
 2. The subdivision will require extensions for public water and sanitary sewer. It will also include a new city street. The proposed street will be a public city street with public water and sewer.
 3. This rezone to R-3C will not include: housing services, dormitories, sorority or fraternity houses, art galleries, parking lots, parking garages, pet cemeteries, libraries, archives, museums, special purpose recreational institutions, country clubs, outdoor recreation facilities, hospitals, commercial orchards, animal production facilities, residential cluster development, traditional neighborhood development, or planned unit development.
4. **Board of Zoning Appeals (BZA).** The Zoning Administrator has determined that no variances are needed for the development of the property as proposed.
5. **Surrounding Area.** There have been several items requiring City Council approval in the immediate area:
 - On December 11, 1984, City Council approved the petition of Darling-Delaware Company, Inc. to rezone approximately two (2) acres at 2704 Concord Turnpike from R-2, Low to Medium Density, Single-Family Residential District, to B-1, Limited Business District, to allow use of the subject property for an office building.
 - On May 14, 1985, City Council approved the petition of Tyreeanna United Methodist Church for the construction of a new front foyer and access ramp, to the existing church building, at 5215 Tyreeanna Road.
 - On July 9, 1996, City Council approved the petition of PM Properties, Inc. to rezone approximately five and four-tenths (5.4) acres at 5205 Richmond Highway from R-2-, Single Family Residential, and B-3 Community Business, to B-3 (Conditional), Community Business, to allow construction of a convenience store/fast food restaurant; and to receive a Conditional Use Permit to allow the operation of a fuel distribution facility.
 - On February 24, 1998, City Council approved the petition of Roy D. Templeton to rezone approximately three (3) acres at 4928 Richmond Highway from R-2, Single-Family Residential District, to B-3 (Conditional), Community Business District, to allow the construction of a convenience store with gasoline distribution.
 - On March 14, 2000, City Council approved Pleasant Valley Baptist Church's petition for a Conditional Use Permit to approve the master development plan and allow construction of a new sanctuary, parking area, child care facility, and gymnasium at 5517 Richmond Highway.
 - On April 13, 2004, City Council approved the petition of Truck Enterprises, Inc. to change the *Future Land Use Map* from Low Density Residential to Employment 2 uses and to rezone from R-2, Single-Family Residential District to B-5, General Business District (Conditional) to allow the construction of a truck dealership at 5605 Richmond Highway.

- On October 13, 2015, City Council approved the petition of D & D Trucking, LLC to amend the *Future Land Use Map* from Neighborhood Commercial to Community Commercial and to rezone approximately five and four hundred twenty-three (5,423) acres from R-2, Low-Medium Density, Single-Family Residential and B-3C, Community Business District (Conditional) to B-5C, General Business District (Conditional), to allow the use of the property as a truck storage yard and the construction of a truck repair facility at 5205 Pleasant Valley Road.
6. **Site Description.** The subject property consists of approximately four and fifty-four hundredths (4.54) acres and includes portions of the properties located at 2712 Concord Turnpike, and 118/120 Spinoza Circle.
- The property at 2712 Concord Turnpike contains a wood frame, aluminum siding residential structure constructed in 1916. The structure is approximately one thousand, nine hundred ninety-one (1,991) square feet in size.
- The property at 118 Spinoza Circle is undeveloped.
- The property at 120 Spinoza Circle contains a wood frame, wood siding residential structure constructed in 1940. The structure is approximately one thousand six hundred eighty-four (1,684) square feet in size.
- Together, the properties are bounded to the north by a public office building (the Virginia Cooperative Extension), maintenance facility, and undeveloped land; to the west, the south, and the east, by single-household uses and undeveloped land.
7. **Proposed Use of Property.** The submitted concept plan indicates the construction of twenty-one (21) single-household detached homes. An additional home may be constructed on the parcel with the stormwater management facility, if conditions allow.
- City water and sewer service is available to the proposed development. Wastewater would be handled via a sanitary force main. Each residence would utilize individual grinder pumps.
8. **Traffic, Parking and Public Transit.** The petitioner was not required to conduct a traffic analysis as part of the petition.
- The subdivision will include a new city-maintained street approximately six hundred (600) feet long, ending with a cul-de-sac.
- The area is not served by the Greater Lynchburg Transit Company (GLTC).
9. **Stormwater Management.** A stormwater management / Erosion & Sediment Control Plan will be required prior to site plan approval. Information submitted by the petitioner indicates that stormwater quantity will be addressed by one (1) stormwater management facility. The petitioner did not indicate how stormwater quality will be addressed, but would be subject to City standards.
10. **Emergency Services.** The City's Fire Marshal and Police Department had no comments of concern regarding the proposal.
11. **Impact.** The proposed development would provide housing at desirable densities that reflect good land use principles and responsible use of limited land resources. The proposed development would adjoin other single-family lots and would align with the development recommendations of the Tyreanna & Pleasant Valley Neighborhood Plan.

The proposed rezoning would facilitate the construction of a residential development at a density of approximately four and eighty-five hundredths (4.85) dwelling units per acre. This proffered density is similar to the *Future Land Use Map (FLUM)* recommendation of Low Density Residential, which suggests up to four (4) units per acre, and is similar to the current R-2, Low-Medium Density Residential District, which allows a maximum net density of four and thirty-five hundredths (4.35) dwelling units per acre.

The voluntarily submitted proffers would limit land use by excluding uses which would not be compatible with the surrounding area.

City Code does not require right-of-way dedication for future street connections on streets less than six hundred (600) feet in length. Having connectivity between the new proposed street and adjoining vacant land would be beneficial for future development.

12. **Technical Review Committee.** The Technical Review Committee (TRC) reviewed the petition on September 4, 2024. Comments were minor in nature.

VI. PLANNING DIVISION RECOMMENDATION

Based on the preceding Findings of Fact, the Planning Commission recommends to City Council approval of the petition of Michael L. Dillard to rezone approximately four and fifty-four hundredths (4.54) acres from R-2, Low-Medium Density Residential District to R-3C, Medium Density Residential District (Conditional), subject to the following voluntarily submitted proffers:

1. Each of the 22 lots is designated for a typical single-household detached home. This includes the stormwater management facility.
2. The subdivision will require extensions for public water and sanitary sewer. It will also include a new city street. The proposed street will be a public city street with public water and sewer.
3. This rezone to R-3C will not include: housing services, dormitories, sorority or fraternity houses, art galleries, parking lots, parking garages, pet cemeteries, libraries, archives, museums, special purpose recreational institutions, country clubs, outdoor recreation facilities, hospitals, commercial orchards, animal production facilities, residential cluster development, traditional neighborhood development, or planned unit development.

This matter is respectfully offered for your consideration.



Rachel Frischeisen
City Planner

pc: Wynter Benda, City Manager

Greg Patrick, Deputy City Manager
Kent White, Assistant City Manager
Tom Martin, Director of Community Development
Matthew Freedman, City Attorney
J. Lee Newland, City Engineer
Cynthia Kozerow, Lynchburg Police Department
Candace Brown, Fire Marshal
Doug Saunders, Building Official
Kevin Henry, Zoning Administrator
Michael L. Dillard, Petitioner and Property Owner
Brian M. Reilly, Property Owner
Amy Seipp P.E., Accupoint, Representative

VII. ATTACHMENTS

- 1. Zoning Map with Adjoining Property Owners**
- 2. Future Land Use Map**
- 3. Watershed Map**
- 4. Planimetric and Topographic Map**
- 5. Narrative**
- 6. Concept Plan**
- 7. Property Photograph**

Zoning

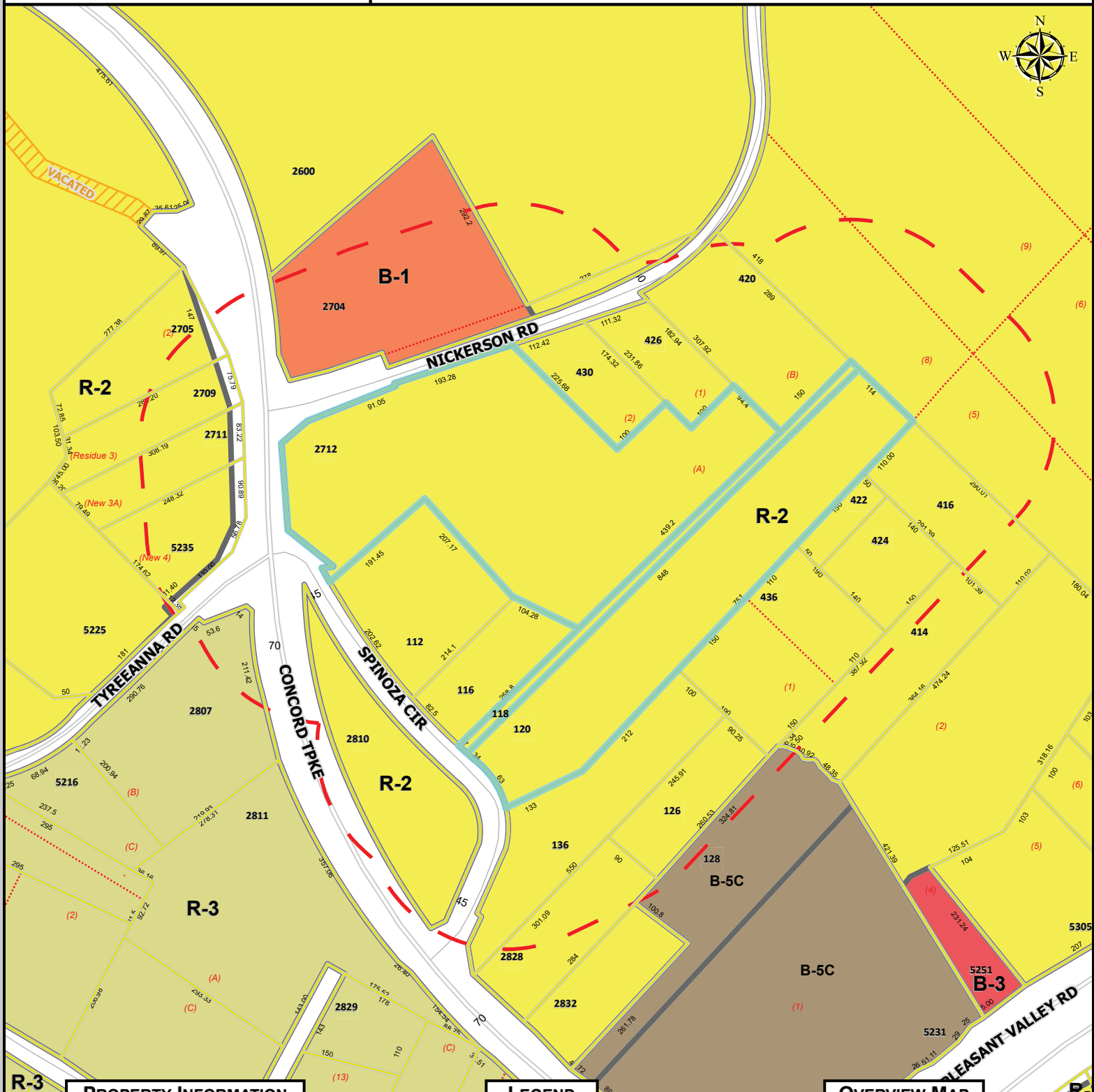
120 SPINOZA CIR

118 SPINOZA CIR

2712 CONCORD TPKE

TRC

Concord Turnpike Rezoning



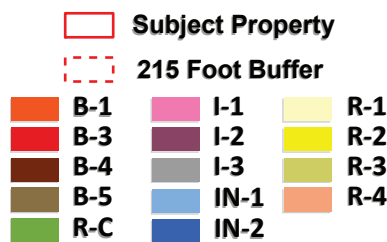
PROPERTY INFORMATION

PARCEL ID

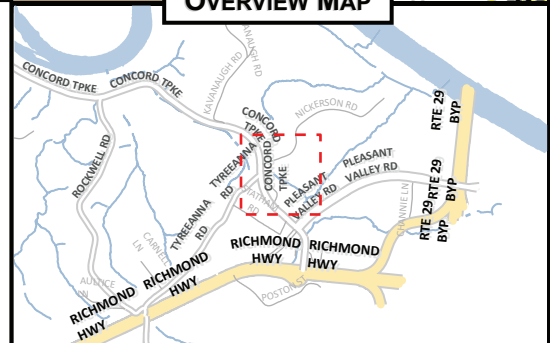
ADDRESS

27701005	120 SPINOZA CIR	28102009
27701004	118 SPINOZA CIR	

LEGEND



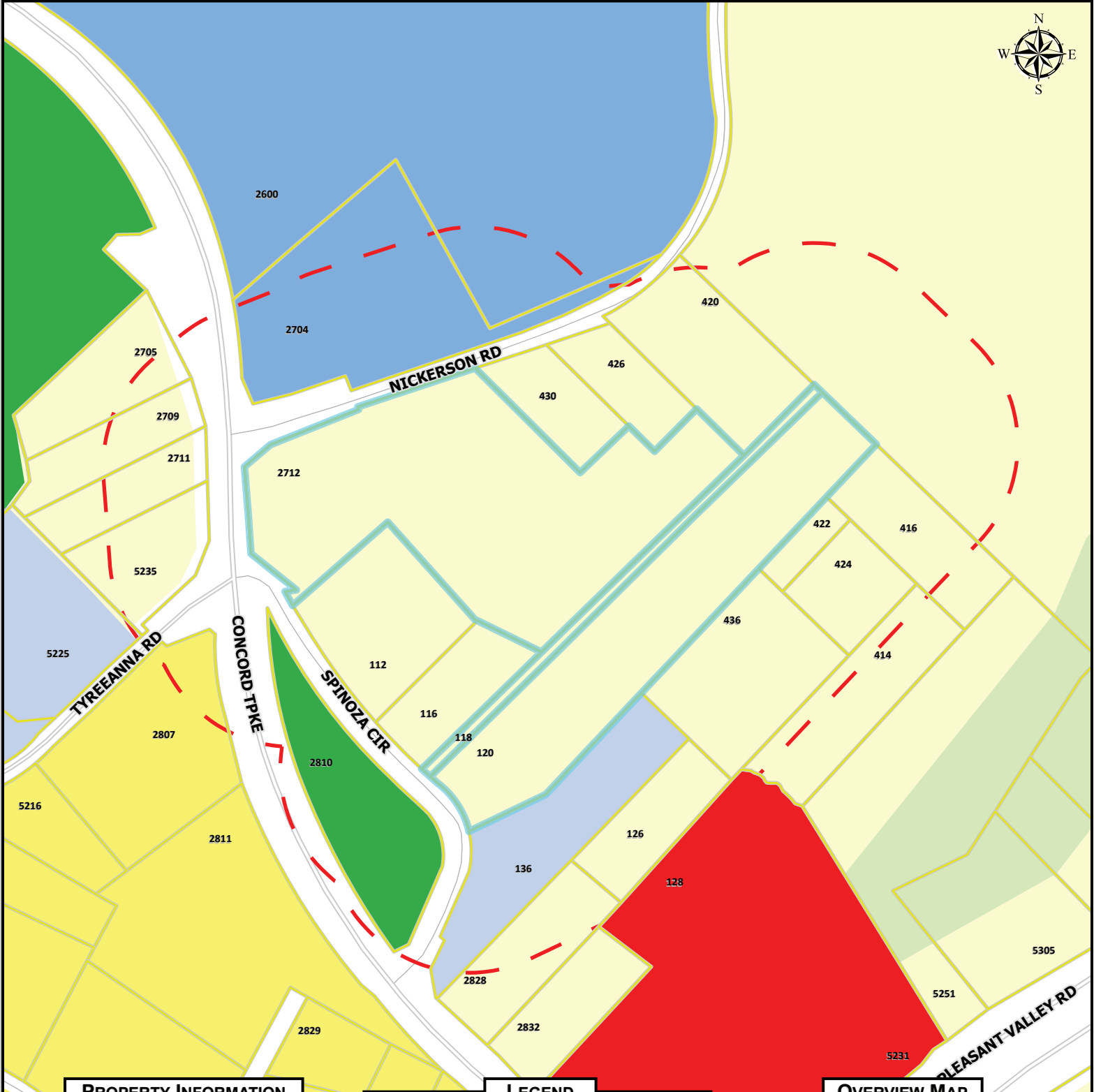
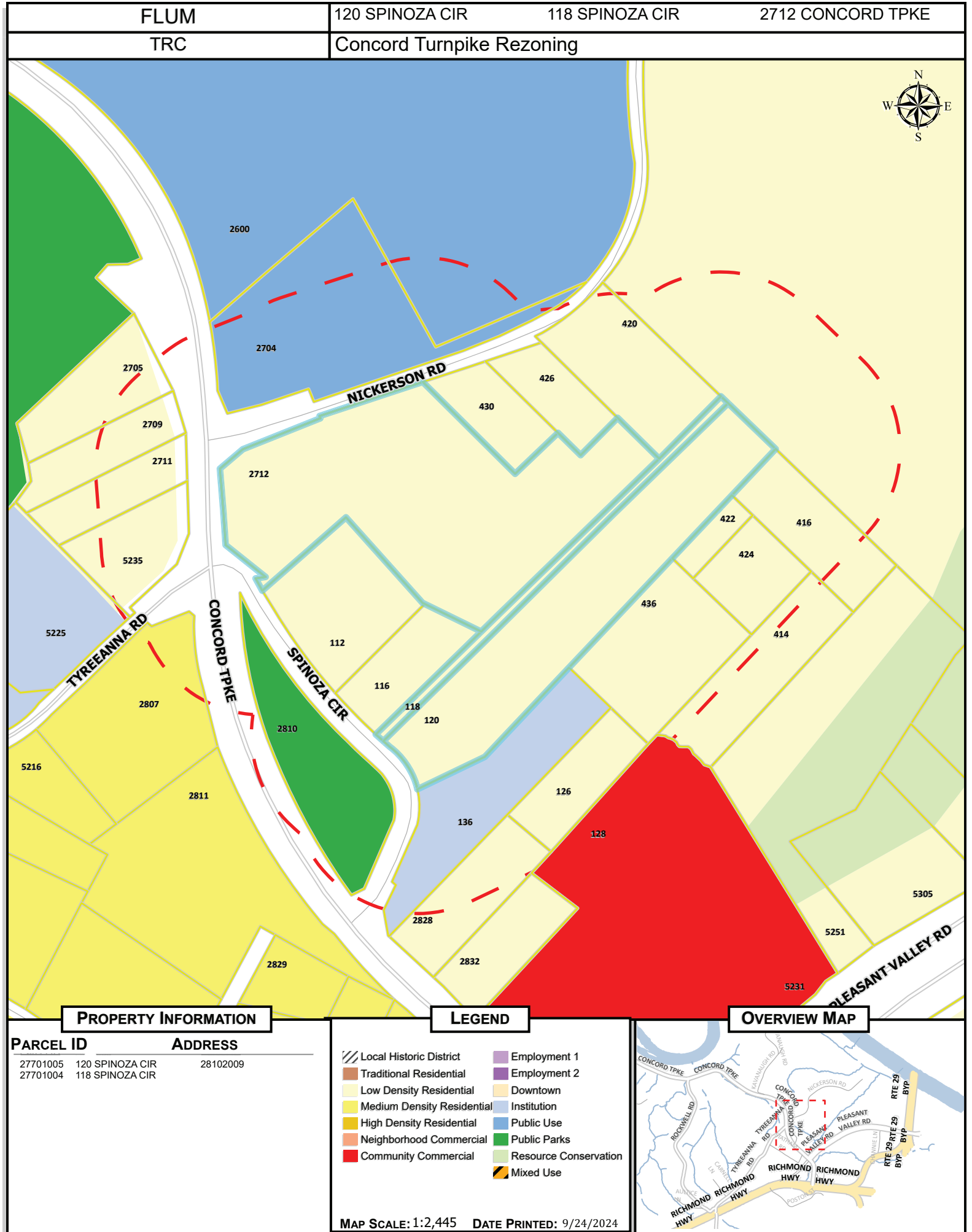
OVERVIEW MAP



MAP SCALE: 1:2,445 DATE PRINTED: 9/24/2024

2712 Concord Turnpike, 118 & 120 Spinoza Circle

Parcel ID	Address	Owner
27701014	2828 CONCORD TPKE	MCCOY, CATHERINE S
27702009	5205 PLEASANT VALLEY RD	DD & D TRUCKING LLC
27701013	126 SPINOZA CIR	JACKSON, ODELLA F
27705001	2807 CONCORD TPKE	HASKINS, DORIS MEGGINSON
27701003	116 SPINOZA CIR	BURNLEY, SHERMAN D
27701001	2810 CONCORD TPKE	CITY OF LYNCHBURG
27701008	414 NICKERSON RD	STEPHENS, WILLI P & SYBIL
27701006	436 NICKERSON RD	MCCOY, CATHERINE S
27701002	112 SPINOZA CIR	HOLMES, MARY G
28102022	424 NICKERSON RD	BOONE, CLEMMITEEN S & JAMES
27706001	5225 TYREEANNA RD	TYREEANNA CHAPEL INC
28102023	422 NICKERSON RD	MCCOY, CATHERINE S
28102008	416 NICKERSON RD	MCCOY, CATHERINE ERSSELL
27701005	120 SPINOZA CIR	REILLY, BRIAN M
27701004	118 SPINOZA CIR	REILLY, BRIAN M
28102009	2712 CONCORD TPKE	DILLARD, MICHAEL L
28102010	430 NICKERSON RD	DAWSON, DONNIE L
28102011	426 NICKERSON RD	DAWSON, DONNIE L & CATHY R
28103008	2705 CONCORD TPKE	EARLY, JACQUELINE H
28102012	420 NICKERSON RD	HILBER, MAREAN & ROSE
28101013	2704 CONCORD TPKE	CITY OF LYNCHBURG
28102001	200 NICKERSON RD	CITY OF LYNCHBURG
28101008	2600 CONCORD TPKE	CITY OF LYNCHBURG
28103010	5235 TYREEANNA RD	DILLARD, MICHAEL
28103009	2711 CONCORD TPKE	PHAM, DANIEL
28103011	2709 CONCORD TPKE	DILLARD, MICHAEL
27701015	136 SPINOZA CIR	MEGGINSON, LORENZO & HAMLER, HENRY &, HAMLER, JOHN JR & NELSON, RICHARD



