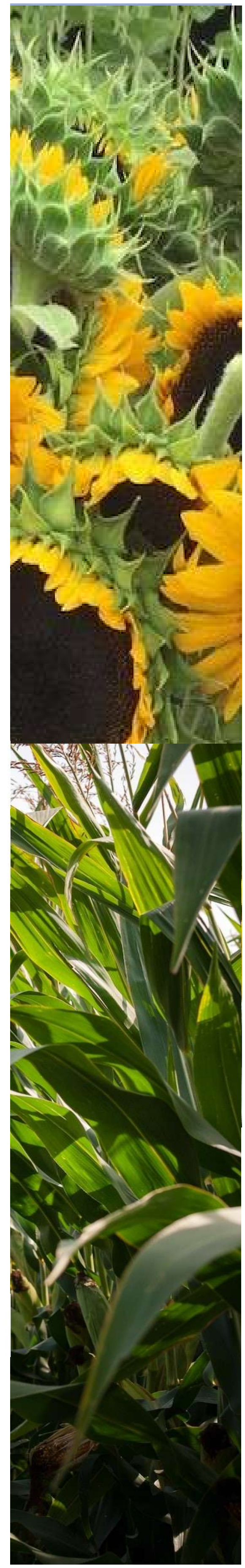
Local Roots, Global Reach

ISLE OF WIGHT
COUNTY, VIRGINIA



ANNUAL COMPREHENSIVE FINANCIAL REPORT

FISCAL YEAR ENDING JUNE 30, 2025

County of Isle of Wight, Virginia

Annual Comprehensive Financial Report

For the Year Ended June 30, 2025

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COUNTY OF ISLE OF WIGHT, VIRGINIA

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

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INTRODUCTORY SECTION

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Local Roots, Global Reach

ISLE OF WIGHT

COUNTY, VIRGINIA

July 6, 2026

Members of the Board of Supervisors and Citizens of the County of Isle of Wight, Virginia:

We are pleased to submit the Annual Comprehensive Financial Report (ACFR) of the County of Isle of Wight, Virginia for the fiscal year ended June 30, 2025. This report is intended to provide informative and relevant financial data for the residents of the County, Board of Supervisors, investors, creditors, and any other interested readers.

Responsibility for the accuracy of the data and the completeness and fairness of the presentation, including all disclosures, rests with the County's management. To the best of our knowledge and belief, the enclosed data is accurate in all material respects and is reported in a manner designed to present fairly the financial position and results of operations of the various funds of the County. To provide a reasonable basis for making these representations, management of the County has established a comprehensive internal control framework that is designed both to protect the government's assets from loss, theft, or misuse and to compile sufficient reliable information for the preparation of the County's financial statements in conformity with U. S. generally accepted accounting principles (GAAP). Because the cost of internal controls should not outweigh their benefits, the County's comprehensive framework of internal controls has been designed to provide reasonable rather than absolute assurance that the financial statements will be free from material misstatement. Further, as management we assert that all disclosures necessary to enable the reader to gain an understanding of the County's financial activities have been included in this financial report.

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Isle of Wight, VA 23397
(757) 365-6204

www.co.isle-of-wight.va.us

Robinson, Farmer, Cox Associates, a certified public accounting firm, audited the County's basic financial statements. The goal of the independent audit was to provide reasonable assurance that the basic financial statements of the County for the fiscal year ended June 30, 2025, are free of material misstatement. The independent audit involved examining, on a test basis, evidence supporting the amounts and disclosures in the basic financial statements and assessing the overall financial statement presentation. The independent auditors concluded, based upon the audit, that there was a reasonable basis for rendering an unmodified opinion that the County's basic financial statements for the fiscal year ended June 30, 2025, are fairly presented in conformity with GAAP with noted emphasis in the independent auditors report as presented in the first component of the financial section of this report. The independent audit of the financial statements of the County is part of a broader, federal, and state mandated "Single Audit" designed to meet the special needs of federal and state grantor agencies. The standards governing Single Audit engagements require the independent auditor to report not only on the fair presentation of the financial statements, but also on the government's internal controls and compliance with legal requirements, with additional emphasis on the administration of federal and state awards.

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

Profile of the Government

Isle of Wight County was formally established in 1634, although prior to 1637, the County was known as Warrosquyoacke. It is one of the oldest county governments in the United States of America and one of the original eight (8) shires by an order of King Charles I. Nestled on the shores of the James River in southeastern Virginia, Isle of Wight's residents enjoy its rural nature spread over 320 square miles coupled with the quaint atmosphere of two (2) incorporated Towns – Smithfield and Windsor.

Isle of Wight County has a rich history that pre-dates its formal establishment in 1634. The County provided fertile farmland and hunting opportunities for its

Native American inhabitants prior to the first English settlement in 1619. It still provides an excellent quality of life for over 38,000 residents while balancing its rural history with a future focused on quality commercial and residential growth.

The County has a Council-Manager form of government. The five members of the Board of Supervisors (Council) are elected from districts and serve staggered four-year terms. The Board of Supervisors is the policy-making and legislative authority for the County. They are also responsible for adopting an annual budget and appointing a County Administrator (Manager). The Administrator is responsible for implementing policies, managing daily operations, and appointing County employees. The County provides a wide array of services to citizens. Major programs include Public Safety, Health and Welfare, Parks and Recreation, and Community Development. The financial reporting for the County covers all these major areas, as well as the County Public Schools.

The **Public Safety** programs of the County feature five fire stations and two rescue squads staffed by career fire-medics and well-trained volunteers with state-of-the-art equipment and well-maintained facilities. Four of the five fire stations provide first response services for both fire and EMS calls.

The **Health and Welfare** services program for the County was vastly improved by acquiring a facility formerly utilized as a family medical practice to serve as the location for the Isle of Wight County Health Department. The property was offered to the County at half of its appraised value and after extensive renovations were completed, it serves the community well by allowing the Health Department to significantly expand its public health services. Other Health & Welfare services are provided by our Department of Social Services as well as various community partnerships that are provided funding annually such as Western Tidewater Community Services Board and Western Tidewater Free Clinic.

Parks and Recreation programs are essential to the quality of life of County residents. The Isle of Wight County Fair continues to be one of the community's signature events. Held at Heritage Park, it provides great family entertainment and highlights the County's rural roots, attracting over 30,000 visitors annually from all over the Commonwealth of Virginia.

The County is also home to Windsor Castle Park located in the heart of downtown Smithfield. It is a 210-acre riverside park that features a woodland trail system, picnic and play areas, a dog park, kayak and canoe launch, scenic overlook, and the Windsor Castle Historic Site. Windsor Castle Farm was originally part of a 1,450-acre parcel patented in 1637 by Arthur Smith and is situated on a knoll overlooking the Pagan River. The site preserves the rich historic heritage of the Castle, as well as providing a passive public park on the estate grounds.

The Parks and Recreation department also provides a multitude of programs for citizens of all ages throughout the year. The Senior Program, the youth athletics and the community recreation programs allow for various sources of activities for community participation. Planning for maintenance and expansion of parks, playgrounds and trails throughout the community is developed annually through the Capital Improvement Plan.

Community Development continues to be an extremely important focus of the Board of Supervisors in that it provides an opportunity for the County to preserve its natural beauty while simultaneously promoting smart growth. The Community Development Department and the Economic Development Department both contribute efforts to promote county-wide economic development and residential development planning and growth. The County's Comprehensive Future Land Use Plan is designed to encourage manageable residential and commercial growth in specific areas of the County while preserving farmland and forestry to maintain the County's rural character and natural beauty.

As part of its community-wide vision, the County has designated three strategic growth areas called Development Service Districts, or DSDs. The three DSDs are located around and close to the existing population centers of Carrollton, Windsor, and Camptown. The benefits of these strategic growth areas include:

- Existing and planned public water and sewer facilities.

- Ready access to the region's transportation network, including Routes 17, 258, 460, and 58 as well as two rail lines, which provide direct connections to the Virginia Ports.

- Proximity to the nearby population centers of Suffolk, Franklin, Newport News, and Hampton as well as the rest of the Hampton Roads region; and

- Planned, future growth opportunities including a mix of residential, commercial, and industrial land uses.

Even with its historic, low-density land use pattern, the County has maintained a healthy population growth rate for nearly thirty years. Since the 1990 US Census, the County has grown an average of approximately 1.6% per year, which is higher than the State's average growth rate of 1.0% over the same time period. The Weldon Cooper Center projects 46,057 persons by 2040, representing a 19.3% increase over 2020 for an approximate average annual growth rate of 0.96% over the twenty-year period. This average growth rate is slowing, but is still anticipated to be higher than the projected average annual growth rate for the State for the same time period. This slowing of average growth rate is attributed to the wider trend of a slowdown of birthrates and the general aging of the population as well as the general economic turndown that began in 2008. While the economy had been in an expansion phase for several years, the Coronavirus pandemic caused many communities to have a decline in permitting. The County has not seen the same level of reduction in permits, especially residential.

The County's **Public Schools** are operated by a legally distinct governing body and the County provides a significant portion of the funding for a school system recognized for excellence.

Isle of Wight County Schools implement research-based instructional strategies to provide rigorous and engaging learning experiences that ensure student success. The division educates over 5,500 students in grades PreK-12 at nine schools: five elementary schools, two middle schools, and two high schools.

All nine schools remain fully accredited by the Virginia Department of Education. Isle of Wight County Schools earned an on-time graduation rate of 93 percent for the Class of 2025, according to data released by the Virginia Department of Education. The Isle of Wight County Schools' on-time graduation rate continues to exceed the state average with 48 percent of the graduates earning an advanced studies diploma. Students in County Schools earned 604 industry certifications.

Economic Overview

Isle of Wight County remains a community of choice for homeowners and businesses alike because of its rural aesthetics, affordable tax rates and convenient commuting times to the region's employment centers. The County continued to experience increases in certain types of tax revenues in FY 2025. Sales tax revenue increased by 3% over FY2024. In addition, the County realized a 22% increase in business license revenue. Machinery and Tools tax revenue increased by 5.2%. Lodging taxes and Meals taxes rebounded with increases of 18.5% and 12.6% respectively.

Even during trying and unexpected economic conditions, maintaining and improving the quality of life for residential and commercial residents requires a continued commitment to long-term strategies for economic development.

In the Windsor Development Service District, County leaders continue to make significant investments in the Shirley T. Holland Intermodal Park, which are paying off by attracting interest from significantly more developer entities and potential end users than in previous years. In Phase II of the Intermodal Park, progress continues on 460 Commerce Center, W.M. Jordan's ground up development that features a 352,000 square-foot cross-dock warehouse manufacturing facility. On October 22, 2024, the W. M. Jordan Construction and Real Estate Development teams, along with elected officials, investors and trade partners, celebrated a ceremonial beam signing. The building is scheduled for completion in Summer 2025 and is available for lease.

Two additional parcels owned by the Isle of Wight County Economic Development Authority remain under contract for development.

Located within Phase III of the Shirley T. Holland Intermodal Park, XDock 258 Logistics Center is a planned 240,000 square-foot cold storage facility.

Located on U.S. Route 460, Tidewater Logistics Center is a proposed Class A speculative industrial development with 726,000 square-feet in four buildings suitable for light manufacturing and warehouse and distribution uses. The proposed buildings will be available for lease or sale.

The Intermodal Park is strategically located for Port of Virginia-related businesses and offers some of the largest developable, locality-controlled tracts in the region. Easy and quick access the Port is possible via U.S. Route

460, U.S. Route 58 or by rail on the adjacent Norfolk Southern Heartland Corridor. The Intermodal Park is already home to two nationally recognized companies that use Port facilities: Safco Products Company and World Market's Virginia Distribution Center. Together these facilities employ over 400 people.

The Intermodal Park is located within Foreign Trade Zone #20 which offers federal incentives. In December 2024, its designation within Virginia Enterprise Zone #18C was reaffirmed by the Commonwealth, so it continues for another five years to offer eligibility for federal, state and local incentive programs for firms that locate or expand there. In FY24, the Economic Development Department, working with the Commonwealth, began pursuing a major expansion to the Enterprise Zone to include new acreage along the U.S. 460 and U.S. 58 (Business) corridors. Along with the Enterprise Zone Expansion incentives, incentive packages can potentially include the Port of Virginia's Economic and Infrastructure Development Zone Grant Program for Port users.

Industrial companies surrounding the International Paper Franklin Mill continue to be major economic drivers in the Camptown Development Service District.

International Paper's Global Cellulose Fibers mill experts nearly 100 percent of the fluff pulp produced. It is shipped to global customers who make super-absorbent products such as baby diapers, adult incontinence and feminine hygiene products and wipes. The company provides more than 330 jobs and continues to add jobs to help meet increasing demand.

In 2021, Franklin Lumber, a sawmill reopened in 2013 by former International Paper employees, invested over $12M to expand its facility and install a new log processing machine. The new line began operating in Summer 2022 and achieves major production efficiencies over the legacy International Paper processing machinery formerly used by Franklin Lumber.

In late 2019, M&M Milling, a toll processor specializing in grinding, blending and sizing of agricultural materials, established its first East Coast location in Isle of Wight County. The firm is adding to existing operations in Arkansas, Mississippi and Tennessee as it expands its corporate footprint and engages more customers in the wood products industry in the Eastern United States. The company purchased a dormant industrial facility that ceased operations over a decade ago near the City of Franklin, and is situated within a Virginia

Enterprise Zone, as well as a revenue sharing district with Franklin. The Isle of Wight operation represents more than $2.35 million in capital investment, will employ at least 15 people when fully operational and will purchase hundreds of thousands of bushels of shelled corn from local farmers each year as part of its production processes. Future plans include adding new customers and product lines.

Reflecting its capability to host larger aircraft with its 5,000-foot runway, the County's municipal airport was renamed the Franklin Regional Airport in 2019. The City of Franklin owns the airport and the adjacent 60-acre industrial park, which is jointly marketed with Isle of Wight County. Both the airport and the industrial park were added to the Virginia Enterprise Zone with the 2022 expansion.

The County continues to support and facilitate the construction of Riverside Health System's full-service general acute care hospital in Isle of Wight County. The 50-bed facility, to be located near Route 10/Benns Church Boulevard and Route 258/Brewers Neck Boulevard, will include four operating rooms, an emergency department, a labor and delivery department with six obstetrics beds and a Level 1 neonatal nursery, as well as other diagnostic, procedural and physician services. The hospital will employ hundreds of professional and support staff. Riverside has planned a targeted opening of early 2026.

The new Riverside campus will also include the Jamison-Longford Medical Office Building named in honor of Dr. Bernard "Barney" Jamison and the late Dr. Desmond Longford, two long-time physicians in the community. The medical office building is set to open in late 2025.

The Newport Service District is the fastest growing area of Isle of Wight County. On January 15, 2025, the County celebrated the opening of Publix at Bartlett Station in Carrollton. The new 48,000 square-foot store employs approximately 140 associates. In addition to the Publix Grocery store, Bartlett Station is also home to the GO Carwash Club, Royal Farms, Langley Federal Credit Union, and a 75,000 square-foot storage facility.

A total of 3094 building permits were issued in FY25 valued at $394,566,782. Included in that total were permits for 317 single family dwellings valued at $74,731,177 and 16 new commercial permits valued at $242,559,932.

Financial Guidelines

The County prepares an annual Operating Budget that balances revenues and expenditures within available resources to ensure the sustainability of day-to-day operations and essential services for its citizenry.

The County also prepares a Capital Improvement Plan (CIP) annually. The CIP serves as a planning tool for the efficient, effective, and equitable distribution of public improvements throughout the County. The plan represents a balance between finite resources and an increasing number of competing priorities. The County develops a five-year CIP each year inclusive of the capital needs of the Public Schools. The Board of Supervisors approves the first year of the plan as the Capital Budget after legal advertising and public hearing requirements have been met. The CIP also anticipates significant projects that are envisioned beyond the initial five-year period and identifies projects up to ten years out to allow for appropriate long-term planning and financial projections.

The Capital Improvement Program Committee plans for and recommends funding for the County's capital needs in advance of the annual budget preparation through review and submission of the CIP. The CIP represents a fiscally responsible approach in its level of reliance on long-term financing for general County improvement projects. The CIP will utilize debt financing as a funding source only after it has been determined that the County can afford to service this debt and the associated operating expenses in subsequent years.

The **Debt Guidelines** adopted to meet the fiscal challenges of financing capital projects identified in the Capital Budget are as follows:

- The County's tax-supported debt service will not exceed 12 percent of general governmental expenditures. Tax-supported debt service shall include any debt service on general obligation bonds which are not self-supporting from a user fee revenue stream (i.e. water and sewer fee). A self- supporting revenue stream is defined as a revenue stream that provides coverage of all debt service obligations without general fund support. Any long-term financing lease obligations which may be subject to annual appropriation by the County will also be included in calculations of tax-supported debt service.

- The County's tax-supported debt will not exceed 4 percent of the assessed value of taxable real and personal property in the County.

Major Initiatives and Accomplishments

The Isle of Wight County Parks and Recreation Therapeutic Recreation day-program for adults with disabilities received a Virginia Association of Counties Achievement Awards for the ***RISE Program*** (Resilient-Independent-Social-Empowerment). The goal of this program is to promote socialization, independent living skills, and provide opportunities for participating in recreation activities for people with disabilities.

Awards

In recognition of its Annual Comprehensive Financial Report (ACFR) for the year ending June 30, 2024, a Certificate of Achievement for Excellence in Financial Reporting was awarded to Isle of Wight County by the Government Finance Officers Association of the United States and Canada (GFOA). The Certificate of Achievement is the highest form of recognition in governmental accounting and reporting, and its attainment represents a significant accomplishment by a government and its management.

The County also received the GFOA's Distinguished Budget Presentation Award for its budget for the Fiscal Year Beginning July 1, 2024.

Acknowledgement

We would like to express our appreciation to the County staff who contributed to the timely preparation of this report. We would also like to thank the members of the Board of Supervisors for their interest and support in planning and conducting the financial operations of the County in a responsible and professional manner.

Respectfully submitted

Donald T. Robertson
County Administrator

Robert A. Floyd
Director of Finance

Isle of Wight County, Virginia Officials
June 30, 2025

Primary Government Officials

BOARD OF SUPERVISORS

Don G. Rosie, II, Chairman............District 5
Rudolph Jefferson, Vice- Chairman............District 3
Renee K. Rountree............District 1
Thomas J. Destefano............District 2
Joel C. Acree............District 4

CONSTITUTIONAL OFFICERS

Georgette C. Phillips............Commonwealth's Attorney
Gerald H. Gwaltney............Commissioner of the Revenue
Laura E. Smith............Clerk of Circuit Court
James R. Clarke, Jr............Sheriff
Julie Slye............Treasurer

ADMINISTRATIVE OFFICERS

Randy R. Keaton............County Administrator
Donald T. Robertson............Assistant County Administrator
Stephanie M. Wells............Chief Financial Officer
Robert W. Jones, Jr............County Attorney
Carey Storm............Clerk to the Board of Supervisors

School Board Officials

SCHOOL BOARD

Jason P. Maresh, Chairman............District 4
Mark Wooster, Vice-Chairman............District 2
John Collick............District 5
Michael Cunningham............District 3
Brandi Perkins............District 1

ADMINISTRATIVE OFFICERS

Dr. Theo Cramer............Superintendent
Susan Goetz............Deputy Superintendent
Dr. Christopher Coleman............Deputy Superintendent
Liesl DeVary............Chief Financial Officer
Stacy Haney, Phinyowattanachip PLLC............School Attorney

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Government Finance Officers Association

Certificate of Achievement for Excellence in Financial Reporting

Presented to

County of Isle of Wight
Virginia

For its Annual Comprehensive
Financial Report
For the Fiscal Year Ended

June 30, 2024

Christopher P. Morrill

Executive Director/CEO

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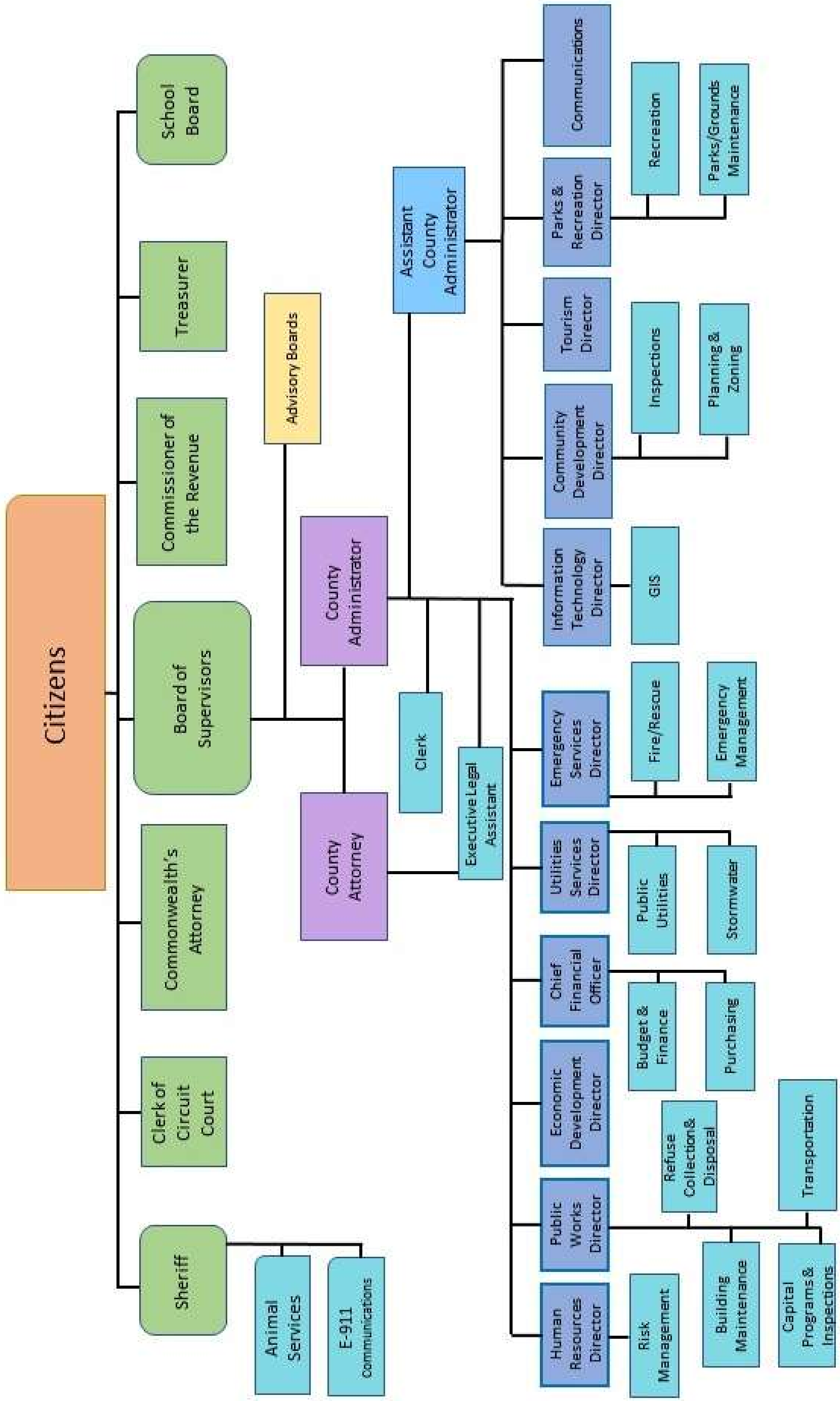
Citizens
School Board
Treasurer
Commissioner of the Revenue
Board of Supervisors
Commonwealth's Attorney
Clerk of Circuit Court
Sheriff
Animal Services
E-911 Communications
Advisory Boards
County Administrator
County Attorney
Clerk
Executive Legal Assistant
Assistant County Administrator
Communications
Parks & Recreation Director
Recreation
Parks/Grounds Maintenance
Tourism Director
Community Development Director
Inspections
Planning & Zoning
Information Technology Director
GIS
Emergency Services Director
Fire/Rescue
Emergency Management
Utilities Services Director
Public Utilities
Stormwater
Chief Financial Officer
Budget & Finance
Purchasing
Economic Development Director
Public Works Director
Refuse Collection& Disposal
Transportation
Building Maintenance
Capital Programs& Inspections
Human Resources Director
Risk Management

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FINANCIAL SECTION

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Independent Auditors' Report

To the Honorable Members of the Board of Supervisors
County of Isle of Wight
Isle of Wight, Virginia

Report on the Audit of the Financial Statements

Opinions

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

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

Basis for Opinions

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

Changes in Accounting Principles

As described in Note 21 to the financial statements, in 2025, the County adopted new accounting guidance, GASB Statement No. 101, *Compensated Absences*. Our opinions are not modified with respect to this matter.

Restatement of Beginning Balances

As described in Note 22 to the financial statements, in 2025, the County restated beginning balances to reflect the requirements of GASB Statement No. 101. Our opinions are not modified with respect to this matter.

Responsibilities of Management for the Financial Statements

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

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

Auditors' Responsibilities for the Audit of the Financial Statements

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

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of County of Isle of Wight, Virginia's internal control. Accordingly, no such opinion is expressed.

- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.

- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about County of Isle of Wight, Virginia's ability to continue as a going concern for a reasonable period of time.

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

Required Supplementary Information

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

Supplementary Information

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

Other Information

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

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

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated June 26, 2026, on our consideration of County of Isle of Wight, Virginia's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of County of Isle of Wight, Virginia's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering County of Isle of Wight, Virginia's internal control over financial reporting and compliance.

Robinson, Farmer, Cox Associates

Richmond, Virginia
June 26, 2026

Introduction

This section of the County of Isle of Wight, Virginia's (County) annual financial report presents our discussion and analysis of the County's financial performance for the fiscal year ended June 30, 2025. Please read it in conjunction with the County's financial statements, which follow this section.

FINANCIAL HIGHLIGHTS

- The net position of the County, excluding the component units, as of June 30, 2025, was $12.1 million, a 825.8% increase from the previous fiscal year mostly attributable to a decrease in liabilities and deferred inflow of resources. Of the total net position, $.87 million is restricted, while $55.4 million is unrestricted.
- The County's net position for the governmental activities was ($6.95) million, a (19.1)% increase from FY 2024 largely due to a increase in liabilities and deferred inflow of resources. Net investment in capital assets resulted in a deficit of $46.7million, while net position restricted is $0.87 million and $38.8 million remains unrestricted.
- The net position of business activities was $19.0 million resulting from an increase in net investment in capital assets of $2.5 million offset by restricted and unrestricted net position of $16.5 million. Business activities has a net position of $.003 million restricted and $16.5 million unrestricted.
- The County's General Fund reported a net decrease in fund balance of $(6.0) million for FY2025. Of the $29.7 million FY 2025 General Fund total fund balance, $21.9 million is unassigned while the remainder is nonspendable, restricted or committed.
- The County's net position for FY2024 was restated due to adjustment for compensated absences per GASB 101.
- The County's long-term debt at June 30, 2025 was $136.1 million, an decrease of (0.3)%.
- The County's tax rate on real estate was $0.73 per $100 of assessed value.

OVERVIEW OF THE FINANCIAL STATEMENTS

This annual report consists of three parts - *Management's Discussion and Analysis* (this section), the *basic financial statements*, and *required and other supplementary information*. The basic financial statements include two statements presenting different views of the County:

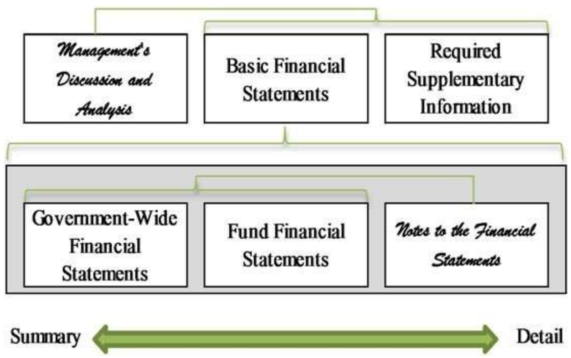
- The first two statements are *government-wide financial statements* that provide both *long-term* and *short-term* information about the County's overall financial status.
- The remaining statements are *fund financial statements* that focus on *individual parts* of the government, reporting the County's operations in more detail than the government-wide statements.
- *The governmental funds* statement tells how *general government* services were financed in the *short-term* as well as what remains for future spending.
- *Proprietary fund* statements offer *short-* and *long-term* financial information about the activities the government operates *like businesses*, such as public utilities.
- *Fiduciary fund* statements provide information about the financial relationships in which the County acts solely as a *trustee or agent* for the benefit of others, to whom the resources in question belong, such as Special Welfare.

The financial statements also include notes that explain some of the information in the financial statements and provide more detailed data. The statements are followed by a section of *required and other supplementary information* that further explains and supports the information in the financial statements.

Components of Financial Report

Figure A-1 shows how the required parts of this annual report are arranged and related to one another.

Figure A-1, Required Components of the County's Annual Financial Report



Statements

Figure A-2 summarizes the major features of the County's financial statements, including the portion of the County government they cover and the types of information they contain. The remainder of this overview section of management's discussion and analysis explains the structure and contents of each of the statements.

	Type of Statements			
	Government-wide	**Governmental Funds**	**Proprietary Funds**	**Fiduciary Funds**
Scope	Entire County's government (except fiduciary funds) and the County's component units	The activities of the County that are not proprietary or fiduciary	Activities the County operates similar to private businesses: public utilities	Instances in which the County is the trustee or agent for someone else's resources: Special Welfare
Required financial statements	Statement of net position Statement of activities	Balance sheet Statement of revenues, expenditures & changes in fund balances	Statement of net position Statement of revenues, expenses and changes in fund net position Statement of cash flows	Statement of fiduciary net position
Accounting basis and measurement focus	Accrual accounting and economic resources focus	Modified accrual accounting and current financial resources focus	Accrual accounting and economic resources focus.	Accrual accounting and economic resources focus
Type of asset/liability information	All assets and liabilities, both financial and capital, short-term and long-term	Only assets expected to be used up and liabilities that come due during the year or soon thereafter; no capital assets included	All assets and liabilities, both financial and capital, and short-term and long-term	All assets and liabilities, both short-term and long-term; the County's funds do not currently contain capital assets, although they can
Type of inflow/outflow information	All revenues and expenses during the year, regardless of when cash is received or paid	Revenues for which cash is received during or soon after the end of the year; expenditures when goods or services have been received and payment is due during the year or soon thereafter	All revenues and expenses during the year, regardless of when cash is received or paid	All revenues and expenses during the year, regardless of when cash is received or paid

Government-wide Statements

The *government-wide financial statements* report information about the County using accounting methods similar to those used by private-sector companies. These statements provide both long-term and short-term information about the County's overall financial status. Government-wide financial reporting consists of two statements: the Statement of Net Position and the Statement of Activities. These statements include all assets, deferred outflows of resources, liabilities, and deferred inflows of resources using the accrual basis of accounting, which is similar to reporting 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 two government-wide statements report the County's net position and how they have changed. Net position, the difference between the County's assets, deferred outflows of resources, liabilities, and deferred inflows of resources is one way to measure the County's financial health or position.

- Over time, increases or decreases in the County's net position are an indicator of whether its financial health is improving or deteriorating, respectively.
- To assess the overall health of the County, one needs to consider additional non-financial factors such as changes in the County's tax base.

The government-wide statements of the County include the following:

- **Governmental activities** - Most of the County's basic services are reported here including general government, judicial administration, public safety, public works, education, health and welfare, parks and recreation and economic and community development. Property taxes, other local taxes, and state and federal grants finance most of these activities.

- **Business-type activities** - The County's water, sewer and stormwater services are reported as business-type activities. These services are mostly supported by charges for services based on use.

- **Component Units** - The County includes two separate legal entities in its report - the Isle of Wight County School Board and the Economic Development Authority of the County of Isle of Wight. While legally separate, the County is financially accountable and provides operating and capital funding to these component units.

Fund Financial Statements

The fund financial statements provide additional information about the County's most significant funds. These statements focus on the individual parts of the County government and groupings of related accounts that are used to maintain control over resources that have been segregated for specific purposes. Governments use fund accounting to ensure and demonstrate finance-related legal compliance. The fund financial statements are divided into three categories: governmental funds, proprietary funds and fiduciary funds. These financial statements are supplemented by accompanying Notes to the Financial Statements and Required Supplemental Information.

Governmental funds - Most of the County's basic services are included in governmental funds, which focus on (1) how *cash and other financial assets* that can readily be converted to cash flow in and out and (2) the balances left at year-end that are available for spending. Consequently, the governmental fund statements provide a detailed *short- term* view that helps you determine whether there are more or fewer financial resources that can be spent in the near future to finance the County's services. Because this information does not encompass the additional long-term focus of the government-wide statements, we provide additional information on the subsequent page, which explains the relationship (or differences) between them.

Proprietary Funds - Services for which the County charges customers a fee are generally reported in proprietary funds. Proprietary funds, like the government-wide statements, provide both long and short-term financial information. The County's enterprise fund (one type of proprietary fund) is used to report the same functions presented as business-type activities in the government-wide financial statements, but the fund financial statements provide more detail and additional information, such as cash flows. The County's public utilities enterprise fund accounts for the operation of its water and sewer systems while the stormwater enterprise fund accounts for the operation of its stormwater system.

Fiduciary Funds - The fiduciary funds are used to account for resources held for the benefit of parties outside the government. Fiduciary funds are not reflected in the government-wide financial statements because the resources of those funds are not available to support the County's services. The accounting used for fiduciary funds is similar to that of the proprietary funds. The County maintained Special Welfare Fund in fiscal year 2021.

FINANCIAL ANALYSIS OF THE COUNTY AS A WHOLE

NET POSITION

Table A-1 summarizes the Statement of Net Position at June 30, 2025 and 2024.

Table A-1

	Governmental Activities		Business - Type Activities		Totals	
	2025	**2024**	**2025**	**2024**	**2025**	**2024**
Current and other assets	$ 87,800,589	$ 82,836,138	$ 19,733,092	$ 13,758,496	$ 107,533,681	$ 95,940,838
Capital assets	74,481,881	70,586,764	30,661,215	30,927,322	105,143,096	101,514,086
Total assets	162,282,470	152,769,106	50,394,307	44,685,818	212,676,777	197,454,924
Deferred outflows of resources	10,588,437	9,400,111	2,484,051	2,492,169	13,072,488	11,892,280
Current liabilities	20,496,831	15,223,612	4,527,033	3,754,770	25,023,864	18,978,382
Long-term liabilities	138,843,210	135,628,609	29,145,075	30,733,332	167,988,285	166,361,941
Total liabilities	159,340,041	150,852,221	33,672,108	34,488,102	193,012,149	185,340,323
Deferred inflows of resources	20,477,785	19,902,667	173,419	146,386	20,651,204	20,049,053
Net Investment in capital assets	(46,653,621)	(55,093,042)	2,503,187	573,574	(44,150,434)	(54,519,468)
Restricted	862,977	2,550,412	3,805	1,991	866,782	2,552,403
Unrestricted	38,843,725	43,956,959	16,525,839	11,967,934	55,369,564	55,924,893
Total net position	$ (6,946,919)	$ (8,585,671)	$ 19,032,831	$ 12,543,499	$ 12,085,912	$ 3,957,828

As described earlier, net position may serve over time as a useful indicator of a government's financial position. At the close of the fiscal year, the County's assets and deferred outflows of resources exceeded its liabilities and deferred inflows of resources by $12.1 million, a 825.8% increase from the previous year

The largest portion of the County's net position at June 30, 2025 is unrestricted net position which decreased from the prior year by (1.0) %. The restricted net position of the County in FY 2025 was $.9 million, which represents 7.2% of total net position.

Changes in Net Position (Statement of Activities)

Governmental Activities

Of the total net position of the County, $(6.9) million can be attributed to governmental activities. This is a $6.9 million or (49.7)% increase from the prior year.

Business-Type Activities

The Public Utilities and Stormwater Funds had a positive net position of $19.03 million. The net position includes $16.5 million which is unrestricted. Total liabilities were $(1.9) million less than 2024.

The following summarizes the County's changes in net position for the years ended June 30, 2025 and 2024:

Table A-2

	Governmental Activities		Business-type Activities		Totals	
	2025	**2024**	**2025**	**2024**	**2025**	**2024**
Revenues						
Program revenues:						
Charges for services	$ 3,267,446	$ 3,774,207	8,249,841	9,592,515	$ 11,517,287	$ 13,366,722
Operating grants and contributions	8,768,063	11,102,765	-	-	8,768,063	11,102,765
Capital grants and contributions	3,757,135	1,669,019	2,484,980	644,345	6,242,115	2,313,364
General Revenue:						
Taxes	85,147,465	80,600,919	-	-	85,147,465	80,600,919
Intergovernmental, non-categorical aid	5,455,228	5,817,703	-	-	5,814,983	5,817,703
Others	5,302,488	4,695,088	1,452,386	171,570	6,754,874	4,866,658
Total revenues	$ 111,697,825	$ 107,659,701	$ 12,187,207	$ 10,408,430	$ 123,885,032	$ 118,068,131
Expenses						
General government administration	7,636,137	7,208,904	-	-	7,636,137	7,208,904
Judicial administration	3,611,104	3,860,993	-	-	3,611,104	3,860,993
Public safety	25,952,136	23,587,214	-	-	25,952,136	23,587,214
Public works	6,383,200	7,554,198	-	-	6,383,200	7,554,198
Health and welfare	6,211,861	5,877,382	-	-	6,211,861	5,877,382
Education	33,275,768	74,996,240	-	-	33,275,768	74,996,240
Parks, recreation and cultural	4,679,131	4,508,921	-	-	4,679,131	4,508,921
Community development	5,810,888	5,328,218	-	-	5,810,888	5,328,218
Interest on long-term debt	3,838,147	4,299,436	-	-	3,838,147	4,299,436
Public utility	-	-	11,825,293	10,585,585	11,825,293	10,585,585
Stormwater	-	-	910,302	1,153,225	910,302	1,153,225
Total expenses	$ 97,398,372	$ 137,221,506	$ 12,735,595	$ 11,738,810	$ 110,133,967	$ 148,960,316
Excess (deficiency) before transfers	14,299,453	(29,561,805)	(548,388)	(1,330,380)	13,751,065	6,327,204
Transfers	(7,440,202)	(4,295,123)	7,440,202	4,295,123	-	-
Change in net position	$ 6,859,251	$ (33,856,928)	$ 6,891,814	$ 2,964,743	$ 13,751,065	$ 6,327,204
Net position (deficit) - beginning of year	$ (13,806,170)	$ 25,271,257	$ 12,141,017	$ 9,578,756	$ (1,665,153)	$ 34,850,013
Restatement per GASB 101		$ (5,220,499)		$ (402,482)		$ (5,622,981)
Net position (deficit) - end of year	$ (6 ,946,919)	$(13,806,170*)	$ 19,032,831	$ 12,141,017*	$ 12,085,912	$ (1 ,665,153)*

*FY2024 Restatement for compensated absences

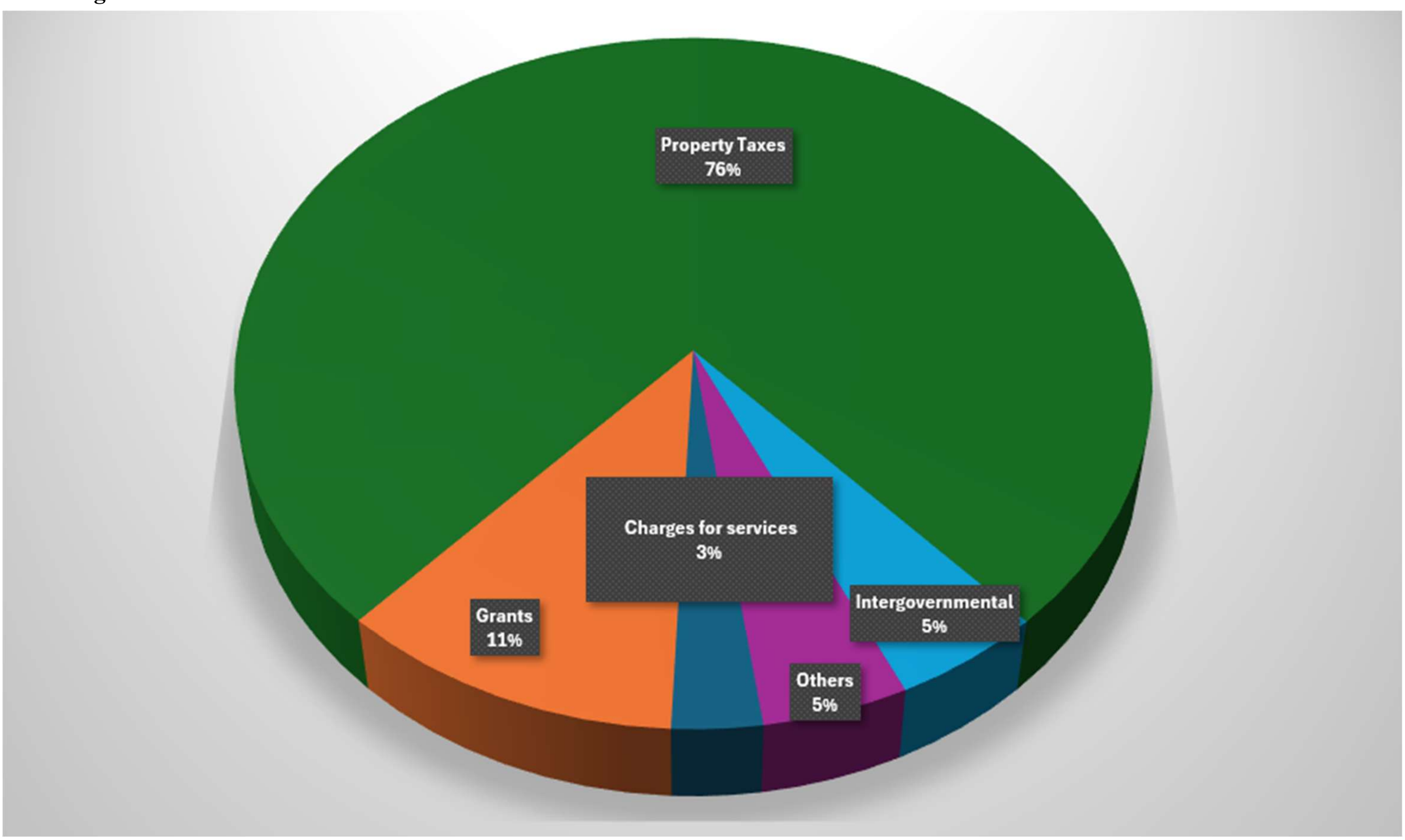
REVENUES

The total revenue of the County was $123.9 million in the year ended June 30, 2025, which is $5.8 million more than the prior year while the total expenses of all programs and services were $110.1 million which is $(38.8) million less than FY 2024. A more detailed explanation of the changes in both governmental and business-type activities is given below.

Governmental Activities

The County's total revenues for governmental activities were $111.7 million, of which a significant portion, 76.2% comes from local taxes. Expenses of all governmental programs and services were $97.4 million. Charges for services for FY 2025 were $3.2 million, a decrease from the prior year. Revenues from operating grants decreased by $(2.3) million from the prior year. Capital grants and contributions increased in FY 2025 by $2.1 million. Tax revenues for the governmental funds also increased $4.5 million from the prior.

Figure A-3 Government-wide Revenues



Business-Type Activities

Total revenues increased from the prior year by 17.1%. Overall, the Public Utilities Fund Net Position improved when compared to prior year at a $6.8 million increase. County management continues to seek ways to diversify and expand the Public Utilities revenue sources. The Utility System customer base is not large enough to allow the Public Utility activity to be self-sufficient. The Stormwater function has sufficient revenue sources to support its function.

EXPENSES

The total cost of County activities this year was $97.4 million. A breakdown of expenses by both governmental and business-type activities is presented below.

Governmental Activities

Education continues to be one of the County's highest priorities and commitments representing 34.2% of General Fund expenditures. The cost of all *governmental* activities this year was $97.4 million, a (29.0)% decrease from the previous year. While increases and decreases occurred in several functional areas, the most significant decrease was in Education.

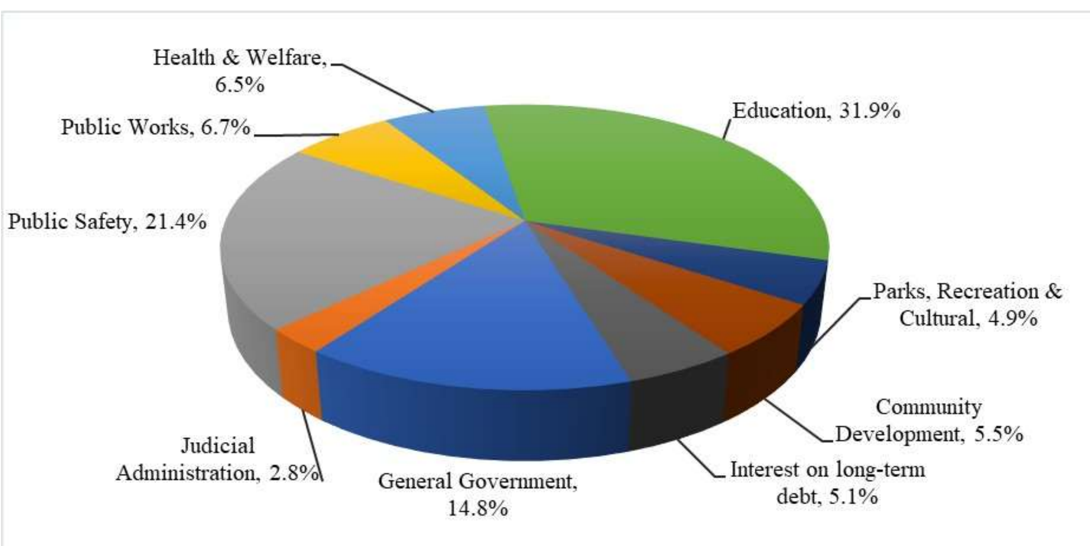
Table A-3a presents the cost of each of the County's governmental functions as well as each function's net cost (total cost less fees generated by the activities and intergovernmental aid).

Table A-3a

	Total Cost of Services			Net Cost of Services		
	2025	**2024**	% Change	**2025**	**2024**	% Change
Governmental Activities:						
General government administration	$ 7,636,137	$ 7,208,904	5.9%	$ 6,289,613	$ 5,402,988	16.4%
Judicial administration	3,611,104	3,860,993	-6.5%	2,442,013	2,116,736	15.4%
Public safety	25,952,136	23,587,214	10.0%	21,300,389	17,543,632	21.4%
Public works	6,383,200	7,554,198	-15.5%	4,648,465	6,717,724	-30.8%
Health and welfare	6,211,861	5,877,382	5.7%	2,602,776	2,395,506	8.7%
Education	33,275,768	74,996,240	-55.6%	33,275,768	74,996,240	-55.6%
Parks, recreation and cultural	4,679,131	4,508,921	3.8%	3,963,405	3,618,478	9.5%
Community development	5,810,888	5,328,218	9.1%	3,245,152	3,683,674	-11.9%
Interest on long-term debt	3,838,147	4,299,436	-10.7%	3,838,147	4,299,436	-10.7%
Total expenses	$ 97,398,372	$ 137,221,506	-29.0%	$ 81,605,728	$ 120,774,414	-32.3%

Figure A-4 presents each of the County's governmental functions as a percentage of total cost.

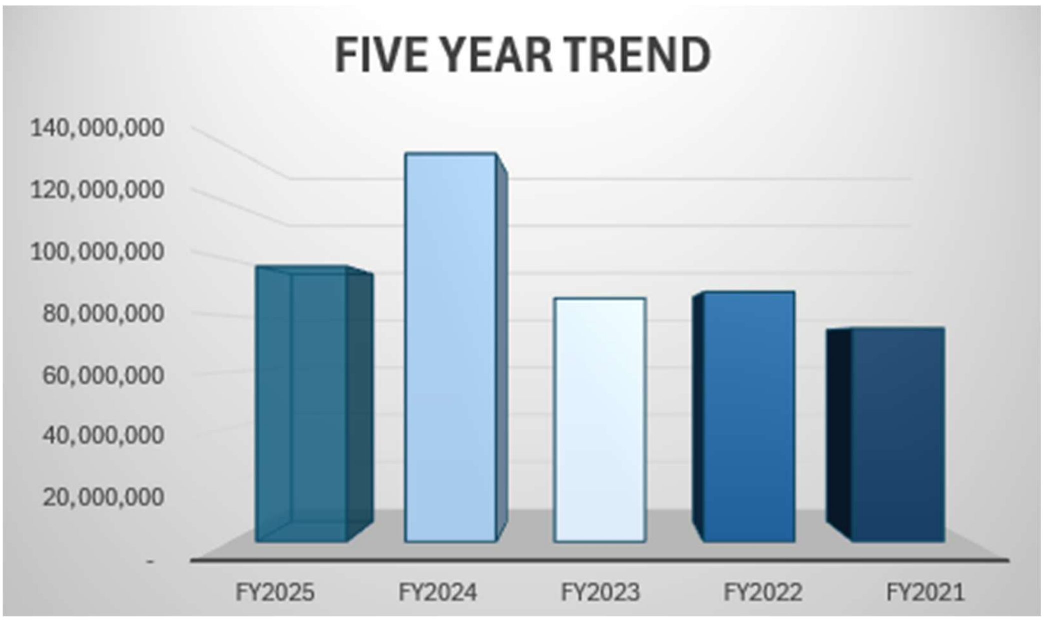
Figure A-4 Cost of Services by Function



Governmental Activities (continued)

Expenses for governmental activities have increased 29.0% over the last five fiscal years. In Fiscal Year 2025 there was a significant decrease in expenditures over Fiscal Year 2022 due to capital expenditures in Education. Figure A-5 presents the County's governmental activities expenses year over year for the current and last four fiscal years.

Figure A-5 Total Governmental Expenses



Business-type Activities

Expenses for business-type activities had a 8.5 % increase over FY 2024.

Table A-3b presents the cost of each of the County's business-type functions as well as each function's net cost (total cost less fees generated by the activities). A positive number indicates insufficient revenue to cover cost of providing services.

Table A-3b

	Total Cost of Services			Net Cost of Services		
	2025	2024	% Change	2025	2024	% Change
Business-type Activities:						
Public Utilities	$ 11,825,293	$ 10,585,585	11.7%	$ 2,736,205	$ 1,855,090	47.5%
Stormwater	910,302	1,153,225	-21.1%	(735,431)	(353,140)	108.3%
Total expense	$ 12,735,595	$ 11,738,810	8.5%	$ 2,000,774	$ 1,501,950	33.2%

The net cost of services for the Public Utilities Fund was 47.5% more than the previous year. The Stormwater Fund had a net cost of services of $(0.7) million. This is an increase from FY2024 of 108.3%.