PROPERTY INFORMATION

PARCEL ID	ADDRESS	ADDRESS
27701005	120 SPINOZA CIR	28102009
27701004	118 SPINOZA CIR	

LEGEND

- Local Historic District

Traditional Residential

Low Density Residential

Medium Density Residential

High Density Residential

Neighborhood Commercial

Community Commercial
- Employment 1

Employment 2

Downtown

Institution

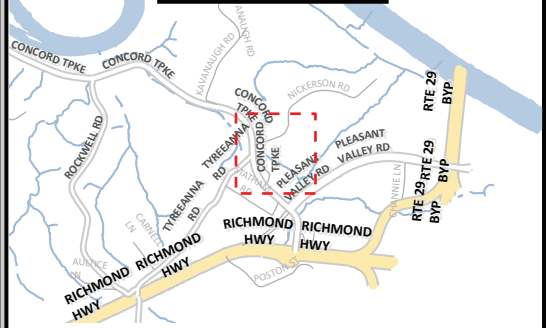
Public Use

Public Parks

Resource Conservation

Mixed Use

OVERVIEW MAP



MAP SCALE: 1:2,445 DATE PRINTED: 9/24/2024

Watershed

120 SPINOZA CIR

118 SPINOZA CIR

2712 CONCORD TPKE

TRC

Concord Turnpike Rezoning



PROPERTY INFORMATION

PARCEL ID	ADDRESS
27701005	120 SPINOZA CIR
27701004	118 SPINOZA CIR

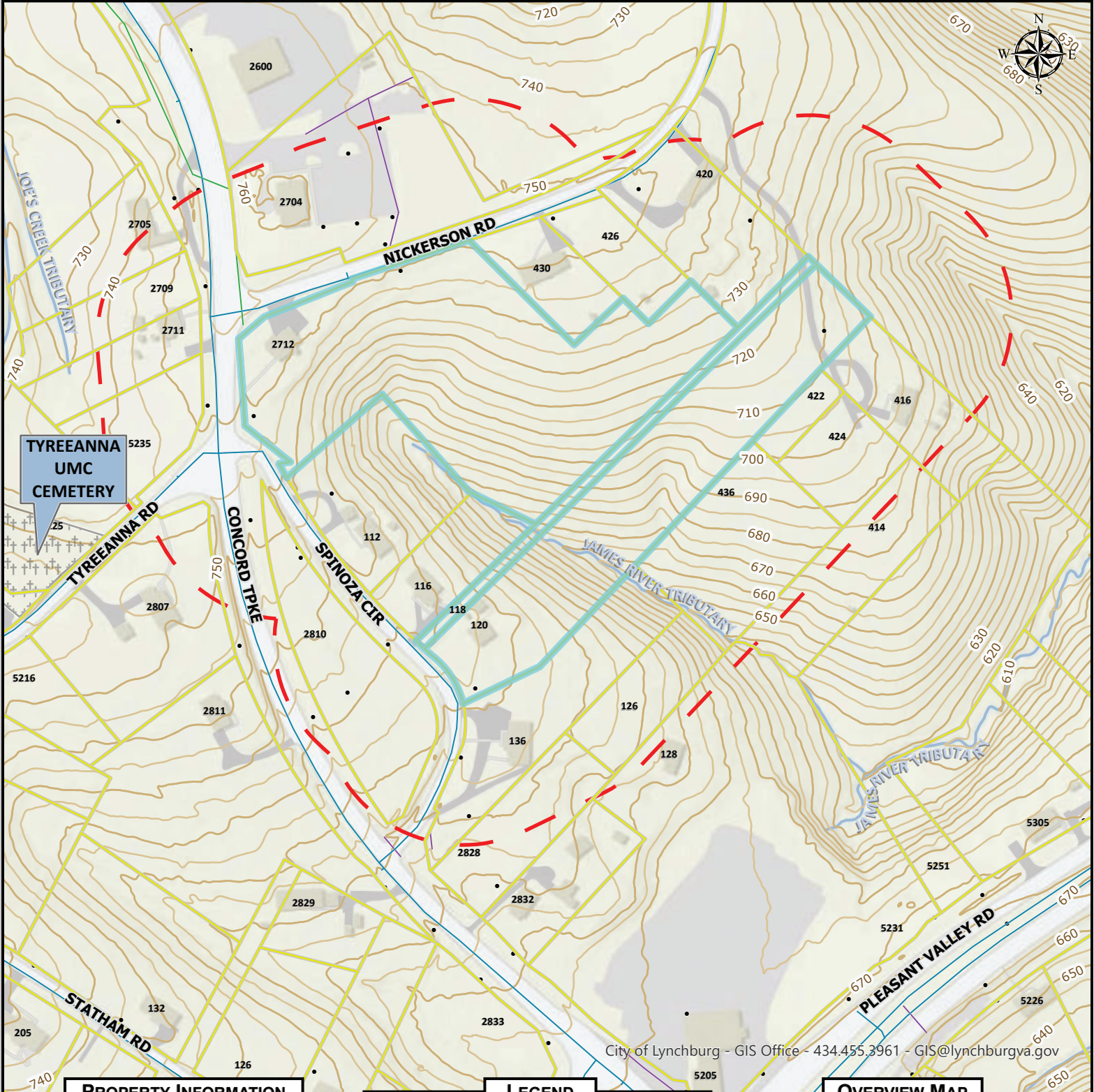
LEGEND

- Subject Property
- Base Flood Elevation
- Floodway
- Floodzone
- River / Lake / Stream

MAP SCALE: 1:2,445 DATE PRINTED: 9/24/2024

OVERVIEW MAP





PROPERTY INFORMATION		
PARCEL ID	ADDRESS	
27701005	120 SPINOZA CIR	28102009
27701004	118 SPINOZA CIR	

LEGEND

Active Proposed Abandoned

Utilities

Water

Sanitary

Storm

Planimetrics

Structure

Roadway

Parking

Sidewalk

Driveway

Topography

Contour

100'

50'

20'

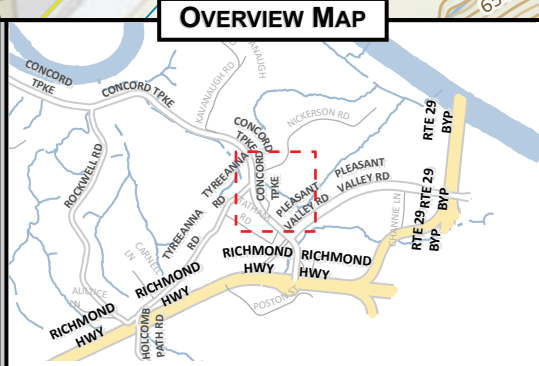
10'

5'

1'

MAP SCALE: 1:2,445

DATE PRINTED: 9/24/2024





September 30, 2024

Re: Project Narrative – Michael Dillard
2712 Concord Turnpike, Lynchburg, VA 24504 – Tax Map ID: 28102009

Michael Dillard is proposing to develop a subdivision consisting of 22 lots, each designated for a single-household detached home. Out of the 22 lots, three (lots 20, 21, & 22) will be for 2-story homes, while the remaining 19 lots will be for 1-story homes. All construction materials for the homes will comply with the City of Lynchburg requirements. The subdivision will require extensions for public water and sanitary sewer. It will also include a new city-maintained street approximately 600 feet long, ending with a type B cul-de-sac. The current zoning is R-2 Low-Medium Single-Family Residential, and the proposed rezone is R-3C Medium Density Residential Conditional. This re-zone is for stand-alone single-family homes, which should be considered low density, with a density of 4.89 dwelling units per acre, compared to the maximum of 10.89 dwelling units per acre.

Best Regards,

A handwritten signature in black ink, appearing to read "SSS", with a horizontal line extending from the end of the signature.

Stephen S. Smith
Senior CAD Designer
Accupoint Surveying & Design
(434) 610-4334
ssmith@accupointsurveying.com

CONCORD TURNPIKE SUBDIVISION

2712 CONCORD TURNPIKE LYNCHBURG, VA

AUGUST 7, 2024
REVISED ON SEPTEMBER 30, 2024

GENERAL NOTES

1. THIS PLAN WAS PREPARED AT THE REQUEST OF MICHAEL DILLARD.
2. NO DELINEATION OF WETLANDS WAS REQUESTED OR MADE AS PART OF THIS PLAN.
3. BY GRAPHIC SCALING ONLY, THIS PROPERTY AS PLATTED FALLS WITHIN THE FLOOD ZONE "X" AS DETERMINED BY FEMA AND SHOWN ON THEIR MAP NUMBER 510930063D BEARING AN EFFECTIVE DATE OF JUNE 3, 2006.
4. THIS EXISTING CONDITIONS PLAN WAS PROVIDED TO US BY THE PROPERTY OWNER AND THE CITY OF LYNCHBURG. CURRENT FIELD SURVEY MADE UNDER THEIR SUPERVISION AND COMPLIES WITH THE MINIMUM STANDARDS AND PROCEDURES ESTABLISHED BY THE VIRGINIA STATE BOARD OF ARCHITECTS, PROFESSIONAL ENGINEERS, LAND SURVEYORS, CERTIFIED INTERIOR DESIGNERS AND LANDSCAPE ARCHITECTS TO THE BEST OF THEIR KNOWLEDGE AND BELIEF.
5. THIS PROPERTY IS ZONED R-2 LOW-MEDIUM DENSITY SINGLE-FAMILY RESIDENTIAL.
6. EXISTING UTILITIES ARE SHOWN AT APPROXIMATE LOCATIONS. CONTRACTOR IS RESPONSIBLE FOR VERIFYING EXACT LOCATION AND DEPTHS PRIOR TO CONSTRUCTION.
7. THE CONTRACTOR SHALL CONTACT THE CITY OF LYNCHBURG, AND MISS UTILITY (811) AT LEAST 48 HOURS PRIOR TO ANY CONSTRUCTION OR EXCAVATION ACTIVITY AND ADVISE THE NATURE AND LOCATION OF WORK.
8. THE CONTRACTOR SHALL BE FULLY LIABLE FOR ANY DAMAGES TO PUBLIC OR PRIVATE PROPERTY CAUSED BY CONSTRUCTION OPERATION AND SHALL RESTORE DAMAGED PROPERTY TO EXISTING OR BETTER CONDITION AT NO ADDITIONAL COST TO THE OWNER.
9. ALL GRASSED AREA DISTURBED BY CONSTRUCTION SHALL BE SEEDED AND PROTECTED WITH EROSION CONTROL PRACTICES AND AS SHOWN ON THE PLAN HEREIN.
10. VEGETATIVE AND STRUCTURAL EROSION AND SEDIMENT CONTROL DEVICES SHALL BE CONSTRUCTED AND MAINTAINED FOR ALL DISTURBED AREA IN ACCORDANCE WITH ALL LOCAL REQUIREMENTS AND THE LATEST EDITION OF THE VIRGINIA EROSION AND SEDIMENT CONTROL HANDBOOK. ALL EROSION AND SEDIMENT CONTROL DEVICES SHALL BE INSTALLED BEFORE EXCAVATION BEGINS.
11. THE CONTRACTOR SHALL REPLACE ALL DISTURBED SURFACES IN KIND, INCLUDING PAVEMENT, STONE, DITCHES, MAILBOXES, SHRUBS, ETC AND/OR AS SHOWN ON THIS PLAN.
12. ALL PROPERTY PINS DISTURBED DURING CONSTRUCTION SHALL BE REPLACED BY A LICENSED LAND SURVEYOR.
13. HORIZONTAL CONTROL IS BASED ON NAV 83 VA SOUTH ZONE. VERTICAL CONTROL IS BASED ON NAVD83 GEOD.
14. MAINTAIN OVERHEAD AND UNDERGROUND ELECTRICAL, TELEPHONE, AND GAS SERVICES AND OTHER UNDERGROUND UTILITIES DURING ENTIRE CONSTRUCTION PERIOD. OUTAGES WILL NOT BE ALLOWED. SHOULD OUTAGES BECOME NECESSARY, CONTACT THE ENGINEER OF RECORD IMMEDIATELY.
15. ANY SITE WORK AND DETAILS NOT COVERED BY THESE PLANS SHALL CONFORM TO THE CITY OF LYNCHBURG MANUAL OF SPECIFICATIONS OR VIRGINIA DEPARTMENT OF TRANSPORTATION'S ROAD AND BRIDGE SPECIFICATIONS, CURRENT EDITIONS.
16. THE ENGINEER AND/OR SURVEYOR TAKES NO RESPONSIBILITY FOR THE LOCATION OR ACCURACY OF THE UTILITIES SHOWN HEREIN. THE CONTRACTOR SHALL BE RESPONSIBLE FOR CONTACTING THE UTILITY COMPANIES TO SEE IF ANY UTILITIES EXIST WITHIN PROJECT AREA BEFORE CONSTRUCTION BEGINS. ANY COST INCURRED BY DAMAGING ANY UTILITY WITHIN THE PROJECT SHALL BE AT THE EXPENSE OF THE CONTRACTOR.
17. ALL LIGHTING SHALL BE SHIELDED, NON-GLARE TYPE LIGHTING AND NOT EXCEED ZERO CANDLEPOWER AT THE PROPERTY LINES. STREET LIGHTING IS NOT PLANNED AT THIS TIME BUT IS TO BE DETERMINED.
18. IF DURING DEMOLITION OR CONSTRUCTION, ANY DISCREPANCIES ARE NOTED WITH REGARD TO ANY PUBLIC WATER SERVICE CONNECTION, THE DEPARTMENT OF WATER RESOURCES SHALL BE NOTIFIED. THIS INCLUDES, BUT NOT LIMITED TO, CONNECTIONS WHICH NEED TO BE ADDED, ABANDONED, CHANGED, OR RELOCATED.
19. IF ANY BACKFLOW PREVENTION ASSEMBLIES ARE FOUND DURING DEMOLITION OR WHILE OTHER WORK IS BEING PERFORMED FOR THIS PROJECT, THEY SHALL NOT BE REMOVED, RELOCATED, OR REPLACED WITHOUT ADVANCE AUTHORIZATION FROM THE DEPARTMENT OF WATER RESOURCES.
20. NO SITE WORK, LOGGING, GRUBBING, OR GRADING IS PERMITTED PRIOR TO ISSUANCE OF A LAND DISTURBING PERMIT.
21. ALL CONSTRUCTION SHALL BE PERFORMED IN ACCORDANCE WITH THE CURRENT CITY OF LYNCHBURG MANUAL OF SPECIFICATIONS & STANDARD DETAILS.
22. CITY OF LYNCHBURG REFUSE COLLECTION IS REQUIRED FOR THE PROPOSED SUBDIVISION.
23. ALL R-3 ZONING HAS A 15% CANOPY COVERAGE REQUIREMENT ACROSS THE SITE ENTIRELY. CANOPY COVERAGE WILL BE ACCOUNTED FOR IN FUTURE SUBMITTALS.



VICINITY MAP
SCALE: NTS

DRAWING INDEX

- | | |
|------|---------------------|
| CS-1 | COVER SHEET |
| C-1 | LEGEND |
| C-2 | SURVEY PLAT |
| C-3 | CONCEPT SITE LAYOUT |

GENERAL INFORMATION

OWNER INFORMATION:

NAME: MICHAEL L. DILLARD
ADDRESS: 5743 CAMPBELL HWY
LYNCHBURG, VA 24501
PARCEL ID: 28102009

BRIAN M. REILLY
120 SPINODA CIRCLE
LYNCHBURG, VA 24504
PARCEL ID: 27701005 & 2770201004

CATHERINE ERSSELL MACCOY
416 NICKERSON ROAD
LYNCHBURG, VA 24504
PARCEL ID: 28102008

REPRESENTATIVE:
PHONE: MICHAEL DILLARD
EMAIL ADDRESS: MDILLARD@VERIZON.NET

ENGINEER INFORMATION:

NAME: ACCUPOINT SURVEYING & DESIGN, LLC
ADDRESS: 106 VISTA CENTRE DRIVE
FOREST, VA 24551

PROJECT ENGINEER:
REGISTRATION NUMBER: AMY K. IGARTA-SEIPP, PE
0402 036952
OFFICE PHONE: 434-610-4334
E-MAIL ADDRESS: ASEIPP@ACCUPOINTSURVEYING.COM

SOURCE OF SURVEY: ACCUPOINT SURVEYING & DESIGN, LLC

SOURCE OF TOPOGRAPHY: CITY OF LYNCHBURG

COUNTY/CITY, STATE: LYNCHBURG, VIRGINIA

TAX MAP REFERENCES: 28102008, 28102009, 27701005, & 2770201004

INSTRUMENT NUMBER: 180003108, 230003843, & 240003936

EXISTING ZONING: R-2 LOW-MEDIUM DENSITY SINGLE FAMILY RESIDENTIAL

PROPOSED ZONING: R-3C MEDIUM DENSITY RESIDENTIAL CONDITIONAL

EXISTING PROPERTY USE: VACANT SINGLE FAMILY HOME WITH DENSE WOODS

PROPOSED PROPERTY USE: SUBDIVISION

SETBACKS: FRONT = 30 FT
SIDE = 5 FT
REAR = 30 FT

PROPOSED STRUCTURES: 22 TOTAL
19 - 1 STORY SINGLE-FAMILY HOMES
3 - 2 STORY SINGLE-FAMILY HOMES ON LOTS 20, 21, & 22

MAXIMUM HEIGHT OF STRUCTURES: 40 FT
(PER R-3C ZONING REQUIREMENTS)



REVISION/DATE:
PRC CITY COMMENTS: 08/29/2024

SCALE:	
ASD JOB #:	24-443
FILE #:	24-443 CONCEPT
DATE:	08/07/2024

CS-1
COVER SHEET



LEGEND:

LINE TYPES:

	EXISTING 1' CONTOURS
	EXISTING 5' CONTOURS
	EXISTING FORCEMAIN
	EXISTING FENCE
	EXISTING GRAVITY SANITARY
	EXISTING OVERHEAD LINE
	EXISTING UNDERGROUND ELECTRIC
	EXISTING STORM PIPE
	EXISTING WATER LINE
	EXISTING GAS LINE
	EXISTING TREELINE
	PROPERTY BOUNDARY
	SUBJECT PROPERTY BOUNDARY
	1' CONTOURS
	5' CONTOURS
	EASEMENT
	TEMPORARY FENCE
	PERMANENT FENCE
	LIMITS OF DISTURBANCE
	SANITARY FORCEMAIN
	SANITARY GRAVITY
	OVERHEAD ELECTRIC LINE
	UNDERGROUND ELECTRIC
	SETBACK LINE
	STORM PIPE
	WATER LINE
	GAS LINE
	SOIL LINE
	PROPOSED TREELINE
	EDGE OF PAVEMENT

HATCHING:

	ASPHALT
	BUILDING STRUCTURE
	CONCRETE
	CONSTRUCTION ENTRANCE
	DEMOLITION AREA
	HANDICAP/NO PARKING AREA
	MULCH
	GRAVEL/ROCK
	SWM FACILITY LOCATION
	REVISION CLOUD

ELEVATION SYMBOLS:

	FINISHED GRADE SPOT ELEVATION
	TOP OF STEP/CURB
	BOTTOM OF STEP/CURB
	TOP OF STEP
	BOTTOM OF STEP/TOP OF CURB
	BOTTOM OF CURB/EP
	TOP OF WALL
	BOTTOM OF WALL
	TOP OF WALL
	BOTTOM OF WALL/TOP OF WALL (STEP IN WALL ELEV.)
	BOTTOM OF WALL/EG

STANDARD SYMBOLS:

	BENCHMARK
	BICYCLE RACK
	CLEANOUT
	255 CONTOUR ELEVATION
	DRAINAGE STRUCTURE CALLOUT
	ELECTRIC BOX
	ELECTRIC METER
	FIRE HYDRANT
	GATE VALVE
	HANDICAP PARKING
	MANHOLE
	MONUMENT
	PARKING QUANTITY
	SIGN
	TELEPHONE BOX
	TELEPHONE PEDESTAL
	UTILITY POLE
	WATER METER
	WELL

EROSION & SEDIMENT CONTROL SYMBOLS:

	BLANKET MATTING
	CHECK DAM
	CONSTRUCTION ENTRANCE
	CULVERT INLET PROTECTION
	CONSTRUCTION ROAD STABILIZATION
	FILL DIVERSION
	INLET PROTECTION
	LEVEL SPREADER
	MULCH
	OUTLET PROTECTION
	PERMANENT SEEDING
	RIP RAP
	RIGHT-OF-WAY DIVERSION
	SAFETY FENCE
	SEDIMENT BASIN
	STORMWATER CONVEYANCE CHANNEL
	SILT FENCE
	SUPER SILT FENCE
	SILT SOCK
	SEDIMENT TRAP
	TEMPORARY SEEDING
	TEMPORARY SLOPE DRAIN
	TREE PROTECTION

ABBREVIATIONS:

APPROX	APPROXIMATE
ASPH	ASPHALT
BC	BACK OF CURB
BIT	BITUMINOUS
BLDG	BUILDING
BLK	BLOCK
BM	BLANKET MATTING
BOTT	BOTTOM
BS	BOTTOM OF STEP
BW	BOTTOM OF WALL
CD	CHECK DAM
CE	CONSTRUCTION ENTRANCE
CG	CURB & GUTTER
CMP	CORRUGATED METAL PIPE
CMS	CONSTRUCTION ROAD STABILIZATION
CO	CLEANOUT
CONC	CONCRETE
DBL	DOUBLE
DI	DROP INLET
DIA	DIAMETER
DE	DRAINAGE EASEMENT
DN	DOWN
EBL	EAST BOUND LANE
EG	EXISTING GRADE
ELEC	ELECTRIC
ELEV	ELEVATION
EP	EDGE OF PAVEMENT
EW	ENDWALL
EXIST	EXISTING
FF	FINISHED FLOOR
HDPE	HIGH DENSITY POLYETHYLENE
HOR	HORIZONTAL
HP	HIGH PERFORMANCE POLYPROPYLENE
HW	HEADWALL
INV	INVERT
IP	INLET PROTECTION
LS	LEVEL SPREADER
LT	LEFT
MAX	MAXIMUM
MH	MANHOLE
MIN	MINIMUM
MON	MONUMENT
MU	MULCH
NBL	NORTH BOUND LANE
OP	OUTLET PROTECTION
PROP	PROPOSED
PS	PERMANENT SEEDING
PUE	PUBLIC UTILITY EASEMENT
PVMT	PAVEMENT
RT	RIGHT
ROW	RIGHT OF WAY
REQD	REQUIRED
REV	REVISION
RR	RIP RAP
SAN	SANITARY
SB	SEDIMENT BASIN
SBL	SOUTH BOUND LANE
SCC	STORMWATER CONVEYANCE CHANNEL
SD	STORM DRAIN
SECT	SECTION
SE	SLOPE EASEMENT
SF	SILT FENCE
SSF	SUPER SILT FENCE
SSD	STOPPING SIGHT DISTANCE
SSE	SANITARY SEWER EASEMENT
ST	SEDIMENT TRAP
STA	STATION
STD	STANDARD
STM	STORM STRUCTURE
STO	STORAGE
TBM	TEMPORARY BENCHMARK
TBR	TO BE REMOVED
TC	TOP OF CURB
TEL	TELEPHONE
TEMP	TEMPORARY
TRANS	TRANSFORMER
TS	TOP OF STEP
TW	TOP OF WALL
TYP	TYPICAL
UGD	UNDERGROUND DETENTION
VDOT	VIRGINIA DEPARTMENT OF TRANSPORTATION
VERT	VERTICAL
W	WATER
WBL	WEST BOUND LANE
YO	YARD



SUBDIVISION
FOR MICHAEL DILLARD
2712 CONCORD TURNPIKE
CITY OF LYNCHBURG, VIRGINIA



REVISION DATE:
PR CITY COMMENTS: 08/29/2024

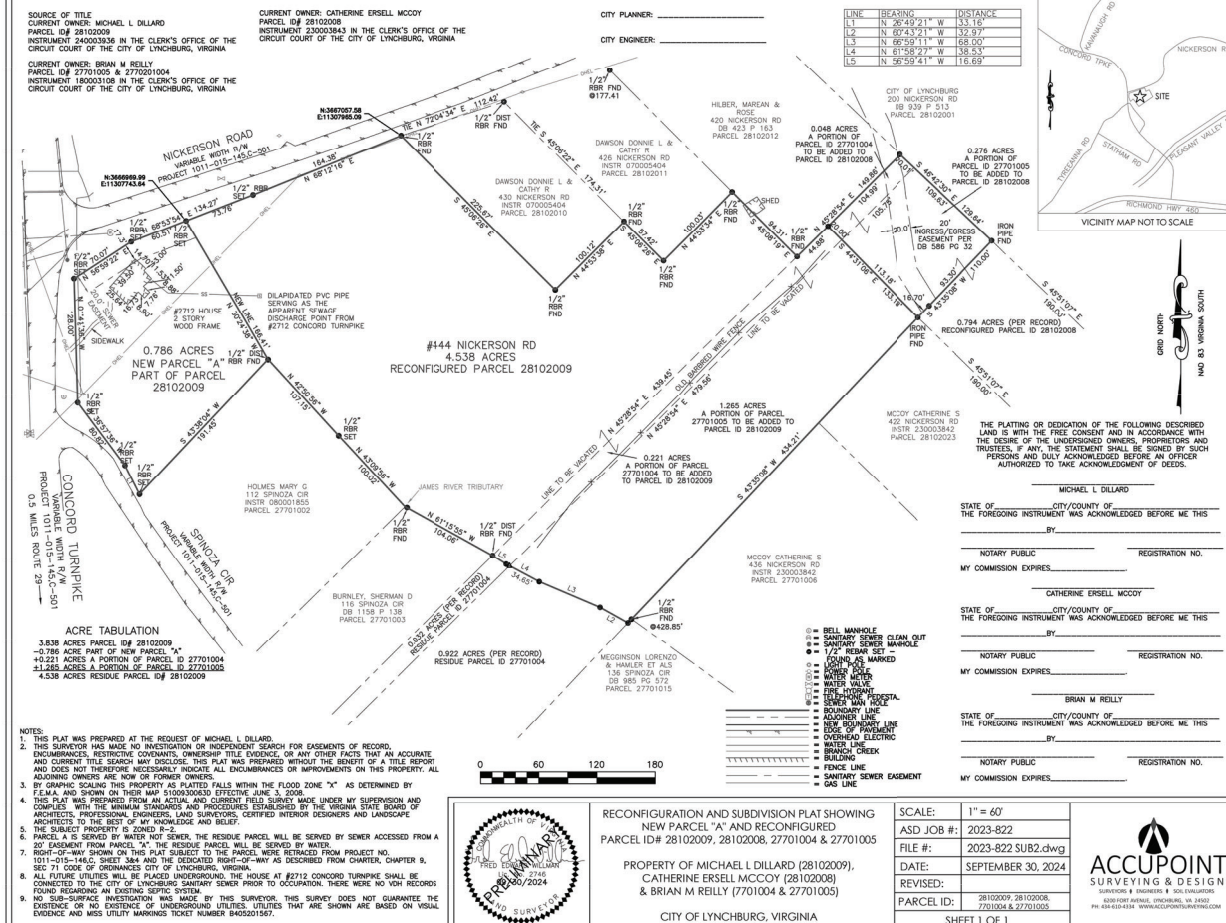
SCALE:
ASD JOB #: 24-443
FILE #: 24-443 CONCEPT
DATE: 08/07/2024

C-1
LEGEND

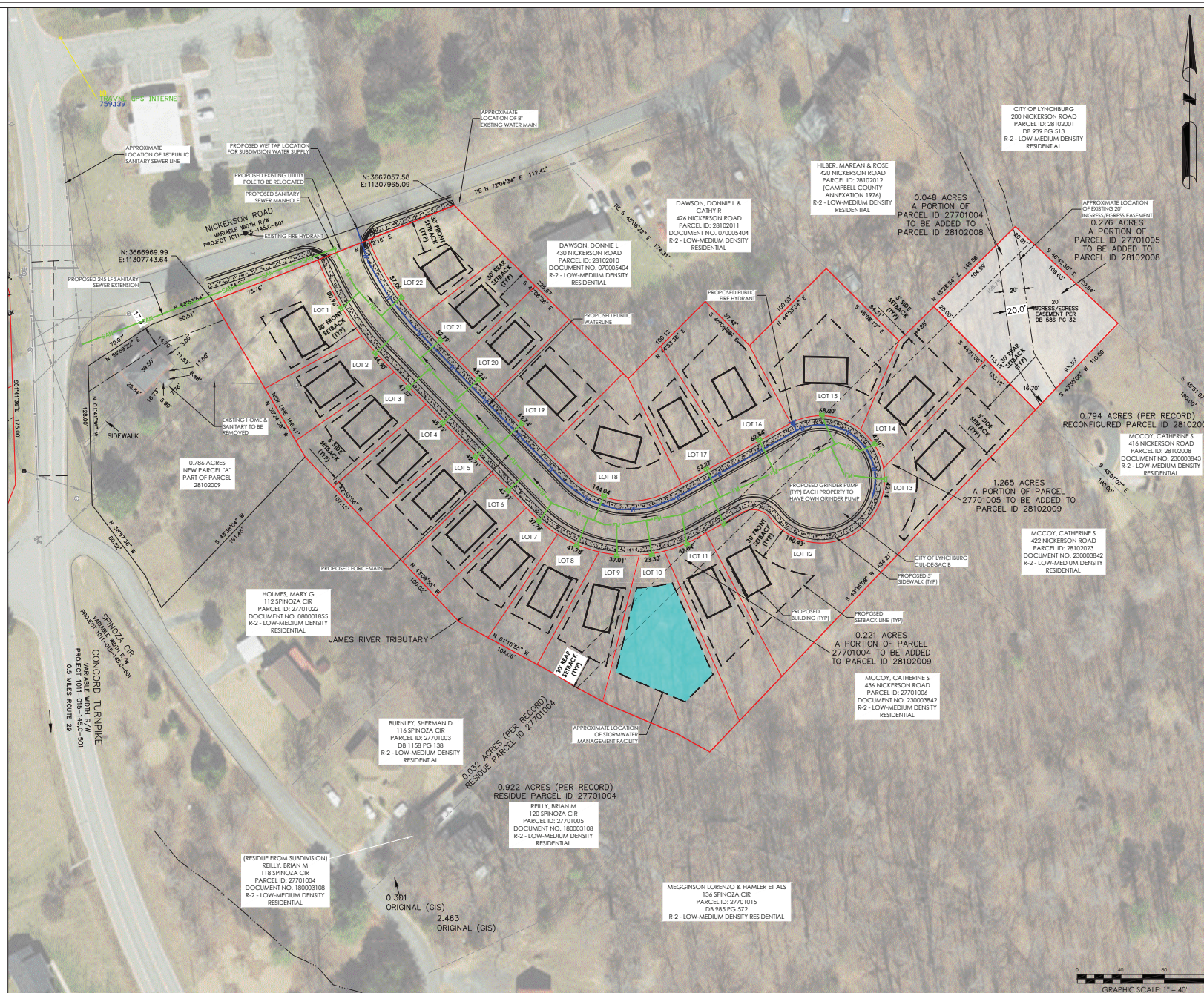
REVISION/DATE:	
PER CITY COMMENTS: 08/29/2024	
SCALE:	NTS
ASD JOB #:	24-443
FILE #:	24-443 CONCEPT
DATE:	08/07/2024

Legal Description of Reconfigured Parcel ID# 28102009

Beginning at a point;
thence n 68°53'54" e a distance of 73.76' to a point;
thence n 68°12'16" e a distance of 164.38' to a point;
thence s 45°06'26" e a distance of 225.67' to a point;
thence n 44°53'38" e a distance of 100.12' to a point;
thence s 45°06'26" e a distance of 57.42' to a point;
thence n 44°53'34" e a distance of 100.03' to a point;
thence s 45°08'19" e a distance of 94.31' to a point;
thence n 45°28'54" e a distance of 44.88' to a point;
thence s 44°31'06" e a distance of 133.18' to a point;
thence s 43°35'08" w a distance of 434.21' to a point;
thence n 60°43'21" w a distance of 32.97' to a point;
thence n 66°59'11" w a distance of 68.00' to a point;
thence n 61°58'27" w a distance of 38.53' to a point;
thence n 56°59'41" w a distance of 16.89' to a point;
thence n 61°15'55" w a distance of 104.06' to a point;
thence n 43°09'56" w a distance of 100.02' to a point;
thence n 42°50'56" w a distance of 107.15' to a point;
thence n 30°24'38" w a distance of 166.41' to a point;
which is the point of beginning, having an area of 4.538 acres



LOT ACREAGE	
LOT 1	0.20 ACRES
LOT 2	0.12 ACRES
LOT 3	0.13 ACRES
LOT 4	0.12 ACRES
LOT 5	0.12 ACRES
LOT 6	0.12 ACRES
LOT 7	0.13 ACRES
LOT 8	0.12 ACRES
LOT 9	0.15 ACRES
LOT 10	SWM POND
LOT 11	0.15 ACRES
LOT 12	0.97 ACRES
LOT 13	0.37 ACRES
LOT 14	0.28 ACRES
LOT 15	0.28 ACRES
LOT 16	0.19 ACRES
LOT 17	0.12 ACRES
LOT 18	0.18 ACRES
LOT 19	0.16 ACRES
LOT 20	0.10 ACRES
LOT 21	0.31 ACRES
LOT 22	0.16 ACRES



 **ACCUPOINT**
SURVEYING & DESIGN
SURVEYORS • ENGINEERS • SOIL EVALUATORS
106 VISTA CENTRE DRIVE, FOREST, VA 24551
PH: 434-610-4334, WWW.ACCUPOINTSURVEYING.COM

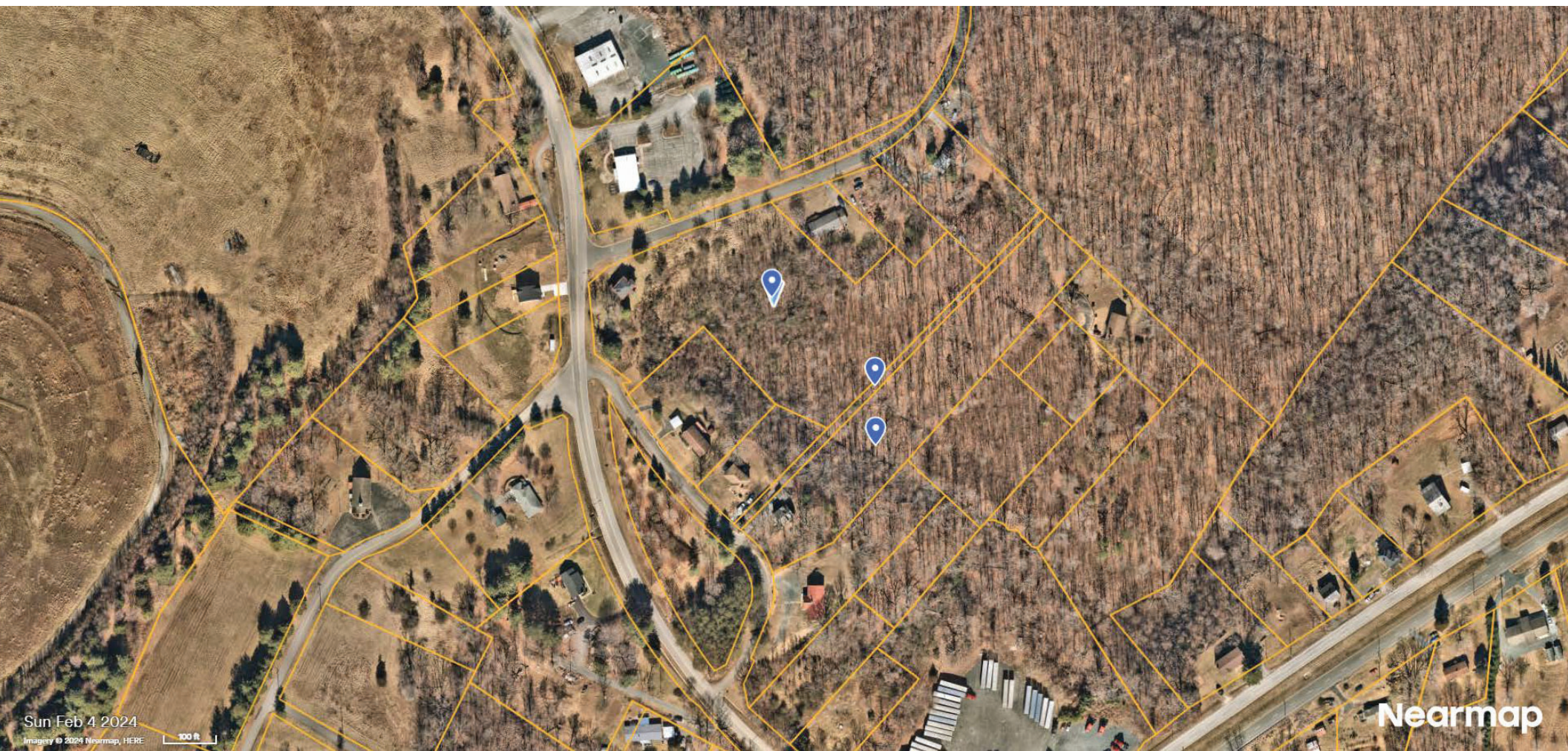
SUBDIVISION
FOR MICHAEL DILLARD
2712 CONCORD TURNPIKE
CITY OF LYNCHBURG, VIRGINIA



REVISION/DATE:

SCALE:	1"=40'
ASD JOB #:	24-443
FILE #:	24-443 CONCEP
DATE:	08/07/2024

C-3
CONCEPT SITE
LAYOUT



Sun Feb 4 2024
Imagery © 2024 Nearmap, HERE

100 ft

Nearmap

**Rezoning
2712 Concord TPKE, 118 & 120 Spinoza Cir
October 23, 2024**

PLEASE PRINT CLEARLY

[illegible]

AGENDA ITEM SUMMARY**MEETING DATE**

December 10, 2024

PRESENTED BY

Rachel Frischeisen, City Planner

AGENDA ITEM # IV.5

3142, 3146, and 3150 Wards Ferry Road - Future Land Use Map (FLUM) Amendment; Rezoning; and Conditional Use Permit (CUP) - Townhome Development

RECOMMENDATION

This item will appear for City Council vote on the January 14, 2025, Public Hearing agenda. Approval of the petition to amend the Future Land Use Map (FLUM) from Neighborhood Commercial to Medium Density Residential; to rezone approximately one and nine hundred thirty-two thousandths (1.932) acres from B-1, Limited Business District and R-2, Low-Medium Density Residential District to R-3, Medium Density Residential District; and for a Conditional Use Permit (CUP) to allow the construction of eighteen (18) townhomes, one (1) duplex, and associated parking at 3142, 3146, and 3150 Wards Ferry Road.

SUMMARY

Timberlake Investments, LLC is petitioning to amend the FLUM, to rezone, and for a CUP to allow the construction of eighteen (18) townhomes, one (1) duplex, and associated parking at 3142, 3146, and 3150 Wards Ferry Road.

The petitioner initially wanted to develop townhomes at this location, but did not have enough acreage to meet the two (2) acre minimum and chose to pursue a twenty-four (24) unit apartment complex instead. That petition was withdrawn prior to the City Council public hearing in October 2023 to again explore the possibility of townhomes. The Board of Zoning Appeals approved a variance on May 30, 2024, to reduce the minimum acreage needed for a townhouse development in this instance.

The Future Land Use Map (FLUM) recommends a Neighborhood Commercial use for 3146 and 3150 Wards Ferry Road properties. These areas consist primarily of office, retail, personal service and restaurant uses that are scaled and designed to be compatible with and serve their immediate neighborhood. The petitioner proposes to amend the FLUM from Neighborhood Commercial to Medium Density Residential. These areas include small-lot single family detached housing, duplexes and townhomes at densities up to twelve (12) units per acre. The Future Land Use Map (FLUM) already recommends a Medium Density Residential use for 3142 Wards Ferry Road.

The proposed townhomes would serve as a transition between the commercially-zoned properties on the opposite side of Copley Place and the single household residences on Adams Drive.

Due to the location near the intersection of Wards Ferry and Timberlake Roads, Copley Place should be restricted to right-in, right-out turning movements due to safety concerns, as noted by the

Transportation Engineer. This has been recommended as a condition of the Conditional Use Permit. It is likely that improvements to Copley Place to limit turning movements to right-in, right-out only would be required at the site plan phase of a by-right development at this location as well.

The Wards Ferry Road Corridor Study was adopted by City Council on January 14, 2014. The plan recommended "revising study forecasts if land use development policies in the corridor area are modified to accommodate an increase in dwelling units" and that "It is likely that an increase in density will generate traffic volumes that would need a widened Wards Ferry Road to provide adequate service levels." However, uses such as offices, could be permitted by-right in the existing B-1, Limited Business District zoning that may generate more traffic than the proposed twenty (20) units.

PRIOR ACTION(S)

October 23, 2024: The Planning Commission recommended approval (5-0, with 2 absent: Bowden and Gammon) of the petitions.

October 23, 2024: The Planning Division recommended approval of the petitions.

May 30, 2024: The Board of Zoning Appeals granted a variance allowing a townhome development on less than two (2) acres.

September 26, 2023: City Council work session considering a conditional use permit to allow apartments at 3146 and 3150 Wards Ferry Road.

January 14, 2014: City Council adopted the Wards Ferry Road Corridor Study.

FISCAL IMPACT

Approximately \$46,900 in new Real Estate Tax Revenue annually (based on a valuation of \$275,000 per unit).

CONTACT(S)

Rachel Frischeisen, City Planner

ATTACHMENT(S)

1. Presentation
2. Planning Commission Minutes, Report, and Attachments

REVIEWED BY



William Martin, Community Development Director

Date: November 26, 2024



Date: December 05, 2024

Kent White, Assistant City Manager

A handwritten signature in black ink, reading "Alicia L. Finney". The signature is written in a cursive, flowing style.

Alicia Finney, Clerk of Council

Date: December 05, 2024

WARDS FERRY RD./COPLY PL. TOWNHOMES

Tuesday, December 10, 2024



PURPOSE & ACTION

Purpose:

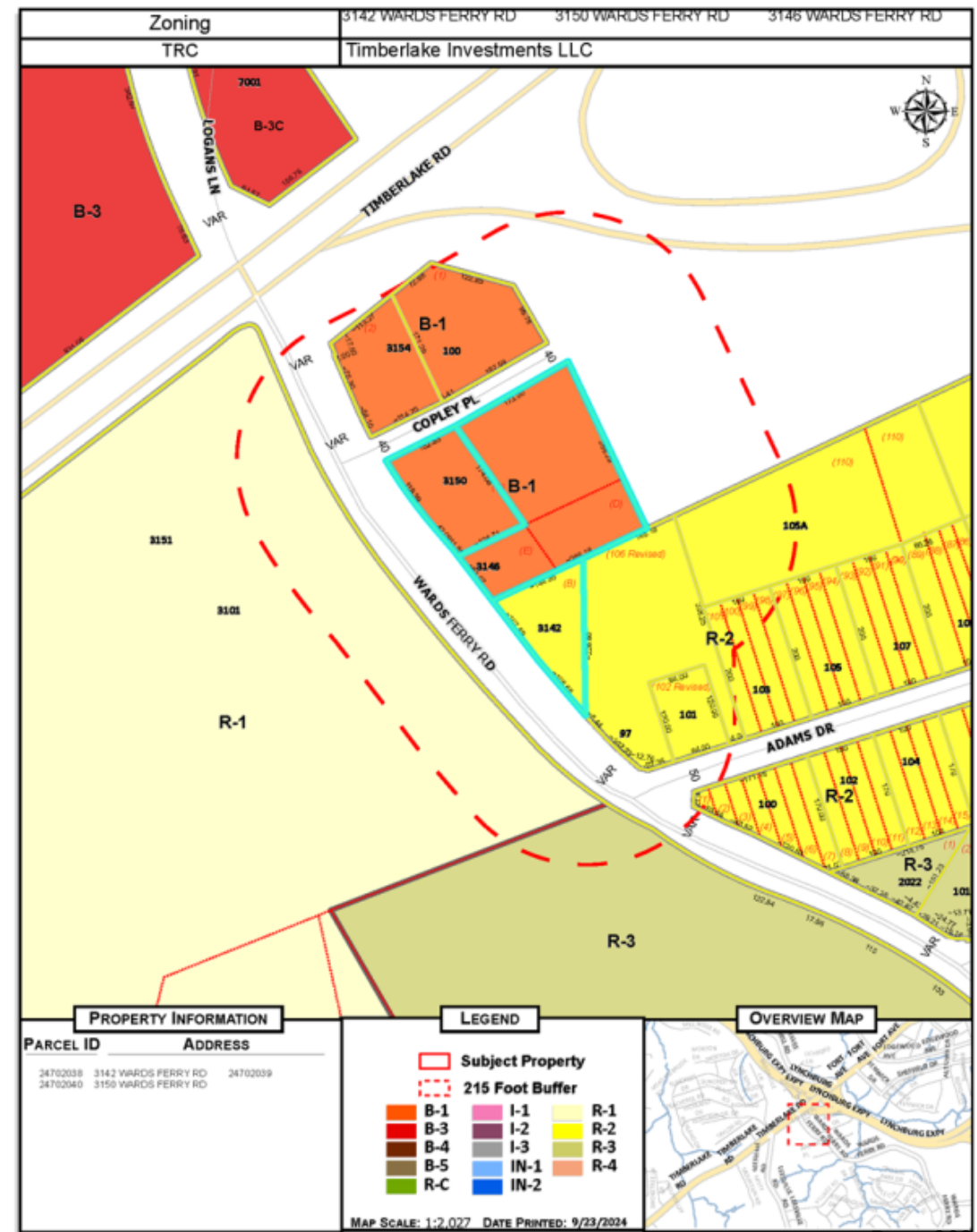
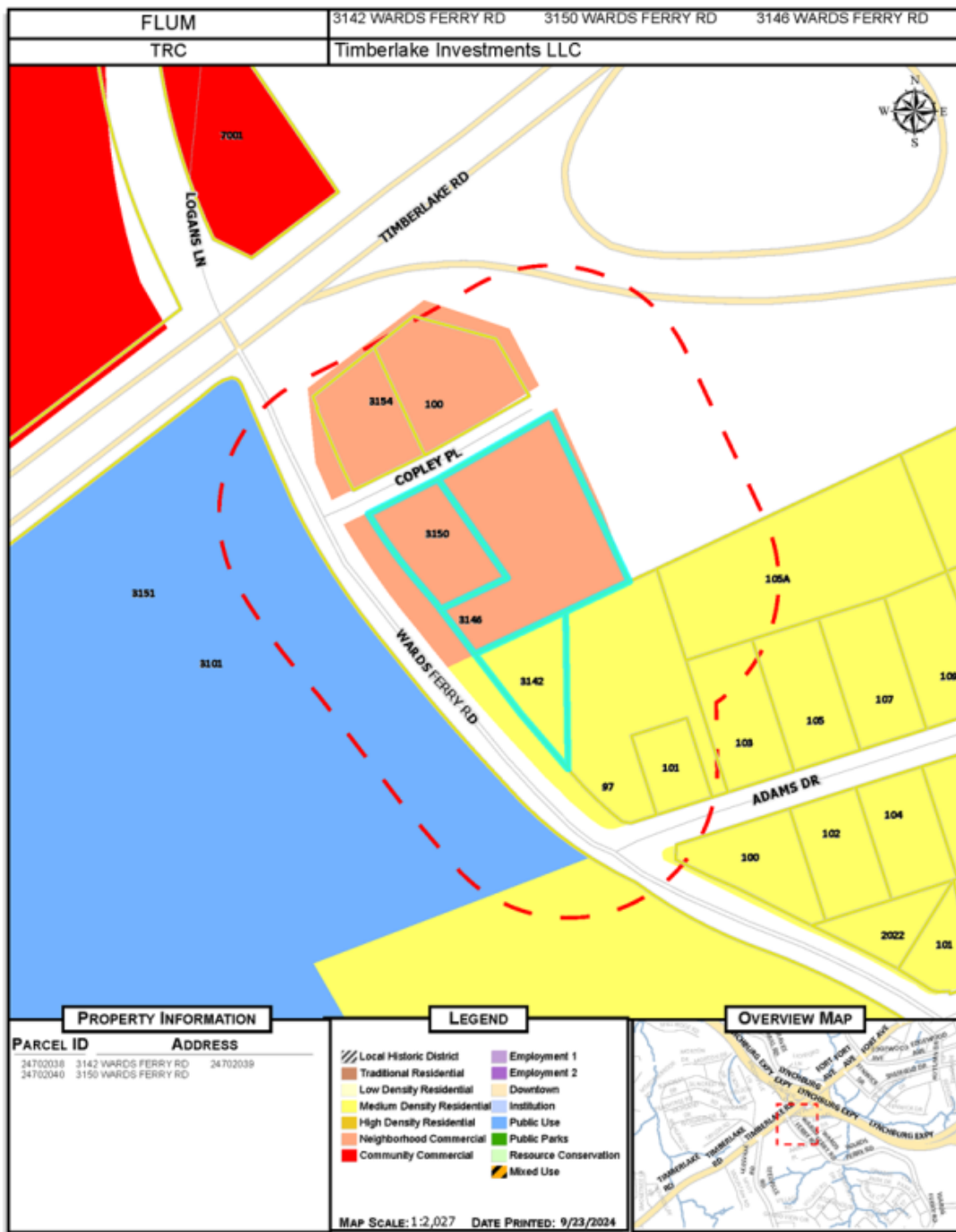
- Amend the Future Land Use Map (FLUM) from Neighborhood Commercial to Medium Density Residential;
- Rezone approximately 1.932 acres from B-1, Limited Business District, and R-2, Low-Medium Density Residential to R-3, Medium Density Residential District;
- Grant a Conditional Use Permit to allow the construction of eighteen (18) townhomes, one (1) duplex, and associated parking

Recommendation:

Planning Commission recommended approval (5-0; with 2 absent; Bowden, Gammon) of this petition on October 23, 2024.