In FY 2025, the General Fund combined with the Debt Fund transferred $5.4 million to support the operations of the Public Utilities fund. Financial support provided by the General Fund has been the practice in prior fiscal years but has started trending up during the last few fiscal years. The transfer this fiscal year is approximately 19.1% more than was transferred in the previous fiscal year. The operation of Public Utilities is expected to continue to grow and it is the intent of the County to establish a repayment schedule to the Governmental Funds for previous operating transfers.

FINANCIAL ANALYSIS OF THE COUNTY'S FUNDS

The County uses fund accounting to maintain control over resources that have been segregated for specific purposes and to ensure and demonstrate compliance with finance-related legal requirements.

Governmental funds

The primary purpose of the County's governmental funds is to provide information on near- term inflows, outflows, and balances of spendable resources. This information assists in assessing the County's financing requirements. In particular, 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. At the end of the current fiscal year, the County's governmental funds reported combined ending fund balances of $55.4 million, of which $21.7 million or 39.2% is unassigned.

General Fund. The General Fund is the chief operating fund of the County. At the end of the current fiscal year, the unassigned fund balance was $21.9 million or 17.8% lower than FY 2024. As a measure of the General Fund's liquidity, it may be useful to compare unassigned fund balance to total current expenditures. At June 30, 2025, the unassigned fund balance represented approximately 20.1% of the total General Fund expenditures. For June 30, 2025, the general fund had a total fund balance of $29.7 million, or (16.8)% lower than the previous year.

Capital projects fund. The capital projects fund accounts for all construction projects of general public improvements, excluding capital projects related to business-type activities, which are accounted for in their respective fund. At the end of the current fiscal year, the fund balance was $21.5 million, an increase of $10.3 million or 68.5% more than FY 2024

Nonmajor Governmental Funds. The County accounts for other programs and services in different funds. These funds include the Department of Social Services, Children's Services Fund, E-911 Funds, Community Development Block Grant Funds, the County Fair, the Grants Fund and the Heritage Park Concert Fund. At June 30, 2025, the combined fund balances were $1.7 million.

Proprietary funds

The County's proprietary funds consist of the Public Utilities and Stormwater Fund. More detailed information can be found in the government-wide financial statements.

Public Utility Fund. The net position of the Public Utility Fund at the end of the current fiscal year was a surplus of $12.1 million. Additionally, $10.9 million in unrestricted net position was significantly higher than FY 2024. Future economic growth within the County will continue to increase the customer base and consequently increase revenue which would reduce the dependence of the Public Utility Fund on the contributions provided by the General Fund.

Stormwater Fund. The net position of the Stormwater Fund for FY 2025 was $6.9 million which is a 11.4% increase over the prior year. The net investment in capital assets for the Stormwater Fund at the end of the current fiscal year was $1.3 million and the unrestricted net position was $5.6 million.

General Fund Budgetary Highlights

The County's annual budget is prepared on an operating basis and includes estimated revenues and annual appropriations for operations. Actual general fund revenues (excluding other financing sources) were $1.3 million less than the final budget. The difference between the original budget for FY 2025 and the final budget (excluding other financing sources) was $0.5 million. Actual General Fund expenditures, excluding interfund transfers and debt service costs, were $78.9 million. This is approximately $5.9 million more than the prior year mostly due to an increase Education expenditures ($2.7 million) and Community Development ($1.6 million) along with smaller increases and decreases in other areas.

Capital Assets

At the end of fiscal year 2025, the County had invested $105.1 million, net of accumulated depreciation, in a broad range of capital assets, including land, equipment, buildings, and vehicles. (See Table A-4.)

Annually, the Board of Supervisors adopts a five (5) year Capital Improvement Plan with a five (5) year horizon. The capital improvement plan begins with a review of requests from departments, agencies and other organizations by a sub- committee, comprised of three (3) members from the Planning Commission and two (2) members from the Board of Supervisors. The funding stream, consisting of operating revenues, reserves and bonded debt is also reviewed in connection with the requests. The proposed plan is then presented to the Planning Commission for discussion and review and subsequently presented to the Board of Supervisors for adoption. More detailed information on the County's capital assets is presented in Note 6 to the basic financial statements.

Table A-4

	Governmental Activities		Business-type Activities		Total Primary Government	
	2025	**2024**	**2025**	**2024**	**2025**	**2024**
Nondepreciable assets						
Land	$ 11,802,676	$ 11,802,676	$ 548,693	$ 633,693	$ 12,351,369	$ 12,436,369
Intangibles	4,338,512	4,338,512	-	-	4,338,512	4,338,512
Construction in progress	10,433,803*	4,875,562	2,335,237	10,465,783	12,769,040	10,465,783
Total nondepreciable assets	26,574,991	21,016,750	2,883,930	11,099,476	29,347,921	32,116,226
Depreciable assets						
Buildings	42,522,293	42,320,952	20,531,711	11,645,449	63,054,004	67,805,499
Land improvements	18,950,235	18,294,386	25,498,597	25,484,547	44,448,832	29,939,835
Equipment	15,688,025	15,320,466	1,693,728	1,3,409,074	17,381,753	18,729,540
Vehicles	8,410,892	7,384,063	588,740	791,298	8,999,632	8,175,361
Total depreciable assets	85,571,445	83,319,867	50,704,923	41,330,368	136,276,368	124,650,235
Total accumulated depreciation	(38,347,472)	(34,655,076)	(22,929,457)	(21,542,624)	(61,276,929)	(56,197,700)
Capital assets net of depreciation	$ 73,798,964	$ 69,681,541	$ 27,775,466	$ 30,887,220	$ 101,574,430	$ 100,568,761
Right to use leased assets						
SBITA Assets	194,155	194,155	100,367	100,367	294,522	294,522
Equipment	849,348	849,348	10,237	10,237	859,585	859,585
Buildings	204,012	204,012	-	25,781	204,012	229,793
Total right to use assets being amortized	1,247,515	1,247,515	110,604	136,385	1,358,119	1,383,900
Less: accumulated amortization:						
SBITA Assets	92,487	51,156	99,066	65,611	191,553	116,797
Equipment	466,594	287,017	9,719	7,289	476,313	294,306
Buildings	5,517	4,119	-	23,383	5,517	27,502
Total accumulated amortization	564,598	342,292	108,785	96,283	673,383	438,575
Capital assets net of amortization	682,917	905,223	1,819	40,102	684,736	945,325
Net capital assets	$ 74,481,881	$ 70,586,764	$ 30,661,215	$ 30,927,322	$ 105,143,096	$ 101,514,086

*4,097,263 is construction in progress for schools but carried on the County's ledger

Long-Term Debt

At year-end the County had $136.1 million in bonds, loans, direct borrowings, lease obligations and SBITA liabilities as shown in Table A-5. The Commonwealth of Virginia limits the amount of debt outstanding to 10% of the localities assessed value of real property. At June 30, 2025, the County's debt ratio to assessed value was approximately 1.85%, demonstrating the County's conservative debt borrowing policy and management approach. More detailed information on the County's long-term debt is presented in Note 7 to the basic financial statements.

Table A-5

	Governmental Activities		Business-type Activities		Total Primary Government	
	2025	**2024**	**2025**	**2024**	**2025**	**2024**
General obligation bonds	$ 121,250,062	$ 121,927,984	$ 28,652,518	$ 30,498,253	$ 149,902,580	$ 152,426,237
Bond premium	7,972,253	7,691,884	1,656,515	1,751,258	9,628,768	9,443,142
Subtotal	129,222,315	129,619,868	30,309,033	32,249,511	159,531,348	161,869,379
Installment purchase agreements - PACE	4,326,512	4,326,512	-	-	4,326,512	4,326,512
Loans Payable	1,958,764	1,786,797	17,461	52,139	1,976,225	1,838,936
Lease liabilities	517,227	704,353	417	4,899	517,644	709,252
SBITA liabilities	95,436	135,244	-	34,446	95,436	169,690
Total long-term debt	$ 136,120,254	$ 136,572,774	$ 30,326,911	$ 32,340,995	$ 166,477,165	$ 168,913,769

ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS

Recent reviews of fiscal performance by external agencies resulted in both stable and improved bond ratings. County Bond ratings are reviewed periodically by multiple agencies such as Fitch, Standard & Poor's and Moody's. The reviews analyze economic indicators and the performance of the County's financial management. These positive ratings reflect continued economic growth in the County, strong financial management, and conservative budgeting practices all of which allow the County to continue its commitment to protect the financial resources of the citizens of Isle of Wight.

- The County's per capita personal income, as of the latest data available, was $42,122.
- The unemployment rate for Isle of Wight County for 2023 is 2.80% compared to 2022 which was 3.1%.
- Property tax rates was set at $0.73 for real estate and $1.75 for Machinery & Tools and $3.90 in FY25 for personal property.

These indicators were taken into account when adopting the operating and capital budget for fiscal year 2025-2026. The adopted budget includes the following highlights.

- An increaser in the real estate tax rate from $.73 to $.775 was adopted as part of the FY26 budget.
- The largest uses of County funds are for Education ($39.6 million), Public Safety ($22.2 million), and Debt Service ($13.3 million).

OTHER FACTORS TO CONSIDER

Isle of Wight County

The County is committed to using its resources wisely and to delivering quality services to its citizens. The County continually strives to enhance the cost-effectiveness of its operations and the services it provides without sacrificing quality.

The Board of Supervisors' strategic plan incorporates a Values Statement, Mission Statement and four primary strategic directions as follows:

Isle of Wight Values Statement

To sustain Isle of Wight County's stature as a COMMUNITY OF CHOICE for people, families, and businesses alike while preserving and protecting our rural heritage, our bountiful mix of natural resources and our natural beauty for present and future generations.

Isle of Wight County Mission Statement

As a COMMUNITY OF CHOICE, Isle of Wight County is committed to providing an excellent quality of life for all citizens through the provision of fiscally responsible services and programs.

Isle of Wight County Slogan

A COMMUNITY OF CHOICE committed to excellence.

Isle of Wight County's Strategic Direction/Agenda

1. *Effective governance and community partnerships.*
2. *Economic well-being and quality of life.*
3. *Managing growth and change.*
4. *Funding the future.*

Isle of Wight County Schools

Isle of Wight County Schools (IWCS) is committed to preparing our students for excellence in the 21st century by ensuring that they are provided with the knowledge and skills needed to be successful in pursuit of college, careers and citizenship in the global world community. Annually, IWCS educates almost approximately 5552 students in a comprehensive Pre-Kindergarten through twelfth grade instructional program, consisting of five elementary, two middle and two high schools. All IWC schools are fully accredited by the Virginia Department of Education and by the Southern Association of Colleges and Schools.

CONTACTING THE COUNTY'S FINANCIAL MANAGEMENT

This financial report is designed to provide our citizens, taxpayers, investors and creditors with a general overview of the County's finances and to demonstrate the County's accountability for the money it receives. If you have questions about this report or need additional financial information, contact the County's Department of Finance at 757-365- 6273.

BASIC FINANCIAL STATEMENTS

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GOVERNMENT-WIDE FINANCIAL STATEMENTS

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Statement of Net Position
June 30, 2025

	Primary Government			Component Units	
	Govern- mental Activities	Business - type Activities	Total	School Board	IDA
ASSETS					
Cash and cash equivalents	$ 44,410,355	$ 17,708,504	$ 62,118,859	$ 10,861,142	$ 4,689,975
Investments	13,575,674	-	13,575,674	-	-
Receivables - net	24,705,160	1,996,662	26,701,822	748,701	21,464
Lease receivable	1,751,534	-	1,751,534	-	31,950
Due from other governments	2,972,395	-	2,972,395	2,417,794	-
Due from component units - School Board	288,433	-	288,433	-	-
Inventories and prepaid items	-	24,121	24,121	104,848	-
Loan receivable	70,658	-	70,658	-	-
Net pension asset	-	-	-	206,973	-
Net OPEB asset	26,380	3,805	30,185	18,792	-
Capital assets:					
Nondepreciable	26,574,991	2,883,930	29,458,921	1,767,747	270,784
Depreciable - net	47,906,890	27,777,285	75,684,175	116,770,605	993,465
Land held for resale	-	-	-	-	9,011,625
Total assets	$ 162,282,470	$ 50,394,307	$ 212,676,777	$ 132,896,602	$ 15,019,263
DEFERRED OUTFLOWS OF RESOURCES					
Deferred losses on refundings	$ 6,494,385	$ 2,168,883	$ 8,663,268	$ -	$ -
Pension related items	3,708,667	279,348	3,988,015	13,789,842	-
OPEB related items	385,385	35,820	421,205	1,888,123	-
Total deferred outflows of resources	$ 10,588,437	$ 2,484,051	$ 13,072,488	$ 15,677,965	$ -
LIABILITIES					
Accounts payable	$ 6,165,622	$ 1,083,747	$ 7,249,369	$ 2,158,096	$ 2,327
Accrued liabilities	399,308	6,771	406,079	7,472,385	-
Amounts held in escrow	433,285	96,036	529,321	-	-
Due to primary government	-	-	-	288,433	-
Customer deposits payable	-	306,006	306,006	-	-
Accrued interest payable	1,761,651	403,408	2,165,059	21,773	-
Due to other governments	27,391	-	27,391	36,964	-
Unearned revenue	1,191,950	555,572	1,747,522	-	21,125
Long-term liabilities:					
Due within one year	10,517,624	2,075,493	12,593,117	871,827	-
Due in more than one year	138,843,210	29,145,075	167,988,285	50,636,556	-
Total liabilities	$ 159,340,041	$ 33,672,108	$ 193,012,149	$ 61,486,034	$ 23,452
DEFERRED INFLOWS OF RESOURCES					
Deferred revenue - property tax	$ 16,702,862	$ -	$ 16,702,862	$ -	$ -
Leases	1,613,628	-	1,613,628	-	21,218
Pension related items	1,694,852	127,661	1,822,513	6,406,880	-
OPEB related items	466,443	45,758	512,201	2,024,395	-
Total deferred inflows of resources	$ 20,477,785	$ 173,419	$ 20,651,204	$ 8,431,275	$ 21,218
NET POSITION					
Net investment in capital assets	$ (46,653,621)	$ 2,503,187	$ (44,150,434)	$ 113,182,646	$ 1,264,249
Restricted:					
Opioid abatement	780,385	-	780,385	-	-
Capital projects	56,212	-	56,212	-	230,232
Education	-	-	-	462,450	-
Net pension asset	-	-	-	206,973	-
Net OPEB asset	26,380	3,805	30,185	18,792	-
Unrestricted (deficit)	38,843,725	16,525,839	55,369,564	(35,213,603)	13,480,112
Total net position (deficit)	$ (6,946,919)	$ 19,032,831	$ 12,085,912	$ 78,657,258	$ 14,974,593

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

COUNTY OF ISLE OF WIGHT, VIRGINIA

Statement of Activities
For the Year Ended June 30, 2025

Functions/Programs	Expenses	Program Revenues: Charges for Services	Program Revenues: Operating Grants and Contributions	Program Revenues: Capital Grants and Contributions
Functions:				
PRIMARY GOVERNMENT:				
Governmental activities:				
General government administration	$ 7,636,137	$ 844,435	$ 502,089	$ -
Judicial administration	3,611,104	234,149	934,942	-
Public safety	25,952,136	1,248,063	3,403,684	-
Public works	6,383,200		-	1,734,735
Health and welfare	6,211,861		3,609,085	-
Education	33,275,768		-	-
Parks, recreation, and cultural	4,679,131	715,726	-	-
Community development	5,810,888	225,073	318,263	2,022,400
Interest on long-term debt	3,838,147		-	-
Total governmental activities	$ 97,398,372	$ 3,267,446	$ 8,768,063	$ 3,757,135
Business-type activities:				
Public utility	$ 11,913,483	$ 6,604,108	$ -	$ 2,484,980
Stormwater	910,302	1,645,733	-	-
Total business-type activities	$ 12,823,785	$ 8,249,841	$ -	$ 2,484,980
Total primary government	$ 110,222,157	$ 11,517,287	$ 8,768,063	$ 6,242,115
COMPONENT UNITS:				
School Board	$ 88,606,696	$ 826,085	$ 53,357,954	$ -
Economic Development Authority	307,009	48,876	-	-
Total component units	$ 88,913,705	$ 874,961	$ 53,357,954	$ -

General revenues:
General property taxes
Local sales and use taxes
Consumers' utility taxes
Business licenses
Motor vehicle licenses
Meals taxes
Other local taxes
Unrestricted revenues from use of money
Miscellaneous
Payment from the Primary Government
Intergovernmental, non-categorical aid
Transfers
Total General Revenues and Transfers
Change in net position (deficit)
Net position - beginning of year (deficit)
Restatement
Net position - beginning of year (deficit), as restated
Net position - end of year (deficit)

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

Changes in Net Position
Net (Expense) Revenue and Changes in Net Position

Governmental Activities	Business-type Activities	Total	School Board	Economic Development Authority
$ (6,289,613)	$ -	$ (6,289,613)	$ -	$ -
(2,442,013)	-	(2,442,013)	-	-
(21,300,389)	-	(21,300,389)	-	-
(4,648,465)	-	(4,648,465)	-	-
(2,602,776)	-	(2,602,776)	-	-
(33,275,768)	-	(33,275,768)	-	-
(3,963,405)	-	(3,963,405)	-	-
(3,245,152)	-	(3,245,152)	-	-
(3,838,147)	-	(3,838,147)	-	-
$ (81,605,728)	$ -	$ (81,605,728)	$ -	$ -
$ -	$ (2,824,395)	$ (2,824,395)	$ -	$ -
	735,431	735,431		
$ -	$ (2,088,964)	$ (2,088,964)	$ -	$ -
$ (81,605,728)	$ (2,088,964)	$ (83,694,692)	$ -	$ -
$ -	$ -	$ -	$ (34,422,657)	$ -
-	-	-	-	(258,133)
$ -	$ -	$ -	$ (34,422,657)	$ (258,133)
$ 73,453,578	$ -	$ 73,453,578	$ -	$ -
4,990,605	-	4,990,605	-	-
970,591	-	970,591	-	-
1,493,917	-	1,493,917	-	-
1,129,370	-	1,129,370	-	-
1,301,595	-	1,301,595	-	-
1,807,809	-	1,807,809	-	-
3,774,769	33,601	3,808,370	365,372	-
1,527,719	1,506,975	3,034,694	1,989,877	35,516
-	-	-	33,275,769	1,400,000
5,455,228	-	5,455,228	-	-
(7,440,202)	7,440,202	-	-	-
$ 88,464,979	$ 8,980,778	$ 97,445,757	$ 35,631,018	$ 1,435,516
$ 6,859,251	$ 6,891,814	$ 13,751,065	$ 1,208,361	$ 1,177,383
(8,585,671)	12,543,499	3,957,828	77,879,223	13,797,210
(5,220,499)	(402,482)	(5,622,981)	(430,326)	-
(13,806,170)	12,141,017	(1,665,153)	77,448,897	13,797,210
$ (6,946,919)	$ 19,032,831	$ 12,085,912	$ 78,657,258	$ 14,974,593

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FUND FINANCIAL STATEMENTS

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Balance Sheet - Governmental Funds
June 30, 2025

	General	Capital Projects	Debt Service	Nonmajor Governmental Funds	Total Governmental Funds
ASSETS					
Cash and cash equivalents	$ 27,075,275	$ 13,132,384	$ 2,494,384	$ 1,060,807	$ 43,762,850
Investments	2,263,576	11,312,098	-	-	13,575,674
Receivables - net of allowance for uncollectibles:					
Taxes	22,291,187	-	-	-	22,291,187
Accounts receivable	1,846,215	-	-	565,470	2,411,685
Accrued interest receivable	174	-	-	-	174
Due from other funds	62,520	-	-	614,814	677,334
Due from component unit	288,433	-	-	-	288,433
Due from other governments	1,273,637	1,038,389	-	660,369	2,972,395
Lease receivable	1,751,534	-	-	-	1,751,534
Loan receivable	70,658	-	-	-	70,658
Total assets	$ 56,923,209	$ 25,482,871	$ 2,494,384	$ 2,901,460	$ 87,801,924
LIABILITIES					
Accounts payable	$ 2,146,000	$ 3,770,241	$ -	$ 233,814	$ 6,150,055
Accrued liabilities	166,875	222,030	-	10,403	399,308
Amounts held in escrow	191,927	-	-	241,358	433,285
Due to other funds	614,814	-	-	62,520	677,334
Due to other governments	115	-	-	27,276	27,391
Unearned revenue	1,129,209	-	-	62,741	1,191,950
Total liabilities	$ 4,248,940	$ 3,992,271	$ -	$ 638,112	$ 8,879,323
DEFERRED INFLOWS OF RESOURCES					
Leases	$ 1,613,628	$ -	$ -	$ -	$ 1,613,628
Unavailable revenue - property taxes	21,398,660	-	-	-	21,398,660
Settlements	-	-	-	547,694	547,694
Total deferred inflows of resources	$ 23,012,288	$ -	$ -	$ 547,694	$ 23,559,982
FUND BALANCES					
Restricted	$ 188,553	$ -	$ -	$ 498,479	$ 687,032
Committed	3,140,376	8,984,340	-	85,145	12,209,861
Assigned	4,465,553	12,506,260	2,494,384	1,311,546	20,777,743
Unassigned	21,867,499	-	-	(179,516)	21,687,983
Total fund balances	$ 29,661,981	$ 21,490,600	$ 2,494,384	$ 1,715,654	$ 55,362,619
Total liabilities, deferred inflows of resources, and fund balances	$ 56,923,209	$ 25,482,871	$ 2,494,384	$ 2,901,460	$ 87,801,924

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

Reconciliation of the Balance Sheet of Governmental Funds
to the Statement of Net Position
For the Year Ended June 30, 2025

		Governmental Funds
Total fund balances - governmental funds		$ 55,362,619
Amounts reported for governmental activities in the Statement of Net Position are different because:		
Internal service funds are used to charge the costs of equipment and risk management to individual funds. The assets and liabilities of internal service funds are reported with governmental activities in the statement of net position		
Net Position	$ 332,606	
Adjustment for items included in governmental activities below:		
Depreciable capital assets	(51,062)	
Net OPEB asset	(1,328)	
Deferred outflows - pension	(156,484)	
Deferred outflows - OPEB	(18,317)	
Compensated absences	283,477	
Net pension liability	85,956	
Net OPEB liabilities	69,278	
Deferred inflows - pension	71,513	
Deferred inflows - OPEB	18,413	
		634,052
Noncurrent assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.		
Nondepreciable capital assets	$ 26,574,991	
Depreciable capital assets and amortized capital assets, net including net assets reported in internal service fun of $51,062	47,906,890	
Capital assets, net		74,481,881
Net OPEB asset		26,380
Revenues not collected soon enough to pay for current-period expenditures.		
Property taxes	$ 4,695,798	
Opioid settlement	547,694	
		5,243,492
Deferred outflows of resources:		
Losses on refundings		6,494,385
Pension		3,708,667
OPEB		385,385
Deferred inflows of resources:		
Pension		(1,694,852)
OPEB		(466,443)
Long-term liabilities, including bonds payable, are not due and payable in the current period and, therefore, are not reported in the funds.		
General obligation bonds		(121,250,062)
Bond premiums		(7,972,253)
PACE program liability		(4,326,512)
Loans payable		(1,958,764)
Lease liabilities		(517,227)
Subscription liabilities		(95,436)
Compensated absences		(7,381,342)
Net pension liability		(2,037,155)
Net OPEB liabilities		(1,816,035)
Landfill closure costs		(2,006,048)
Accrued interest payable		(1,761,651)
Total net position - governmental activities		$ (6,946,919)

The accompanying notes to 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, 2025

	General	Capital Projects	Debt Service	Nonmajor Governmental Projects	Total Governmental Funds
Revenues:					
General property taxes	$ 73,147,793	$ -	$ -	$ -	$ 73,147,793
Other local taxes	11,236,634	-	-	457,253	11,693,887
Permits, privilege fees and regulatory licenses	875,823	-	-	-	875,823
Fines and forfeitures	145,925	-	-	-	145,925
Revenue from use of money and property	2,651,852	1,055,477	-	67,440	3,774,769
Charges for services	1,782,241	-	-	463,457	2,245,698
Miscellaneous	1,022,969	205,500	-	218,602	1,447,071
Recovered costs	1,493,567	-	-	462,744	1,956,311
Intergovernmental:					-
Commonwealth of Virginia	8,833,900	857,237	-	2,396,453	12,087,590
Federal government	318,263	877,498	-	2,667,575	3,863,336
Local government	-	2,022,400	-	7,100	2,029,500
Total revenues	$ 101,508,967	$ 5,018,112	$ -	$ 6,740,624	$ 113,267,703
Expenditures:					
Current:					
General government administration	$ 5,321,875	$ -	$ -	$ -	$ 5,321,875
Judicial administration	3,490,277	-	-	91,867	3,582,144
Public safety	17,681,602	-	-	3,070,870	20,752,472
Public works	5,867,428	-	-	218,671	6,086,099
Health and welfare	1,182,012	-	-	5,117,351	6,299,363
Education	33,275,768	-	-	-	33,275,768
Parks, recreation, and cultural	3,338,750	-	-	500,670	3,839,420
Community development	5,652,171	-	-	239,316	5,891,487
Capital outlay	-	13,215,838	-	-	13,215,838
Nondepartmental	3,124,191	-	-	-	3,124,191
Debt service:					
Principal	8,546,116	-	-	-	8,546,116
Interest	3,859,362	-	-	-	3,859,362
Total expenditures	$ 91,339,552	$ 13,215,838	$ -	$ 9,238,745	$ 113,794,135
Excess (deficiency) of revenues over (under) expenditures	$ 10,169,415	$ (8,197,726)	$ -	$ (2,498,121)	$ (526,432)
Other financing sources (uses):					
Transfers in	$ 304,574	$ 6,854,550	$ 511,764	$ 3,633,766	$ 11,304,654
Transfers (out)	(17,428,389)	-	(945,608)	(370,859)	(18,744,856)
Issuance of debt	893,227	7,672,899	-	-	8,566,126
Insurance recovery	91,355	40,153	-	-	131,508
Total other financing sources (uses), net	$ (16,139,233)	$ 14,567,602	$ (433,844)	$ 3,262,907	$ 1,257,432
Net change in fund balance	$ (5,969,818)	$ 6,369,876	$ (433,844)	$ 764,786	$ 731,000
Fund balances - beginning of year	35,631,799	15,120,724	2,928,228	950,868	54,631,619
Fund balances - end of year	$ 29,661,981	$ 21,490,600	$ 2,494,384	$ 1,715,654	$ 55,362,619

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

Reconciliation of Statement of Revenues, Expenditures and Changes in Fund Balances
to the Statement of Activities - Governmental Funds
For the Year Ended June 30, 2025

		Governmental Funds
Net change in fund balances - governmental funds	$	731,000
Amounts reported for governmental activities in the statement of activities are different because:		
Internal service funds are used to charge the costs of technology and risk management to funds. The net revenues (expenses) of certain activities of internal service funds are reported with governmental activities.		113,060
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. Transfers of capital assets to the school board are recorded as additional expenses related to education.		
Capital outlay - capital assets		8,248,721
Depreciation and amortization expense		(4,265,742)
The net effect of various miscellaneous transactions involving capital assets (i.e. sales, trade-in's, and donations) is to increase net position		(87,862)
Debt proceeds provide current financial resources to governmental funds, but issuing debt increases long-term liabilities in the statement of net position.		
Bond payable, including premiums		(7,672,899)
Loans payable		(893,227)
Subscription and lease liabilities		
Repayment of debt principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position.		
Repayment of subscription and lease liabilities		226,934
Repayment of bonds and loans payable principal		8,319,182
Revenues in the Statement of Activities that do not provide current financial resources are not reported as revenues in the funds.		
Property taxes		305,785
Opioid settlement		(50,860)
Some expenses reported in the Statement of Activities, do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds. The following is a summary of items supporting this adjustment:		
Change in accrued interest		(87,561)
Change in compensated absences		190,886
Pension expense		926,560
OPEB expense		94,608
Change in accrued liabilities		644,872
Miscellaneous adjustment		49,323
Landfill closure costs		(42,305)
Amortization of bond premiums		472,530
Amortization of deferred loss on refunding		(363,754)
Change in net position of governmental activities	$	6,859,251

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

PROPRIETARY FUNDS

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Statement of Net Position - Proprietary Funds
June 30, 2025

	Enterprise Funds			Internal
	Public Utilities	Stormwater	Total	Service Funds
ASSETS				
Current assets:				
Cash and cash equivalents	$ 11,905,371	$ 5,803,133	$ 17,708,504	$ 647,505
Accounts Receivable - net of allowance	1,941,497	55,165	1,996,662	2,114
Inventories	24,121	-	24,121	-
Total current assets	$ 13,870,989	$ 5,858,298	$ 19,729,287	$ 649,619
Noncurrent assets:				
Capital Assets:				
Nondepreciable	$ 2,751,706	$ 132,224	$ 2,883,930	$ -
Depreciable - net	26,563,946	1,213,339	27,777,285	51,062
Net OPEB asset	3,413	392	3,805	1,328
Total noncurrent assets	$ 29,319,065	$ 1,345,955	$ 30,665,020	$ 52,390
Total assets	$ 43,190,054	$ 7,204,253	$ 50,394,307	$ 702,009
DEFERRED OUTFLOWS OF RESOURCES				
Deferred losses on bond refundings	$ 2,168,883	$ -	$ 2,168,883	$ -
Pension related items	226,981	52,367	279,348	156,484
OPEB related items	29,703	6,117	35,820	18,317
Total deferred outflows of resources	$ 2,425,567	$ 58,484	$ 2,484,051	$ 174,801
LIABILITIES				
Current liabilities:				
Accounts payable	$ 1,063,193	$ 20,554	$ 1,083,747	$ 15,567
Accrued liabilities	6,771	-	6,771	-
Amount held in escrow	-	96,036	96,036	-
Accrued interest payable	403,408	-	403,408	-
Customer deposits payable	306,006	-	306,006	-
Unearned revenue	555,572	-	555,572	-
General obligations bonds payable	2,006,922	-	2,006,922	-
Loans payable	10,626	-	10,626	-
Lease liability	189	228	417	-
Compensated absences	51,825	5,703	57,528	10,197
Total current liabilities	$ 4,404,512	$ 122,521	$ 4,527,033	$ 25,764
Noncurrent liabilities:				
General obligation bonds payable	$ 28,302,111	$ -	$ 28,302,111	$ -
Noncurrent loans payable	6,835	-	6,835	-
Compensated absences	466,432	51,324	517,756	273,280
Net OPEB liabilities	121,188	43,740	164,928	69,278
Net pension liability	124,680	28,765	153,445	85,956
Total noncurrent liabilities	$ 29,021,246	$ 123,829	$ 29,145,075	$ 428,514
Total liabilities	$ 33,425,758	$ 246,350	$ 33,672,108	$ 454,278
DEFERRED INFLOWS OF RESOURCES				
Pension related items	$ 103,730	$ 23,931	$ 127,661	$ 71,513
OPEB related items	33,464	12,294	45,758	18,413
Total deferred inlows of resources	$ 137,194	$ 36,225	$ 173,419	$ 89,926
NET POSITION				
Net investment in capital assets	$ 1,157,852	$ 1,345,335	$ 2,503,187	$ 51,062
Restricted - Capital projects	-	-	-	56,212
Restricted - OPEB asset	3,413	392	3,805	1,328
Unrestricted (deficit)	10,891,404	5,634,435	16,525,839	224,004
Total net position (deficit)	$ 12,052,669	$ 6,980,162	$ 19,032,831	$ 332,606

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

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

	Enterprise Funds			Internal
	Public Utilities	**Stormwater**	**Total**	**Service Funds**
Operating revenues:				
Charges for services	$ 6,604,108	$ 1,645,733	$ 8,249,841	$ 2,628,850
Connection fees	2,484,980	-	2,484,980	-
Other revenue	543,064	3,911	546,975	-
Total operating revenues	$ 9,632,152	$ 1,649,644	$ 11,281,796	$ 2,628,850
Operating expenses:				
Personnel services	$ 1,374,250	$ 454,039	$ 1,828,289	$ 761,011
Fringe benefits	477,466	153,135	630,601	296,611
Contractual services	78,261	61,549	139,810	653,570
Purchases	5,744,500	-	5,744,500	-
Other charges	1,929,591	142,448	2,072,039	749,781
Depreciation and amortization	1,394,053	99,123	1,493,176	54,773
Total operating expenses	$ 10,998,121	$ 910,294	$ 11,908,415	$ 2,515,746
Operating income (loss)	$ (1,365,969)	$ 739,350	$ (626,619)	$ 113,104
Nonoperating revenues (expenses):				
Miscellaneous	$ 960,000	$ -	$ 960,000	$ -
Rental Income	33,601	-	33,601	-
Loss on disposal of capital assets	(88,190)	-	(88,190)	-
Interest and fiscal charges	(827,172)	(8)	(827,180)	(44)
Total nonoperating revenues (expenses), net	$ 78,239	$ (8)	$ 78,231	$ (44)
Transfers in	$ 8,400,202	$ -	$ 8,400,202	$ -
Transfers (out)	(960,000)	-	(960,000)	-
Change in net position	$ 6,152,472	$ 739,342	$ 6,891,814	$ 113,060
Net position - beginning of year	$ 6,276,227	$ 6,267,272	$ 12,543,499	$ 460,844
Restatement	(376,030)	(26,452)	(402,482)	(241,298)
Net position - beginning of year, as restated	$ 5,900,197	$ 6,240,820	$ 12,141,017	$ 219,546
Net position, end of year	$ 12,052,669	$ 6,980,162	$ 19,032,831	$ 332,606

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

Statement of Cash Flows -
Proprietary Funds
For the Year Ended June 30, 2025

	Enterprise Funds			Internal
	Public Utilities	Stormwater	Total	Service Funds
Cash flows from operating activities:				
Received from customers and users	$ 9,338,442	$ 1,646,795	$ 10,985,237	$ 2,713,044
Payments to suppliers for goods and services	(7,627,647)	(167,439)	(7,795,086)	(1,404,552)
Payments for salaries and fringe benefits	(1,845,318)	(619,301)	(2,464,619)	(1,181,440)
Net cash provided by (used for) operating activities	$ (134,523)	$ 860,055	$ 725,532	$ 127,052
Cash flows from capital financing activities:				
Rental Income	$ 33,601	$ -	$ 33,601	$ -
Transfer out	(960,000)	-	(960,000)	-
Transfers In	8,400,202	-	8,400,202	-
Net cash provided by (used for) capital and related financing activities	$ 7,473,803	$ -	$ 7,473,803	$ -
Cash flows from investing activities:				
Acquisition of capital assets	$ (1,315,259)	$ -	$ (1,315,259)	$ -
Principal payments on loans payable	(34,678)	-	(34,678)	(5,103)
Principal payments on bonds	(1,940,478)	-	(1,940,478)	-
Principal payments on leases and subscription liabilities	(37,568)	(1,360)	(38,928)	-
Interest and fiscal charges	(745,836)	(8)	(745,844)	(53)
Miscellaneous	960,000	-	960,000	-
Net cash provided by (used for) investing activities	$ (3,113,819)	$ (1,368)	$ (3,115,187)	$ (5,156)
Change in cash and cash equivalents	$ 4,225,461	$ 858,687	$ 5,084,148	$ 121,896
Cash and cash equivalents - beginning	7,679,910	4,944,446	12,624,356	525,609
Cash and cash equivalents - ending	$ 11,905,371	$ 5,803,133	$ 17,708,504	$ 647,505
Reconciliation of operating income (loss) to net cash provided by (used for) operating activities:				
Operating income (loss)	$ (1,365,969)	$ 739,350	$ (626,619)	$ 113,104
Adjustments to reconcile net cash provided by (used for) operating activities:				
Depreciation	1,394,053	99,123	1,493,176	54,773
Change in:				
Accounts receivable - net of allowance	(885,122)	(2,849)	(887,971)	84,194
Inventories	(663)	-	(663)	-
Net OPEB asset	(1,684)	(130)	(1,814)	(664)
Deferred outflows of resources - Pension and OPEB related items	(106,657)	(190)	(106,847)	(64,307)
Accounts payable	126,528	(22,154)	104,374	(863)
Accrued liabilities	(1,160)	-	(1,160)	(338)
Amounts held in escrow	-	58,712	58,712	-
Customer deposits payable	52,228	-	52,228	-
Unearned revenue	539,184	-	539,184	-
Net pension liability	20,124	(13,045)	7,079	7,177
Net OPEB liability	(1,984)	(10,301)	(12,285)	(5,966)
Deferred inflows of resources - Pension and OPEB related items	33,616	(6,583)	27,033	18,691
Compensated absences	62,983	18,122	81,105	(78,749)
Net cash provided by (used for) operating activities	$ (134,523)	$ 860,055	$ 725,532	$ 127,052

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

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FIDUCIARY FUNDS

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Statement of Fiduciary Net Position - Fiduciary Funds
June 30, 2025

		Custodial Funds
		Special Welfare
ASSETS		
Cash and cash equivalents	$	28,421
Total assets	$	28,421
NET POSITION		
Restricted for:		
Individuals, organizations, and other governments	$	28,421
Total net position	$	28,421

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

Statement of Changes in Fiduciary Net Position
For the Year Ended June 30, 2025

	Custodial Funds Special Welfare
Additions	
Contributions	$ 24,981
Investment earnings	
Interest and dividends	478
Total Additions	$ 25,459
Deductions	
Recipient payments	$ 60,758
Total deductions	$ 60,758
Net increase (decrease) in fiduciary net position	$ (35,299)
Net position, beginning	$ 63,720
Net position, ending	$ 28,421

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

Note 1—Summary of Significant Accounting Policies:

The County of Isle of Wight, Virginia is a municipal corporation governed by an elected five-member Board of Supervisors. The County provides a full range of services for its citizens. These services include police and fire protection, general services, community development, sanitation services, recreational activities, cultural events, education and social services.

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

A. Financial Reporting Entity

The basic criterion for determining whether a governmental department, agency, institution, commission, public authority, or other governmental organization should be included in the Primary Government's reporting entity for the basic financial statements is financial accountability. Financial accountability includes the appointment of a voting majority of the organization's governing body and the ability of the Primary Government to impose its will on the organizations or if there is a financial benefit/burden relationship. In addition, an organization which is fiscally dependent on the Primary Government should be included in its reporting entity. These financial statements present the County (the Primary Government) and its component units. Each discretely presented component unit is reported in a separate column in the basic financial statements to emphasize that it is legally separate from the government.

Discretely Presented Component Units

The *Isle of Wight County Public School Board* (School Board) members are elected by the citizens of the County of Isle of Wight. The School Board is responsible for the operations of the County's School System within the County boundaries. The School Board is fiscally dependent on the County. The County has the ability to approve its budget and any amendments. The primary funding sources for the School System is the General Fund of the County. The School Board does not issue a separate financial report. The financial statements of the School Board are presented as a discretely presented component of the County financial statements.

The Economic Development Authority of Isle of Wight County (EDA) was created by the Board of Supervisors and is responsible for industrial and commercial development in the County. The EDA consists of seven members appointed by the primary government's Board of Supervisors. The EDA is fiscally dependent on the County creating a financial benefit/burden relationship. The County Board of Supervisors can impose its will on the Authority. The financial statements of the EDA are presented as a discretely presented component of the County financial statements. The EDA does not issue a separate financial report.

B. Financial Reporting Model and basis of Presentation

Government-wide Financial Statements – The government-wide Statement of Net Position and Statement of Activities report the overall financial activity of the County, excluding fiduciary activities. Eliminations have been made to minimize the double-counting of internal activities of the County. These statements distinguish between the governmental and business-type activities of the County. Governmental activities are financed in whole or in part by fees charged to external parties.

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

B. Financial Reporting Model and basis of Presentation (continued)

The Statement of Activities presents a comparison between direct expenses and program revenues for the different business-type activities of the County and for each function of the County's governmental activities. Direct expenses are those that are clearly identifiable with a specific function. Program revenues include (a) 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.

As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements. Exceptions to this rule are other charges between the County's public utility function and various other functions of the County. Elimination of these charges would distort the direct costs and program revenues reported for the various functions.

Fund Financial Statements – The fund financial statements provide information about the County's funds, including its fiduciary funds. Separate statements for each fund category – governmental, proprietary, and fiduciary – are presented. The emphasis on fund financial statements is on major governmental and enterprise funds, each displayed in a separate column. All remaining governmental and enterprise funds are aggregated and reported as nonmajor funds.

Proprietary fund operating revenues, such as charges for services, result from exchange transactions associated with the principal activity of the fund. Exchange transactions are those in which each party receives and gives up essentially equal values. Nonoperating revenues, such as subsidies and investment earnings, result from nonexchange transactions or ancillary activities.

The County reports the following major governmental funds:

General – This is the County's primary operating fund. It accounts for all financial resources of the County, except those required to be accounted for in another fund. Revenues are derived primarily from the property and other local taxes, state and federal distributions, licenses, permits, charges for services, and interest income. The services which are administered by the County and accounted for in the General Fund include, among others, County Board, Finance, Administration, Public Safety, and General Services.

Capital Projects – Accounts for financial resources to be sued for the acquisition or construction of major capital facilities.

Debt Service – Accounts for resources to be used for repayments of principal and interest on the general long-term debt of the County.

The county reports two major proprietary funds, the Enterprise **Public Utilities Fund**, which provides water and sewer services for the County and the **Stormwater Fund** which provides stormwater services for the County.

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

B. Financial Reporting Model and basis of Presentation (continued)

The County reports two Internal Service Funds, the **Information Technology Fund**, which provides implementation and maintenance of the technology infrastructure and the **Risk Management Fund**, which finances property, workers' compensation, auto and general liability coverage.

Additionally, the County reports a **Fiduciary Fund**, Fiduciary Funds (Trust and Custodial Funds) account for assets held by the County in a trustee capacity or as custodian for individuals, private organization, other governmental units, or other funds. This includes Custodial Funds, which consist of the Special Welfare Fund. Fiduciary funds are not included in the government-wide statements.

C. Basis of Accounting

The government-wide, proprietary, and fiduciary fund financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded at the time liabilities are incurred, regardless of when the related cash flow takes place. Nonexchange transactions, in which the County gives (or receives) value without directly receiving (or giving) equal value in exchange, include property taxes, grants, entitlements, and donations. On an accrual basis, revenues from property taxes are recognized in the period for which the levy is intended to finance, which is the year in which the taxes are levied. Revenue from grants and other contributions are recognized in the fiscal year in which all eligibility requirements imposed by the provider have been met. Eligibility requirements include timing requirements, which specify the year when the resources are required to be used or the fiscal year when use is first permitted; matching requirements, in which the County must provide local resources to be used for a specified purpose; and expenditure requirements, in which the resources are provided to the County on a reimbursement basis.

Governmental funds 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 County considers revenues to be available if they are collected within 45 days of the end of the current fiscal period. Expenditures generally are recorded when the liability is incurred, as under accrual accounting. However, principal and interest on general long-term debt, claims and judgments, and compensated absences are recorded only when payment is due. General capital asset acquisitions are reported as expenditures in governmental funds. Proceeds of general long-term debt and acquisitions under loan financing agreements are reported as other financing sources. Significant revenue sources which are susceptible to accrual include property taxes, miscellaneous taxes, charges for services, grants, and investment income. All other revenue sources including fines and forfeitures, inspection fees, and recreation fees are considered to be measurable and available only when cash is received.

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

D. Cash and Cash Equivalents

The County's and School Board's cash and cash equivalents are stated at cost, which approximates fair value. Cash and cash equivalents include case on hand, demand deposits, and short-term investments with original maturities of three months or less from the date of acquisition. Deposit and investment instruments include certificates of deposit, savings accounts, money market funds, Virginia State Non-Arbitrage Program, bankers' acceptances, the Commonwealth Local Government Investment Pool (LGIP) and the United States (U.S.) government securities. Investments are generally on deposit with banks and savings and loan institutions and are collateralized under the provisions of the Virginia Security for Public Deposits Act, Section 2.1-359 et seq. Securities are help in safekeeping by the respective financial institutions. Investment income is reported in the same fund that reports the investment.

E. Prepaid Items

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both the government-wide and fund financial statements using the consumption method.

F. Investments

Investments for the Primary Government, as well as for its component units, are reported at fair value based upon quoted market prices.

G. Property Taxes

All property tax receivables are shown net of an allowance for uncollectible accounts. The County calculates its allowance for uncollectible accounts using historical collection data, specific account analysis and management's judgement.

The County bills and collects taxes and recognizes such taxes as revenues, when measurable and available in the governmental funds' financial statements and for the period in which they are levied for, in the government-wide financial statements property taxes, net of allowance for uncollectible amounts, not collected within 45 days after year end, are reflected as unavailable revenue in the governmental fund financial statements. Real property taxes are budgeted and billed to fund operations occurring within the year they are required to be paid. The County in 2015 changed the billing cycle for personal property tax to April with the first payment due June 5 and second payment due on December 5. The County bills and collects its own property taxes.

The County levies property taxes on the following schedule with due dates, collection dates and lien dates as shown.

	Real Property	Personal Property
Levy	January 1	January 1
Due Date	June 30/December 5 (50% each date)	June 30/December 5 (50% each date)
Lien Date	January 1	January 1

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

H. Connection Fees

Connection fees accounted for in the Public Utilities Fund represent charges to new customers for their fair share of the capital cost of the system already in place and/or the cost of increasing the capacity of the system to meet the additional demand created by the connection of new customers.

I. Unbilled Utility Receivables

Estimated water sales for water usage prior to year-end that are unbilled are recognized as current year revenues and are included in utility receivables.

J. Internal and Intra-Entity Activity

The County has the following types of interfund transactions:

Loans - Interfund loan amounts are provided with a requirement for repayment. Interfund loans are reported as interfund receivables (i.e. due from other funds) in lender funds and interfund payables (i.e. due to other funds) in borrower funds.

Services provided and used – Sales and purchases of goods and services between funds for a price approximate their external exchange value. Interfund services provided and used are reported as revenues in seller funds and expenditures or expenses in purchaser funds. Unpaid amounts are reported as interfund receivables and payables in the fund balance sheets or fund statements of net position.

Reimbursements - Repayments are from the funds responsible for particular expenditures or expenses to the funds that initially paid for them. Reimbursements are reported as expenditures in the reimbursing fund and as a reduction of expenditures in the reimbursed fund.

Transfers - Transfers are flows of assets (such as cash or goods) without equivalent flows of assets in return and without a requirement for repayment. In governmental funds, transfers are reported as other financing uses in the funds making transfers and as other financing sources in the funds receiving transfers. In proprietary funds, transfers are reported after nonoperating revenues and expenses.

K. Inventory

Inventory of materials and supplies held for future use are stated at cost using the first-in, first-out method. Inventories of governmental funds are recorded as expenditures when consumed rather than when purchased.

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

L. Capital Assets

Purchased and leased capital assets include land and land improvements, buildings, and building improvements, equipment, vehicles and intangible assets. Any asset or group of assets acquired by the County are considered capital assets if they have an estimated useful life in excess of two years and an acquisition cost (or fair market value when received) of at least $5,000. Such assets are recorded at historical cost (or estimated historical cost) if constructed or purchased. Donated capital assets are recorded at acquisition value at the date of donation. The County does not have any infrastructure in its capital assets since, roads, streets, bridges and similar assets within its boundaries are the property of the Commonwealth of Virginia. Accumulated depreciation and amortization are reported as reductions of capital assets. There were no impaired assets at June 30, 2024.

The costs of normal maintenance and repairs not adding to the value of the asset or materially extending asset lives are not capitalized.

Major outlays for capital assets and improvements are capitalized as projects are constructed. Purchased and leased capital assets of the Primary Government, as well as the component units, are depreciated or amortized over their estimated useful lives using the straight-line method. The estimated useful lives applied to capital assets are as follows:

	Years
Buildings and building improvements	15-50
Land improvements	15-40
Equipment	5-20
Vehicles	5-16
Intangibles	3-7
Subscription assets	3-5
Lease - Equipment	2-5
Lease - Land	146

The intangible right-to-use lease assets and subscription-based IT assets are measured at the initial amount of the lease or subscription contract liability (i.e. present value of payments expected to be made during the term of the contract), less any payments made, or incentives received at or before the contract commencement date, plus any initial direct costs ancillary to placing the underlying asset in service. The lease and subscription assets are amortized using the straight-line method over the term of the lease or subscription agreement.

M. Compensated Absences

The County recognizes a liability for compensated absences for leave time that (1) has been earned for services previously rendered by employees, (2) accumulates and is allowed to be carried over to subsequent years, and (3) is more likely than not to be used as time off or settled (for example paid in cash to the employee or payment to an employee flex spending account) during or upon separation from employment. Based on the criteria listed, two types of leave qualify for liability recognition for compensated absences – vacation and sick leave. The liability for compensated absences is reported as incurred in the government-wide and proprietary fund financial statements. A liability for compensated absences is recorded in the governmental funds only if the liability has matured because of employee resignations or retirements. The liability for compensated absences includes salary-related benefits, where applicable.

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

N. Expenditure Recognition

The County uses the purchase method to account for health insurance payments. The July premiums are included in the current fiscal year's operating budget. Therefore, the July employer's portion of premiums submitted in June are reported as expenditures for the current period. Some payments for costs applicable to next fiscal year are recorded as prepaid items.

O. Bond Premiums, Discounts, and Deferred Gains and Losses on Refunding

In the government-wide and proprietary fund financial statements, bond premiums and discounts, as well as gains and losses on refunding, are deferred and amortized over the life of the bonds using the effective interest method. Bonds payable, are reported net of the applicable bond premium or discount.

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

Q. Deferred Outflows/Inflows of Resources

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. Deferred Outflows of Resources represents a consumption of net assets that applies to a future period and will not be recognized as an expense or expenditures until that time. In addition to liabilities, the statement of financial position includes a separate section for deferred inflows of resources. Deferred Inflows of Resources represents an acquisition of net assets that applies to a future period and will not be recognized as revenue until that time.

R. Pension

The Virginia Retirement System (VRS) County and School Board Non-Professional Plan is a multiple-employer agent plan. The VRS School Board Professional Retirement Plan is a multiple-employer cost-sharing plan. For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflow of resources related to pensions, and pension expense, information about the fiduciary net position of the County and School Board's Retirement Plans and the additions to/deductions from the County and School Board's Retirement Plans fiduciary net position have been determined on the same basis as they were reported by the Virginia Retirement System (VRS). For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

S. Other Postemployment Benefits (OPEB)

Medical Insurance Programs
The County and the IOW County Public Schools Medical Insurance Plans are single-employer plans administered by the County and the Schools. Experience gains or losses are amortized over the average working lifetime of all participants, which for the current period is six years. Plan amendments are recognized immediately. Changes in actuarial assumptions are amortized over the average working lifetime of all participants.

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

S. Other Postemployment Benefits (OPEB) (continued)

Group Life Insurance Program
The VRS Group Life Insurance Program (GLI) is a multiple employer, cost-sharing plan. It provides coverage to state employees, teachers, and employees of participating political subdivisions. The GLI was established pursuant to Section 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 GLI is a defined benefit plan that provides a basic GLI benefit for employees of participating employers. For purposes of measuring the total GLI OPEB liability, deferred outflows of resources and deferred inflows of resources related to the GLI OPEB, and GLI OPEB expense, information about the fiduciary net position of the VRS GLI OPEB and the additions to/deductions from the VRS GLI 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.

Health Insurance Credit Program
The County plan is a single employer plan for political subdivisions. The School Board professional HIC Program is a multiple employer, cost-sharing plan. The HIC programs were established pursuant to Section 51.1-1400 et seq. of the *Code of Virginia* as amended, and which provide the authority under which benefit terms are established or may be amended. For purposes of measuring the HIC Programs' total OPEB liability, deferred outflows of resources and deferred inflows of resources related to the HIC Programs' OPEB, and the HIC Programs' OPEB expense, information about the fiduciary net position of the HIC Programs, and the additions to/deductions from the HIC Programs' 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.

Virginia Local Disability Program
The County has three Virginia Local Disability Programs (VLDP) The first and second plans are the County and School Board non-professional plans, which are political subdivision employee plans. The third plan is the School Board professional plan, which is a teacher employee plan. The plans are multiple-employer, cost-sharing plans. For purposes of measuring the net VLDP OPEB liabilities, deferred outflows of resources and deferred inflows of resources related to the VLDP OPEB expenses, information about the fiduciary net position of the VLDP, and the additions to/deductions from the VLDPs' net fiduciary positions 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.

T. Net Position

In the government-wide proprietary fund financial statements, net position is displayed in three components as follows:

Net Investment in Capital Assets – This consists of capital assets, net of accumulated depreciation/amortization and reduced by outstanding balances of bonds, notes, and other debt that are attributable to the acquisition, construction, or improvement of those assets. Deferred outflows of resources and deferred inflows of resources that are attributable to the acquisition, construction, or improvement of those assets or related debt are included in this component of net position.

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

T. Net Position (continued)

Restricted – This consists of restricted assets reduced by related liabilities and deferred inflows of resources. Net position is reported as restricted when its use is constrained either externally by creditors, grantors, contributors, or laws or regulations of other governments, or be law through constitutional provisions or enabling legislation.

Unrestricted – This consists of the net amount of assets, deferred outflows of resources, liabilities, and deferred inflows of resources that is not included in either net investment in capital assets or restricted net position.

U. Fund Balance

In the fund financial statements, fund balances for governmental funds are reported in classifications that comprise a hierarchy based primarily on the extent to which the County is bound to honor constraints on the specific purpose for which amounts in the funds can be spent. Fund balances are reported in five components as follows:

Nonspendable – This component includes amounts that cannot be spent because they are either (a) not in spendable form or (b) legally or contractually required to be maintained intact.

Restricted – This component consists of amounts constrained to specific purposes by their providers (e.g. creditors, grantors, contributors, or laws or regulations of other governments) or by law through constitutional provisions or enabling legislation.

Committed – This component consists of amounts that can only be used for specific purposes pursuant to constraints imposed by formal action of the County's highest level of decision making authority, the County's Board of Supervisors, which is by board resolution. Those committed amounts cannot be used for any other purpose unless the County removes or changes the specified use by taking the same type of action (County resolutions) it employed previously to commit those amounts.

Assigned – This component consists of amounts that are constrained by the County's intent to be used for specific purposes but are neither restricted nor committed. The authority for assigning fund balance is expressed by the Board of Supervisors.

Unassigned – This classification represents amounts that have not been restricted, committed or assigned to specific purposes. Additionally, any deficit fund balance within the other governmental fund types in reported as unassigned.

When both restricted and unrestricted resources are available for use, it is the County's policy to use restricted resources (committed, assigned and unassigned) first, then unrestricted resources as they are needed.

V. Use of Estimates

The preparation of financial statements in conformity with U.S. generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenditures/expenses during the reporting period. Actual results could differ from those estimates.

Note 2—Deposits and Investments:

Cash and investments are held separately and in pools by several of the County's funds. The County maintains various cash and investment pools that are available for use by all funds. Income from pooled investments is allocated to the funds based on their proportional share of their investment balance.

A summary of deposits and investments help by the Primary Government at June 30, 2025 is as follows:

Deposits		
Demand deposits	$	6,984,945
Cash on hand		2,350
Investments		
LGIP		43,214,798
Zero coupon bond		2,176,767
SNAP		11,312,098
VIP Short Term		11,916,766
VIP Long Term		86,809
Total deposits and investments	$	75,694,533

Reconciliation to Statements of Net Position		
Government-wide:		
Cash and cash equivalents	$	62,118,859
Investments		13,575,674
Total deposits and investments	$	75,694,533

A. **Deposits**

All cash of the Primary Government and discretely presented component units is maintained in accounts collateralized in accordance with Virginia Security for Public Deposits Act (Act), a multiple financial institution collateral pool, Section 2.2-4400 et. Seq. of the *Code of Virginia* or covered by the Federal Depository Insurance Corporation (FDIC). Under the Act, Financial institutions, holding public deposits in excess of the amounts insured by FDIC must pledge collateral in the amount of 50% of excess deposits to a collateral pool in the name of the State Treasury Board, while savings and loan institutions are required to collateralize 100% of deposits in excess of FDIC limits. The State Treasury Board can access additional collateral from participating financial institutions to cover collateral shortfalls in the event of default and is responsible for monitoring compliances with the collateralization and reporting requirements of the Act and for notifying local governments of compliance by financial institutions. All funds, unless otherwise classified as restricted, are deposited into pooled bank accounts; the major account defined as the General Fund concentration account. As disbursements are made from the payroll, budget, and social services bank accounts, funds from the general fund concentration account are automatically transferred to those bank accounts to cover those disbursements on a daily basis. All cash classified as restricted is related to grantor or debtor requirements.

Note 2—Deposits and Investments (continued):

B. Investment Policy

In accordance with the *Code of Virginia* and other applicable law and regulations, the County's investment policy (Policy) permits investments in obligations of the U.S. government, an agency thereof, or government sponsored corporations; high quality commercial paper and bankers' acceptances; repurchase agreements and certificates of deposit of Virginia banks and savings institutions; and the Local Government Investment Poop (LGIP) and State Non-Arbitrage Program. The maximum percentage of the portfolio permitted in commercial paper is 35% and not more than 5% can be in commercial paper issued by one corporation.

The LGIP is an extremely managed investment pool that is not registered with the Securities Exchange Commission. Pursuant to the *Code of Virginia*, 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. The LGIP values portfolio securities by the amortized cost method and on a monthly basis this valuation is compared to current market to monitor any variance. The LGIP is in compliance with the requirements of GASB Statement 79 and elects to measure its investments at amortized cost for financial reporting. Therefore, participants (the County) in the LGIP should also measure their investments in the LGIP at amortized cost for financial reporting. The maturity of the LGIP is less than one year and classified as cash and cash equivalents.

The Virginia State Non-Arbitrage Program's (SNAP) Fund is a commingled investment program that operates in compliance with GASB 79 and that was authorized by the Government Non-Arbitrage Act in 1989 (*Code of Virginia* Section 2.2-4700 et. seq.). Virginia Snap and the SNAP Fund are administered by the Treasury Board of the Commonwealth of Virginia. Virginia SNAP offers several investment options, including the SNAP Fund, and arbitrage rebate reporting services that are specifically designed for the investment of tax-exempt bond proceeds.

The Virginia Investment Pool (VIP) is a commingled investment program organized as an external local government investment pool with oversight provided by a shareholder elected board of trustees. VIP offers a short-term daily liquidity pool (NAV), and a 1-3 Year High Quality Bond Fund (HQB) designed for the investment of longer-term monies that are not necessary for near term disbursement. VIP-NAV has a fund rating from S&P of AAAm. VIP-HQB has a bond fund rating from S&P of AA+f.

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Note 2—Deposits and Investments: (Continued)

C. Credit Risk

Credit risk is the risk that the County will not recover their investments due to the inability of the counterparty to fulfill its obligations. As required by state statute, the Policy requires commercial paper have a debt rating of no less than "A-1" (or its equivalent) from at least two of the following: Moody's, Duff and Phelps, Inc., Standard & Poor's and Fitch Investors' Service. Negotiable Certificates of Deposit and bank deposit notes maturing in less than one year must have a short-term debt rating of at least "A-1" by Standard and Poor's and "P-1" by Moody's Investor Services.

The Primary Government's investments are related by Standard & Poor's as follows:

County's Rated Debt Investments' Values

Rated Debt Investments	Fair Quality Ratings			
	AAAm	AA+f	AA+	Total
Primary Government:				
LGIP	$ 43,214,798	$ -	$ -	$ 43,214,798
Zero coupon bond	-	-	2,176,767	2,176,767
SNAP	11,312,098	-	-	11,312,098
VIP Investments	-	12,003,575	-	12,003,575
Total	$ 54,526,896	$ 12,003,575	$ 2,176,767	$ 68,707,238

D. Interest Rate Risk

Interest rate risk is the risk that the fair value of investments will decrease as a result of an increase in interest rates. As a means of limiting exposure to fair value losses arising from rising interest rates, the Policy limits the investment of operating funds to investments with a stated maturity of no more than two years from the date of purchase. The average maturity of the operating fund investment portfolio may not exceed 12 months. Proceeds from the sale of bonds must be invested in compliance with the specific requirements of the bond covenants and may be invested in securities with longer maturities.

Custodial Credit Risk (investments): This is the risk that in the event of the failure of the counterparty, the County will not be able to recover the value of investments or collateral securities that are in possession of an outside party.

Concentration of Credit Risk: Concentration of credit risk is defined as the risk of loss attributed to the magnitude of a government's investment in a single issuer. If certain investments in any one issuer represent 5 percent of total investments, there must be a disclosure for the amount and issuer. Investments issued or explicitly guaranteed by the U.S. Government and investments in mutual funds, external investment pools, and other pooled investments are excluded from this requirement, therefore, concentration of credit risk does not apply to the LGIP or SNAP.

Note 2—Deposits and Investments: (Continued)

D. Interest Rate Risk (continued)

The Primary Government had the following investments and maturities:

Investment Maturities (in years)			
Investment Type	**Fair Value**	**Less Than 1 Year**	**1-5 Years**
Primary Government:			
LGIP	$ 43,214,798	$ 43,214,798	$ -
Zero coupon bond	2,176,767	-	2,176,767
SNAP	11,312,098	11,312,098	-
VIP Short Term	11,916,766	11,916,766	-
VIP Long Term	86,809	-	86,809
Total	$ 68,707,238	$ 66,443,662	$ 2,263,576

E. Fair Value

The County 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. 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 County has the following recurring fair value measurement as of June 30, 2025.

- U.S. Treasury Zero Coupon bond of $2,176,767 is valued using a matrix pricing model (Level 2 inputs).
- VIP Short Term and Long Term of $12,003,575 is typically measured at the net asset value (NAV) not required to be in fair value (FV) hierarchy.

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Note 3—Due from Other Governments

The County and School Board had receivables from other governments as follows:

	Primary Government				
	General Fund	Capital Projects Fund	Nonmajor Governmental Funds	Total	Component Unit School Board
Amounts due from other governments are as follows:					
Commonwealth of Virginia:					
Operating grants	$ 78,946	$ -	$ 317,412	$ 396,358	$ 93,604
Compensation Board	274,481	-	-	274,481	-
Social Services	-	-	19,584	19,584	-
Children's Services	-	-	124,459	124,459	-
Communication tax	137,961	-	-	137,961	-
Sales and Use Tax	452,390	-	-	452,390	1,473,758
Motor Home	10,918	-	-	10,918	-
James River JDC	12,883	-	-	12,883	-
Federal Government	-	1,038,389	198,914	1,237,303	850,432
Town of Smithfield	306,058	-	-	306,058	-
Totals	$ 1,273,637	$ 1,038,389	$ 660,369	$ 2,972,395	$ 2,417,794

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Note 4—Interfund Balances and Activity

A. Interfund Balances

These balances result from operating transactions between funds and are repaid during the next fiscal year within the normal course of business. The following balance at June 30, 2024, represents amounts due to/from other funds, consisted of the following:

Primary Government:

Fund	Due from	Due to
General Fund	$ 62,520	$ 614,814
Special Revenue - Department of Social Services	614,814	-
Special Revenue - E911 Fund	-	62,520
Total Primary Government	$ 677,334	$ 677,334

Component Unit-School Board:

Fund	Due from	Due to
School Operating Fund	$ 837,587	$ 2,127,617
School Grants Fund	-	52,817
School Health Benefits Fund	1,976,728	-
School Capital Projects Fund	49,464	-
School Textbook Fund	101,425	-
School Cafeteria Fund	-	784,770
Total Component Unit-School Board	$ 2,965,204	$ 2,965,204

Note: Represents the reclass of cash deficits in the nonmajor governmental funds due to the General Fund and a reduction of cash in the General Fund.

B. Interfund Transfers

Interfund transfers are intended to support the functions provided by the recipient fund. Transfers to the Grant, CSA and Social Services funds provide grant match and program funding. Transfers to the E911 Fund include statutory contributions from restricted funding sources as well as required percent of operating support to the E911 system. The General Fund also contributes to the county’s Public Utilities system for operating and capital. Transfers to the Internal Service funds for services outside of those reported as charges for services are rare but would generally be to fund a shortfall or special project or purchase.

Note 4—Interfund Balances and Activity (continued)

B. Interfund Transfers (continued)

Interfund transfers for the year ended June 30, 2025, were as follows:

Primary Government

Fund	Transfers In	Transfers Out
Governmental Funds		
General Fund	$ 304,574	$ 17,428,389
Capital Projects Fund	6,854,550	-
Debt Service Fund	511,764	945,608
Department of Social Services	1,800,000	-
Children's Services Act Fund	406,000	-
E911 Fund	1,375,595	-
Grants Fund	52,171	370,859
	$ 11,304,654	18,744,856
Enterprise Funds		
Public Utilities	$ 8,400,202	960,000
	$ 8,400,202	$ 960,000
Total	$ 19,704,856	$ 19,704,856

Component Unit-School Board

Fund	Transfers In	Transfers Out
School Operating Fund	$ 136	$
School Grants Fund	-	136
Total	$ 136	136

Note 5—Receivables:

A. Advance to Component Unit - Industrial Development Authority (EDA)

On September 2012, the County advanced $500,000 to the Industrial Development Authority to purchase parcels of land for future development. In January 2014, a payment of $125,000 was made towards the outstanding receivable by Johnson Development Associates. Repayment of this note was to be made within 30 days of the sale of any property owned by the IDA (now EDA). Property has been sold by the EDA and repayment to the County of $375,000 was made. The outstanding principal balance of the note as of June 30, 2024, is $0.

Note 5—Receivables (continued):

B. Loan Receivable

On January 2023, the County entered into a 120-month note with Ragged Island Oysters for the purchase of property located on Carrollton Blvd (formerly known as the Stoup Property). The purchase price of the property was $100,000. In January 2023 a $10,000 payment was made towards the outstanding receivable. The repayment of the sum of $90,000 together with 3.00% interest is payable in monthly installments of $869.05 beginning January 25, 2023. The outstanding principal balance as of June 30, 2025, is $70,658.

Fiscal Year	Principal Payments	Interest Payments	Total Payments
2026	8,424	2,004	10,428
2027	8,680	1,748	10,428
2028	8,944	1,484	10,428
2029	9,216	1,212	10,428
2030	9,496	932	10,428
2031-2033	25,898	5,386	31,284
Total	$ 70,658	$ 12,766	$ 83,424

C. Leases Receivable

Primary Government – Governmental Activities

On July 1, 2021, Isle of Wight County, VA, entered into a 510-month lease as Lessor for the use of parking space. An initial lease receivable was recorded in the amount of $46,752. As of June 30, 2025, the value of the lease receivable is $43,579. The lessee is required to make annual fixed payments of $1,814. The lease has an interest rate of 2.5830%. The value of the deferred inflow of resources as of June 30, 2025, was $42,352, and Isle of Wight County recognized lease revenue of $1,100 during the fiscal year. The lessee has one extension option for 300 months.

On January 1, 2022, Isle of Wight County, VA, entered into a 36-month lease as Lessor for the use of a parcel of land. An initial lease receivable was recorded in the amount of $3,260. As of June 30, 2025, the value of the lease receivable is $0. The lease has an interest rate of 0.8770%. The value of the deferred inflow of resources as of June 30, 2025 was $0, and Isle of Wight County recognized lease revenue of $543 during the fiscal year.

On July 1, 2021, Isle of Wight County, VA, entered into a 159-month lease as Lessor for the use of building space. An initial lease receivable was recorded in the amount of $2,224,065. As of June 30, 2025, the value of the lease receivable is $1,689,141. The lessee is required to make monthly fixed payments of $13,685. The lease has an interest rate of 1.8360%. The value of the deferred inflow of resources as of June 30, 2025 was $1,552,644, and Isle of Wight County recognized lease revenue of $167,857 during the fiscal year. The lessee has 2 extension options, each for 60 months.

Note 5—Receivables (continued):

C. **Leases Receivable (continued)**

On July 1, 2021, Isle of Wight County, VA, entered into a 975-month lease as Lessor for the use of building space. An initial lease receivable was recorded in the amount of $19,597. As of June 30, 2025, the value of the lease receivable is $18,814. The lessee is quired to make annual fixed payments of $563. The lease has an interest rate of 2.5830%. The value of the deferred inflows of resources as of June 30, 2025 was $18,632, and Isle of Wight County recognized lease revenue of $241 during the fiscal year. The lessee has one extension option for 600 months.

Expected future payments, which are included in the measurement of the lease receivable at June 30, 2025 are as follows:

Fiscal Year	Principal Payments	Interest Payments	Total Payments
2026	$ 162,700	$ 31,267	$ 193,967
2027	165,718	28,249	193,967
2028	168,792	25,175	193,967
2029	171,923	22,044	193,967
2030	185,439	18,791	204,230
2031 - 2035	843,210	41,093	884,303
2036 - 2040	5,200	6,685	11,885
2041 - 2045	5,907	5,978	11,885
2046 - 2050	6,710	5,174	11,884
2051 - 2055	7,623	4,262	11,885
2056 - 2060	8,659	3,225	11,884
2061 - 2065	6,162	2,094	8,256
2066 - 2070	1,125	1,690	2,815
2071 - 2075	1,278	1,537	2,815
2076 - 2080	1,451	1,364	2,815
2081 - 2085	1,649	1,166	2,815
2086 - 2090	1,873	942	2,815
2091 - 2095	2,128	687	2,815
2096 - 2100	2,417	398	2,815
2101 - 2103	1,570	119	1,689
Total	$ 1,751,534	$ 201,940	$ 1,953,474

Note 5—Receivables (continued):

C. Leases Receivable (continued)

Discretely Presented Component-Units- Economic Development Authority (EDA)

On July 1, 2021, Economic Development Authority entered into a 60-month lease as Lessor for the use of certain parcel of property. An initial lease receivable was recorded in the amount of $83,098. As of June 30, 2025, the value of the lease receivable is $31,950. The lessee is required to make annual fixed payments of $15,297.63. Additionally the payment amount is increased by three percent (3%) during each subsequent renewal term. The lease has an interest rate of 1.0590%. The value of the deferred inflow of resources as of June 30, 2025 was $21,218, and Economic Development Authority recognized lease revenue of $15,257 during the fiscal year. The lessee has 4 extension options, each for 12 months.

Expected future payments, which are included in the measurement of the lease receivable at June 30, 2025 are as follows:

Fiscal Year	Principal Payments	Interest Payments	Total Payments
2026	$ 15,891	$ 338	$ 16,229
2027	16,059	170	16,229
Total	$ 31,950	$ 508	$ 32,458

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Note 6—Noncurrent Assets:

The following is a summary of changes in capital assets:

Primary Government:	Balance July 1, 2024	Additions	Transfers	Deletions & Reclassifications	Balance June 30, 2025
Governmental activities					
Capital assets not subject to depreciation:					
Land	$ 11,802,676	$ -	$ -	$ -	$ 11,802,676
Intangibles	4,338,512	-	-	-	4,338,512
Construction in progress - county	4,875,562	1,600,514	-	(139,536)	6,336,540
Construction in progress - schools*	-	4,097,263		-	4,097,263
Total capital assets not subject to depreciation	21,016,750	5,697,777	-	(139,536)	26,574,991
Capital assets subject to depreciation:					
Buildings	$ 42,320,952	$ 201,341	$ -	$ -	$ 42,522,293
Land improvements	18,294,386	655,849	-	-	18,950,235
Equipment	15,320,466	391,415	-	(23,856)	15,688,025
Vehicles	7,384,063	1,441,875	-	(415,046)	8,410,892
Total capital assets being depreciated	$ 83,319,867	$ 2,690,480	$ -	$ (438,902)	$ 85,571,445
Less - accumulated depreciation					
Buildings	$ 13,939,108	$ 827,102	$	$ -	$ 14,766,210
Land improvements	8,097,809	931,625	-	-	9,029,434
Equipment	8,276,803	1,268,650	-	(23,856)	9,521,597
Vehicles	4,341,356	1,016,059	-	(327,184)	5,030,231
Total accumulated depreciation	$ 34,655,076	$ 4,043,436	$ -	$ (351,040)	$ 38,347,472
Total capital assets being depreciated, net	$ 48,664,791	$ (1,352,956)	$ -	$ (87,862)	$ 47,223,973
Right to use assets being amortized:					
Subscription assets	$ 194,155	$ -	$ -	$ -	$ 194,155
Lease - Equipment	849,348	-	-	-	849,348
Lease - Land	204,012	-	-	-	204,012
Total right to use assets being amortized	$ 1,247,515	$ -	$ -	$ -	$ 1,247,515
Less - accumulated amortization:					
Subscription assets	$ 51,156	$ 41,331	$ -	$ -	$ 92,487
Lease - Equipment	287,017	179,577	-	-	466,594
Lease - Land	4,119	1,398	-	-	5,517
Total accumulated amortization	$ 342,292	$ 222,306	$ -	$ -	$ 564,598
Total right to use assets being amortized - net	$ 905,223	$ (222,306)	$ -	$ -	$ 682,917
Governmental activities capital assets, net	$ 70,586,764	$ 4,122,515	$ -	$ (227,398)	$ 74,481,881

Depreciation expense was charged to functions of the Primary Government as follows:

Governmental activities:	Depreciation	Amortization	Total
General government	$ 279,199	$ 84,184	$ 363,383
Judicial	295,714	-	295,714
Public safety	2,014,038	138,122	2,152,160
Public works	269,283	-	269,283
Health and welfare	104,159	-	104,159
Parks, recreation and cultural	947,396	-	947,396
Community development	47,058	-	47,058
Internal Service Fund	86,589	-	86,589
Total depreciation expense - governmental activities	$ 4,043,436	$ 222,306	$ 4,265,742

Tenancy In Common

Note 6—Capital Assets (continued):

GS. Sec. 15.2-1800.1 of the *Code of Virginia* provides that whenever a locality has incurred a financial obligation of a public school that is payable over more than one fiscal year, to fund the acquisition, construction or improvement of public school property, the local governing body of the locality shall be deemed to have acquired title to the public school as a tenant in common for the term of the obligation. The code further provides that a local governing body may elect not to acquire tenancy in common to some or all of the public-school property in its locality, by adopting a resolution declining such tenancy in common for current and future financial obligations.

The Board of Supervisors determined that for accounting and audit purposes it is in the best interest of the County to decline to claim such tenancy in common to all of the public-school property in the County. This was adopted by the Board of Supervisors on June 15, 2022.

The County transfers public school assets to the School Board when the asset has been put into service.

Primary Government (continued):

	Balance July 1, 2024	Transfers	Additions	Deletions & Reclassifications	Balance June 30, 2025
Business-type activities:					
Capital assets not being depreciated:					
Land	$ 633,693	$ -	$ -	$ (85,000)	$ 548,693
Construction in progress	10,465,783	-	339,716	(8,470,262)	2,335,237
Total capital assets not being depreciated	$ 11,099,476	$ -	$ 339,716	$ (8,555,262)	$ 2,883,930
Capital assets being depreciated:					
Buildings	$ 11,645,449	$ -	$ 8,915,262	$ (29,000)	$ 20,531,711
Land improvements	25,484,547	-	14,050	-	25,498,597
Equipment	3,409,074	-	516,493	-	3,925,567
Vehicles	791,298	-	-	(42,250)	749,048
Total capital assets being depreciated	$ 41,330,368	$ -	$ 9,445,805	$ (71,250)	$ 50,704,923
Less - accumulated depreciation:					
Buildings	$ 5,198,778	$ -	$ 461,515	$ (25,810)	$ 5,634,483
Land improvements	14,398,979	-	613,527	-	15,012,506
Equipment	1,370,982	-	322,746	-	1,693,728
Vehicles	573,885	-	57,105	(42,250)	588,740
Total accumulated depreciation	$ 21,542,624	$ -	$ 1,454,893	$ (68,060)	$ 22,929,457
Total capital assets being depreciated - net	$ 19,787,744	$ -	$ 7,990,912	$ (3,190)	$ 27,775,466
Right to use assets being amortized:					
Subscriptions assets	$ 100,367	$ -	$ -	$ -	$ 100,367
Lease-Equipment	10,237	-	-	-	10,237
Lease-Buildings	25,781	-	-	(25,781)	-
Total capital assets being amortized	$ 136,385	$ -	$ -	$ (25,781)	$ 110,604
Less - accumulated amortization:					
Subscription assets	$ 65,611	$ -	$ 33,455	$ -	$ 99,066
Lease- Equipment	7,289	-	2,430	-	9,719
Lease- Buildings	23,383	-	2,398	(25,781)	-
Total accumulated amortization	$ 96,283	$ -	$ 38,283	$ (25,781)	$ 108,785
Total right to use assets being amortized - net	$ 40,102	$ -	$ (38,283)	$ -	$ 1,819
Business-type activities capital assets - net	$ 30,927,322	$ -	$ 8,292,345	$ (8,558,452)	$ 30,661,215

Note 6—Capital Assets: (continued)

Depreciation expense was charged to Public Utility and Stormwater as follows:

Business-type activities:	Depreciation	Amortization	Total
Public Utility	$ 1,357,099	$ 36,954	$ 1,394,053
Stormwater	97,794	1,329	99,123
Total depreciation expense - Business-type activities	$ 1,454,893	38,283	1,493,176

Component Unit - School Board

	Balance July 1, 2024	Additions	Deletions & Reclassifications	Balance June 30, 2025
Capital assets not being depreciated				
Land	$ 1,767,747	$ -	$ -	$ 1,767,747
Construction in progress	925,257	-	(925,257)	-
Total capital assets not being depreciated	$ 2,693,004	$ -	$ (925,257)	$ 1,767,747
Capital assets being depreciated				
Buildings and improvements	$ 160,526,777	$ 2,220,025	$ (716,283)	$ 162,030,519
Land improvements	5,107,536	1,487,083	(185,672)	6,408,947
Equipment	22,192,534	1,591,053	(9,614)	23,773,973
Vehicles	8,048,831	923,866	-	8,972,697
Total capital assets being depreciated	$ 195,875,678	$ 6,222,027	$ (911,569)	$ 201,186,136
Less - accumulated depreciation				
Buildings and improvements	$ 57,744,674	$ 3,306,161	$ (709,153)	$ 60,341,682
Land improvements	3,158,891	202,771	(161,735)	3,199,927
Equipment	14,512,911	924,451	(5,875)	15,431,487
Vehicles	5,532,385	469,599	-	6,001,984
Total accumulated depreciation	$ 80,948,861	$ 4,902,982	$ (876,763)	$ 84,975,080
Total capital assets being depreciated - net	$ 114,926,817	$ 1,319,045	$ (34,806)	$ 116,211,056
Right to use assets being amortized:				
Lease - Equipment	$ 823,845	$ 181,883	$ -	$ 1,005,728
Subscription assets	34,731	-	-	34,731
Total right to use assets being amortized	$ 858,576	$ 181,883	$ -	$ 1,040,459
Less - accumulated amortization:				
Lease - Equipment	$ 305,863	$ 151,893	$ -	$ 457,756
Subscription assets	11,577	11,577	-	23,154
Total accumulated amortization	$ 317,440	$ 163,470	$ -	$ 480,910
Total right to use assets being amortized - net	$ 541,136	$ 18,413	$ -	$ 559,549
School Board capital assets - net	$ 118,160,957	$ 1,337,458	$ (960,063)	$ 118,538,352

Depreciation and amortization expense was charged to functions of the School Board as follows:

Discretely Presented Component Unit - School Board:	Depreciation	Amortization	Total
Instructional services	$ 527,185	$ -	$ 527,185
Administration, attendance and health services	96,038	-	96,038
Food service	48,020	-	48,020
Pupil Transportation	367,970	-	367,970
Operations and maintenance	257,209	-	257,209
Facilities	3,606,560	163,470	3,770,030
Total depreciation expense - school board	$ 4,902,982	$ 163,470	$ 5,066,452

Note 6—Capital Assets: (continued)

Component Unit - Economic Development Authority

	Balance July 1, 2024	Additions	Deletions/ Transfers	Balance June 30, 2025
Capital assets not being depreciated:				
Land	$ 270,784	$ -	$	$ 270,784
Total capital assets not being depreciated	$ 270,784	$ -	$ -	$ 270,784
Capital assets being depreciated:				
Buildings	$ 34,000	$ -	$ -	$ 34,000
Land improvements	4,760,733	-	-	4,760,733
Total capital assets subject to depreciation	$ 4,794,733	$ -	$ -	$ 4,794,733
Less - accumulated depreciation:				
Buildings	$ 10,540	$ 680	$	$ 11,220
Land improvements	3,551,585	238,463		3,790,048
Total accumulated depreciation	$ 3,562,125	$ 239,143	$ -	$ 3,801,268
Total capital assets being depreciated, net	$ 1,232,608	$ (239,143)	$ -	$ 993,465
EDA capital assets - net	$ 1,503,392	$ (239,143)	$ -	$ 1,264,249

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Note 7—Long-Term Obligations:

The following is a summary of changes in long-term obligations for the fiscal year ended June 30, 2025:

	Balance July 1, 2024	Restatement	Restated Balance July 1, 2024	Increases	Decreases	Balance June 30, 2025	Due Within One Year
Governmental Activities:							
General obligation bonds	$ 121,927,984	$ -	$ 121,927,984	$ 6,920,000	$ (7,597,922)	$ 121,250,062	$ 8,450,243
Bond premiums	7,691,884	-	7,691,884	752,899	(472,530)	7,972,253	483,860
Subtotal	$ 129,619,868	$ -	$ 129,619,868	$ 7,672,899	$ (8,070,452)	$ 129,222,315	$ 8,934,103
PACE program liability	4,326,512	-	4,326,512	-	-	4,326,512	-
Loans payable	1,786,797	-	1,786,797	893,227	(721,260)	1,958,764	661,794
Lease liabilities	704,353	-	704,353	-	(187,126)	517,227	154,232
Subscription Liabilities	135,244	-	135,244	-	(39,808)	95,436	29,361
Compensated absences*	2,430,478	5,220,499	7,650,977	-	(269,635)	7,381,342	738,134
Landfill closure costs	1,963,743	-	1,963,743	42,305	-	2,006,048	-
Net OPEB liability	1,910,519	-	1,910,519	542,341	(636,825)	1,816,035	-
Net pension liability	1,859,755	-	1,859,755	8,983,012	(8,805,612)	2,037,155	-
Total Governmental Activities	$ 144,737,269	$ 5,220,499	$ 149,957,768	$ 18,133,784	$ (18,730,718)	$ 149,360,834	$ 10,517,624
Business-type Activities							
General obligation bonds	$ 30,498,253	$ -	$ 30,498,253	$ -	$ (1,845,735)	$ 28,652,518	$ 1,912,180
Bond premiums	1,751,258	-	1,751,258	-	(94,743)	1,656,515	94,742
Subtotal	$ 32,249,511	$ -	$ 32,249,511	$ -	$ (1,940,478)	$ 30,309,033	$ 2,006,922
Loans payable	52,139	-	52,139	-	(34,678)	17,461	10,626
Lease liability	4,899	-	4,899	-	(4,482)	417	417
Subscription liability	34,446	-	34,446	-	(34,446)	-	-
Compensated absences*	91,697	402,482	494,179	81,105	-	575,284	57,528
Net OPEB liability	177,213	-	177,213	49,254	(61,539)	164,928	-
Net pension liability	146,366	-	146,366	542,132	(535,053)	153,445	-
Total Business-type Activities	$ 32,756,271	$ 402,482	$ 33,158,753	$ 672,491	$ (2,610,676)	$ 31,220,568	$ 2,075,493
Discretely Presented Component Units - School Board							
Direct Borrowings	$ 4,766,013	$ -	$ 4,766,013	$ 675,400	$ (657,086)	$ 4,784,327	$ 590,238
Lease liabilities	527,938	-	527,938	181,883	(149,521)	560,300	139,215
Subscription liability	21,319	-	21,319	-	(10,240)	11,079	11,079
Compensated absences*	702,457	430,326	1,132,783	180,170	-	1,312,953	131,295
Net OPEB liability	10,246,743	-	10,246,743	2,083,170	(2,724,048)	9,605,865	-
Net pension liability	38,318,435	-	38,318,435	15,737,259	(18,821,835)	35,233,859	-
Total School Board	$ 54,582,905	$ 430,326	$ 55,013,231	$ 18,857,882	$ (22,362,730)	$ 51,508,383	$ 871,827

The County's outstanding bonds, PACE Program, loans payable, lease liabilities, and subscription liabilities related to governmental activities and business-type activities of $136,120,254 and $30,326,911, respectively, contain an event of default clause that changes the timing of repayment of outstanding amounts to become immediately due if the County is unable to make payment or does not make payment either by refusal or non-appropriation.

The School Board's outstanding direct borrowings, lease liabilities, and subscription liabilities related to educational activities of $5,355,706, contain an event of default clause that changes the timing of repayment of outstanding amounts to become immediately due if the School Board is unable to make payment or does not make payment either by refusal or non-appropriation.

Note 7—Long-Term Obligations: (continued)

A. General Obligation Bonds

The government issues general obligation bonds to provide funds for the acquisition and construction of major capital facilities. General obligation bonds have been issued for both governmental and business-type activities and are direct obligations and pledge the full faith and credit of the government. These bonds are generally issued with varied amounts of principal maturing each year. No sinking fund covenants currently exist. General obligation bonds currently outstanding are as follows:

	Amount Outstanding
General Obligation Public Improvements Bonds, Series 2022	$ 16,955,000
On February 20, 2022, the County issued $16,955,000 in General Obligation Public Improvement Bonds to finance various capital projects and Hardy Elementary School for Isle of Wight County Schools. Interest on the bonds is due semi-annually at a rate of 2.25%-5.00% until maturity. These bonds were issued at a premium of $1,889,277 which is being amortized over the life of the bonds.	
General Obligation Public Improvement Refinding Bonds, Series 2020A	28,820,000
On October 27,2020, the county issued $32,020,000 in General Obligation Public Improvement Bonds to finance various capital projects and Hardy Elementary School for Isle of Wight County Public Schools. Interest on the bonds is due semi-annually at a rate of 2.00%-5.00% until maturity. These bonds were issued at a premium of $2,713,997 which is being amortized over the life of the bonds.	
General Obligation Public Improvement Bonds, Series 2020B	48,754,995
On October 27, 2020, the County issued $54,405,000 in General Obligation Public Improvement Refunding Bonds with a true interest cost of 1.96% to refund various bond series. In addition, a portion of the proceeds will be used to purchase United States Treasury Securities (State and Local Government Series (SLGS) which will be placed in an irrevocable trust together with an initial cash deposit to be used solely to refund the County's Series 2011A, Series 2012, Series2014A and Series 2014B. The refunding of the bonds resulted in a difference between the reacquisition price and the net carrying amount of the old debt of $7,169,281. This difference, reported in the accompanying government-wide financial statements is being amortized over the life of the new debt. The refunding resulted in an overall present value savings of $5,702,814 in debt service over the next 23 years. Interest is payable semi-annually commencing on January 1, 2021, at a rate which varies from 2.00-2.40%. These bonds were issued at a premium of $1,533,679 which is being amortized over the life of the bonds.	
General Obligation Public Improvement Refunding Bonds, Series 2017B	23,874,999
On September 21, 2017, the County issued $30,700,000 in General Obligation Public Improvement Refunding Bonds to advance refund Series 2010D and a portion of Series 2011A & 2012. Interest is payable semi-annually commencing on January 1, 2018, at a rate which varies from 3.00-5.00%. These bonds were issued at a premium of $4,324,168 which is being amortized over the life of the bonds	

Note 7—Long-Term Obligations: (continued)

A. General Obligation Bonds (continued)

VRA Refunding of Isle of Wight BAB Series 2010C, Series 2017C	6,365,000
On November 15, 2017, the Virginia Resources Authority (VRA) issued $9,260,000 of bonds to refund the Series 2010C (Taxable - Build America Bonds). A portion of the proceeds was used to purchase the Restricted Escrow Fund Securities and to provide the cash that will be placed in various escrow funds to refund the bonds. Interest is payable semi-annually commencing on July 1, 2018, at a rate which varies from 4.43% to 5.13%. These bonds were issued at a premium of $1,804,027 which is being amortized over the life of the bonds.	
General Obligation Public Improvement Bonds Series 2017	3,335,214
On May 5, 2017, the County issued $7,900,000 in General Obligation Public Improvement Bonds to finance various capital projects related to career and technical education for Isle of Wight County Schools. Interest on the bonds is due semi-annually at a rate of 2.4% until maturity.	
General Obligation Public Improvement Bonds Series 2016	1,707,372
On July 29, 2016, the County issued $8,000,000 in General Obligation Public Improvement Bonds, Series 2016 with a semi-annual interest payable at a rate of 1.651% over the life of the bond. The bonds were issued to finance the acquisition, construction and equipping of facilities and equipment related to public safety purposes and uses and to pay the cost of issuance.	
General Obligation Refunding Bonds of 2015 (tax exempt bonds)	11,920,000
On June 9, 2015, the County issued $17,395,000 in General Obligation Refunding Bonds with principal payable in various annual installments through 2031. Interest is payable semi-annually at a rate of 2.79% over the life of the bond. The bonds were used to advance refund prior issues.	
General Obligation Bonds of 2011 VPSA (tax exempt bonds)	1,250,000
$7,500,000 dated June 2011 with principal payable in various annual installments beginning June 2014 through June 2027. These bonds were obtained through the Virginia Public School Authority pooled Qualified School Construction Bonds (QSCB). The QSCBs are tax credit bonds such that the interest component of the bond is subject entirely to the federal subsidy reimbursement which offsets completely the interest on these bonds. The bonds are being used for the school construction and renovation projects.	
General Obligation Bonds of 2024 VPSA (tax exempt bonds)	6,920,000
$6,920,000 dated October 2024 with principal payable in various annual installments beginning July 2025 through July 2044. Interest is payable semi-annually at a rate of 3.875% over the life of the bond.	
Total General Obligation Bonds Outstanding	$ 149,902,580

Note 7—Long-Term Obligations: (continued)

A. General Obligation Bonds (continued)

Maturities of General Obligation Bonds, including future interest payments, are as follows:

Fiscal Year Ending June 30,	Governmental Activities		Business-type Activities		Totals	
	Principal	Interest	Principal	Interest	Principal	Interest
2026	$ 8,450,243	$ 3,749,645	$ 1,912,180	$ 772,708	$ 10,362,423	$ 4,522,353
2027	8,819,842	3,591,984	1,986,933	702,909	10,806,775	4,294,893
2028	7,810,812	2,962,594	2,165,856	629,015	9,976,668	3,591,609
2029	7,523,006	2,682,904	1,854,662	563,511	9,377,668	3,246,415
2030	7,838,811	2,415,971	1,855,241	512,392	9,694,052	2,928,363
2031-2035	31,201,669	8,562,147	8,558,331	1,866,184	39,760,000	10,428,331
2036-2040	27,690,811	4,841,763	8,364,189	896,236	36,055,000	5,737,999
2041-2045	18,129,868	1,693,782	1,955,126	113,029	20,084,994	1,806,811
2046-2047	3,785,000	80,772	-	-	3,785,000	80,772
Total	$ 121,250,062	$ 30,581,562	$ 28,652,518	$ 6,055,984	$ 149,902,580	$ 36,637,546

Debt service requirements for general obligation bonds are principally met by the General Fund. The Governmental Activities, including Landfill Closure will also be liquidated by the General Fund. Compensated Absences (except for School Board and Proprietary Funds) will be liquidated by the General Fund. Internal Service Funds predominantly serve the Governmental Funds. Accordingly, long-term obligations for them are included as part of the totals for Governmental Activities. The net pension liability and net OPEB liability are liquidated by the correlating funds in respect to the departmental costs and are reflected, based on allocation, on Internal Services Fund, Enterprise Funds and Entity-Wide Fund statements. Claims and Judgements are liquidated by the Risk Management Fund.

B. Refunded Debt

Defeased Obligations

In prior years, the County defeased certain bonds by placing the proceeds of new bonds in an irrevocable trust to provide for all future debt service payments on the old bonds. At June 30, 2025, the outstanding balance of the defeased debt, including current year defeased debt, is $47,813,366.

C. Purchase Agricultural Conservation Easement Program

On May 19, 2005, Board of Supervisors adopted an ordinance establishing the Purchase Agricultural Conservation Easement Program (PACE). The primary purpose of the ordinance is to promote and encourage the preservation of farmland in Isle of Wight County. Through PACE, the County acquires development rights in designated areas within the County through the purchase of agricultural land preservation easements. Landowners who meet certain eligibility criteria may sell an easement to the County while holding fee simple title to the land and continuing to farm. The County acquires development rights by executing installment purchase agreements with the landowners. These agreements provide for the payment of the principal balance to be paid in a single installment due approximately thirty years after execution of the agreement. Interest on the unpaid principal balance is payable semi-annually and interest expense was $209,836 for June 30, 2025.

Note 7—Long-Term Obligations (continued):

C. Purchase Agricultural Conservation Easement Program (continued)

These obligations are constituted within the meaning of Article VII, Section 10 of the Virginia Constitution and are general obligations of the County, pledging the full faith and credit and unlimited taxing power of the County. By policy, interest will be paid from a dedicated portion of real estate taxes with principal payments being made from a maturing zero coupon Treasury securities purchased from the dedicated portion of real estate taxes. At June 30, 2025, two installment purchase agreements totaling 619.08 acres at a total purchase price of $4,326,512 are outstanding.

The following is a summary of the repayment schedules:

Fiscal Year Ending June 30,	Governmental Activities Principal	Governmental Activities Interest
2026	$ -	$ 209,836
2027	-	209,836
2028	-	209,836
2029	-	209,836
2030	-	209,836
2031-2035	-	1,049,179
2036-2040	4,326,512	944,260
	$ 4,326,512	$ 3,042,619

D. Primary Government – Loans Payable

The County has eight financing purchase agreements for equipment resulting in loans payable. The interest rates on these loans range from 0.99% to 4.06%. The following is a summary of the repayment schedules:

Fiscal Year Ending June 30, 2025	Governmental Activities Principal	Governmental Activities Interest	Business-type Activities Principal	Business-type Activities Interest
2026	$ 661,794	$ 63,626	$ 10,626	$ 101
2027	555,292	44,958	6,835	34
2028	382,591	26,979	-	-
2029	272,529	12,108	-	-
2030	86,558	2,159	-	-
Total	$ 1,958,764	$ 149,830	$ 17,461	$ 135

Note 7—Long-Term Obligations (continued):

E. School Board – Component Unit

The School Board has two outstanding Direct Borrowing issues in the amount of $4,784,327.

In 2020, a Tax-Exempt $6,145,000 Series 2021 Truist Bank Direct Borrowing was issued with maturities ranging from $165,000 to $325,000. The Series 2021 Truist Bank Direct Borrowing was bank placed with Truist Bank and is repaid from the School Fund.

In 2024, Tax-Exempt $658,177 Series Teacher Laptop Laptops were issued with maturities ranging from $160,239 to $168,850. The Series Teacher Laptop Laptops were bank placed with Apple Inc and are repaid from the School Fund.

The following is a summary of the repayment schedules:

Fiscal Year	School Board - Component Unit	
Ending June 30,	Principal	Interest
2026	$ 590,238	$ 80,637
2027	623,109	70,241
2028	655,980	59,329
2029	520,000	47,902
2030	550,000	38,829
2031-2035	1,845,000	56,760
Total	$ 4,784,327	$ 353,698

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Note 7—Long-Term Obligations (continued):

F. Primary Government – Lease Liabilities

On July 1, 2021, Isle of Wight County entered into a 50-month lease as Lessee for the use of Xerox Copiers. An initial lease liability was recorded in the amount of $190,809. As of June 30, 2025, the value of the lease liability is $7,767. The County is required to make monthly fixed payments of $3,888. The lease has an interest rate of 0.8930%.

On July 1, 2021, Isle of Wight County entered into a 1752-month lease as Lessee for the use of a parcel of land. An initial lease liability was recorded in the amount of $193,555. As of June 30, 2025, the value of the lease liability is $194,048. Isle of Wight County is required to make annual fixed payments of $5,000. Additionally, the lease payments shall be increased to reflect a CPI adjustment which shall not exceed three percent (3%) for every five years of the Initial Term and any Renewal Terms, beginning July 1, 2022. The lease has an interest rate of 2.5830%. The County has 5 extension options, each for 300 months.

On July 26, 2021, Isle of Wight County entered into a 60-month lease as Lessee for the use of Axon Tasers. An initial lease liability was recorded in the amount of $163,184. As of June 30, 2025, the value of the lease liability is $35,544. The County is required to make annual fixed payments of $35,920.00. The lease has an interest rate of 1.0590%.

On July 1, 2022, Isle of Wight County entered into a 48-month lease as Lessee for the use of Flock Cameras. An initial lease liability was recorded in the amount of $118,963. As of June 30, 2025, the value of the lease liability is $29,901. The County is required to make annual fixed payments of $30,500.00. The lease has an interest rate of 2.0040%. The County has 1 extension option for 24 months.

On April 30, 2024, Isle of Wight County, VA entered into a 60 month lease as Lessee for the use of Pro-Vision- Bodycam Bundle. An initial lease liability was recorded in the amount of $165,526. As of June 30, 2025, the value of the lease liability is $99,641. Isle of Wight County, VA is required to make annual fixed payments of $34,980. The lease has an interest rate of 2.6360%.

On April 30, 2024, Isle of Wight County, VA entered into a 60 month lease as Lessee for the use of Pro-Vision- In-Car Video Systems Bundle. An initial lease liability was recorded in the amount of $250,418. As of June 30, 2025, the value of the lease liability is $150,744. Isle of Wight County, VA is required to make annual fixed payments of $52,920. The lease has an interest rate of 2.6360%.

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Note 7—Long-Term Obligations (continued):

F. Primary Government – Lease Liabilities (continued)

Principal and interest requirements to maturity for all Primary Government Lease obligations are as follows:

	Governmental Activities		
Fiscal Year	Principal Payments	Interest Payments	Total Payments
2026	$ 154,232	$ 12,596	$ 166,828
2027	83,584	9,466	93,050
2028	85,787	7,263	93,050
2029	149	5,001	5,150
2030	153	4,997	5,150
2031 - 2035	824	24,926	25,750
2036 - 2040	936	24,814	25,750
2041 - 2045	1,063	24,687	25,750
2046 - 2050	1,208	24,542	25,750
2051 - 2055	1,372	24,378	25,750
2056 - 2060	1,559	24,191	25,750
2061 - 2065	1,771	23,979	25,750
2066 - 2070	2,012	23,738	25,750
2071 - 2075	2,285	23,465	25,750
2076 - 2080	2,596	23,154	25,750
2081 - 2085	2,949	22,801	25,750
2086 - 2090	3,350	22,400	25,750
2091 - 2095	3,805	21,945	25,750
2096 - 2100	4,323	21,427	25,750
2101 - 2105	4,911	20,839	25,750
2106 - 2110	5,579	20,171	25,750
2111 - 2115	6,337	19,413	25,750
2116 - 2120	7,199	18,551	25,750
2121 - 2125	8,178	17,572	25,750
2126 - 2130	9,291	16,459	25,750
2131 - 2135	10,554	15,196	25,750
2136 - 2140	11,989	13,761	25,750
2141 - 2145	13,620	12,130	25,750
2146 - 2150	15,472	10,278	25,750
2151 - 2155	17,576	8,174	25,750
2156 - 2160	19,967	5,783	25,750
2161 - 2165	22,682	3,068	25,750
2166 - 2168	9,914	386	10,300
	$ 517,227	$ 551,551	$ 1,068,778

Note 7—Long-Term Obligations (continued):

F. Primary Government- Lease Liabilities (Continued)

	Business-type Activities		
Fiscal Year	Principal Payments	Interest Payments	Total Payments
2026	$ 417	$ -	$ 417
	$ 417	$ -	$ 417

G. School Board – Lease Liabilities

As of June 30, 2025, Isle of Wight County Schools had 4 active leases. The leases have payments that range from $19,348 to $58,179 and interest rates that range from 0.3870% to 2.9630%. As of June 30, 2025, the total combined value of the lease liability is $560,300, the total combined value of the short-term lease liability is $139,215. The combined value of the right to use asset, as of June 30, 2025 of $1,005,727 with accumulated amortization of $457,756 is included within the Lease Class activities table found below. The leases had $0 of Variable Payments and $0 of Other Payments, not included in the Lease Liability, within the Fiscal Year.

Principal and interest requirements to maturity for all School Board lease obligations are as follows:

	Component Unit - School Board		
Fiscal Year	Principal Payments	Interest Payments	Total Payments
2026	$ 139,215	$ 10,527	$ 149,742
2027	124,315	8,396	132,711
2028	117,239	6,275	123,514
2029	73,296	4,231	77,527
2030	16,422	2,926	19,348
2031 - 2035	89,813	6,927	96,740
	$ 560,300	$ 39,282	$ 599,582

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Note 7—Long-Term Obligations (continued):

H. Primary Government – Subscription Liabilities

On July 3, 2023, Isle of Wight County, VA entered into a 60-month subscription for the use of Questica Software. An initial subscription liability was recorded in the amount of $146,658. As of June 30, 2025, the value of the subscription liability is $95,436, and the value of the short-term subscription liability is $27,097. The subscription has an interest rate of 2.7360%.