A City Council Public Hearing will be held on January 14, 2025

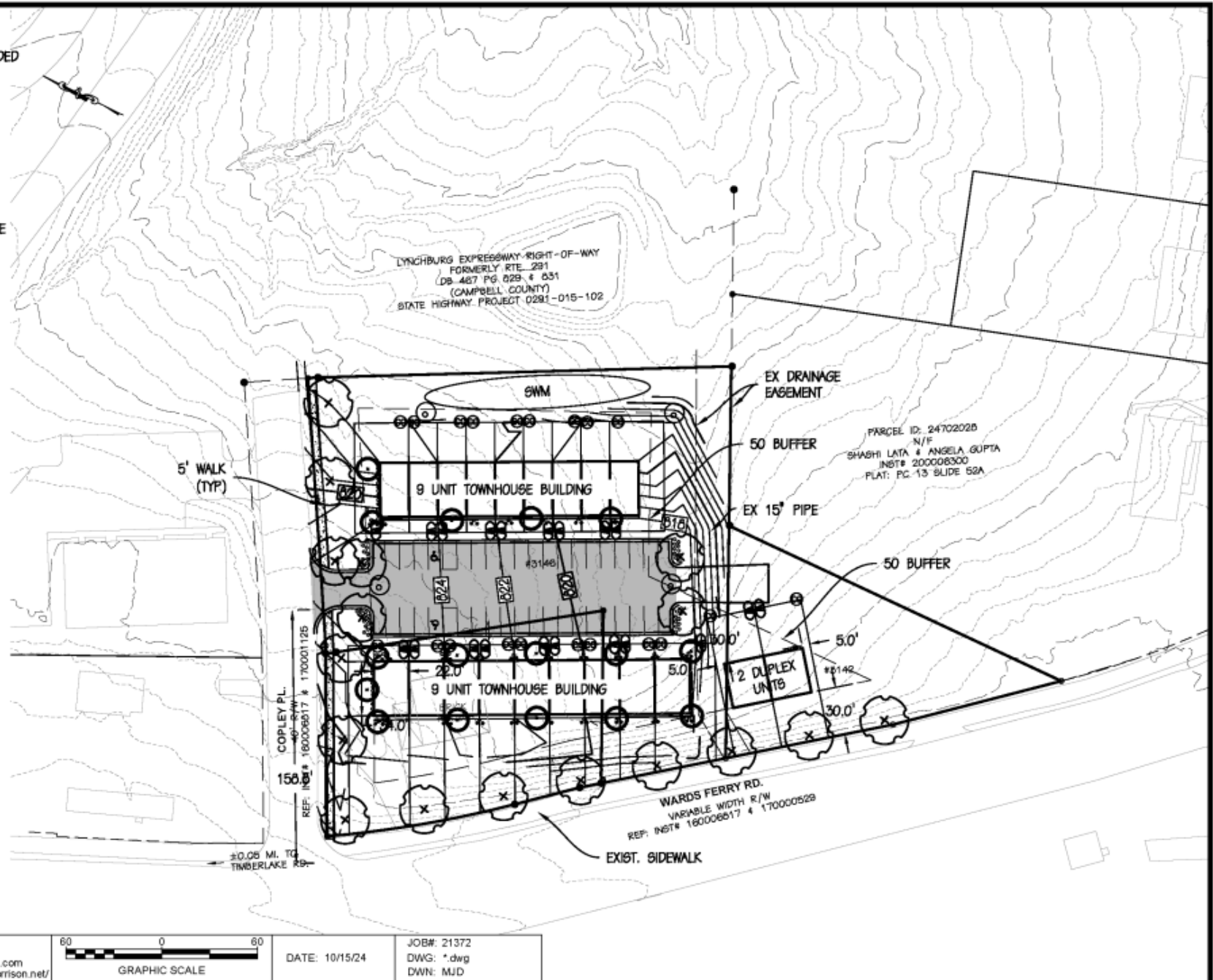




2 9 UNIT TOWNHOUSES
1 SPACE PER UNIT REQUIRED = 18 SPACES
40 SPACES PROVIDED

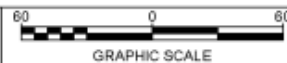
NOTES:

1. THE LANDSCAPING SHOWN HEREON IS INTENDED TO COMPLY WITH THE CITY OF LYNCHBURG'S LANDSCAPING ORDINANCE. A COMPLETE LANDSCAPE PLAN SHALL BE SUBMITTED WITH THE SITE PLAN.
2. TOTAL TRIP GENERATION FOR THIS PROJECT IS 191 ADT PER ITE 11TH EDITION.



317 Brook Park Place
Forest, Virginia 24551

Office: 434-525-5985
Fax: 434-525-5986
E-Mail: pno@perkins-orrison.com
WEBSITE - <http://www.perkins-orrison.net/>



DATE: 10/15/24

JOB#: 21372
DWG: *.dwg
DWN: MJD



MINUTES OF THE OCTOBER 23, 2024 PLANNING COMMISSION MEETING (MINUTES HAVE BEEN APPROVED):

Petition of Timberlake Investments, LLC to amend the Future Land Use Map from Neighborhood Commercial to Medium Density Residential; to rezone approximately one and nine hundred thirty-two thousandths (1.932) acres from B-1, Limited Business District to R-3, Medium Density Residential District; and for a Conditional Use Permit to allow the construction of eighteen (18) townhomes and one (1) duplex, located at 3142, 3146, and 3150 Wards Ferry Road.

Ms. Rachel Frischeisen, City Planner, provided the following summary to the Commission. The purpose of the petition is to allow the construction of eighteen (18) townhomes, one (1) duplex, and associated parking. The petitioner previously proposed twenty-four (24) apartment units here, but withdrew the petition before the City Council public hearing. The petitioner initially wanted to develop townhomes, but did not have enough acreage to meet the two (2) acre minimum. After withdrawing the petition for apartments, they applied for and received a variance to allow townhomes on reduced acreage. The Future Land Use Map (FLUM) recommends a Neighborhood Commercial use for the two larger properties. These areas consist primarily of office, retail, personal service and restaurant uses that are scaled and designed to be compatible with and serve their immediate neighborhood. The petitioner proposes to amend the FLUM from Neighborhood Commercial to Medium Density Residential. These areas include small-lot single family detached housing, duplexes and townhomes at densities up to twelve (12) units per acre. The property consists of one and ninety-three hundredths (1.93) acres, which would support up to twenty-three (23) units under a Medium Density land use. The petitioner has proposed eighteen (18) unit townhomes and one (1) duplex, for a total of twenty (20) units. The FLUM already recommends a Medium Density Residential use for 3142 Wards Ferry Road. The existing B-1, Limited Business District for the properties at 3146 & 3150 Wards Ferry Road was established in 1979. The existing R-2, Low-Medium Density Residential District for the property at 3142 Wards Ferry Road was also established in 1979. The Board of Zoning Appeals (BZA) approved a variance on May 30, 2024, to reduce the minimum acreage needed for a townhouse development from two (2) acres to one and ninety-three hundredths (1.93) acres. Access to the proposed development would be from Copley Place, which connects to Wards Ferry Road just prior to its intersection to Timberlake Road. The Transportation Engineer noted that left turn movements in and out of Copley Place will be unsafe and that Copley Place should be limited to right-in, right-out movements only. Therefore, Planning staff has suggested including this as a condition of the Conditional Use Permit (CUP); without this condition, access would be unsafe. The current zoning and FLUM would facilitate commercial development on this site. This land use may be viewed as more appropriate due to the close proximity to Timberlake Road, yet the properties have never been developed into any commercial use, despite being zoned that way since 1979. The proposed townhomes would serve as a transition between the commercial properties on the opposite side of Copley Place and the single household residences on Adams Drive. The City's Technical Review Committee (TRC) reviewed the petition on September 4, 2024. The planning division recommends approval of the petition, with the conditions noted in the CUP. The City's Transportation Engineer requested a trip generation report, which showed that the trips per day did not meet the threshold for a full traffic study. The Wards Ferry Road Corridor Study was adopted by City Council on January 14, 2014. The plan recommended "revising study forecasts if land use development policies in the corridor area are modified to accommodate an increase in dwelling units" and that "it is likely that an increase in density will generate traffic volumes that would need a widened Wards Ferry Road to provide adequate service levels." However, uses such as offices, could be permitted by-right in the existing B-1, Limited Business District zoning that would generate more traffic than the proposed twenty (20) units. It is likely that improvements to Copley Place to limit turning movements to right-in, right-out only would be required at the site plan phase of a by-right development at this location as well. Access to the site is challenging, since Copley Place serves as the entrance, which is located in close proximity to the major intersection of Timberlake and Wards Ferry Roads. Left turn movements entering and exiting Copley Place would require drivers to cross three (3) traffic lanes, which often have vehicles queued for the traffic light, limiting visibility. Copley Place should be restricted to right-in, right-out turning movements due to safety concerns, as noted by the Transportation Engineer. Therefore, Planning staff has suggested including this as a condition of the Conditional Use Permit; without this condition, access would be unsafe.

Chair Johnson asked if there was anyone present to speak on behalf of the petition.

Mr. Norm Walton of Perkins & Orrison, Inc. was present to represent the petition. The plan for apartments at this location was previously reviewed by the Commission. Originally, townhomes were unable to be approved at this site as the property did not have enough acreage. The petition for apartments was withdrawn after feedback from City Council. Townhomes would go well with the neighborhood and are the best use for this property. He noted that there may be concern over traffic and compared the use of a traditional commercial office and the proposed townhomes. Townhomes would generate two hundred and four (204) trips per day versus a traditional office building at two hundred and twenty-three (223) trips per day. He recognized the concern for traffic on Copley Place but questioned the need for a right-in, right-out only given that Copley Place is a public street and not an entrance.

Chair Johnson asked if there was anyone present to speak in favor of the petition.

Chair Johnson asked if there was anyone present to speak in opposition to the petition.

Mr. Bevan Alexander, an attorney, was present to represent the interests of Alicia Gupta and Sashi Lata who own property adjacent to the site. There are ideas that can be used to "fix" traffic problems when viewed with a narrow scope but that is not what the Planning Commission should do. The view of this property needs to be broadened by the Planning Commission. The property has remained undeveloped for the last forty (40) years because it is isolated, has bad terrain, and efforts to "rescue" the property have been "contortionist." The traffic patterns are dense all of the time on this road due to the high school and the bypass. This stretch of road is already dangerous to drive. There are two problems with the right in and right out. The first being that people have to actually honor that fact and not turn left anyways. The second problem is that anyone wanting to take a left turn onto Timberlake Road will have to cross at least one lane of traffic in a very short distance in regards to the intersection. This is the wrong choice for the Commission to allow this development.

Mr. Gary Taylor, said that he did not live in the immediate area, but that he has travelled Wards Ferry Road for the last two (2) years as a Fed Ex delivery driver. The Timberlake Road intersection above the proposed project would cause issues with a right-in and right-out only. Right now, there are three (3) different ways to leave the property and go toward the airport. If a right-in, right-out is installed at Copley place it would be a hinderance for people trying to go to the airport. He said that it didn't make sense from a vehicle standpoint to allow for the proposed project to go in.

Chair Johnson closed the public hearing.

Commissioner Rogers asked how this petition differs from the apartments, which were recommended for denial.

Ms. Frischeisen replied that the Commission had a public hearing on August 23, 2023. The petitioner originally wanted to develop townhomes at this property, but there is a two-acre minimum in the Zoning Ordinance for townhomes. The petitioner met with planning to find ways to reach that minimum. They discussed vacating right of way or acquiring additional property. Those options did not work out so the petitioner pivoted to apartments. At the City Council Work Session, the feedback was that apartments were not preferable, so the petitioner withdrew the petition. They then applied for a variance from the Board of Zoning Appeals (BZA) for a lower acreage threshold for building townhomes. The variance was approved. The previous petition was for twenty-four (24) apartments and that was recommended for denial. The previous petition also did not include information about the right-in and right-out option. Planning staff and the Commission recommended denial for the previous project.

Commissioner Marion asked if the right-in and right-out would involve building some type of berm.

Ms. Frischeisen stated that what would go in would be called a "pork chop", which would be a raised

median that would channel the traffic in and out. There are ways to extend out the “legs” to keep people from trying to make a left turn if there is sufficient space.

Commissioner Marion asked if putting the right-in, right-out would restrict members of the Restoration Hill Community Fellowship.

Ms. Frischeisen replied that it was likely.

Commissioner Perault asked if a by-right project would be required to install a right-in, right-out.

Ms. Frischeisen responded that they would. Traffic that resulted from developing that property would make it a requirement. The developers would have to put one in through a public hearing process or through by-right staff approval. She gave the example of Zaxbys, which was a by-right development but was required to construct the median when constructing the restaurant.

Commissioner Perault reiterated that development of any kind will likely mean restricted access.

Ms. Frischeisen shared agreement.

Chair Johnson asked if the members of the Fellowship Church knew about the right-in, right-out.

Ms. Frischeisen replied that the right-in, right-out was a more recent development but would be required.

Commissioner Perault stated that the focus had been on people exiting from the site. If someone wanted to enter from Timberlake Road, they would have to make an illegal U-turn or get into a left-hand lane to get into Copley place.

Ms. Frischeisen replied that the issue with making a left hand turn at Copley Place is the proximity to the intersection. If people go down to the high school parking lot, or further, to make a U-turn, then they are no longer in the functional area of the intersection. There shouldn't be cars stacked there as that would cause an unsafe environment. If cars queue at the intersection and leave a gap for someone trying to make a left out of Copley Place, there is a very high risk that traffic coming off of Timberlake Road would not see the entering car due to the stacking.

Commissioner Rogers asked if the developer was working with City staff to install this and how the proper length of curb to keep people from making left turns will be determined.

Ms. Frischeisen answered that the developers have not expressed a willingness to install the right-in, right-out at this time. Any work done in the right of way or on a public street would have to be approved through a road, water, sewer (RWS) plan, which is the right of way equivalent to a site plan. The RWS plan would be reviewed through the City's Engineering Division and the Transportation Engineer and the City Engineer would be involved.

Commissioner Perault asked for clarification that the condition of the right-in, right-out is required for the approval of the petition as part of the CUP even if the developer doesn't want to do it.

Ms. Frischeisen responded that was correct.

Commissioner Rogers stated that he was not originally in favor of the petition but the right-in, right-out as a condition makes a big difference.

Chair Johnson said that she looked at the previous project and the Commission unanimously recommended denial because apartments were not a good fit. She questioned if the right-in, right-out would be enough for townhomes to be a good fit.

Ms. Frischeisen replied that the right-in, right-out would be required no matter what. Townhomes make more sense adjoining single family homes than a commercial building would.

Commissioner Marion asked if the right-in, right-out would take property from the Church.

Mr. Ryan Roberts, the Traffic Engineer, replied that the right-in, right-out would fit within the existing right of way. There are different design sheets in the Road Design Manual they could work with to find the best option.

Ms. Frischeisen said that they would be able to fit it in and also accommodate the cross walk.

Chair Johnson asked the project representative to come up.

Mr. Walton replied that he understands the concern for the traffic, but that Wards Ferry Road is like any other road within the City. It has periods of congestion. He understands that there is a queuing problem at that intersection. He can't say that the developer is going to refuse to comply with a CUP condition. If approved with the condition, they will have to agree to it to move forward with the project.

Commissioner Perault stated that townhomes fit the area better than apartments and having a right-in, right-out makes the project more appealing. Potential owners will be aware of the right-in, right-out before they move in since this is a new development.

Commissioner Henderson stated that he has concerns about the proximity of the high school and children, but agreed that this was the best use for the situation.

Commissioner Rogers asked if the townhomes were being developed to be sold.

Mr. Walton replied that the units will be sold.

Commissioner Rogers stated that he thought this was a much better plan. The right-in, right-out eliminates the potential added danger of developing the property.

Chair Johnson said she had concerns with the Fellowship Church being unaware of the right-in, right-out.

Commissioner Rogers replied that it would not impede the amount of time it takes them to enter or exit.

Commissioner Perault replied that everything was public record and there would be another opportunity to speak at the City Council public hearing.

Commissioner Marion and Rogers agreed with Commissioner Perault.

Ms. Frischeisen said that was a valid point. Regardless of public hearings, there are instances in which the City has to make changes to make things safer. If this was a by-right development, the Fellowship Church wouldn't have a say regarding installation of a right-in, right-out.

Commissioner Rogers made the following motion, seconded by Commissioner Marion, and approved by the following vote:

"Based on the preceding Findings of Fact, the Planning Commission recommends to City Council approval of the petition of Timberlake Investments, LLC to:

- **Amend the Future Land Use Map from Neighborhood Commercial to Medium Density Residential;**

- **Rezone approximately one and nine hundred thirty-two thousandths (1.932) acres from B-1, Limited Business District, and R-2, Low-Medium Density Residential to R-3, Medium Density Residential District;**
- **Grant a Conditional Use Permit to allow the construction of eighteen (18) townhomes, one (1) duplex, and associated parking at 3142, 3146, & 3150 Wards Ferry Road, subject to the following conditions:**
 - **The project shall be constructed in substantial compliance with the concept plan dated October 15, 2024.**
 - **The entrance for Copley Place shall be restricted to right-in, right-out access as determined by the City's Traffic Engineer. The cost of such improvements shall be the responsibility of the developer."**

AYES: Henderson, Johnson, Marion, Perault, Rogers

5

NOES:

0

ABSTENTIONS:

0

ABSENT: Bowden, Gammon

2

The Department of Community Development
City Hall, Lynchburg, VA 24504 **434-455-3900**

To: Planning Commission
From: Planning Division
Date: October 23, 2024
Re: *Future Land Use Map* (FLUM) Amendment, Rezoning, and Conditional Use Permit (CUP) – 3142, 3146, & 3150 Wards Ferry Road

I. PETITIONER

Timberlake Investments, LLC, 2026 Royal Oak Way, Lynchburg, Virginia 24503
Representative: Norman Walton, P.E., Perkins & Orrison, 317 Brook Park Place, Forest, Virginia 24551

II. LOCATION

The subject property is located at 3142, 3146, & 3150 Wards Ferry Road and is comprised of approximately one and nine hundred thirty-two thousandths (1.932) acres.

Property Owner:

3142 & 3146 Wards Ferry Road – Timberlake Investments, LLC, 22776 Timberlake Road, Lynchburg, Virginia 24502
3150 Wards Ferry Road – Stewart M. Barney, P. O. Box 390, Concord, Virginia 24538

III. PURPOSE

The purpose of the petition is to allow the construction of eighteen (18) townhomes, one (1) duplex, and associated parking.

IV. SUMMARY

- The *Comprehensive Plan 2013-2030* recommends a Neighborhood Commercial use for the 3146 & 3150 Wards Ferry Road. The petition proposes to amend the *Future Land Use Map* (FLUM) to Medium Density Residential. 3142 Wards Ferry Road is recommended for Medium Density Residential.
- 3146 & 3150 Wards Ferry Road are zoned B-1, Limited Business District, and 3142 Wards Ferry Road is zoned R-2, Low-Medium Density Residential. This petition proposes to rezone to R-3, Medium Density Residential District.
- Townhomes a permitted use in the proposed R-3, Medium Density Residential District upon approval of a CUP.
- The Wards Ferry Road Corridor Study was adopted by City Council on January 14, 2014. The plan recommended “revising study forecasts if land use development policies in the corridor area are modified to accommodate and increase in dwelling units. It is likely that an increase in density will generate traffic volumes that would need a widened Wards Ferry Road to provide adequate service levels.” However, there are a number of uses that could be permitted by-right in the existing B-1, Limited Business District zoning that would generate more traffic than the proposed twenty (20) units.

The Planning Division recommends approval of the *FLUM* Amendment, Rezoning, and CUP petition (see conditions).

V. FINDINGS OF FACT

1. **Comprehensive Plan.** The *Future Land Use Map (FLUM)* recommends a Neighborhood Commercial use for 3146 & 3150 Wards Ferry Road. Neighborhood Commercial uses are intended to consist primarily of office, retail, personal service and restaurant uses that are scaled and designed to be compatible with and serve their immediate neighborhood. Patrons can walk, bike or take a short drive to reach them. (p. 75)

The petitioner proposes to amend the Future Land Use Map from Neighborhood Commercial to Medium Density Residential. Medium Density Residential areas are characterized by small-lot single family detached housing, duplexes and townhomes at densities up to twelve (12) units per acre. The property consists of one and ninety-three hundredths (1.93) acres, which would support up to twenty-three (23) units under a Medium Density land use. The petitioner has proposed eighteen (18) unit townhomes and one (1) duplex, for a total of twenty (20) units.

The *Future Land Use Map (FLUM)* already recommends a Medium Density Residential use for 3142 Wards Ferry Road

2. **Zoning.** The subject property was annexed into the City in 1976. The existing B-1, Limited Business District for the properties at 3146 & 3150 Wards Ferry Road was established in 1979. The existing R-2, Low-Medium Density Residential District for the property at 3142 Wards Ferry Road was also established in 1979.
3. **Proffers.** The petitioner has not submitted voluntary proffers with this petition.
4. **Board of Zoning Appeals (BZA).** The Board of Zoning appeals approved a variance on May 30, 2024, to reduce the minimum acreage needed for a townhouse development from two (2) acres to one and nine hundred thirty-four thousandths (1.934) acres.
5. **Surrounding Area.** There have been several items requiring City Council approval in the immediate area:
 - On May 22, 1979, City Council amended the “Official Zoning Map of the City of Lynchburg” to affect the Timberlake Road area as shown on the map entitled “Timberlake Road Study, Proposed Zoning, recommended by the Lynchburg Planning Commission and Further Revised by the City Council May 22, 1979.”
 - On April 8, 1986, City Council approved George C. and William M. Walker’s petition to rezone one and sixty-seven hundredths (1.67) acres from R-3, Medium Density Two-Family Residential District to R-4C, Medium-High Density Multi-Family Residential District (Conditional) to allow the construction of twelve (12) apartment units and parking at 1711 Wards Ferry Road.
 - On August 11, 1988, City Council approved Marshall Lodge #39 A.F. & A.M.’s CUP petition to allow the construction of a Masonic Lodge with associated parking in an R-3, Medium Density Two-Family Residential District at 1730 Wards Ferry Road.
 - On February 14, 1989, City Council approved Watergate Partners’ CUP petition for construction of 108 townhouse units in an R-3, Medium Density Two-Family Residential District at 110 and 130 Aaron Place.
 - On January 14, 1992, City Council approved Central Virginia Development Company’s petition to rezone approximately twenty-seven and five tenths (27.5) acres from R-1, Low Density Single-Family Residential District to R-3, Medium Density Two-Family

Residential District. and R-3C, Medium Density Two-Family Residential District (Conditional) to allow the subdivision of the property into fifty-seven (57) lots for ten (10) duplexes and forty-seven (47) single-family detached homes at 1737 Wards Ferry Road.

- On July 14, 1992, City Council approved the CUP petition of Lynchburg City Schools to allow the installation of 4 modular classrooms at 501 Leesville Road.
 - On February 9, 1993, City Council approved the CUP petition of Lynchburg City School Administration to allow a one-story addition and removal of two modular classrooms at 501 Leesville Road.
 - On July 8, 1997, City Council approved the CUP petition of Heritage High School to allow the construction of a parking area at 3020 Wards Ferry Road.
 - On October 28, 2003, City Council approved Mark and Joyce Hartless's CUP petition to allow the construction of forty-seven (47) townhouses with associated parking in an R-3, Medium Density Two-Family Residential District at 2002 and 2004 Wards Ferry Road.
 - On July 13, 2004, City Council approved Lynchburg Church of the Nazarene's CUP petition to allow the construction of a multi-ministry building with associated parking in an R-2C, Low-Medium Density Single-Family Residential District (Conditional), R-3C, Medium Density Two-Family Residential District (Conditional), and R-3, Medium Density Two-Family Residential District at 1737 Wards Ferry Road.
 - On September 12, 2006, City Council approved Fieldstone Manor LLC's CUP petition to allow the construction of twenty-one (21) townhouse units for sale in an R-3, Medium Density Two-Family Residential District at 110 and 120 Aaron Place.
 - On January 12, 2010, City Council approved Lynchburg First Church of Nazarene's CUP petition to allow a consolidated sign plan at 1737 Wards Ferry Road.
 - On May 9, 2017, City Council approved Jamestown Development Group's CUP petition to allow the construction of a seventy (70) unit apartment complex and denied the petition to amend the Future Land Use Map from Medium Density Residential to High Density Residential at 1806, 1816, 1836, 1840, & 1842 Wards Ferry Road.
6. **Site Description.** The property located at 3150 Wards Ferry Road contains a one story, one thousand two hundred sixty-eight (1,268) square foot brick and wood residential structure constructed in 1955. If the petition is approved the structure would be demolished.