Principal and interest requirements to maturity for all Primary Government subscription obligations are as follows:

	Governmental Activities		
Fiscal Year	Principal Payments	Interest Payments	Total Payments
2026	$ 29,361	$ 2,611	$ 31,972
2027	31,763	1,808	33,571
2028	34,312	938	35,250
	$ 95,436	$ 5,357	$ 100,793

I. School Board – Subscription Liabilities

On July 1, 2023, Isle of Wight County Schools, VA entered into a 36-month subscription for the use of Raptor Technologies. An initial subscription liability was recorded in the amount of $31,581. As of June 30, 2025, the value of the subscription liability is $11,079, and the value of the short-term subscription liability is $11,079. The subscription has an interest rate of 2.9010%.

Principal and interest requirements to maturity for all School Board subscription obligations are as follows:

	Component Unit - School Board		
Fiscal Year	Principal Payments	Interest Payments	Total Payments
2026	$ 11,079	$ 322	$ 11,401
	$ 11,079	322	11,401

Note 8—Pension Plan:

Plan Description

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

Benefit Structures

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

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

b. Employees with a membership date from July 1, 2010 to December 31, 2013, that have not taken a refund or employees with a membership date prior to July 1, 2010 and not vested before January 1, 2013, are covered under Plan 2, a defined benefit plan. Non-hazardous duty employees are eligible for an unreduced benefit beginning at their normal social security retirement age with at least 5 years of service credit or when the sum of their age plus service credit equals 90. Non-hazardous duty employees may retire with a reduced benefit as early as age 60 with at least 5 years of service credit. Hazardous duty employees are eligible for an unreduced benefit beginning at age 60 with at least 5 years of service credit or age 50 with at least 25 years of service credit. Hazardous duty employees may retire with a reduced benefit as early as age 50 with at least 5 years of service credit.

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

Note 8—Pension Plan (continued):

Average Final Compensation and Service Retirement Multiplier

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

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

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

A. Employees Covered by Benefit Terms

County Plan (Agent Plan)

As of June 30, 2023, actuarial valuation, the following employees were covered by the benefit term of the pension plan:

	Number
Inactive members or their beneficiaries currently receiving benefits	227
Inactive members:	
Vested inactive members	71
Non-vested Inactive members	105
LTD	0
Inactive members elsewhere in VRS	154
Total inactive members	557
Active members	314
Total covered employees	871

Note 8—Pension Plan (continued):

School Board Non-Professional Plan (Agent Plan)

As of June 30, 2023, actuarial valuation, the following employees were covered by the benefit terms of the pension plan:

	Number
Inactive members or their beneficiaries currently receiving benefits	75
Inactive members:	
Vested inactive members	17
Non-vested Inactive members	59
Inactive members elsewhere in VRS	23
Total inactive members	174
Active members	75
Total covered employees	249

B. Contributions

County (Agent Plan)

The contribution requirement for active employees is governed by Section 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 County's contractually required contribution rate for the year ended June 30, 2025, was 11.31% of covered employee compensation. This rate was based on an actuarially determined rate from an actuarial valuation as of June 30, 2023.

This rate, when combined with employee contributions, was expected to finance the costs of benefits earned by an employee during the year, with an additional amount to finance any unfunded accrued liability. Contributions to the pension plan from the County were $2,409,554 and $2,300,061 for the years ended June 30, 2025, and 2024, respectively.

School Board Non-Professional Plan (Agent Plan)

The contribution requirement for active employees is governed by Section 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 Board non-professional's contractually required contribution rate for the year ended June 30, 2025 was 6.93% of covered employee compensation. This rate was based on an actuarially determined rate from an actuarial valuation as of June 30, 2023.

This rate, when combined with employee contributions, was expected to finance the costs of benefits earned by an employee during the year, with an additional amount to finance any unfunded accrued liability. Contributions to the pension plan from the School Board for the non-professional plan were $194,562 and $147,426 for the years ended June 30, 2025, and 2024, respectively.

Note 8—Pension Plan (continued):

C. Contributions (continued)

The defined contributions component of the Hybrid plan includes member and employer mandatory and voluntary contributions. The Hybrid plan member must contribute a mandatory rate of 1% of their covered payroll. The employer must also contribute a mandatory rate of 1% of this covered payroll, which totaled $62,124 and $15,968 for the County and School Board, respectively, for the year ended June 30, 2025. Hybrid plan members may also elect to contribute an additional voluntary rate of up to 4% of their covered payroll; which would require the employer a mandatory additional contribution rate of up to 2.5%. This additional employer mandatory contribution totaled $67,471 and $7,966 for the County and School Board, respectively, for the year ended June 30, 2025. The total Hybrid plan participant covered payroll totaled $7,678,602 and $3,288,551 for the County and School Board, respectively, for the year ended June 30, 2025

School Board Professional (Cost-Sharing Plan)

The contribution requirement for active employees is governed by Section 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. The School Board professional's contractually required contribution rate for the year ended June 30, 2025 was 14.21% of covered employee compensation. This rate was based on an actuarially determined rate from an actuarial valuation as of June 30, 2023. The actuarially determined rate, when combined with employee contributions, was expected to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. Contributions to the pension plan from the School Board for the professional plan were $5,962,322 and $6,663,489 for the years ended June 30, 2025, and June 30, 2024, respectively.

The defined contributions component of the Hybrid plan includes member and employer mandatory and voluntary contributions. The Hybrid plan member must contribute a mandatory rate of 1% of their covered payroll. The employer must also contribute a mandatory rate of 1% of this covered payroll, which totaled $177,322 for the year ended June 30, 2025. Hybrid plan members may also elect to contribute an additional voluntary rate of up to 4% of their covered payroll; which would require the employer a mandatory additional contribution rate of up to 2.5%. This additional employer mandatory contribution totaled $169,510 for the year ended June 30, 2025. The total Hybrid plan participant covered payroll totaled $21,402,139 for the year ended June 30, 2025.

D. Net Pension Liability

County and School Board Non-Professional Plans (Agent Plans)

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

Note 8—Pension Plan (continued):

D. Net Pension Liability (continued)

School Board Professional Plan (Cost-Sharing Plan)

At June 30, 2025, the School Board reported a liability for the professional plan of $35,233,859 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2024, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation performed as of June 30, 2023, and rolled forward to the measurement date of June 30, 2024. The School Board's proportion of the net pension liability was based on the School Board's actuarially determined employer contributions to the pension plan for the year ended June 30, 2024, relative to the total of the actuarially determined employer contributions for all participating employers. At June 30, 2024, the School Board's proportion was 0.37535% as compared to 0.37912% at June 30, 2023.

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, 2024, NPL amounts for the VRS Teacher Employee Retirement Plan is as follows (amounts expressed in thousands):

		Teacher Employee Retirement Plan
Total pension liability	$	60,622,260
Plan fiduciary net position		51,235,326
Employer's net pension liability	$	9,386,934
Plan fiduciary net position as a percentage of the total pension liability		84.52%

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.

E. Actuarial Assumptions

County and School Board Non-Professional Plans (Agent Plans)

General Employees

The total pension liability for General Employee's in the County's retirement plan and the total pension liability for the General Employees in the School Board non-professional retirement plan were based on an actuarial valuation as of June 30, 2023, using the Entry Age Normal Actuarial cost method and the following assumptions, applied to all periods included in the measurement and rolled forward to the measurement date of June 30, 2024.

Inflation	2.50%
Salary Increased, including inflation	3.50%-5.35%
Investment rate of return	6.75%, net of pension plan invetment expenses, including inflation

Note 8—Pension Plan (continued):

E. Actuarial Assumptions (continued)

Mortality Rates:	15 % of deaths are assumed to be service-related.
Pre-Retirement:	Pub-2010 Amount Weighted Safety Employee Rates projected generationally; 95% of rates for males; 105% of rates for females set forward 2 years.
Post-Retirement:	Pub-2010 Amount Weighted Safety Healthy Retiree Rates projected generationally; 110% of rates for males; 105% rates for females set forward 3 years.
Post-Disablement:	Pub-2010 Amount Weighted General Disabled Rates projected generationally; 95% rates for males set back 3 years; 90% of rates for females set back 3 years.
Beneficiaries and Survivors:	Pub-2010 Amount Weighted Safety Contingent Annuitant Rates projected generationally; 110% of rates for males and females set back 2 years.
Mortality Improvement	Rates projected generationally with Modified MP-2020 Improvement Scale that is 75% of the MP-2020 rates.

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

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

Note 8—Pension Plan (continued):

E. Actuarial Assumptions (continued)

Public Safety Employees with Hazardous Duty Benefits

The total pension liability for Public Safety employees with Hazardous Duty Benefits in the County's retirement plan was based on an actuarial valuation as of June 30, 2023, using the Entry Age Normal actuarial cost method and the following assumptions, applied to all periods included in the measurement and rolled forward to the measurement date as of June 30, 2024.

Inflation	2.50%
Salary Increased, including inflation	3.50%-4.75%
Investment rate of return	6.75%, net of pension plan invetment expenses, including inflation

Mortality Rates:	45% of deaths are assumed to be service-related
Pre-Retirement:	Pub-2010 Amount Weighted Safety Employee Rates projected generationally with a Modified MP-2020 Improvement Scale; 95% of rates for males; 105% of rates for females set forward 2 years.
Post-Retirement:	Pub-2010 Amount Weighted Safety Health Retiree Rates are projected generationally with a Modified MP-2020 Improvement Scale; 110% of rates for males; 105% of rates for females set forward 3 years.
Post-Disablement:	Pub-2010 Amount Weighted General Disabled Rates projected generationally with a Modified MP-2020 Improvement Scale; 95% of rates for males set back 3 years; 90% of rates for females set back 3 years
Beneficiaries and Survivors:	Pub-2010 Amount Weighted Safety Contingent Annuitant Rates projected generationally with a Modified MP-2020 Improvement Scale; 110% of rates for males and females set forward 2 years
Mortality Improvement	Rates projected generationally with Modified MP-2020 Improvement Scale that is 75% of the MP-2020 rates.

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Note 8—Pension Plan: (Continued)

E. Actuarial Assumptions (continued)

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

Mortality Rates (Pre-retirement, Post-retirement healthy and disabled)	Update to PUB2010 public sector mortality tables. Increased disability life expectancy. For future mortality improvements, replace load with a modified Mortality Improvement Scale MP-2020.
Retirement Rates	Adjusted rates to better fit experience and changed final retirement age from 65 to 70.
Withdrawal Rates	Decreased rates and changed from rates based on age and service to rates based on service only to better fit experience and to be more consistent with Locals Largest 10 Hazardous Duty.
Disability Rates	No change
Salary Rates	No change
Line of Duty Disability	No change
Discount Rate	No change

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Note 8—Pension Plan: (Continued)

F. Actuarial Assumptions (continued)

School Board Professional Plan (Cost-Sharing Plan)

The total pension liability for the VRS Teacher retirement plan was based on an actuarial valuation as of June 30, 2023, using the Entry Age Normal actuarial cost method and the following assumptions, applied to all periods included in the measurement and rolled forward to the measurement date as of June 30, 2024.

Inflation	2.50%
Salary Increased, including inflation	3.50%-5.95%
Investment rate of return	6.75%, net of pension plan invetment expenses, including inflation

Mortality Rates:	
Pre-Retirement:	PUB-2010 Amount Weighted Teachers Employee Rates projected generationally; 110% rates for males
Post-Retirement:	PUB-2010 Amount Weighted Teachers Healthy Retiree Rates projected generationally; males set forward 1 year; 105% of rates for females
Post-Disablement:	Pub-2010 Amount Weighted Teachers Disabled Rates projected generationally; 110% of rates for males and females
Beneficiaries and Survivors:	Pub-2010 Amount Weighted Teachers Contingent Annuitant Rates projected generationally
Mortality Improvement	Rates projected generationally with Modified MP-2020 Improvement Scale that is 75% of the MP-2020 rates

Note 8—Pension Plan: (Continued)

E. Actuarial Assumptions (continued)

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

Mortality Rates (Pre-retirement, Post-retirement healthy and disabled)	Update to PUB2010 public sector mortality tables. For future mortality improvements, replace loan with a modified Mortality Improvement Scale MP-2020
Retirement Rates	Adjusted rates to better fit experience for Plan 1; set separate rates based on experience for Plan 2/Hybrid; changed final retirement age from 75 to 80 for all
Withdrawal Rates	Adjusted rates to better fit experience at each year age and service through 9 years of service
Disability Rates	No change
Salary Rates	No change
Line of Duty Disability	No change
Discount Rate	No change

F. Long-Term Expected Rate of Return

County and School Board Non-Professional Plans (Agent Plans) and the School Board Professional Plan (Cost-Sharing Plan)

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 estimates 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	32.00%	6.70%	2.14%
Fixed Income	16.00%	5.40%	0.86%
Credit Strategies	16.00%	8.10%	1.30%
Real Assets	15.00%	7.20%	1.08%
Private Equity	15.00%	8.70%	1.31%
PIP - Private Investment Partnership	1.00%	8.00%	0.08%
Diversifying Strategies	6.00%	5.80%	0.35%
Cash	2.00%	3.00%	0.06%
Leverage	-3.00%	3.50%	-0.11%
Total	100.00%		7.07%
		Expected arithmetic nominal return**	7.07%

Note 8—Pension Plan: (Continued)

F. Long-Term Expected Rate of Return (continued)

*The above allocation provides a one-year return of 7.07% (includes 2.50% inflation assumption). However, one-year returns do not take into account the volatility present in each of the asset classes. In setting the long-term expected return for the system, stochastic projections are employed to model future returns under various economic conditions. These results provide a range of returns over various time periods that ultimately provide a median return of 7.14%, 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 7.10%, including expected inflation of 2.50%.

**On June 15, 2023, the VRS Board elected a long-term rate of return of 6.75% which was roughly at the 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%.

G. Discount Rate

County and School Board Non-Professional Plans (Agent Plans) and the School Board Professional Plan (Cost-Sharing Plan)

The discount rate used to measure the total pension 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 Statutes, and the employer contributions will be made in accordance with the VRS funding policy at rates equal to the difference between actuarially determined contribution rates adopted by the VRS Board of Trustees and the member rate. For the year ended June 30, 2024, the employer contribution rate was 100% of the actuarially determined employer contribution rate from the June 30, 2023 actuarial valuation. Through the fiscal year ending June 30, 2024, the rate contributed by the school division for the VRS Teacher Retirement Plan will be subject to the portion of the VRS Board-certified rates that are funded by the Virginia General Assembly which was 112% of the actuarially determined contribution rate. From July 1, 2024, 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 liabilities.

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Note 8—Pension Plan: (Continued)

H. Changes in Net Pension Liability (Asset)

County Plan (Agent Plan)

	Increase (Decrease)		
	Total Pension Liability (a)	Plan Fiduciary Net Pension (b)	Net Pension Liability/(Asset) (a) - (b)
Balances at June 30, 2023	$ 65,935,298	$ 63,929,177	$ 2,006,121
Changes for the Year:			
Service Cost	2,560,467	-	2,560,467
Interest	4,507,280	-	4,507,280
Changes in benefit terms	-	-	-
Difference between expected and actual experience	2,418,068	-	2,418,068
Contributions - employer	-	2,166,752	(2,166,752)
Contributions - employee	-	953,618	(953,618)
Net investment income	-	6,218,929	(6,218,929)
Benefit payments, including refunds of employee contributions	(3,442,489)	(3,442,489)	-
Pension Plan Administrative expense	-	(39,329)	39,329
Other changes	-	1,366	(1,366)
Net changes	$ 6,043,326	$ 5,858,847	$ 184,479
Balances at June 30, 2024	$ 71,978,624	$ 69,788,024	$ 2,190,600

School Board Non-Professional Plan (Agent Plan)

	Increase (Decrease)		
	Total Pension Liability (a)	Plan Fiduciary Net Pension (b)	Net Pension Liability/(Asset) (a) - (b)
Balances at June 30, 2023	$ 7,529,774	$ 7,651,798	$ (122,024)
Changes for the Year:			
Service Cost	223,966	-	223,966
Interest	508,337	-	508,337
Difference between expected and actual experience	144,696	-	144,696
Contributions - employer	-	128,283	(128,283)
Contributions - employee	-	102,197	(102,197)
Net investment income	-	736,502	(736,502)
Benefit payments, including refunds of employee contributions	(445,653)	(445,653)	-
Pension Plan Administrative expense	-	(5,039)	5,039
Other changes	-	5	(5)
Net changes	$ 431,346	$ 516,295	$ (84,949)
Balances at June 30, 2024	$ 7,961,120	$ 8,168,093	$ (206,973)

Note 8—Pension Plan: (Continued)

I. Sensitivity of the Net Position Liability (Asset) to Changes in the Discount Rate

County and School Board Non-Professional Plans (Agent Plans) and the School Board Professional Plan (Cost-Sharing Plan)

The following presents the net pension liabilities of the County, the School Board non-professional plan, and the School Board professional plan, using the discount rate of 6.75%, as well as what the County and the District, the School Board non-professional plan, and the School Board professional plan's net pension liabilities would be if they were calculated using a discount rate that is 1-percentage-point lower 5.75% or 1-percentage-point higher 7.75% than the current rate:

	1% Decrease 5.75%	Current Discount Rate 6.75%	1% Increase 7.75%
County net pension liability (asset)	$ 11,173,821	$ 2,190,600	$ (5,193,559)
School Board non-professional net pension liability (asset)	$ 617,756	$ (206,973)	$ (899,347)
School Board professional net pension liability (asset)	$ 65,457,604	$ 35,233,859	$ 10,481,574

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

County Plan (Agent Plan)

For the year ended June 30, 2025, the County recognized pension expense of $1,232,469. At June 30, 2024, the County reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

County:

	Defferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	$ 1,578,461	$ 55,534
Net differences between projected and actual earnings on pension plan investments	-	1,766,979
Employer contribution subsequent to the measurement date	2,409,554	-
Total	$ 3,988,015	$ 1,822,513

Note 8—Pension Plan: (continued)

J. **Pension Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (continued)**

The $2,409,554 reported as deferred outflows of resources related to pensions resulting from the County's contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ending June 30, 2026. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense in future reporting periods as follows:

Reporting Year Ending June 30		Amount
2026	$	(716,974)
2027		1,211,031
2028		(354,938)
2029		(383,171)
2030		-
Thereafter		-
	$	(244,052)

School Board Non-Professional Plan (Agent Plan)

For the year ended June 30, 2025, the School Board recognized pension expense related to its non-professional plan of $180,365. At June 30, 2025, the School Board reported deferred outflows of resources and deferred inflows of resources related to pensions for its non-professional plan from the following sources:

School Board Non-Professional:

		Defferred Outflows of Resources		Deferred Inflows of Resources
Difference between expected and actual experience	$	62,947	$	-
Changes in assumptions		-		-
Net differences between projected and actual earnings on pension plan investments		-		215,933
Employer contribution subsequent to the measurement date		194,562		-
Total	$	257,509	$	215,933

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Note 8—Pension Plan: (continued)

J. Pension Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (continued)

The $194,562 reported as deferred outflows of resources related to pensions resulting from the School Board non-professional plan's contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ending June 30, 2026. Other amounts reported as deferred inflows of resources related to pensions will be recognized in pension expense in future reporting periods as follows:

Reporting Year Ending June 30		Amount
2026	$	(128,622)
2027		62,616
2028		(41,494)
2029		(45,486)
2030		-
Thereafter		-
	$	(152,986)

School Board Professional Plan (Cost-Sharing)

For the year ended June 30, 2025, the School Board recognized pension expense related to the professional plan of $3,625,801. Since there was a change in proportionate share between measurement dates, a portion of the pension expense was related to deferred amounts from changes in proportion and from differences between employer contributions and the proportionate share of employer contributions. Beginning with the June 30, 2022, measurement date, the difference between expected and actual contributions is included with the pension expense calculation.

At June 30, 2025, the School Board reported deferred outflows of resources and deferred inflows of resources related to pensions for the professional plan from the following sources:

School Board Professional:

		Defferred Outflows of Resources		Deferred Inflows of Resources
Difference between expected and actual experience	$	6,112,578	$	725,490
Net Difference between projected and actual earnings on pension plan investments		-		4,849,962
Change in assumptions		639,542		-
Changes in proportionate share		817,891		615,495
Employer contribution subsequent to the measurement date		5,962,322		-
Total	$	13,532,333	$	6,190,947

Note 8—Pension Plan: (continued)

J. Pension Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (continued)

The $5,962,322 reported as deferred outflows of resources related to pensions resulting from the School Board's contributions for the professional plan subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ending June 30, 2026. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense in future reporting periods as follows:

Reporting Year Ending June 30		Amount
2026	$	(2,128,618)
2027		3,300,184
2028		691,081
2029		(483,583)
2030		-
Thereafter		-
	$	1,379,064

K. Pension Plan Data

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

L. Aggregate Pension Information

	Primary Government			
	Net Pension Liability	Deferred Outflows	Deferred Inflows	Pension Expense
County Plan	$ 2,190,600	$ 3,988,015	$ 1,822,513	$ 1,232,469
Total County Plan	$ 2,190,600	$ 3,988,015	$ 1,822,513	$ 1,232,469

	Component Unit - School Board				
	Net Pension Asset	Net Pension Liability	Deferred Outflows	Deferred Inflows	Pension Expense
School Board Non-Professional Plan	$ 206,973	$ -	$ 257,509	$ 215,933	$ 180,365
School Board Professional Plan	-	35,233,859	13,532,333	6,190,947	5,962,322
Total Component Unit Plans	$ 206,973	$ 35,233,859	$ 13,789,842	$ 6,406,880	$ 6,142,687

Note 9—Other Post Employment Benefits Medical Insurance Program

A. Plan Description

The County and the Isle of Wight County School Board (School Board) have defined benefit other postemployment benefit (OPEB) – medical insurance plans that provide OPEB for all permanent full-time employees of the County and the School Board. The plans have separate plan provisions. The plans were established by the respective Boards and any amendments to the plans must be approved by the Boards. These plans are single-employer defined benefit OPEB plan administered by the County and School Board. No assets are accumulated in a trust that meets the criteria in paragraph four of GASB Statement No. 75. These plans do not issue stand-alone financial reports. The specific information for Medical Insurance Program's OPEB, including eligibility, is set out in the tables below:

County

Isle of Wight County employees are eligible for retiree health benefits until Medicare eligibility once they meet Virginia Retirement System (VRS) pension eligibility requirements and have 15 years of service. Retirees are required to contribute 100% of the health benefit premium. Spouses are not eligible for retiree health care benefits.

School Board

Isle of Wight County School Board employees are eligible for retiree health benefits until Medicare eligibility once they meet Virginia Retirement System (VRS) pension eligibility requirements and have 15 years of service. Spouses are eligible to participate in the plan while the retiree is eligible for coverage by paying full cost of coverage. Coverage ends when retiree reaches Medicare age or passes away.

B. Employees Covered by Benefit Terms

At July 30, 2023 (valuation date), the following employees were covered by the benefit terms:

County:

	Number
Active Participants	300
Retiree Participants	-
Spouses of Retirees	-
Beneficiaries	-
Total	300

Note 9—Other Post Employment Benefits Medical Insurance Program (continued)

A. Employees Covered by Benefit Terms (continued)

School Board:

	Number
Active Participants	665
Retiree Participants	16
Spouses of Retirees	1
Beneficiaries	-
Total	682

B. Total Medical Insurance Program OPEB Liability

The County's total Medical Insurance OPEB liability of $1,050,380 was measured as of June 30, 2025, and was determined by an actuarial valuation as of July 1, 2023. The School Board's total Medical Insurance OPEB liability of $3,395,072 was measured as of June 30, 2025, and was determined by an actuarial valuation as of July 1, 2023.

C. Actuarial Assumptions and Other Inputs

The total Medical Insurance Program OPEB liabilities were based on an actuarial valuation as of July 1, 2023, using the Entry Age Normal actuarial cost method and the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

Inflation	2.50%
Discount Rate	5.20% per annum
Healthcare Trend Rate	6.00%

The discount rate was based on the Bond Buyer General Obligation 20-Bond Municipal Bond Index.

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Note 9—Other Post Employment Benefits Medical Insurance Program (continued)

D. Changes in the Total Medical Insurance OPEB Liability

County:

		Total Medical Insurance OPEB Liability
Balance at June 30, 2024	$	1,042,584
Charges for the year:		
Service cost	$	108,492
Interest on total OPEB Liability		44,714
Effect of economic/demographic gains or losses		-
Effect of assumption changes or inputs		(118,524)
Benefit Payments		(26,886)
Net changes	$	7,796
Balance at June 30, 2025	$	1,050,380

School Board:

Balance at June 30, 2024	$	3,554,028
Charges for the year:		
Service Cost		195,593
Interest on total OPEB Liability		143,346
Effect of economic/demographic gains or losses		-
Effect of assumption changes or imputs		(291,656)
Benefit Payments		(206,239)
Net changes	$	(158,956)
Balance at June 30, 2025	$	3,395,072

Note 9—Other Post Employment Benefits Medical Insurance Program (continued)

E. Sensitivity of the Total Medical Insurance OPEB Liability to Changes in the Discount Rate

The following presents the total OPEB liabilities of the County and the School Board calculated using the stated discount rate, as well as what the County's and the School Board's total Medical Insurance OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower (4.20%) or 1-percentage-point higher (6.20%) than the current discount rate (5.20%):

	1% Decrease 4.20%	Current Discount Rate 5.20%	1% Increase 6.20%
County	$ 1,142,446	$ 1,050,380	$ 967,231
School Board	$ 3,623,271	$ 3,395,072	$ 3,178,966

F. Sensitivity of the Total Medical Insurance OPEB Liability to Changes in Healthcare Cost Trend Rate

The following represents the total Medical Insurance OPEB liabilities of the County and the School Board calculated using the stated discount rate, as well as what the County's and the School Board's total Medical Insurance OPEB liability would be if it were calculated using healthcare cost trend rates that are 1-percentage-point lower or 1-percentage-point higher than the current discount rate:

	1% Decrease	Current Trend Rate	1% Increase
County	$ 916,084	$ 1,050,380	$ 1,209,062
School Board	$ 3,030,021	$ 3,395,072	$ 3,815,726

G. Medical Insurance OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Medical Insurance OPEB

For the year ended June 30, 2025, the County recognized Medical Insurance OPEB expense of ($6,436) and the School Board recognized Medical Insurance OPEB expense of $198,351.

At June 30, 2025, the County and School Board recognized deferred inflows and outflows of resources from the following sources:

	County		School Board	
	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$ -	$ 159,065	$ 254,522	$ 629,769
Changes in assumptions	10,852	158,426	159,026	659,294
	$ 10,852	$ 317,491	$ 413,548	$ 1,289,063

Note 9—Other Post Employment Benefits Medical Insurance Program (continued)

H. Medical Insurance OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Medical Insurance OPEB (continued)

Amounts recognized as deferred inflows and outflows of resources will be recognized in the Medical Insurance OPEB expense in future reporting periods as follows:

Reporting Year Ending June 30	County	School Board
2026	$ (139,930)	$ (140,588)
2027	(100,186)	(201,955)
2028	(66,523)	(345,118)
2029	-	(187,854)
2030	-	-
Thereafter	-	-
	$ (306,639)	$ (875,515)

I. Medical OPEB Expense Detail

Year Ending June 30, 2024	County	School Board
Service Cost	$ 108,492	$ 195,593
Interest on total OPEB Liability	44,714	143,346
Recognition of Deferred Inflows/Outflows of Resources:		
Recognition of economic/demographic gains or losses	(77,968)	(36,697)
Recognition of assumption changes or imputs	(81,674)	(103,891)
OPEB Expense/ (Income)	$ (6,436)	$ 198,351

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Note 10—Other Postemployment Benefits – Group Life Insurance Program:

Group Life Insurance

A. Plan Description

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. All full-time, salaried permanent employees of the County and the School Board non-professional and the School Board professional employees are automatically covered by the VRS Group Life Insurance Program (GLI) 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.

In addition to the Basic GLI benefit, members are also eligible to elect additional coverage for themselves as well as a spouse or dependent children through the Optional GLI Program. For members who elect the optional GLI coverage, the insurer bills employers directly for the premiums. Employers deduct these premiums from the 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 OPEB.

The specific information for GLI OPEB, including eligibility, coverage and benefits is set out in the table below:

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

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Note 10—Other Postemployment Benefits – Group Life Insurance Program (continued):

A. Plan Description (continued)

GROUP LIFE INSURANCE PROGRAM PLAN PROVISIONS
Benefit Amounts The benefits payable under the GLI Program have several components. • Natural Death Benefit: The natural death benefit is equal to the employee's covered compensation rounded to the next highest thousand and then doubled. • Accidental Death Benefit: The accidental death benefit is double the natural death benefit. • Other Benefit Provisions: In addition to the basic natural and accidental death benefits, the program provides additional benefits provided under specific circumstances. These include: - Accidental dismemberment benefit - Safety belt benefit - Repatriation benefit - Felonious assault benefit - Accelerated death benefit option
Reduction in Benefit Amounts The benefit amounts provided to members covered under the Group Life Insurance Program are subject to a reduction factor. The benefit amount reduces by 25% on January 1 following one calendar year of separation. The benefit amount reduces by an additional 25% on each subsequent January 1 until it reaches 25% of its original value.
Minimum Benefit Amount and Cost-of-Living Adjustment (COLA) For covered members with at least 30 years of service credit, there is a minimum benefit payable under the Group Life Insurance Program. The minimum benefit was set at $8,000 by statue in 2015. This will be increased annually based on the VRS Plan 2 cost-of-living adjustment calculation. The minimum benefit adjusted for the COLA was $9,532 as of June 30, 2025.

B. 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 1.18% of covered employee compensation. This was allocated into an employee and an employer component using a 60/40 split. The employee component was 0.71% (1.18% X 60%) and the employer component was 0.47% (1.18% X 40%). Employers may elect to pay all or part of the employee contribution, however the employer must pay all of the employer contribution. Each employer's contractually required employer contribution rate for the year ended June 30, 2025, was 0.47% of covered employee compensation. This rate was the final approved General Assembly rate which was based on an actuarially determined rate from an actuarial valuation as of June 30, 2023.

Note 10—Other Postemployment Benefits - Group Life Insurance Program (continued):

B. Contributions (continued)

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 GLI from the County and School Board for the years ended June 30, 2025 and June 30, 2024 were as follows:

	FY 2025	FY 2024
County	$ 100,413	$ 108,437
School Board Non-Professional	$ 13,418	$ 12,241
School Board Professional	$ 197,991	$ 217,071

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

At June 30, 2025, the participating employers' reported liabilities for its proportionate share of the net GLI OPEB liability as follows:

	FY 2025	FY 2024
County	$ 872,763	$ 936,784
School Board Non-Professional	$ 98,536	$ 111,296
School Board Professional	$ 1,747,088	$ 1,926,217

The net GLI OPEB liability was measured as of June 30, 2024, and the total GLI OPEB liability used to calculate the net GLI OPEB liability was determined by an actuarial valuation performed as of June 30, 2023, and rolled forward to the measurement date of June 30, 2024. The covered employers' proportion of the net GLI OPEB liability was based on the covered employer's actuarially determined employer contributions to the GLI for the year ended June 30, 2024, relative to the total of the actuarially determined employer contributions for all participating employers. At June 30, 2024, comparisons of the participating employers' proportions to June 30, 2023 are as follows:

	FY 2025	FY 2024
County	0.07821%	0.07811%
School Board Non-Professional	0.00883%	0.00928%
School Board Professional	0.15656%	0.16061%

Note 10—Other Postemployment Benefits - Group Life Insurance Program (continued):

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

For the year ended June 30, 2025, the County, School Board non-professional, and School Board professional employees recognized GLI OPEB expense of $38,683, $3,299, and $44,787, respectively. Since there was a change in the proportionate share between measurement dates, a portion of the GLI OPEB expense was related to deferred amounts from changes in proportion.

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

County:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$ 137,655	$ 21,319
Net difference between projected and actual earnings on GLI OPEB program investments	-	73,565
Change in assumptions	4,975	43,252
Changes in proportion	54,984	2,092
Employer contributions subsequent to the measurement date	100,413	-
Total	$ 298,027	$ 140,228

The $100,413 reported as deferred outflows of resources related to the GLI OPEB resulting from the employer's contributions made after the measurement date but before the end of the reporting period will be recognized as a reduction of the net GLI OPEB liability in the fiscal year ending June 30, 2026. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to the GLI OPEB will be recognized in the GLI OPEB expense in future reporting periods as follows:

Reporting Year Ending June 30	Amount
2026	$ (23,675)
2027	31,052
2028	16,394
2029	19,878
2030	13,737
Thereafter	-
	$ 57,386

Note 10—Other Postemployment Benefits - Group Life Insurance Program (continued):

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

School Board Non-Professional:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$ 15,541	$ 2,407
Net difference between projected and actual earnings on GLI OPEB program investments	-	8,306
Change in assumptions	562	4,883
Changes in proportion	16,988	17,703
Employer contributions subsequent to the measurement date	13,418	-
Total	$ 46,509	$ 33,299

The $13,418 reported as deferred outflows of resources related to the GLI OPEB resulting from the employer's contributions made after the measurement date but before the end of the reporting period will be recognized as a reduction of the net GLI OPEB liability in the fiscal year ending June 30, 2026. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to the GLI OPEB will be recognized in the GLI OPEB expense in future reporting periods as follows:

Reporting Year Ending June 30	Amount
2025	$ (7,597)
2026	1,574
2027	3,881
2028	1,221
2029	713
Thereafter	-
	$ (208)

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Note 10—Other Postemployment Benefits - Group Life Insurance Program (continued):

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

School Board Professional:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$ 275,556	$ 42,675
Net difference between projected and actual earnings on GLI OPEB program investments	-	147,261
Change in assumptions	9,958	86,582
Changes in proportion	42,180	60,027
Employer contributions subsequent to the measurement date	197,991	-
Total	$ 525,685	$ 336,545

The $197,991 reported as deferred outflows of resources related to the GLI OPEB resulting from the employer's contributions made after the measurement date but before the end of the reporting period will be recognized as a reduction of the net GLI OPEB liability in the fiscal year ending June 30, 2026. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to the GLI OPEB will be recognized in the GLI OPEB expense in future reporting periods as follows:

Reporting Year Ending June 30	Amount
2025	$ (78,362)
2026	29,031
2027	9,328
2028	11,349
2029	19,803
Thereafter	-
	$ (8,851)

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Note 10—Other Postemployment Benefits – Group Life Insurance Program (continued):

D. Actuarial Assumptions

The total GLI OPEB liability was based on an actuarial valuation as of June 30, 2023, using the Entry Age Normal actuarial cost method and the following assumptions, applied to all periods included in the measurement and rolled forward to the measurement date of June 30, 2024.

Inflation	2.50%
Salary Increases, including inflation:	
Teachers	3.50% - 5.95%
Locality - General Employees	3.50% - 5.35%
Locality - Hazardous Duty Employees	3.50% - 4.75%
Investment rate of return	6.75 %, net of investment expenses, including inflation

Mortality Rates – Teachers

Pre-Retirement	Pub-2010 Amount Weighted Teachers Employee Rates projected generationally; 110% of rates for males
Post-Retirement	Pub-2010 Amount Weighted Teachers Healthy Retiree Rates projected generationally; males set forward 1 year; 105% of rates for females
Post-Disablement	Pub-2010 Amount Weighted Teachers Disabled Rates projected generationally; 110% of rates for males and females
Beneficiaries and Survivors	Pub-2010 Amount Weighted Teachers Contingent Annuitant Rates projected generationally
Mortality Improvement Scale	Rates projected generationally with Modified MP-2020 Improvement Scale that is 75% of the MP-2020 rates

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

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Note 10—Other Postemployment Benefits - Group Life Insurance Program (continued):

D. Actuarial Assumptions (continued):

Mortality Rates - General Employees

Pre-Retirement	Pub-2010 Amount Weighted Safety Employee Rates projected generationally; males set forward 2 years; 105% of rates for females set forward 3 years
Post-Retirement	Pub-2010 Amount Weighted Safety Healthy Retiree Rates projected generationally; 95% of rates for males set forward 2 years; 95% of rates for females set forward 1 year
Post-Disablement	Pub-2010 Amount Weighted General Disabled Rates projected generationally; 110% of rates for males set forward 3 years; 110% of rates for females set forward 2 years
Beneficiaries and Survivors	Pub-2010 Amount Weighted Safety Contingent Annuitant Rates projected generationally
Mortality Improvement Scale	Rates projected generationally with Modified MP-2020 Improvement Scale that is 75% of the MP-2020 rates

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Note 10—Other Postemployment Benefits - Group Life Insurance Program (continued):

D. Actuarial Assumptions (continued):

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

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

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Note 10—Other Postemployment Benefits – Group Life Insurance Program (continued):

D. Actuarial Assumptions (continued):

Mortality Rates – Hazardous Duty Employees

Pre-Retirement	Pub-2010 Amount Weighted Safety Employee Rates projected generationally; 95% of rates for males; 105% of rates for females set forward 2 years
Post-Retirement	Pub-2010 Amount Weighted Safety Healthy Retiree Rates projected generationally; 110% of rates for males; 105% of rates for females set forward 3 years
Post-Disablement	Pub-2010 Amount Weighted General Disabled Rates projected generationally; 95% of rates for males set back 3 years; 90% of rates for females set back 3 years
Beneficiaries and Survivors	Pub-2010 Amount Weighted Safety Contingent Annuitant Rates projected generationally; 110% of rates for males and females set forward 2 years
Mortality Improvement Scale	Rates projected generationally with Modified MP-2020 Improvement Scale that is 75% of the MP-2020 series

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

Mortality Rates (Pre-retirement, post-retirement healthy and disabled)	Update to PUB2010 public sector mortality tables. Increased disability life expectancy. For future mortality improvements, replace load with a modified Mortality Improvement Scale MP-2020
Retirement Rates	Adjusted rates to better fit experience and changed final retirement age from 65 to 70
Withdrawal Rates	Decreased rates and changed from rates based on age and service to rates based on service only to better fit experience and to be more consistent with Locals Top 10 Hazardous Duty
Disability Rates	No change
Salary Scale	No change
Line of Duty Disability	No change
Discount Rate	No change

Note 10—Other Postemployment Benefits - Group Life Insurance Program (continued):

E. Net GLP OPEB Liability

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

	Insurance OPEB Program
Total GLI OPEB Liability	$ 4,196,055
Plan Fiduciary Net Position	3,080,133
GLI Net OPEB Liability (Asset)	$ 1,115,922
Plan Fiduciary Net Position as a Percentage of the Total GLI OPEB Liability	73.41%

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

F. Long-Term Expected Rate of Return

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

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

Note 10—Other Postemployment Benefits - Group Life Insurance Program (continued):

F. Long-Term Expected Rate of Return (continued):

* The above allocation provides a one-year expected return of 7.07% (includes 2.50% inflation assumption). However, one-year returns do not take into account the volatility present in each of the asset classes. In setting the long-term expected return for the System, stochastic projections are employed to model future returns under various economic conditions. These results provide a range of returns over various time periods that ultimately provide a median return of 7.14%, 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 7.10%, including expected inflation of 2.50%.

G. 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, 2024, the rate contributed by the entity for the GLI OPEB will be subject to the portion of the VRS Board certified rates that are funded by the Virginia General Assembly which was 113% of the actuarially determined contribution rate. From July 1, 2024, on, employers are assumed to continue to contribute 100% of the actuarially determined contribution rates. Based on those assumptions, the GLI OPEB's fiduciary net position was projected to be available to make all projected future benefit payments of eligible employees. Therefore, the long-term expected rate of return was applied to all periods of projected benefit payments to determine the total GLI OPEB Liability.

H. Sensitivity of Participating Employers' Proportionate Share of the Net OPEB Liability to Changes in the Discount Rate

The following presents the participating employers' proportionate share of the net GLI OPEB liability using the discount rate of 6.75%, as well as what the participating employers' 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% Decrease (5.75%)	Current Discount Rate (6.75%)	1% Increase (7.75%)
County	$ 1,357,259	$ 872,763	$ 481,353
School Board Non-Professional	$ 153,236	$ 98,536	$ 54,345
School Board Professional	$ 2,716,948	$ 1,747,088	$ 963,568

I. 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 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.

Note 11 – Other Postemployment Benefits – Health Insurance Credit Program

A. Plan Description

The County has two types of Health Insurance Credit Program (HIC) OPEB plans: (1) a multiple-employer, agent defined benefit plan for political subdivisions (County and School Board Non-Professional Plan), and (2) a multiple-employer, cost-sharing plan for VRS teacher employees (School Board professional plan). For the County plan, all full-time, salaried permanent employees of participating political subdivisions are automatically covered by the VRS Political Subdivision Health Insurance Credit Program (HIC) upon employment. For the School Board professional Plan, all full-time, salaried permanent (professional) employees of public-school divisions are automatically covered by the VRS Teacher Employee Health Insurance Credit Program. These plans are administered by the Virginia Retirement System (the System), along with pension and other OPEB plans, for public employer groups in the Commonwealth of Virginia. 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.

County & School Board Non-Professional Plan

The specific information about the County Health Insurance Credit (HIC) OPEB, including eligibility, coverage and benefits is set out in the table below:

<table>
<tr><th>POLITICAL SUBDIVISION HIC PLAN PROVISIONS</th></tr>
<tr><td>Eligible Employees
The Political Subdivision Retiree HIC was established July 1, 1993, for retired political subdivision employees of employers who elect the benefit and who retire with at least 15 years of service credit.

Eligible employees are enrolled automatically upon employment. They include:
• Full-time permanent salaried employees of the participating political subdivision who are covered under the VRS pension plan.</td></tr>
<tr><td>Benefit Amounts
The political subdivision's Retiree HIC provides the following benefits for eligible employees:
• At Retirement: For employees who retire, the monthly benefit is $1.50 per year of service per month with a maximum benefit of $45.00 per month.
• Disability Retirement: For employees who retire on disability or go on long-term disability under the Virginia Local Disability Program (VLDP), the monthly benefit is $45.00 per month.</td></tr>
<tr><td>Health Insurance Credit Program Notes
• The monthly HIC benefit cannot exceed the individual premium amount.
• No HIC for premiums paid and qualified under Line of Duty Act (LODA); however, the employee may receive the credit for premiums paid for other qualified health plans.
• Employees who retire after being on long-term disability under VLDP must have at least 15 years of service credit to qualify for the HIC as a retiree.</td></tr>
</table>

Note 11 – Other Postemployment Benefits – Health Insurance Credit Program (continued)

A. Plan Description (continued)

School Board Professional Plan

The specific information for the Teacher Employee HIC OPEB, including eligibility, coverage, and benefits is set out in the table below:

TEACHER EMPLOYEE HIC PLAN PROVISIONS
Eligible Employees The Teacher Employee Retiree Health Insurance Credit Program was established July 1, 1993, for retired Teacher Employees covered under VRS who retire with at least 15 years of service credit. Eligible employees are enrolled automatically upon employment. They include: • Full-time permanent (professional) salaried employees of public-school divisions covered under VRS.
Benefit Amounts The Teacher Employee Retiree Health Insurance Credit Program provides the following benefits for eligible employees: • At Retirement: For Teacher and other professional school employees who retire, the monthly benefit is $4.00 per year of service per month with no cap on the benefit amount. • Disability Retirement: For Teacher and other professional school employees who retire on disability or go on long-term disability under the Virginia Local Disability Program (VDLP), the monthly benefit is either: - $4.00 per month, multiplied by twice the amount of service credit, or - $4.00 per month, multiplied by the amount of service earned had the employee been active until age 60, whichever is lower
Health Insurance Credit Program Notes • The monthly HIC benefit cannot exceed the individual premium amount. • Employees who retire after being on long-term disability under VDLP must have at least 15 years of service credit to qualify for the HIC as a retiree.

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Note 11 – Other Postemployment Benefits – Health Insurance Credit Program (continued)

B. Employees Covered by Benefit Terms

County Plan

As of the June 30, 2023, actuarial valuation, the following employees were covered by the benefit terms of the HIC OPEB plan.

	Number
Active:	174
Inactive:	
Retirees	71
Disabled	-
Inactive, Vested	8
Inactive, Active Elsewhere in VRS	40
Total Participants	293

School Board Non-Professional Plan

As of the June 30, 2023, actuarial valuation, the following employees were covered by the benefit terms of the HIC OPEB plan.

	Number
Active:	75
Inactive:	
Retirees	7
Disabled	-
Inactive, Vested	1
Inactive, Active Elsewhere in VRS	19
Total Participants	102

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Note 11 – Other Postemployment Benefits – Health Insurance Credit Program (continued)

C. Contributions

The contribution requirement for active employees is governed by Section 51.1-1402(E) 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. For the year ended June 30, 2025, the contractually required employer contribution rates for the County, School Board non-professional and School Board professional were 0.12%, 0.69% and 1.21%, respectively, of covered employee compensation. This rate was based on an actuarially determined rate from an actuarial valuation as of June 30, 2023. 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 HIC Program from the participating employers for the years ended June 30, 2025, and June 30, 2024, were as follows:

	FY 2025	FY 2024
County	$ 14,392	$ 17,866
School Board Professional	$ 507,700	$ 485,187
School Board Non-Professional	$ 19,372	$ 15,554

D. Net HIC OPEB Liability

County & School Board Non-Professional Plans

The County plan's net HIC OPEB liability was measured as of June 30, 2024. The total HIC OPEB liability was determined by an actuarial valuation performed as of June 30, 2023, using updated actuarial assumptions, applied to all periods included in the measurement and rolled forward to the measurement date of June 30, 2024.

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Note 11 – Other Postemployment Benefits – Health Insurance Credit Program (continued)

D. Net HIC OPEB Liability (continued)

School Board Professional Plan

The net OPEB liability (NOL) for the Teacher Employee HIC 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, 2024, NOL amounts for the VRS Teacher Employee HIC are as follows (amounts expressed in thousands):

		Teacher Employee HIC OPEB Plan
Total teacher employee HIC OPEB Liability	$	1,478,105
Plan fiduciary net position		322,457
Teacher employee net HIC OPEB Liability (Asset)	$	1,155,648
Plan fiduciary Net Position as a Percentage of the Total Teacher Employee HIC OPEB Liability		21.82%

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

E. Actuarial Assumptions

The total HIC OPEB liabilities were based on an actuarial valuation as of June 30, 2023, using the Entry Age Normal actuarial cost method and the following assumptions, applied to all periods included in the measurement and rolled forward to the measurement date of June 30, 2024.

Inflation	2.50%
Salary Increases, including inflation:	
Locality - General Employees	3.50% - 5.35%
Locality - Hazardous Duty Employees	3.50% - 4.75%
Teacher Employees	3.50% - 5.95%
Investment rate of return	6.75%, net of investment expenses, including inflation

Note 11 – Other Postemployment Benefits – Health Insurance Credit Program (continued)

E. Actuarial Assumptions (continued)

Mortality Rates – General Employees

Pre-Retirement	Pub-2010 Amount Weighted Safety Employee Rates projected generationally; 95% of rates for males; 105% of rates for females set forward 2 years
Post-Retirement	Pub-2010 Amount Weighted Safety Healthy Retiree Rates projected generationally; 110% of rates for males; 105% of rates for females set forward 3 years
Post-Disablement	Pub-2010 Amount Weighted General Disabled Rates projected generationally; 95% of rates for males set back 3 years; 90% of rates for females set back 3 years
Beneficiaries and Survivors	Pub-2010 Amount Weighted Safety Contingent Annuitant Rates projected generationally; 110% of rates for males and females set forward 2 years
Mortality Improvement Scale	Rates projected generationally with Modified MP-2020 Improvement Scale that is 75% of the MP-2020 rates

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

Mortality Rates (pre-retirement, post-retirement healthy and disabled)	Update to PUB2010 public sector mortality tables. For future mortality improvements, replace loan with a modified Mortality Improvement Scale MP-2020
Retirement Rates	Adjusted rates to better fit experience for Plan 1; set separate rates based on experience for Plan 2/Hybrid; changed final retirement age from 75 to 80 for all
Withdrawal Rates	Adjusted rates to better fit experience at each age and service decrement through 9 years of service
Disability Rates	No change
Salary Scale	No change
Line of Duty Disability	No change
Discount Rate	No change

Note 11 – Other Postemployment Benefits – Health Insurance Credit Program (continued)

E. Actuarial Assumptions (continued)

Mortality Rates – Hazardous Duty Employees

Pre-Retirement	Pub-2010 Amount Weighted Safety Employee Rates projected generationally; 95% of rates for males; 105% of rates for females set forward 2 years
Post-Retirement	Pub-2010 Amount Weighted Safety Healthy Retiree Rates projected generationally; 110% of rates for males; 105% of rates for females set forward 3 years
Post-Disablement	Pub-2010 Amount Weighted General Disabled Rates projected generationally; 95% of rates for males set back 3 years; 90% of rates for females set back 3 years
Beneficiaries and Survivors	Pub-2010 Amount Weighted Safety Contingent Annuitant Rates projected generationally; 110% of rates for males and females set forward 2 years
Mortality Improvement Scale	Rates projected generationally with Modified MP-2020 Improvement Scale that is 75% of the MP-2020 rates

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

Mortality Rates (pre-retirement, post-retirement healthy and disabled)	Update to PUB2010 public sector mortality tables. For future mortality improvements, replace loan with a modified Mortality Improvement Scale MP-2020
Retirement Rates	Adjusted rates to better fit experience and changed final retirement age from 65 to 70
Withdrawal Rates	Decreased rates and changed from rates based on age and service rates to rates based on service only to better fit experience and to be more consistent with Locals Top 10 Hazardous Duty
Disability Rates	No change
Salary Scale	No change
Line of Duty Disability	No change
Discount Rate	No change

Note 11 – Other Postemployment Benefits – Health Insurance Credit Program (continued)

E. Actuarial Assumptions (continued)

Mortality Rates – Teachers

Pre-Retirement	Pub-2010 Amount Weighted Teacher Employee Rates projected generationally; 110% of rates for males
Post-Retirement	Pub-2010 Amount Weighted Teachers Healthy Retiree Rates projected generationally; males set forward 1 year; 105% of rates for females
Post-Disablement	Pub-2010 Amount Weighted Teachers Disabled Rates projected generationally; 110% of rates for males and females
Beneficiaries and Survivors	Pub-2010 Amount Weighted Teachers Contingent Annuitant Rates projected generationally
Mortality Improvement Scale	Rates projected generationally with Modified MP-2020 Improvement Scale that is 75% of the MP-2020 rates

The actuarial assumptions used in the June 30, 2023, valuation were based on the results of an actuarial experience study for the period from July 1, 2016, through June 30, 2020, 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:

Mortality Rates (pre-retirement, post-retirement healthy and disabled)	Update to PUB2010 public sector mortality tables. For future mortality improvements, replace loan with a modified Mortality Improvement Scale MP-2020
Retirement Rates	Adjusted rates to better fit experience for Plan 1; set separate rates based on experience for Plan 2/Hybrid; changed final retirement age from 75 to 80 for all
Withdrawal Rates	Adjusted rates to better fit experience at each age and service decrement through 9 years of service
Disability Rates	No change
Salary Scale	No change
Discount Rate	No change

Note 11 – Other Postemployment Benefits – Health Insurance Credit Program (continued)

F. Long-Term Expected Rate of Return

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

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

*The above allocation provides a one-year return of 7.07% (includes 2.50% inflation assumption). However, one-year returns do not take into account the volatility present in each of the asset classes. In setting the long-term expected return for the System, stochastic projections are employed to model future returns under various economic conditions. These results provide a range of returns over various time periods that ultimately provide a median return of 7.14%, 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 7.10%, including expected inflation of 2.50%.