The properties at 3142 & 3146 Wards Ferry Road are currently undeveloped.

The property is bounded to the north (across Copley Place) by a residential structure and a commercial office, to the south by vacant land, to the east by right-of-way of Lynchburg Expressway, and to the west (across Wards Ferry Road) by Heritage High School.

7. **Proposed Use of Property.** If the petitions are approved, eighteen (18) townhomes, one (1) duplex, and associated parking would be constructed on the property.
8. **Traffic, Parking and Public Transit.** The City's Transportation Engineer requested a trip generation report, which showed that the trips per day did not meet the threshold for a full traffic study being required.

Access to the proposed development would be from Copley Place which intersects with Wards Ferry Road just prior to multiple turn lanes to Timberlake Road. The Transportation

Engineer noted that left turn movements in and out of Copley Place will be unsafe and that Copley Place should be limited to right-in, right-out movements only.

The Wards Ferry Road Corridor Study was adopted by City Council on January 14, 2014. The plan recommended “revising study forecasts if land use development policies in the corridor area are modified to accommodate and increase in dwelling units. It is likely that an increase in density will generate traffic volumes that would need a widened Wards Ferry Road to provide adequate service levels.” However, there are a number of uses that could be permitted by-right in the existing B-1, Limited Business District zoning that would generate more traffic than the proposed twenty (20) units. It is likely that improvements to Copley Place to limit turning movements to right-in, right-out only would be required at the site plan phase of a by-right development at this location as well.

The submitted concept plan shows thirty-eight (38) parking spaces, which exceeds the Zoning Ordinance requirement of one (1) space per unit.

9. **Stormwater Management.** An Erosion & Sediment Control and Stormwater Management Plan would be required prior to final site plan approval. The submitted concept plan indicates that a stormwater management facility would be constructed at the rear of the site near the Lynchburg Expressway. The petitioner did not indicate how stormwater quality will be addressed, but would be subject to City standards.
10. **Emergency Services.** The City’s Fire Marshal and Police Department had no comments of concern regarding the proposed development.
11. **Impact.** The City’s Comprehensive Plan currently recommends a Neighborhood Commercial use for 3146 & 3150 Copley Place. This land use may be viewed as more appropriate due to the close proximity to Timberlake Road, yet the properties have never been developed into any commercial use, despite being zoned that way since 1979. The proposed townhomes would serve as a transition between the commercial properties on the opposite side of Copley Place and the single household residences on Adams Drive.

Access to the site is challenging, since Copley Place serves as the entrance, which is located in close proximity to the major intersection of Timberlake and Wards Ferry Roads. Left turn movements entering and exiting Copley Place would require drivers to cross three traffic lanes, which often have vehicles queued for the traffic light, limiting visibility. Copley Place should be restricted to right-in, right-out turning movements due to safety concerns, as noted by the Transportation Engineer. Therefore, Planning staff has suggested including this as a condition of the Conditional Use Permit; without this condition, access would be unsafe.
12. **Technical Review Committee.** The Technical Review Committee (TRC) reviewed the petition on September 4, 2024. Comments were minor in nature, except for the traffic concerns noted in Section 7 of this report.

VI. PLANNING DIVISION RECOMMENDATION

Based on the preceding Findings of Fact, the Planning Commission recommends to City Council approval of the petition of Timberlake Investments, LLC to:

- **Amend the Future Land Use Map from Neighborhood Commercial to Medium Density Residential;**
- **Rezone approximately one and nine hundred thirty-two thousandths (1.932) acres from B-1, Limited Business District, and R-2, Low-Medium Density Residential to R-3, Medium Density Residential District;**
- **Grant a Conditional Use Permit to allow the construction of eighteen (18) townhomes, one (1) duplex, and associated parking at 3142, 3146, & 3150 Wards Ferry Road, subject to the following conditions:**
 - **The project shall be constructed in substantial compliance with the concept plan dated October 15, 2024.**
 - **The entrance for Copley Place shall be restricted to right-in, right-out access as determined by the City's Traffic Engineer. The cost of such improvements shall be the responsibility of the developer.**

This matter is respectfully offered for your consideration.



Rachel Frischeisen
City Planner

pc: Wynter Benda, City Manager
Greg Patrick, Deputy City Manager
Kent White, Assistant City Manager
Tom Martin, Director of Community Development
Matthew Freedman, City Attorney
J. Lee Newland, City Engineer
Cynthia Kozerow, Lynchburg Police Department
Candace Brown, Fire Marshal
Doug Saunders, Building Official
Kevin Henry, Zoning Administrator
Timberlake Investments, LLC, Petitioner
Stewart Barney, Property Owner
Norm Walton, P.E., Representative

VII. ATTACHMENTS

- 1. Zoning Map with Adjoining Property Owners**
- 2. Future Land Use Map**
- 3. Watershed Map**
- 4. Planimetric and Topographic Map**
- 5. Narrative**
- 6. Concept Plan**
- 7. Property Photograph**

Zoning

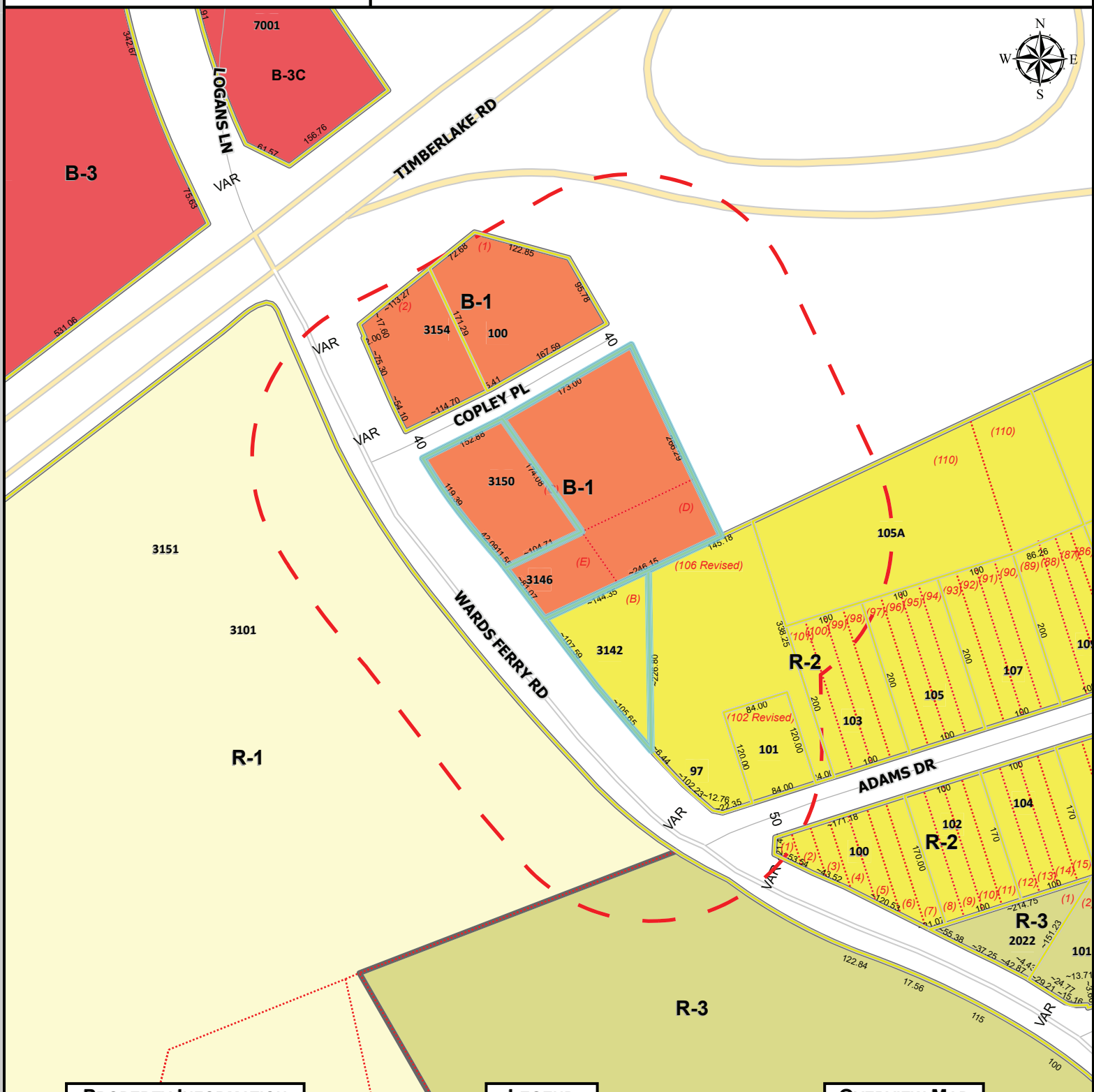
3142 WARDS FERRY RD

3150 WARDS FERRY RD

3146 WARDS FERRY RD

TRC

Timberlake Investments LLC



PROPERTY INFORMATION

PARCEL ID

ADDRESS

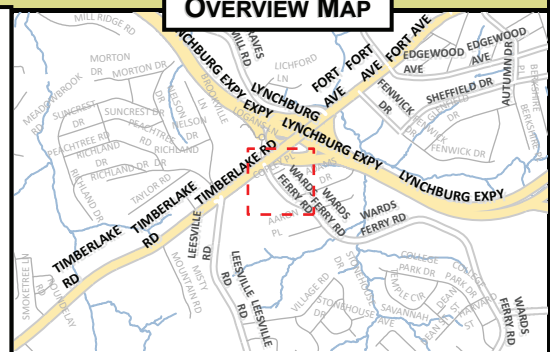
24702038	3142 WARDS FERRY RD	24702039
24702040	3150 WARDS FERRY RD	

LEGEND

- Subject Property
- 215 Foot Buffer
- B-1
- B-3
- B-4
- B-5
- R-C
- I-1
- I-2
- I-3
- IN-1
- IN-2
- R-1
- R-2
- R-3
- R-4

MAP SCALE: 1:2,027 DATE PRINTED: 9/23/2024

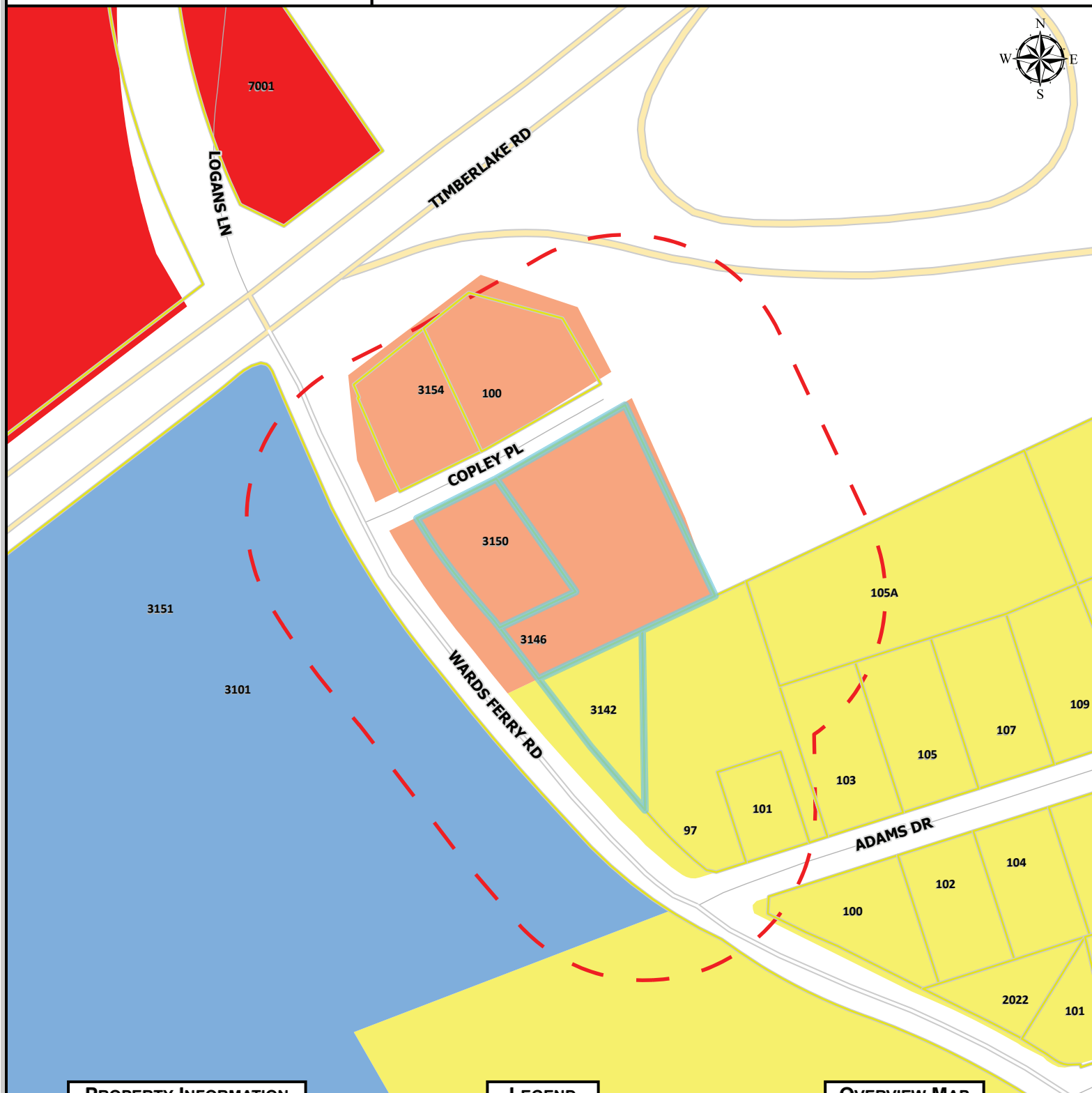
OVERVIEW MAP



3146, 3142, & 3150 Wards Ferry Road

Parcel ID	Address	Owner
24702027	101 ADAMS DR	GUPTA, ATUL
24702026	103 ADAMS DR	RIDDICK, FILISHA T
24702025	105 ADAMS DR	RUSS, JOHN ROBERT
24702038	3142 WARDS FERRY RD	TIMBERLAKE INVESTMENTS LLC
24702028	97 ADAMS DR	LATA, SHASHI & GUPTA, ANGELA
24702040	3150 WARDS FERRY RD	BARNEY, M STEWART
24702030	105 A ADAMS DR	RUSS, JOHN ROBERT
24702039	3146 WARDS FERRY RD	TIMBERLAKE INVESTMENTS LLC
24807001	3101 WARDS FERRY RD	CITY OF LYNCHBURG
24702041	3154 WARDS FERRY RD	SCOTT, DOROTHY T LIFE ESTATE REMAINDERMAN: ET AL
24702042	100 COPLEY PL	MCDANIEL, PAUL K & SHERRY C
24702001	100 ADAMS DR	DAVIS, GLORIA JEAN

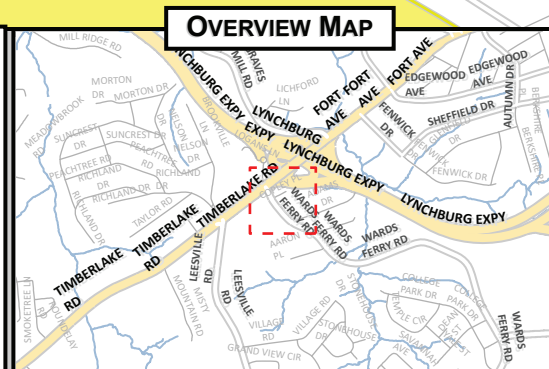
FLUM	3142 WARDS FERRY RD	3150 WARDS FERRY RD	3146 WARDS FERRY RD
TRC	Timberlake Investments LLC		



PROPERTY INFORMATION		
PARCEL ID	ADDRESS	
24702038	3142 WARDS FERRY RD	24702039
24702040	3150 WARDS FERRY RD	

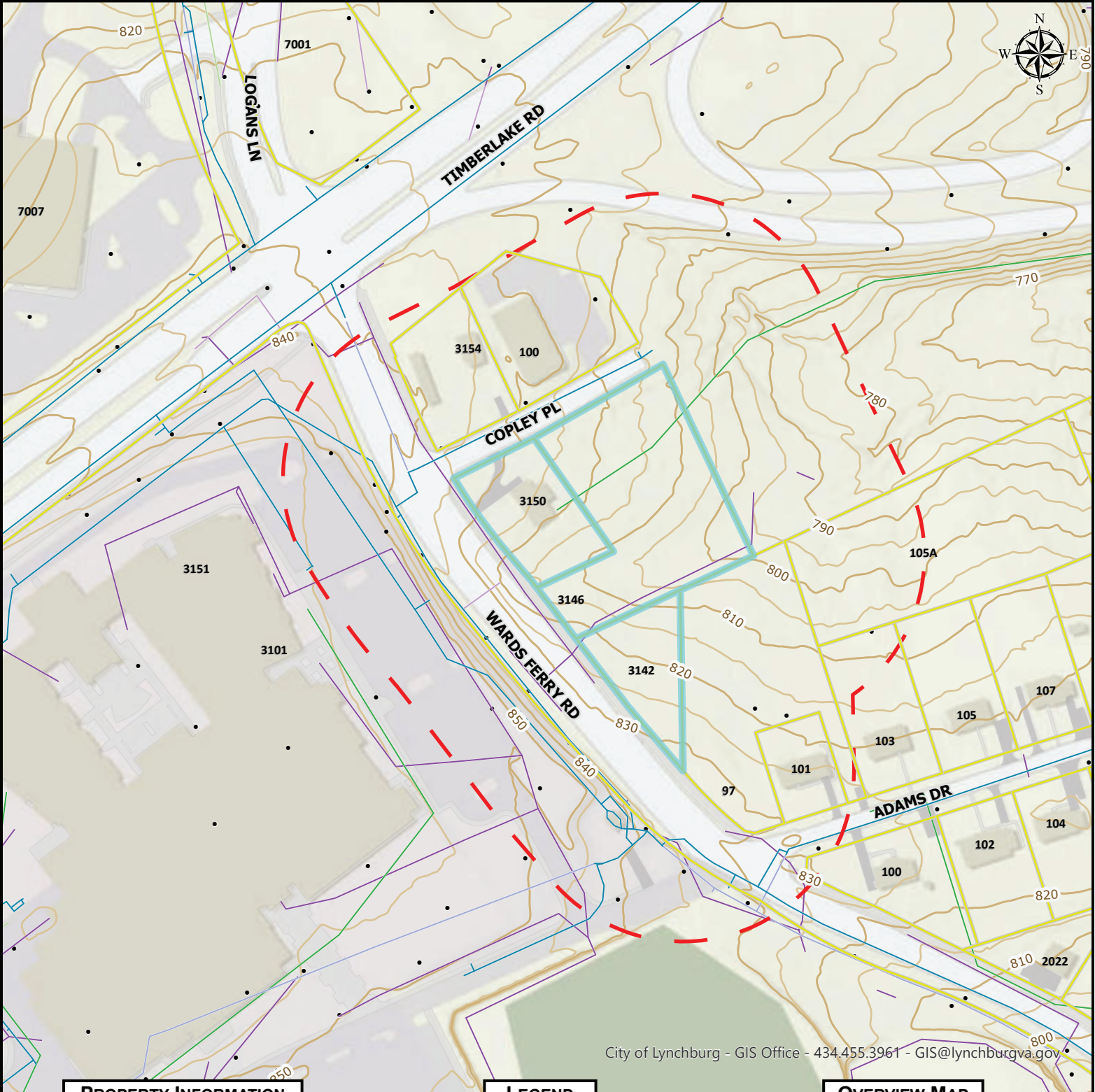
LEGEND

- Local Historic District (Hatched pattern)
- Traditional Residential (Brown)
- Low Density Residential (Light Yellow)
- Medium Density Residential (Yellow)
- High Density Residential (Dark Yellow)
- Neighborhood Commercial (Orange)
- Community Commercial (Red)
- Employment 1 (Light Purple)
- Employment 2 (Dark Purple)
- Downtown (Light Orange)
- Institution (Light Blue)
- Public Use (Blue)
- Public Parks (Green)
- Resource Conservation (Light Green)
- Mixed Use (Black and Yellow diagonal stripes)



TRC

Timberlake Investments LLC



City of Lynchburg - GIS Office - 434.455.3961 - GIS@lynchburgva.gov

PROPERTY INFORMATION

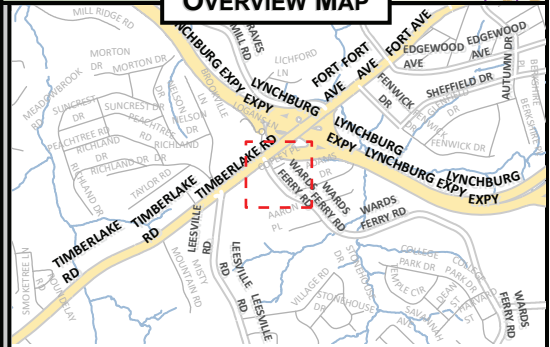
PARCEL ID	ADDRESS	ADDRESS
24702038	3142 WARDS FERRY RD	24702039
24702040	3150 WARDS FERRY RD	

LEGEND

	Active	Proposed	Abandoned
Utilities	Water	Sanitary	Storm
Planimetrics	Structure	Roadway	Parking
Topography	Contour	100'	50'

MAP SCALE: 1:2,027 DATE PRINTED: 9/23/2024

OVERVIEW MAP



Watershed

3142 WARDS FERRY RD

3150 WARDS FERRY RD

3146 WARDS FERRY RD

TRC

Timberlake Investments LLC



PROPERTY INFORMATION

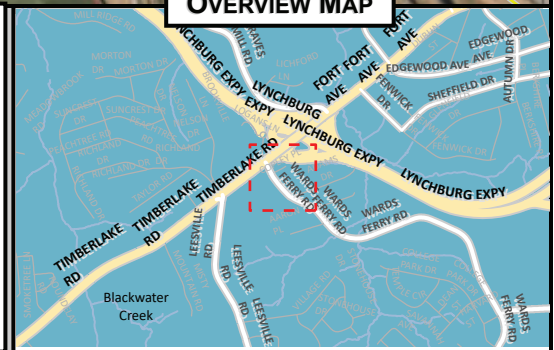
PARCEL ID	ADDRESS	ADDRESS
24702038	3142 WARDS FERRY RD	24702039
24702040	3150 WARDS FERRY RD	

LEGEND

- Subject Property
- Base Flood Elevation
- Floodway
- Floodzone
- River / Lake / Stream

MAP SCALE: 1:2,027 DATE PRINTED: 9/23/2024

OVERVIEW MAP





pno@perkins-orrison.com

October 15, 2024

Rachel Frischeisen
City Planner
City of Lynchburg, Dept. of Community Development
900 Church Street
Lynchburg, VA 24504

RE: Rezoning Narrative (with CUP and FLUM Amendment)
3142, 3150 and 3146 Wards Ferry Rd

Dear Mr. Henry,

As you are aware, this project has been submitted and revised several times to accommodate either townhouses or apartments, with lack of success. This letter is for the rezoning request to rezone the above mentioned properties from B-1 and R-2 to R-3, with a CUP for Townhouses, and a FLUM Amendment.

The initial request for this project was for a CUP for townhouses. But, due to the size of the parcels combined being less than 2 acres, townhouses were not allowed. The total acreage of the two parcels is 1.932 acres. Other factors were involved, as well, that led to the decision to abandon the townhouse proposal. An application was submitted to the City to rezone the property to apartments, which was tabled at City Council. The development team then applied for a Minor Exception requires due to the lot size, whereby a notified property owner objected to the request. The development team has since applied for a variance request, which was approved by the BZA for the use of townhouses provided that all 3 parcels are included, even though the combined land area is less than 2 acres.

Mr. Tom DeWitt is part of the development team and has listed this property in the past as commercial property. It has remained vacant, save the empty residence, for years with no interest in developing the property commercially. The development team firmly believes that townhouses is the highest and best use for the property.

We believe that the development team has practically exhausted all avenues to develop this property. Also, we have listened to and attempted to revise plans and submissions based upon input from staff, which has, seemingly at every turn, ended in an insurmountable hurdle. The property is served by water and sewer. The entrance will be from Copley Pl.