**On June 15, 2023, the VRS Board elected a long-term rate of return of 6.75% which was roughly at the 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%.

Note 11 – Other Postemployment Benefits – Health Insurance Credit Program (continued)

G. 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 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, 2024, the rate contributed by the entity for the HIC OPEB was 100% of the actuarially determined contribution rate. From July 1, 2024, on, employers are assumed to continue to contribute 100% of the actuarially determined contribution rates. Based on those assumptions, the 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.

H. Changes in Net HIC OPEB Liability

County Plan:

	Total HIC OPEB Liability (a)	Plan Fiduciary Net Position (b)	Net HIC OPEB Liability (a) - (b)
Balance at June 30, 2023	$ 358,298	$ 249,934	$ 108,364
Changes for the year:			
Service cost	$ 7,770	$ -	$ 7,770
Interest	24,044	-	24,044
Changes of assumptions	-	-	-
Difference between expected and actual experiences	(41,281)	-	(41,281)
Contributions - employer	-	17,866	(17,866)
Net investment income	-	23,535	(23,535)
Benefit payments	(19,722)	(19,722)	-
Administrative expenses	-	(324)	324
Other changes	-	-	-
Net changes	$ (29,189)	$ 21,355	$ (50,544)
Balance at June 30, 2024	$ 329,109	$ 271,289	$ 57,820

Note 11 – Other Postemployment Benefits – Health Insurance Credit Program (continued)

H. Changes in Net HIC OPEB Liability (continued)

School Board Non-Professional Plan:

	Total HIC OPEB Liability (a)	Plan Fiduciary Net Position (b)	Net HIC OPEB Liability (a) - (b)
Balance at June 30, 2023	$ 88,284	$ 27,803	$ 60,481
Changes for the year:			
Service cost	$ 1,516	$ -	$ 1,516
Interest	5,959	-	5,959
Changes of assumptions	-	-	-
Difference between expected and actual experiences	(9,018)	-	(9,018)
Contributions - employer	-	15,554	(15,554)
Net investment income	-	3,394	(3,394)
Benefit payments	(3,028)	(3,028)	-
Administrative expenses	-	(52)	52
Other changes	-	1	(1)
Net changes	$ (4,571)	$ 15,869	$ (20,440)
Balance at June 30, 2024	$ 83,713	$ 43,672	$ 40,041

I. Sensitivity of the HIC Net OPEB Liabilities to Changes in the Discount Rate

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

	1% Decrease (5.75%)	Current Discount Rate (6.75%)	1% Increase (7.75%)
School Board Professional	$ 4,918,750	$ 4,325,128	$ 3,821,980
School Board Non-Professional	$ 48,772	$ 40,041	$ 32,571
County	$ 90,839	$ 57,820	$ 29,606

Note 11 – Other Postemployment Benefits – Health Insurance Credit Program (continued)

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

County Plan

For the year ended June 30, 2025, the County plan recognized HIC OPEB expense of $13,197. At June 30, 2025, the County plan reported deferred outflows of resources and deferred inflows of resources related to the HIC OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$ 8,347	$ 38,691
Net difference between projected and actual earnings on investments	-	5,224
Change in assumptions	31,342	-
Employer contributions subsequent to the measurement date	14,392	-
Total	$ 54,081	$ 43,915

The $14,392 reported as deferred outflows of resources related to the HIC OPEB resulting from the County plan's contributions subsequent to the measurement date will be recognized as a reduction of the total HIC OPEB liability in the fiscal year ending June 30, 2026. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to the HIC OPEB will be recognized in the HIC OPEB expense in future reporting periods as follows (amounts expressed in the thousands):

Reporting Year Ending June 30	Amount
2026	$ (1,142)
2027	4,143
2028	(3,360)
2029	(3,867)
2030	-
Thereafter	-
Total	$ (4,226)

Note 11 – Other Postemployment Benefits – Health Insurance Credit Program (continued)

J. HIC OPEB Liabilities, HIC OPEB Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to HIC OPEB (continued)

School Board Non-Professional Plan

For the year ended June 30, 2025, the School Board Non-Professional plan recognized HIC OPEB expense (income) of $(5,859). At June 30, 2025, the School Board Non-Professional plan reported deferred outflows of resources related to the HIC OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$ -	$ 28,766
Net difference between projected and actual earnings on investments	-	662
Change in assumptions	5,418	-
Employer contributions subsequent to the measurement date	19,372	-
Total	$ 24,790	$ 29,428

The $19,372 reported as deferred outflows of resources related to the HIC OPEB resulting from the School Board Non-Professional plan's contributions subsequent to the measurement date will be recognized as a reduction of the total HIC OPEB liability in the fiscal year ending June 30, 2026. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to the HIC OPEB will be recognized in the HIC OPEB expense in future reporting periods as follows (amounts expressed in the thousands):

Reporting Year Ending June 30	Amount
2026	$ (12,124)
2027	(9,165)
2028	(2,479)
2029	(242)
2030	-
Thereafter	-
Total	$ (24,010)

Note 11 – Other Postemployment Benefits – Health Insurance Credit Program (continued)

J. HIC OPEB Liabilities, HIC OPEB Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to HIC OPEB (continued)

School Board Professional Plan

At June 30, 2025, the School Board professional plan reported a liability of $4,325,128 for its proportionate share of the VRS Teacher Employee HIC Program Net OPEB liability. The Net VRS Teacher Employee HIC OPEB liability was measured as of June 30, 2024 and the total VRS Teacher Employee HIC OPEB liability used to calculate the Net VRS Teacher Employee HIC OPEB liability was determined by an actuarial valuation performed as of June 30, 2023 and rolled forward to the measurement date of June 30, 2024. The School Board professional plan's proportion of the Net VRS Teacher Employee HIC OPEB liability was based on the School Board professional plan's actuarially determined employer contributions to the VRS Teacher Employee HIC OPEB plan for the year ended June 30, 2024, relative to the total of the actuarially determined employer contributions for all participating employers. At June 30, 2024, the School Board professional plan's proportion of the VRS Teacher Employee HIC was 0.37426% as compared to 0.37846% at June 30, 2023.

For the year ended June 30, 2025, the School Board professional plan recognized VRS Teacher Employee HIC OPEB expense of $338,356. Since there was a change in proportionate share between measurement dates a portion of the VRS Teacher Employee HIC Net OPEB expense was related to deferred amounts from changes in proportionate share and differences between actual and expected contributions.

At June 30, 2025, the School Board professional plan reported deferred outflows of resources and deferred inflows of resources related to the VRS Teacher Employee HIC OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$ -	$ 204,914
Net difference between projected and actual earnings on program investments	-	15,385
Change in assumptions	74,509	-
Changes in proportionate share	152,742	103,937
Employer contributions subsequent to the measurement date	507,700	-
Total	$ 734,951	$ 324,236

Note 11 – Other Postemployment Benefits – Health Insurance Credit Program (continued)

J. HIC OPEB Liabilities, HIC OPEB Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to HIC OPEB (continued)

School Board Professional Plan (continued)

The $507,700 reported as deferred outflows of resources related to the Teacher Employee HIC OPEB resulting from the School Board professional plan's contributions subsequent to the measurement date will be recognized as a reduction of the total Teacher Employee HIC OPEB liability in the fiscal year ending June 30, 2026. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to the HIC OPEB will be recognized in the HIC OPEB expense in future reporting periods as follows:

Reporting Year Ending June 30		Amount
2026	$	(19,105)
2027		(8,022)
2028		(27,549)
2029		(14,529)
2030		(14,016)
Thereafter		(13,764)
Total	$	(96,985)

K. Health Insurance Credit Program Plan Data

Detailed information about the VRS County and School Board Health Insurance Credit is available in the separately issued VRS 2024 *Annual Comprehensive Financial Report* (Annual Report). A copy of the 2024 VRS Annual Report may be downloaded from the VRS websitehttp://www.varetire.org/pdf/publications/2024-annual-report.pdf, or by writing to the System's Chief Financial Officer at P.O. Box 2500, Richmond, VA, 23218-2500.

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Note 12 – Other Postemployment Benefits – Virginia Local Disability Program

A. Plan Description

The County has two types of Virginia Local Disability Programs (VLDP) OPEB plans. The first plan, for the County and School Board non-professional employees, is a multiple-employer cost-sharing plan for political subdivisions. The second plan, for the School Board professional employees, is a multiple-employer cost-sharing plan for VRS teacher employees. For the County and School Board non-professional plans, all full-time, salaried general employees, including local law enforcement officers, firefighters, or emergency medical technicians of the County and School Board non-professional plans who do not provide enhanced hazardous duty benefits; who are in the VRS Hybrid Retirement Plan benefit structure and whose employer has not elected to opt out of the VRS-sponsored program are automatically covered by the VRS Political Subdivision Employee VLDP. For the School Board professional plan, all full-time, salaried permanent (professional) employees of public-school divisions who are in the VRS Hybrid Retirement Plan benefit structure and whose employer has not elected to opt out of the VRS-sponsored program are automatically covered by the VRS Teacher Employee VLDP. These plans are administered by the System, along with pension and other OPEB plans, for eligible public employer groups in the Commonwealth of Virginia. These plans are required by Title 51.1 of the Code of Virginia, as amended, to provide short-term and long-term disability benefits for their hybrid plan employees either through a local plan or through the VLDP.

The specific information for each plan and the eligibility for covered groups within each plan are set out in the table below:

POLITICAL SUBDIVISION AND TEACHER EMPLOYEE VLDP PLAN PROVISIONS
County and School Board Non-Professional Plans ***Eligible Employees*** The Political Subdivision Employee VLDP was implemented January 1, 2014, to provide short-term and long-term disability benefits for non-work-related disabilities for employees with Hybrid retirement benefits. Eligible employees are enrolled automatically upon employment, unless their employer has elected to provide comparable coverage. They include: • Full-time general employees including local law enforcement officers, firefighters, or emergency medical technicians who do not have enhanced hazardous duty benefits; of public political subdivisions covered under VRS. **School Board Professional Plan** ***Eligible Employees*** The Teacher Employee Virginia Local Disability Program was implemented January 1, 2014, to provide short-term and long-term disability benefits for non-work-related and work-related disabilities for employees with hybrid plan retirement benefits. Eligible employees are enrolled automatically upon employment, unless their employer has elected to provide comparable coverage. They include: • Teachers and other full-time permanent (professional) salaried employees of public-school divisions covered under VRS.

Note 12 – Other Postemployment Benefits – Virginia Local Disability Program (continued)

A. Plan Description (continued)

Benefit Amounts The Political Subdivision Employee and the Teacher Employee VLDP provides the following benefits for eligible employees: *Short Term Disability:* • The program provides a short-term disability benefit beginning after a seven-calendar-day waiting period from the first day of disability. Employees become eligible for non-work-related short-term disability coverage after one year of continuous participation. • During the first five years of continuous participation in VLDP with their current employer, employees are eligible for 60% of their pre-disability income if they go out on non-work-related or work-related disability. • One the five-year eligibility period is satisfied; employees are eligible for higher income replacement levels. *Long-Term Disability:* • The VLDP program provides a long-term disability benefit beginning after 125 workdays of short-term disability. Members are eligible if they are unable to work or are working fewer than 20 hours per week. • Members approved for long-term disability will receive 60% of their pre-disability income. If approved for work-related long-term disability, the VLDP benefit will be offset by the workers' compensation benefit. Members will not receive a VLDP benefit if their workers' compensation benefit is greater than the VLDP benefit.
Virginia Local Disability Program Notes • Members approved for short-term or long-term disability at age 60 or older will be eligible for a benefit, provided they remain medically eligible. • VLDP Long-Term Care Plan is a self-funded program that assists with the cost of covered long-term care services.

B. Contributions

The contribution requirement for active hybrid plan employees is governed by Section 51.1-1178(C) of the *Code of Virginia*, as amended, but may be impacted as a result of funding provided to the County, School Board non-professional, and School Board professional plans by the Virginia General Assembly. For the year ended June 30, 2025, the contractually required employer contribution rates of covered employee compensation for employees in the VLDP for the County, School Board non-professional, and School Board professional plans were 0.74%, 0.74%, and 0.45%, respectively. These rates were based on an actuarially determined rate from an actuarial valuation as of June 30, 2023. 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 VLDP from the County, School Board non-professional plan, and School Board professional plan to the VLDP from the participating employers for the years ended June 30, 2025, and June 30, 2024 were as follows:

Note 12 – Other Postemployment Benefits – Virginia Local Disability Program (continued)

B. Contributions (continued)

		FY 2025		FY 2024
County	$	53,943	$	55,009
School Board Non-Professional	$	12,237	$	8,937
School Board Professional	$	83,012	$	78,626

C. VLDP OPEB Liability, VLDP OPEB Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to the VLDP OPEB

At June 30, 2025, the County, School Board non-professional, and School Board professional plans reported OPEB liability (assets) of $(30,185), $(4,904) and $(13,888), respectively for their proportionate share of their VLDP Net OPEB liabilities. The VLDP Net OPEB liabilities were measured as of June 30, 2024, and the total VLDP OPEB liabilities used to calculate the VLDP net OPEB liabilities were determined by actuarial valuations as of June 30, 2023, and rolled forward to the measurement date of June 30, 2024. The County, School Board non-professional, and School Board professional plans' proportions of the VLDP Net OPEB liabilities were based on the County, School Board non-professional, and School Board professional plans' actuarially determined employer contributions to their VLDP OPEB plans for the year ended June 30, 2024, relative to the total of the actuarially determined employer contributions for all participating employers. At June 30, 2024, comparisons of the participating employers' proportions to June 30, 2023 are as follows:

	2024	2023
County	0.83674%	0.91025%
School Board Non-Professional	0.13594%	0.15652%
School Board Professional	1.55019%	1.50489%

For the year ended June 30, 2025, the County, School Board non-professional, and School Board professional plans recognized VLDP OPEB expenses of $40,894, $6,690, and $60,666, respectively. Since there was a change in proportionate share between measurement dates, a portion of the VLDP net OPEB expenses were related to deferred amounts from changes in proportion.

County Plan

At June 30, 2025, the County plan reported deferred outflows of resources and deferred inflows of resource related to VLDP OPEB from the following sources:

		Deferred Outflows of Resources		Deferred Inflows of Resources
Differences between expected and actual experience	$	3,586	$	6,360
Net difference between projected and actual earnings on program investments		-		2,730
Changes in proportion		716		776
Changes in assumptions		-		701
Employer contributions subsequent to the measurement date		53,943		-
Total	$	58,245	$	10,567

Note 12 – Other Postemployment Benefits – Virginia Local Disability Program (continued)

C. VLDP OPEB Liability, VLDP OPEB Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to the VLDP OPEB (continued)

County Plan (continued)

The $53,943 reported as deferred outflows of resources related to the VLDP OPEB resulting from the County plan's contributions subsequent to the measurement date will be recognized as a reduction of the net VLDP OPEB liability in the fiscal year ending June 30, 2026. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to the Political Subdivision Employee VLDP OPEB will be recognized in the Political Subdivision Employee VLDP OPEB expense in future reporting periods as follows:

Reporting Year Ending June 30		Amount
2025	$	(2,823)
2026		(262)
2027		(864)
2028		(1,449)
2029		(871)
Thereafter		4
Total	$	(6,265)

School Board Non-Professional Plan

At June 30, 2025, the School Board non-professional reported deferred outflows of resources and deferred inflows of resource related to VLDP OPEB from the following sources:

		Deferred Outflows of Resources		Deferred Inflows of Resources
Differences between expected and actual experience	$	583	$	1,033
Net difference between projected and actual earnings on investments		-		444
Changes in proportion		336		746
Changes in assumptions		-		114
Employer contributions subsequent to the measurement date		12,237		-
Total	$	13,156	$	2,337

The $12,237 reported as deferred outflows of resources related to the VLDP OPEB resulting from the School Board non-professional plan's contributions subsequent to the measurement date will be recognized as a reduction of the net VLDP OPEB liability in the fiscal year ending June 30, 2026. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to the VLDP OPEB will be recognized in the VLDP OPEB expense in future reporting periods as follows:

Note 12 – Other Postemployment Benefits – Virginia Local Disability Program (continued)

C. VLDP OPEB Liability, VLDP OPEB Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to the VLDP OPEB (continued)

School Board Non-Professional (continued)

Reporting Year Ending June 30		Amount
2026	$	(545)
2027		(105)
2028		(196)
2029		(334)
2030		(239)
Thereafter		1
Total	$	(1,418)

School Board Professional Plan

At June 30, 2025, the School Board professional plan reported deferred outflows of resources and deferred inflows of resources related to the VLDP OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$ 42,492	$ 3,735
Net difference between projected and actual earnings on investments	-	2,346
Changes in proportion	229	3,406
Changes in assumptions	3,751	-
Employer contributions subsequent to the measurement date	83,012	-
Total	$ 129,484	$ 9,487

The $83,012 reported as deferred outflows of resources related to the VLDP OPEB resulting from the School Board professional plan's contributions subsequent to the measurement date will be recognized as a reduction of the net VLDP OPEB liability in the fiscal year ending June 30, 2026. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to the VLDP OPEB will be recognized in the VLDP OPEB expense in future reporting periods as follows:

Reporting Year Ending June 30		Amount
2026	$	2,843
2027		5,259
2028		3,731
2029		3,734
2030		4,525
Thereafter		16,893
Total	$	36,985

Note 12 – Other Postemployment Benefits – Virginia Local Disability Program (continued)

D. Actuarial Assumptions

The total VLDP OPEB liability was based on an actuarial valuation as of June 30, 2023, using the Entry Age Normal actuarial cost method and the following assumptions, applied to all periods included in the measurement and rolled forward to the measurement date of June 30, 2024.

Inflation	2.50%
Salary increases, including inflation:	
Political Subdivision Employees	3.50% - 5.35%
Teacher Employees	3.50% - 5.95%
Investment rate of return	6.75%; including inflation

County and School Board Non-Professional Plan

Mortality Rates – General and Non-Hazardous Duty Employees

Pre-Retirement	Pub-2010 Amount Weighted General Employee Rates projected generationally; males set forward 2 years; 105% of rates for females set forward 3 years
Post-Retirement	Pub-2010 Amount Weighted General Healthy Retiree Rates projected generationally; 95% of rates for males set forward 2 years; 95% of rates for females set forward 1 year
Post-Disablement	Pub-2010 Amount Weighted General Disabled Rates projected generationally; 110% of rates for males set forward 3 years; 110% of rates for females set forward 2 years
Beneficiaries and Survivors	PUB-2010 Amount Weighted General Contingent Annuitant Rates projected generationally
Mortality Improvement Scale	Rates projected generationally with Modified MP-2020 Improvement Scale that is 75% of the MP-2020 rates

Note 12 – Other Postemployment Benefits – Virginia Local Disability Program (continued)

D. Actuarial Assumptions (continued)

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

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

School Board Professional Plan

Mortality Rates – Teachers

Pre-Retirement	Pub-2010 Amount Weighted Teachers Employee Rates projected generationally; 110% for males
Post-Retirement	Pub-2010 Amount Weighted Teachers Healthy Retiree Rates projected generationally; males set forward 1 year; 105% of rates for females
Post-Disablement	Pub-2010 Amount Weighted Teachers Disabled Rates projected generationally; 110% of rates for males and females
Beneficiaries and Survivors	PUB-2010 Amount Weighted Teachers Contingent Annuitant Rates projected generationally
Mortality Improvement Scale	Rates projected generationally with Modified MP-2020 Improvement Scale that is 75% of the MP-2020 rates

Note 12 – Other Postemployment Benefits – Virginia Local Disability Program (continued)

D. Actuarial Assumptions (continued)

School Board Professional Plan (continued)

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

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

E. Net VLDP OPEB Liability

The net OPEB liabilities (NOL) for the County, School Board non-professional and School Board professional plans VLDP represents the programs' total OPEB liabilities determined in accordance with GASB Statement No. 74, less the associated fiduciary net position. As of June 30, 2024, NOL amounts for the County, School Board non-professional and School Board professional plans VLDP is as follows (amounts expressed in thousands):

	County and School Board Non-Professional Plans	School Board Professional Plan
	VLDP OPEB Plans	
Total Employee VLDP OPEB liability	$ 12,230	$ 12,741
Plan fiduciary net position	15,837	13,637
Employer's net VLDP OPEB liability (asset)	$ (3,607)	$ (896)
Plan fiduciary net position as a percentage of the total VLDP OPEB liability	129.49%	107.03%

Note 12 – Other Postemployment Benefits – Virginia Local Disability Program (continued)

E. Net VLDP OPEB Liability (continued)

The total VLDP OPEB liabilities are calculated by the System's actuary, and the plan's fiduciary net positions are reported in the System's financial statements. The net VLDP OPEB liabilities are disclosed in accordance with the requirements of GASB Statement No. 74 in the System's notes to financial statements and required supplementary information.

F. Long-Term Expected Rate of Return

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

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

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

**On June 15, 2023, the VRS Board elected a long-term rate of return of 6.75%, which was roughly at the 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%.

Note 12 – Other Postemployment Benefits – Virginia Local Disability Program (continued)

G. Discount Rate

The discount rate used to measure the total VLDP OPEB 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 at rates equal to the actuarially determined contribution rates adopted by the VRS Board of Trustees. Through the fiscal year ending June 30, 2024, the rate contributed by the County and School Board non-professional and professional plans for the VLDP will be subject to the portion of the VRS Board-certified rates that are funded by the Virginia General Assembly, which was 100% of the actuarially determined contribution rate. From July 1, 2024 on, all agencies are assumed to contribute 100% of the actuarially determined contribution rates. Based on those assumptions, the School Board non-professional and School board professional plans VLDP OPEB plans' fiduciary net positions were 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 School Board non-professional School Board professional plans VLDP OPEB liabilities.

H. Sensitivity of the VLDP Net OPEB Liability to Changes in the Discount Rate

The following presents the proportionate share of the net VLDP OPEB liabilities using the discount rate of 6.75%, as well as what the proportionate share of the net VLDP OPEB liabilities would be if they were calculated using a discount rate that is one percentage point lower 5.75% or one percentage point higher 7.75% than the current rate:

	1% Decrease (5.75%)	Current Discount Rate (6.75%)	1% Increase (7.75%)
County	$ (21,950)	$ (30,185)	$ (37,432)
School Board Non-Professional	$ (3,566)	$ (4,904)	$ (6,081)
School Board Professional	$ 8,441	$ (13,888)	$ (33,364)

I. VLDP OPEB Fiduciary Net Position

Detailed information about the School Board non-professional plan VLDP's Fiduciary Net Position is available in the separately issued VRS 2024 *Annual Comprehensive Financial Report* (Annual Report). A copy of the 2024 VRS Annual Report may be downloaded from the VRS website at https://www.varetire.org/pdf/ publications/2024-annual-report.pdf, or by writing to the System's Chief Financial Officer at P.O. Box 2500, Richmond, VA 23218-2500.

Note 13 – Aggregate Other Postemployment Benefits (OPEB) Information

Aggregate Other Post Employment Benefits (OPEB) Information

	Primary Government				
	Net OPEB Asset	Net OPEB Liability	Deferred Outflows	Deferred Inflows	OPEB Expense/ (Revenue)
County OPEB Plans					
Medical Insurance Program	$ -	$ 1,050,380	$ 10,852	$ 317,491	$ (6,436)
Group Life Insurance Program	-	872,763	298,027	140,228	38,683
Health Insurance Credit Program	-	57,820	54,081	43,915	13,197
Virginia Local Disability Program	30,185	-	58,245	10,567	40,894
Total	$ 30,185	$ 1,980,963	$ 421,205	$ 512,201	$ 86,338

	Component Unit School Board				
	Net OPEB Asset	Net OPEB Liability	Deferred Outflows	Deferred Inflows	OPEB Expense/ (Revenue)
School Board Non-Professional Plans					
Medical Insurance Program	$ -	$ -	$ -	$ -	$ -
Group Life Insurance Program	-	98,536	46,509	33,299	3,299
Health Insurance Credit Program	-	40,041	24,790	29,428	(5,859)
Virginia Local Disability Program	4,904	-	13,156	2,337	6,690
Total	$ 4,904	$ 138,577	$ 84,455	$ 65,064	$ 4,130
School Board Professional Plans					
Medical Insurance Program	$ -	$ 3,395,072	$ 413,548	$ 1,289,063	$ 198,351
Group Life Insurance Program	-	1,747,088	525,685	336,545	44,787
Health Insurance Credit Program	-	4,325,128	734,951	324,236	338,356
Virginia Local Disability Program	13,888	-	129,484	9,487	60,666
Total	$ 13,888	$ 9,467,288	$ 1,803,668	$ 1,959,331	$ 642,160
Total Component Unit Plans	$ 18,792	$ 9,605,865	$ 1,888,123	$ 2,024,395	$ 646,290

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Note 14 – Commitments and Contingent Liabilities

A. Joint Ventures

Southeastern Public Service Authority (SPSA)

The County is a member of the Southeastern Public Authority ("SPSA"), together with the Cities of Chesapeake, Franklin, Norfolk, Portsmouth, Suffolk, Virginia Beach and the County of Southampton. SPSA operates a regional system for the reception, transfer, processing and disposal of solid waste. Under intergovernmental contracts with SPSA ("Use and Support Agreements"), each member government is required to dispose of 95% of the waste generated within its jurisdiction and to pay SPSA's costs through "tipping fees" payments. Due to certain in-kind contributions, Suffolk is not subject to these tipping fees, and Virginia Beach's tipping fee payment obligations are capped. The effect of this structure is that Chesapeake, Franklin, Isle of Wight, Norfolk, Portsmouth and Southampton are contractually obligated to provide for the break-even operations of SPSA's solid waste system, based on relative population.

Western Tidewater Water Authority (WTWA)

In September 2009, the County amended its agreement with the Western Tidewater Water Authority ("WTWA") which provides for construction of the Western Branch Pipeline used to convey purchased raw water. The amendment to the contract contains provisions for the Authority to negotiate a water supply agreement between the Cities of Suffolk and Norfolk and the County. In addition, the County pays a fixed charge as an outside customer to the City of Suffolk to reserve the capacity for County's annual water resource requirements. The County pays a fixed charge to the Western Tidewater Water Authority for access to its water supply reservoir. In fiscal year 2025, the County contributed approximately $450,191 to the Authority for the City of Norfolk and $2,076,065 to the City of Suffolk.

B. Post Closure Landfill Costs

State and federal laws and regulations require the County to perform certain continuing maintenance and monitoring functions subsequent to the closure of a landfill site. The County ceased accepting solid waste at its landfill in 1987 and completed initial closure measures in that same year. The County closed its landfill prior to the date mandated by state and federal law and regulation and, therefore, the County is only liable for post-closure monitoring. During fiscal year 2006, the County was deemed to be in violation of the Virginia Solid Waste Management Regulations and the approved Closure Plan. The County submitted a corrective action plan to the Commonwealth's Department of Environmental Quality. During 2008, the County provided for additional financial assurance in the amount of $1,000,000. This amount was reduced to the actual cost of implementation of the CAP, upon approval of VDEQ. The current estimated future annual total cost of the post-closure monitoring and maintenance is $2,006,048 based on the expected cost for all equipment, facilities and services required to monitor and maintain the landfill post-closure.

Note 14 – Commitments and Contingent Liabilities (continued)

C. Risk Management

The County and School Board are exposed to various risks of loss related to torts; theft of, damage to or destruction of assets; errors and omissions; injuries to employees; and natural disasters. For general liability, automobile liability and workers compensation and employers' liability, the County participates with other localities in the Virginia Association of Counties (VACO) Risk Management Program. The VACO Risk Management Program provides counties and county related agencies with insurance coverage for property and liability insurance and risk management services through the Virginia Association of Counties Group Self- Insurance Risk Pool (VACoRP).

The County pays an annual premium for its share of the cost of the insurance which includes general liability, product liability and personal injury with a limit of $5,000,000 for each occurrence; $5,000,000 combined limit for auto liability and $1,000,000 limit for workers compensation coverage and Cyber Risk $3,000,000 per claim.

The School Board participates in the Virginia School Boards Association Property & Casualty Pool for its general liability and automobile liability with limits of $1,000,000, respectively, for each occurrence.

The School Board's workers' compensation coverage is $500,000 and the School board has additional excess liability coverage and there have not been any reductions in insurance coverage for the County or the School Board from the prior year and settled claims resulting from these risks have not exceeded insurance coverage in any of the past three fiscal years.

The School Health Benefits Internal Service Fund was established to account for the School Board's group health insurance. The School Board provides insurance benefits from this fund through its third-party administrator. The School Board pays the basic premiums for the employees' coverage into the fund and allows employees to select additional benefits for themselves and their dependents with premiums paid by the employees for such additional benefits. Contracted insurance providers receive disbursements from the fund based on monthly enrollment and premium calculations. All funds are available to pay claims, claim reserves and administrative costs of the program.

The changes in medical claims liability for the three years ended June 30, 2025 are as follows:

	2025	2024	2023
Claims liabilities, beginning of year	$ 500,142	$ 559,979	$ 413,660
Claims and changes in estimates	$ 10,601,640	$ 7,915,564	$ 7,135,425
Claims payments and changes in estimates	(10,419,808)	(7,975,401)	(6,989,106)
Claims liabilities, end of year	$ 681,974	$ 500,142	$ 559,979

Note 14 – Commitments and Contingent Liabilities (continued)

D. Contingencies

Amounts received or receivable for grants or contracts from outside agencies are subject to audit and adjustment by grantor agencies, principally the federal government. Any disallowed amounts, including amounts already collected, may constitute a liability of the applicable funds. The amounts, if any, which may be disallowed by any grantors, cannot be determined at this time, but management of the County believes any such amounts will be immaterial to its financial position.

Note 15—Deferred and Unavailable Revenue

At June 30, 2025, deferred and unavailable revenue were reported as follows:

	Government-wide Statements	Balance Sheet
	Governmental Activities	Governmental Funds
Unavailable property tax revenue representing uncollected property tax billings that are not available for funding of current expenditures	$ -	$ 4,695,798
Assessments intended to fund future expenditures	16,670,492	16,670,492
Prepaid property taxes due December 2024 but paid in advance by taxpayers	32,370	32,370
	$ 16,702,862	$ 21,398,660

Note 16 – Annexation Agreement

The County has entered into an agreement with the City of Franklin (City) whereby the City waived any and all of its rights and power to seek the annexation of the County's territory within a designated area adjacent to the City. In return, the County agreed to share local tax revenues collected by the County within the designated area using a predetermined formula. For the year ended June 30, 2025, the payments made to the City were $1,020,000 for collections through June 30, 2024.

Note 17 – Tax Abatements

Isle of Wight County negotiates performance agreements on an individual basis with private entities to stimulate\ investments and job creation. There were no tax abatements in fiscal year 2025.

Note 18 – Fund Balances

The County has the following fund balance classification at June 30, 2025:

	General	Capital Projects	Debt Service	Other Governmental	Total
Restricted for:					
Grants	$ -	$ -	$ -	$ 265,788	$ 265,788
Opioid Settlement	-	-	-	232,691	232,691
Lease proceeds	93,194	-	-	-	93,194
Forestry Sustainability Funds	15,568	-	-	-	15,568
Fire & Rescue ATL Funds	48,386	-	-	-	48,386
Four-4-Life	22,391	-	-	-	22,391
Salty Southern Route	9,014	-	-	-	9,014
Total Restricted	$ 188,553	$ -	$ -	$ 498,479	$ 687,032
Committed for:					
Technology Fees	$ 49,495	$ -	$ -	$ -	$ 49,495
Debt service - PACE	2,114,545	-	-	-	2,114,545
Economic Development	976,336	-	-	-	976,336
Capital Projects	-	8,984,340	-	-	8,984,340
Grants	-	-	-	85,145	85,145
Total Committed	$ 3,140,376	$ 8,984,340	$ -	$ 85,145	$ 12,209,861
Assigned to:					
Capital Projects	$ -	$ 5,367,857	$ -	$ -	$ 5,367,857
Assigned to next year commitments	4,130,000	-	-	-	4,130,000
Encumbrances	335,553	7,138,403	-	-	7,473,956
Special Revenue	-	-	-	1,311,546	1,311,546
Debt Service	-	-	2,494,384	-	2,494,384
Total Assigned	$ 4,465,553	$ 12,506,260	$ 2,494,384	$ 1,311,546	$ 20,777,743
Unassigned	$ 21,867,499	$ -	$ -	$ (179,516)	$ 21,687,983
	$ 29,661,981	$ 21,490,600	$ 2,494,384	$ 1,715,654	$ 55,362,619

Note 19 – Net Investment in Capital Assets

Net Investment in Capital Assets Calculation - Primary Government

	Governmental Activities	Business-Type Activities
Total capital assets (both tangible and intangible)	$ 113,393,951	$ 53,699,457
Less: Accumulated depreciation/amortization	(38,912,070)	(23,038,242)
Net carrying value of capital assets	74,481,881	30,661,215
Less:		
All outstanding principal of capital related debt/borrowings related to the government's own capital assets, including borrowing used to refund capital-related borrowings	(136,120,254)	(30,326,911)
Outstanding principal balance of any other (non-debt) capital related liabilities as of fiscal year end, including capital accounts payable and retainage payable	(2,821,731)	-
	(138,941,985)	(30,326,911)
Plus:		
Unamortized balance of capital-related deferred outflows of resources, such as from "losses" on refunding of outstanding capital debt	6,494,385	2,168,883
Capital Borrowings related to unspent bond proceeds	11,312,098	-
	17,806,483	2,168,883
Equals: Net investment in capital assets	$ (46,653,621)	$ 2,503,187

Note 19 – Net Investment in Capital Assets (continued)

Net Investment in Capital Assets Calculation - Component Units

	School Board	Economic Development Authority
Total capital assets (both tangible and intangible)	$ 203,994,342	$ 5,065,517
Less: Accumulated depreciation/amortization	(85,455,990)	(3,801,268)
Net carrying value of capital assets	118,538,352	1,264,249
Less:		
All outstanding principal of capital related debt/borrowings related to the government's own capital assets, including borrowing used to refund capital-related borrowings	(5,355,706)	-
	(5,355,706)	-
Equals: Net investment in capital assets	$ 113,182,646	$ 1,264,249

Note 20 – Upcoming Pronouncements

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

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

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

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

Note 21 – Change in Accounting Principle

During the year ended June 30, 2025, the County implemented GASB Statement No. 101, *Compensated Absences*. This Statement establishes recognition and measurement guidance for compensated absences that are attributable to services already rendered and that are expected to be paid or settled. Implementation of this Statement required the recognition of a liability for certain leave benefits previously unrecorded or measured differently under prior standards. The adoption of GASB 101 resulted in a restatement of beginning net position as shown in Note 22 below.

Note 22 – Restatement of Beginning Balances

The beginning net position as of July 1, 2024, has been restated to reflect the cumulative effect of implementing GASB Statement No. 101, *Compensated Absences*. The impact of this restatement on beginning net position is as follows:

		Business-Type Activities Enterprise Funds			Component Unit
	Governmental Activities	Public Utilities	Stormwater	Total	School Board
Balance, July 1, 2024, as previously stated	$ (8,585,671)	$ 6,276,227	$ 6,267,272	$ 12,543,499	$ 77,879,223
Implementation of GASB 101:					
Restatement of compensated absences	(5,220,499)	(376,030)	(26,452)	(402,482)	(430,326)
Net position, July 1, 2024, as restated	$ (13,806,170)	$ 5,900,197	$ 6,240,820	$ 12,141,017	$ 77,448,897

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REQUIRED SUPPLEMENTARY INFORMATION

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

	General Fund			
	Original Budget	Budget As Amended	Actual	Variance With Amended Budget Positive (Negative)
Primary Government				
General fund:				
Revenues and Other Financing Sources:				
Revenue from local sources:				
General property taxes:				
Real Property	$ 48,209,476	$ 48,209,476	$ 45,411,601	$ (2,797,875)
Real and personal public service corporation property	1,551,300	1,551,300	1,050,277	(501,023)
Personal Property	16,000,000	16,000,000	16,604,434	604,434
Boat/Airplane	145,000	145,000	197,100	52,100
Mobile home	175,000	175,000	177,529	2,529
Machinery and tools	6,220,000	6,220,000	6,056,739	(163,261)
Equipment	2,285,000	2,285,000	2,495,077	210,077
Penalties	550,000	550,000	754,013	204,013
Interest and other costs	250,000	250,000	401,023	151,023
Total general property taxes	$ 75,385,776	$ 75,385,776	$ 73,147,793	$ (2,237,983)
Other local taxes:				
Local sales and use	$ 4,400,000	$ 4,639,489	$ 4,990,605	$ 351,116
Communications sales and use	480,000	480,000	492,101	12,101
Consumer's utility	1,175,000	1,175,000	970,591	(204,409)
Consumption	140,000	140,000	117,808	(22,192)
Business license	1,200,000	1,200,000	1,493,917	293,917
Motor vehicle licenses	1,160,000	1,160,000	1,129,370	(30,630)
Recordation and wills	600,000	600,000	600,105	105
Lodging	90,000	90,000	88,896	(1,104)
Meals tax	1,140,000	1,140,000	1,301,595	161,595
Bank franchise	15,000	15,000	26,149	11,149
Local penalties	7,000	7,000	17,144	10,144
Local interest	4,000	4,000	8,353	4,353
Total other local taxes	$ 10,411,000	$ 10,650,489	$ 11,236,634	$ 586,145
Permits, fees and licenses:				
Animal licenses	$ 35,000	$ 35,000	$ 64,055	$ 29,055
Land use application and transfer fees	1,000	1,000	1,393	393
Zoning and subdivision fees	75,000	75,000	117,601	42,601
Building permits	600,000	600,000	587,454	(12,546)
Concealed weapon permits	40,000	40,000	31,388	(8,612)
Misc permits/fees	60,000	60,000	73,932	13,932
Total permits, fees and licenses	$ 811,000	$ 811,000	$ 875,823	$ 64,823
Fines and forfeitures	$ 104,500	$ 104,500	$ 145,925	$ 41,425
Total fines and forfeitures	$ 104,500	$ 104,500	$ 145,925	$ 41,425
Revenues from use of money and property:				
Revenues from use of money	$ 1,700,000	$ 1,700,000	$ 2,456,024	$ 756,024
Revenues from use of property	175,000	175,000	195,828	20,828
Total revenues from use of money and property	$ 1,875,000	$ 1,875,000	$ 2,651,852	$ 776,852

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

	General Fund			
	Original Budget	Budget As Amended	Actual	Variance With Amended Budget Positive (Negative)
Charges for services:				
Charges for Commonwealth's Attorney	$ 14,000	$ 14,000	$ 19,528	$ 5,528
Charges for parks and recreation	255,810	255,810	252,269	(3,541)
Charges for building construction court fee	32,000	32,000	37,308	5,308
Charges for law enforcement and other protections	121,000	121,000	132,434	11,434
Charges for emergency medical services	1,100,000	1,258,000	1,115,629	(142,371)
Charges for tourism activities	82,500	82,500	84,394	1,894
Charges for other services	100,500	100,500	140,679	40,179
Total charges for services	$ 1,705,810	$ 1,863,810	$ 1,782,241	$ (81,569)
Miscellaneous:				
Salty Southern Route	$ 6,000	$ 6,000	$ 6,400	$ 400
Miscellaneous	695,121	782,882	1,016,569	233,687
Total Miscellaneous	$ 701,121	$ 788,882	$ 1,022,969	$ 234,087
Recovered costs:				
Indirect cost allocation	$ 495,908	$ 495,908	$ 494,545	$ (1,363)
Recovered costs	1,694,687	1,716,217	999,022	(717,195)
Total recovered costs	$ 2,190,595	$ 2,212,125	$ 1,493,567	$ (718,558)
Total Revenues from local sources	$ 93,184,802	$ 93,691,582	$ 92,356,804	$ (1,334,778)
Revenue from the Commonwealth:				
Noncategorical aid:				
State personal property tax relief	$ 5,115,890	$ 5,115,890	$ 5,115,890	$ -
Other revenue from the Commonwealth	372,000	372,000	339,338	(32,662)
Total noncategorical aid	$ 5,487,890	$ 5,487,890	$ 5,455,228	$ (32,662)
Categorical aid:				
Shared expenses:				
Commonwealth's Attorney	$ 537,111	$ 537,111	$ 543,423	$ 6,312
Sheriff	1,713,640	1,713,640	1,753,267	39,627
Commissioner of the Revenue	229,104	229,104	217,151	(11,953)
Treasurer	196,445	196,445	197,124	679
Registrar/electoral board	75,000	75,000	87,814	12,814
Clerk of the Circuit Court	350,663	350,663	391,519	40,856
Technology Trust Fund	23,000	23,000	-	(23,000)
Total shared expenses	$ 3,124,963	$ 3,124,963	$ 3,190,298	$ 65,335
Other categorical aid:				
State grants	$ 165,734	$ 165,734	$ 188,374	$ 22,640
Total other categorical aid	$ 165,734	$ 165,734	$ 188,374	$ 22,640
Total categorical aid	$ 3,290,697	$ 3,290,697	$ 3,378,672	$ 87,975
Total revenues from the Commonwealth	$ 8,778,587	$ 8,778,587	$ 8,833,900	$ 55,313
Revenue from the federal government:				
QSCB Federal Tax Credit	$ 318,263	$ 318,263	$ 318,263	$ -
Total revenues from the federal government	$ 318,263	$ 318,263	$ 318,263	$ -
Other financing sources:				
Interfund transfers	$ 324,741	$ 324,741	$ 304,574	$ (20,167)
Issuance of debt	965,500	965,500	893,227	(72,273)
Insurance recovery	50,000	122,979	91,355	(31,624)
Total other financing sources	$ 1,340,241	$ 1,413,220	$ 1,289,156	$ (124,064)
Total General Fund revenues and other financing sources	$ 103,621,893	$ 104,201,652	$ 102,798,123	$ (1,403,529)

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

	General Fund			
	Original Budget	Budget As Amended	Actual	Variance With Amended Budget Positive (Negative)
Expenditures and Other Financing Uses				
General government administration				
Legislative:				
Board of Supervisors	$ 377,813	$ 380,751	$ 337,725	$ 43,026
Total legislative	$ 377,813	$ 380,751	$ 337,725	$ 43,026
General and financial administration:				
Budget and finance	$ 1,063,445	$ 1,085,545	$ 970,817	$ 114,728
Admin - Commissioner of the Revenue	967,518	967,518	956,409	11,109
County Administrator	563,241	563,241	547,705	15,536
County Attorney	444,177	394,177	376,905	17,272
Human resources	570,564	580,896	536,844	44,052
Purchasing	229,160	229,160	161,675	67,485
Communications	145,142	155,142	117,148	37,994
Real estate assessment	161,100	291,100	15,186	275,914
Admin - Treasurer	952,162	997,200	812,606	184,594
Total general and financial administration	$ 5,096,509	$ 5,263,979	$ 4,495,295	$ 768,684
Board of Elections:				
Registrar/electoral board and officials	$ 533,273	$ 534,873	$ 488,855	$ 46,018
Total Board of Elections	$ 533,273	$ 534,873	$ 488,855	$ 46,018
Total general government administration	$ 6,007,595	$ 6,179,603	$ 5,321,875	$ 857,728
Judicial administration:				
Courts:				
Circuit Court	$ 123,186	$ 123,186	$ 107,652	$ 15,534
General District Court	36,193	36,193	17,398	18,795
Fifth District Court services unit	1,604,902	1,604,902	1,569,432	35,470
Juvenile and Domestic Relations District Court	15,602	15,602	8,414	7,188
Expenses - Clerk of the Circuit Court	783,354	822,602	741,322	81,280
Total courts	$ 2,563,237	$ 2,602,485	$ 2,444,218	$ 158,267
Commonwealth's Attorney	$ 1,076,404	$ 1,076,404	$ 1,046,059	$ 30,345
Total Commonwealth's Attorney	$ 1,076,404	$ 1,076,404	$ 1,046,059	$ 30,345
Total judicial administration	$ 3,639,641	$ 3,678,889	$ 3,490,277	$ 188,612
Public safety:				
Law enforcement and traffic control:				
Sheriff	$ 8,190,303	$ 8,461,865	$ 8,115,175	$ 346,690
Total law enforcement and traffic control	$ 8,190,303	$ 8,461,865	$ 8,115,175	$ 346,690
Fire and rescue services:				
Emergency services	$ 722,976	$ 787,372	$ 772,956	$ 14,416
Fire and rescue response	4,855,145	5,266,315	5,174,052	92,263
Fire & Rescue - Station Services	1,717,478	1,846,790	1,797,789	49,001
Total fire and rescue services	$ 7,295,599	$ 7,900,477	$ 7,744,797	$ 155,680

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

	General Fund			
	Original Budget	Budget As Amended	Actual	Variance With Amended Budget Positive (Negative)
Other Protection:				
Animal control	$ 765,835	$ 789,835	$ 671,964	$ 117,871
Western Tidewater Regional Jail	1,141,354	1,149,666	1,149,666	-
Total other protection	$ 1,907,189	$ 1,939,501	$ 1,821,630	$ 117,871
Total public safety	$ 17,393,091	$ 18,301,843	$ 17,681,602	$ 620,241
Public works:				
Administration:				
General Administration	$ 346,364	$ 358,490	$ 353,210	$ 5,280
Transportation	493,428	523,860	482,533	41,327
Total administration	$ 839,792	$ 882,350	$ 835,743	$ 46,607
Sanitation and waste removal:				
Programs and inspections	$ 101,549	$ 101,617	$ 97,116	$ 4,501
Refuse collection	3,527,569	3,580,647	3,180,354	400,293
Total sanitation and waste removal	$ 3,629,118	$ 3,682,264	$ 3,277,470	$ 404,794
Maintenance of general buildings and grounds:				
General Properties (Bldg&Grds)	$ 1,775,123	$ 1,772,453	$ 1,754,215	$ 18,238
Total maintenance of general buildings and grounds	$ 1,775,123	$ 1,772,453	$ 1,754,215	$ 18,238
Total public works	$ 6,244,033	$ 6,337,067	$ 5,867,428	$ 469,639
Health and welfare:				
Court Appointed Special Advocate	$ 25,000	$ 25,000	$ 25,000	$ -
Genieve Shelter	20,000	20,000	20,000	-
Endependence Center of Tidewater	10,000	10,000	10,000	-
IOW Christian Outreach	35,000	35,000	35,000	-
Senior Services of Southeastern Hampton Roads	138,440	138,440	138,440	-
Western Tidewater Health District	580,000	580,000	580,000	-
Western Tidewater Community Service Board	310,336	310,336	310,336	-
Western Tidewater Free Clinic	63,237	63,237	63,236	1
Total health and welfare	$ 1,182,013	$ 1,182,013	$ 1,182,012	$ 1
Education:				
Education	$ 33,209,069	$ 33,564,202	$ 33,275,768	$ 288,434
Total education	$ 33,209,069	$ 33,564,202	$ 33,275,768	$ 288,434
Parks and recreation:				
Parks and recreation	$ 398,756	$ 402,128	$ 370,988	$ 31,140
Parks and recreation programs	873,151	880,812	833,625	47,187
Parks and gateways	1,244,694	1,243,890	1,044,480	199,410
Total parks and recreation	$ 2,516,601	$ 2,526,830	$ 2,249,093	$ 277,737
Library:				
Library administration	$ 1,088,844	$ 1,090,644	$ 1,089,657	$ 987
Total library	$ 1,088,844	$ 1,090,644	$ 1,089,657	$ 987
Total parks, recreation and cultural	$ 3,605,445	$ 3,617,474	$ 3,338,750	$ 278,724

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

	General Fund			
	Original Budget	Budget As Amended	Actual	Variance With Amended Budget Positive (Negative)
Community development:				
Planning & Zoning	$ 1,181,461	$ 1,191,731	$ 1,055,372	$ 136,359
Inspections - building	861,969	914,935	777,621	137,314
Economic Development	714,257	3,090,593	1,843,474	1,247,119
Tourism	750,204	777,059	704,760	72,299
Other Public Service Organization	149,340	149,340	149,339	1
Isle of Wight Arts	4,500	4,500	4,500	-
Annexation settlement payment	1,020,000	1,020,000	1,020,000	-
Cooperative extension program	91,828	99,828	97,105	2,723
Total community development	$ 4,773,559	$ 7,247,986	$ 5,652,171	$ 1,595,815
Nondepartmental	$ 6,164,234	$ 5,773,859	$ 3,124,191	$ 2,649,668
Debt Service:				
Principle retirement	$ 8,407,060	$ 8,403,510	$ 8,546,116	$ (142,606)
Interest	4,129,789	4,128,998	3,859,362	269,636
Total debt service	$ 12,536,849	$ 12,532,508	$ 12,405,478	$ 127,030
Other financing uses:				
Transfers out	$ 12,866,364	$ 17,755,403	$ 17,428,389	$ 327,014
Total other financing uses	$ 12,866,364	$ 17,755,403	$ 17,428,389	$ 327,014
Total General Fund expenditures and other financing uses	$ 107,621,893	$ 116,170,847	$ 108,767,941	$ 7,402,906
Excess of revenues and other financing sources over expenditures and other financing uses	$ (4,000,000)	$ (11,969,195)	$ (5,969,818)	$ 5,999,377
Fund balance - beginning of year	4,000,000	11,969,195	35,631,799	23,662,604
Fund balance - end of year	$ -	$ -	$ 29,661,981	$ 29,661,981