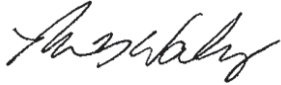
The comprehensive plan shows a portion of this development as Medium Density Residential and the remainder as Neighborhood Commercial. As mentioned above, the development team does

not see this property as a viable commercial property, but we do see the development potential as residential development, specifically townhouses. This request, then, is a downgrade from Neighborhood Commercial to Medium Density Residential, which matches much of the surrounding areas as shown on the current Future Land Use Map.

The project is too small to require a traffic study. Stormwater management will be addressed onsite for water quantity per the IIB regulations. Water quality will be addressed by IIB regulations as well.

Should you have any questions regarding this submission, please feel free to contact me.

Sincerely,

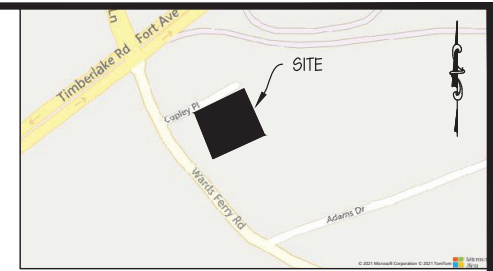
A handwritten signature in black ink, appearing to read "Norman B. Walton, Jr.", written in a cursive style.

Norman B. Walton, Jr., P. E.
Perkins & Orrison, Inc.

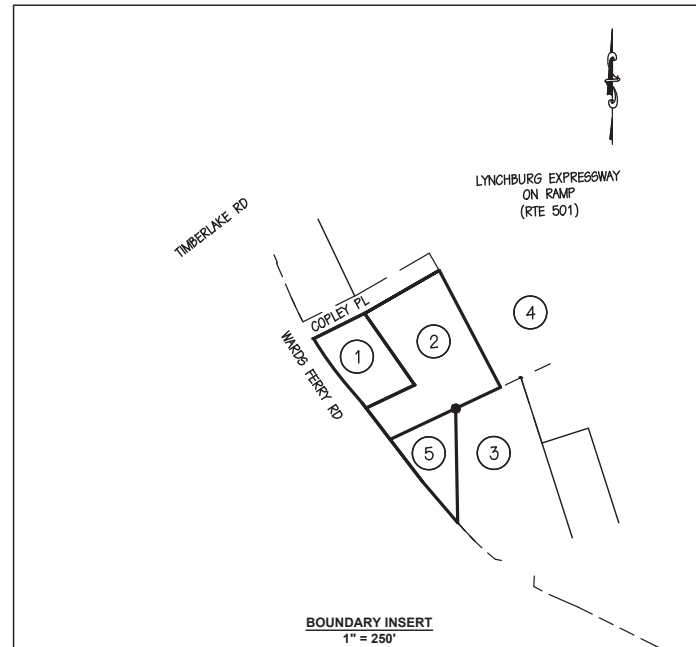
SITE NOTES:

1. DEVELOPER:
DEWITT REAL ESTATE
8318 TIMBERLAKE ROAD
LYNCHBURG, VA 24502
2. PARCEL ID #: ZONING ADDRESS
247-02-038 R-2 3142 WARDS FERRY RD
247-02-039 B-1 3146 WARDS FERRY RD
247-02-040 B-1 3150 WARDS FERRY RD
3. SETBACKS:
R-3
MAX BLDG HEIGHT: 40'
FRONT: 0'
SIDE: 0'
REAR: 25'
4. FLUM:
EXISTING: NEIGHBORHOOD COMMERCIAL
PROPOSED: MEDIUM DENSITY RESIDENTIAL
5. EXISTING ZONING: B-1 & R-2
PROPOSED ZONING: R-3
6. TOPOGRAPHIC INFORMATION BASED OF AVAILABLE INFORMATION. AND
BOUNDARY SURVEY BY PERKINS & ORRISON, INC.
7. THE PURPOSE OF THIS PLAN IS TO SHOW A PRELIMINARY LAYOUT FOR
A CUP FOR TOWNHOUSES. A REVISION TO THE FLUM IS REQUESTED.
THE ACTUAL LAYOUT MAY CHANGE WHEN ACTUAL CONSTRUCTION PLANS
ARE SUBMITTED TO THE CITY FOR REVIEW, BUT SHALL REMAIN IN
GENERAL CONFORMANCE TO THIS PLAN.
8. ANY INCREASE IN IMPERVIOUS AREA WILL BE ATTENUATED VIA THE
STORMWATER MANAGEMENT BMPs PROPOSED ON THIS SITE. THE
MEASURES PROPOSED FOR THE REGIONAL BMPs ARE DESIGNED UNDER
THE PART IIB REGULATIONS AND CITY ORDINANCE. NO ADDITIONAL
WATER QUALITY OR QUANTITY MEASURES ARE ANTICIPATED.
9. THE PROPERTY SHOWN HEREON IS NOT WITHIN A FEMA 100 YEAR
FLOOD PLAIN. SEE PANEL# 51009301102D, UNSHADED ZONE "X",
DATED JUNE 3, 2008.
10. LANDSCAPING WILL BE PROPOSED PER THE CITY OF LYNCHBURG'S
LANDSCAPE ORDINANCE.
11. EROSION AND SEDIMENT CONTROL MEASURES WILL BE USED IN
ACCORDANCE WITH THE VIRGINIA EROSION AND SEDIMENT CONTROL
HANDBOOK. E&S MEASURES ARE NOT SHOWN ON THIS PLAN, BUT
WILL BE INCLUDED WITH THE ACTUAL SITE PLAN WHEN SUBMITTED.
12. THE DEVELOPER IS RESPONSIBLE FOR OBTAINING ALL NECESSARY
STATE, FEDERAL, AND LOCAL PERMITS REQUIRED FOR THE
DEVELOPMENT OF THIS SITE.
13. THIS SITE WILL BE SERVED BY PUBLIC WATER & SANITARY SEWER.
14. TOTAL ACREAGE IS APPROXIMATELY 1.932 AC.

REZONING, FLUM AMENDMENT, & CONDITIONAL USE PERMIT FOR 3142, 3146 & 3150 WARDS FERRY RD CITY OF LYNCHBURG, VIRGINIA



VICINITY MAP
NTS



- ① PID: 247-02-040
3150 WARDS FERRY ROAD
BARENY, M STEWART
DOC# 230000554
ZONED: B-1
- ② PID: 247-02-039
3146 WARDS FERRY ROAD
TIMBERLAKE INVESTMENTS LLC
DOC# 210009761
ZONED: B-1
- ③ PID: 247-02-028
97 ADAMS DRIVE
LATA, SHASHI &
GUPA, ANGELA
DOC# 200006300
ZONED: R-2
- ④ CITY OF LYNCHBURG
RIGHT-OF-WAY
- ⑤ PID: 247-02-038
3142 WARDS ROAD
TIMBERLAKE INVESTMENTS LLC
DOC# 210009761
ZONED: R-2

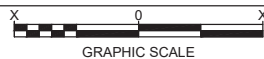
SHEET INDEX:

SHEET NO.	SHEET TITLE
1 OF 4	COVER SHEET
2 OF 4	SITE PLAN
3 OF 4	UTILITIES
4 OF 4	BOUNDARY



317 Brook Park Place
Forest, Virginia 24551

Office: 434-525-5985
Fax: 434-525-5986
E-Mail: pno@perkins-orrison.com
WEBSITE - <http://www.perkins-orrison.net/>



DATE: 10/15/24

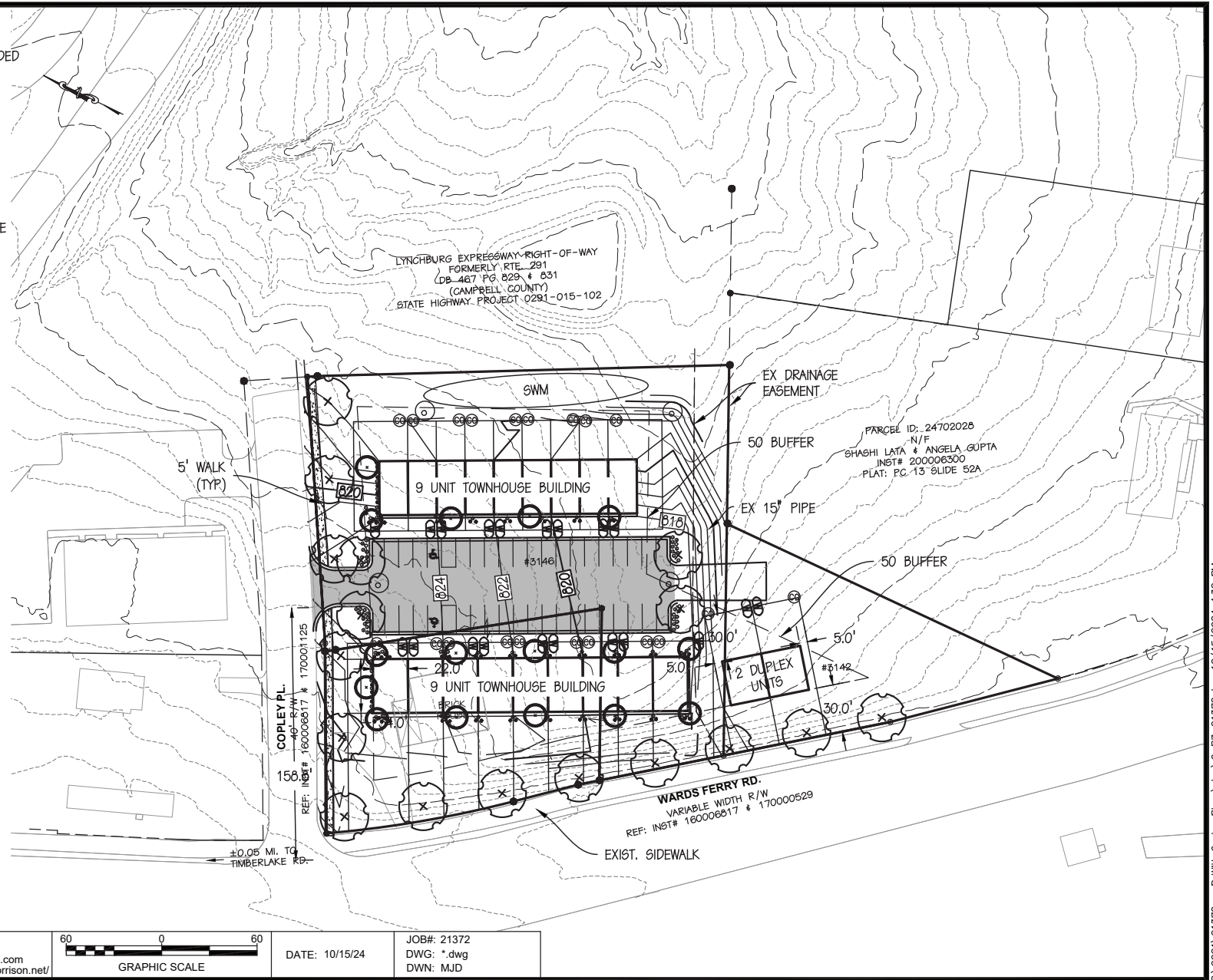
JOB#: 21372
DWG: *.dwg
DWN: MJD

P:\2021\21372 - DeWitt Copley Place.dwg C-RZ-21372.dwg 10/15/2024 4:32 PM

2 9 UNIT TOWNHOUSES
 1 SPACE PER UNIT REQUIRED = 18 SPACES
 40 SPACES PROVIDED

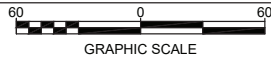
NOTES:

1. THE LANDSCAPING SHOWN HEREON IS INTENDED TO COMPLY WITH THE CITY OF LYNCHBURG'S LANDSCAPING ORDINANCE. A COMPLETE LANDSCAPE PLAN SHALL BE SUBMITTED WITH THE SITE PLAN.
2. TOTAL TRIP GENERATION FOR THIS PROJECT IS 191 ADT PER ITE 11TH EDITION.



317 Brook Park Place
 Forest, Virginia 24551

Office: 434-525-5985
 Fax: 434-525-5986
 E-Mail: pno@perkins-orrison.com
 WEBSITE: <http://www.perkins-orrison.net/>

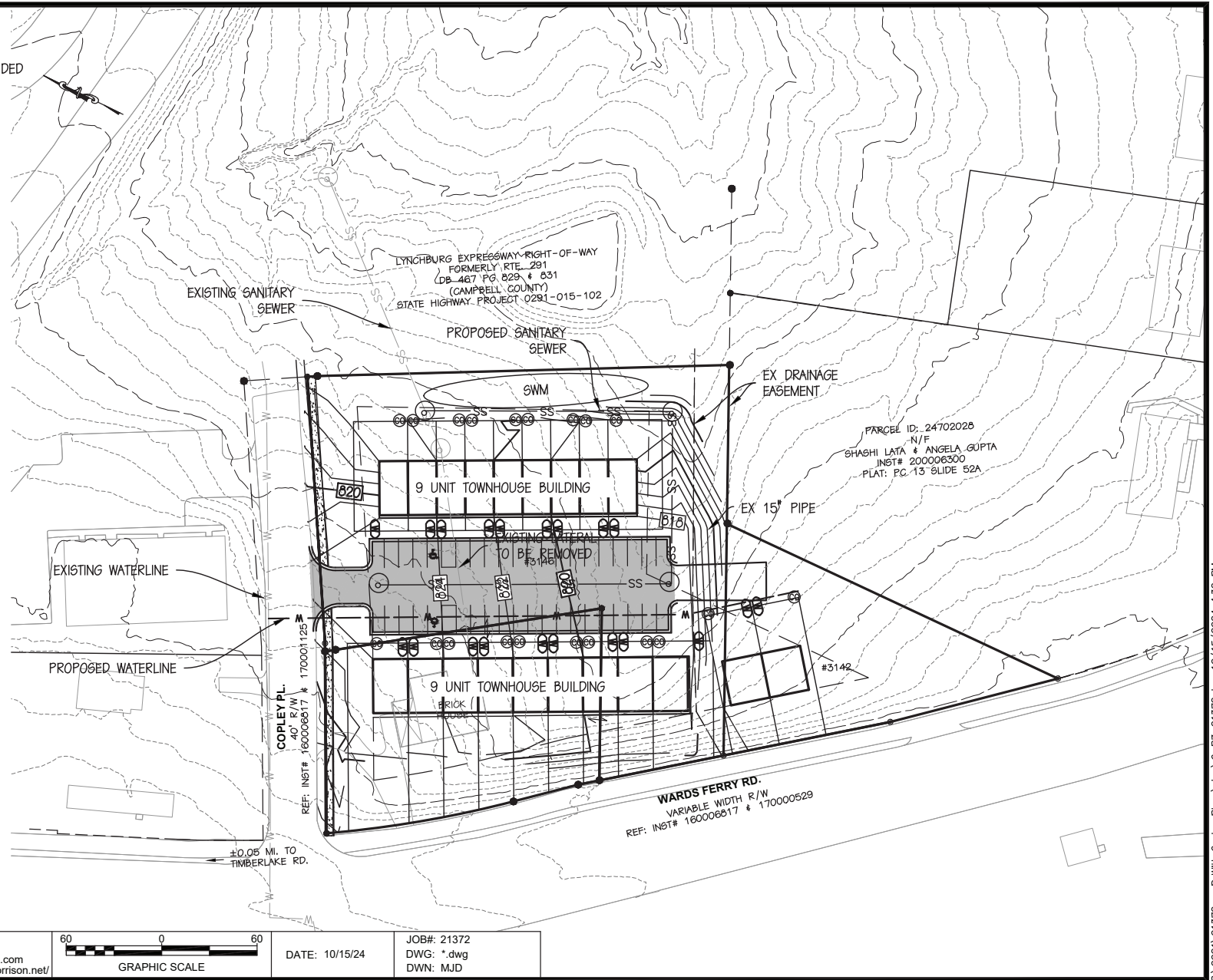


DATE: 10/15/24

JOB#: 21372
 DWG: *.dwg
 DWN: MJD

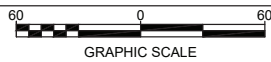
P:\2021\21372 - DeWitt Copley Place.dwg C-ZZ-21372.dwg 10/15/2024 4:32 PM

2 9 UNIT TOWNHOUSES
 1 SPACE PER UNIT REQUIRED = 18 SPACES
 40 SPACES PROVIDED



317 Brook Park Place
 Forest, Virginia 24551

Office: 434-525-5985
 Fax: 434-525-5986
 E-Mail: pno@perkins-orrison.com
 WEBSITE - <http://www.perkins-orrison.net/>



DATE: 10/15/24

JOB#: 21372
 DWG: *.dwg
 DWN: MJD



Sun Feb 4 2024
Imagery © 2024 Nearmap, HERE

100 ft

Nearmap

**Rezoning, Conditional Use Permit, Future Land Use Map
3146, 3142 & 3150 Wards Ferry Rd
October 23, 2024**

PLEASE PRINT CLEARLY

[illegible]

AGENDA ITEM SUMMARY**MEETING DATE**

December 10, 2024

PRESENTED BY

Rachel Frischeisen, City Planner

AGENDA ITEM # IV.6

742 Leesville Road - Conditional Use Permit (CUP) - K-12 Private School

RECOMMENDATION

This item will appear for City Council vote on the January 14, 2025, Public Hearing agenda. Approval of the Conditional Use Permit (CUP) petition to allow the use of an existing structure as a K-12 private school in an R-1, Low Density Residential District at 742 Leesville Road.

SUMMARY

NSS Propco, LLC, d/b/a Rivermont School, is petitioning for a CUP to allow the use of an existing structure as a K-12 private school in an R-1, Low Density Residential District at 742 Leesville Road.

Private schools are permitted in the R-1, Low Density Residential District upon approval of a CUP by City Council. The *Comprehensive Plan 2013-2030* Future Land Use Map (FLUM) recommends an Institution use for the subject property. Private schools are consistent with this recommendation. Public school transportation will be utilized for most of the students attending this facility. The reuse of the existing structure as a private school should have limited impact on the surrounding area.

PRIOR ACTION(S)

November 13, 2024: The Planning Commission recommended approval (5-0, with 2 absent: Bowden, Henderson) of the petition.

November 13, 2024: The Planning Division recommended approval of the petition.

FISCAL IMPACT

N/A

CONTACT(S)

Rachel Frischeisen, City Planner

ATTACHMENT(S)

1. Presentation Slides
2. Planning Commission Minutes, Report, and Attachments

REVIEWED BY



William Martin, Community Development Director

Date: November 26, 2024



Kent White, Assistant City Manager

Date: December 05, 2024



Alicia Finney, Clerk of Council

Date: December 05, 2024

742 LEESVILLE ROAD CONDITIONAL USE PERMIT

Tuesday, December 10, 2024



PURPOSE & ACTION

Purpose:

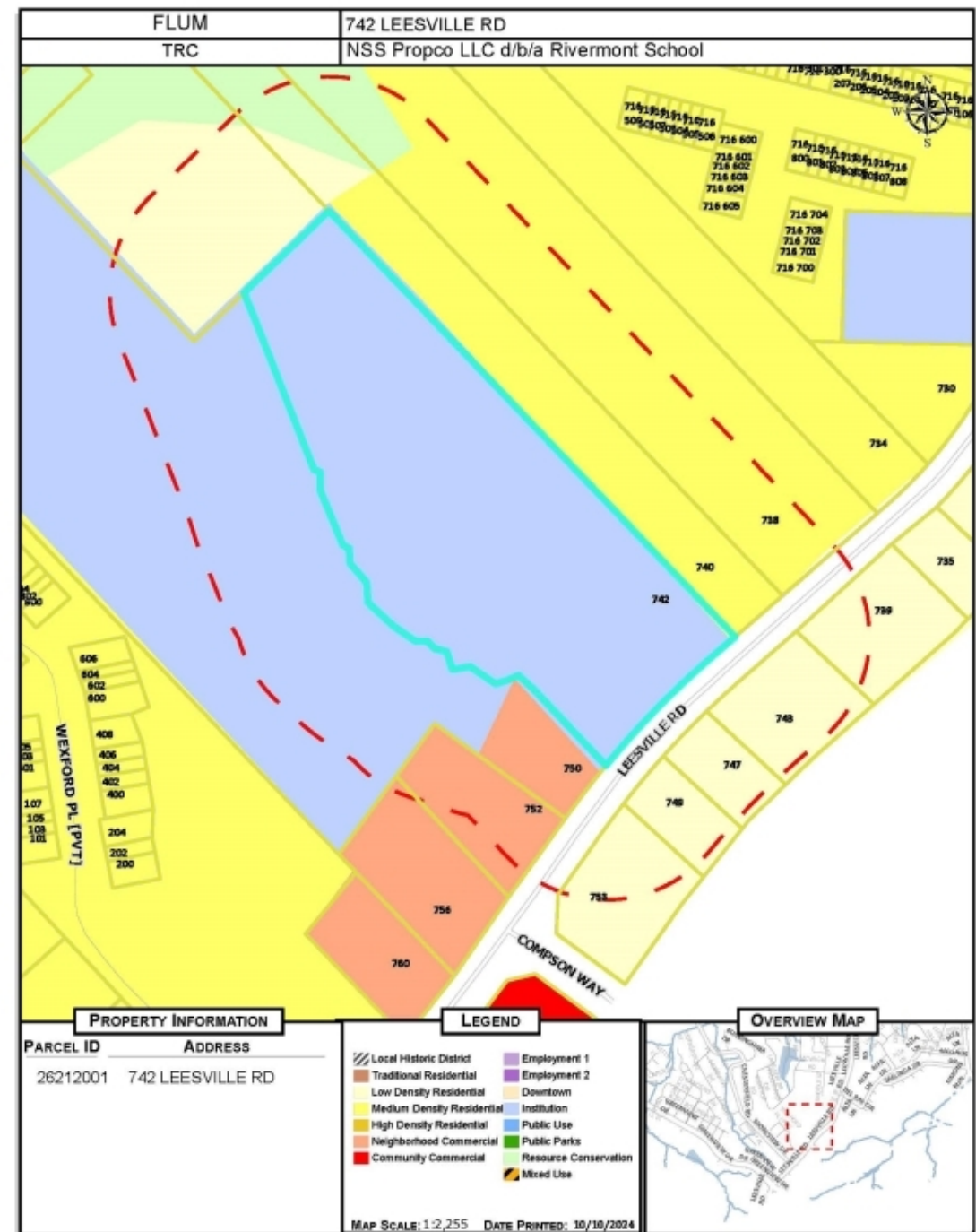
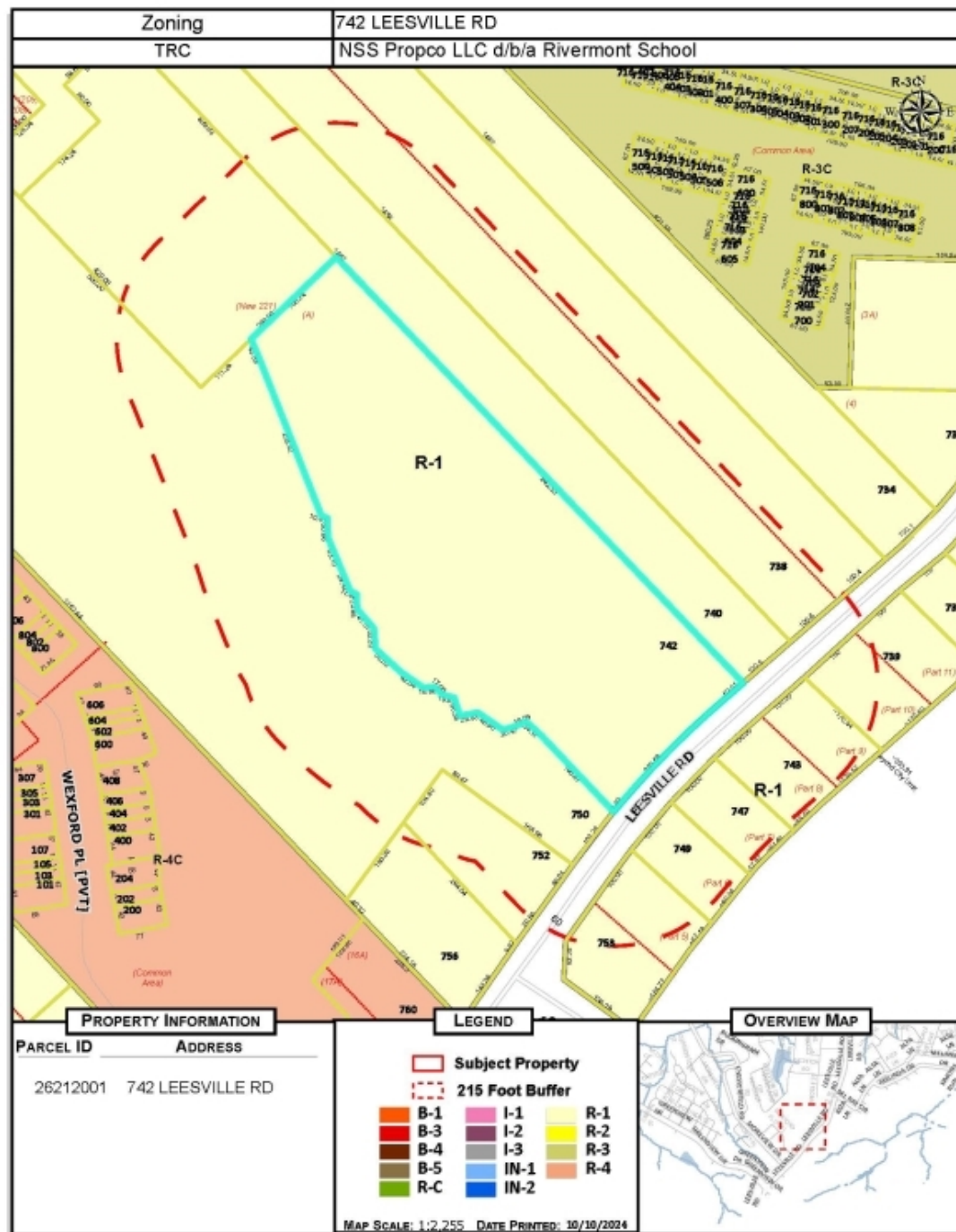
Petition of NSS Propco, LLC, d/b/a Rivermont School for a Conditional Use Permit (CUP) in an R-1, Low Density Residential District to allow the use of an existing structure as a K-12 private school at 742 Leesville Road.

Recommendation:

The Planning Commission recommended approval (5-0) of the CUP petition on November 13, 2024.

Action:

A City Council Public Hearing will be held on January 14, 2025.



The City of Lynchburg, VA

Legend

- Addresses
- Street Labels
- wPressureZone
- Ingress Egress
- Prescriptive
- Private Road
- Cluster Open Space
- Stream Restoration
- Conservation, Agriculture
- Conservation, Forest
- Historic, Agriculture
- Other
- Legal Lot Lines
- Vacated Right of Way
- Parcels
- Owner Undetermined
- Survey Gap
- Assessed By County

ZONING = R-1
ACREAGE = 6.657

PETITIONER IS REQUESTING A CUP TO
USE THE EXISTING CHURCH BUILDING AS
A SCHOOL.

THERE ARE NO SITE MODIFICATIONS,
UNLESS REQUIRED BY CITY OF
LYNCHBURG.

PROJECTED EMPLOYEES = 35-40
PROJECTED STUDENTS = 45-50

TRAFFIC SUMMARY:
MAJORITY OF STUDENTS WILL TRAVEL TO
AND FROM SCHOOL ON CITY OR COUNTY
PUBLIC SCHOOL BUSES.

PEAK TRAFFIC TIME:
AM = 7:30 - 8:30
PM = 2:30 - 3:30

Parcel ID: 262-12-001
Owner: THCO INC
Address: 742 LEESVILLE RD

EXISTING GRAVEL
PARKING
(NOT NEEDED FOR THIS
DEVELOPMENT AT THIS
TIME)

EXISTING PAVED PARKING LOT:
56 STD SPACES
6 H/C SPACES

EXISTING BUILDING
INTERIOR
RENOVATIONS ONLY

EXISTING
COMMERCIAL
ENTRANCE



Feet
0 50 100 150 200
1:1,200 / 1"=100 Feet



Sun Feb 4 2024
Imagery © 2024 Nearmap, HERE

50 ft

Nearmap

MINUTES OF THE NOVEMBER 13, 2024 PLANNING COMMISSION MEETING (MINUTES HAVE NOT YET BEEN APPROVED):

Petition of NSS Propco, LLC d/b/a Rivermont School for a Conditional Use Permit in an R-1, Low Density Residential District to allow the use of an existing structure as a K-12 private school at 742 Leesville Road.

Ms. Eve Mergenthaler, Senior Planner, provided the following summary to the Commission. The purpose of the CUP petition is to allow the use of an existing structure as a K-12 private school at 742 Leesville Road. The subject property contains approximately six and six hundred fifty-seven thousandths (6.657) acres and the Future Land Use Map (FLUM) recommends an Institution use. The City's institutions include the religious, educational, and other nonprofit entities in the City. Examples include churches, cemeteries, private schools and universities, private nonprofit hospitals, service clubs and organizations, and other nonprofit institutions. The property is zoned R-1, Low Density Residential District. Private schools are permitted in this district upon approval of a CUP by City Council. The subject property contains a two-story church structure with approximately fourteen thousand, eight hundred (14,800) square feet. If approved, the church would be repurposed as a K-12 private school for up to seventy (70) students. No exterior improvements are proposed at this time and existing parking exceeds what is required. The proposed use should have limited impact on the surrounding area and would fit within the existing corridor. The City's Technical Review Committee (TRC) reviewed the petition on October 22, 2024. The Planning Division recommends approval of the petition.

Chair Johnson asked if there was anyone present to speak on behalf of the petition.

Mr. Jamey White of White Engineering & Design, Inc. was present to represent the petition. The existing church has been used for several years and has ample parking. It will be converted into a school. No changes to the outside of the property are proposed. The Rivermont School plans to transfer from an existing location to allow growth. Their students come from Lynchburg and the Counties. Most students travel by public school transportation. A traffic analysis showed that the warrant for left or right turn lanes was not met.

Chair Johnson asked if there was anyone present to speak in favor of the petition.

Ms. Beth Ackerman, Senior Vice President of Rivermont Schools, said that the school campus is moving from an existing location to provide a greater range of services for their autistic students.

Chair Johnson asked if there was anyone present to speak in opposition to the petition. With there being none, she closed the public hearing.

Commissioner Gammon stated that the use of the building as a school was a nice idea and productive.

Commissioner Perault stated it was a great use for the building. Though there was some concern on the potential traffic impact.

Commissioner Rogers asked if Rivermont Schools had a master plan for future growth.

Mr. White replied that there were no plans for expansion beyond the existing building. The only projection was a five-year plan to increase the student population to seventy (70).

Commissioner Rogers asked if there was a growth level at which a traffic study would be needed.

Mr. White responded that the traffic analysis, reflected the five-year plan. The analysis did not meet the warrant for a traffic study and when looking at peak hour traffic, a turn lane or taper was not required. Also, most students will travel via public transportation so there won't be a heavy influx of parent traffic.

Chair Johnson asked for clarification that all of the students use public transportation.

Ms. Ackerman replied that some of the parents do drop off their children, but most students ride public transportation organized through the school system. She added that the students and staff arrive and leave the school at different times.

Commissioner Gammon said that there shouldn't be any backups on the road or in the parking.

Mr. White noted that the school exit hours wouldn't match with peak hour traffic in the afternoon.

Commissioner Marion asked for clarification regarding the limit of seventy (70) students.

Ms. Mergenthaler responded that a condition of the CUP, as recommended by staff, is a maximum of seventy (70) students. If approved as written, the school would be required to go through the CUP process again if they wanted to amend the maximum number of students in the future.

Chair Johnson asked if there is an affiliation with the schools and how public transportation is provided.

Ms. Ackerman replied that the Rivermont School is for students with autism and the Individualized Education Program (IEP) decides if a student goes to the school. IEP requires the transportation come from public schools.

Chair Johnson asked if the students were coming from their homes or their neighborhood school.

Ms. Ackerman responded that students are usually coming to and from their home, but the ultimate goal for the students is to get them transitioned back to their public schools. The greater region is serviced, not just Lynchburg.

Chair Johnson stated that she saw no issues with the proposed use.

Commissioner Marion made the following motion, seconded by Commissioner Rogers, and approved by the following vote:

"Based on the preceding Findings of Fact, the Planning Commission recommends to City Council approval of the petition of NSS Propco, LLC, d/b/a Rivermont School to allow the use of an existing structure at 742 Leesville Road as a K-12 private school for up to seventy (70) students."

AYES: Gammon, Johnson, Marion, Perault, Rogers	5
NOES:	0
ABSTENTIONS:	0
ABSENT: Bowden, Henderson	2

The Department of Community Development
City Hall, Lynchburg, VA 24504 **434-455-3900**

To: Planning Commission
From: Planning Division
Date: November 13, 2024
Re: **CONDITIONAL USE PERMIT (CUP) – K-12 Private School – 742 Leesville Road**

I. PETITIONER

NSS Propco, LLC, d/b/a Rivermont School, 2 Village Square, Baltimore, Maryland 21210

Representative: Mr. Jamey L. White, P.E., White Engineering & Design, Inc., P.O. Box 1334, Forest, Virginia 24551

Property Owner: THCO, Inc., 3412 Waterlick Road, Lynchburg, VA, 24502

II. LOCATION

The subject property located at 742 Leesville Road consists of approximately six and six hundred fifty-seven thousandths (6.657) acres.

III. PURPOSE

The purpose of the CUP petition is to allow the use of an existing structure as a K-12 private school in an R-1, Low Density Residential District at 742 Leesville Road.

IV. SUMMARY

- The property is zoned R-1, Low Density Residential District. Private schools are permitted in this district upon approval of a CUP by Council.
- The *Comprehensive Plan 2013-2030* Future Land Use Map (FLUM) recommends an Institution use for the subject property. The use of the structure as a private school is consistent with this recommendation.
- The use of the existing building as a private school should have limited impact on the surrounding area and fit into the Leesville Road corridor.

The Planning Division recommends approval of the CUP petition.

V. FINDINGS OF FACT

1. **Comprehensive Plan.** The *Comprehensive Plan 2013-2030* Future Land Use Map (FLUM) recommends an Institution use for this property. The City's institutions include the religious, educational, and other nonprofit entities in the City. Examples include churches, cemeteries, private schools and universities, private nonprofit hospitals, service clubs and organizations, and other nonprofit institutions. (p.76)
2. **Zoning.** The subject property was annexed into the City in 1976. The existing R-1, Low Density Residential District zoning was established in 1978.
3. **Board of Zoning Appeals (BZA).** The Zoning Administrator has determined that no variances are needed for the development of the property as proposed.
4. **Surrounding Area.** There have been several items requiring City Council approval in the immediate area:

- On May 22, 1979, City Council approved the Timberlake Road Study's Proposed Zoning, rezoning 701 and 713 Leesville Road to B-1, Limited Business District.
- On July 14, 1981, City Council approved Phillip Coffey's petition to rezone sixteen and eight tenths (16.8) acres at 762 Leesville Road from R-1, Low-Density Single-Family Residential District to R-4C, Medium-High Density, Multi-Family Residential District (Conditional) to allow the construction of twenty-seven (27) four (4) and six (6) unit apartments.
- On November 8, 1983, City Council approved Andrew C. Ellett's petition to rezone one and two-tenths acres at the intersection of Leesville Road and Airport Road from R-1, Single-Family Residential District to B-3C, Community Business District (Conditional) to allow the construction of a convenience store/gas station.
- On May 14, 1985, City Council approved Virginia Baptist Hospital's CUP petition for the construction of a residential care center at Leesville Road and Del Ray Circle.
- On October 13, 1987, City Council approved Glenn and JoAnne Carter's petition to rezone three and five tenths (3.5) acres at 794 Leesville Road from R-1, Single Family Residential District to B-3C, Community Business District (Conditional) to allow the expansion of an existing nonconforming plant nursery.
- On September 12, 1989, City Council approved Hutter Associates, Inc.'s petition to rezone one and two-tenths (1.2) acres at 795 Leesville Road from R-1, Single-Family Residential to B-1, Limited Business District to allow the construction of an office building.
- On August 13, 1991, City Council approved Tree of Life Pentecostal Holiness Church's CUP petition for the construction of a sanctuary and parking lot at 742 Leesville Road.
- On June 13, 1995, City Council approved Virginia Baptist Hospital's CUP petition for the construction of a dining facility and building additions for Bridges Treatment Center at 693 Leesville Road.
- On April 19, 1996, City Council approved Virginia Baptist Hospital's CUP petition for cottages and parking areas for Bridges Treatment Center at 693 Leesville Road.
- On August 13, 1996, City Council approved Tree of Life Ministry's CUP petition for the expansion of existing church facilities at 742 Leesville Road.
- On January 12, 1999, City Council approved Church of God's CUP petition for access to a new church sanctuary in Campbell County and associated parking lot at 777 Leesville Road.
- On August 10, 1999, City Council approved Gerald and Deborah Maxey's petition to rezone eight tenths (0.8) of an acre at 794 Leesville Road from B-3C, Community Business District (Conditional) to B-1, Limited Business District to allow the use of an existing structure as a counseling office.
- On August 14, 2001, City Council approved Centra Health's CUP petition for the construction of modular classrooms, additional classrooms, residential cottages and parking for Bridges Treatment Center at 693 Leesville Road.
- On December 11, 2001, City Council approved Tree of Life Ministry's CUP petition for Master Plan Development of a sanctuary, multi-purpose building, parking and athletic fields.
- On December 10, 2002, City Council approved Centra Health's CUP petition to retain modular classrooms and construct additional classrooms/residential cottages and a nature walk for Bridges Treatment Center at 693 Leesville Road.
- On February 10, 2004, City Council approved Luther Shepard's petition to rezone approximately three and eighty-nine hundredths (3.89) acres from R-1, Low-Density Single-Family Residential District to R-3C, Medium-Density, Two-Family Residential District

(Conditional) at 800 Middle Street, to allow the construction of five (5) duplexes, in addition to three (3) existing duplexes.

- On November 9, 2004, City Council approved Joe Gantt’s petition to rezone approximately six and one tenth (6.1) acres from R-1, Low-Density Single-Family Residential District to R-3C, Medium-Density, Two-Family Residential District (Conditional) and for a CUP at 716, 718 and 726 Leesville Road to allow the construction of fifty-nine (59) townhomes and associated parking.
 - On November 13, 2007, City Council denied the petition of Lynchburg Renting, LLC to rezone approximately seven and thirteen hundredths (7.13) acres from R-1, Low-Density Single-Family Residential District to R-3C, Medium-Density, Two-Family Residential District (Conditional) and for a CUP at 714 Leesville Road disallowing the construction of seventy-six (76) townhomes and associated parking.
 - On April 13, 2010, City Council approved the Future Land Use Map (FLUM) amendment, Low Density Residential to Office and rezoning from R-1, Low Density Residential to B-2C, Neighborhood Business District (Conditional) (now B-1, Limited Business District) petitions of SFB, LLC at 623 Leesville Road to allow the construction of a business park.
 - On January 14, 2014, City Council approved the of Marsh Memorial United Methodist Church for a CUP to allow operation of a child daycare center for up to sixty (60) children and to allow the installation of a digital sign at 804 Leesville Road.
 - On September 8, 2015, City Council denied the petition of Lynchburg Renting, LLC to rezone approximately seven and thirteen hundredths (7.13) acres from R-1, Low-Density Single-Family Residential to R-3C, Medium-Density, Two-Family Residential District (Conditional) and for a CUP at 714 Leesville Road disallowing the construction of a sixty-eight (68) unit townhomes and associated parking.
 - On September 13, 2016, City Council approved the petition of Kristie Napier to rezone approximately one (1) acre at 630 & 636 Leesville Road from R-3, Medium Density Residential District to B-1C, Limited Business District (Conditional) to allow the reuse of an existing building as a business.
 - On September 24, 2019, City Council approved the petition of Lynchburg Renting, LLC, to rezone approximately eight (8) acres from R-1, Low Density Residential District and R-3, Medium Density Residential District to R-3C, Medium Density Residential District (Conditional) and for a CUP at 710 & 714 Leesville Road to allow the construction of eighty-seven (87) townhomes.
 - On April 11, 2023, City Council approved the petition of Lynchburg Renting, LLC, for a CUP at 710 and 714 Leesville to allow the construction of eighty-seven (87) townhomes. (The CUP granted on September 24, 2019 had expired.)
 - On September 26, 2023, City Council approved the petition of Centra Health Inc. to rezone 759 Leesville Road from R-1, Low Density Residential District to B-5C, General Business District (Conditional) and to amend the Future Land Use Map (FLUM) from Low Density Residential to Community Commercial to allow the construction of an entrance and parking area to serve the rehabilitation facility and behavioral health hospital that will be built on the portion of the property within the Campbell County.
5. **Site Description.** The subject property consists of approximately six and six hundred fifty-seven thousandths (6.657) acres located at 742 Leesville Road. The property contains a two-story, steel frame commercial church constructed in 1992. The structure is approximately fourteen thousand, eight hundred (14,800) square feet in size and is proposed for reuse as a private school.

The property is bounded to the north by single-household uses, to the west by residential uses and a townhome development, to the south (across Leesville Road) by vacant land and residential uses, and to the east by vacant land and residential uses.

6. **Proposed Use of Property.** If the petition is approved, the existing church building would be used as a K-12 private school with associated parking. Upon opening, the proposed number of students is fifty (50) to fifty-five (55) students. Over the next five years, the number of students is projected to increase to seventy (70) students

7. **Traffic, Parking and Public Transit.** The petitioner was required to submit a traffic impact narrative as part of this petition. The findings indicated that the school entrance does not require a turn lane or a taper. The City's Transportation Engineer concurred with the findings of the submitted narrative.

Existing parking on site includes fifty-six (56) paved spaces, six (6) paved handicap spaces, and additional gravel spaces. The existing number of paved parking spaces is above the *Zoning Ordinance* requirement of two (2) spaces per three (3) teachers and employees plus one (1) per ten (10) students.

Staff and student traffic would generally be between the hours of 7:00 a.m. and 3:00 p.m. Students will generally utilize public school transportation such as buses, mini buses, or cars.

The area is served by the Greater Lynchburg Transit Company (GLTC) Route 7 with bus stops located at the corner of Compson Way and Leesville Road and adjacent to 730 Leesville Road.

8. **Stormwater Management.** A stormwater management / Erosion & Sediment Control Plan will not be required as there are no external improvements or modifications proposed at this time. An Erosion & Sediment Control Plan would be required if disturbed areas exceed one thousand (1,000) square feet. A stormwater management plan would be required if disturbed areas exceed five thousand (5,000) square feet.
9. **Emergency Services:** The City's Fire Marshal and Police Department had no comments of concern regarding the proposal.
10. **Impact.** The proposed use should have limited impact on the surrounding area and would fit well within the existing Leesville Road corridor. The K-12 private school would be located within an existing structure and no exterior improvements are proposed at this time. The Future Land Use Map (FLUM) recommends an Institution use for the subject property and a private school is consistent with that recommendation. The existing parking exceeds the *Zoning Ordinance* requirement and students will generally utilize public school transportation. If the number of students exceed the five-year projection of seventy (70) students, traffic impacts may need to be reevaluated at that time.
11. **Technical Review Committee.** The Technical Review Committee (TRC) reviewed the CUP petition on October 22, 2024. Comments were minor in nature.

VI. PLANNING DIVISION RECOMMENDATION

Based on the preceding Findings of Fact, the Planning Commission recommends to City Council approval of the petition of NSS Propco, LLC, d/b/a Rivermont School to allow the use of an existing structure at 742 Leesville Road as a K-12 private school for up to seventy (70) students.

This matter is respectfully offered for your consideration.



Rachel Frischeisen
City Planner

pc: Wynter Benda, City Manager
Greg Patrick, Deputy City Manager
Kent White, Assistant City Manager
Tom Martin, Director of Community Development
Matthew Freedman, City Attorney
J. Lee Newland, City Engineer
Cynthia Kozerow, Lynchburg Police Department
Candace Brown, Fire Marshal
Doug Saunders, Building Official
Kevin Henry, Zoning Administrator
THCO, Inc., Property Owner
NSS Propco, LLC, d/b/a Rivermont School, Petitioner
Jamey L. White, P.E., White Engineering & Design, Inc., Representative

VII. ATTACHMENTS

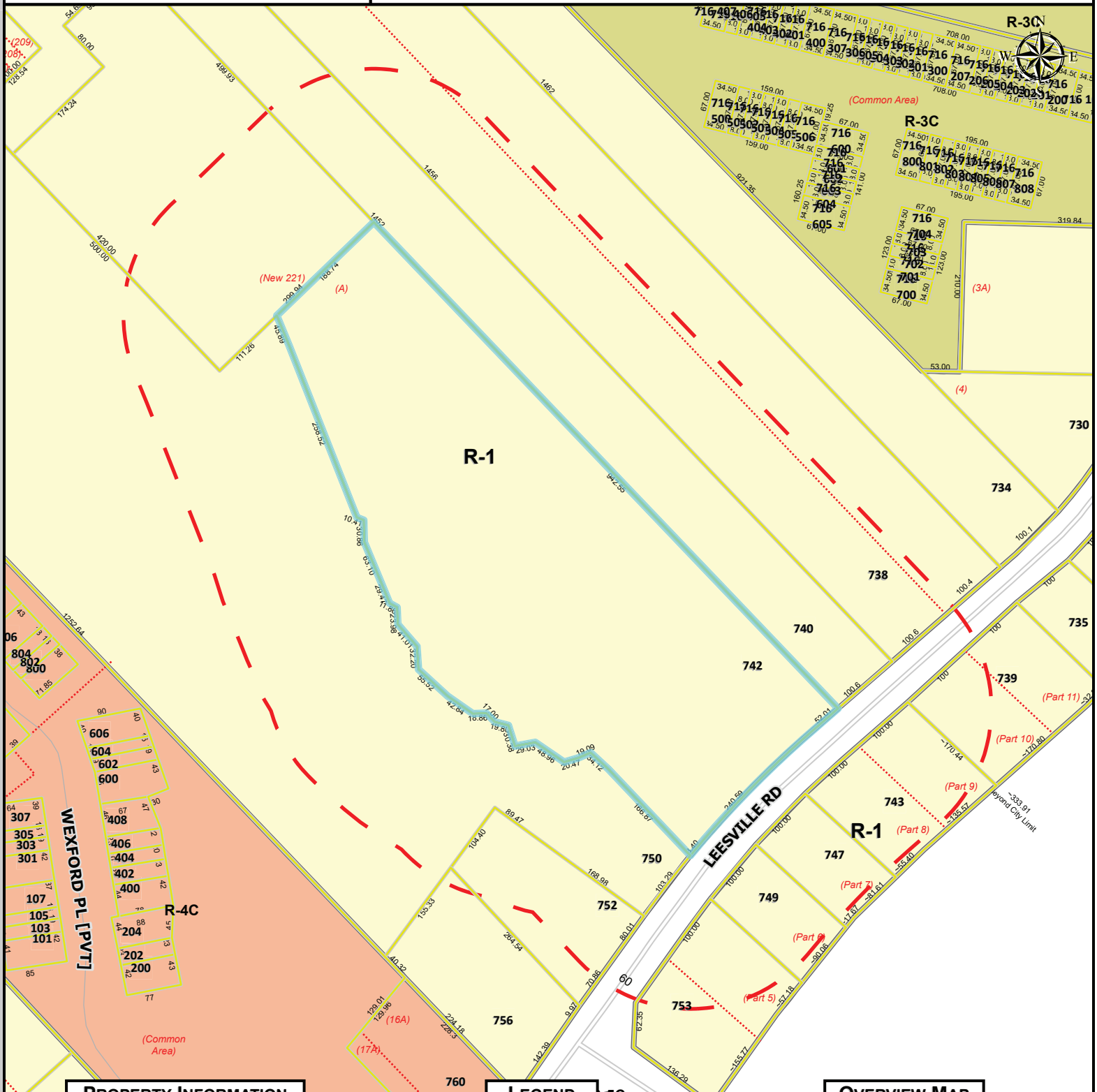
- 1. Zoning Map with Adjoining Property Owners**
- 2. Future Land Use Map**
- 3. Watershed Map**
- 4. Planimetric and Topographic Map**
- 5. Narrative**
- 6. Concept Plan**
- 7. Traffic Impact Narrative**
- 8. Property Photograph**