COUNTY OF ISLE OF WIGHT, VIRGINIA

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

	2024	2023	2022
Total pension liability			
Service cost	$ 2,560,467	$ 2,300,712	$ 1,834,839
Interest	4,507,280	4,265,337	4,054,437
Differences between expected and actual experience	2,418,068	(144,501)	(612,305)
Assumption changes	-	-	-
Benefit payments, including refunds of employee contributions	(3,442,489)	(2,751,434)	(2,485,361)
Net change in total pension liability	6,043,326	3,670,114	2,791,610
Total pension liability - beginning	65,935,298	62,265,184	59,473,574
Total pension liability - ending (a)	$ 71,978,624	$ 65,935,298	$ 62,265,184
Plan fiduciary net position			
Contributions - employer	$ 2,166,752	$ 1,997,760	$ 1,604,941
Contributions - employee	953,618	872,942	753,803
Net investment income	6,218,929	3,907,484	(78,884)
Benefit payments, including refunds of employee contributions	(3,442,489)	(2,751,434)	(2,485,361)
Administrative expense	(39,329)	(37,978)	(37,123)
Other changes	1,366	1,583	1,408
Net change in plan fiduciary net position	5,858,847	3,990,357	(241,216)
Plan fiduciary net position - beginning	63,929,177	59,938,820	60,180,036
Plan fiduciary net position - ending (b)	$ 69,788,024	$ 63,929,177	$ 59,938,820
County's net pension liability - ending (a) - (b)	$ 2,190,600	$ 2,006,121	$ 2,326,364
Plan fiduciary net position as a percentage of the total pension liability	96.96%	96.96%	96.26%
Covered payroll	$ 20,052,842	$ 18,396,558	$ 15,928,979
County's net pension liability as a percentage of covered payroll	10.92%	10.90%	14.60%

Exhibit B-2

	2021	2020	2019	2018	2017	2016	2015
	$ 1,699,060	$ 1,687,629	$ 1,568,075	$ 1,568,714	$ 1,541,242	$ 1,495,249	$ 1,458,672
	3,660,599	3,405,540	3,251,497	3,051,817	2,826,947	2,716,218	2,533,894
	(1,002,611)	1,215,874	63,445	341,990	928,085	(818,238)	306,482
	2,200,152	-	1,475,910	-	(131,919)	-	-
	(2,629,437)	(2,431,349)	(2,281,527)	(1,938,384)	(1,965,461)	(1,657,309)	(1,731,525)
	3,927,763	3,877,694	4,077,400	3,024,137	3,198,894	1,735,920	2,567,523
	55,545,811	51,668,117	47,590,717	44,566,580	41,367,686	39,631,766	37,064,243
	$ 59,473,574	$ 55,545,811	$ 51,668,117	$ 47,590,717	$ 44,566,580	$ 41,367,686	$ 39,631,766
	$ 1,428,117	$ 1,345,369	$ 1,306,667	$ 1,153,033	$ 1,103,715	$ 1,232,527	$ 1,131,871
	702,117	715,155	684,102	701,159	623,563	615,182	568,417
	13,064,315	912,953	2,971,352	3,075,982	4,543,101	645,055	1,604,942
	(2,629,437)	(2,431,349)	(2,281,527)	(1,938,384)	(1,965,461)	(1,657,309)	(1,731,525)
	(32,089)	(30,468)	(28,973)	(26,131)	(25,913)	(22,272)	(21,686)
	1,236	(1,074)	(1,881)	(2,761)	(4,058)	(272)	(340)
	12,534,259	510,586	2,649,740	2,962,898	4,274,947	812,911	1,551,679
	47,645,777	47,135,191	44,485,451	41,522,553	37,247,606	36,434,695	34,883,016
	$ 60,180,036	$ 47,645,777	$ 47,135,191	$ 44,485,451	$ 41,522,553	$ 37,247,606	$ 36,434,695
	$ (706,462)	$ 7,900,034	$ 4,532,926	$ 3,105,266	$ 3,044,027	$ 4,120,080	$ 3,197,071
	101.19%	85.78%	91.23%	93.48%	93.17%	90.04%	91.93%
	$ 14,841,845	$ 13,176,974	$ 13,512,585	$ 13,087,775	$ 12,527,980	$ 11,803,972	$ 11,257,635
	-4.76%	59.95%	33.55%	23.73%	24.30%	34.90%	28.40%

COUNTY OF ISLE OF WIGHT, VIRGINIA

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

	2024	2023	2022
Total pension liability			
Service cost	$ 223,966	$ 217,231	$ 163,694
Interest	508,337	476,136	473,134
Differences between expected and actual experience	144,696	265,870	(170,239)
Assumption changes	-	-	-
Benefit payments, including refunds of employee contributions	(445,653)	(532,186)	(419,115)
Net change in total pension liability	431,346	427,051	47,474
Total pension liability - beginning	7,529,774	7,102,723	7,055,249
Total pension liability - ending (a)	$ 7,961,120	$ 7,529,774	$ 7,102,723
Plan fiduciary net position			
Contributions - employer	$ 128,283	$ 124,493	$ 125,409
Contributions - employee	102,197	98,082	87,534
Net investment income	736,502	475,073	(7,306)
Benefit payments, including refunds of employee contributions	(445,653)	(532,186)	(419,115)
Administrative expense	(5,039)	(4,848)	(4,818)
Other changes	5	190	176
Net change in plan fiduciary net position	516,295	160,804	(218,120)
Plan fiduciary net position - beginning	7,651,798	7,490,994	7,709,114
Plan fiduciary net position - ending (b)	$ 8,168,093	$ 7,651,798	$ 7,490,994
County's net pension liability - ending (a) - (b)	$ (206,973)	$ (122,024)	$ (388,271)
Plan fiduciary net position as a percentage of the total pension liability	102.60%	101.62%	105.47%
Covered payroll	$ 2,254,226	$ 2,153,219	$ 1,875,339
County's net pension liability as a percentage of covered payroll	-9.18%	-5.67%	-20.70%

	2021	2020	2019	2018	2017	2016	2015
	$ 162,388	$ 183,305	$ 166,758	$ 176,448	$ 176,414	$ 184,282	$ 191,347
	435,245	406,986	408,944	392,476	379,508	375,141	382,347
	(8,675)	220,047	(166,696)	18,586	(11,537)	(159,890)	(328,165)
	208,317	-	153,119	-	(6,991)	-	(189)
	(380,212)	(403,153)	(346,353)	(358,161)	(346,120)	(328,182)	(362,980)
	417,063	407,185	215,772	229,349	191,274	71,351	(117,640)
	6,638,186	6,231,001	6,015,229	5,785,880	5,594,606	5,523,255	5,640,895
	$ 7,055,249	$ 6,638,186	$ 6,231,001	$ 6,015,229	$ 5,785,880	$ 5,594,606	$ 5,523,255
	$ 100,854	$ 122,034	$ 152,872	$ 94,286	$ 95,514	$ 135,297	$ 136,787
	70,312	81,207	100,355	74,828	81,403	77,177	78,445
	1,684,755	118,171	400,739	422,832	640,604	91,464	237,020
	(380,212)	(403,153)	(346,353)	(358,161)	(346,120)	(328,182)	(362,980)
	(4,277)	(4,167)	(3,958)	(3,734)	(3,788)	(3,342)	(3,349)
	158	(141)	(252)	(374)	(566)	(39)	(49)
	1,471,590	(86,049)	303,403	229,677	467,047	(27,625)	85,874
	6,237,524	6,323,573	6,020,170	5,790,493	5,323,446	5,351,071	5,265,197
	$ 7,709,114	$ 6,237,524	$ 6,323,573	$ 6,020,170	$ 5,790,493	$ 5,323,446	$ 5,351,071
	$ (653,865)	$ 400,662	$ (92,572)	$ (4,941)	$ (4,613)	$ 271,160	$ 172,184
	109.27%	93.96%	101.49%	100.08%	100.08%	95.15%	96.88%
	$ 1,481,467	$ 1,685,917	$ 1,670,732	$ 1,496,603	$ 1,516,095	$ 1,602,936	$ 1,595,356
	-44.14%	23.77%	-5.54%	-0.33%	-0.30%	16.92%	10.79%

Schedule of County and School Board Non-Professional Pension Contributions
For the Years Ended June 30, 2016 through June 30, 2025

Date	Contractually Required Contribution (1)*	Contributions in Relation to Contractually Required Contribution (2)*	Contribution Deficiency (Excess) (3)	Employer's Covered Payroll (4)	Contributions as a % of Covered Payroll (5)
County					
2025	$ 2,409,554	$ 2,409,554	$ -	$ 21,304,632	11.31%
2024	2,300,061	2,300,061	-	20,052,842	11.47%
2023	2,110,085	2,110,085	-	18,396,558	11.47%
2022	1,604,862	1,604,862	-	15,928,979	10.08%
2021	1,427,654	1,427,654	-	14,841,845	9.62%
2020	1,345,369	1,345,369	-	13,176,974	10.21%
2019	1,306,667	1,306,667	-	13,512,585	9.67%
2018	1,153,033	1,153,033	-	13,087,775	8.81%
2017	1,103,715	1,103,715	-	12,527,980	8.81%
2016	1,232,527	1,232,527	-	11,803,972	10.44%
Component Unit School Board (nonprofessional)					
2025	$ 194,562	$ 194,562	$ -	$ 2,807,533	6.93%
2024	147,426	147,426	-	2,254,226	6.54%
2023	140,821	140,821	-	2,153,219	6.54%
2022	125,410	125,410	-	1,875,339	6.69%
2021	100,854	100,854	-	1,481,467	6.81%
2020	149,840	149,840	-	1,685,917	8.89%
2019	152,872	152,872	-	1,670,732	9.15%
2018	94,286	94,286	-	1,496,603	6.30%
2017	95,514	95,514	-	1,516,095	6.30%
2016	135,297	135,297	-	1,602,936	8.44%

*Notes to schedule: Excludes contributions (mandatory and match on voluntary) to the defined contribution portion of the Hybrid Retirement Plan.

COUNTY OF ISLE OF WIGHT, VIRGINIA **Exhibit B-5**

Schedule of School Board Professional Net Pension Liability - Proportionate Share of Cost Sharing Plan

For the Measurement Dates of June 30, 2015 through June 30, 2024

	2024	2023	2022	2021	2020
School Board's proportion of the net pension liability	0.37535%	0.37912%	0.37495%	0.36300%	0.37339%
School Board's proportionate share of the net pension liability	$ 35,233,859	$ 38,318,435	$ 35,697,485	$ 28,180,044	$ 54,338,051
School Board's covered payroll	40,093,194	37,736,545	34,807,795	31,910,325	40,959,209
School Board's proportionate share of the net pension liability as a percentage of its covered payroll	87.88%	101.54%	102.56%	88.31%	132.66%
Plan fiduciary net position as a percentage of the total Pension Liability	84.52%	82.45%	82.61%	85.46%	71.47%

	2019	2018	2017	2016	2015
School Board's proportion of the net pension liability	0.37230%	0.03684%	0.36865%	0.37766%	0.37104%
School Board's proportionate share of the net pension liability	$ 48,996,795	$ 43,318,672	$ 45,337,000	$ 51,998,000	$ 47,534,000
School Board's covered payroll	36,170,924	38,245,518	33,773,247	28,290,036	25,481,507
School Board's proportionate share of the net pension liability as a percentage of its covered payroll	135.46%	113.26%	134.24%	183.80%	186.54%
Plan fiduciary net position as a percentage of the total Pension Liability	73.51%	74.81%	72.92%	68.28%	70.68%

Schedule of School Board Professional Pension Contributions
For the Years Ended June 30, 2016 through June 30, 2025

Date	Contractually Required Contribution (1)*	Contributions in Relation to Contractually Required Contribution (2)*	Contribution Deficiency (Excess) (3)	Employer's Covered Payroll (4)	Contributions as a % of Covered Payroll (5)
Component Unit School Board (professional)					
2025	$ 5,962,322	$ 5,962,322	$ -	$ 41,958,637	14.21%
2024	6,663,489	6,663,489	-	40,093,194	16.62%
2023	6,271,814	6,271,814	-	37,736,545	16.62%
2022	5,570,195	5,570,195	-	34,807,795	16.00%
2021	5,303,496	5,303,496	-	31,910,325	16.62%
2020	6,422,404	6,422,404	-	40,959,209	15.68%
2019	5,671,601	5,671,601	-	36,170,924	15.68%
2018	5,606,793	5,606,793	-	38,245,518	14.66%
2017	4,951,158	4,951,158	-	33,773,247	14.66%
2016	3,977,579	3,977,579	-	28,290,036	14.06%

*Notes to schedule: Excludes contributions (mandatory and match on voluntary) to the defined contribution portion of the Hybrid Retirement Plan.

COUNTY OF ISLE OF WIGHT, VIRGINIA **Exhibit B-7**

Schedule of Changes in County OPEB Liability and Related Ratios
Medical Insurance
June 20, 2025

	Fiscal Year Ended June 30			
County	**2025**	**2024**	**2023**	**2022**
Total Medical Insurance OPEB liability:				
Service Cost	$ 108,492	$ 120,050	$ 94,728	$ 118,688
Interest	44,714	45,656	37,874	28,159
Differences between expected and actual experience	-	(180,111)	-	(220,152)
Changes in assumptions	(118,524)	(69,309)	35,896	(125,011)
Benefit Payments	(26,886)	(8,903)	(16,720)	(6,343)
Net change in total OPEB liability	$ 7,796	$ (92,617)	$ 151,778	$ (204,659)
Total Medical Insuraance OPEB liability - beginning	1,042,584	1,135,201	983,423	1,188,082
County total Medical Insurance OPEB liability - ending	$ 1,050,380	$ 1,042,584	$ 1,135,201	$ 983,423
Plan fiduciary net position as a percentage of the total Medical Insurance Plan OPEB liability	0.00%	0.00%	0.00%	0.00%
Covered-employee payroll	$ 18,738,913	$ 18,738,913	$ 14,931,202	$ 14,931,202
Total OPEB liability as a percentage of covered-employee payroll	5.61%	5.56%	7.60%	6.59%

	Fiscal Year Ended June 30			
County	**2021**	**2020**	**2019**	**2018**
Total Medical Insurance OPEB liability:				
Service Cost	$ 129,197	$ 139,510	$ 74,762	$ 86,867
Interest	25,793	45,025	44,404	44,679
Differences between expected and actual experience	-	14,748	(59,249)	(210,999)
Changes in assumptions	4,632	(286,514)	30,516	13,156
Benefit Payments	(18,833)	(17,342)	(22,183)	(22,304)
Net change in total OPEB liability	$ 140,789	(104,573)	68,250	(88,601)
Total Medical Insuraance OPEB liability - beginning	1,047,293	1,151,866	1,083,616	1,172,217
County total Medical Insurance OPEB liability - ending	$ 1,188,082	$ 1,047,293	$ 1,151,866	$ 1,083,616
Plan fiduciary net position as a percentage of the total Medical Insurance Plan OPEB liability	0.00%	0.00%	0.00%	0.00%
Covered-employee payroll	$ 14,129,222	$ 14,129,222	$ 14,150,622	$ 13,728,179
Total OPEB liability as a percentage of covered-employee payroll	8.41%	7.41%	8.14%	7.89%

Note to schedule:

(1) Schedule is intended to show information for 10 years. Since 2024 is the eighth year for this presentation, there are only eight years available. However, additional years will be included as they become available.

(2) There are no assets accumulated in a trust that meets the criteria of GASB codification P22. 101 or P52. 101 to pay related benefits for the OPEB plan.

COUNTY OF ISLE OF WIGHT, VIRGINIA **Exhibit B-8**

Schedule of Changes in School Board OPEB Liability and Related Ratios
Medical Insurance
June 20, 2025

	Fiscal Year Ended June 30			
School Board Professional	**2025**	**2024**	**2023**	**2022**
Total Medical Insurance OPEB liability:				
Service Cost	$ 195,593	$ 235,007	$ 188,349	$ 228,784
Interest	143,346	145,524	131,273	113,731
Differences between expected and actual experience	-	(334,510)	125,723	(455,792)
Changes in assumptions	(291,656)	(143,483)	-	(1,183,320)
Benefit Payments	(206,239)	(199,124)	(227,337)	(213,520)
Net change in total OPEB liability	(158,956)	(296,586)	218,008	(1,510,117)
Total Medical Insuraance OPEB liability - beginning	3,554,028	3,850,614	3,632,606	5,142,723
County total Medical Insurance OPEB liability - ending	$ 3,395,072	$ 3,554,028	$ 3,850,614	$ 3,632,606
Plan fiduciary net position as a percentage of the total Medical Insurance Plan OPEB liability	0.00%	0.00%	0.00%	0.00%
Covered-employee payroll	$ 35,572,932	$ 35,572,932	$ 30,465,545	$ 30,465,545
Total OPEB liability as a percentage of covered-employee payroll	9.54%	9.99%	12.64%	11.92%

	Fiscal Year Ended June 30			
School Board Professional	**2021**	**2020**	**2019**	**2018**
Total Medical Insurance OPEB liability:				
Service Cost	$ 269,721	$ 209,882	$ 238,851	$ 223,772
Interest	113,752	120,191	134,560	113,449
Differences between expected and actual experience	15,937	403,709	80,182	107,739
Changes in assumptions	-	1,152,848	(350,492)	(72,529)
Benefit Payments	(266,847)	(180,126)	(74,462)	(84,490)
Net change in total OPEB liability	132,563	1,706,504	28,639	287,941
Total Medical Insuraance OPEB liability - beginning	5,010,160	316,580	287,941	-
County total Medical Insurance OPEB liability - ending	$ 5,142,723	$ 2,023,084	$ 316,580	$ 287,941
Plan fiduciary net position as a percentage of the total Medical Insurance Plan OPEB liability	0.00%	0.00%	0.00%	0.00%
Covered-employee payroll	$ 31,436,981	$ 31,436,981	$ 38,276,178	$ 31,256,259
Total OPEB liability as a percentage of covered-employee payroll	16.36%	6.44%	0.83%	0.92%

Note to schedule:

(1) Schedule is intended to show information for 10 years. Since 2024 is the seventh year for this presentation, there are only eight years available. However, additional years will be included as they become available.

(2) There are no assets accumulated in a trust that meets the criteria of GASB codification P22. 101 or P52. 101 to pay related benefits for the OPEB plan.

COUNTY OF ISLE OF WIGHT, VIRGINIA **Exhibit B-9**

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

Date (1)	Employer's Proportion of the Net GLI OPEB Liability (Asset) (2)	Employer's Proportionate Share of the Net GLI OPEB Liability (Asset) (3)	Employer's Covered Payroll (4)	Employer's Proportionate Share of the Net GLI OPEB Liability (Asset) as a Percentage of Covered Payroll (3)/(4) (5)	Plan Fiduciary Net Position as a Percentage of Total GLI OPEB Liability (6)
County:					
2024	0.07821%	$ 872,763	$ 20,080,943	4.35%	73.41%
2023	0.07811%	936,784	18,400,047	5.09%	69.30%
2022	0.07331%	882,723	15,945,823	5.54%	67.21%
2021	0.07190%	837,111	14,712,526	5.69%	54.00%
2020	0.07149%	1,193,052	14,715,526	8.11%	54.00%
2019	0.07197%	1,171,000	14,091,398	8.31%	52.00%
2018	0.07142%	1,085,000	13,578,462	7.99%	51.22%
2017	0.06975%	1,049,000	12,865,047	8.15%	48.86%
Component Unit School Board (Non-Professional):					
2024	0.00883%	$ 98,536	$ 2,266,805	4.35%	73.41%
2023	0.00928%	111,296	2,185,651	5.09%	69.30%
2022	0.00877%	105,599	1,907,253	5.54%	67.21%
2021	0.00729%	84,875	1,504,937	5.64%	67.45%
2020	0.00827%	138,013	1,702,088	8.11%	54.00%
2019	0.01102%	179,324	2,160,740	8.30%	52.00%
2018	0.00842%	128,000	1,600,657	8.00%	51.22%
2017	0.00871%	131,000	1,606,998	8.15%	48.86%
Component Unit School Board (Professional):					
2024	0.15656%	$ 1,747,088	$ 40,198,351	4.35%	73.41%
2023	0.16061%	1,926,217	37,833,114	5.09%	69.30%
2022	0.16041%	1,931,491	34,893,690	5.54%	67.21%
2021	0.15500%	1,804,620	32,001,948	5.64%	67.45%
2020	0.15828%	2,641,434	32,574,973	8.11%	54.00%
2019	0.15880%	2,584,099	31,129,745	8.30%	52.00%
2018	0.15596%	2,369,000	29,655,602	7.99%	51.22%
2017	0.15715%	2,365,000	28,986,478	8.16%	48.86%

Schedule is intended to show information for 10 years. Since 2023 is the seventh year for this presentation, there are only seven years available. However, additional years will be included as they become available.

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

Date	Contractually Required Contribution (1)	Contributions in Relation to Contractually Required Contribution (2)	Contribution Deficiency (Excess) (3)	Employer's Covered Payroll (4)	Contributions as a % of Covered Payroll (5)
County Plan:					
2025	$ 100,413	$ 100,413	$ -	$ 21,364,456	0.47%
2024	108,437	108,437	-	20,080,943	0.54%
2023	99,360	99,360	-	18,400,047	0.54%
2022	85,453	85,453	-	15,945,823	0.54%
2021	80,421	80,421	-	14,712,526	0.55%
2020	76,554	76,554	-	14,712,526	0.52%
2019	73,368	73,368	-	14,091,398	0.52%
2018	70,608	70,608	-	13,578,462	0.52%
2017	66,898	66,898	-	12,865,047	0.52%
2016	60,109	60,109	-	12,522,770	0.48%
Component Unit School Board (Non-Professional) Plan:					
2025	$ 13,418	$ 13,418	$ -	$ 2,854,980	0.47%
2024	12,241	12,241	-	2,266,805	0.54%
2023	11,803	11,803	-	2,185,651	0.54%
2022	10,299	10,299	-	1,907,253	0.54%
2021	8,127	8,127	-	1,504,937	0.54%
2020	8,851	8,851	-	1,702,088	0.52%
2019	11,236	11,236	-	2,160,740	0.52%
2018	8,323	8,323	-	1,600,657	0.52%
2017	8,356	8,356	-	1,606,998	0.52%
2016	7,730	7,730	-	1,610,420	0.48%
Component Unit School Board (Professional) Plan:					
2025	$ 197,991	$ 197,991	$ -	$ 42,125,742	0.47%
2024	217,071	217,071	-	40,198,351	0.54%
2023	204,299	204,299	-	37,833,114	0.54%
2022	188,426	188,426	-	34,893,690	0.54%
2021	172,811	172,811	-	32,001,948	0.54%
2020	169,390	169,390	-	32,574,973	0.52%
2019	161,875	161,875	-	31,129,745	0.52%
2018	154,209	154,209	-	29,655,602	0.52%
2017	150,730	150,730	-	28,986,478	0.52%
2016	136,004	136,004	-	28,334,241	0.48%

Schedule of Changes in the County's Net OPEB Liability and Related Ratios
Health Insurance Credit (HIC) Plan
For the Measurement Dates of June 30, 2017 - June 30, 2024

	Measurement Date June 30,			
	2024	**2023**	**2022**	**2021**
Total HIC OPEB liability:				
Service cost	$ 7,770	$ 7,634	$ 11,123	$ 8,576
Interest	24,044	22,123	18,663	17,166
Differences between expected and actual experience	(41,281)	18,014	59,323	1,551
Changes of assumptions	-	-	(13,471)	5,815
Benefit payments	(19,722)	(19,172)	(22,621)	(21,471)
Net change in total HIC OPEB liability	(29,189)	28,599	53,017	11,637
Total HIC OPEB liability - beginning	358,298	329,699	276,682	265,045
Total HIC OPEB liability - ending (a)	$ 329,109	$ 358,298	$ 329,699	$ 276,682
Plan Fiduciary Net Position:				
Contributions - employer	$ 17,866	$ 16,329	$ 17,951	$ 16,701
Net investment income	23,535	13,915	390	49,207
Benefit payments, including refunds of employee contributions	(19,722)	(19,172)	(22,621)	(21,471)
Administrative expense	(324)	(329)	(409)	(574)
Other changes	-	518	9,657	-
Net change in plan fiduciary net position	21,355	11,261	4,968	43,863
Plan fiduciary net position - beginning	249,934	238,673	233,705	189,842
Plan fiduciary net position - ending (b)	$ 271,289	$ 249,934	$ 238,673	$ 233,705
Net HIC OPEB Liability - ending (a) - (b)	$ 57,820	$ 108,364	$ 91,026	$ 42,977
Plan fiduciary net position as a percentage of the total HIC OPEB liability	82.43%	69.76%	72.39%	84.47%
Covered payroll	$ 11,166,479	$ 10,205,222	$ 8,974,757	$ 8,349,674
Net OPEB liability as a percentage of covered payroll	0.52%	1.06%	1.01%	0.51%

	2020	**2019**	**2018**	**2017**
Total HIC OPEB liability:				
Service cost	$ 7,137	$ 6,822	$ 6,588	$ 6,296
Interest	17,035	18,494	17,356	17,128
Differences between expected and actual experience	(917)	(24,287)	10,069	-
Changes of assumptions	-	6,129	-	(4,905)
Benefit payments	(21,155)	(16,834)	(18,665)	(11,866)
Net change in total HIC OPEB liability	2,100	(9,676)	15,348	6,653
Total HIC OPEB liability - beginning	262,945	272,621	257,273	250,620
Total HIC OPEB liability - ending (a)	$ 265,045	$ 262,945	$ 272,621	$ 257,273
Plan Fiduciary Net Position:				
Contributions - employer	$ 16,646	$ 15,467	$ 11,235	$ 10,645
Net investment income	3,829	11,590	12,396	18,362
Benefit payments, including refunds of employee contributions	(21,155)	(16,834)	(18,665)	(11,866)
Administrative expense	(362)	(254)	(284)	(295)
Other changes	(2)	(14)	(934)	934
Net change in plan fiduciary net position	(1,044)	9,955	3,748	17,780
Plan fiduciary net position - beginning	190,886	180,931	177,183	159,403
Plan fiduciary net position - ending (b)	$ 189,842	$ 190,886	$ 180,931	$ 177,183
Net HIC OPEB Liability - ending (a) - (b)	$ 75,203	$ 72,059	$ 91,690	$ 80,090
Plan fiduciary net position as a percentage of the total HIC OPEB liability	71.63%	72.60%	66.37%	68.87%
Covered payroll	$ 8,240,953	$ 7,724,797	$ 7,470,170	$ 7,097,196
Net OPEB liability as a percentage of covered payroll	0.91%	0.93%	1.23%	1.13%

Note to Schedule:

(1) This schedule is presented to illustrate the requirement to show information for 10 years. However, until a full 10-year trend is compiled, the School Board Non-Professional Plan will present information for those years which information is available.

Schedule of County OPEB Contributions -
Health Insurance Credit (HIC) Plan
Years Ended June 30, 2016 through June 30, 2025

Date	Contractually Required Contribution (1)	Contributions in Relation to Contractually Required Contribution (2)	Contribution Deficiency (Excess) (3)	Employer's Covered Payroll (4)	Contributions as a % of Covered Payroll (5)
2025	$ 14,392	$ 14,392	$ -	$ 11,993,661	0.12%
2024	17,866	17,866	-	11,166,479	0.16%
2023	16,326	16,326	-	10,205,222	0.16%
2022	17,952	17,952	-	8,974,757	0.20%
2021	16,690	16,690	-	8,349,674	0.20%
2020	16,645	16,645	-	8,240,953	0.20%
2019	15,469	15,469	-	7,724,797	0.20%
2018	11,235	11,235	-	7,470,170	0.15%
2017	10,645	10,645	-	7,097,196	0.15%
2016	9,671	9,671	-	6,908,014	0.14%
		-	-		
		-	-		

Schedule of School Board Non-Professional Net OPEB Liability
Proportionate share of Cost Sharing Health Insurance Credit (HIC) Plan
For the Measurement Dates of June 30, 2020 - June 30, 2024

	Measurement Date June 30,				
	2024	**2023**	**2022**	**2021**	**2020**
Total HIC OPEB liability					
Service cost	$ 1,516	$ 1,498	$ 2,674	$ 2,214	$ -
Interest	5,959	8,098	7,708	6,459	-
Changes of assumptions	-	-	12,790	8,553	-
Differences between expected and actual experience	(9,018)	(38,247)	(13,270)	-	-
Changes in benefit terms	-	-	-		95,695
Benefit payments	(3,028)	(3,082)	(2,806)	-	-
Net change in total HIC OPEB liability	(4,571)	(31,733)	7,096	17,226	95,695
Total HIC OPEB liability - beginning	88,284	120,017	112,921	95,695	-
Total HIC OPEB liability - ending (a)	$ 83,713	$ 88,284	$ 120,017	$ 112,921	$ 95,695
Plan Fiduciary Net Position:					
Contributions - employer	$ 15,554	$ 14,857	$ 9,189	$ 7,259	$ -
Net investment income	3,394	1,431	(183)	934	-
Benefit payments	(3,028)	(3,082)	(2,806)	-	-
Administrative expense	(52)	(40)	(26)	(32)	-
Other changes	1	16	286	-	-
Net change in plan fiduciary net position	15,869	13,182	6,460	8,161	-
Plan fiduciary net position - beginning	27,803	14,621	8,161	-	-
Plan fiduciary net position - ending (b)	$ 43,672	$ 27,803	$ 14,621	$ 8,161	$ -
County's net HIC OPEB liability - ending (a) - (b)	$ 40,041	$ 60,481	$ 105,396	$ 104,760	$ 95,695
Plan fiduciary net position as a percentage of the total HIC OPEB liability	52.17%	31.49%	12.18%	7.23%	0.00%
Covered payroll	$ 2,254,226	$ 2,153,219	$ 1,875,339	$ 1,481,467	$ 1,660,022
County's net HIC OPEB liability as a percentage of covered payroll	1.78%	2.81%	5.62%	7.07%	5.76%

Note to Schedule:
(1) This schedule is presented to illustrate the requirement to show information for 10 years. However, until a full 10-year trend is compiled, the School Board will present information for those years which information is available.

Schedule of School Board Non-Professional OPEB Contributions
Health Insurance Credit (HIC) Plan
For the Years Ended June 30, 2021 through June 30, 2025

Date	Contractually Required Contribution (1)	Contributions in Relation to Contractually Required Contribution (2)	Contribution Deficiency (Excess) (3)	Employer's Covered Payroll (4)	Contributions as a % of Covered Payroll (5)
2025	$ 19,372	$ 19,372	$ -	$ 2,807,533	0.69%
2024	15,554	15,554	-	2,254,226	0.69%
2023	14,857	14,857	-	2,153,219	0.69%
2022	9,189	9,189	-	1,875,339	0.49%
2021	7,259	7,259	-	1,481,467	0.49%

Note to Schedule: This schedule is presented to illustrate the requirements to show information for 10 years. However, until a full 10-year trend is compiled, the County will present information for those years which information is available.

Schedule of School Board's Professional Plan's Share of Net OPEB Liability -
Teacher Employee Health Insurance Credit (HIC) Plan
For the Measurement Dates of June 30, 2017 through June 30, 2024

Date (1)	Employer's Proportion of the Net HIC OPEB Liability (Asset) (2)	Employer's Proportionate Share of the Net HIC OPEB Liability (Asset) (3)	Employer's Covered Payroll (4)	Employer's Proportionate Share of the Net HIC OPEB Liability (Asset) as a Percentage of Covered Payroll (3)/(4) (5)	Plan Fiduciary Net Position as a Percentage of Total HIC OPEB Liability (6)
2024	0.37426%	$ 4,325,128	$ 40,098,064	10.79%	21.82%
2023	0.37846%	4,584,730	37,736,545	12.15%	17.90%
2022	0.37347%	4,664,814	34,807,795	13.40%	15.08%
2021	0.36082%	4,631,375	31,910,324	14.51%	13.15%
2020	0.37066%	4,835,321	32,494,868	14.88%	9.95%
2019	0.36986%	4,841,827	31,022,917	15.61%	8.97%
2018	0.36619%	4,649,000	29,615,591	15.70%	8.08%
2017	0.36624%	4,646,000	28,903,680	16.07%	7.04%

Schedule is intended to show information for 10 years. Since 2024 is the eighth year for this presentation, there are only eight years available. However, additional years will be included as they become available.

Schedule of School Board Professional OPEB Contributions
Teacher Employee Health Insurance Credit (HIC) Plan
For the Measurement Dates of June 30, 2016 through June 30, 2025

Date	Contractually Required Contribution (1)	Contributions in Relation to Contractually Required Contribution (2)	Contribution Deficiency (Excess) (3)	Employer's Covered Payroll (4)	Contributions as a % of Covered Payroll (5)
2025	$ 507,700	$ 507,700	$ -	$ 41,958,637	1.21%
2024	485,187	485,187	-	40,098,064	1.21%
2023	456,612	456,612	-	37,736,545	1.21%
2022	421,174	421,174	-	34,807,796	1.21%
2021	386,115	386,115	-	31,910,324	1.21%
2020	389,938	389,938	-	32,494,868	1.20%
2019	372,275	372,275	-	31,022,917	1.20%
2018	364,272	364,272	-	29,615,591	1.23%
2017	320,831	320,831	-	28,903,680	1.11%
2016	299,874	299,874	-	28,290,038	1.06%

Schedule of County's Share of Net OPEB Liability
Virginia Local Disability Program (VLDP)
For the Measurement Dates of June 30, 2017 through June 30, 2024

Date (1)	Employer's Proportion of the Net VLDP OPEB Liability (Asset) (2)	Employer's Proportionate Share of the Net VLDP OPEB Liability (Asset) (3)	Employer's Covered Payroll (4)	Employer's Proportionate Share of the Net VLDP OPEB Liability (Asset) as a Percentage of Covered Payroll (3)/(4) (5)	Plan Fiduciary Net Position as a Percentage of Total VLDP OPEB Liability (6)
2024	0.83674%	$ (30,185)	$ 6,471,652	-0.47%	129.49%
2023	0.91025%	(14,646)	5,571,422	-0.26%	116.89%
2022	1.00081%	(5,884)	4,688,681	-0.13%	107.99%
2021	0.99627%	(10,085)	4,002,129	-0.25%	119.59%
2020	1.00031%	9,985	3,727,788	0.27%	76.84%
2019	0.99652%	20,188	2,651,667	0.76%	49.19%
2018	1.01654%	8,000	2,468,217	0.32%	51.39%
2017	1.07225%	6,000	1,968,960	0.30%	38.40%

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

Schedule of Employer Contributions
Virginia Local Disability Program (VLDP)
For the Years Ended June 30, 2016 through June 30, 2025

Date	Contractually Required Contribution (1)	Contributions in Relation to Contractually Required Contribution (2)	Contribution Deficiency (Excess) (3)	Employer's Covered Payroll (4)	Contributions as a % of Covered Payroll (5)
2025	$ 53,943	$ 53,943	$ -	$ 7,289,656	0.74%
2024	55,009	55,009	-	6,471,652	0.85%
2023	47,357	47,357	-	5,571,422	0.85%
2022	38,924	38,924	-	4,688,681	0.83%
2021	33,224	33,224	-	4,002,129	0.83%
2020	26,840	26,840	-	3,727,778	0.72%
2019	19,082	19,082	-	2,651,667	0.72%
2018	14,810	14,810	-	2,468,217	0.60%
2017	11,814	11,814	-	1,968,960	0.60%
2016	8,197	8,197	-	1,366,240	0.60%

Schedule of School Board Non-Professional Share of Net OPEB Liability
Virginia Local Disability Program (VLDP)
For the Measurement Dates of June 30, 2017 through June 30, 2024

Date (1)	Employer's Proportion of the VLDP Net OPEB Liability (Asset) (2)	Employer's Proportionate Share of the VLDP Net OPEB Liability (Asset) (3)	Employer's Covered Payroll (4)	Employer's Proportionate Share of the VLDP Net OPEB Liability (Asset) as a Percentage of Covered Payroll (3)/(4) (5)	Plan Fiduciary Net Position as a Percentage of Total VLDP OPEB Liability (6)
2024	0.13594%	$ (4,904)	$ 1,051,465	-0.47%	129.49%
2023	0.15652%	(2,518)	957,966	-0.26%	116.89%
2022	0.13306%	(782)	623,323	-0.13%	107.99%
2021	0.09363%	(948)	376,163	-0.25%	-0.25%
2020	0.10671%	1,065	397,699	0.27%	76.84%
2019	0.21506%	4,357	572,631	0.76%	49.21%
2018	0.12581%	1,000	305,472	0.33%	51.39%
2017	0.14372%	-	263,907	0.00%	38.40%

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

Schedule of School Board Non-Professional OPEB Contributions
Virginia Local Disability Program (VLDP)
For the Measurement Dates of June 30, 2016 through June 30, 2025

Date	Contractually Required Contribution (1)	Contributions in Relation to Contractually Required Contribution (2)	Contribution Deficiency (Excess) (3)	Employer's Covered Payroll (4)	Contributions as a % of Covered Payroll (5)
2025	$ 12,237	$ 12,237	$ -	$ 1,653,586	0.74%
2024	8,937	8,937	-	1,051,465	0.85%
2023	8,143	8,143	-	957,966	0.85%
2022	5,174	5,174	-	623,323	0.83%
2021	3,122	3,122	-	376,163	0.83%
2020	2,863	2,863	-	397,699	0.72%
2019	4,121	4,121	-	572,631	0.72%
2018	1,833	1,833	-	305,472	0.60%
2017	1,583	1,583	-	263,907	0.60%
2016	1,466	1,466	-	244,357	0.60%

Schedule of School Board Professional Share of Net OPEB Liability
Teacher Virginia Local Disability Program (VLDP)
For the Measurement Dates of June 30, 2017 through June 30, 2024

Date (1)	Employer's Proportion of the VLDP Net OPEB Liability (Asset) (2)	Employer's Proportionate Share of the VLDP Net OPEB Liability (Asset) (3)	Employer's Covered Payroll (4)	Employer's Proportionate Share of the VLDP Net OPEB Liability (Asset) as a Percentage of Covered Payroll (3)/(4) (5)	Plan Fiduciary Net Position as a Percentage of Total VLDP OPEB Liability (6)
2024	1.55019%	$ (13,888)	$ 16,728,905	-0.08%	107.03%
2023	1.50489%	9,991	14,053,178	0.07%	93.77%
2022	1.44244%	(1,622)	11,609,502	-0.01%	101.57%
2021	1.28996%	(9,082)	8,680,127	-0.10%	114.46%
2020	1.32800%	10,655	7,855,161	0.14%	78.28%
2019	1.29409%	7,523	6,205,524	0.12%	74.12%
2018	1.27169%	10,000	4,741,727	0.21%	46.18%
2017	1.02846%	6,000	2,902,316	0.21%	31.96%

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

Schedule of School Board Professional Employer Contributions
Teacher Virginia Local Disability Program (VLDP)
For the Years Ended June 30, 2016 through June 30, 2025

Date	Contractually Required Contribution (1)	Contributions in Relation to Contractually Required Contribution (2)	Contribution Deficiency (Excess) (3)	Employer's Covered Payroll (4)	Contributions as a % of Covered Payroll (5)
2025	$ 83,012	$ 83,012	$ -	$ 18,447,086	0.45%
2024	78,626	78,626	-	16,728,905	0.47%
2023	66,050	66,050	-	14,053,178	0.47%
2022	54,656	54,656	-	11,609,502	0.47%
2021	40,797	40,797	-	8,680,127	0.47%
2020	32,206	32,206	-	7,855,161	0.41%
2019	25,443	25,443	-	6,205,524	0.41%
2018	14,699	14,699	-	4,741,727	0.31%
2017	8,997	8,997	-	2,902,316	0.31%
2016	5,607	5,607	-	1,933,512	0.29%

OTHER SUPPLEMENTARY INFORMATION

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SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES

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Capital Projects Fund
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
For the Year Ended June 30, 2025

	Budgeted Amounts			Variance with Final Budget - Positive (Negative)
	Original	**Final**	**Actual Amounts**	
REVENUES				
Revenue from the use of money and property	$ 417,000	$ 906,617	$ 1,055,477	$ 148,860
Miscellaneous	-	-	205,500	205,500
Intergovernmental:				
Commonwealth of Virginia	-	850,000	857,237	7,237
Federal government	-	14,835,564	877,498	(13,958,066)
Local government	-	2,924,400	2,022,400	(902,000)
Total revenues	$ 417,000	$ 19,516,581	$ 5,018,112	$ (14,498,469)
EXPENDITURES				
Capital outlay	$ 10,303,100	$ 45,183,104	$ 13,215,838	$ 31,967,266
Total expenditures	$ 10,303,100	$ 45,183,104	$ 13,215,838	$ 31,967,266
Deficiency of revenues under expenditures	$ (9,886,100)	$ (25,666,523)	$ (8,197,726)	$ 17,468,797
OTHER FINANCING SOURCES (USES)				
Transfers in	$ 2,325,000	$ 6,854,550	$ 6,854,550	$ -
Issuance of debt	7,561,100	11,741,813	7,672,899	(4,068,914)
Insurance recovery	-	40,153	40,153	-
Total other financing sources (uses)	$ 9,886,100	$ 18,636,516	$ 14,567,602	$ (4,068,914)
Net change in fund balances	$ -	$ (7,030,007)	$ 6,369,876	$ 13,399,883
Fund balances - beginning	-	7,030,007	15,120,724	8,090,717
Fund balances - ending	$ -	$ -	$ 21,490,600	$ 21,490,600

Debt Service Fund
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
For the Year Ended June 30, 2025

	Budgeted Amounts			Variance with Final Budget -
	Original	Final	Actual Amounts	Positive (Negative)
Other financing sources (uses)				
Transfers In	$ 272,275	$ 511,764	$ 511,764	$ -
Transfers Out	(945,608)	(945,608)	(945,608)	-
Total other financing sources, net	$ (673,333)	$ (433,844)	$ (433,844)	$ -
Net change in fund balances	$ (673,333)	$ (433,844)	$ (433,844)	$ -
Fund balances - beginning	673,333	433,844	2,928,228	2,494,384
Fund balances - ending	$ -	$ -	$ 2,494,384	$ 2,494,384

NONMAJOR GOVERNMENTAL FUNDS

COUNTY OF ISLE OF WIGHT, VIRGINIA

Combining Balance Sheet -
Nonmajor Governmental Funds
June 30, 2025

	Department of Social Services Fund	Children's Service Fund	E-911 Fund
ASSETS			
Cash and cash equivalents	$ 7,081	$ 46,013	$ -
Accounts receivable	-	1,595	15,341
Due from other funds	614,814	-	-
Due from other governments	135,384	124,459	136,188
Total assets	$ 757,279	$ 172,067	$ 151,529
LIABILITIES			
Accounts payable	$ -	$ 45,057	$ 118,991
Accrued liabilities	-	-	9,027
Amounts held in escrow	-	-	-
Due to other funds	-	-	62,520
Due to other governments	-	-	27,276
Unearned revenue	-	-	-
Total liabilities	$ -	$ 45,057	$ 217,814
DEFFERED INFLOWS OF RESOURCES			
Settlements	$ -	$ -	$ -
Total deferred inflows of resources	$ -	$ -	$ -
FUND BALANCES			
Restricted	$ -	$ -	$ -
Committed	-	-	-
Assigned	757,279	127,010	-
Unassigned	-	-	(66,285)
Total fund balances	$ 757,279	$ 127,010	$ (66,285)
Total deferred inflows of resources, liabilities and fund balances	$ 757,279	$ 172,067	$ 151,529

Community Development Block Grant Fund	County Fair Fund	Grants Fund	Opioid Settlement Fund	Total Governmental Funds
$ 140,871	$ 208,464	$ 425,687	$ 232,691	$ 1,060,807
-	-	840	547,694	565,470
-	-	-	-	614,814
-	-	264,338	-	660,369
$ 140,871	$ 208,464	$ 690,865	$ 780,385	$ 2,901,460
$ -	$ 6,792	$ 62,974	$ -	$ 233,814
-	-	1,376	-	10,403
-	-	241,358	-	241,358
-	-	-	-	62,520
-	-	-	-	27,276
-	24,180	38,561	-	62,741
$ -	$ 30,972	$ 344,269	$ -	$ 638,112
$ -	$ -	$ -	$ 547,694	$ 547,694
$ -	$ -	$ -	$ 547,694	$ 547,694
$ -	$ -	$ 265,788	$ 232,691	$ 498,479
-	-	85,145	-	85,145
140,871	177,492	108,894	-	1,311,546
-	-	(113,231)	-	(179,516)
$ 140,871	$ 177,492	$ 346,596	$ 232,691	$ 1,715,654
$ 140,871	$ 208,464	$ 690,865	$ 780,385	$ 2,901,460

COUNTY OF ISLE OF WIGHT, VIRGINIA

Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
Nonmajor Governmental Funds
For the Year Ended June 30, 2025

	Department of Social Services Fund	Children's Service Fund	E-911 Fund
REVENUES			
Other local taxes	$ -	$ -	$ 457,253
Revenue from the use of money and property	264	-	-
Charges for services	-	-	-
Miscellaneous	-	7,837	5,572
Recovered costs	-	-	462,662
Intergovernmental:			
Commonwealth	939,140	443,700	372,384
Federal	2,198,694	27,551	-
Local	-	-	-
Total revenues	$ 3,138,098	$ 479,088	$ 1,297,871
EXPENDITURES			
Judicial Administration	$ -	$ -	$ -
Public safety	-	-	2,739,751
Public works	-	-	-
Health and welfare	4,295,372	821,979	-
Parks, recreation, and cultural	-	-	-
Community development	-	-	-
Total expenditures	$ 4,295,372	$ 821,979	$ 2,739,751
Excess (deficiency) of revenues over (under) expenditures	$ (1,157,274)	$ (342,891)	$ (1,441,880)
OTHER FINANCING SOURCES (USES)			
Transfers in	$ 1,800,000	$ 406,000	$ 1,375,595
Transfers out	-	-	-
Total other financing sources (uses)	$ 1,800,000	$ 406,000	$ 1,375,595
Net change in fund balances	$ 642,726	$ 63,109	$ (66,285)
Fund balances (deficit) - beginning of year	114,553	63,901	-
Fund balances (deficit) - end of year	$ 757,279	$ 127,010	$ (66,285)

Community Development Block Grant Fund	County Fair Fund	Grants Fund	Opioid Settlement Fund	Total Governmental Funds
$ -	$ -	$ -	$ -	$ 457,253
-	66,826	-	350	67,440
-	463,457	-	-	463,457
-	71,191	66,032	67,970	218,602
-	-	82	-	462,744
-	-	641,229	-	2,396,453
-	-	441,330	-	2,667,575
-	-	7,100	-	7,100
$ -	$ 601,474	$ 1,155,773	$ 68,320	$ 6,740,624
$ -	$ -	$ 91,867	$ -	$ 91,867
-	-	291,119	40,000	3,070,870
-	-	218,671	-	218,671
-	-	-	-	5,117,351
-	500,670	-	-	500,670
-	-	239,316	-	239,316
$ -	$ 500,670	$ 840,973	$ 40,000	$ 9,238,745
$ -	$ 100,804	$ 314,800	$ 28,320	$ (2,498,121)
$ -	$ -	$ 52,171	$ -	$ 3,633,766
-	-	(370,859)	-	(370,859)
$ -	$ -	$ (318,688)	$ -	$ 3,262,907
$ -	$ 100,804	$ (3,888)	$ 28,320	$ 764,786
140,871	76,688	350,484	204,371	950,868
$ 140,871	$ 177,492	$ 346,596	$ 232,691	$ 1,715,654

Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
Nonmajor Governmental Funds - Department of Social Services Fund
For the Year Ended June 30, 2025

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
REVENUES				
Revenues from use of property	$ -	$ -	$ 264	$ 264
Intergovernmental:				
Commonwealth of Virginia	1,391,696	1,391,507	939,140	(452,367)
Federal	2,149,634	2,149,823	2,198,694	48,871
Total revenues	$ 3,541,330	$ 3,541,330	$ 3,138,098	$ (403,232)
EXPENDITURES				
Health and welfare	$ 5,341,330	$ 5,341,330	$ 4,295,372	$ 1,045,958
Total expenditures	$ 5,341,330	$ 5,341,330	$ 4,295,372	$ 1,045,958
Excess (deficiency) of revenues over (under) expenditures	$ (1,800,000)	$ (1,800,000)	$ (1,157,274)	$ 642,726
OTHER FINANCING SOURCES (USES)				
Transfers in	$ 1,800,000	$ 1,800,000	$ 1,800,000	$ -
Total other financing sources (uses)	$ 1,800,000	$ 1,800,000	$ 1,800,000	$ -
Net change in fund balances	$ -	$ -	$ 642,726	$ 642,726
Fund balances - beginning	-	-	114,553	114,553
Fund balances - ending	$ -	$ -	$ 757,279	$ 757,279

Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
Nonmajor Governmental Funds - Children's Services Fund
For the Year Ended June 30, 2025

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
REVENUES				
Miscellaneous	$ -	$ -	$ 7,837	$ 7,837
Intergovernmental:				
Commonwealth	291,440	471,440	443,700	(27,740)
Federal	-	-	27,551	27,551
Total revenues	$ 291,440	$ 471,440	$ 479,088	$ 7,648
EXPENDITURES				
Health and welfare	$ 577,440	$ 905,884	$ 821,979	$ 83,905
Total expenditures	$ 577,440	$ 905,884	$ 821,979	$ 83,905
Excess (deficiency) of revenues over (under) expenditures	$ (286,000)	$ (434,444)	$ (342,891)	$ 91,553
OTHER FINANCING SOURCES (USES)				
Transfers in	$ 286,000	$ 406,000	$ 406,000	$ -
Total other financing sources (uses)	$ 286,000	$ 406,000	$ 406,000	$ -
Net change in fund balances	$ -	$ (28,444)	$ 63,109	$ 91,553
Fund balances - beginning	-	28,444	63,901	35,457
Fund balances - ending	$ -	$ -	$ 127,010	$ 127,010

Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
Nonmajor Governmental Funds - E-911 Fund
For the Year Ended June 30, 2025

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
REVENUES				
Other local taxes	$ 479,070	$ 479,070	$ 457,253	$ (21,817)
Miscellaneous	5,000	5,000	5,572	572
Recovered costs	561,526	561,526	462,662	(98,864)
Intergovernmental				
Commonwealth of Virginia	450,237	450,237	372,384	(77,853)
Total revenues	$ 1,495,833	$ 1,495,833	$ 1,297,871	$ (197,962)
EXPENDITURES				
Public safety	$ 3,102,360	$ 3,102,360	$ 2,739,751	$ 362,609
Total expenditures	$ 3,102,360	$ 3,102,360	$ 2,739,751	$ 362,609
Excess (deficiency) of revenues over (under) expenditures	$ (1,606,527)	$ (1,606,527)	$ (1,441,880)	$ 164,647
OTHER FINANCING SOURCES (USES)				
Transfers in	$ 1,606,527	$ 1,606,527	$ 1,375,595	$ (230,932)
Total other financing sources (uses)	$ 1,606,527	$ 1,606,527	$ 1,375,595	$ (230,932)
Net change in fund balances	$ -	$ -	$ (66,285)	$ (66,285)
Fund balances - beginning	-	-	-	-
Fund balances - ending	$ -	$ -	$ (66,285)	$ (66,285)

Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
Nonmajor Governmental Funds - County Fair Fund
For the Year Ended June 30, 2025

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
REVENUES				
Revenues from the use of property	$ 35,550	$ 35,550	$ 66,826	$ 31,276
Charges for service	397,000	397,000	463,457	66,457
Miscellaneous	40,000	40,000	71,191	31,191
Total revenues	$ 472,550	$ 472,550	$ 601,474	$ 128,924
EXPENDITURES				
Parks, recreation and cultural	$ 517,950	$ 517,950	$ 500,670	$ 17,280
Total expenditures	$ 517,950	$ 517,950	$ 500,670	$ 17,280
Excess (deficiency) of revenues over (under) expenditures	$ (45,400)	$ (45,400)	$ 100,804	$ 146,204
Net change in fund balances	$ (45,400)	$ (45,400)	$ 100,804	$ 146,204
Fund balances - beginning	45,400	45,400	76,688	31,288
Fund balances - ending	$ -	$ -	$ 177,492	$ 177,492

Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
Nonmajor Governmental Funds - Community Development Block Grant Fund
For the Year Ended June 30, 2025

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
REVENUES				
Commonwealth of Virginia	$ -	$ -	$ -	$ -
Total Revenues	$ -	$ -	$ -	$ -
EXPENDITURES				
Public Safety	$ -	$ -	$ -	$ -
Total expenditures	$ -	$ -	$ -	$ -
Excess (deficiency) of revenues over (under) expenditures	$ -	$ -	$ -	$ -
Net change in fund balances	$ -	$ -	$ -	$ -
Fund balances - beginning	-	-	140,871	140,871
Fund balances - ending	$ -	$ -	$ 140,871	$ 140,871

Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
Nonmajor Governmental Funds - Grants Fund
For the Year Ended June 30, 2025

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
REVENUES				
Miscellaneous	$ -	$ 50,000	$ 66,032	$ 16,032
Recovered costs	-	-	82	82
Intergovernmental:				
Commonwealth of Virginia	429,495	645,046	641,229	(3,817)
Federal	64,589	753,439	441,330	(312,109)
Local	-	5,000	7,100	2,100
Total revenues	$ 494,084	$ 1,453,485	$ 1,155,773	$ (297,712)
EXPENDITURES				
Judicial administration	$ -	$ 130,018	$ 91,867	$ 38,151
Public safety	540,052	892,598	291,119	601,479
Public works	-	325,160	218,671	106,489
Parks, recreation, and cultural	-	357	-	357
Community Development	36,000	477,064	239,316	237,748
Total expenditures	$ 576,052	$ 1,825,197	$ 840,973	$ 984,224
Excess (deficiency) of revenues over (under) expenditures	$ (81,968)	$ (371,712)	$ 314,800	$ 686,512
OTHER FINANCING SOURCES (USES)				
Transfers in	$ 81,968	$ 93,044	$ 52,171	$ (40,873)
Transfers out			(370,859)	(370,859)
Total other financing sources (uses)	$ 81,968	$ 93,044	$ (318,688)	$ (411,732)
Net change in fund balances	$ -	$ (278,668)	$ (3,888)	$ 274,780
Fund balances - beginning	-	278,668	350,484	71,816
Fund balances - ending	$ -	$ -	$ 346,596	$ 346,596

Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
Nonmajor Governmental Funds - Opioid Settlement Fund
For the Year Ended June 30, 2025

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
REVENUES				
Revenue from use of property	$ -	$ -	$ 350	$ 350
Miscellaneous	-	-	67,970	67,970
Total revenues	$ -	$ -	$ 68,320	$ 68,320
EXPENDITURES				
Public safety	$ 40,000	$ 40,000	$ 40,000	$ -
Total expenditures	$ 40,000	$ 40,000	$ 40,000	$ -
Net change in fund balances	$ (40,000)	$ (40,000)	$ 28,320	$ 68,320
Fund balances - beginning of year	40,000	40,000	204,371	164,371
Fund balances - end of year	$ -	$ -	$ 232,691	$ 232,691

INTERNAL SERVICE FUNDS

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Combining Statement of Net Position
Internal Service Funds
June 30, 2025

	Information Technology Fund	Risk Management Fund	Total
ASSETS			
Current assets			
Cash and cash equivalents	$ 327,159	$ 320,346	$ 647,505
Accounts Receivable - net of allowance	2,114	-	2,114
Total current assets	$ 329,273	$ 320,346	$ 649,619
Noncurrent assets			
Capital assets:			
Depreciable - net	$ 51,062	$ -	$ 51,062
Net OPEB asset	1,064	264	1,328
Total noncurrent assets	$ 52,126	$ 264	$ 52,390
Total assets	$ 381,399	$ 320,610	$ 702,009
DEFERRED OUTFLOWS OF RESOURCES			
Pension related items	$ 128,527	$ 27,957	$ 156,484
OPEB related items	15,014	3,303	18,317
Total deferred outflows of resources	$ 143,541	$ 31,260	$ 174,801
LIABILITIES			
Current liabilities			
Accounts payable	$ 11,909	$ 3,658	$ 15,567
Compensated absences	2,016	8,181	10,197
Total current liabilities	$ 13,925	$ 11,839	$ 25,764
Noncurrent liabilities			
Compensated absences	$ 199,655	$ 73,625	$ 273,280
Net OPEB liability	59,002	10,276	69,278
Net pension liability	70,599	15,357	85,956
Total noncurrent liabilities	$ 329,256	$ 99,258	$ 428,514
Total liabilities	$ 343,181	$ 111,097	$ 454,278
DEFERRED INFLOWS OF RESOURCES			
Pension related items	$ 58,737	$ 12,776	$ 71,513
OPEB related items	15,750	2,663	18,413
Total deferred inflows of resources	$ 74,487	$ 15,439	$ 89,926
NET POSITION			
Net investment in capital assets	$ 51,062	$ -	$ 51,062
Restricted - Capital projects	56,212	-	56,212
Restricted - Net OPEB Asset	1,064	264	1,328
Unrestricted	(1,066)	225,070	224,004
Total net position	$ 107,272	$ 225,334	$ 332,606

Combining Statement of Revenues, Expenditures, and Changes in Net Position
Internal Service Funds
For the Year Ended June 30, 2025

	Information Technology Fund	Risk Management Fund	Total
Operating Revenues			
Charges for services	$ 1,755,444	$ 873,406	$ 2,628,850
Total operating revenues	$ 1,755,444	$ 873,406	$ 2,628,850
Operating Expenses:			
Personnel services	$ 631,923	$ 129,088	$ 761,011
Fringe benefits	257,664	38,947	296,611
Contractual services	2,990	650,580	653,570
Other charges	723,674	26,107	749,781
Depreciation	54,773	-	54,773
Total operating expenses	$ 1,671,024	$ 844,722	$ 2,515,746
Operating Income (loss)	$ 84,420	$ 28,684	$ 113,104
Nonoperating revenues (expenses)			
Interest and fiscal charges	$ (44)	$ -	$ (44)
Total nonoperating revenues (expenses)	$ (44)	$ -	$ (44)
Net income (loss) before transfers	$ 84,376	$ 28,684	$ 113,060
Changes in net position	$ 84,376	$ 28,684	$ 113,060
Net position - beginning of year	$ 184,636	$ 276,208	$ 460,844
Restatement	(161,740)	(79,558)	(241,298)
Net position - beginning of year, as restated	$ 22,896	$ 196,650	$ 219,546
Net position - end of year	$ 107,272	$ 225,334	$ 332,606

Combining Statement of Cash Flows
Internal Service Funds
For the Year Ended June 30, 2025

	Information Technology Fund	Risk Management Fund	Total
CASH FLOWS FROM OPERATING ACTIVITIES			
Received from customers and users	$ 1,839,638	$ 873,406	$ 2,713,044
Payments to suppliers for goods and services	(730,891)	(673,661)	(1,404,552)
Payments to employees	(984,743)	(196,697)	(1,181,440)
Net cash provided by (used for) operating activities	$ 124,004	3,048	127,052
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:			
Interest and fiscal charges	$ (53)	-	(53)
Principal payments on loans payable	(5,103)	-	(5,103)
Net cash provided (used) by capital and related financing activities	$ (5,156)	-	(5,156)
Change in cash and cash equivalents	$ 118,848	3,048	121,896
Cash and cash equivalents - beginning of year	208,311	317,298	525,609
Cash and cash equivalents - end of year	$ 327,159	$ 320,346	$ 647,505
Reconciliation of operating income (loss) to net cash provided by (used for) operating activities:			
Operating income (loss)	$ 84,420	$ 28,684	$ 113,104
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:			
Depreciation	54,773	-	54,773
Change in:			
Accounts receivable - net of allowance	84,194	-	84,194
Net OPEB Asset	(525)	(139)	(664)
Deferred outflows of resources	(52,377)	(11,930)	(64,307)
Accounts payable	(3,889)	3,026	(863)
Accrued liabilities	(338)	-	(338)
Net pension liability	5,605	1,572	7,177
Net OPEB liability	(5,047)	(919)	(5,966)
Deferred inflows of resources	15,026	3,665	18,691
Compensated absences	(57,838)	(20,911)	(78,749)
Net cash provided by (used for) operating activities	$ 124,004	$ 3,048	$ 127,052

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COMPONENT UNIT - SCHOOL BOARD

COUNTY OF ISLE OF WIGHT, VIRGINIA

Combining Balance Sheet
Discretely Presented Component Unit - School Board
June 30, 2025

	School Operating Fund	School Capital Projects Fund	School Textbook Fund
ASSETS			
Cash and investments	$ 8,330,834	$ -	$ -
Accounts receivable - net of allowances for uncollectibles	144,168	-	-
Inventory	-	-	-
Due from other funds	837,587	49,464	101,425
Due from other governmental units	1,473,758	-	-
Total assets	$ 10,786,347	$ 49,464	$ 101,425
LIABILITIES			
Accounts payable	$ 911,544	$ 11,728	$ 101,425
Accrued liabilities	7,458,753	-	-
Due to primary government	288,433	-	-
Due to other governments	-	-	-
Due to other funds	2,127,617	-	-
Total liabilities	$ 10,786,347	$ 11,728	$ 101,425
FUND BALANCES			
Restricted:			
Grants	$ -	$ -	$ -
Assigned:			
Capital Projects	-	37,736	-
Student Activities	-	-	-
Food Services	-	-	-
Total fund balances	$ -	$ 37,736	$ -
Total liabilities and fund balances	$ 10,786,347	$ 49,464	$ 101,425

School Cafeteria Fund	School Grants Fund	Student Activities Fund	Total Governmental Funds
$ 1,253,311	$ -	$ 695,452	$ 10,279,597
17,219	-	-	161,387
104,848	-	-	104,848
-	-	-	988,476
309,337	634,699	-	2,417,794
$ 1,684,715	$ 634,699	$ 695,452	$ 13,952,102
$ 141,367	$ 75,181	$ -	$ 1,241,245
6,345	7,287	-	7,472,385
-	-	-	288,433
-	36,964		36,964
784,770	52,817	-	2,965,204
$ 932,482	$ 172,249	$ -	$ 12,004,231
$ -	$ -	$ -	$ -
-	-	-	37,736
	-	695,452	695,452
752,233	-	-	752,233
$ 752,233	$ -	$ 695,452	$ 1,485,421
$ 1,684,715	$ 172,249	$ 695,452	$ 13,489,652

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Reconciliation of the Governmental Funds' Balance Sheets to the Statement of Net Position
Governmental Funds - Discretely Presented Component Unit - School Board

For the Year Ended June 30, 2025

Total fund balances - School Board - governmental funds	$	1,947,871
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 fund statements, net of accumulated depreciation.		
Nondepreciable capital assets		1,767,747
Depreciable capital assets - net		116,770,605
Pension and OPEB assets are not available resources and, therefore are not reported in the funds.		
Net pension asset		206,973
Net OPEB asset		18,792
Long-term obligations are not due and payable in the current period and are not reported in the funds.		
Direct borrowing		(4,784,327)
Lease liability		(560,300)
Subscription liability		(11,079)
Compensated absences		(1,312,953)
OPEB liability		(9,605,865)
Net pension liability		(35,233,859)
Accrued interest		(21,773)
Deferred outflows of resources related to pension		13,789,842
Deferred outflows of resources related to OPEB		1,888,123
Deferred Inflows of resources related to pension		(6,406,880)
Deferred Inflows of resources related to OPEB		(2,024,395)
The internal service fund is used by management to charge the cost of health benefits. The asset and liabilities of the internal service fund is included in governmental activities in the Statement of Net Position.		2,228,736
Total net position of governmental activities	$	78,657,258

COUNTY OF ISLE OF WIGHT, VIRGINIA

Component Unit - School Board
Combining Statements of Revenues, Expenditures, and Changes in Fund Balances -
Governmental Funds
For the Fiscal Year Ended June 30, 2025

	School Operating Fund	School Capital Projects Fund	School Textbook Fund
REVENUES			
Revenues from use of money and property	$ 365,247	$ -	$ -
Charges for services	238,565	-	-
Miscellaneous	240,540	-	-
Recovered costs	295,206	-	-
Revenue from primary government	32,711,011	272,575	292,183
Intergovernmental:			
Commonwealth	46,713,644	-	537,602
Federal	175,669	-	-
Total revenues	$ 80,739,882	$ 272,575	$ 829,785
EXPENDITURES			
Current:			
Administration, attendance, health	$ 3,939,138	$ -	$ -
Instructional services	59,344,767	-	829,785
Operations and maintenance	8,632,654	-	-
Pupil transportation	5,593,625	-	-
School food services	-	-	-
Facilities	-	477,817	-
Technology	2,332,696	-	-
Debt Service:			
Principal	816,847	-	-
Interest	80,291	-	-
Capital Outlay	857,283	-	-
Total expenditures	$ 81,597,301	$ 477,817	$ 829,785
Excess (deficiency) of revenues over (under) expenditures	$ (857,419)	$ (205,242)	$ -
OTHER FINANCING SOURCES (USES)			
Transfers in	$ 136	$ -	$ -
Transfers out	-	-	-
Direct borrowings issued	675,400	-	-
Lease liabilities issued	181,883	-	-
	$ 857,419	$ -	$ -
Net change in fund balances	$ -	$ (205,242)	$ -
Fund balances - beginning of year	-	242,978	-
Fund balances - end of year	$ -	$ 37,736	$ -

Exhibit B-33

School Cafeteria Fund		School Grants Fund		Student Activity Fund		Total Governmental Funds
$ 125	$	-	$	-	$	365,372
587,520		-		-		826,085
22,700		495,849		1,230,788		1,989,877
-		-		-		295,206
-		-		-		33,275,769
65,417		637,698		-		47,954,361
2,101,240		3,126,684		-		5,403,593
$ 2,777,002	$	4,260,231	$	1,230,788	$	90,110,263
$ -	$	143,807	$	-	$	4,082,945
-		4,540,420		1,202,922		65,917,894
-		791,830		-		9,424,484
-		-		-		5,593,625
2,898,392		-		-		2,898,392
-		50,000		-		527,817
-		684,968		-		3,017,664
-		-		-		816,847
-		-		-		80,291
-		-		-		857,283
$ 2,898,392	$	6,211,025	$	1,202,922	$	93,217,242
$ (121,390)	$	(1,950,794)	$	27,866	$	(3,106,979)
$ -	$	-	$	-	$	136
-		(136)		-		(136)
-		-		-		675,400
-		-		-		181,883
$ -	$	(136)	$	-	$	857,283
$ (121,390)	$	(1,950,930)	$	27,866	$	(2,249,696)
873,623		2,413,380		667,586		4,197,567
$ 752,233	$	462,450	$	695,452	$	1,947,871

Component Unit - School Board
Reconciliation of Governmental Funds' Statements of Revenues, Expenditures, and changes in Fund Balances to the Statement of Activities
For the Fiscal Year Ended June 30, 2025

Net changes in fund balances - School Board - governmental funds	$	(2,249,696)
Amounts reported for governmental activities in the statements of Net Position are different because:		
Governmental funds report capital outlays as expenditures. However, in the Statement of Activities the cost of these assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlay and transfers exceeds depreciation expense.		
Capital outlay - capital assets		5,296,770
Capital outlay- right to use assets (leases and subscriptions)		181,883
Depreciation and amortization expense		(5,066,452)
The net effect of various miscellaneous transactions involving capital assets (i.e. sales, trade-in's, and donations) is to increase net position		(34,806)
Debt proceeds provide current financial resources to governmental funds by issuing debt increases long term liabilites in the statement of net position. Repayment of principal is an expenditure of the governmental funds but the repayment reduces long term liabilities in the statement of net position.		
Lease liabilites issued		(181,883)
Direct borrowings issued		(675,400)
Repayment of direct borrowings		657,086
Repayment of lease and subscription liabilities		159,761
Some expenses reported in the Statement of Activities, such as compensated absences, do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds.		
Compensated absences		(180,170)
OPEB		393,680
Pension		1,998,798
Accrued interest		(5,088)
The internal service fund is used by management to charge the cost of health benefits. The net loss of the internal service fund is reported with governmental activities in the Statement of Activities		913,878
Change in net position of School Board - governmental activities	$	1,208,361

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Component Unit - School Board
Combining Statements of Revenues, Expenditures, and Changes in Fund Balances -
Budget and Actual Governmental Funds
For the Year Ended June 30, 2025

	School Operating Fund				School Capital Projects Fund			
	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
REVENUES								
Revenues from use of money and property	$ 303,500	$ 303,500	$ 365,247	$ 61,747	$ -	$ -	$ -	$ -
Charges for Service	221,000	221,000	238,565	17,565	-	-	-	-
Miscellaneous	155,000	155,000	240,540	85,540	-	242,978	-	(242,978)
Recovered costs	225,000	225,000	295,206	70,206	-	-	-	-
Revenue from the Primary Government	32,959,069	32,959,069	32,711,011	(248,058)	250,000	272,575	272,575	-
Intergovernmental:								
Commonwealth	46,661,449	46,661,449	46,713,644	52,195	-	-	-	-
Federal	215,000	215,000	175,669	(39,331)	-	-	-	-
Total revenues	$ 80,740,018	$ 80,740,018	$ 80,739,882	$ (136)	$ 250,000	$ 515,553	$ 272,575	$ (242,978)
EXPENDITURES								
Current								
Administration, attendance, and health	$ 3,972,916	$ 4,114,981	$ 3,939,138	$ 175,843	$ -	$ -	$ -	$ -
Instructional services	59,480,381	58,597,289	59,344,767	(747,478)	-	-	-	-
Operations and maintenance	8,034,625	8,759,230	8,632,654	126,576	-	-	-	-
Pupil transportation	6,017,545	6,059,871	5,593,625	466,246	-	-	-	-
School food services	-	-	-	-	-	-	-	-
Facilities	-	-	-	-	250,000	515,553	477,817	37,736
Technology	2,750,431	2,724,527	2,332,696	391,831	-	-	-	-
Debt Service:								
Principal	484,120	484,120	816,847	(332,727)	-	-	-	-
Interest	-	-	80,291	(80,291)	-	-	-	-
Capital outlay	-	-	857,283	(857,283)	-	-	-	-
Total expenditures	$ 80,740,018	$ 80,740,018	$ 81,597,301	$ (857,283)	$ 250,000	$ 515,553	$ 477,817	$ 37,736
Excess (deficiency) of revenues over (under) expenditures	$ -	$ -	$ (857,419)	$ (857,419)	$ -	$ -	$ (205,242)	$ (205,242)
OTHER FINANCING SOURCES (USES)								
Transfers in	$ -	$ -	$ 136	$ 136	$ -	$ -	$ -	$ -
Transfers out	-	-	-	-	-	-	-	-
Direct borrowings issued	-	-	675,400	675,400	-	-	-	-
Lease liabilities issued	-	-	181,883	181,883	-	-	-	-
Total other financing sources (uses)	$ -	$ -	$ 857,419	$ 857,419	$ -	$ -	$ -	$ -
Net change in fund balances	$ -	$ -	$ -	$ -	$ -	$ -	$ (205,242)	$ (205,242)
Fund balances - beginning of year	-	-	-	-	-	-	242,978	242,978
Fund balances - end of year	$ -	$ -	$ -	$ -	$ -	$ -	$ 37,736	$ 37,736

Component Unit - School Board
Combining Statements of Revenues, Expenditures, and Changes in Fund Balances -
Budget and Actual Governmental Funds (continued)
For the Year Ended June 30, 2025

	School Textbook Fund				School Cafeteria Fund			
	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
REVENUES								
Revenues from use of money and property	$ -	$ -	$ -	$ -	$ -	$ -	$ 125	$ 125
Charges for Service	-	-	-	-	800,000	874,000	587,520	(286,480)
Miscellaneous	-	-	-	-	132,760	1,200	22,700	21,500
Recovered Costs	-	-	-	-	-	-	-	-
Revenue from the Primary Government	-	332,558	292,183	(40,375)	-	-	-	-
Intergovernmental:								
Commonwealth	545,459	545,459	537,602	(7,857)	63,357	39,000	65,417	26,417
Federal	-	-	-	-	1,787,443	2,051,925	2,101,240	49,315
Total revenues	$ 545,459	$ 878,017	$ 829,785	$ (48,232)	$ 2,783,560	$ 2,966,125	$ 2,777,002	$ (189,123)
EXPENDITURES								
Current:								
Administration, attendance, and health	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Instructional services	545,459	878,017	829,785	48,232	-	-	-	-
Operations and maintenance	-	-	-	-	-	-	-	-
Pupil transportation	-	-	-	-	-	-	-	-
School food services	-	-	-	-	2,783,560	2,966,125	2,898,392	67,733
Facilities	-	-	-	-	-	-	-	-
Technology	-	-	-	-	-	-	-	-
Debt Service:								
Principal	-	-	-	-	-	-	-	-
Interest	-	-	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-	-	-
Total expenditures	$ 545,459	$ 878,017	$ 829,785	$ 48,232	$ 2,783,560	$ 2,966,125	$ 2,898,392	$ 67,733
Excess (deficiency) of revenues over (under) expenditures	$ -	$ -	$ -	$ -	$ -	$ -	$ (121,390)	$ (121,390)
OTHER FINANCING SOURCES (USES)								
Transfers in	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Transfers Out	-	-	-	-	-	-	-	-
Direct borrowings issued	-	-	-	-	-	-	-	-
Lease liabilities issued	-	-	-	-	-	-	-	-
Total other financing sources (uses)	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Net change in fund balances	$ -	$ -	$ -	$ -	$ -	$ -	$ (121,390)	$ (121,390)
Fund balances - beginning of year	-	-	-	-	-	-	873,623	873,623
Fund balances - end of year	$ -	$ -	$ -	$ -	$ -	$ -	$ 752,233	$ 752,233

Component Unit - School Board
Combining Statements of Revenues, Expenditures, and Changes in Fund Balances -
Budget and Actual Governmental Funds (continued)
For the Year Ended June 30, 2025

	School Grants Fund				Student Activities Fund			
	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
REVENUES								
Revenues from use of money and property	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Charges for Service	-	-	-	-	-	-	-	-
Miscellaneous	-	922,122	495,849	(426,273)	-	-	1,230,788	1,230,788
Recovered costs	-	-	-	-	-	-	-	-
Revenue from the Primary Government	-	-	-	-	-	-	-	-
Intergovernmental:								
Commonwealth	2,246,602	2,950,692	637,698	(2,312,994)	-	-	-	-
Federal	3,532,965	3,962,385	3,126,684	(835,701)	-	-	-	-
Total revenues	$ 5,779,567	$ 7,835,199	$ 4,260,231	$ (3,574,968)	$ -	$ -	$ 1,230,788	$ 1,230,788
EXPENDITURES								
Current:								
Administration, attendance, and health	$ 143,808	$ 143,807	$ 143,807	$ -	$ -	$ -	$ -	$ -
Instructional services	4,309,231	6,163,896	4,540,420	1,623,476	-	-	1,202,922	(1,202,922)
Operations and maintenance	792,528	792,528	791,830	698	-	-	-	-
Pupil transportation	-	-	-	-	-	-	-	-
School food services	-	-	-	-	-	-	-	-
Facilities	-	50,000	50,000	-	-	-	-	-
Technology	534,000	684,968	684,968	-	-	-	-	-
Debt Service:								
Principal	-	-	-	-	-	-	-	-
Interest	-	-	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-	-	-
Total expenditures	$ 5,779,567	$ 7,835,199	$ 6,211,025	$ 1,624,174	-	-	1,202,922	(1,202,922)
Excess (deficiency) of revenues over (under) expenditures	$ -	$ -	$ (1,950,794)	$ (1,950,794)	$ -	$ -	$ 27,866	$ 27,866
OTHER FINANCING SOURCES (USES)								
Transfers in	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Transfers out	-	-	(136)	(136)	-	-	-	-
Direct borrowings issued	-	-	-	-	-	-	-	-
Lease liabilities issued	-	-	-	-	-	-	-	-
Total other financing sources (uses)	$ -	$ -	$ (136)	$ (136)	$ -	$ -	$ -	$ -
Net change in fund balances	$ -	$ -	$ (1,950,930)	$ (1,950,930)	$ -	$ -	$ 27,866	$ 27,866
Fund balances - beginning of year	-	-	2,413,380	2,413,380	-	-	667,586	667,586
Fund balances - end of year	$ -	$ -	$ 462,450	$ 462,450	$ -	$ -	$ 695,452	$ 695,452

Component Unit - School Board
Combining Statements of Revenues, Expenditures, and Changes in Fund Balances -
Budget and Actual Governmental Funds (continued)
For the Year Ended June 30, 2025

	Totals			
	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
REVENUES				
Revenues from use of money and property	$ 303,500	$ 303,500	$ 365,372	$ 61,872
Charges for Services	1,021,000	1,095,000	826,085	(268,915)
Miscellaneous	287,760	1,321,300	1,989,877	668,577
Recovered Costs	225,000	225,000	295,206	70,206
Revenue from the Primary Government	33,209,069	33,564,202	33,275,769	(288,433)
Intergovernmental:				
Commonwealth	49,516,867	50,196,600	47,954,361	(2,242,239)
Federal	5,535,408	6,229,310	5,403,593	(825,717)
Total revenues	$ 90,098,604	$ 92,934,912	$ 90,110,263	$ (2,824,649)
EXPENDITURES				
Current:				
Administration, attendance, and health	$ 4,116,724	$ 4,258,788	$ 4,082,945	$ 175,843
Instructional services	64,335,071	65,639,202	65,917,894	(278,692)
Operations and maintenance	8,827,153	9,551,758	9,424,484	127,274
Pupil transportation	6,017,545	6,059,871	5,593,625	466,246
School food services	2,783,560	2,966,125	2,898,392	67,733
Facilities	250,000	565,553	527,817	37,736
Technology	3,284,431	3,409,495	3,017,664	391,831
Debt Service:				
Principal	484,120	484,120	816,847	(332,727)
Interest	-	-	80,291	(80,291)
Capital outlay	-	-	857,283	(857,283)
Total expenditures	$ 90,098,604	$ 92,934,912	$ 93,217,242	$ (282,330)
Excess (deficiency) of revenues over (under) expenditures	$ -	$ -	$ (3,106,979)	$ (3,106,979)
OTHER FINANCING SOURCES (USES)				
Transfers in	$ -	$ -	$ 136	$ 136
Transfers Out	-	-	(136)	(136)
Direct borrowings issued	-	-	675,400	675,400
Lease liabilites issued	-	-	181,883	181,883
Total other financing sources (uses)	$ -	$ -	$ 857,283	$ 857,283
Net change in fund balances	$ -	$ -	$ (2,249,696)	$ (2,249,696)
Fund balances - beginning of year	-	-	4,197,567	4,197,567
Fund balances - end of year	$ -	$ -	$ 1,947,871	$ 1,947,871

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INTERNAL SERVICE FUND

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Component Unit - School Board
Statement of Net Position - Internal Service Fund
June 30, 2025

		School Health Benefits Fund
ASSETS		
Current Assets		
Cash and cash equivalents	$	581,545
Accounts receivable		587,314
Due from other funds		1,976,728
Total current assets	$	3,145,587
LIABILITIES		
Current liabilities		
Accounts payable	$	234,877
Claims payable		681,974
Total current liabilities	$	916,851
Total net position - unrestricted (deficit)	$	2,228,736

Statement of Revenues, Expenses, and Changes in Net Position
-Internal Service Fund
For the Fiscal Year Ended June 30, 2025

		School Health Benefits Fund
Operating revenues		
Recovered costs	$	10,601,640
Total revenues	$	10,601,640
Operating expenses		
Healthcare benefits	$	9,687,762
Total expenses	$	9,687,762
Change in net position	$	913,878
Net position (deficit) - beginning of year	$	1,314,858
Net position (deficit) - end of year	$	2,228,736

COUNTY OF ISLE OF WIGHT, VIRGINIA **Exhibit B-38**

Component Unit - School Board
Statement of Cash Flows - Internal Service Fund
For The Year Ended June 30,2024

		School Health Benefits Fund
Cash flows from operating activities		
Received from customers and users	$	8,043,741
Payments to suppliers for goods and services		(9,406,462)
Net cash provided by operating activities	$	(1,362,721)
Change in cash and cash equivalents	$	(1,362,721)
Cash and cash equivalents - beginning of year		1,944,266
Cash and cash equivalents - end of year	$	581,545
Reconciliation of operating income to net cash provided by operating activities		
Operating income	$	913,878
Adjustments to reconcile operating income to net cash provided by operating activities		
Change in:		
Accounts receivable		(2,557,899)
Accounts and claims payable		97,734
Claims payable		181,832
Net cash provided by operating activities	$	(1,364,455)

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COMPONENT UNIT - ECONOMIC DEVELOPMENT AUTHORITY

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COUNTY OF ISLE OF WIGHT, VIRGINIA **Exhibit B-39**

Component Unit - Economic Development Authority
Statement of Net Position
June 30, 2025

ASSETS		
Current Assets		
Cash and cash equivalents	$	4,689,975
Accounts receivable		21,464
Lease receivable, current		15,891
Total current assets	$	4,727,330
Noncurrent assets		
Land held for resale	$	9,011,625
Lease receivable, non current		16,059
Capital assets:		
Nondepreciable		270,784
Depreciable, net		993,465
Total capital assets	$	1,264,249
Total noncurrent assets	$	10,291,933
Total assets	$	15,019,263
LIABILITIES		
Current liabilities		
Accounts payable	$	2,327
Unearned revenue		21,125
Total current liabilities	$	23,452
Total liabilities	$	23,452
DEFERRED INFLOWS OF RESOURCES		
Deferred inflow-lease	$	21,218
Total deferred inflows of resources	$	21,218
NET POSITION		
Investment in capital assets	$	1,264,249
Restricted		230,232
Unrestricted		13,480,112
Total net position	$	14,974,593

Component Unit - Economic Development Authority
Statement of Revenues, Expenses, and Changes in Net Position
For The Year Ended June 30, 2025

Operating revenues		
Charges for services	$	48,876
Other revenues		35,516
Total operating revenues	$	84,392
Operating expenses		
Operations	$	65,091
Compensation		2,775
Depreciation		239,143
Total operating expenses	$	307,009
Operating income (loss)	$	(222,617)
Nonoperating revenues (expenses)		
Contribution from County of Isle of Wight, Virginia	$	1,400,000
Total nonoperating revenues, net	$	1,400,000
Change in net position	$	1,177,383
Net position - beginning of year		13,797,210
Net position - end of year	$	14,974,593

Component Unit - Economic Development Authority
Statement of Cash Flows
For Fiscal Year Ended June 30, 2025

Cash flows from operating activities		
Received from customers and users	$	79,762
Payments to suppliers for goods and services		(65,640)
Payments to employees		(2,775)
Net cash provided by operating activities	$	11,347
Cash flows from capital and related financing activities		
Contribution from County of Isle of Wight, Virginia	$	1,400,000
Net cash provided for (used in) capital and related financing activities	$	1,400,000
Change in cash and cash equivalents	$	1,411,347
Cash and cash equivalents - beginning of year		3,278,628
	$	4,689,975
Cash and cash equivalents - end of year		
Reconciliation of operating loss to net cash provided by operating activities		
Operating income (loss)	$	(222,617)
Adjustments to reconcile operating loss to net cash provided by operating activities:		
Depreciation expense		239,143
Change in accounts receivable		(13,399)
Change in lease receivable		15,257
Change in accounts payable		(549)
Change in unearned revenue		13,560
Change in deferred inflow of resources		(20,048)
Net cash provided by operating activities	$	11,347

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June 30, 2025

This part of the County of Isle of Wight's Annual Comprehensive Financial Report presents detailed information as context for understanding the information in the financial statements, note disclosures and required supplementary information.

Contents	**Exhibits**
Financial Trends	C-1 through C-4
These tables contain trend information to help the reader assess the factors affecting the County's ability to generate its property and sales taxes.	
Revenue Capacity	C-5 through C-10
These tables contain information to help the reader assess the factors affecting the County's ability to generate its property and sales taxes.	
Debt Capacity	C-11 through C-13
These tables present information to help the reader assess the affordability of the County's current levels of outstanding debt and the County's ability to issue debt in the future.	
Demographic and Economic Information	C-14
These tables offer demographic and economic indicators to help the reader understand the environment within which the County's financial activities take place and to help make comparisons over time and with other governments.	
Operating Information	C-15 through C-17
These tables contain information about the County's operation and resources to help the reader understand how the County's financial information relates to the services the County provides and the activities it performs.	

Sources: Unless otherwise noted, the information in these tables is derived from the Annual Comprehensive Financial Report for the relevant year.

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OTHER STATISTICAL INFORMATION

County of Isle of Wight, Virginia

Net Position (Assets) by Component

Last Ten Fiscal Years

	2025	2024	2023	2022*	2021
Governmental activities					
Net investment in capital assets	$ (46,653,621)	$ (55,093,042)	$ (15,778,664)	$ (19,239,469)	$ (21,461,167)
Restricted	862,977	2,550,412	1,999,065	44,278,547	408,538
Unrestricted	38,843,725	38,736,460	(3,772,310)	(3,772,310)	38,038,624
Total governmental activities net position	$ (6,946,919)	$ (13,806,170)	$ (17,551,909)	$ 21,266,768	$ 16,985,995
Business-type activities					
Net investment in capital assets	$ 2,503,187	$ 573,574	$ (5,216,521)	$ (12,896,428)	$ (19,402,355)
Restricted	3,805	1,991	650	470,689	332,212
Unrestricted	16,525,839	11,565,452	14,794,627	9,386,855	9,386,855
Total business-type activities net position	$ 19,032,831	$ 12,141,017	$ 9,578,756	$ (3,038,884)	$ (9,683,288)
Primary government					
Net investment in capital assets	$ (44,150,434)	$ (54,519,468)	$ (20,995,185)	$ (32,135,897)	$ (40,863,522)
Restricted	866,782	2,552,403	1,999,715	44,749,236	740,750
Unrestricted	55,369,564	50,301,912	11,022,317	5,614,545	47,425,479
Total primary government net position	$ 12,085,912	$ (1,665,153)	$ (7,973,153)	$ 18,227,884	$ 7,302,707

(Continued)

* 2020 governmental net position was restated due to the Franklin Revenue Sharing liability.
2020 business-type net position was restated due to the capitalization of water meters in the Public Utilities Fund.
2022 governmental net position was restated due to an accounting error in Deferred Revenue - property taxes.
2024 governmental net position was restated due to recalculation of Compensated Absences Liability

County of Isle of Wight, Virginia

Net Position (Assets) by Component (Continued)

Last Ten Fiscal Years

	2020*	2019	2018	2017*	2016
Governmental activities					
Net investment in capital assets	$ (14,604,210)	$ (16,230,336)	$ (37,423,718)	$ (13,319,241)	$ 4,931
Restricted	3,407,069	5,218,666	10,987,940	18,689,154	5,440,119
Unrestricted	38,038,624	31,713,704	41,560,882	8,314,662	12,060,255
Total governmental activities net position	$ 26,841,483	$ 20,702,034	$ 15,125,104	$ 13,684,575	$ 17,505,305
Business-type activities					
Net investment in capital assets	$ (17,996,594)	$ (15,814,155)	$ (22,900,089)	$ (16,643,332)	$ (16,265,290)
Restricted	3,016,665	5,282,900	5,321,509	5,320,770	5,522,985
Unrestricted	9,386,855	2,434,210	8,568,353	1,392,872	(898,178)
Total business-type activities net position	$ (5,593,074)	$ (8,097,045)	$ (9,010,227)	$ (9,929,690)	$ (11,640,483)
Primary government					
Net investment in capital assets	$ (32,600,804)	$ (32,044,491)	$ (60,323,807)	$ (29,962,573)	$ (16,260,359)
Restricted	6,423,734	10,501,566	16,309,449	24,009,924	10,963,104
Unrestricted	47,425,479	34,147,914	50,129,235	9,707,534	11,162,077
Total primary government net position	$ 21,248,409	$ 12,604,989	$ 6,114,877	$ 3,754,885	$ 5,864,822

*2017 unrestricted net position restated to reflect implementation of GASB 75

County of Isle of Wight, Virginia

Change in Net Position

Last Ten Fiscal Years

	2025	2024	2023	2022	2021
Expenses					
Governmental activities:					
General government	$ 7,636,137	$ 7,208,904	$ 12,739,010	$ 6,812,766	$ 7,915,154
Judicial administration	3,611,104	3,860,993	2,413,642	2,092,876	1,624,584
Public safety	25,952,136	23,587,214	18,422,740	16,356,578	18,185,143
General services	6,383,200	7,554,198	5,731,653	5,267,674	5,705,232
Health and welfare	6,211,861	5,877,382	5,601,103	5,436,960	7,060,537
Education	33,275,768	74,996,240	27,518,658	43,382,111	26,123,526
Parks, recreation and cultural	4,679,131	4,508,921	4,185,080	3,891,446	3,696,311
Community development	5,810,888	5,328,218	5,127,640	5,145,183	5,203,477
Nondepartmental	-	-	-	-	-
Interest on long-term debt	3,838,147	4,299,436	4,382,292	-	-
Total governmental activities expenses	$ 97,398,372	$ 37,221,506	$ 86,121,818	$ 88,385,594	$ 75,513,964
Business-type activities:					
Public utilities	11,825,293	10,585,585	9,777,597	9,456,664	7,807,503
Stormwater	910,302	1,153,225	1,396,019	1,187,198	1,577,626
Total business-type activities expenses	$ 12,735,595	$ 11,738,810	$ 11,173,616	$ 10,643,862	$ 9,385,129
Total primary government expenses	$ 110,133,967	$ 148,960,316	$ 97,295,434	$ 99,029,456	$ 84,899,093
Program Revenue					
Governmental activities:					
Charges for services:					
General government	$ 844,435	$ 1,667,251	$ 1,321,545	$ 1,593,384	$ 1,119,816
Judicial administration	234,149	163,987	267,739	1,593,384	1,119,816
Public safety	1,248,063	221,403	1,240,582	252,834	267,424
Public Works	-	47,613	-	1,428,572	1,545,482
Health and welfare	-	310,909	435,232	-	458,248
Parks, recreation and cultural	715,726	634,030	654,171	160,982	275,255
Community development	225,073	729,014	87,118	676,227	199,711
Operating grants and contributions	8,768,063	11,102,765	7,478,439	25,219	8,736
Capital grants and contributions	3,757,135	1,669,019	1,622,370	5,175,787	9,315,027
Interest rate subsidy	-	-	-	9,723,179	1,341,140
Total governmental activities program revenues	$ 15,792,644	$ 16,545,991	$ 13,107,196	$ 20,629,568	$ 15,650,655

(Continued)

County of Isle of Wight, Virginia

Change in Net Position (Continued)

Last Ten Fiscal Years

		2020	2019	2018	2017	2016
Expenses						
Governmental activities:						
General government	$	6,942,584 $	6,752,097 $	7,032,712 $	5,305,220 $	6,596,750
Judicial administration		1,575,825	1,624,282	1,474,725	1,711,476	1,358,364
Public safety		15,651,837	15,638,826	12,787,055	15,820,681	13,206,973
General services		6,097,278	4,706,389	5,095,079	5,029,762	9,279,614
Health and welfare		4,796,012	3,914,717	4,021,853	4,232,228	3,832,773
Education		30,148,936	32,008,845	33,451,339	28,709,110	28,279,608
Parks, recreation and cultural		3,679,176	3,197,767	3,114,863	3,593,465	4,118,975
Community development		3,488,247	4,266,517	2,792,293	2,259,598	3,457,268
Nondepartmental		-	-	-	-	-
Interest on long-term debt		4,308,156	4,501,668	5,880,446	5,123,993	4,498,640
Total governmental activities expenses	$	76,688,051 $	76,611,108 $	75,650,365 $	71,785,533 $	74,628,965
Business-type activities:						
Public utilities	$	8,783,282 $	8,432,300 $	8,595,427 $	8,787,726 $	8,787,726
Stormwater		998,538	1,058,641	1,013,796	1,456,085	1,456,085
Total business-type activities expenses	$	9,781,820 $	9,490,941 $	9,609,223 $	10,243,811 $	10,243,811
Total primary government expenses	$	86,469,871 $	86,102,049 $	85,259,588 $	82,029,344 $	84,872,776
Program revenue						
Governmental activities:						
Charges for services:						
General government	$	842,074 $	1,362,889 $	43,196 $	1,029,176 $	1,029,176
Judicial administration		842,074	296,643	13,072	397,063	203,810
Public safety		289,269	1,241,386	1,465,714	2,682,915	1,584,774
General services		1,058,829	-	-	193,473	-
Health and welfare		1,245,789	217,003	-	273,895	-
Parks, recreation and cultural		248,050	271,808	507,198	693,847	560,673
Community development		472,346	43,231	982,610	98,030	64,411
Operating grants and contributions		21,116	4,758,736	7,021,642	9,874,844	5,357,743
Capital grants and contributions		7,840,352	2,964,205	-	2,827,555	3,059,806
Interest rate subsidy		1,548,678	-	-	-	-
Total governmental activities program revenues	$	14,408,577 $	11,155,901 $	10,033,432 $	18,070,798 $	11,860,393

(Continued)

County of Isle of Wight, Virginia

Change in Net Position (Continued)

Last Ten Fiscal Years

	2025	2024	2023	2022	2021
Business-type activities					
Charges for services	$ 8,249,841	$ 9,592,515	$ 9,181,773	$ 8,390,163	$ 7,769,192
Capital grants and contributions	2,484,980	644,345	-	-	-
Total business-type activities program revenues	$ 10,734,821	$ 10,236,860	$ 9,181,773	$ 8,390,163	$ 7,769,192
Total Primary Government program revenues	$	$	$ 22,921,002	$ 17,656,966	$ 17,656,966
Net expense - governmental activities	$ (81,605,728)	$ (120,675,515)	$ (73,903,232)	$ (64,382,063)	$ (63,121,548)
Net expense - business-type activities	(2,000,774)	(1,501,950)	(1,462,089)	(994,966)	(2,012,628)
Total primary government net expense	$ (83,606,502)	$ (122,177,465)	$ (75,365,321)	$ (65,377,029)	$ (65,134,176)
General revenues and other changes in net position					
Governmental activities					
Property taxes	$ 73,453,578	$ 70,372,109	$ 64,643,938	$ 60,942,814	$ 57,854,621
Other taxes	11,693,887	10,228,810	9,874,957	9,001,515	4,411,144
Revenue from use of property and money	3,774,769	774,156	40,944	(40,499)	1,409,372
Investment earnings	-	-	-	-	-
Miscellaneous	1,527,719	3,920,932	1,511,916	1,640,286	1,403,119
Intergovernmental, non-categorical aid	5,455,228	5,817,703	5,518,795	5,463,009	5,396,075
Gain on sale of assets	-	-	-	-	-
Transfers	(7,440,202)	(4,295,123)	(8,719,382)	(2,651,910)	(3,805,195)
Total governmental activities	$ 88,464,979	$ 86,818,587	$ 72,871,168	$ 74,355,215	$ 66,669,136
Business-type activities					
Investment earnings	$ 33,601	$ 33,601	$ 55,770	$ 41,943	$ 120,047
Gain on sale of assets	(88,190)	-	-	-	-
Miscellaneous	1,506,975	-	13,205	6,542	-
Transfers	7,440,202	4,295,123	8,752,382	2,651,910	3,805,195
Total business-type activities	$ 8,892,588	$ 4,328,724	$ 8,821,357	$ 2,700,395	$ 3,925,242
Total primary government	$ 97,357,567	$ 91,147,311	$ 81,692,525	$ 77,055,610	$ 70,594,378
Change in net position					
Governmental activities	$ 6,859,251	$ (33,856,928)	$ (1,032,064)	$ 9,973,152	$ 7,194,297
Business-type activities	6,891,814	2,964,743	7,359,268	1,705,429	1,918,848
Total primary government	$ 13,751,065	$ (30,892,185)	$ 6,327,204	$ 11,678,581	$ 9,113,145

(Continued)

County of Isle of Wight, Virginia

Change in Net Position (Continued)

Last Ten Fiscal Years

	2020	2019	2018	2017	2016
Business-type activities					
Charges for services	$ 6,640,576	$ 6,710,500	$ 6,988,013	$ 6,009,332	$ 5,779,255
Capital grants and contributions	285,844	-	23,836	2,469,514	480,741
Total business-type activities program revenues	$ 6,926,420	$ 6,710,500	$ 7,011,849	$ 8,478,846	$ 6,259,996
Total Primary Government program revenues	$ 16,743,932	$ 16,743,932	$ 19,674,359	$ 19,683,129	$ 17,135,893
Net expense - governmental activities	$ (65,455,207)	$ (65,616,933)	$ 53,714,735	$ 63,424,682	$ 58,680,248
Net expense - business-type activities	(2,564,521)	(2,898,723)	3,255,798	1,357,666	5,715,825
Total primary government net expense	$ (68,019,728)	$ (68,515,656)	$ 56,970,533	$ 64,782,348	$ 64,396,073
General revenues and other changes in net position					
Governmental activities					
Property taxes	$ 57,269,604	$ 57,755,525	$ 62,107,289	$ 56,575,683	$ 54,539,535
Other taxes	3,627,945	7,928,102	8,637,670	7,497,791	7,005,687
Revenue from use of property and money	1,194,695	786,748	99,580	-	-
Investment earnings	-	-	-	1,434,262	956,397
Miscellaneous	2,361,944	1,150,233	1,328,044	356,418	379,229
Intergovernmental, non-categorical aid	5,375,993	5,409,797	-	-	-
Gain on sale of assets	-	-	-	62,012	218,075
Transfers	(3,300,000)	(3,791,022)	(4,922,005)	(1,565,679)	(5,954,960)
Total governmental activities	$ 66,530,181	$ 69,239,383	$ 67,250,578	$ 4,360,487	$ 57,143,963
Business-type activities					
Investment earnings	167,713	89,138	44,586	18,397	17,873
Gain on sale of assets	-	-	-	-	-
Miscellaneous	-	-	-	-	-
Transfers	3,300,000	3,791,022	4,922,005	1,565,679	5,954,960
Total business-type activities	$ 3,467,713	$ 3,880,160	$ 4,966,591	$ 1,584,076	$ 5,972,833
Total primary government	$ 69,997,894	$ 73,119,543	$ 72,217,169	$ 65,944,563	$ 63,116,796
Change in net position					
Governmental activities	$ 5,576,930	$ 3,622,450	$ 13,535,843	$ 935,802	$ (1,536,285)
Business-type activities	913,182	981,437	1,710,793	226,410	257,008
Total primary government	$ 6,490,112	$ 4,603,887	$ 15,246,636	$ 1,162,212	$ (1,279,277)

County of Isle of Wight, Virginia

Fund Balances - Governmental Funds

Last Ten Fiscal Years

	2025	2024	2023	2022	2021
General Fund					
Nonspendable:					
Nonspendable	$ -	$ -	$ 375,000	$ 375,000	$ 375,000
Spendable:					
Committed	3,140,376	3,140,376	3,020,292	2,793,789	4,098,407
Restricted	188,553	188,553	274,093	402,083	3,377
Assigned	4,465,553	5,692,447	261,886	1,666,389	3,242,714
Unassigned	21,867,499	26,610,423	26,879,564	29,574,561	25,527,263
Total General Fund	$ 29,661,981	$ 35,631,799	$ 30,810,835	$ 34,811,822	$ 33,246,761
All other Government funds					
Nonspendable:					
Nonspendable	$ -	$ -	$ -	$ -	$ -
Spendable:					
Restricted	498,479	1,939,203	17,938,338	43,581,563	34,066,998
Committed	9,069,485	94,135	105,000	70,000	
Assigned	16,312,190	16,966,482	10,959,147	9,598,701	5,727,202
Unassigned	(179,516)	-	-	-	(58,334)
Total all other Government Funds	$ 25,700,638	$ 18,999,820	$ 29,002,485	$ 53,250,264	$ 39,735,866

County of Isle of Wight, Virginia

Fund Balances - Governmental Funds (Continued)

Last Ten Fiscal Years

	2020	2019	2018	2017	2016
General Fund					
Nonspendable:					
Nonspendable	$ 375,000	$ 375,000	$ 866,742	$ 920,645	$ 935,898
Spendable:					
Committed	7,389,502	4,526,264	5,460,229	3,877,087	-
Restricted	246,699	-	22,259	61,568	22,170
Assigned	572,753	3,782,681	1,291,755	3,623,722	3,372,391
Unassigned	20,390,116	16,230,524	15,905,253	10,960,727	14,326,940
Total General Fund	$ 28,974,070	$ 24,914,469	$ 23,546,238	$ 19,443,749	$ 18,657,399
All other Government funds					
Nonspendable:					
Nonspendable	$ -	$ -	$ 4,855	$ -	$ 3,246
Spendable:					
Restricted	2,785,370	4,843,666	10,096,400	17,738,141	5,445,121
Assigned	5,727,202	7,222,267	6,573,306	6,318,154	3,385,036
Unassigned	(58,334)	(176,175)	(49,728)	-	-
Total all other Government Funds	$ 8,454,238	$ 11,889,758	$ 16,624,833	$ 24,056,295	$ 8,833,403