Zoning

742 LEESVILLE RD

TRC

NSS Propco LLC d/b/a Rivermont School



PROPERTY INFORMATION

PARCEL ID

ADDRESS

26212001

742 LEESVILLE RD

LEGEND

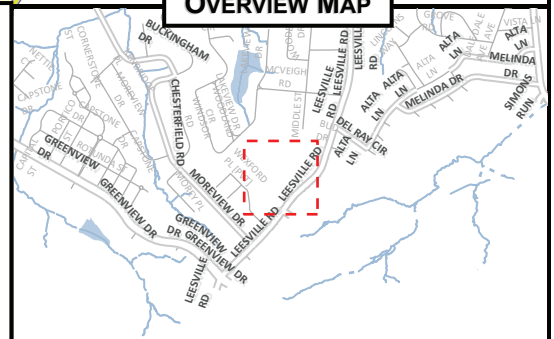
Subject Property

215 Foot Buffer

B-1	I-1	R-1
B-3	I-2	R-2
B-4	I-3	R-3
B-5	IN-1	R-4
R-C	IN-2	

MAP SCALE: 1:2,255 DATE PRINTED: 10/10/2024

OVERVIEW MAP



742 Leesville Road

Parcel ID	Address	Owner
26202024	739 LEESVILLE RD	HALL, CRAIG EUGENE
26606002	753 LEESVILLE RD	GREENVIEW PROPERTIES LLC
26202029	749 LEESVILLE RD	GREENVIEW PROPERTIES (CARTER) LLC
26202028	747 LEESVILLE RD	GREENVIEW PROPERTIES (CARTER) LLC
26202026	743 LEESVILLE RD	GREENVIEW PROPERTIES (CARTER) LLC
26214001	756 LEESVILLE RD	OTTER RIVER INVESTMENT GROUP LLC & C/O ADAMS CONSTRUCTIONS CO
26213002	752 LEESVILLE RD	HARRISON, MICHAEL G
26212001	742 LEESVILLE RD	THCO INC
26213001	750 LEESVILLE RD	LANDSBROOK LLC & C/O PRICE REAL ESTATE
26211004	740 LEESVILLE RD	JAM89 LLC
26211003	738 LEESVILLE RD	JAM89 LLC
26207014	1110 LAKEVIEW DR	HERB, DAVID N FRANK J. ROGERS, CAMPBELL COUNTY ADMINISTRATOR VDOT ATTN: RICK YOUNGBLOOD

FLUM

TRC

742 LEESVILLE RD

NSS Propco LLC d/b/a Rivermont School

PROPERTY INFORMATION

PARCEL ID	ADDRESS
26212001	742 LEESVILLE RD

LEGEND

Local Historic District	Employment 1
Traditional Residential	Employment 2
Low Density Residential	Downtown
Medium Density Residential	Institution
High Density Residential	Public Use
Neighborhood Commercial	Public Parks
Community Commercial	Resource Conservation
	Mixed Use

OVERVIEW MAP

MAP SCALE: 1:2,255 DATE PRINTED: 10/10/2024

Watershed

742 LEESVILLE RD

TRC

NSS Propco LLC d/b/a Rivermont School



PROPERTY INFORMATION

PARCEL ID

ADDRESS

26212001

742 LEESVILLE RD

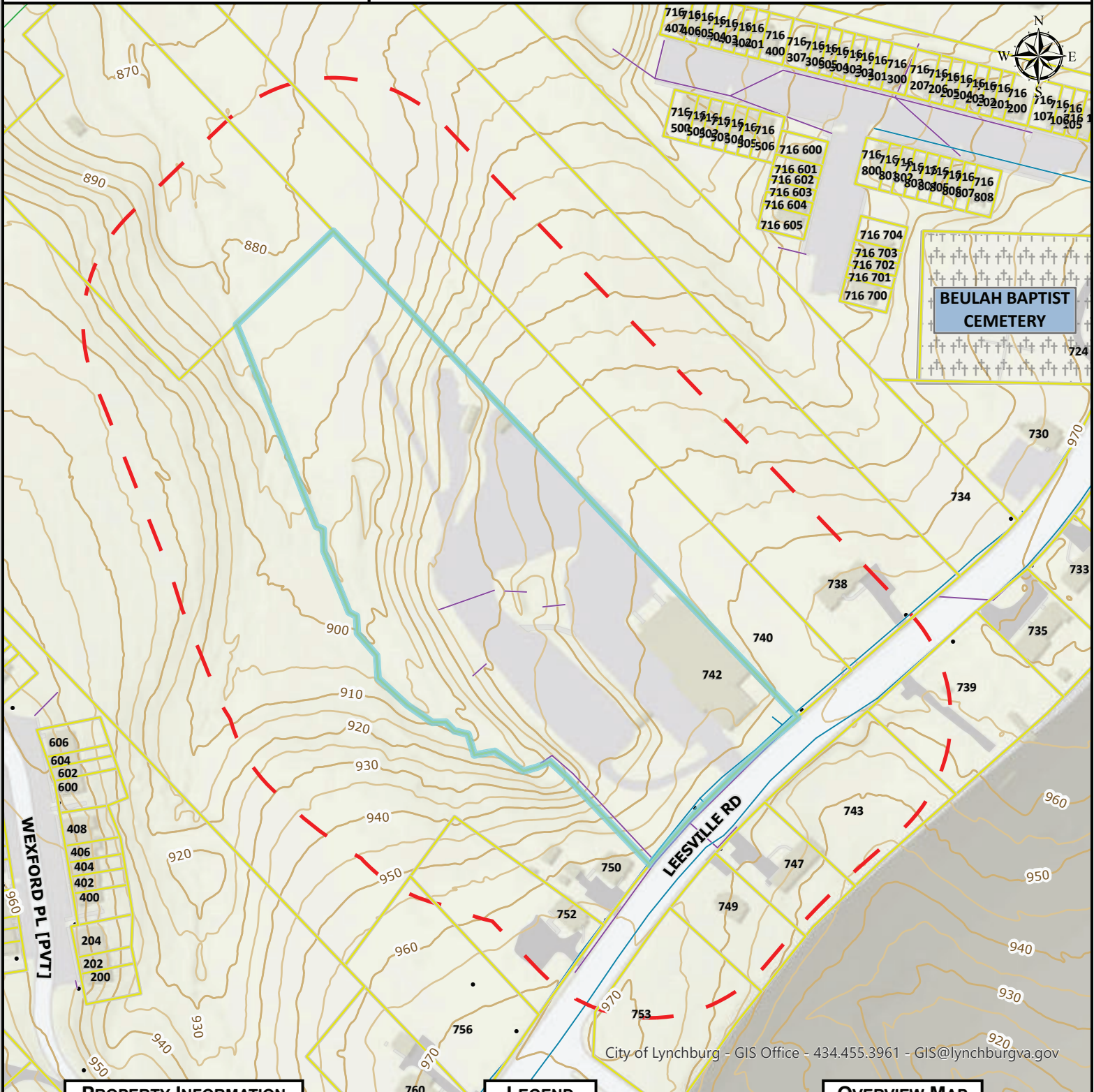
LEGEND

- Subject Property
- Base Flood Elevation
- Floodway
- Floodzone
- River / Lake / Stream

OVERVIEW MAP



MAP SCALE: 1:2,255 DATE PRINTED: 10/10/2024



PROPERTY INFORMATION

PARCEL ID**ADDRESS**

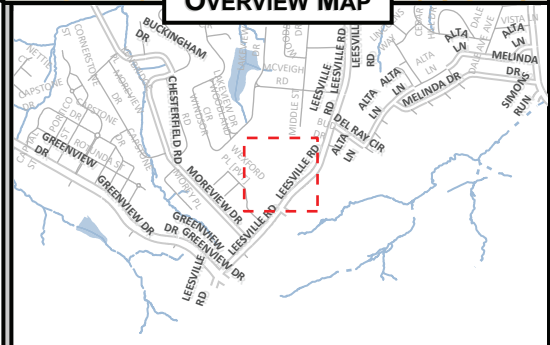
26212001

742 LEESVILLE RD

LEGEND

		Active	Proposed	Abandoned
Utilities	Water			
	Sanitary			
	Storm			
Planimetrics	Structure	-	-	
	Roadway			-
	Parking			-
	Sidewalk		-	-
	Driveway	-	-	
Topography	Contour	100'	20'	5'
		50'	10'	1'

OVERVIEW MAP





To: Rachel Frischeisen
From: Beth Ackerman
Subject: Rivermont School's move to Leesville Narrative

Rivermont Schools exists to offer a safe, nurturing environment for our students with Autism and their families. We ensure that each student's unique needs are met, and that they have the necessary supports to learn, grow and achieve their goals of being productive, independent members of our communities and ultimately, good neighbors. Rivermont Schools has a 38-year history of empowering students with special needs from the Lynchburg community and your surrounding counties.

We have now outgrown our campus on Old Forest Road that houses approximately 45 students. In addition to having a wait list of 4-5 students, we are unable to offer some of the specialized services that our students need in this location that we have now outgrown. In addition to being able to accommodate and support more students, we would like to add our state-of-the-art services for life and work skills and a sensory room, which is typical for students with Autism.

A new location would give us the ability to start with approximately 50-55 students upon opening on Leesville Road. In Roanoke, we have approximately 100 students at our Autism campus. I suspect that we could get near those numbers in a Lynchburg location, but it would likely be 5-7 years before we would see these numbers in our community. Realistically, we would see 60-70 students in the next 5 years.

We currently have about 35 staff who arrive on campus at 7:00 am and leave at 3:00 pm. Our students arrive through public school transportation in buses or other forms of public transportation. They arrive at 7:30 am and leave at 2:00 pm. We look forward to our continued partnership with the city in providing this care and education to your students with special needs.

Beth Ackerman

Beth Ackerman, EdD
Senior Vice President
Rivermont Schools
3024 Forest Hills Circle, Lynchburg, VA 24501
Tel: (434) 485-2051 * Email: Beth.Ackerman@newstory.com

The City of Lynchburg, VA

Legend

- Addresses
- Street Labels
- wPressureZone
- Ingress Egress
- Prescriptive
- Private Road
- Cluster Open Space
- Stream Restoration
- Conservation, Agriculture
- Conservation, Forest
- Historic, Agriculture
- Other
- Legal Lot Lines
- Vacated Right of Way
- Parcels
- Owner Undetermined
- Survey Gap
- Assessed By County

ZONING = R-1
ACREAGE = 6.657

PETITIONER IS REQUESTING A CUP TO
USE THE EXISTING CHURCH BUILDING AS
A SCHOOL.

THERE ARE NO SITE MODIFICATIONS,
UNLESS REQUIRED BY CITY OF
LYNCHBURG.

PROJECTED EMPLOYEES = 35-40
PROJECTED STUDENTS = 45-50

TRAFFIC SUMMARY:
MAJORITY OF STUDENTS WILL TRAVEL TO
AND FROM SCHOOL ON CITY OR COUNTY
PUBLIC SCHOOL BUSES.
PEAK TRAFFIC TIME:
AM = 7:30 - 8:30
PM = 2:30 - 3:30

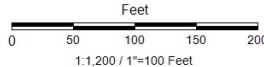
Parcel ID: 262-12-001
Owner: THCO INC
Address: 742 LEESVILLE RD

EXISTING GRAVEL
PARKING
(NOT NEEDED FOR THIS
DEVELOPMENT AT THIS
TIME)

EXISTING PAVED PARKING LOT:
56 STD SPACES
6 H/C SPACES

EXISTING BUILDING
INTERIOR
RENOVATIONS ONLY

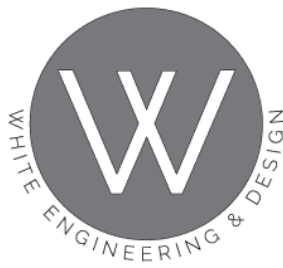
EXISTING
COMMERCIAL
ENTRANCE



DISCLAIMER: This drawing is neither a legally recorded map nor a survey and is not intended to be used as such. The information displayed is a compilation of records, information, and data obtained from various sources, and the City of Lynchburg is not responsible for its accuracy or how current it may be.

10/8/2024





November 7, 2024

Ryan Roberts, P.E.
Transportation Engineer
City of Lynchburg
Engineering Division/Public Works

Re: Traffic Impact Statement – New Story School – 742 Leesville Road

Dear Ryan,

We have looked at the existing entrance for our development at 742 Leesville Road in Lynchburg, VA. The conditions are summarized below.

Daily & Peak Hour Trips

Per VDOT published 2022 Data

AADT = 8852

Peak Hour = 938

Directional Split = 59%

Peak Hour Split = 554

385

Trip Generation:

Charter School (K-12) – 538

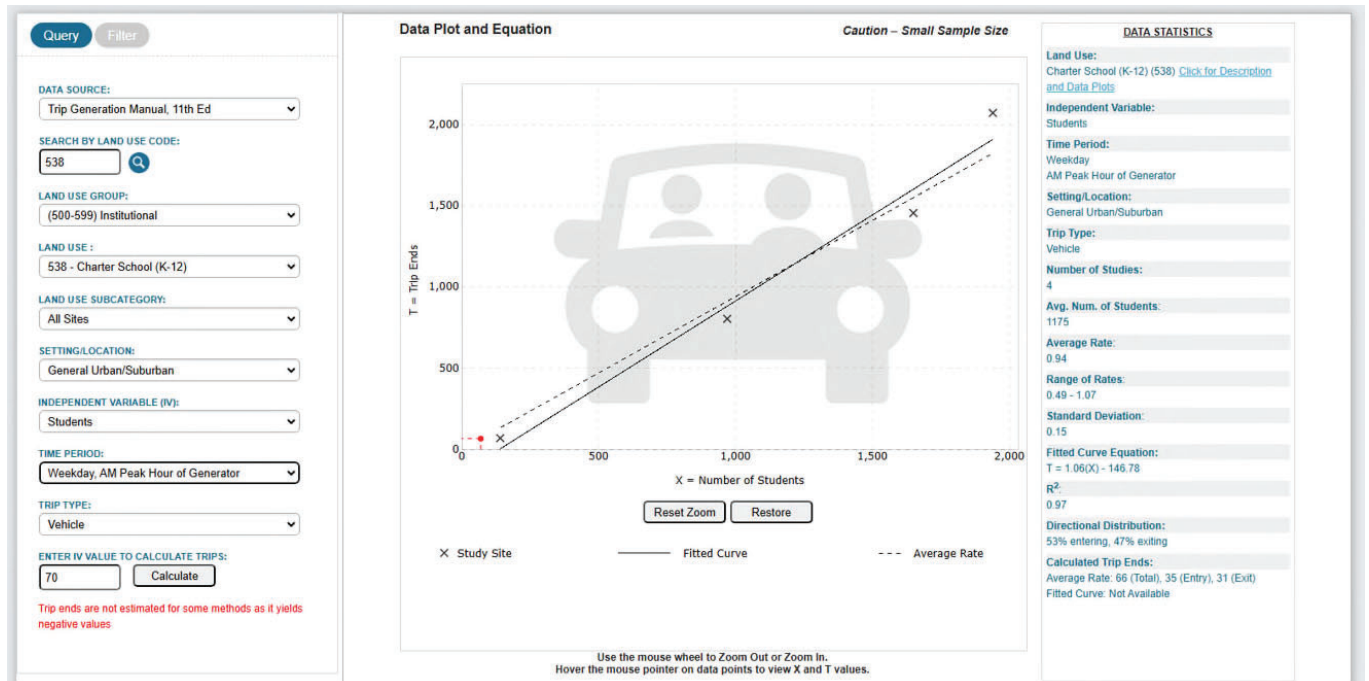
Unit = Number of Students

5-year Student Population = 70

AM Peak Hour = 66

AM IN = 35

Am Out = 31



P.O. Box 1334; Forest, VA 24551
Phone: 434-660-3007

Left-Turn Lane Warrant

Using Figure 3-3 in Appendix F of the VDOT Road Design Manual.

Using 59% Split

AM IN Peak Generated Traffic making Left In Movement = 14.35 use 15 trips

Opposing Volume = 385 + 21 for new site = 406

Warrants for Left Turn Storage Lanes on Four-Lane Highways

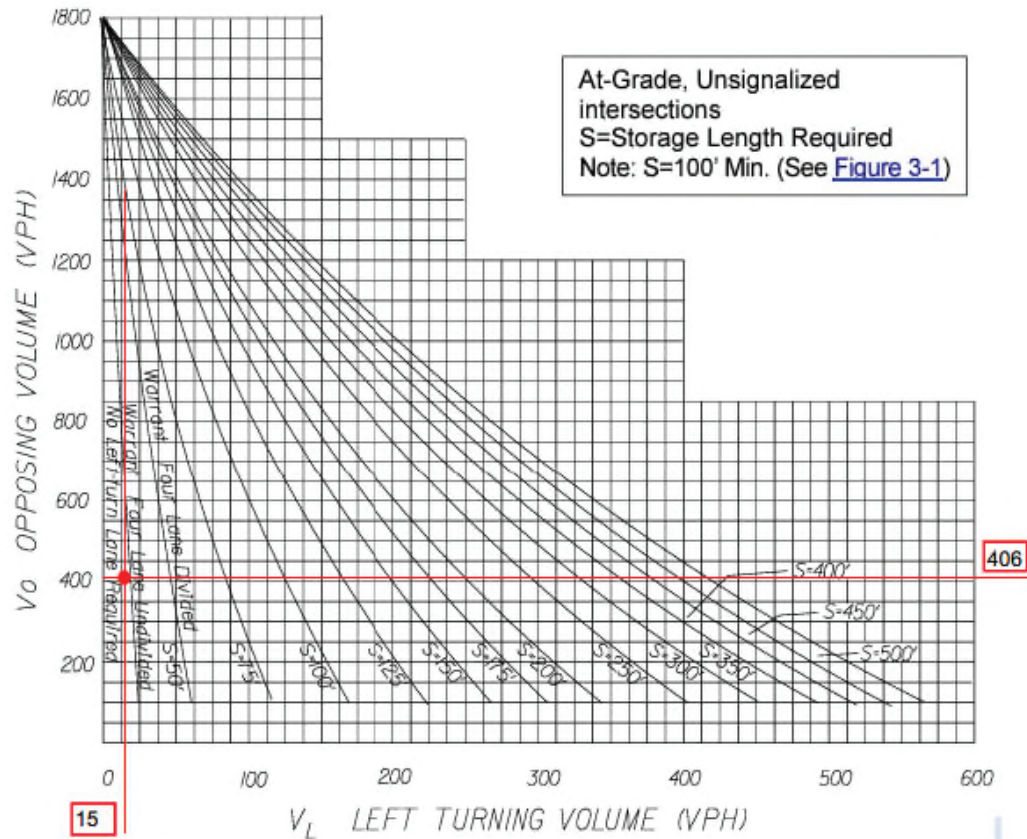


FIGURE 3-3 WARRANTS FOR LEFT TURN STORAGE LANES ON FOUR LANE HIGHWAYS

Figure 3-3 was derived from Highway Research Report No. 211.

Opposing volume and left turning volume in vehicles per hour (VPH) are used for left turn storage lane warrants on four-lane highways.

Based on VDOT RDM guidelines, this site does not meet the requirements for a left-turn lane.

Right-Turn Lane Warrant

Using Figure 3-27 in Appendix F of the VDOT Road Design Manual.

Using 59% Split

AM IN Peak Generated Traffic making Right In Movement = 21

Advancing (or Approach Total) = 385

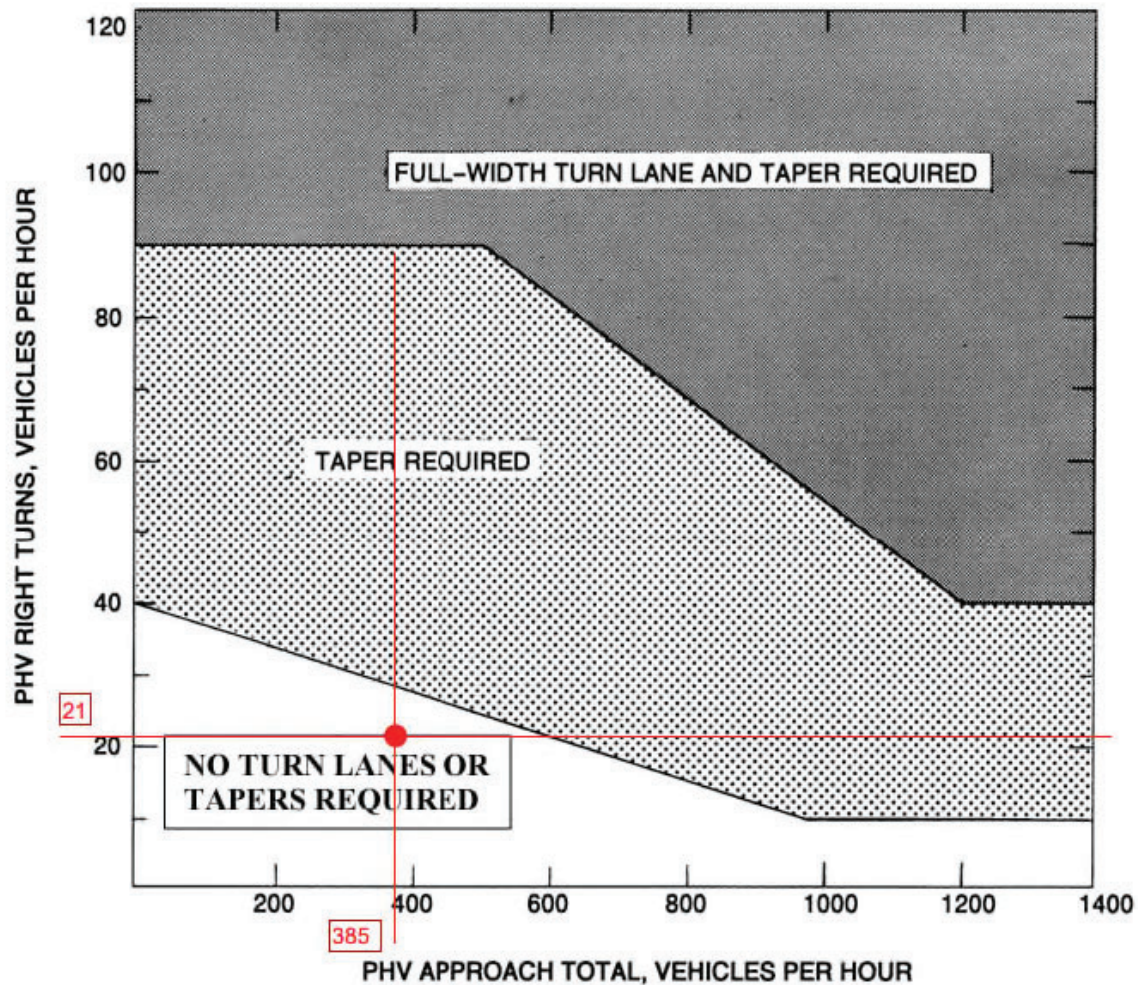


FIGURE 3-27 WARRANTS FOR RIGHT TURN TREATMENT (4-LANE HIGHWAY)

Traffic Summary

The turn lane warrants above show that we are under any requirements for either a left or right turn lane.

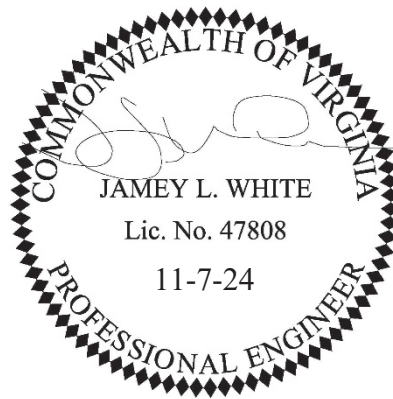
If you have any questions, please give me a call at 434-660-3007.

Sincerely,

Thank you,



Jamey L. White, P.E.





Nearmap

Conditional Use Permit
742 Leesville Road
November 13, 2024

PLEASE PRINT CLEARLY

NAME	ADDRESS	PHONE	IN FAVOR	IN OPPOSITION	NEUTRAL
JAMEN WHITE			✓		
Beth Ackerman			✓		