County of Isle of Wight, Virginia

Changes in Fund Balance - Governmental Funds

Last Ten Fiscal Years

	2025	2024	2023	2022	2021
Revenues					
General property taxes	$ 73,147,793	$ 69,917,627	$ 59,266,647	$ 61,954,999	$ 60,444,185
Other local taxes	11,693,887	10,228,810	10,230,235	9,874,957	9,001,515
Permits, fees and licenses	875,823	775,956	1,234,665	1,182,627	1,327,849
Fines and forfeitures	145,925	130,152	94,481	90,024	110,659
Revenue from use of property	3,774,769	2,817,863	2,721,244	3,894	(107,982)
Charges for services	2,245,698	2,411,742	2,023,801	2,258,593	1,821,965
Miscellaneous	1,447,071	1,291,743	1,153,395	653,338	796,103
Recovered costs	1,956,311	2,913,553	872,060	1,045,087	823,900
Intergovernmental	17,980,426	16,452,150	14,598,423	20,630,883	16,696,141
Total revenues	$ 113,267,703	$ 106,939,596	$ 92,194,951	$ 97,694,402	$ 90,914,335
Expenditures					
General governmental administration	$ 5,321,875	$ 5,213,189	$ 5,261,741	$ 4,852,099	$ 4,357,667
Judicial administration	3,582,144	3,608,013	2,145,793	1,836,934	1,525,324
Public safety	20,752,472	24,395,382	18,109,707	15,072,047	14,267,943
General services	6,086,099	7,631,749	5,577,461	5,018,823	4,835,470
Health and welfare	6,299,363	5,955,019	5,752,118	5,167,162	7,276,078
Education	33,275,768	37,926,336	52,163,409	38,516,384	25,780,713
Parks, recreation and cultural	3,839,420	4,076,238	3,361,131	3,113,886	2,559,866
Community development	5,891,487	5,500,913	3,952,292	5,117,425	5,072,277
Nondepartmental	3,124,191	2,578,103	5,413,174	2,064,267	2,672,290
Capital projects	13,215,838	-	3,615,054	2,485,903	5,215,782
Debt service					
Principal	8,546,116	8,079,906	8,319,840	7,936,822	7,481,155
Interest	3,859,362	4,200,605	4,440,539	4,327,087	3,518,292
Other fiscal charges	-	-	67,680	370,168	1,236,778
Total expenditures	$ 113,794,135	$ 109,165,453	$ 118,179,939	$ 95,879,007	$ 85,799,635
Excess of revenues over (under) expenditures	$ (526,432)	$ (2,225,857)	$ (25,984,988)	$ 1,815,395	$ 5,114,700
Other financing sources (uses)					
Transfers in	11,304,654	5,340,969	5,980,286	17,112,300	8,054,724
Transfers out	(18,744,856)	(9,636,092)	(9,326,434)	(25,877,926)	(10,759,930)
Proceeds from borrowing	8,566,126	632,974	525,000	17,890,000	67,775,839
Premium on bonds issued	-	-	-	1,889,277	3,704,269
Lease & subscription liabilities	-	562,602	346,867	163,184	-
Payments to escrow agent	-	-	-	-	(35,357,218)
Insurance Recovery	131,508	143,703	-	-	-
Proceeds from sale of property	-	-	210,503	71,277	90,739
Total other financing sources (uses), net	1,257,432	(2,955,844)	(2,263,778)	11,248,112	33,508,423
Net change in fund balance	$ 731,000	$ (5,181,701)	$ (28,248,766)	$ 13,063,507	$ 38,623,123
Debt service as a percentage of noncapital expenditures					
Debt Service (principal + interest)	$ 12,405,478	$ 12,280,511	$ 12,760,379	$ 12,263,909	$ 10,999,447
Total Expenditures	$ 113,794,135	$ 109,165,453	$ 118,179,939	$ 95,879,007	$ 85,799,635
Capitalized expenditures (Exhibit A-4)	10,879,189	14,157,450	14,157,450	4,165,813	4,165,813
Noncapital expenditures	$ 102,914,946	$ 95,008,003	$ 104,022,489	$ 91,713,194	$ 81,633,822
	12.05%	12.93%	12.27%	13.37%	13.47%

(Continued)

*GASB pronouncement implementation: Lease liabilities FY2022; SBITA liabilities FY2023

County of Isle of Wight, Virginia

Changes in Fund Balance - Governmental Funds (Continued)

Last Ten Fiscal Years

	2020	2019	2018	2017	2016
Revenues					
General property taxes	$ 57,026,717	$ 56,651,372	$ 57,574,975	$ 49,835,086	$ 51,334,720
Other local taxes	8,040,738	8,129,901	7,928,102	8,580,982	7,284,843
Permits, fees and licenses	949,001	1,434,187	952,303	2,141,092	928,634
Fines and forfeitures	137,069	135,492	169,606	151,318	139,822
Revenue from use of property	1,409,372	1,194,695	786,748	99,580	920,139
Charges for services	1,528,095	1,594,890	1,889,881	2,887,413	1,651,746
Miscellaneous	1,279,219	1,817,107	1,150,233	787,010	1,589,453
Recovered costs	339,468	826,946	646,819	396,686	-
Intergovernmental	16,132,845	13,085,216	11,784,620	11,344,133	13,144,754
Total revenues	$ 86,842,524	$ 84,869,806	$ 82,883,287	$ 76,223,300	$ 76,994,111
Expenditures					
General governmental administration	$ 4,343,637	$ 4,151,387	$ 4,443,690	$ 4,376,415	$ 6,196,320
Judicial administration	1,527,731	1,662,999	1,582,629	1,542,881	1,373,968
Public safety	12,945,665	13,257,506	12,531,228	12,618,898	12,687,614
General services	4,487,503	4,436,961	5,201,835	4,585,899	5,334,386
Health and welfare	4,653,343	3,911,948	4,164,743	3,888,786	3,783,847
Education	28,689,619	30,571,555	31,767,458	26,116,112	25,672,090
Parks, recreation and cultural	3,189,112	2,724,889	2,873,147	2,838,301	2,752,043
Community development	3,387,273	4,254,468	2,910,174	2,880,539	3,456,762
Nondepartmental	2,208,471	2,429,187	1,846,733	1,676,722	-
Capital projects	5,605,813	6,327,168	6,471,210	3,468,132	6,750,976
Debt service					
Principal	7,416,448	7,229,617	4,639,186	3,006,700	3,100,940
Interest	4,480,486	4,637,072	8,623,961	4,468,592	4,329,537
Other fiscal charges	15,350	20,032	737,635	178,618	-
Total expenditures	$ 82,950,451	$ 85,614,789	$ 87,793,629	$ 71,646,595	$ 75,438,483
Excess of revenues over (under) expenditures	$ 3,892,073	$ (744,983)	$ (4,910,342)	$ 4,576,705	$ 1,555,628
Other financing sources (uses)					
Transfers in	3,803,626	4,389,327	4,449,036	9,953,287	8,626,309
Transfers out	(7,630,941)	(7,689,327)	(8,240,056)	(14,719,615)	(10,191,988)
Proceeds from borrowing	471,623	678,149	27,636,789	16,198,865	220,514
Premium on bonds issued	-	-	4,345,538	-	-
Lease & subscription liabilities	-	-	-	-	-
Payments to escrow agent	-	-	(26,610,438)	-	-
Proceeds from sale of property	$ 87,690	$ -	$ 500	$ -	$ 51,701
Total other financing sources (uses), net	$ (3,268,002)	$ (2,621,851)	$ 1,581,369	$ 11,432,537	$ (1,293,464)
Net change in fund balance	$ 624,071	$ (3,366,834)	$ (3,328,973)	$ 16,009,242	$ 262,164
Debt service as a percentage of noncapital expenditures			16%	11%	12%
	$ 11,896,934	$ 11,866,689			
	$ 82,950,451	$ 85,614,789			
	$ 3,989,461	$ 5,911,288			
	$ 78,960,990	$ 79,703,501			
	15.07%	14.89%			

County of Isle of Wight, Virginia

Assessed Value and Estimated Actual Value of Taxable Property

Last Ten Fiscal Years

Fiscal Year	Residential Property	Commercial / Industrial Property	Agriculture Property	Total Taxable Assessed Value (1)	Total Direct Tax Rate	Estimated Actual Taxable Value	Assessed Value as a % of Actual Value
2025	$ 5,522,318,962	$ 850,619,372	$ 630,167,669	$ 7,003,106,003	$ 0.73	$ 7,003,106,003	100%
2024	5,424,989,900	823,331,976	631,546,266	6,879,868,142	0.71	6,879,868,142	100%
2023	3,996,153,967	727,308,587	564,403,264	5,287,865,818	0.85	5,287,865,818	100%
2022	3,915,986,199	723,666,564	568,995,323	5,208,648,086	0.85	5,208,648,086	100%
2021	3,744,185,800	730,617,000	570,617,600	5,045,420,400	0.85	5,045,420,400	100%
2020	3,708,392,489	728,539,351	570,242,440	5,007,174,280	0.85	5,007,174,280	100%
2019	3,504,978,448	719,485,846	546,574,725	4,771,039,019	0.85	4,771,039,019	100%
2018	3,451,012,097	719,464,081	549,075,515	4,719,551,693	0.85	4,719,551,693	100%
2017	3,400,486,756	694,930,358	551,118,971	4,646,536,085	0.85	4,646,536,085	100%
2016	3,349,194,640	679,547,808	550,272,662	4,579,015,110	0.85	4,579,015,110	100%

(1) Does not reflect land use assessments.

Source: Isle of Wight County Commissioner of Revenue

County of Isle of Wight, Virginia

Assessed Value of Taxable Property (4)

Last Ten Fiscal Years

Fiscal Year	Real Estate (1)	Personal Property	Mobile Homes	Machinery and Tools	Public Service (2)(3)	Total
2025	$ 7,003,106,003	$ 547,545,630	$ 25,201,655	$ 294,799,597	$ 258,930,858	$ 8,129,583,743
2024	6,879,868,142	519,567,291	24,359,191	311,107,227	165,921,462	7,900,823,313
2023	5,287,865,818	577,674,760	19,999,783	293,523,367	181,353,952	6,360,417,680
2022	5,208,648,086	433,946,217	19,799,897	290,910,535	181,354,060	6,134,658,795
2021	5,045,420,400	370,239,897	18,672,993	272,122,060	193,238,893	5,899,694,243
2020	5,007,174,280	373,806,289	17,748,716	284,499,403	172,053,175	5,855,281,863
2019	4,771,039,019	352,995,485	19,705,871	296,492,660	164,825,059	5,605,058,094
2018	4,719,551,693	341,308,665	18,667,107	253,695,910	177,064,299	5,510,287,674
2017	4,646,536,085	334,433,134	18,250,173	246,170,869	171,357,723	5,416,747,984
2016	4,579,015,110	379,231,914	17,585,358	587,545,879	152,225,378	5,715,603,639

(1) The assessed values listed are net of supplement and abatement activity.

(2) Real Estate was assessed at 100% of use value through fiscal year 2016 and has since been assessed at 100% of fair market value.

(3) In fiscal year 2017, the County began assessing machinery and tools at 40% of original cost.

(4) Assessed values are established by the State Corporation Commission.

(5) Real estate and personal property.

County of Isle of Wight, Virginia

Property Tax Rates
Tax Rates Per Hundred Dollars of Assessed Valuation

Last Ten Fiscal Years

Fiscal Year	Real Estate	Personal Property	Mobile Homes	Machinery and Tools	Boats and Aircraft / Farm Machinery
2025	$ 0.73	$ 4.50	$ 0.73	$ 1.95	1.00/1.00
2024	0.71	4.50	0.71	1.95	1.00/1.00
2023	0.85	4.50	0.85	1.75	1.00/1.00
2022	0.85	4.50	0.85	1.75	1.00/1.00
2021	0.85	4.50	0.85	1.75	1.00/1.00
2020	0.85	4.50	0.85	1.75	1.00/1.00
2019	0.85	4.50	0.85	1.75	1.00/1.00
2018	0.85	4.50	0.85	1.75	1.00/1.00
2017	0.85	4.50	0.85	4.24	1.00/1.00
2016	0.85	4.50	0.85	0.70	1.00/1.00
2015	0.85	4.50	0.85	0.70	1.00/1.00

County of Isle of Wight, Virginia

Principal Property Taxpayers

Current Year and Nine Years Ago

REAL ESTATE

Taxpayer	2025 Assessed Valuation Real Estate	2025 Rank	2025 Percent of Total Assessed Valuation Real Estate	2016 Assessed Valuation Real Estate	2016 Rank	2016 Percent of Total Assessed Valuation Real Estate
International Paper	$ 95,480,600	1	1.36%	$ 111,102,800	1	2.65%
Vereit Real Estate LP	73,000,000	2	1.04%	-	-	-%
Smithfield Foods Inc	39,165,000	3	0.56%	41,639,800	3	0.99%
Eagle Harbor Apartments, LP	36,500,000	4	0.52%	25,555,300	5	0.61%
Smithfield Fresh Meats Corp	35,183,900	5	0.50%	-	-	-%
Benns Grant Apartment Homes LLC	33,800,000	6	0.48%	-	-	-%
Eagle Harbor West LLC	33,000,000	7	0.47%	-	-	-%
Eagle Harbor Apartments II, LP	23,500,000	8	0.34%	16,427,700	7	0.39%
Green Mountain Coffee Roasters	22,769,000	9	0.33%	18,829,800	6	0.45%
LDI Virginia LLC	16,049,600	10	0.23%	14,752,000	8	0.35%
Sentara Healthcare	-		-%	14,669,700	9	0.35%
Smithfield Farmland Corp	-		-%	30,414,100	4	0.72%
Inland RI Holdings LLC etals	-	-	-%	39,359,600	2	0.94%
Carolina Cold Storage	-	-	-%	10,128,600	10	0.24%
Cypress Creek Dev. Co. LLC	-	-	-%	-	-	-%
	$ 408,448,100		5.83%	$ 322,879,400		7.69%

PERSONAL PROPERTY

Taxpayer	2025 Assessed Valuation Personal Property	2025 Rank	2025 Percent of Total Assessed Valuation Personal Property (1)	2016 Assessed Valuation Personal Property	2016 Rank	2016 Percent of Total Assessed Valuation Personal Property (1)
International Paper	$ 150,331,798	1	17.33%	$ 339,797,038	1	30.22%
Keurig Green Mountain Inc	45,055,710	2	5.19%	91,810,585	2	8.16%
Gwaltney of Smithfield Ltd.	43,170,036	3	4.98%	73,760,258	3	6.56%
ST Tissue LLC	24,414,723	4	2.81%	38,086,613	4	3.39%
Franklin Lumber LLC	11,735,831	5	1.35%	17,142,664	5	1.52%
Charter Communications/Spectrum SE LLC	11,713,128	6	1.35%	2,723,584	8	0.24%
Cost Plus Inc.	7,522,128	7	0.87%	7,329,097	6	0.65%
Food Lion	2,389,459	8	0.28%	2,560,793	9	0.23%
Keybank National Association	2,289,652	9	0.26%	-	-	-%
Minority Alliance Capital LLC	1,565,257	10	0.18%	-	-	-%
Premium Pet Health LLC	-	-	-%	3,385,914	7	0.30%
Southern Structural Steel	-		-%	1,578,811	10	0.14%
	$ 300,187,722		34.60%	$ 578,175,357		51.41%

(1) Includes personal property, mobile homes, and machinery and tools.

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County of Isle of Wight, Virginia

Property Tax Levies and Collections

Last Ten Fiscal Years

Fiscal Year	Total (3) Tax Levy	Current Tax (1) Collections	Percent of Levy Collected	Delinquent (1)(2) Tax Collections	(4) Total Tax Collections	Percent of Total Tax Collections to Tax Levy	Outstanding Delinquent Taxes (1)	Percent of Delinquent Taxes to Tax Levy
2025	$ 72,500,776	$ 70,306,752	96.97%	$ 1,686,006	$ 71,992,758	99.30%	$ 2,305,188	3.18%
2024	69,413,161	66,955,342	96.46%	1,901,161	67,512,000	97.26%	5,766,679	8.31%
2023	64,565,682	62,471,657	96.76%	2,094,025	61,931,125	95.92%	1,553,493	2.41%
2022	62,270,638	60,969,798	97.91%	1,300,840	60,338,443	96.90%	669,485	1.08%
2021	57,763,407	56,636,803	98.05%	1,126,604	56,957,224	98.60%	1,447,025	2.51%
2020	56,672,054	54,408,488	96.01%	2,263,566	55,311,373	97.60%	3,166,451	5.59%
2019	53,193,829	52,007,865	97.77%	1,185,964	52,681,154	99.04%	1,859,253	3.50%
2018	57,775,634	56,573,858	97.92%	1,201,776	56,788,549	98.29%	1,416,467	2.45%
2017	52,429,271	51,212,340	97.68%	1,216,931	53,469,984	101.98%	3,474,575	6.63%
2016	51,099,354	49,979,110	97.81%	1,120,244	51,099,354	100.00%	2,240,488	4.38%
2015	50,406,860	48,910,585	97.03%	1,496,275	50,406,859	100.00%	2,992,549	5.94%

(1) Collections include amount reimbursed by the State for Personal Property Tax under the Personal Property Tax Relief Act (PP'TRA) of 1998.
(2) Does not include land redemptions.
(3) Represents fully supplemented and abated tax levy amounts.
(4) Represents total taxes collected in fiscal year for all tax years.

County of Isle of Wight, Virginia

Taxable Sales by Category

Last Ten Years

	2025	2024	2023	2022	2021
Apparel stores	$ 3,245,891	$ 3,275,979	$ 4,357,404	$ 2,031,198	$ 2,283,686
General merchandise	16,466,891	21,576,841	21,201,907	20,401,798	19,503,277
Food stores	126,113,906	123,244,438	112,677,895	104,886,854	98,742,509
Eating and drinking establishments	55,127,515	53,883,742	48,556,571	45,543,766	37,892,254
Home furnishings and appliances	831,614	733,479	904,784	1,006,148	733,210
Building materials and farm tools	18,883,932	13,841,648	13,150,894	12,469,891	10,810,423
Auto dealers and supplies	5,577,711	5,471,355	5,186,635	5,715,223	4,359,135
Service stations	10,712,055	11,226,461	14,954,058	14,913,503	12,708,001
Other retail stores	7,422,780	6,900,651	8,107,158	6,687,611	4,906,103
All other outlets	92,878,959	88,366,483	89,445,229	79,940,378	71,284,349
	$ 337,261,254	$ 328,521,077	$ 318,542,535	$ 293,596,370	$ 263,222,947

(Continued)

Source: Isle of Wight County Commissioner of Revenue

County of Isle of Wight, Virginia

Taxable Sales by Category (Continued)

Last Ten Years

	2020	2019	2018	2017	2016
Apparel stores	$ 3,153,733	$ 2,796,422	$ 2,945,495	$ 3,112,767	$ 3,138,661
General merchandise	18,148,931	18,426,147	18,471,979	17,055,174	17,052,902
Food stores	82,746,947	75,489,663	75,929,226	75,469,177	74,278,038
Eating and drinking establishments	36,625,313	34,531,724	32,415,274	30,001,191	30,638,029
Home furnishings and appliances	740,770	984,728	1,149,106	1,655,721	3,673,785
Building materials and farm tools	7,938,465	7,929,969	7,623,262	7,733,809	8,087,111
Auto dealers and supplies	4,391,501	4,652,629	4,127,154	4,262,699	3,734,038
Service stations	12,876,461	12,306,750	10,231,430	10,116,257	8,297,669
Other retail stores	4,090,605	4,527,901	7,707,369	7,444,040	8,318,528
All other outlets	64,573,472	78,248,666	76,326,354	67,585,166	63,207,520
	$ 235,286,198	$ 239,894,599	$ 236,926,649	$ 224,436,001	$ 220,426,281

County of Isle of Wight, Virginia

Ratio of Net General Bonded Debt to Assessed Value and Net Bonded Debt Per Capita

Last Ten Fiscal Years

Fiscal Year	Population	Assessed Value	(1) Gross Bonded Debt	(2) Less Debt Payable from Enterprise Revenues	Net Bonded Debt	Ratio of Net General Obligation Bonded Debt to Assessed Value	(3) Percentage of Per Capita Income	Net Bonded Debt Per Capita
2025	41,534	$ 7,003,106,003	$ 159,531,348	$ 30,309,033	$ 129,222,315	1.85%	6.5%	3,111
2024	41,287	6,879,868,142	161,869,380	32,249,511	129,619,869	1.88%	7.2%	3,139
2023	40,151	5,287,865,818	171,577,059	34,128,376	137,448,683	2.60%	8.1%	3,423
2022	38,606	5,208,648,086	181,072,116	35,516,372	145,555,744	2.79%	9.7%	3,770
2021	37,109	5,045,420,400	171,249,638	36,615,945	134,633,693	2.67%	9.8%	3,628
2020	37,649	5,007,174,280	139,900,880	35,715,310	104,185,570	2.08%	7.8%	2,767
2019	38,386	4,771,039,019	148,330,252	36,519,191	111,811,061	2.34%	8.1%	2,913
2018	38,020	4,719,551,693	156,544,148	37,310,496	119,233,652	2.53%	9.2%	3,136
2017	37,074	4,646,536,085	157,839,769	37,986,086	119,853,683	2.58%	10.0%	3,233
2016	36,438	4,579,015,110	145,898,692	38,534,357	107,364,335	2.34%	9.4%	2,946

(1) Includes all long-term general obligation debt. Prior year amounts were restated to include bond premium, discount, and adjustments.
(2) Prior year amounts were restated to include bond premium.
(3) See Exhibit C-14 for per capita income.

County of Isle of Wight, Virginia

Schedule of Outstanding Debt by Type

Last Ten Fiscal Years

	Governmental Activities				
Fiscal Year	**General Obligation Bonds**	**PACE Loans**	**Loans Payable**	**Lease Liabilities**	**Subscription Liabilities**
2025	$ 129,222,315	$ 4,326,512	$ 1,958,764	$ 517,227	$ 95,436
2024	129,619,869	4,326,512	1,786,797	704,353	135,244
2023	137,448,683	4,326,512	1,759,831	483,783	182,304
2022	145,555,744	4,326,512	1,905,283	473,804	-
2021	104,185,570	4,326,512	1,234,124	-	-
2020	104,185,570	4,326,512	1,234,124	-	-
2019	111,811,061	4,326,512	1,154,305	-	-
2018	119,233,652	4,326,512	872,070	-	-
2017	119,853,683	4,326,512	834,485	-	-
2016	107,364,335	4,326,512	766,113	-	-

	Business Type Activities				
Fiscal Year	**General Obligation Bonds**	**Notes Payable**	**Loans Payable**	**Lease Liabilities**	**Subscription Liabilities**
2025	$ 30,309,033	$ -	$ 17,461	$ 417	$ -
2024	32,249,511	-	52,139	4,899	34,446
2023	34,128,376	-	129,891	29,353	67,122
2022	35,516,372	-	181,247	7,811	-
2021	36,615,945	-	133,789	-	-
2020	35,715,310	-	129,246	-	-
2019	36,519,191	-	53,368	-	-
2018	37,310,496	-	77,956	-	-
2017	37,986,086	-	28,763	-	-
2016	38,534,357	12,000	39,916	-	-

Fiscal Year	**Total Primary Government**	**Percentage Personal Income**	**Net Bonded Debt Per Capita**
2025	$ 159,531,348	7.02%	3,346
2024	168,913,770	8.80%	3,856
2023	178,555,855	11.72%	4,576
2022	187,966,773	12.34%	4,817
2021	146,495,940	11.01%	3,891
2020	145,590,762	10.94%	3,867
2019	153,864,437	11.16%	4,008
2018	161,820,686	12.47%	4,256
2017	163,029,529	13.61%	4,397
2016	151,043,233	13.27%	4,145

(1) Includes all long-term general obligation debt. Prior year amounts were restated to include bond premium, discount, and adjustments.
(2) See Exhibit C-14 for per capita income.

County of Isle of Wight, Virginia

Legal Debt Margin

Last Ten Fiscal Years

	2025	2024	2023	2022	2021
Total assessed valuation of real estate from land book	$ 7,003,106,003	$ 6,879,962,642	$ 5,287,865,818	$ 5,208,648,086	$ 5,045,420,400
Percent limitation based on the Code of Virginia	10%	10%	10%	10%	10%
Debt limitation	$ 700,310,600	$ 687,996,264	$ 528,786,582	$ 520,864,809	$ 504,542,040
Total debt of the County	$ 149,902,580	$ 152,426,237	$ 161,591,706	$ 170,544,553	$ 162,085,328
Total debt of the Town of Smithfield	2,852,000	3,416,000	5,220,736	6,017,455	6,855,711
Total debt of the Town of Windsor	828,308	870,308	934,823	992,001	1,058,724
Total	$ 153,582,888	$ 156,712,545	$ 167,747,265	$ 177,554,009	$ 169,999,763
Amount by which legal debt margin exceeds total debt	$ 546,727,712	$ 531,283,719	$ 361,039,317	$ 343,310,800	$ 334,542,277

(Continued)

Under state finance laws, the County of Isle of Wight's outstanding general obligation debt should not exceed 10% of total assessed value.

County of Isle of Wight, Virginia

Legal Debt Margin (Continued)

Last Ten Fiscal Years

	2020	2019	2018	2017	2016
Total assessed valuation of real estate from land book	$ 5,007,174,280	$ 4,771,039,019	$ 4,719,551,693	$ 4,646,536,085	$ 4,579,015,110
Percent limitation based on the Code of Virginia	10%	10%	10%	10%	10%
Debt limitation	$ 500,717,428	$ 477,103,902	$ 471,955,169	$ 464,653,609	$ 457,901,511
Total debt of the County	130,644,576	138,037,818	145,215,577	151,024,995	138,290,000
Total debt of the Town of Smithfield	5,666,352	6,710,634	7,877,421	6,507,832	3,970,025
Total debt of the Town of Windsor	1,195,942	1,173,269	1,228,217	1,281,529	1,422,869
Total	$ 137,506,870	$ 145,921,721	$ 154,321,215	$ 158,814,356	$ 143,682,894
Amount by which legal debt margin exceeds total debt	$ 363,210,558	$ 331,182,181	$ 317,633,954	$ 305,839,253	$ 314,218,617

Under state finance laws, the County of Isle of Wight's outstanding general obligation debt should not exceed 10% of total assessed value.

County of Isle of Wight, Virginia

Demographic Statistics

Last Ten Fiscal Years

Fiscal Year	(1) Population		(1) Per Capita Income		Registered Voters	(2) Unemployment Rate
2025	41,534	(4)	$ 47,674	(4)	31,581	3.9%
2024	41,287	(4)	43,807	(4)	31,832	2.9%
2023	40,151	(4)	42,122	(4)	31,013	2.8%
2022	38,606	(4)	39,024	(4)	29,739	3.1%
2021	37,109	(4)	37,126	(4)	30,218	4.0%
2020	37,649	(4)	35,344	(4)	28,559	6.3%
2019	38,386	(4)	35,920	(4)	28,248	2.9%
2018	38,020	(4)	34,139	(4)	28,200	3.2%
2017	37,074	(4)	32,477	(4)	27,718	3.7%
2016	36,438	(4)	31,247	(4)	26,555	4.6%

Source:
(1) Weldon-Cooper Center for Public Service, UVA. (Census Information Only)
(2) Virginia Employment Commission.
(3) Estimated assuming a 3% growth rate from the prior year.
(4) 2020 Census Data

County of Isle of Wight, Virginia

Full-time Equivalent County Government Employees by Function/Program

Last Ten Fiscal Years

Function/Program	2025	2024	2023	2022	2021
General government					
Board of Supervisors	1.0	1.0	1.0	1.0	1.0
County Administration	2.5	2.5	2.5	2.5	2.5
County Attorney	1.5	1.5	1.5	1.5	1.5
Commissioner of Revenue	12.0	11.0	11.0	11.0	10.5
Treasurer	8.0	7.0	10.0	9.0	10.0
Budget and Finance	8.0	8.0	7.0	7.0	7.0
Purchasing	2.0	2.0	2.0	2.0	2.0
Human Resources	4.0	4.0	4.0	3.0	3.0
Communications	2.0	2.0	2.0	1.5	1.5
Economic Development	4.0	4.0	4.0	4.0	4.0
Registrar	3.0	3.0	2.0	2.0	3.5
Inspections	8.0	8.0	8.0	8.0	8.0
Information Technology	8.0	9.0	9.0	8.0	8.0
Risk Management	2.0	2.0	2.0	2.0	2.0
Planning and Zoning	9.0	9.0	9.0	8.0	9.0
Health & Welfare	39.0	38.0	40.0	38.0	39.0
Tourism	4.0	4.0	4.0	4.0	4.0
Farmers Market	-	-	-	-	-
Circuit Court	1.0	1.0	1.0	1.0	1.0
Clerk of Court	7.0	7.0	7.0	7.0	7.0
Commonwealth Attorney	8.0	8.0	8.0	8.0	8.0
Total general government	134.0	132.0	135.0	128.5	132.5
Public Safety					
Sheriff Deputies (including Sheriff)	69.3	65.3	58.3	55.5	53.5
Administrative	4.0	4.0	4.0	4.0	4.0
Animal Control	8.0	8.0	7.0	7.0	7.5
Emergency Communications	21.8	21.8	21.8	21.8	18.0
Total Public Safety	103.1	99.0	91.0	88.3	83.0
Fire and Rescue					
Administrative	6.5	6.0	5.0	5.0	5.0
Firefighters/Paramedics	52.0	55.5	51.0	46.0	51.5
Total Fire and Rescue	58.5	61.5	56.0	51.0	56.5
General Services					
Administrative	3.0	3.0	3.9	3.9	3.9
Engineering	3.0	3.0	3.0	2.0	2.0
Stormwater	8.3	8.3	8.3	8.3	9.2
Refuse collection	10.0	10.0	10.0	10.0	36.0
Building and Grounds	10.0	10.0	10.0	10.0	10.0
Custodians	9.5	9.5	9.5	9.5	8.5
Total Public Works	43.8	43.8	44.7	43.7	69.6
Parks, Recreation and Cultural	24.0	23.0	22.0	21.0	21.0
Public Utilities	24.8	23.8	22.8	21.8	20.0
Public Schools					
Instructional Positions	476.0	454.0	450.0	447.0	434.0
Administrators	83.0	73.0	79.0	76.0	74.0
Support Personnel	287.0	258.0	250.0	266.0	236.0
Total Public Schools	846.0	785.0	779.0	789.0	744.0
Grand total	1,234.2	1,168.1	1,150.5	1,143.3	1,126.6

Source: Various County of Isle of Wight Departments, including Isle of Wight County Schools for information relates to Public Schools

County of Isle of Wight, Virginia

Full-time Equivalent County Government Employees by Function/Program (Continued)

Last Ten Fiscal Years

Function/Program	2020	2019	2018	2017	2016
General government					
Board of Supervisors	0.5	0.5	0.5	0.5	0.5
County Administration	2.5	2.5	2.5	2.5	3.5
County Attorney	2.0	2.0	2.0	2.0	2.0
Commissioner of Revenue	10.5	10.5	10.5	9.5	10.5
Treasurer	9.5	10.0	11.0	10.0	10.0
Budget and Finance	8.0	7.0	7.0	7.0	6.0
Purchasing	1.0	1.0	1.0	1.0	1.00
Human Resources	2.5	2.0	2.0	2.0	2.0
Communications	1.5	1.5	1.5	1.0	2.0
Economic Development	4.0	4.0	4.0	3.0	4.0
Registrar	3.0	3.0	3.5	3.0	3.50
Inspections	5.0	5.0	5.0	5.0	5.0
Information Technology	7.0	7.5	7.5	7.5	7.0
Risk Management	2.0	2.0	1.0	1.0	1.0
Planning and Zoning	11.0	11.0	11.0	10.0	10.0
Health & Welfare	39.00	2.00	2.00	1.50	1.50
Tourism	4.00	4.00	4.50	3.50	3.50
Farmers Market	-	0.5	-	-	-
Circuit Court	1.0	-	-	-	-
Clerk of Court	7.0	7.0	7.0	7.0	7.0
Commonwealth Attorney	8.0	8.0	8.0	6.0	6.0
Total general government	129.00	91.00	91.50	83.00	86.00
Public Safety					
Sheriff Deputies (including Sheriff)	52.0	52.5	52.5	49.0	48.5
Administrative	4.0	4.0	4.0	4.0	5.0
Animal Control	7.0	6.5	5.0	6.0	5.5
Emergency Communications	18.0	16.5	18.5	19.5	19.5
Total Public Safety	81.00	79.50	80.00	78.50	78.50
Fire and Rescue					
Administrative	5.0	5.0	5.0	5.5	5.0
Firefighters/Paramedics	51.0	48.5	43.5	47.0	58.5
Total Fire and Rescue	56.00	53.50	48.50	52.50	63.50
General Services					
Administrative	3.9	3.9	3.9	4.0	3.50
Engineering	2.00	2.00	2.00	1.50	1.90
Stormwater	8.2	8.2	7.2	9.0	10.4
Refuse collection	25.0	23.0	23.5	19.0	21.0
Building and Grounds	10.0	8.0	8.0	6.0	8.0
Custodians	9.0	9.0	8	-	-
Total Public Works	58.10	54.10	52.60	39.50	44.80
Parks, Recreation and Cultural	21.0	26.0	27.0	25.0	20.0
Public Utilities	20.0	18.0	12.0	14.6	16.2
Public Schools					
Instructional Positions	420.0	412.0	365.0	398.0	533.0
Administrators	74.0	80.0	58.0	60.0	19.0
Support Personnel	234.0	267.0	241.0	254.0	142.0
Total Public Schools	728.00	759.00	664.00	712.00	694.00
Grand total	1,093.10	1,081.10	975.60	1,005.10	1,003.00

Source: Various County of Isle of Wight Departments, including Isle of Wight County Schools for information relates to Public Schools
Grand Totals 2011-2014 updated

County of Isle of Wight, Virginia

Operating Indicators by Function/Program

Last Ten Fiscal Years

Function/Program		2025		2024		2023		2022		2021
Sheriff										
Physical arrests		1,330		1,373		1,296		1,159		746
Traffic violations		1,671		1,903		2,309		1,614		1,988
Fire										
Emergency responses - Fire		1,061		842		835		989		914
Emergency responses - Rescue		5,990		5,774		5,636		5,493		5,284
Building Permits										
Residential		231		234		210		360		300
Residential - Value	$	51,799,940	$	60,495,768	$	52,013,980	$	141,181,562	$	68,130,237
Commercial		11		35		11		22		11
Commercial - Value	$	14,879,129	$	228,345,030	$	5,128,373	$	4,866,579	$	1,617,010
Refuse Collection										
Refuse collected (tons per day)		65		64		62		62		88
Public Schools										
Cost Per Student	$	16,179	$	15,484	$	14,147	$	12,971	$	11,049
Average Daily Membership		5,489		5,428		5,460		5,570		5,392
Student/Teacher Ratio		13.16		13.05		12.99		11.16		12.70
Park and Recreation										
Athletic field permits issued		77		204		119		102		21
County Fair Admissions		34,415		38,657		32,455		32,737		-
Library										
Volumes in collection - physical		72,742		75,815		75,084		73,985		135,050
Volumes in collection - digital		2,151,144		1,961,857		1,480,995		1,530,401		1,150,462
Total volumes borrowed		208,486		191,582		174,279		290,346		273,681
Water										
New connections		115		44		45		71		131
Average daily consumption (thousands of gallons)		0.34		0.32		0.31		0.32		0.32

Source: Various County of Isle of Wight Departments, including Isle of Wight County Schools for information relates to Public Schools

Note:

County Fair was canceled in fiscal year 2019 due to a hurricane.

County Fair was canceled in fiscal year 2021 due to the COVID pandemic.

County of Isle of Wight, Virginia

Operating Indicators by Function/Program (Continued)

Last Ten Fiscal Years

Function/Program		2020	2019	2018	2017	2016
Sheriff						
Physical arrests		1,421	1,432	1,056	853	842
Traffic violations		3,252	2,487	3,037	3,427	3,280
Fire						
Emergency responses - Fire		922	737	1,108	1,031	793
Emergency responses - Rescue		4,804	4,756	4,598	4,450	4,493
Building Permits						
Residential		200	195	156	171	158
Residential - Value	$	42,297,744	$ 36,267,481	$ 32,555,058	$ 32,108,219	$ 32,638,877
Commercial		8	9	14	15	8
Commercial - Value	$	1,354,702	$ 3,833,333	$ 3,744,477	$ 2,361,121	$ 2,616,297
Refuse Collection						
Refuse collected (tons per day)		61	59	64	59	29
Public Schools						
Cost Per Student	$	10,518	$ 11,640	$ 10,598	$ 11,288	$ 10,341
Average Daily Membership		5,591	5,375	5,338	5,263	5,441
Student/Teacher Ratio		13.19	13.05	14.6	16.1	14.0
Park and Recreation						
Athletic field permits issued		12	27	26	11	24
County Fair Admissions		35,170	-	28,831	30,168	25,000
Library						
Volumes in collection - physical		69,133	67,172	67,281	68,638	69,454
Volumes in collection - digital		1,391,873	167,991	137,708	89,591	79,821
Total volumes borrowed		154,196	198,182	163,688	200,768	191,128
Water						
New connections		116	96	80	102	92
Average daily consumption (thousands of gallons)		0.35	0.33	0.32	0.35	0.33

Source: Various County of Isle of Wight Departments, including Isle of Wight County Schools for information relates to Public Schools

County of Isle of Wight, Virginia

Capital Asset Statistics by Function/Program

Last Ten Fiscal Years

Function/Program	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Sheriff										
Stations	1	1	1	1	1	1	1	1	1	1
Patrol units	34	32	32	32	30	33	30	30	30	30
Fire and Rescue										
Fire Units	5	5	5	5	5	5	5	5	5	5
Rescue Units	4	2	2	2	2	2	2	2	2	2
Refuse Collection										
Collection trucks	5	5	5	5	5	5	5	5	5	6
Public Schools										
School Facilities	9	9	9	9	9	9	9	9	9	9
Park and Recreation										
Parks	7	7	7	11	11	11	11	10	7	7
Acreage	2,897	2,897	3,006	3,077	3,077	3,077	3,077	569	570	570
Playgrounds	4	4	4	4	4	4	4	4	4	4
Baseball/softball diamonds	4	4	4	4	4	4	4	4	4	4
Soccer/football fields	15	15	15	15	15	15	15	9	12	12
Community centers	4	4	4	4	4	4	4	3	2	2
Museums	3	3	3	3	3	3	3	3	2	2
Library Facilities	3	3	3	3	3	3	3	3	3	3

Source: Various County of Isle of Wight Departments, including Isle of Wight County Schools for information relates to Public Schools

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ROBINSON, FARMER, COX ASSOCIATES, PLLC

Certified Public Accountants

CPAs | CONSULTANTS

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

To the Honorable Members of the Board of Supervisors
County of Isle of Wight
Isle of Wight, Virginia

We have audited, in accordance with the auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards,* issued by the Comptroller General of the United States; and the *Specifications for Audits of Counties, Cities, and Towns,* issued by the Auditor of Public Accounts of the Commonwealth of Virginia, the financial statements of the governmental activities, the business-type activities, the discretely presented component units, each major fund, and the aggregate remaining fund information of County of Isle of Wight, Virginia as of and for the year ended June 30, 2025, and the related notes to the financial statements, which collectively comprise County of Isle of Wight, Virginia's basic financial statements, and have issued our report thereon dated June 26, 2026.

Report on Internal Control over Financial Reporting

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

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

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

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether County of Isle of Wight, Virginia'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 financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed one instance of noncompliance or other matters that is required to be reported under *Government Auditing Standards* and which is described in the accompanying schedule of findings and questioned costs as item 2025-001.

Purpose of This Report

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

Robinson, Farmer, Cox Associates

Richmond, Virginia
June 26, 2026

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

To the Honorable Members of the Board of Supervisors
County of Isle of Wight
Isle of Wight, Virginia

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

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

In our opinion, County of Isle of Wight, Virginia complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2025.

Basis for Opinion on Each Major Federal Program

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

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

Auditors' Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on County of Isle of Wight, Virginia's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than 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 County of Isle of Wight, Virginia's compliance with the requirements of each major federal program as a whole.

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding County of Isle of Wight, 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 County of Isle of Wight, 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 County of Isle of Wight, Virginia's internal control over compliance. Accordingly, no such opinion is expressed.

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

Report on Internal Control over Compliance

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

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

Report on Internal Control over Compliance (Continued)

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

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

Robinson, Farmer, Cox Associates

Richmond, Virginia
June 26, 2026

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COUNTY OF ISLE OF WIGHT, VIRGINIA

Schedule of Expenditures of Federal Awards - Primary Government and
Discretely Presented Component Unit
For The Year Ended June 30, 2025

Federal Grantor/State Pass - Through Grantor/ Program or Cluster Title	Federal CFDA Number	Pass-Through Entity Identifying Number	Federal Expenditures
DEPARTMENT OF JUSTICE:			
Direct payments:			
Treatment Court Discretionary Grant Program	16.585	n/a	$ 13,958
Pass through payments:			
Virginia Department of Criminal Justice Services:			
Crime Victim Assistance	16.575	39001-10220	$ 57,069
Violence Against Women Formula Grants	16.588	20-X9425VA19/21-Y9425VA20	20,281
Total Department of Justice			$ 91,308
DEPARTMENT OF TREASURY:			
Pass through payments:			
Virginia Department of Education:			
COVID-19 - Coronavirus State and Local Fiscal Recover Funds	21.027	Unknown	$ 111,735
Total Department of Treasury			$ 111,735
DEPARTMENT OF TRANSPORTATION:			
Direct payments:			
Safe Streets and Roads for All	20.939	n/a	$ 93,938
Pass through payments:			
Virginia Department of Transportation:			
Highway Planning and Construction	20.205	115, P101, R201, C501	$ 877,498
Alcohol Open Container Requirements	20.607	Unknown	39,614
Total Department of Transportation			$ 1,011,050
DEPARTMENT OF HOMELAND SECURITY:			
Pass through payments:			
Virginia Department of Emergency Services:			
Emergency Management Performance Grants	97.042	EMP-2017-EP-00006	$ 7,385
Total Department of Homeland Security			$ 7,385
DEPARTMENT OF HEALTH AND HUMAN SERVICES:			
Pass through payments:			
Virginia Department of Social Services:			
Title VI-E Prevention Program	93.472	1140124/1140125	$ 10,017
Guardianship Assistance	93.090	1110124/1110125	6,721
MaryLee Allen Promoting Safe and Stable Families Program	93.556	0950124/0950125	15,197
Refugee and Entrant Assistance State/Replacement Designee Administered Programs	93.566	0500124/0500125	682
Low Income Home Energy Assistance	93.568	0600424/0600435	56,361
Chafee Education and Training Vouchers Program (ETV)	93.599	9160123	396
Adoption and Legal Guardianship Incentive Program	93.603	1130123	772
Stephanie Tubbs Jones Child Welfare Service Program	93.645	0900124/0900125	1,058
Foster Care Title IV-E	93.658	1100124/1100125	197,507
Adoption Assistance	93.659	1120124/112025	143,016
Social Services Block Grant	93.667	1000124/1000125	355,618
John H. Chafee Foster Care Program for Successful Transition to Adulthood	93.674	9150124/9150125	1,766
Children's Health Insurance Program	93.767	0540124/0540125	6,318
Medicaid Cluster:			
Medical Assistance Program	93.778	1200124/1200125	510,572
Temporary Assistance for Needy Families	93.558	0400124/0400125	257,203
COVID-19 - Elder Abuse Prevention Interventions Program	93.747	8000224/8000225	1,303
CCDF Cluster:			
Child Care Mandatory and Matching Funds of the Child Care and Development Fund	93.596	0760124/0760125	53,091
Total Department of Health and Human Services			$ 1,617,598

COUNTY OF ISLE OF WIGHT, VIRGINIA

Schedule of Expenditures of Federal Awards - Primary Government and
Discretely Presented Component Unit
For The Year Ended June 30, 2025 (Continued)

Federal Grantor/State Pass - Through Grantor/ Program or Cluster Title	Federal CFDA Number	Pass-Through Entity Identifying Number	Federal Expenditures	
DEPARTMENT OF AGRICULTURE:				
Pass through payments:				
Virginia Department of Social Services:				
SNAP Cluster:				
State Administrative Matching Grants for the Supplemental Nutrition Assistance Program	10.561	0040122/0040123		$ 608,647
Virginia Department of Agriculture:				
Child Nutrition Cluster:				
Food distribution - Summer Food Service Program for Children	10.559	Unknown	$ 750	
Department of Education:				
Summer Food Service Program for Children	10.559	202020N85034 1	10,468	
Total AL# 10.559			$ 11,218	
Food distribution - National School Lunch Program	10.555	Unknown	$ 290,219	
Department of Education:				
National School Lunch Program	10.555	406230	1,255,404	
Total AL# 10.555			$ 1,545,623	
School Breakfast Program	10.553	405910	$ 544,399	
		Total Child Nutrition Cluster		$ 2,101,240
Total Department of Agriculture				$ 2,709,887
DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT:				
Direct payments:				
Home Investment Partnerships Program	14.239	n/a		$ 209,085
Total Department of Housing and Urban Development				$ 209,085
DEPARTMENT OF EDUCATION:				
Direct payments:				
Adult Education - Basic Grants to States	84.002	n/a		$ 24,203
Impact Aid	84.041	n/a		85,467
Teacher Quality Partnership Grants	84.336S	n/a		329,991
Pass through payments:				
Virginia Department of Education:				
Title I Grants to Local Educational Agencies	84.010	429010		$ 774,177
Special Education Cluster (IDEA):				
Special Education - Grants to States	84.027	430710, 402870	$ 1,419,162	
Special Education - Preschool grants	84.173	625210	18,926	
		Total Special Education Cluster (IDEA):		1,438,088
Career and Technical Education - Basic Grants to States	84.048	600310		86,926
Supporting Effective Instruction State Grant (formerly Improving Teacher Quality State Grants)	84.367	614800		172,692
Student Support and Academic Enrichment Program	84.424	602810		60,498
Emergency Relief (ARP ESSER)	84.425U	501830, 501930	$ 119,797	
COVID-19 American Rescue Plan - Elementary and Secondary School Emergency Relief = Homeless Children and Youth	84.425W	Unknown	2,713	
Total AL# 84.425				122,510
English Language Acquisition State Grants	84.365	605120		5,864
Total Department of Education				$ 3,100,416
DEPARTMENT OF DEFENSE:				
Direct payments:				
ROTC Language and Culture Training Grants	12.357	n/a		$ 90,202
Total Department of Defense				$ 90,202
Total Expenditures of Federal Awards				$ 8,948,666

See accompanying notes to schedule of expenditures of federal awards.

COUNTY OF ISLE OF WIGHT, VIRGINIA

Notes to Schedule of Expenditures of Federal Awards
For the Fiscal Year Ended June 30, 2025

Note 1 - Basis of Presentation

The accompanying schedule of expenditures of federal awards (the schedule) includes the federal award activity of the County of Isle of Wight, Virginia under programs of the federal government for the year ended June 30, 2025. The information in this Schedule is presented in accordance with the reporting 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). Because the Schedule presents only a selected portion of the operations of the County of Isle of Wight, Virginia, it is not intended to and does not present the financial position, changes in net position or cash flows of the County of isle of Wight, Virginia.

Note 2 - Summary of Significant Accounting Policies

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

(2) Pass-through entity identifying numbers are presented where available.

Note 3 - Food Donation

Nonmonetary assistance is reported in the schedule at the fair market value of the commodities received and disbursed.

Note 4 - De Minimis Cost Rate

The County did not elect to use the 15-percent de minimis indirect cost rate allowed under Uniform Guidance.

Note 5 - Loan Balances

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

Note 6 - Subrecipients

No awards were passed through to subrecipients.

Note 7 - Relationship to Financial Statements

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

Intergovernmental federal revenues per the basic financial statements:	
Primary government:	
General Fund	$ 318,263
Capital Projects Fund	877,498
Department of Social Services Fund	2,198,694
Children's Services Fund	27,551
Grants Fund	441,330
Total primary government	$ 3,863,336
Component Unit School Board:	
School Operating Fund	$ 175,669
School Cafeteria Fund	2,101,240
School Grants Fund	3,126,684
Total Component Unit School Board	$ 5,403,593
Total federal expenditures per basic financial statements	$ 9,266,929
Amounts required to reconcile federal revenues to expenditures:	
Less: QSCB federal interest subsidy	$ (318,263)
Total federal expenditures per the Schedule of Expenditures of Federal Awards	$ 8,948,666

Schedule of Findings and Questioned Costs
For The Year Ended June 30, 2025

Section I - Summary of Auditors' Results

Financial Statements

Type of auditors' report issued:	Unmodified
Internal control over financial reporting:	
Material weakness(es) identified?	No
Significant deficiency(ies) identified?	None reported
Noncompliance material to financial statements noted?	No

Federal Awards

Internal control over major programs:	
Material weakness(es) identified?	No
Significant deficienc(ies) identified?	None reported
Type of auditors' report issued on compliance for major programs:	Unmodified
Any audit findings disclosed that are required to be reported in accordance with 2 CFR section 200.516(a)?	No

Identification of major programs:

Assistance Listing Number (s)	Name of Federal Program or Cluster
10.561	SNAP Cluster
10.553/10.555/10.559	Child Nutrition Cluster
84.027/84.173	Special Education Cluster

Dollar threshold used to distinguish between Type A and Type B programs:	$ 750,000
Auditee qualified as low-risk auditee?	No

Section II - Financial Statement Findings

There are no financial statement findings to report.

Section III - Federal Award Findings and Questioned Costs

There are no federal award findings and questioned costs to report.

Section IV - Commonwealth of Virginia Findings and Questioned Costs

Finding 2025-001:

Financial Reporting

Criteria:

Effective July 1, 2023, the Commonwealth of Virginia amended the Security for Public Deposits Act (SPDA) regulations to begin requiring that Virginia public depositors use the Virginia Treasury web-based Public Search feature to confirm balances on a quarterly basis. This is to ensure that banks used are accurately reporting their public funds to the Virginia Treasury Board.

Condition:

The County did not perform quarterly SPDA confirmations other than accounts maintained by the School Board.

Effect of Condition:

The County is not complying with state guidelines to Security for Public Deposits Act (SPDA).

Cause of Condition:

Controls were not in place to ensure that the bank balances were confirmed quarterly on the Virginia Treasury Board's web site for confirming balances.

Recommendation:

The County needs to confirm all bank balances on a quarterly basis.

Management's Recommendation:

The County is considering corrective action for FY26.

2024-001:
Eligibility - Child Nutrition Cluster (Assistance Listing Number 10.553/10.555/10.559)

Condition:

Twenty-five applications were selected for testing. The School Board incorrectly approved eight applications for free meals, when they should have been approved for reduced or denied. Four applications were denied, when they should have been approved for either free or reduced meals.

Recommendation:

Controls should be strengthened to ensure that the amounts entered into the online software are accurate.

Current Status:

Corrective action taken.